



KINGDOM BUSINESS LEADERSHIP

Training Manual for Emerging
BUSINESS LEADERS

George H. Meyers, Ph.D.

Foreword by Rick Start, President
Richwood Industries, Inc.

Kingdom Business Leadership

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Foreword

I have known Dr. George Meyers since serving with him on the Board of Directors of Calvary International in the mid 90's. From my earliest association with Dr. George, I have been impressed with his pragmatic approach to leadership through people and organizational development. His heart and passion have consistently been to equip and empower others to do the work of a clearly defined vision.

My family and I have had the privilege of traveling with Dr. George and his wife Janet to remote jungle villages to see firsthand that his passion for equipping and empowering others is the same, regardless of the cultural setting.

In reading **Kingdom Business Leadership**, I was impressed with the practical, straightforward approach of the principles presented. The reader is given ideas that can be put into practice immediately while also being challenged with principles that require further thought and reflection.

As one who has experienced the process of going from a "wild eyed entrepreneur" through the developmental phases of growth, expansion, and acquisitions, I can personally attest to the value of the principles Dr. George explains in this book. Two of them stand out for me in particular:

Our company has been blessed with growth over the years resulting in a ship that is larger and more difficult to navigate through changing seas. Our understanding of the need to maintain forward momentum to allow us to steer the ship came at a high price. Now, regardless of the challenges at hand, we find ways to maintain our momentum.

When Dr. George quotes "If you want to go far, go together. If you want to go fast, go it alone," it reminded me of the painful process I went through in growing our business. Being a "doer" by nature, it was very difficult for me to understand the long-term value in equipping and empowering others instead of "just doing it myself."

I personally believe that business is a unique and decidedly Christian calling that God puts on the hearts of his people. Yet, as with any other worthwhile calling, the need for training and equipping is paramount. **Kingdom Business Leadership** does just that. The material presented is equipping for the novice entrepreneur while being enlightening and re-affirming for the seasoned business professional. I have personally witnessed Dr. George live out the principles he presents in this book. I was personally challenged and motivated to make changes in my life by his passion for inter-generational "true wealth transfer."

I highly recommend that you read this book and let it impact your life as it has mine!

Rick Start, President
Richwood Industries, Inc.
Grand Rapids, Michigan

About the Author

George H. Meyers, Ph.D.

Dr. George H. Meyers was born in Portland, Oregon and was trained in agriculture, business and international transformation. His work abroad began in 1972 as an agricultural advisor to a missionary group in Ethiopia. His international experience includes advising or overseeing business and missions in nearly 40 countries of the world.

His work experience in the U.S. and abroad has included positions of responsibility in management and executive leadership in business and non-profit organizations. He has had more than 50 years of varied experience in commercial companies, educational institutions, military assignments, missions and church organizations and international development agencies.



His Ph.D. degree in Business Management, specializing in International Affairs and Development, provides a global perspective in formulation of strategies and tactical planning for effective transformation work in a variety of settings. He retired as a Lieutenant Colonel, Infantry, from the U.S. Army Reserve in 1990 with 35 years of enlisted and commissioned service.

During five years as an Instructor in Animal Science and Director of the Dairy Cattle Research Center at Oregon State University, he taught classes and coordinated research studies in animal nutrition, physiology, genetics, management and extension services.

Dr. Meyers and his wife, Janet, served with CMF International in Ethiopia and in Southern Sudan with the Association of Christian Relief Organizations serving Sudan (ACROSS). The integrated development work included health care, water programs, agriculture, education, and resettlement and food production for refugees while strengthening the churches that had been decimated by a prolonged civil war. He was General Manager of Smucker Manufacturing, Inc. at Harrisburg, Oregon for three years.

Dr. Meyers served as Calvary International's Vice President of Ministries from 1993 to 1996 when he was appointed as the Executive Director. His present title at Go To Nations is Senior Vice President with advisory and mentoring roles including special assignments from the President. He has served that agency for 18 years.

George and Janet are an executive couple committed to the task of international transformation in the marketplace using their wealth of experience and training in international service to help fulfill the Great Commission. They have three married children, thirteen grandchildren and a large network of business and missions professionals all over the world.

Acknowledgements

Special thanks to my wife, Janet, who is my inspiration, encourager and administrator of our home and of the manuscripts of my writings. As my loving wife for 55 years, we have learned the principles in this book while developing leaders as part of our life assignments while living on three different continents.

I acknowledge with heartfelt thanks the support of our three children, Daniel, Steven and Jennifer. They are all living the principles that we have imparted to them while doing business and training their children and other emerging business leaders.

Our older grandchildren are already university graduates and completing graduate school and finding responsible places in business environments. We have released the “spirit of entrepreneurship” into our family and stand against any opportunity for development of dependency on governmental programs.

I also acknowledge with deep gratitude the encouragement of my colleagues at Go To Nations (formerly Calvary International) over the past 18 years. We have learned together the benefits of obeying the truth of God’s word and loving each other in a team setting while living and serving in the Kingdom of God on three continents.

Throughout the world there is a growing understanding of the principles of the Kingdom and the crucial role of ministry in the global marketplace. Many of the principles of the book were forged as I had the privilege of mentoring emerging leaders among many countries for the past 35 years. It is an ongoing learning experience for us.

I recognize the influence of Dr. Edgar Elliston, a former colleague in the Ethiopian work in the 1970s. He helped me understand the crucial role of “home grown leaders,” the title of his book written after his missionary service in Africa.

Mr. Kevin Hinman, President of Leadership Training International (LTI) is a good friend and a powerful influence in issues of practical leadership. The leadership series, “Foundation for Emerging Leaders,” is being used mightily in many places in the U.S. and the world. I am privileged to serve on the Board of Reference for LTI.

I had ten years of experience with the College of Agriculture at Oregon State University in Corvallis, Oregon, as an undergraduate and graduate student and later a faculty member for five years in Animal Science. I am indebted to Dr. James E. Oldfield, my advisor during my M.S. degree program, for the wisdom he and others in the department imparted to me.

I recognize and thank Dr. Ray H. Kliever for the long-term mentoring and leadership relationship as my supervisor when I was on the O.S.U. faculty and again later for five years as the Director of International Technology Transfer at the U.S. Holstein Cattle Association headquarters in Brattleboro, Vermont, and out to about 15 countries.

The Smucker family in Harrisburg, Oregon, gave me an opportunity to serve and learn during three years that I was the General Manager of Smucker Manufacturing, Inc. The company develops, manufactures and markets advanced applications of equipment for the agricultural industry.

My sincere appreciation to Dr. Jerry Williamson, president of Go To Nations (formerly Calvary International), for his encouragement as we have served together for 18 years in various leadership relationships. Dr. Daniel Williams, the founder of Calvary International, has been a mentor, leader and encourager since we joined the agency in 1993.

We trained emerging leaders as a major assignment during our four years of service and residency in the Petén District Program at the Global Training and Ministry Base in the northern jungle region of Guatemala . I am advisor and mentor to some of those leaders who are now engaged in a large program of mercy ministry to about 1,000 destitute elderly people in residence in 13 homes.

I thank Dr. Diane Clark, pastor of Kingdom Life Ministries International in Jacksonville, Florida, for inviting me to conduct the field test of the Kingdom Business training manual among the emerging business leaders of the congregation. Those enthusiastic leaders were an encouragement for us to make this training available to a larger audience.

Finally, nothing was as valuable in my life experience of developing leaders as my career in the U.S. Army. There I advanced from recruit to Lieutenant Colonel and was given many command and leadership roles while on active duty, Army National Guard and Army Reserve over a 35 year period. I have referenced many of the things I learned in the pages of this book.

It is apparent that there have been many leaders, trainers and colleagues that have been a positive influence for me to become a mentor of others in leadership, management and transformational business. I was not able to name them all, but I do acknowledge with deep appreciation everyone who has had a part in shaping my life and leadership career.

Preface

As technological advancements accelerate change, global organizations must re-invent themselves periodically or they will become irrelevant. It is not only the change itself that is impacting so much, but more the rate of speed that change is occurring.

To adopt new structures, adapt to changing situations and implement new systems require innovative, flexible, visionary leaders.

This is a learner-focused manual for training **Emerging Business Leaders**. It is not meant to be a scholarly dissertation, but a how and what to do manual or handbook.

The manual is designed to empower a new kind of business leader – one that may have 7-10 careers during a fast-paced lifetime.

Even though technology has a profound influence on business formation and operations, there are eternal principles that ultimately overshadow all else. These principles are time-tested and proven over centuries of industry and governing.

Leading wisely is still a mandate to be embraced by CEOs and organizational leaders today. The roles of leaders and managers differ even though there is some overlap.

Successful companies must aggressively develop leaders within the organization. Leadership must advance faster than the growth of the enterprise for it to remain viable. **Progressive and Continuous Lifelong Learning** must be a reality in every leader to stay ahead.

Nothing is more vital for a manager than to discover simple solutions to common problems. When leadership activates skilled facilitators throughout the organization, problems get solved by teams of workers most close to the problem itself. This promotes the effectiveness of both leaders and managers in the velocity of change essential in a fast-paced business environment.

In the final analysis of social organization and community transformation, nothing works better than work itself. Governmental solutions are an unsatisfactory approach to societal problems and tend to make things worse in the long run. Conversely, limited government and free enterprise becomes an engine to progressive, affordable and practical solutions to ongoing challenges. Workers learn through employment and leaders advance as they are tested and found faithful.

The U.S.A. is a supreme example of the high cost of good intentions, as majoring in minor issues by an overactive governmental bureaucracy has become a parasite destroying its host. When freedom prevails, free enterprise flourishes, capital has security and jobs that are sustainable expand in the private sector.

When the spirit of entrepreneurship advances and private capital is protected, we will stop the flight of companies relocating to countries where that capital is treated better.

We must become more skilled and free to build appropriate and effective new organizations that advance using every possible new technology in demand by U.S. citizens and global, commercial partners.

The Business as Mission Mandate is a new look at an old mandate for reclaiming the creation to line up with the purposes of God. We included a Business Creed to help reinforce work as

worship, business as honorable and profit as essential. We can understand more clearly that the Kingdom is here all around us and advancing throughout the earth transforming communities and releasing the principles of the Kingdom of God in our midst.

Leaders seem to be willing to birth new business ideas, but often they are aborted through suffocating over-regulation that stifles business initiatives.

Good, honorable and high integrity standards of accountability are required in conducting effective business. Systems of integrity reinforce success in dealing with employees, clients and professionals that help us develop and grow our companies and organizations. Short cuts are the fastest way to bankruptcy when weak principles govern the way we do business.

Vision is essential, but hyper-vision and hypo-management are both losers in the game of business. Strong visionary leaders must be counterbalanced with wise managers or the entire organization will suffer ongoing stress, staff turnover and eventually the whole thing will fall off the cliff.

Get it together and get it balanced with a results orientation. Raise up managers that use people to develop things and advance leaders that use things to develop people.

There is risk in today's global marketplace. Major leaders must understand Islam and its mandate and advance toward global domination under Sharia law. This belief system now controls about one-third of the world and it is advancing rapidly in the environment of failed European Socialism and spiritual decay in the church of the Western world.

There are bright spots and a strong American heritage – we only need to face reality and block the incursion that will lead our descendants into the same fate as the once world dominant Byzantium Christian Empire noted for its decaying ruins among the towns that hosted the seven churches in the book of Revelation.

There is true and genuine enduring wealth transcending generations on into eternity. We can equip our children and grandchildren to be responsible inter-generational carriers of the family genetics and heritage of strong families and multipliers of familial wealth.

Profits can be turned into long-term investments used to fortify companies, promote the well-being of families multi-generationally and to meet the philanthropic goals of a long-enduring, honorable family lineage.

Ultimately effective leadership will plan for succession at various levels within a family, organization or company. He who said that you are not a "success without a successor" spoke truth. An executive advancement plan helps to promote from within the organization when appropriate, in such a way as to foster anticipation among the staff and hope for greater significance and opportunities for service at a higher level in the future.

There is no greater legacy than "a life well lived." We must aim for our legacy to have enduring value when it is planned and executed to meet the purposes of God. To that end we will serve well, finish strong and advance others in God's Kingdom on earth.

Kingdom Business Leadership
Training Manual for Emerging Business Leaders

Part 1

Developing High Endurance Leaders

Chapter 1

Leading for Effectiveness

Chapter 1

Leading for Effectiveness

Effective leadership increases the performance and productivity of people, the profitability of companies and the capability of ministries to serve their communities and to reach out to the nations.

“Leadership is an art and the science of leading people in such a way as to gain their loyal cooperation.”

U.S. Army

Servant leadership is the model demonstrated by Jesus Christ and is the preferred model in many of today’s user-friendly organizations. True leadership will build loyalty and longevity of the people with whom you work.

A leader earns the right to lead people. In some cases one leads by authority – this is positional leadership. In some situations one leads a peer group that has selected him or her as their leader. Others may lead simply because they founded the organization or own the company.

Leadership comes with great responsibility. The leader of an organization is responsible for all the organization does or fails to do. That is the price of leadership.

This book is written as a practical exercise in learning how to lead and manage effectively. It has biblical foundations.

**Make disciples in local congregations
that become leaders in the marketplace.**

Using the acrostic – **LEADER** – I want to share some of the insights I have gained through many years in various leadership roles. The notes following relate to the points in the acrostic.

Good Leaders:

L	Listen
E	Empower
A	Affirm
D	Develop
E	Encourage
R	Recognize and Reward

George H. Meyers, Ph.D

LISTEN

- An effective leader listens to others. Listening is a fine art that validates the value and feelings of others.
- Good listening is a grace that is rewarded by respect, trust and honor.
- *"The hearing ear and the seeing eye, the Lord has made both of them."*
Proverbs 20:12, Amplified.
- Listening well to others gives them hope and a sense of value and importance.
- Listening sincerely establishes a spiritual pathway for them to listen to you. It is wise to respect the knowledge and viewpoint of others.
- *"He who answers a matter before he hears the facts, it is folly and shame to him."*
Prov. 18:13, Amplified.

EMPOWER

- Invest time and resources in people to increase their own capacity and to help them empower others.
- Grant authority for the person to advance in the organization; otherwise they will find another organization. Allow them to visit other organizations to learn from them.
- Train your staff in issues of marriage and family.
- Help the person learn to manage his or her finances and investments well.
- Coach them on the job to attain greater capacity, then to multiply that capacity toward greater achievement or productivity.
- Employ the principles of apprenticeship to get excellent results.
- Empower people to become all they were created to be.
- Empowerment is the oil that lubricates the wheels of motivation, capacity building and innovation.
- Visionary leaders see emerging opportunities while empowered managers run the day to day operations.
- Empowerment propels entrepreneurship in today's knowledge-based economy.
- Avoid micromanagement. Leaders that micromanage others stifle individual initiative and creative energy.
- In the global economy empowerment is the only way to prevent obsolescence and to retain your most creative people.

AFFIRM

- Accept the person's individual contribution as adding value to the achievements of the group.
- Authenticate the value added by the life of service of a person and a validation of their worth.
- To increase trust and loyalty, value people and affirm that you believe in them.
- An affirmation of a person's worth confirms that they are approved; giving attention or appreciation to them confirms their value in your eyes.
- Affirmation of a person brings the mobilization of their inner resources.
- Affirming is the Amen in acknowledging the truth and recognition of the contribution of a person to the goals of the group.

- Show by your actions that each individual is important.
- Remember that people are more important than simply what they can produce.

DEVELOP

- A developed person learns how to achieve much, vicariously through the lives of other people.
- Capacity building of people increases their potential for contribution to the society.
- A winning team is made up of the players, team captain and the coach all working together.
- The coach may call the plays, but the team must make the scores on their own.
- True discipleship causes one to reach maturity in the Kingdom of God, leadership in family, the church and society.
- Delegating authority to others is the pathway to developing highly motivated and productive people.
- All leaders must be people of responsibility.
- An effective leader develops people in such a way that they are able to develop others too.
- Train your staff to hear the wisdom of the wise. "A wise man listens to counsel." Prov. 12:15
- Facilitate true development of personal growth to retain highly motivated people.
- Development is a process, not an event. It is going from today's level toward a higher level; a succession of learning, acquiring experience and experimentation that tests new levels of attainment.
- Continual investment in people increases their value to your organization, to their family and to the community.
- Progressive and continual lifelong learning opens new vistas for achievement, development and empowering of others. Learning becomes an adventure!

ENCOURAGE

- Encouragement is an act of love and charity to bring out the best in people.
- Building and maintaining a highly effective workforce requires frequent expressions of encouragement.
- A simple "thank you, well done, or good job," even though short on words is long on impact.
- An encourager is able to draw the best from people in a spirit of cooperation.
- In the same way that regular maintenance prevents problems in an automobile, encouragement in the work place helps to promote harmony and good will for a long time.
- Staff must be encouraged to learn new skills, accommodate change and accept risk to keep current in this knowledge-based economy.
- True leadership employs encouragement to build trust and loyalty.
- An encourager helps to lift fallen people to help them get on their feet again.
- Restoration is the fruit of an encourager.
- An encourager is a second mile type of person.

RECOGNIZE AND REWARD

- Recognition is like a ray of sunlight on a rainy day!
- Recognizing a person is the proof that you value them.
- True recognition rewards others not only for what they do, but acknowledges that without their participation, the whole organization might fail.
- An effective leader readily recognizes superior achievement; even when rendered outside the organization.
- Appropriate rewards help to create a culture of recognition, appreciation and high performance.
- Recognition communicates to others that there is genuine value in doing things with excellence.
- A reward is a deposit for some future major contribution to the common good of the group.
- Recognition reinforces that which we want to be repeated throughout the organization.
- Recognition is like glue that brings about organizational cohesiveness.
- Recognition is an investment that proves to a person that he/she is worth much more than what is shown on his/her paycheck.
- To reap the harvest of extraordinary results requires an effective application of empowerment, individual development and recognition of superior performance.

Staff – A Valuable Asset

An employee or staff member can be viewed as being on loan from God to you, the leader. You accept that person as he exchanges “his time for your money.” Each person adds value to the organization that can be increased with effective “care and feeding” of the employee.

An organization has value in fixed assets, investments, inventory and what is sometimes called “blue sky,” the perceived value of the name of the company or organization.

Part of the value of a “going concern” is the quality, longevity and competency of the staff, the human resource value.

Team Values

- **Lordship of Jesus Christ**
- **Kingdom Advancement**
- **Empowerment**
- **Partnership**

**Dr. Jerry Williamson,
President, Go To Nations**

Investing in staff equips them for on-going service in increasing effectiveness. Their service to you is a withdrawal from their reservoir of knowledge, strength, talent and creativity. That is why vacations, refresher training and an excellent working environment are so important.

If more is withdrawn from the person than is replaced, the leader has consumed his most valuable resource – human creativity!

Staff development helps to replace the vitality that has been drawn out of your workers as they do their work.

High staff turnover comes at a very high price. It costs dearly to replace and train through on-the-job training to get a new worker up to speed. This often equals one-third of the annual salary of the worker.

It makes good sense to employ good people and invest in them to increase their value to you, to another company or organization or to the society in which we live, serve and do business.

**Employ good people and invest in them to make them more valuable in every way.
Your staff is too valuable to lose!**

Handling the situation when work does not get done

When a task is once delegated to another, it should be taken back only in the case of an emergency. Effective delegation is the antidote for the tendency for some leaders to micromanage the staff they have appointed.

On occasion important tasks just simply don't get done. There is a reason. There are management techniques that when effectively employed, prevent things from falling through the cracks.

Here are some pointers to elicit on-time delivery of jobs:

- Use a job control sheet to assign tasks. They should show expected completion dates and priorities related to other assignments.
- Make the priority of the job clear to the person responsible for doing it.
- The supervisor should review progress weekly with the responsible staff member.
- In most cases Friday is a good day to check progress and review the work for the following week.
- Any new assignment must take into account previously assigned jobs.
- Any added tasks require an adjustment to the priorities or else the worker can become overwhelmed with assignments and not know what to do first.
- Job assignments should be placed in a desktop notebook. This notebook has three tabs:
 - Priority One – Immediate
 - Priority Two – Complete as scheduled
 - Priority Three – Complete after priorities one and two projects are complete.
- Priority Three projects may have to be eventually reassigned by the supervisor to a higher priority level to ever get done. Reassigning priorities is management in motion.

Avoiding Micromanagement

Highly motivated ambitious leaders may have a tendency to micromanage people they have put in charge of things. This happens when job assignment sheets have not been prepared, priorities not assigned and weekly reviews neglected.

If a leader sees a job falling behind, he or she should go to the person that supervises the worker

who has been assigned the task. Avoid “leap-frogging” over managers just for the sake of expediency. There is a process of getting jobs finished, on time and with the loyal cooperation of the staff. The leader confers with a manager or supervisor for information about the status of the projects through a review process. Only the manager or supervisor can reassign the priority and get the stalled project moving toward completion.

A micromanager uses a “hands-on” approach to supervising the work of the staff. Avoid peering over the shoulder or insisting that the staff does the work only “your” way. At heart, micromanagement is about trust.

Weekly Conference with Managers and Supervisors

- To prepare for the conference, managers and supervisors refer to the desktop job assignment sheets.
- Check the priority level and required completion dates for the various assignments.
- Determine if the project is on schedule and if not, what is causing the delay.
- Determine the workload for each staff member and adjust priorities as required to get the most crucial tasks done on time.

Leaders should work through their assigned managers and supervisors.

A leader that micromanages fails to recognize the true value of the managers and supervisors whom they appointed and put in their positions.

Micromanaging capable managers and supervisors hinders morale, causes confusion and destroys the creativity and initiative of high potential future leaders. It eats away at the soul of the most creative people.

Observe how well a person delegates and mentors their subordinates and it is possible to tell how effective that leader will become.

Micromanaging highly motivated managers and supervisors destroys creativity and hinders productivity.

Increasing Professionalism as Organizations Grow

Professionalism in handling the business affairs and human resources becomes increasingly important as organizations grow.

Founders, leaders or start-up entrepreneurs soon find that their organization has outgrown the system that used to manage it satisfactorily. The more it grows and expands, the greater level of professionalism and competencies are required to keep things on track.

It is a genuine challenge to manage rapid growth, staff development and control systems all at the same time. This is why the roles of leaders, managers, supervisors and workers must be clearly defined and all levels of staff must grow together in their abilities and capacities.

Growth brings its challenges, but if managed properly it results in greater success in services rendered or profits gained.

“The authority of leadership administered without lovingkindness degenerates into control.”

**Bishop Paul D. Zink, Pastor
New Life Christian Fellowship,
Jacksonville, FL**

MAKING EFFECTIVE LEADERS

“People change when they perceive that changing affirms their self-image and promises rewards to better them personally.”

“Visualize yourself breaking through the current barrier and you have created a pathway to excellence.”

“A wise person can get along with just about anyone. He chooses his words carefully and lovingly.”

“If I react negatively to others, it proves they have control over me.”

“People are drawn to appreciative leaders.”

George H. Meyers

Learning to Lead

- How a person leads others depends to a large degree on his past observations. A leader tends to develop leaders somewhat like he or she has become in style and temperament. Very charismatic leaders like to surround themselves with similar kinds of people.
- Purpose of leadership – In most organizations, companies and certainly in families someone has to **lead** or else big problems occur. Leaders **envision** or point the way. In addition, they **set priorities** and **allocate resources**.
- Leading is a learned skill which prepares a person for a higher level assignment. Pro-

motion is based on success. Leaders continue to learn by experiencing good methods of leading others.

- Historical records of leadership – Biographies tell interesting accounts of leaders and their successes. History recounts leaders and their experiences. History recounts leaders and the effects of their decisions. The **Holy Bible** has many examples of both good and poor leaders.
- Leaders must continue to grow, advance in knowledge, wisdom and effectiveness to prevent stepping back into old habits. Sometimes a new challenge is needed to drive them on. Much growth often takes place in adversity. In II Peter 1:5-6 there is a progression of great promises that become our possession as we partake in the Lord's divine nature. This progression of growth in faith and ability is additive through diligently adding one trait to another:

Faith

Virtue

Knowledge

Self-control

Perseverance

Godliness

Brotherly kindness

Love

The Scriptures go on to explain *“that if these things are yours and abound, you will be neither barren nor unfruitful in the knowledge of our Lord Jesus Christ...for if you do these things you will never stumble; for so an entrance will be supplied to you abundantly into the everlasting kingdom of our Lord and Savior Jesus Christ.”*

I Peter 1:5,6

Beyond Knowledge

Leadership is more than acquired knowledge. Leadership is taking all that we have, to become all that we can be. Through effectively leading and empowering others, one vicariously achieves greatly through the lives of other people.

Balancing Vision and Management

“New opportunities loom large for visionary leaders; however, it takes empowered, dedicated, innovative managers to fulfill the vision.”

George H. Meyers

The Leadership Team and Communication

The way you manage the phone in your home or office is a major indicator of your **stature** as a leader in your company, your community and your sphere of influence.

1. How leaders communicate today. Have you been caught in one of these loops?

“He is out of the office. Would you like to leave a voice message?” You reply, Well actually I would like to talk to someone.” “Who would you like to talk to?” Well, someone who can help me!” “I will put you through to You get the message that the voice mail box is full!

You call a company needing some advice.

“Press 1 for Customer Service, Press 2....Press 3 to leave a message.” “We are sorry, but the voice mail box foris full.”

Or in a firm that has international offices.

“The person you want to speak to is here, but not available at this time.” But, I am calling from Spain.” Sorry, would you like to leave a voice message?”

“I have left four messages at your office, but no one has called me back.” “Oh, I am so sorry, actually Mr.....has been out of the office for two weeks on a four-week international trip.”

“May I please speak with the person who represents him when he is out of the country?”

“Well, that depends on what you want to know.” (really meaning no one has been designated!)

2. E-mail message, or text message or other instant messaging leaves your communication device, but it seems to be lost in cyber space and you never get an answer.
3. One important thing that I learned as a Senior Army Infantry Officer was:

If I know that I am not going to be available, I always must appoint someone to be in charge to handle my affairs until I come back.

Absentee leadership is a real killer of morale. Appointing a leader with “the Power to Act” only takes a moment.

The Role of the Personal Assistant

In today’s marketplace, secretaries have become scarce, but administrative assistants are like gold to the executive leadership of an organization or company.

An effective and responsive personal assistant will not go to sleep at night before all important communication receives at least a minimum response indicating that the message has been received, i.e. “Yes, we received your inquiry. It will be answered tomorrow by noon.”

Business Etiquette and Courtesy

In some organizations such as non-profits and churches, the leaders may be able to get by for awhile without returning calls or answering messages.

However, in business, one neglected message may be all that is necessary for the caller to go to the next company to buy the expensive machine for his plant. Even more than the economic consequence is the sense of courtesy extended when one responds in a timely way to a call or inquiry.

Example

Many years ago I was in a mentoring program with Mr. Peter Daniels, the Institute for Entrepreneurship, based in Australia. Mr. Daniels committed to answering the phone calls of those being mentored, if we had a significant question. Someone always answers his phone – at home or in his office. He is an ultra-wealthy, successful businessman who gives of his time to serious, developing entrepreneurs.

However, if he returns my call and gets an answering machine, he made it clear that he would never call again.

RECAP

In business, phone and communication etiquette is mandatory if you intend to succeed.

Courtesy in business is demonstrated by how the phone is answered and the responsiveness of other communications.

As stated previously, communication in the company is like blood to the body.

Don't forget to leave someone in charge when you are away and train your personal assistant to represent you well.

**Learning to do
Doing to learn
Earning to live
Living to serve**

**The motto of the
Future Farmers of America**

**"Leaders are all born, and then they are made
into leaders by someone who believes in them.**

**I either train others effectively or I must
do too much myself forever."**

George H. Meyers

**Leadership is the art of getting someone else to do
something you want done because he wants to do it!**

Dwight Eisenhower

Developing Leaders

**Fishing in a stream of living water –
Catching a few “fish” that are willing to be caught –
Giving them an injection of capacity-building,
life-giving motivation
Releasing them back into the stream to multiply their
own kind!**

Dr. George Meyers

Chapter 2

Leadership and Management

How the Roles Differ

Chapter 2

Leadership and Management

How the Roles Differ

Home Grown Leaders

“Develop your leaders well or you will have to do all the work by yourself forever.”

George H. Meyers

First Steps for Leaders

“Accepting and getting along with myself is the first step toward getting along with others.”

“The best way to change difficult people is to change myself first. Change must start with me!”

George H. Meyers

“You can only manage that which can be measured and evaluated.”

George H. Meyers

The Roles of Leaders and Managers are Different

There are leaders and there are managers, administrators and supervisors. All are essential to get good results.

The Role of Leaders

Leadership is a noble calling that requires a depth of character, integrity, vision and motivation that causes people to want to follow you. A leader must develop other people that become leaders also.

The Role of Managers

Let's look for a moment at the role of managers, contrasted to that of leaders.

Definition: The root of the word manage is the Latin word “manus,” like managing a horse with a steady hand on the reins; or the Spanish word “manos” for hands and “manejo” for management.

Certain aspects of management require leadership, too. There is no clear cut distinction that shows who is a leader and who is a manager; however, the roles of each and the competencies vary.

The ability to manage people and projects is an indispensable skill. Management may trace its ancestry to the Sumerian Age or at least to the days of pyramid building. No one is sure, but one thing is clear, managers are required to get work done well and profitably.

“Management is the art of getting things done through people.” (Mary Parker Follett)

“Management consists of defined functions.” (Henry Fayol)

- Planning
- Organizing
- Leading
- Coordinating
- Controlling

Function or Social Class

Through time the term management began to identify a class of people in addition to a function. For example: with union workers there is the struggle between the union representing the workers and management representing the corporation; i.e. labor vs. management. We see then that management is both function and a class or level in an organization.

The term “business administration” has been substituted for management in some cases.

What do managers do?

Managers receive instruction, missions or assignments from the executive leadership of an organization or company. The leader articulates the vision, but the manager must analyze or translate the vision into a plan of work; then see to it that it is accomplished.

Without effective management, the visionary leader accomplishes little. By recognizing the differing roles of leaders and managers, large organizations or companies can effectively employ the talents, skills, experience and gifting of people.

By placing people effectively in roles in which they are proven performers, much is achieved. Competency can be evaluated by what gets done.

There are various kinds and descriptions of managers – working managers, the absentee manager, reluctant managers or effective managers. Managers employ people and control companies and organizations. Depending on the size of the company, managers may deal with huge numbers of people.

Managers Allocate Resources

A primary function of a manager is assigning people to tasks along with capital to provide what they must have to succeed.

Case Study – Mom, Pop and their young son Luke

The leader and manager may be the same person in a new organization or small company. However as the company gets bigger, the role of leader and manager should progressively mature. Companies start like the Country Mercantile – a Mom and Pop country store. Pop had the vision, did the buying and related to the men around the pot-bellied stove. Mom served the customers and rang up the till. Pop was generous and a friend to everyone.

After Luke came home from his hitch in the Army, he too had a vision for the family enterprise. He wanted to add a gas pump in front of the country store. This increased business greatly and soon Luke opened a car dealership and repair shop. Later he started a tire company as well.

As Mom and Pop turned gray and ventured to Florida in winter, Luke was left in Vermont to handle the entire enterprise throughout the year. As they restructured the business, Mom and Pop were identified as the founders and Luke became the general manager. The elders contributed faithfully when they were back home, but their vision could not advance beyond the country mercantile store.

Luke was good at supervising people and expanding the company; adding a drug store, building supply and real estate company. He converted the Country Store to a 7-11 Convenience Store. As Luke added enterprises he soon saw that he could not effectively manage them all.

He had to **transition** from being a manager to a leader. It was hard because he had managed every one of the enterprises that he had started, but he was working long hours and rarely took a day off and it was taking a toll on his family and he saw that he had to change.

He was beginning to learn the difference between being a manager and a leader. For 25 years he used people and developed things, such as new enterprises. As these entities multiplied and prospered he began to learn how to make better use of his employees. He learned to invest capital in things that grow in value (equity) and to also invest in people. Investing in people costs time and money.

**Managers use people to develop things.
Leaders use things to develop people.**

Managers allocate resources among the various demands of program, production, equipment, technology, marketing and human resources. They must grow the capacity of supervisors and other staff at a faster rate than the growth of the enterprise. When staff losses accelerate, it consumes human capital. When staff capacity is lower than the needs of the organization it hinders quality, growth, effectiveness and profitability. The main point is to invest in people, retain them and cause them to grow with the organization.

Luke successfully made the transition from supervisor to manager and then on to becoming an effective leader. It had been five years since Mom and Pop visited the home place as they advanced

in years. They caught up with Luke, now leading the community as the Mayor. They all got in the SUV and drove around town as he proudly took them to visit all of the family enterprises.

As they finished at the 7-11 Convenience Store, they sat down on the bench in front of the store and Pop began to reflect on how it used to be – the Country Store, pot-bellied stove, all of the customer friends. He paused a moment and directed his gaze toward Luke. He said, “Luke, the years have gone by fast and it is not like it used to be, but we have really done well.”

Investing in people grows the capacity of the enterprise to build equity.

Luke thought carefully and responded – “Yes, Pop, the years have gone by rapidly and we have done well. I had good examples to follow.”

Pop helped Luke as far as he could, then Luke sought others that added further value to his life.

Luke had become a leader and all three were proud of what they had done together!

Chapter 3

Implementing Success through Developing Leaders

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Implementing Success through Developing Leaders

Developing Hope

It is a genuine luxury to be able to bring experienced and fully-developed leaders into one's company or organization.

Start-up or small companies usually have to develop leaders and managers by training them on-the-job. Start-ups simply do not have the resources to hire the top level executives.

Promoting from within gives opportunity and hope to an existing staff. Regularly bringing in new upper level staff from the outside hinders initiative within the existing staff. They may even lose hope in their possibility for upward mobility in the future.

**French General Napoleon Bonaparte
characterized leaders as:
"Dealers in Hope"**

As leaders and managers enhance hope of their staff, other high quality people will be attracted to your company – and be forever grateful for the opportunity to work in your organization or company. Hope is a belief that everything is going to be alright. It is a positive belief that there is a future and a hope for all.

Success

**"Success is not to be measured by Wealth, Fame or Power, nor where you are in life.
But, rather by: How far you have come using whatever gifts given you by God.
If you can honestly say: "I did my best every time, even though failure sometimes seemed imminent,**

That is success!"

**TEC – The Executive Committee
an International organization of 6,000 CEOs**

Planning for In-House Development of Leaders

Purpose

To implement a system to develop leaders and managers for small businesses and organizations.

Objective

To assist in developing leaders capable of leading organizations and businesses.

To equip leaders with skills that facilitate the capability to strengthen leadership at all levels.

Goals

- Transform organizations through transformed leaders.
- Increase the capacity of managers through effective leadership training.
- Increase profitability of small companies by fortifying the ability of leaders to lead and managers to manage.

Leadership is essential for today's effective companies and organizations

Background

All organizations and companies need good leaders if they are to see success. In the same way that families need the effective leadership of the father of the family, companies need good leaders on the job.

There are examples of both good and bad leaders in your past experience in your families, jobs, church, government, military, etc. For young people, school teachers, youth leaders in churches, coaches and other mentors are valuable essentials in their life. Some of the above role models may have had a strong impact on your life. Take a moment to reflect on who those people were.

Learning Nugget

Who has had a lasting impact on your life?

Name

Role

Traits

How have you followed the example of those people? What is the lasting impact?

The Seven Domains or Spheres of Influence

The seven areas of society have been broken down into primary categories. Ideas, practices and rulers shape these domains which are influenced and transformed by one another, creating culture.

Leaders have the ability to influence cultures by our actions and prayers. God's design is to impact all these domains with Kingdom wisdom and love, so that grace, righteousness, justice and peace will reign in the earth. The Shalom of God is for the here and now, not only for heaven.

We should be able to observe changed behaviors and changing societies when we review the effect of our work. Is the crime rate lower? Are fewer people living in abject poverty? Are the children receiving good educations? Is the general health of the population improving? Is the infant mortality rate declining? Do the young people show signs of optimism for the future rather than using drugs and alcohol to dull their senses?

- a) **Family** – key building blocks of society. How are we handling the issues of marriage, child rearing, divorce, etc?
- b) **Religion** – we have the privilege of declaring who God is and what Jesus has done to redeem creation.
- c) **Economy** – the system that affects business, finance, social justice, prosperity, poverty, etc.
- d) **Education** – teaching truth to the present generation and next generation.
- e) **Government** – politics, law, courts, taxes, patriotism, etc.
- f) **Arts & Media** – how we communicate, sports, entertainment, music, etc.
- g) **Science & Technology** – our knowledge of creation and how we practically apply truth in health, medicine, sanitation, etc.

Character Traits of Good Leaders

Practicum – Fill in the blanks.

1. There are certain character traits and styles of leading that make you want to follow him/her.

- Integrity
-

2. Why is leadership important?

List some reasons why leadership is important:

- Reduce staff turnover
-

3. Kinds of leaders

There are various kinds of leaders and you may have had some memorable experiences with leaders in your background. Managers have differing styles when it comes to supervising work. Some use a “hands-off” approach and prefer to coach or mentor rather than manage the details closely.

For example: I have personally had:

- An appointed leader who was reluctant to lead.
- A leader with great technical competence.
- A leader with weak commitment to me.
- A leader that would risk his life for me.
- A leader who was a tremendous encouragement to me.

Think of some leaders in your background and describe something about that person:

-
-
-

4. Let's look again at some information about what leaders do.

L Listen
E Encourage
A Affirm
D Develop
E Enable
R Recognize and Reward

5. Business standards and ethics guide leaders and their companies along pathways of acceptable behavior.

Included in the discipline of business are **ethical standards**. This is further defined for specific areas by various inspection bodies.

Accounting	General and Accepted Accounting Practice (GAAP)
Medicine	A body of standards established by law and results of court decisions and often recorded by the American Medical Association (AMA).
Pharmaceuticals	A set of standards for manufacturing, handling and distribution.
Nutraceuticals	A quality assurance association.
Finance	The financial industry is regulated by the Securities and Exchange Commission (SEC), banking regulations and examiners, etc.
Agriculture	The US Department of Agriculture and State Departments of Agriculture carry a large responsibility for regulation of Animal, Plant Health and Inspection Service (APHIS). Standards for weights and measures are often enforced by Agriculture Departments of States. The food industry has an inspection service.
Local Government	It may require registration and obtaining of a retail license or other license to do business, i.e. licenses for building construction are required, such as a Building Permit.

State Government The trades such as plumbers, electricians, carpenters and builders all have enforcement standards. In some states it is the Department of Corporations, for example in Florida.

6. U.S. political effects on business

It is seen from the above list that business is a highly regulated industry group. In fact, it is so highly regulated and taxed that many businesses have abandoned doing business in the U.S.A. and have registered offshore and some have moved their entire manufacturing plants to other countries. Everyone has political persuasions.

Taxing the wealthy and redistributing wealth to the poor is a major strategy in Socialistic leaning economies. This is a stated policy of the current government in the U.S. Business people will tolerate only so much governmental regulatory abuse before they move their businesses abroad.

Investors escape wealth destruction by moving assets outside of the U.S.A. to “safe havens.” This is known as “flight capital.”

For decades ocean shipping lines have registered their companies in foreign countries such as Panama, Liberia, etc. because of abusive taxation.

Governmental ethics are also important to provide a safe and profitable business and employment environment. Over taxation and over regulation by arrogant representatives of the King of England brought on the Revolutionary War. Today’s oppression by our own government is about to surpass the way the former King of England punished his subjects. Eventually there may be some painful adjustments.

**“The problem with Socialism is that you eventually
run out of other peoples’ money!”**

Margaret Thatcher

RECAP

There are many obstacles to operating a successful business, but the entrepreneurial spirit drives innovators and initiators on in their struggle to form new enterprises with a hope for future success and profitability.

Above all else, integrity in all things is a measurement of how far a leader or company can go. As in many disciplines, ethics and standards are established over time that function like a Code of Conduct.

7. Leadership is a noble task

In training people in business basics, understanding the basics of leadership is essential. Remember, managers allocate resources to develop things. These are finished goods or services that are sold as a profit.

**Managers focus on managing labor and things
to produce products or services.**

A manager must have leadership skills if the enterprise is to experience significant growth. The skill set of a manager must include effective employment of all resources: **operating capital** and **marketing capital** and of course **human capital**.

These three must be kept in balance and all be effectively managed to gain a profit.

The task of a leader must encompass both the understanding and competence of the managers in the company or organization, but go well beyond. Leading can be viewed as a noble task. Leaders are developed in the “people business.” A person can only advance in a corporation or organization as far as he/she has acquired competence in understanding and implementing as a leader.

In this case, the focus must be on people. This includes:

- Company or organization Board of Directors
- Vendors, bankers, insurance providers, technical support providers and sales representatives
- Health and safety of staff
- Spiritual wellbeing of staff
- Attitudes of mutual cooperation among all staff directly affects profits
- Management—labor relations
- Effective relations and communications with stockholders, investors and various publics must be monitored

In light of the above short list of qualifications for a leader, it becomes clear that he/she must be able to influence all people in such a way as to “gain their loyal cooperation.”

Many entrepreneurs can conceive an idea for a business, birth it and raise it up to several million dollars in revenue. The initial phase is the management of things and processes.

Later it is mandatory for the founder to fortify leadership skills to understand people and to help meet their various needs, wants and desires.

The leader within you must develop more rapidly than your company is growing. If the organization or company grows beyond the capacity/competency of the founder, stress develops. At this juncture it is almost always best to hire a qualified Chief Executive Officer (CEO).

This means that the founder steps back from managing and leading and keeps out of the way of those assigned those roles. Many founders simply cannot rise through successive levels of leadership to keep up with the leadership demands of a growing enterprise.

There are plateaus of leadership. The leader must be able to break through to the next level or watch the enterprise stagnate or even fail.

Typical levels of sales of a company are usually:

- 1-5 million dollars
- 10 million
- 20 million
- 100 million and beyond

Wisdom of a leader is demonstrated by him/her knowing when to personally step back from the chief executive or president role of leadership.

“Leaders are like cars – some are only clunkers that move slowly while others with high performance capabilities can finish the race and even reach the winner circle.”

Chapter 4

Progressive and Continuous Lifelong Learning

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Progressive and Continuous Lifelong Learning

Introduction

The world around us is in ever increasing change. College graduates of this era expect to have up to seven different careers in their lifetime. In the past, one expected a work career of 30-40 years, but it is now stretching upward to 50 years.

Education as we have known it, is changing. Institutions have failed to deliver graduates adequately prepared to meet the needs of employers. The employers have adjusted by establishing industry institutes. Non-formal education, and degree completion programs are growing rapidly to meet a market demand.

The concept of distance, non-resident or extension learning has grown rapidly. The training of illiterate American farmers since the 1860s is probably the most successful model of non-formal education in the history of the world. It is based on the triad of the agricultural experimental station, Land Grant College and agricultural extension services. It developed such a high level of productivity in 100 years that national and global markets became oversupplied. For the past 30 years, Federal agricultural programs have been centered around delivering programs to dispose of the excessive production and to offer incentives for growers to reduce production.

Commercial training institutes are businesses that successfully deliver learner-centered short courses for which people are very willing to pay a high price. Learning facilitators earn high fees to help develop leaders for business, government and the military.

Distance education via the Internet is developing rapidly. Hope International University is an example of innovation in training Christian leaders via the Internet. They have transformed several struggling local Bible Colleges into an Internet-based, learner-focused university offering to the world high quality education. Missionary training models are changing also, especially for support staff.

For example, a four-year Bible degree is no longer a requirement for a missionary to be accepted as an assistant to the director of a country mission team or an accountant for a Bible Training Institute. Learner-focused models recognize the role of life experiences in preparing staff for continuing effective service at advancing levels of responsibility.

The institutional Church, institutions of higher learning and State-supervised education are familiar and highly recognized official models of education. University graduates often must become interns in industry to be given time and experience to develop practical application of as-

simulated knowledge. Public school graduates often enter the work force weak in communication skills (grammar and speaking), mathematics and life values. Alternative industry-based remedial training programs are required to meet these shortfalls and learning models of a less formal type have been proven successful.

Informal learning is not new. An example of this is a child learning its mother tongue, a boy learning to fish from his father or a girl learning homemaking skills from her mother. The family and church should be the most effective learning centers, but they tend to be fractured or negligent in meeting their most basic responsibilities of training in discipleship and life skills.

A new look into recent developments is encouraging as emerging models are presenting very innovative and effective educating/training/learning opportunities. Lifelong continuous learning is absolutely mandatory to keep pace with accelerating change.

Principles

- Learning for adults must take on a different style than learning models for children.
- Learner-centered training for adults is more effective than teacher-centered methods.
- Institutional elementary, secondary and university educations are only foundational, because on-going technological and social change demand continuous lifelong learning.
- Preparing children for adulthood may be the responsibility of parents but continuous equipping of adults for lifelong success is the responsibility of everyone.
- The demand of the marketplace will ultimately transform education models, and economic requirements will bring about substantial infrastructural change. Only the most heavily endowed institutions will be able to continue to teach as they do and resist massive change in the decades ahead.
- Education without development of an abiding and nurturing faith in God is short-sighted and weak in preparing people for this life and the life to come.

Learning Models

One highly successful model used in training agricultural students in secondary schools is:

Learning to Do
Doing to Learn
Earning to Live
Living to Serve

This is the motto of the Future Farmers of America. The progression from learning in this way is so profound that it has the power, when accomplished in a spiritual dimension, to transform entire societies. It is truly learner-centered, life application learning.

The denominational church and its institutions once so significant, became weakened in the 20th Century. During this period, new organizations emerged to add strength where the Church was not meeting certain basic discipleship needs. The Navigators became an effective discipleship training force, beginning on college campuses. Another organization which also began on college campuses was Campus Crusade for Christ, which became a strong evangelistic force.

- Later, Youth With a Mission entered with a very non-institutional, experiential and Christian adventure discipleship model. All of the above models actually counteract weaknesses in the institutional Church. However, the Church must creatively embrace these discipleship distinctive groups and realize that they are an important part of the mosaic of organizations equipping the saints for the work of the ministry.
- Knowledge Transfer Model – The traditional institutional education centers such as high schools, colleges, universities and graduate schools are established as knowledge transfer schools. Students under the direction and influence of teachers, lecturers, and professors seek and accumulate knowledge. The accumulation of knowledge is largely “list memorization.” The honor students are those that do the best on the tests. High scores relate directly to memorization and recall capabilities. There is limited relationship to ability to apply the knowledge in a practical way.
- Apprentice System – This is the oldest model used in training where practical skills must be transferred. For example, an apprentice works under an accomplished farmer, blacksmith, sculptor, artist or musician. More recently this began to be used in the trades such as brick masons, electricians, carpentry, plumbing and other trades.

NOTE:

A young child learns to talk by listening to its mother. A young boy follows his father around and learns how to cultivate, plant and harvest. The young girl learns homemaking by observing and accomplishing “chores.” These are informal learning examples. Strong families practice informal learning that has cultural, social and spiritual transforming power.

Non-Formal education is that which is done largely outside of the traditional classroom. An electrician apprentice is an example. Another is a grower who takes a certification course for a pesticide and herbicide applicator’s license.

Formal education is normally done at an institution of learning. It is largely lecture-style, laboratory-based with a diploma earned upon completing the requirements. This starts with kindergarten and progresses through graduate level institutional education.

The dynamic tension inherent in these three models is the degree of teacher or learner focus. The purpose may be to produce pharmacy graduates at a university College of Pharmacy. The student accomplishes this by listening to scores of lectures and taking many laboratory courses to learn the technical skills required to function as a Pharmacist. Most institutional education is very teacher-focused and is based on the lecture method of teaching. Informal and non-formal education models are more learner focused.

The Progressive and Continuous Lifelong Learning Model

- Lifelong – the world has always been in a context of change, but today cultures and societies seem to be caught in the net of technological trauma.
- Adaptability – People adapt to the changing environment or else drop out of society. Today, even senior citizens are signing on to the Internet in large numbers to increase their knowledge and communicating ability.
- Formal Education – Graduating from the 8th grade is the first significant mark of success. Next, completing high school is accomplished through perseverance over

competing outside interests. College level training is a hallmark of discipline. At each level there is a vision of the diploma and that long-awaited graduation day.

- Professional learning is achieved through the progressive diploma levels. If a person is privileged to study in higher education and receives a graduate level Masters or Doctors degree, he or she may view life either to live for self or for the benefit of others.
 - a. Having a universal base of knowledge and understanding of life, his motivation may be to make a contribution to the betterment of life for self and for fellow citizens. He may comprehend a high level of spiritual understanding and application in order to lead others into spiritual understanding, disciple and train them for a high commitment to Christ.
 - b. Attaining a high level of professional technical development helps to qualify one for high income-producing legal, medical or other types of skill-dependent profession. Their focus may only be to earn more money and live better.

NOTE:

Learning begins at birth and continues until death. A person responds to family, cultural, social and economic influences to advance to a higher level of knowledge, understanding and capacity to live life to its full measure. One may choose to live for self or live for the benefit of others.

- **Informal learning** begins at birth, such as knowing how to cry to get what one wants. **Formal learning** in schools educates one to adapt to social norms and develop life and income enhancing skills.
- **Non-formal**, on-the-job training, training courses and seminars are ways to continue to learn through life. The quality of life that a person reaches is influenced by the disciplines he learns throughout life, of how to be more productive. To help others in their struggle for a good life and the promise of eternity, is spending ones time wisely.
- Transformational Lifelong Processes – At an early stage one masters life supporting skills such as survival and working to make a living. A more enjoyable stage is to learn enough to be able to help others be successful too.
- Finally, the very desirable stage is that of “becoming.” This is the progressive and continuous enablement through life experiences to become all that God intended one to be. This is possible once the basic physical needs are met and one can live and invest in the lives of others and make the world a better place.
- The ultimate stage is having attained to that confidence that one has done all things possible to succeed, and under the grace of life has established an eternal relationship for now and eternity. This creates a purpose for life to live not only for ourselves, but to impact others to attain unto the full measure of the stature of Jesus Christ and the promised eternity beginning now and lasting forever. It is this transformation from striving to meet basic needs to ultimately living life to the benefit of others that the “living to give” believer develops a Christ-centered focus.

Transforming from Trainee to Facilitator

- The goal is to increase our effectiveness in life.
- The military definition of leadership is the “art and science of influencing others in

- such a way as to gain their loyal cooperation.”
- Jesus commanded us to make disciples of the nations. This implies teaching them to observe all that Jesus commanded his disciples; and as they were disciples of Jesus, it was clear that they would make disciples also. Jesus was not a classroom lecturer but a master discipler. He skillfully imparted to his disciples the life-giving intent of the law. His promise was abundant life in covenant relationship with God and each other in joy unspeakable and a fullness of His overwhelming presence. Jesus apprenticed his disciples over a three-year period to do what he did and when he ascended, they continued to do just that.

Hierarchy of Learning Skills

- The accumulation of knowledge is low on the hierarchy of learning skills, but is normally the primary emphasis in formal education.
- The higher levels of learning skills such as application, analysis and synthesis are requirements for leaders.
- Impassioned preachers transfer knowledge through the Word of God and the impartation of the Holy Spirit. However, developing leaders that make disciples requires much more than just preaching. Making disciples requires the ability to equip ordinary people with extraordinary capabilities in applying the higher learning skills. Even memorization alone does not transform lives. Formal Christian education is cited as being weak in application, analysis, synthesis and evaluation. One is not a disciple unless he makes disciples.

The Progressive Learning Principle

- One of the strongholds that inhibit innovative transformation of formal education is that teachers learn many of their teaching methods from their lecturers. They tend to follow that pattern and stand in the front and lecture with their students aligned in rows, which is the model of their former teachers. According to studies, only about 10% is retained after 24 hours from this method of learning.
- The U.S. Army has developed extremely effective models for training that transforms civilians into soldiers in a very short time. It begins with basic training for skills of a soldier and advanced individual training to be a rifleman, machine gunner or ammo bearer on a field artillery howitzer. Next, the soldier learns how to be a loyal member of a squad, a member of a fighting team. His individual achievement has value only if it helps complete the squad's mission. During 14 weeks, 6 weeks of basic training and 8 weeks of advanced individual training, a civilian is transformed into an effective soldier. He or she can be successfully advanced and transferred to a company of strangers in another location and immediately begin to effectively do his or her job.
- This training is accomplished by the following learning progressions:
 - Basic training
 - Advanced Individual Training
 - Basic Unit Training
 - Basic Leadership Training
 - Advanced Unit Training

Very short lectures are given followed by a demonstration so he/she gets an understanding of the concept.

Practical applications such as firing a rifle on a firing range under tight supervision and control.

A squad member moving in a semi-controlled live fire exercise firing at pop-up targets as the squad moves up the hill, just as he will do later in combat.

A training test to ensure that each progressive skill level is realized.

Appointed or promoted to train another soldier in basic or advanced skills. For example, he becomes a team leader in the rifle squad that he serves.

Upon a successful evaluation as a team leader, he/she is promoted to be a squad leader.

Progressive training is done in leadership as a squad leader (Non-Commissioned Officer Leadership School) preparing the soldier for appointment to higher responsibilities. The same principles apply for training and developing military officers.

- Because of the traditional two year draft or three to four year voluntary enlistment, the progression from recruit to leader must be done in a few months. During WW II young officers had to be developed in 90 days.
- Similarly, the Progression Model from L. Robert Kohls, depicts the movement through the lecture and on to discussion groups, case studies and then on to role-playing. The process is to get to the role-playing level, since by role-playing a person has normally gained the knowledge, skills and confidence to “walk out” the responsibilities of leadership. In this model the lecture is only one small part of an eight step process. (Maybe only 1/8 of the time should be spent giving lectures.)
- Lecturing is so ineffective in training people for action that it should be only employed to start the training procedure and then move on to group interaction through practical participatory exercises.

NOTE:

The learning process used in the Western institutional model is a very lengthy and expensive process. Other historical apprenticeship-based models are more effective and affordable in developing countries.

Sharpening the Focus

To develop leaders for emerging Christian movements we must develop leaders rapidly and effectively. Informal and non-formal learner-centered models are fast and replicable. A tradition of **“Home Grown Leaders”** as described by Dr. Eddie Elliston in his book by that title describes developing leaders at the grassroots level using non-formal methods.

By reviewing some models in this chapter that shorten the preparation for the leadership timeline, we can speed up the leader development process. As Ivan Illich showed in his book, **Deschooling Society**, Western models being teacher-centered, really are not very effective in the Two Thirds World environment.

As Web-based information and knowledge transfer continues to advance, we will see yet more advanced non-formal learning models develop. The Internet truly connects the world and is one

of the greatest achievements available to enable the progressive and continuous lifelong learning processes.

The huge home schooling movement in the U.S.A. begins with informal learning, advances to a non-formal model and is influencing and even integrating into the formal education system as homeschoolers enroll in college-level training.

All of these things truly sharpen our focus on using all things possible to disciple believers, train leaders and help develop communities that transform nations unto God's eternal purpose.

Summary

The success in changing lives and transforming societies is dependent largely on our ability to develop leaders. Any movement must disciple the masses to its cause clearly, decisively and rapidly. This can be done only by mobilizing large numbers of people and discipling them to be disciplers to the cause; for our purposes it is the cause of Christ.

The cell church model approaches the ultimate achievement of making every believer a disciple, then a discipler and finally a leader. This is achieved entirely through the non-formal learner-centered, Christ-focused and Holy Spirit-enabled model.

The military training model of developing men and women able to fulfill their individual and unit assignment, lead and train others within 4-6 months of enlistment is among the most effective in history. The American agricultural miracle is founded on continuing adult education.

Our public education system in the U.S. is the most costly and time consuming and has the highest failure rate of all models observed. It is difficult to determine why most Christian scholars mirror these failed methods in the operational methods of Christian institutes of learning.

The institutional church training method, focusing upon preaching (lecture model) has stifled the life of the Western church. Conversely, the church under great persecution such as in Sudan, China and recently in Ethiopia experienced nearly unbelievably rapid growth; because the church life is in the small groups where all believers are being disciplined.

Truly, the professional development of business leaders is of paramount importance. It is also crucial for the on-going success of missionary agencies and especially in establishing the foundations of the emerging Christian movements in the countries that we serve.

Chapter 5

Leading People from Diverse Backgrounds

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In both national and international organizations, diversity is increasing. In past generations there were certain ethnic groups that formed the bulk of workers in a given factory. For example:

- Polish workers in Waterloo, Iowa.
- Mennonite workers in an appliance factory in Pennsylvania.
- Hispanic workers in a poultry processing plant in Georgia.

Anywhere there is a narrow range of ethnicity among the workers, a sensitivity in management is important.

Along with diverse ethnic backgrounds is variance in formal educational levels and language comprehension, different groups have learned differently.

In our hometown, Jacksonville, Florida, there is a company that provides workers for many companies. Many of the tasks require that people only can read letters and numbers. Mixed parts are imported in bulk containers and then separated into tote rack storage bins. The workers sort and inventory the parts according to type. Later the parts are picked and packed; again using part numbers. The assembled picks are binned and relocated to more educated leaders to prepare for shipment. A barcode reader is used.

Jacksonville is a major center for legal immigration. The workers constitute an ethnic mix with numerous language limitations that make supervision a significant challenge.

One of our sons is the Controller of a large collision supply distributor. He told me of a long-time worker in an auto supply center that had learned the collision repair vocabulary of Russian, Romanian, Spanish and other languages of customers who had set up home garage based collision repair body shops. These entrepreneurs learned that collision repair had a relatively easy entry for part-time or full-time body repair technicians working at home.

A 15,000 cow dairy farm operation in Eastern Oregon has about 250 Spanish-speaking workers. Union organizers using the Spanish language encouraged the workers to unionize. In the process, excessive demands were made during tough negotiations.

The management was at a significant disadvantage because the cows absolutely had to be milked twice a day. A threatened employee strike would have bankrupted the enterprise. Permitting a strike to go forward was simply not an option. There were not enough trained non-union workers available to take the place of the Spanish-speaking workers if they went out on strike. In this type of environment, bilingual managers and supervisors are mandatory.

International Corporate Environments

American workers in Middle East oil fields supply mandatory technical services. Most of them rotate in and out on 30-45 day cycles. The Worker Camps help to make life bearable, but limited integration with the local community people occurs.

Several members of my family – my Dad, my brother and my wife’s sister’s family were all orchard growers in Oregon. In the 1950s and 1960s the Mexican itinerant workers formed harvest teams. Bilingual contractors brought in the ultra-high quality crews on schedule. Entire families worked their way north from Mexico to Canada, harvesting northward as various crops were ready for harvest. Later they worked their way back south again.

This was called the “bracero” program. Most of the workers took their earnings back to Mexico and built homes, established farms and businesses. Union organizers began to destroy this excellent system. Union influenced legislation cancelled this program resulting in much of today’s illegal immigration.

Managing When Language is a Barrier

If you don’t know the language, communication is almost impossible without interpreters. I have used interpreters extensively in my international career in multiple countries. I was able to become conversant in two foreign languages; however in complex negotiations I usually hired a qualified interpreter.

An important part of language learning is the concurrent accommodation of cultural understanding. Without that understanding, even if one becomes proficient in the language, there is much room for miscommunication.

Supervising Illiterate Workers

For nearly ten years in three different countries we directed development projects employing and serving largely illiterate workers and communities. In that environment it was necessary to learn how to think like an illiterate person.

The work must be systematized and repetitive in such a way that the illiterate workers can understand the task to be done and to complete it successfully.

Illiterate workers are often very intelligent, possessing excellent technical skills and have many abilities. They have usually just never had the opportunity to learn to read. Sometimes they are more skilled than the project superintendents.

Illiteracy is Common throughout the World

In the city where we live there is a large segment of illiterate people. The school system is unable even in 12 years to equip some students with employable skills. That is why among the minorities there exists an unemployment rate of 50% of the 18-30 year old males.

Part of the problem is one of culture. A culture of inadequate values results in a plethora of social problems. The schools cannot overcome the failed learning environment of the homes from which the students come. It all starts and ends with the success of the American family; meaning a legally married man and woman modeling love, honor, respect and work in the home.

It is exciting to see people arise above their circumstances. May we all be a part of helping to enable, empower and equip the minorities and misfortunate to become fruitful, faithful participants in our communities and society. This cannot be done through governmentally-funded and controlled social programs. These programs eventually have become the major contributor to the problem.

A low performance culture is almost always sub-optimum in family structure. People can lack resources, but have strong family values and unity. In these cases the next generation of any race or group can arise to new levels. We must help people find hope by whatever means possible. Sometimes we need to help high school graduates to learn through mentors to read and write understandable sentences.

New life in the Kingdom of God provides hope for today and assurance for tomorrow. It only takes a small spark to ignite hope in a young person that propels him/her to heights never reached previously in their family history. This brings pride in one's achievement and launches an entire family into a spiral of upward mobility.

<p>The only thing that works is work itself!</p>

For entrepreneurs to risk their capital to build companies and employ people takes courage, but it is an honorable thing to do. It is the long-term solution to social, cultural, spiritual and economic decay. Work is honorable and employing people is truly a ministry of the Kingdom of God.

Leaders and owners of companies deserve fair taxation and a high level of respect for their part in genuine social engineering that brings lasting solutions for transforming communities across our land.

Let's together:

- Give a kid a chance.
- Help him/her find a job.
- Mentor him/her into successful performance on the job so he can qualify for an even better one.

Retired and unemployed men and women that are mentors to kids in our schools are genuine servants helping to turn failure into success and despair into hope.

Chapter 6

Discovering Simple Solutions for Problems

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Discovering Simple Solutions for Problems

Many volumes have been written on the subject of problem solving. Our goal in this learning activity is to learn together how to cut through complex issues to discover simple solutions.

Purpose

To identify guidelines for use by leaders to solve problems within their organizations.

Objective

To participate effectively in removing roadblocks to success in companies and organizations.

Outcome

Organizations reach their purposes through leaders capable of identifying, preventing and solving problems before they become a hindrance to success or profitability.

Learning Method

Small group active learning. A facilitator coordinates problem solving discussions in a participative way.

Focus

We will focus on solving today's most pressing issues with a vision toward preventing the same problems from resurfacing in the future.

Start with what you already know. Then train your mind to press on into new vistas. Force your mind to be creative. Don't stand up and lecture.

Enlist help from your team

Most problems can be solved from within the organization and can be prevented through good planning and forecasting.

Bring in help when needed

Outside advisors/consultants or specialists can be necessary when a serious emergency erupts or a great growth opportunity presents itself.

Problem Solving – A Needed Skill

There is no greater contribution one can make to society than to be able to solve problems.

Mothers have the greatest potential for impacting our world because they start with a socially unblemished baby and fashion it into an adult that is empowered to make the world a better place. So much of education is in the preparation of people to solve problems. This is also an important part of leadership.

Leadership Qualities

- **Willing to make difficult decisions.**
- **Strives to always do the right thing.**
- **Demonstrates servitude to others.**
- **Inspires others to worthy causes.**
- **Lifts the abilities and skills of others.**
- **Honest in all dealings.**
- **Shares the credit for victories with others.**
- **Shows love, respect and appreciation for others.**
- **Stays positive and instills confidence.**
- **Dreams beyond the possible.**
- **Sacrifices for the good of the whole.**
- **Willing to try new things.**
- **Creates calm in turbulent times.**
- **Values the differences of others.**

**Dr. Jerry Williamson,
President, Go To Nations**

(Shared with the World Headquarters Team at Go To Nations in January 2011)

Effective leaders are skilled at seeing potential problems before they happen and training their employees and staff members to be problem solvers, too. When things are working well, supervisors can handle things just fine. If a situation deteriorates, higher levels of leaders are drawn upon to help find solutions. This assumes that higher level leaders are more experienced problem solvers than the people they lead.

If someone is identified that can solve problems and relate well to people, that person can develop others to impact our world and help us all to live in peace, harmony and prosperity. He/she does not have to be a major leader, but must know how to facilitate a solution to the problem.

“The Seed of the Solution is in the Problem!”

Daisy Osborn

There are three major areas that can be addressed to solve problems effectively in organizations, companies and ministries.

Problem Solving Tools for Organizations and Companies

Evaluate and Strengthen the:

- **Organization**
- **Communication**
- **Cooperation**

George H. Meyers, Ph.D.

Organization

We live and work in a social environment that requires order. This is especially true in families, companies, governments, religious organizations and the military.

To evaluate and manage (get our arms around) a process or problem, we must first get it organized. To do this it is necessary to:

- Clarify the infrastructure – Organizational Chart.
- Identify the authority structure.
- Define who is responsible to whom for what - Job Descriptions.
- Determine order and safety.
- Define accountability, especially for assets, funds and inventory – Budgets.
- Control – Establish a workable control environment to focus on the organizational purposes and achieve agreed-upon objectives – Reports, Audits.

Without a clear organizational infrastructure, guiding principles and accountability, chaos soon develops and relationships are stressed. However, an overemphasis on organization can result in legalism, depressed creativity and stifled initiative. There must be a balance.

The Cost of Innovation
**“You can innovate only when you
are willing to accept some mistakes.”**

**Alan Loy McGinnis in
“Bringing Out the Best in People”**

Organizational Chart

The Organizational Chart is like a snapshot of the organization in motion where it is clear where every team member fits in and how it is possible for all to work toward a common goal.

One has stated that radical leadership is getting team input and also raising up your own replacement. Leaders tend to make unilateral decisions that can limit developing future leaders and not start soon enough to develop a successor.

Communication

Communication is like an impulse flowing down a nerve to alert the brain of peace and order, or a pending disaster.

In the Army, rumor control is only managed by keeping people informed. Lack of appropriate communication often leads to rumors in organizations which seriously affects morale. When information is withheld or inadequate, people base their beliefs on speculation.

Fight rumors with facts.

Well-informed people feel a sense of belonging to the group.

**People lacking timely information
sometimes develop
an “us and them” attitude.**

Style, method and frequency of communication releases is a policy decision of an organization or company's leaders. It is not appropriate to share all things, but to be systematic and generous in sharing those things that are of interest and benefit to the staff. It is a wise investment of time that helps to avoid misunderstandings and keep everyone “on the same page.”

When communication is inadequate, the typical employee often suspects the worst, especially if he sees people arrive dressed in dark suits and escorted into offices for meetings with doors kept closed and meals brought in by caterers. The worker imagines, “Is the company going bankrupt? Will there be layoffs? Will I receive this month's salary? Is my retirement package safe? What about my insurance program?”

**Communication is to relationships
what blood is to the body.**

In the environment of doubt, the mistrust of leaders and management has an opportunity to escalate. As the employee works, his mind wanders to the needs of his family, his house payment and car payment and every uncertainty imaginable.

These things happen in both organizations and commercial companies and are often highlighted in television news.

There is a better way! Appropriate disclosure of important facts in a systematic and timely way controls mistrust and increases productivity. Good communication helps to maintain **priorities** and to keep the entire workforce **focused** on the main **goals**.

Resistance to either receive or give communication is usually motivated by fear of the anticipated outcome.

Communication is:

- **Willingness to listen**
- **Caring enough to ask**
- **Boldness to comment**
- **Honest enough to admit fault**
- **Loyal enough to act**
- **Eager to correct and set things right**

Cooperation

Cooperation is so important that it is often spoken of as a **spirit of cooperation**. An effective leader will be able to gain the **willing cooperation** of those for whom he/she is responsible. The concepts of cooperation and teamwork are interchangeable.

T Together
E Everyone
A Achieves
M More

Cooperation is very much about **having a good attitude**.

- Cooperation is the function of thinking and working together for a common purpose.
- Cooperation indicates a **willingness** to help one another or to work together to achieve a shared vision.
- People cooperate to achieve mutually beneficial goals.

Cross training promotes teamwork in action

Through teamwork, specialization is directed toward developing multidisciplinary skill sets and makes it possible to build mutually beneficial models. Every position needs a trained back-up person.

Indicators of cooperation:

- Employees helping one another both on and off the job.
- Participating in community and extended family activities and events.
- Management striving to crucify the problem, not the worker.
- Willing cooperation results from trustworthy leaders and managers.

Examining the Roots of Conflict

When conflict occurs, there is always an underlying cause. These causes become the devil's tool to turn people against each other.

Inspect and evaluate appropriately to discover weaknesses, pinpoint errors and fix problems quickly. Include the person who made the mistake in the problem-solving process. Take the person to a private place, listen to their side of the story and do any correction or reprimands only in private.

Inner office intrigue, mistrust, envy, jealousy and slander kill the soul of a cooperative environment. Leaders must cut off conflict at the root aggressively and rapidly. Sometimes leaders withhold information as if pretending that a problem does not exist. Or they may procrastinate on problem-solving in the hopes that the situation will resolve without action.

Effective leaders rapidly seek out the root cause of conflict. By rapidly solving conflict, relationships are restored and team viability is strengthened. Confidence increases in the problem solving ability of the leaders.

An effective leader solves the problem but does not crucify the employee that made a mistake.

RECAP

Effective and wisely employed **investigation** will reveal the root of the problem.

- What?
- With whom?
- To what effect?
- At a specific location?
- For a defined purpose?
- For some definable personal gain?
- Who are the injured parties?
- How will restoration be carried out?
- What is the plan for restitution to relieve loss or hurt to the injured party?

Let the effect of the “injury” be measured and then cancelled by a plan for generous **restitution** to the “injured party.”

All of the above questions apply for hurt experienced by individuals, married couples, business people, special groups and ultimately to the society at large.

If we would practice restitution and restoration to replace that which was lost, rather than punishment and incarceration alone, the society would more clearly understand the effect of crime. Crime is committed not only against the individual victim(s), but in reality against society itself.

Part of leadership is to prevent every major problem possible and also to make right the consequences of bad things being done, especially to the innocent or helpless.

In solving problems we can:

- Clarify facts on the problem.
- Review the cause such as fine-tuning the organizational structure.
- Identify what is ideal.
- Visualize the improved status after the problem is solved

“...so far as it depends on you, be at peace with all men.”

Romans 12:18

Our public education system in the U.S. is the most costly and time consuming and has the highest failure rate of all models observed. It is difficult to determine why most Christian scholars mirror these failed methods in the operational methods of Christian institutes of learning.

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Truly the professional development of leaders is of paramount importance. It is crucial for the on-going success of missionary agencies and especially in establishing the foundations of the emerging Christian movements in the countries that we serve.

Chapter 7

Leading, Managing and Facilitating

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Leading well helps things go well

Leadership – knowing how to lead people so they give full support of the company goals. Leading well makes companies operate effectively, profitably and rewards the workers justly.

This is so important, let's review it again!

Good Leaders do the Following:

L	Listen
E	Empower
A	Affirm
D	Develop
E	Encourage
R	Recognize and Reward

Selection of Staff

Employ good people and train them continuously.

Pay your workers well and treat them with respect.

Meet with your staff and let them do their work – Do not micromanage good people.

More on this subject in Chapter 10.

Professionalism

The level of professionalism must grow as the company gets larger. The CEO must lead the way and model personal development for others.

People are drawn to appreciative leaders!

Learning to Lead

Start people in a small leadership role and advance them as they are proven. Learning to lead is a process.

Leadership is more than position and knowledge. It is the application of wisdom and development of the best in people.

Do not allow the vision to get so far ahead of the capacity of leaders and managers that it destroys the company.

Learn how to get along well with people and you will become a strong leader.

Leadership is the art of getting someone else to do something you want done because he wants to do it!

Dwight Eisenhower

Leaders Manage Change

Change is best accomplished when everyone sees that they will be better off because of it. Leaders help people learn to get along with one another.

Change is inevitable, but change has its enemies.

John F. Kennedy

Managing When Things Go Wrong

When you begin your business you plan to succeed. However, contingency plans are valuable to handle the “what if” situations that eventually will be experienced.

There are certain things that can damage or destroy your enterprise:

- Market demand decline
- Economic disaster
- Unplanned competition
- Excessive warranty service costs
- Legal issues – law suits
- Financing canceled by banks
- Labor strikes
- Manufacturing inputs not available or late
- Illness of owner/manager
- Weak succession plan

Can you list some others:

-
-
-

Turn-Around Professionals

There is a great need for those that can step into a company and serve the shareholders to turn it around to a place of regaining strength and profitability.

Just like “bad things happen to good people,” the same is true for companies and organizations.

Those that can turn the situation around are like gold nuggets plucked out of a muddy stream.

The high hope for profit lives in the shadow of the ever present danger of going broke.

Once you have a few business failures under your belt, the next failure is not quite so personally devastating.

Possessing an opportunity for profit is always held in the fear of the risk of losing it all. Manage risk wisely!

Know your CPA well – on a personal basis.

George H. Meyers

The Good, the Bad and the Ugly

Good – is when the business starts well, is adequately capitalized and the economy is favorable at the time the business is started. The business reaches its profit goals and staff members are motivated to work for the success of the company.

Bad – it is common for new companies to get off to a rocky start. The market estimates are faulty, sales are way below target and the production or service costs are way above estimates. This causes stress on all and good people leave for a better deal. It can take several years in some cases for the situation to turn around and to even come close to reaching the original goals.

Ugly – sometimes things really get bad! This scenario results from unplanned events that take place that seem bent on total destruction of the enterprise. A market decline, cancelled lines of credit, vendors that supply faulty manufacturing components or suppliers fail to deliver, sales agreements are cancelled, labor disputes and high employee turnover are among the reasons for extreme situations. Occasionally a leader is caught embezzling funds or the law changes requiring unreasonable modifications that take away the hope of profitability. An unfavorable court settlement or event that brings frivolous allegations and litigation can be very destructive.

Government

When you start a company frequently one of your greatest obstacles is our governmental restrictions and unreasonable requirements.

Rules become so difficult that it is now easier to organize and manage a company in Communist China than in socialist-embracing America.

Learn to Manage Risk Effectively

Product lineup can increase or decrease risk.

If you are producing something to sell, there are some basic considerations: for example, deciding whether to produce a single product or a mix of multiple products or services. See Chapter 15 on Managing Risk.

Advantages and Disadvantages – a single product simplifies the manufacturing process, and a single product or service is easier to manage. However, if that product fails in the marketplace, the company may lose all.

Multiple products provide diversification which reduces risk. Also they each can focus on supplying to a different season.

If one product does not become or stay profitable, the business may close in bankruptcy. If the market changes suddenly, the product demand may decline so sharply that it destroys the company.

Excessive inventory may build up that cannot be sold and the inventory costs become destructive.

Multiple products spread the marketing risk across the product lines.

Unprofitable product lines should be considered carefully for elimination.

Let the winners run and get rid of the losers!

The Importance of Accurate Market Forecasting

The effort spent on adequate market forecasting is time well spent and a major issue in reducing business risk.

Over-aggressive enthusiastic marketers can hype-up the marketing environment and influence the company to over-produce a product. This is especially true for a new product that has not yet received a genuine market test.

When placing a new product or model into the market, guard against over manufacturing or you will have too much expensive inventory to carry too long.

Case Study

The Cost of Product Failure

A certain manufacturing company released a product into the marketplace having been assured by their research and development department that it had been completely tested and was ready to go to market. After six months in use, the machine failed to perform as planned. A massive recall of all of the units sold was a huge unplanned expense. Failed equipment components were replaced as guaranteed, but the company received too much negative publicity.

Subsequently, sales and profitability declined. The company went bankrupt and into a court-appointed receivership. Ultimately, the company assets were dispersed to pay creditors and the company ceased to exist.

Risk Tolerance

The Independent Business Owner has no assurance that his company will ever pay more than can be earned working for someone else. There is no guarantee of success. Therefore, the IBO must have a high tolerance for risk and determination to not be crushed if the business does not succeed.

Managers conduct risk assessment studies and emergency response plans for unexpected profit drops. The controller and finance officer are responsible for monitoring the market, sales reports, inventory levels and profitability. A business owner places his capital at risk in hope of a profit.

Profitability is best assured by focusing on helping customers get what they want at a fair price.

**What we manage, we value,
What we measure, we excel in!**

RECAP

There is no substitute for effective leadership. Well-led staff usually works well and can get along with one another. The selection of staff is paramount. They must support the goals of the company and its corporate culture.

Small businesses will see clients as essential as workers and an extension of the staff. Know your customers and vendors and learn from them.

Remember, the most rapid way to business success is to determine the needs of your customers and fulfill that need well at an affordable price.

The professionalism of the leader and staff must advance ahead of the growth of the company or the company can fail.

It is easy to manage when things go well – in good times; however, the real test is that of managing when the economy tanks. In these times, a CEO must manage risk very effectively.

Learning to Use the Facilitation Method for Solving Problems

A Facilitation Group will take the following steps:

1. Identify the problem.
2. Explain why it happened.
3. List the consequences of the problem.
4. Discuss how it could have been prevented.
5. Recommend action that the program director can take to assure that it does not continue to be a weakness.
6. Report to the entire group by selecting one person to report on behalf of the small group.

Tips for Effective Facilitation

1. Remain seated.
2. Introduce participants.

3. Have one person read the Case Study problem.
4. The Facilitator ensures that the problem is understood and causes all group members to participate in the problem solving process.
5. The Facilitator is not the problem solver, but he/she simply ensures that the group comes to a solution.
6. The Recorder takes written notes.
7. The Facilitator ensures that the discussion moves along and makes sure the time limitation is met.
8. The Reporter highlights salient points from the Recorder's notes. The Reporter presents the solutions to the assembled group, answers any questions or covers points of clarification.

NOTE:

Most leaders are skilled in telling people about things, teaching and lecturing. This is normal; however, it is not the best way to develop leaders that know how to solve their own real problems. About 48 hours after a lecture 10 percent of the information is retained.

Studies show that through effective participation where all members of the group are actively engaged in solving the issue, after 48 hours up to 90 percent of the information is retained.

This is what we call "capacity building" among development leaders for Community Transformation and helps become capable holistic leaders in the Kingdom of God.

This is what true discipleship is all about – knowing the principles and being able to use them to bring about positive change.

Next Steps

1. Form groups of 5-7 people.
2. Choose a facilitator.
3. Choose a recorder.
4. Choose a person to report the solution to the larger group.

Final Step

The reporter from each group reports the solutions to the problem presented in the Case Study.

Reinforcement

Here is what can happen in a short period of time. The participants:

1. Learned how to develop a capacity building exercise to build capable leaders.
2. Experienced a learner-centered method of learning in contrast to an expert teacher-centered method.
3. Participated in a Facilitation exercise that included every person in the group participating.
4. Learned how to facilitate to solve problems in the real world where people live and work.

Chapter 8

Background for Business

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Background for Business

Foundational Knowledge for Business

There is nothing more rewarding for some people than establishing their own independently-owned business (IBO). Conversely, there is nothing more challenging and difficult than beginning and operating your own business.

You, the sole proprietor have the total responsibility for “all your business does or fails to do.” The economic responsibility, payroll, supervision, solving of people problems and leading the organization can be a very significant challenge. Even though the challenge is great, the rewards of success outweigh the heavy responsibility and ever-looming presence of potential economic reversal.

Yes, it is true that about 90% of new businesses started do not make it. Some people have started and led several businesses that failed before being successful at one. However, remember that 10% of the companies succeed and you can be in that category!

Mr. Peter Daniels, a very successful entrepreneur from Australia, went bankrupt three times before becoming successful in a business venture. He began as a semi-literate bricklayer, learned how to start and grow businesses that multiplied to just short of a billion dollars in scope.

You are reading this because you are interested in learning more about becoming a business owner. Please remember one important thing:

You have not failed as long as you are willing to arise from the ashes of a business failure and begin again with renewed hope, passion and vision.

Occasionally one encounters a person who always wanted to own his or her business, but for various reasons it just never developed. A tenant farmer often dreams of owning his own land. Or a renter wants to own his own home. Another may be a clerk in a Jiffy Mart that wants to own the business.

The purpose of this information is to help aspiring entrepreneurs to discover ways to step forward, push the obstacles aside and by faith become an Independent Business Owner (IBO). When a person delays, time slips by and opportunities are foregone, economies change and the momentum is lost.

Of course, there is a process you must go through to insure success. Enterprise selection and a list of essential steps to take will be reviewed later, but let's simply move on ahead now!

**Procrastination is the thief of time!
Do it now!**

**Decide what to do!
Get started and don't quit!**

Dave Duell

The book, *The Millionaire Next Door*, describes the successes of many ordinary people who have become wealthy through establishing companies. There is a list of an amazing variety of companies formed, some with virtually no capital, but managed well, resulting in reaching to or exceeding the millionaire class of society.

**There may be a millionaire inside of you
screaming to be released
to help you reach your destiny.**

Dare to attempt great things, plan well, manage effectively and develop people. A good pathway toward success is to:

**Lead people and manage things!
It is developing people that will push you to the top.**

As Zig Ziglar says, "We will see you at the top! That is our prayer for you. Your success is our greatest passion; because in the end we must all win together.

The Desire of the Individual Business Owner

Why start a business anyway? One may logically ask, "Why in the world would anyone ever want to start and manage their own business?" When you first start your own business there are sacrifices to be made in order to get it going. However, once you accumulate sufficient capital so you can hire other people to do much of the detail work, you can actually have greater freedom of scheduling your life events.

If you really want security, work for the Government! They will take care of you well and at this moment it is the most significant growth industry in the USA, but it ought not to be so!

What is in you that drives you toward taking the risk of beginning your own company? What if you are among the 90% that fail to develop a business that is successful? What will people say? What will your family think? Just wait for the accusations that are hurled at you! Be strong, believe in yourself and take courage!

The Nature of the IBO

There is just something about that Independent Business Owner that drives him/her to start that business. What is it and how is it kindled?

- Independence** – There are those that have the drive to create something that they can do that will support themselves and others.
- Passion** – One who has a passion to create, develop or manage something of their own.
- Creativity** – Being a visionary or creative in such a way that he/she just can't wait until that idea is headed toward reality.
- Builder** – That drive to see what could be – to combine ingredients (labor, management and capital) resulting in something tangible, useful and valuable.
- Developer** – One that takes raw products, unimproved land or even struggling people and adds value through improvements that converts it into something valuable. It may be developing people to become what they were meant to be.

Example – The Old Grower and the Young Orchard

A neighbor near the farm where I was raised had orchards. He cleared the land, raised crops for some years and then began to plant trees – plums (prunes) hazelnuts and walnuts. Then he built a large dryer to dry the fruit and nuts for storage. His name was Willie Parrish. He and his wife, Anna, raised ten children as they developed the Century Farm.

I walked by that farm every day on my 1 ½ mile walk to and from the elementary school near where we lived. When Willie was in his 80s, he planted a new 20 acre prune orchard. He didn't think about being too old or that he would die before the trees yielded fruit, he planted because he was still alive, productive and forward looking. Before the orchard yielded, Willie passed away, but his legacy lives on through his great-great grandchildren and those trees that today are mature and productive. They live on!

**Family and business colleagues are a living legacy.
This is just like a tree you planted that continues
to produce long after you pass on –
that is what legacy is all about.
People have eternal value!**

Thinking Like an Investor

An IBO must think like an investor. The IBO avoids spending all his money. He prioritizes his spending, saves and invests for a future return. A consumer is commodity driven – he or she earns to spend, not thinking about tomorrow or the time value of money. The IBO with an investor's vision invests small amounts in his business and also in other investments that grow into additional businesses for wealth accumulation.

Sacrifice for future “financial freedom”

An effective IBO will invest today for a well-defined purpose – to reach financial independence

in the future.

ESEBOI Chart (adapted from Rich Dad, Poor Dad by Robert Kyosaki)

ESEBOI Quadrant	
<u>E</u> mployee	<u>B</u> usiness <u>O</u> wner
<u>S</u> elf- <u>E</u> mployed	<u>I</u> nvestor

Stewarding Your Assets and Governing Your Vision

As you develop your business you will do many things similarly to those that you have faithfully done for others as an employee. Your former and present employers have been a training ground as you have gained knowledge at their expense. Of course you were paid for your productivity, but you take your storehouse of experiences and expanded knowledge with you as you go out on your own.

A steward is a manager, the overseer of people and things that belong to another. In many societies and economic systems, a person has no opportunity to own anything of his or her own. One's occupation is often the same as his father's occupation using the principle of apprenticeship.

In many countries, 90 percent of the wealth is controlled by fewer than 10 percent of the population. Classes of people can be virtually locked into the status of their parents for life, with no upward mobility. The U.S. and Canada have an unprecedented freedom for people to create or do things they want to do.

Successful entrepreneurs in nearly every case were faithful stewards in overseeing things for another. It is you who puts forth the faithfulness and it is God that gives the reward!

NOTE:

In the Kyosaki chart, ESEBOI, you begin as a faithful employee. If you have been empowered by a wise person, you will begin during this phase of life to think, act and envision becoming an investor. "*As a man thinketh in his heart, so is he!*" If you envision yourself as an investor, you are well on the way to changing your destiny.

**Learn to associate yourself with investors -
listen to their stories –
open a small investment account.
Become an investor while you are an employee!**

Establish yourself a second stream of income while you are an employee. Build your business gradually as you retain earnings and invest capital in your **self-employed** business. Start small and grow as you can. This is moving you toward the self-employed phase of your enterprise development strategy.

Next, you move to the category of being classified as a **business owner**. In this phase you are paid from the assets that you have built and invested in your own business. You have also committed to invest as an investor. Remember this – your ultimate goal is to become an investor!

As you manage the business that you own, first part-time and later full-time, you manage your own painfully accumulated capital. You get a return and eventually live off from your own capital. You will normally be an employee before this phase of business life.

**Unless you obtain a profit from the labor of others,
your business will surely fail!**

The profit you obtain is the reward for your work, supervising, leading, knowledge, skill, experience and wisdom – but even more, a reward for putting your “capital” at risk.

Remember that your ultimate goal is to be an investor. To become an investor you must learn how to read, act, live, study and think like an **investor**.

**Learn to think, act and live as an investor
and guard your capital like investors do.**

RECAP

Your employment was the first tool in your tool kit that you learned to use on your journey toward “**investorship**.” Being partially self-employed was the next step on your way to owning your own business where others work for you, using your capital and their labor to produce a profit for you. Remember – you are the risk taker!

**Manage and lead well and gain some!
Manage and lead poorly and lose all!**

Develop a strong belief in yourself, the Lord’s guidance in your life, and the conviction to treat your employees with justice and fairness. Treat your workers with grace and they will treat you well also.

Example

The Ethix Corporation is organized around four core principles:

- Integrity
- Objectivity
- Confidentiality
- Competency

This company is based in Portland, Oregon and provides healthcare management services. Their focus on their core principles has helped them grow rapidly since 1982. They were listed in the **Inc Magazine** as one of the 5,000 most rapidly growing companies in America.

They are rewarded by providing high level services for “financial controls” that has propelled them forward as a leader in their area of expertise. They now have 690 employees and have revenues of \$43.8 million. This assures the CEOs they advise that their corporate cultures will strengthen. They will have fewer vulnerabilities, business performance will improve and there will be a greater peace of mind amongst executives.

Whereas this company extols high ethics (ETHIX), it also practices them within their own company culture that has made them genuinely successful. This company started very small, with a vision and it has grown because of the management skill and core principles

Summary

There is foundational knowledge that one must possess to form and lead a company. You have two ways to gain that knowledge – the easy, economical way through study and learning as a member of a team or the hard way of learning through costly mistakes.

Owning your own business is challenging as well as rewarding. Its success depends on YOU!

An Independent Business Owner is by nature independent, driven, a visionary and a self-starter.

Your ultimate purpose in owning a business is to gain and invest resources. Ultimately you want to be able to live from the returns on the investments you have made.

People may depend on you for salaries, insurance and retirement programs. The rewards for success outweigh the responsibilities and ever present risk of failure.

You have not failed as long as you arise from a business disaster and develop another one successfully with a rebirth of vision and hope.

Learn early on as an employee to think and invest like investors do!

Select your enterprise well – get started and don't quit!

Sacrifice through discipline today to insure Financial Freedom in the future.

There is something inside of you that is driving you forward. A vision or desire has been kindled to create something of your own. You are independent, passionate and a builder of people and things. You may have a developer profile that takes parts, labor and a market demand to build it and sell it.

Steward your vision faithfully and govern it with great care.

**Love and respect your customers
for they are responsible for you being able
to create enduring wealth.**

John Beehner

Adapted from True Wealth by the Book

As you lead people well, invest wisely, treat others with great respect and honor your customers, you will find yourself well on the way to becoming an effective entrepreneur.

Eventually you may be **“The Millionaire Next Door!”**

Chapter 9

Building the Organization

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Building the Organization

A Systematic Method

One way to help insure the on-going effectiveness of organizations is to employ steps for organizational wholeness. Contained in these listed steps are some essential elements to make leading any size organization easier.

It is **POSSIBLE** to lead any organization with a long-term orientation while reaching both short-term and long-term objectives. A systematic, vigilant focus on these steps will help to stabilize the organizational environment, even in times of stress and uncertainty.

This 8-step tool will be presented in some detail with a clear view to its practical use.

The 8-Step Organizational Matrix

P Planning
O Organizing
S Staffing
S Supervising
I Implementing
B Benchmarking
L Leading
E Evaluating

Source: Training Notes – George H. Meyers

Planning

- Plans are a list of critical success factors.

"Many are the plans in a man's heart, but it is the Lord's purpose that prevails."

Proverbs 19:21

- Planning milestones mark the way from brainstorming to listing the highest priorities of the group.
- Plans help sort out the absolute essentials from the trivia.
- Plans help focus on priorities.

"In his heart a man plans his course, but the Lord determines his steps."

Proverbs 16:9

Organizing

- Organizing is the act of rearranging a thing in an orderly fashion. This reduces clutter and promotes focus. An organized environment reduces confusion and an organized desk helps to clear the mind to focus on the next task.
- An organized system or function helps to sort out and list priorities.
- Getting it organized helps you be able to find things, saves time and aggravation.
- An organizational chart helps everyone see where they fit into the big picture.

Adapted from:
"Getting Things Done," by David Allen

Staffing

The word staff is a military term that relates to planning and command, i.e. Command and Staff. In the military there is the General Staff (multi-purpose) and Special Staff (specialized). I am a graduate of the Command & General Staff College of the U.S. Army and the Air War College. These schools have influenced my organizational style and skills.

Staffing is the finding, selecting and appointing of people with the right skills to the right positions where they can best serve to help the organization be successful.

Staff planning is a common term of reference to the work of a planning group. In personnel terms, staff is clearly associated with the process of planning and coordinating.

A staff can be segregated into Executive Staff, Management Staff, Planning Staff, Coordinating Staff, Special Staff, etc. It is the grouping of executives and leaders or specialists.

Supervising

Supervising various age groups requires skill. Skillfully helping workers do their job is the task of supervisors. Supervisors should understand the difference when managing the following groups, since they all may be represented in your organization or company:

- Builders – Born Pre-WW II
- Boomers – Born after 1945
- Gen-X-ers – Born in the 1970s up through 1982
- Millennials or Generation Y – (Also known as Echo Boomers and MTV Generation)
- Born 1982 through September 11, 2001

Supervizing the Builders generation was easy because they were compliant. The Boomers were very creative risk takers. Supervizing the Boomers was a challenge because the independent spirit was very strong. They always asked, Why? This group is now retiring.

**"Improve your supervisory relationship
and reduce stress."**

www.revolutionhealth.com/healthy-living/relationships
A Mayo Clinic Publication

When supervising Gen-X-ers it is useful to form them into teams and model expectations in an environment of cooperation. If you say, "jump," they won't say,

“how high?” They are more apt to say, “Will you jump with us?”

Remember that the Millennials are the generation that has brought us into the technological or information age.

We need each age group to build strong organizations.

By recognizing the potential and differences of each generation, leaders can integrate their various contributions to form model organizations for the future.

Implementation

Implementation is the execution of a plan; completing what you planned to do.

Plan, supervise and implement is a trio for future success.

This is like planting the plan in fertile soil so it can produce.

In the implementation stage, your people of action and the new idea generators are truly valuable. Give them freedom, but require them to produce.

Project managers and other managers **implement** the plans.

Implementing a marriage really begins once the honeymoon is over.

You may plan a trip on Mapquest, but implementing the plan means actually getting in the car and putting the pedal to the metal.

Implementing gets the widgets and gizmos through the assembly line and onto the loading dock for marketing.

NOTE:

The benefits of an “implementing group or agency” to launch a new program, project or product needs to be understood. Usually a new program or product is simply an **add-on** to all of the other work or activities currently in process.

If you want something new to be dynamic, effective and profitable it must be implemented well.

When a project is stacked on top of the customary full load of work it will take off slowly. If a new project is very high profile and needing an immediate launch, an implementation group is truly valuable to get the results soon.

A good Implementation may yield rapid success.

Benchmarking

This is a process used in management and particularly strategic management, in which organizations evaluate various aspects of their processes in relation to best practice as compared to the industry standard.

Benchmarking is a powerful management tool because it overcomes “paradigm blindness,” which can be summed up as the mode of thinking, “The way we do it is the best because this is the way we’ve always done it.”

Benchmarking opens organizations to new methods, ideas and tools to improve their effectiveness. It helps crack through resistance to change by demonstrating methods of solving problems other than the one currently employed, and demonstrating that they work, because they are being used by others.

Benchmarking allows planners to strategically compare their organization against the standard of look-alikes.

The ongoing process of benchmarking allows the comparative evaluation resulting in continual improvement in results.

For example, the standard amount that an industry spends to conduct an event can become a benchmark to which you compare the costs of your corporate event. It helps to improve the systems, cut costs and improve profitability.

The following is an example of a short version of the methodology.

1. **Identify your problem areas.**
2. **Identify other industries that have similar processes and problems.**
3. **Identify organizations that are leaders in areas like yours.**
4. **Survey companies for measures and practices.**
5. **Visit the “best practice” companies to identify leading edge practices.**
6. **Implement new and improved business practices.**

The source for the example of methodology is [Wikipedia.org/wiki/Benchmarking](https://en.wikipedia.org/wiki/Benchmarking)

Leading

No organization will go far without effective leadership. The leader must focus on leading, setting the direction, equipping and motivating others in an environment of trust, hope and opportunity. The organization becomes an expression of the depth of character of its leader.

Evaluating

When the 8-step tool (**POSSIBLE**) is in place, the organization is in position to advance toward fulfilling its mission. When the process is functional, further refinements fortify each of the steps.

Systematic management of the above steps strengthens the ongoing processes on a continual basis. Each of the steps is under surveillance during a periodic review.

We recognize that the 8-step tool does not contain everything necessary to build an organization. There are other systematic ways to strengthen organizations that can be used in conjunction with these steps.

For example, finance, funding and accounting are not shown as major points; neither is marketing or research. It is simply a tool to bring the executive leadership and management staff together in

a systematic way to generate strength and continual surveillance.

The continual observation, reinforcement and adjustment of the 8 steps helps to prevent “the tyranny of the urgent;” and level out the systematic employment of resources applied effectively to achieve the organization’s highest purposes.

NOTE:

The leaders should systematically refocus on the continual employment of the 8 steps for organizational effectiveness.

Key Points

- **Keep focus on the main thing.**
- **Require managers to manage and leaders to lead.**
- **Envision leaders to think long-term and beyond their current levels of leadership.**

Example

The Leader

The trail boss selected the route for the cattle drive, hired the foreman and negotiated the sale at the railhead. He paid off the cowboys once the cattle were loaded in the cattle cars and headed for the stockyards in Chicago. In the end, he traveled with the team back home and paid the ranchers for the cattle that finished the drive.

The Manager

The foreman managed the point cowboy and boss steer that led the way and the flank guards keeping the cattle in line, supervised the cook with the chuck wagon, controlled the runaway mavericks and protected the herd from predatory rustlers. He got things moving every morning and gave instructions to the wrangler to get the broncs ready to be saddled.

NOTE:

The Principle of a Base

Most effective companies or organizations have a Base from which to lead and manage operations. Think about the Army firebase in war, the cattle ranch headquarters, and an agency or corporate headquarters.

The Base, as a place, adds strength and identification to leadership and organizational substance. In some of today’s “virtual” companies, the Base may be one guy with a computer connected to a network. Nevertheless, he is the Base.

Chapter 10

Principles of Staff Organization

Chapter 10

Principles of Staff Organization

There are essential functions that must occur for any organization to develop successfully. Over the centuries certain principles have been well tested. There are time honored systems that have proven valuable in governing, leading, managing and developing an infrastructure that will serve the needs of the organization in a very effective way.

Staff infrastructure is essential for any organization that grows beyond a few people.

There are many kinds of organizations and each has its own peculiar needs and desires when doing things. Adapting to a more formal business model for conducting the large organization's business affairs takes special skill and patience to avoid bureaucracy.

Large organizations require a well-defined infrastructure.

The key element of staff formation is to realize that one individual can only effectively lead a few people himself. Jethro was the father of the wife of Moses. When he saw all of the people coming to Moses to have their problems solved, he said that this is not good for them. He then advised Moses on how to divide the people into manageable groups based on an infrastructure common to them. Moses then divided the people into families, extended families, clans and tribes. This is based on the customary family, extended family and tribal organizational levels common in the infrastructure even in some of our communities today among the nations.

In most cases, one leader can directly supervise only 4-5 others.

"A leader is born just like everyone else," but he or she must be developed. You may have heard the old adage: he is just simply a born leader. Actually we're all born, but some people develop into leaders and others do not. A wide geographical dispersion compounds leadership and management challenges.

Leaders must be developed.

Whether a person becomes a leader depends on several things. First, a person has to desire to be a leader. Then he needs to be in a position to receive different levels of responsibility in order to gain experience so he can be developed and designated as a leader.

A person has to desire to be a leader to become one.

Leaders usually develop through being purposefully mentored and observing how others lead and manage. It is important that assignments are appropriate to the level of responsibility required and that coaching and mentoring are provided. As a person develops in management and leadership skills, he/she may be given progressively larger responsibilities. As it is written, “He who is faithful in a little will also be faithful in much.”

A mentor assigns progressively larger responsibilities to the developing leader.

In Christian agencies or even in smaller churches it is a significant challenge for the dominant person in charge as the primary decision maker to transition to leading through a staff. He or she has not had the prior experience or requirement of organizing and developing others like is done all of the time in a business. Most leaders are developed in industry where staff coordination is common and where individuals are schooled on the job in staff action and leadership responsibility. In businesses, supervisors or directors are expected to be mentors and to be developing the next generation of staff as successors to the current leaders. It is essential that there is a new group of leaders that are in various stages of leadership development. Time passes quickly and leaders leave, retire or join other organizations. **Then suddenly the organization is critically short on leaders.**

A successful major leader will be developing leaders about three levels deep all at the same time.

When organizations purposely create assistants for most of its major positions, there is always a new group of future leaders emerging up through the ranks. We identify this type of an organization as having **organizational strength in depth**. It takes planning and a priority for investing in developing the next leadership generation to have an enduring staff and effective employees that can lead toward an increasing level of productivity on a sustained basis.

It takes planning and prioritizing to develop leadership strength in depth. This is especially true for preparing for succession for the position of a company's Chief Executive Officer. The years go by rapidly and the **successor should be in the process of being groomed for 3-5 years whenever possible**. Seamless major leader transfer when well planned and executed often gives new life, hope and vigor to a company or organization.

The large majority of pastors sacrificially serve small congregations where there is not a significant opportunity to develop supervisory skills like there is in industry where there is a well defined career pathway. In many cases the congregations have few people because the communities are small, so the congregation will remain small.

On the other hand, in larger communities there is an opportunity to build modestly large or even mega-church congregations. These require major leadership and organizational professionalism.

Major churches require highly professional leaders that can trust others and delegate.

Nevertheless, in either a small or large church setting a pastor continues to develop in his leadership and management skills. This is true especially if he or she engages in local community organizations such as Kiwanis, Rotary Club, Lions Club, Chamber of Commerce or any kind of legitimate civic organization. When an organization becomes large, a leader who does not delegate effectively can become controlling and dictatorial in style.

The pastor or ministry leader soon realizes as experience is gained that more is achieved through helping others succeed than trying to do too much himself. When he or she captures the vision of how much more can get done through equipping others and then living one's life vicariously through the lives of those that you have developed, then the productivity of the leader goes up exponentially.

**Effective leaders achieve their purposes
vicariously through the lives of others.**

Usually in the ministries of a church this vicarious life is only achieved when there has been a commitment to focus on the concept of **“equipping the saints for the work of the ministry.”** The equipping paradigm is often not done in an effective way, especially in small congregations if members continue to look to the pastor to be everything to all people. The pastor, trying to do too much himself prevents the emergence of future leaders.

The CEO empowers his or her staff.

In businesses, the principle of equipping others must be set up as a high priority. The CEO must be willing to invest in empowering the staff if the level of productivity is going to continue to go up.

A leader points in the desired direction.

The responsible leader will lead his organization in such a way that he is seen as the primary person responsible for “pointing in the desired direction.”

The method that he uses is first to organize for success. The motivation is to come to the realization that through the lives of others carefully chosen and proven, the goals of the organization can be achieved.

The above are some of the foundation stones for selecting, developing and replicating leaders for “best practices companies and organizations.”

Staff Structure

There is a time honored and simple way to organize just about any organization to achieve its assigned or chosen task. One only needs to be able to count up to about five in number and become a disciplined leader. These are some aspects of a ministry or business that have to be considered and achieved to go effectively beyond the scope of the typical Mom and Pop sized business. Each of these areas has to be done with skill or the organization will suffer.

Consider the following Coordinating Staff positions:

1. Administration
2. Research, information management, communications and public relations
3. Operations
4. Logistics

Once a leader has put staff position numbers one through four in place, he or she has structure for success. The staff of the military is referred to as a general or coordinating staff. This does not mean the staff members are generals, but it means that oversight of certain areas of the organization is done by those that have an aptitude to see the big picture and usually are multi-tasked individuals.

Coordinating staff guides assigned areas of an organization.

Within any type of organization, directing a company or in the case of the military, an officer commanding a unit, requires the CEO or officer to effectively organize so that the sub leaders can effectively do their job.

It is through the effective completion of the jobs or missions that organizations get their profits or the other purposes of the organization fulfilled.

When organized as shown above it will be possible for leaders of departments, divisions, etc. to be placed under the supervision of a numbered Coordinating Staff member.

At times there will be no leader to fill a spot. In this case, the leader appoints a functional subordinate in the department to be the “acting” leader in order to fill the vacancy. Sometimes a leader must fulfill multiple assignments in an organization.

Special Staff provide technical services to meet special needs.

There are other needs of an organization that requires specialists. We will refer to these staff leaders as **Special Staff**.

For example: staff chaplain, staff doctor, information technology coordinator, lawyers, research director, political advisor, union liaison, trainers and public affairs officers.

**Every worker should find his/her spot
on an organizational chart.**

Once the staff organization is envisioned it must be portrayed on an organization chart, or other appropriate graphic, easily seen by everyone in the organization. The organization chart will show positions in a graphic way. It should be posted for all to see.

Effective leaders ensure that job descriptions are done well.

Job descriptions or position descriptions are prepared for each worker to include: responsibilities to achieve and whom one is responsible for.

In other words, **“to whom am I responsible, to achieve what purpose and who is responsible to me to help me achieve it?”**

RECAP

There is a Coordinating Staff that coordinates the production or other purposes of the organization. Then, there is the Special Staff with leaders of sections that provide essential special services (such as graves registration in the military) to help ensure that the overall mission of the organization is achieved.

Career Pathway

The leader of a company has essentially grown up under the discipline of a coordinating staff. Through observation he or she knows how organizations function and much about why reaching the goals is the highest achievement. Understanding is necessary for leading and managing within an organization where there are many special and creative people. This is why the Special Staff has such an important role.

In their career pathway, the special staff usually is not being groomed for future major leadership. For example, the staff chaplain is not being groomed in a military organization to be the future commander.

In like manner, in corporations he is not being prepared to be the future chief executive officer (CEO). The staff doctor, community affairs coordinator, or attorneys or other kinds of specialists do not expect to be developed into primary leaders or chief executives of an organization, but usually are retained in their special positions throughout their career.

The majority of leaders that become Coordinating Staff normally gain their initial experience in the production units of the organization or in marketing and development. In England it is common for the future chief executives to have come from the accounting departments.

Common Weaknesses

A person's background has a lot to do with his future assignment. He who gains his work experience in a coordinating staff assignment will understand the responsibilities expected of supervisory people at varying levels of the organization.

If a person has work experience in specialties, such as a teacher, or on a church staff, they would usually not be exposed to the discipline that is effectively used to control, manage and lead large organizations. He may be a person that does not place adequate trust or the essentiality of confidence in subordinates, section leaders or other people that he or she is given the responsibility for supervising. In this case there may be a tendency to micromanage rather than lead through empowering a staff. This is very common and reduces the effectiveness of a leadership team.

Leading by Example

A person who has the responsibility of a major role in an organization will lead largely by example, competence and experience.

There also is **"positional leadership."** This is simply the position one holds of assigned responsibility from which an individual derives authority. Positional leadership has its shortfalls. If a person has to use their position to gain the respect, performance or cooperation of people, he or she will find it very difficult to fulfill responsibilities of that leadership position.

Chapter 11

The Spirit of Entrepreneurship

Chapter 11

The Spirit of Entrepreneurship

Business is honorable and business people are anointed by God for the marketplace. The statements and quotations that follow back up this premise.

“Nation transformation must be tangible, and the premiere indicator is the elimination of systemic poverty.”

Ed Silvos

“The inherent vice of capitalism is the unequal sharing of blessings, the inherent virtue of socialism is the equal sharing of misery.”

Winston Churchill

“A country becomes more prosperous in proportion to the rise in the invested capital per unit of population.”

Ludwig von Mises

“A government big enough to give you everything you want, is strong enough to take everything you have.”

Thomas Jefferson

**“The Church has been sent to reclaim
what God has already redeemed.”**

Ed Silvos

As Americans have begun to return to being thrifty, saving part of their earnings, these funds become investment capital in the economic system to help fund renewed capital growth.

**Entrepreneurship for profit is an
example of godly social responsibility.**

A pastor that does not develop his/her people to prosper in business will always have a congregation that is financially anemic.

A goal of a congregation should be to save souls, certainly. Another goal should be to develop successful business owners that provide for employee families, pay taxes and participate locally and beyond in transforming our communities in at least the seven domains of culture.

**The Kingdom of God is an internalized system
of government which when established
in the soul of man, will reform the world.**

Source Unknown

The authority and responsibility of every believer has been established by the Lord. We are called by God to establish the Kingdom of God in the earth. Jesus is building his Church all over the world, but He calls us to establish our businesses as crucial components of Christ Transformed communities and nations.

We cannot dwell in our prosperous communities without hearing the cries of the poor, destitute and disenfranchised. What they need more than any other physical necessity is a JOB, to be able to earn and provide for their families, to be able to pay taxes and participate in maintaining an effective, honorable governmental system.

**“In short, the way to wealth, if you desire it,
is as plain as the way to the market. It depends
chiefly on two words, industry and frugality.”**

Ben Franklin

The Seven Domains and the Kingdom Community

The saving of souls without the reclamation of our societies is a hollow gospel and is not what Jesus preached. The local congregation and its ministry through the impartation of spiritual gifts is the frontline for community engagement. As pastors lead their congregations in Kingdom of God ministry, the Holy Spirit enables citizens of the Kingdom to reclaim what has been lost – the redeemed of our God.

There must be a ministry of reaching and winning the souls of men and women in their cultural context by announcing that the Kingdom of God has come upon them and their confession accepts that fact. They are those called out of darkness and are placed by the Lord in the Kingdom on earth and in heaven. Concurrently they become a part of a group for worship and fellowship, but maintain their “called out” citizenship in the broader Kingdom. They are worshipers in a local body of believers while establishing the Kingdom within their community.

**The miraculous nature of the Kingdom of God is
all of the saints in the Kingdom community
worshiping in congregations of Kingdom believers
and contributing to transforming their communities
to conform to God’s plan for them.**

Kingdom Entrepreneurship

We will focus in this learning experience on Kingdom Entrepreneurship among the saints. This is truly Kingdom Business – Business as Mission (BAM).

This is what business should be according to Ken Eldred, “God is at Work.” Capitalism rests on the biblical principle of freedom and responsibility.

Any form of economic enterprise must possess high moral attributes to resist becoming perverted and stained by the world.

We must maintain a social economic and cultural consciousness as we maximize our return on investment while guided by high moral and ethical standards.

Taking from the rich and redistributing it to the poor is unjust and results in everyone becoming poor, except those dictating the rules of redistribution. There is not one prominent example of a Socialist State that has been successful for any length of time.

Business is Honorable

Business is an honorable vocation. Jesus did most of his ministry in the marketplace. The transformation of nations is done through the elimination of systemic poverty. This is achieved as prosperity increases through thrift (savings) and investment in businesses that employ people.

Big government is the beginning of sorrows socialism robs individual initiative and soils the soul. You cannot successfully take from the rich and redistribute it to the poor – all become poor!

Money flows where it is treated best and jobs flow to where lower taxes permit good profits. The seven domains or mountains of culture are like legs under the advancing Kingdom of God in action.

Kingdom entrepreneurship is businesses established for profit, employing people who are raising families and contributing to the good of the community.

The development of Kingdom commerce integrates with the other domains as they reinforce each other and lift communities from systemic poverty to prosperity for all – spirit, soul and body.

Fulfilling the Great Commission

The Great Commission is not a special call to a chosen few. It is God’s mandate to every believer. The moment a person accepts Jesus Christ as their Lord and Savior, God calls them into the ministry of reconciling this world back to its Creator.

Everyone has the responsibility to find their place, identify their gifts of the Holy Spirit and to discern their calling. It may be in business, education, government, military or a multitude of other possibilities, but everyone is called to the work of the Great Commission.

Chapter 12

Starting a Business

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Starting a Business

Purpose

To envision and empower passionate people to form and launch their own small companies and manage them successfully.

Objective

- To transfer knowledge skills, use information resources and to mentor potential business leaders forming small companies.
- Aspiring entrepreneurs will learn business principles through group learning methods on how to select potential enterprises and to initiate a successful and profitable business.

Goals

- Learn how to form a business.
- Actually start a company.
- Manage the company profitably.
- Do good in the community.

Learner-Centered Training and Practicum

The training method is a learner-centered, group learning experience using practical learning steps. Each group will plan for the development of a company. The groups themselves will do their own enterprise selection. Business models and case studies will be used and specific companies will be reviewed.

Expectations of the Learners

We expect that eventually each participant will be able to help others start businesses and facilitate their success. Helping others sharpens skills and helps to lift the entire community to a higher plane of success for all the people.

Anticipated Outcomes

At the end of this facilitated learning experience, each participant will have obtained the skill to:

- Understand the basics of forming a business.
- Know how to select an enterprise.
- Be able to access ongoing learning resources.
- Develop contacts within the business community.
- Form a group of mentors to help assure success in forming and managing a company.
- Identify various small business information centers and services to get help and information for future enterprises.

Formation of Study Groups

Groups will be formed as much as possible according to the entrepreneurial interests of the participants. For example:

- Internet business – doing business online.
- The small business enterprise.
- Service companies.
- Relationship marketing – multi-level or network marketing.

Visiting Entrepreneurs Program

We plan to have small business owners visit the group to tell the story of their experiences in forming and managing their companies. Learners will take notes and summarize the presentations by each business presented.

Group and Individual Reports

- Visits to selected companies.
- Summary of briefing to the group by visiting Independent Business Owners.
- Business enterprises planned by the group – Business Plans.
- Written intentions from each participant on how he/she plans to use the training.

Major Points

- Background and foundational knowledge
- Principles
- Types of businesses
- Developing the leader within you
- Business models
- Planning the enterprise
- Information and research
- Case studies
- Group reports
- Company presentation

Introduction to Techniques for Managing Well

- Plans
- Budgets and accounting
- Legal issues
- Staff management
- Financial control and credit
- Market estimates
- Quality control
- Investing wisely
- Managing risk
- Problem solving
- Turn-around steps

Business Study Worksheet

Group Work

1. Envision your enterprise.
2. Write the purpose, objectives and goal.

Purpose – why?

Objective – what to reach for?

Goal – steps to take to accomplish what you set out to do.

3. Organization of the Work Group.

Coordinator

Recorder

Researcher – locates information and methods

Liaison to connect with local industry and owners of businesses similar to the one your group is studying.

4. Develop your plan.
5. Conduct a test on paper.

Tips

- Start a business in a field that you have experience in.
- Form an advisory team, then technical and accountability system.
- Have advisors outside of your family to keep you on track.
- Do good accounting and pay your taxes on time.

**“Find someone successful
and copy what they do.”**

Investors Alliance Network

RECAP

You desire to become a business owner and that is a good thing. You can fulfill the Lord's purpose and calling upon your life in this way. There is no greater fulfillment in life than envisioning, establishing and managing your company profitably as it serves to care for your family and strengthen your community.

Make your purpose clear, your objectives appropriate and get staff participation as you set the goals. Those who write the goals have a sense of goal ownership.

You have become part of a work and study group. Each group will plan a company. Then you will be ready to reinforce your own vision and define plans for your own company.

Organizing for Success

Use techniques of coordinating staff positions 1-4, an organizational chart and job descriptions to get started well.

Planning the Enterprise

An effective plan is essential to get off to a good start. The plan will contain several general components and other specific supporting data with essential details.

**Start with the end in mind.
Stay focused on the main thing.
Have a plan, follow it well, change it as necessary.
To not plan is to plan to fail!**

Basic Elements of a Plan

- What do you plan to do?
- When do you plan to do it?
- Why are you doing it?
- How will you do it?
- How much will it cost?
- What is the cost of the goods or service?
- What is the estimated market demand?
- How much will it sell for?
- What is your break-even cost?

Forecast your sales or services revenue conservatively

The effort spent on adequate market forecasting is time well spent. Over-aggressive enthusiastic marketers can hype up the marketing environment and influence the company to over-produce a product. This is especially true for a new product that has not yet received a genuine market test.

**When placing a new product or model into the market,
guard against over manufacturing or you will have
too much expensive inventory to carry too long.**

Getting Started – The Simple First Steps

1. Write your vision – what you dream about – an idea or passion.

I want to _____

2. Your “why” will determine how far you will go with your vision.

The reason I want to start and operate this business is to _____

3. We plan to achieve

(what) _____

4. We plan to launch this business

(when) _____

5. We plan to go about developing the enterprise

(how): _____

6. Get it organized.

THE BUSINESS AS MISSION MANIFESTO

ad Maiorem Dei gloriam (AMDG) – For the greater glory of God

The Lausanne (LCWE1) 2004 Business as Mission Issue Group worked for a year, addressing issues relating to God's purposes for work and business, the role of business people in church and missions, the needs of the world and the potential response of business. The group consisted of more than 70 people from all continents. Most came from a business background but there were also church and mission leaders, educators, theologians, lawyers and researchers. The collaboration process included 60 papers, 25 case studies, several national and regional Business as Mission consultations and E-mail-based discussions, culminating in a week of face to face dialogue and work. These are some of the observations.

Affirmations

- We believe that **God** has created all men and women in His image with the ability to be creative, creating good things for themselves and for others – this includes business.
- We believe in following in the footsteps of **Jesus**, who constantly and consistently met the needs of the people he encountered, thus demonstrating the love of God and the rule of His kingdom.
- We believe that the **Holy Spirit** empowers all members of the **Body of Christ** to serve, to meet the real spiritual and physical needs of others, demonstrating the kingdom of God.
- We believe that God has called and equipped business people to make a **Kingdom** difference in and through their businesses.
- We believe that the **Gospel** has the power to transform individuals, communities and societies. Christians in business should therefore be a part of this holistic transformation through business.
- We recognize the fact that poverty and unemployment are often rampant in areas where the name of Jesus is rarely heard and understood.
- We recognize both the dire need for and the importance of business development. However it is more than just business per se. **Business as Mission** is about business with a Kingdom of God perspective, purpose and impact.
- We recognize that there is a need for job creation and for multiplication of businesses all over the world, aiming at the quadruple bottom line: spiritual, economical, societal and environmental transformation.
- We recognize the fact that the church is a huge and largely untapped resource in the Christian business community to meet the needs of the world – in and through businesses to bring glory to God in the marketplace and beyond.

Recommendations

- **We call upon the Church worldwide** to identify, affirm, pray for, commission and release business people and entrepreneurs to exercise their gifts and calling as business people in the world – among all peoples to the ends of the earth.
- **We call upon business people globally** to receive this affirmation and to consider that their gifts and experience might be used to help meet the world's most pressing spiritual and physical needs through Business as Mission.

Conclusion

The real bottom line of Business as Mission is **AMDG – ad maiorem Dei gloriam – for the greater glory of God.**

Business as Mission Issue Group - October 2004

Convening Team: Mats Tunehag, Wayne McGee & Josie Plummer

THE BUSINESS CREED

Our Business in Our Community for His Purpose

- We believe that to form our own businesses and be responsible for their success is an honorable assignment from God.
- To own our own business is rewarding as well as challenging.
- That through leading and effective employment of our capital and the faithful labor of others, our society will prosper as responsible productivity brings prosperity.
- We must develop as leaders faster than our business grows in its demands upon our leadership.
- As we lead our companies we are leading people, providing for their families and strengthening our community where our business has positive influence.
- As business owners we accept our social responsibility to harm no one and to honor the Creator by being good stewards of the world around us.
- It is right and justified to receive a profit from the employment of our capital and the labor of our staff.
- It is honorable to employ people so they can faithfully care for their families and contribute to their communities.
- Our business is a model that others will follow. May they prosper as they live in righteousness. Our lives as leaders are a constant testimony of the Lord's ever present and increasing grace.

**Source: Cascade Institute for Entrepreneurial Advancement
George H. Meyers 2009**

RECAP

In this study entrepreneurs have received some background information on what doing business is all about.

Various aspects of businesses were discussed:

- The basics of how to form a business.
- Types of businesses.
- Business honors God.
- Models.
- Planning.

Techniques for managing well were introduced. This also covered ways to control the enterprise to prevent a shipwreck.

Finally, organizing for success was begun which will take the planning steps forward to be ready to complete a model that can be used to actually form the enterprise.

Now the study group has the tools to plan the enterprise.

Chapter 13

Doing Business through Relationships

Chapter 13

Doing Business through Relationships

Background

Since very early history, man has traded in some way to provide for families, build communities and even try to dominate the known world of the day.

Methods of doing business changed as social, climactic, security and technological conditions changed. The trading of goods through barter was replaced by using a medium of exchange. A major medium of exchange for centuries was salt; then silver and gold and later coinage and printed money or electronic paper of value.

Finally, complex systems of stock markets, mutual funds and even derivatives were used to drive commerce.

For trade to occur, there has to be a genuine exchange of one product of value: for example, soap for another equal value (currency). Once the conditions are agreed upon, the deal is made. To consummate a deal, there is the delivery of goods, commodities, products or services. This is the simplest explanation of the way trade works.

There are types of goods, products or services that are more permanent and lasting than others. Gold and silver, for example, are used as precious metals because of their established enduring value. Real Estate has perceived value due to a limited supply of land and the value of improvements on a parcel. Hard currency, such as Dollars, Euros or Pesos has international exchange value.

Modern Economic System

In today's complex economy, money takes on many forms. The U.S. Dollar has served well as the global reserve currency. With the current mismanagement of the U.S. economy, the dollar is losing its favored position to oil, gold or a basket of other respected currencies.

Most wealth moves on "monetary instruments" or paper documents representing "value." Today most of these transfers are done electronically, just like you may be doing your online banking.

This is a brief summary, but will help you understand how a transfer of ownership and relocation of the product from seller to buyer is initiated and consummated.

Exchange of Products through Direct Marketing

Let's focus briefly on the exchange of a product for money and the movement of the product to its new location.

We will use an example of a nutritional product that we will call Yerba de Mio (fictitious name). This product might be sold in the corner pharmacy, super Wal-Mart grocery or from an online supplier. It may even be sold by a market retailer from a store. Another way is retailing online; yet another is selling door to door. There are many ways, each giving profit to corporate-owned suppliers and sellers.

Let's look at the most rapidly growing trend in today's stressed economy – direct marketing, also known as multi-level or relationship marketing. Direct marketing is moving products from supplier to consumer separate from the usual retail system. It is referred to in several ways:

- Direct marketing or direct sales
- Multi-level marketing
- Network marketing
- Relationship marketing

Scope

The U.S. Direct Sellers Association (DSA) reports that 55% of adult Americans have purchased something through a direct selling representative. About six percent of Americans are currently direct seller representatives, and 14 percent have at some time in the past been a multi-level representative. This is a giant enterprise – over \$100 billion annual global sales.

The DSA report shows that the 2007 rate of growth of wellness product sales was 21.4%. Personal care (clothing, cosmetics, etc.) is growing at 38% per year; family durables at 25%.

The direct sales industry is growing more than 3.5% per year.

Statistics

This is a dramatic growth industry and compares well to store retail sales growth. In 2007, 15 million Americans were independent marketers of multi-level products. Among the 15 million direct sales representatives:

- 88% are women
- 77% are married
- 84% are High School and College graduates
- 78% are under 55 years of age

Geographical Sales Distribution by Region:

Summary of Total National Direct Marketing Sales by Region

- Southeast – 31.6%
- Midwest – 23.3%
- West – 26.8%
- Northeast – 18.3%

Source: DSA, 2007

Industry Ethics

The DSA has an extensive code of ethics to be honored by its members. This helps to hold the Independent Business Owners accountable to high standards. Each direct sales company is responsible for enforcing the ethical standards in order to remain in good standing with the DSA. Their Code Administrator monitors compliance.

Typical Direct Marketing Representative (Hypothetical)

The typical direct marketing representative is usually a married woman, under 55 years of age that needs to supplement the income of the family. She learns of a product or service from a friend and the opportunity to market it to her acquaintances just like her friend has done with her.

This lady initially enrolls as a member of the company and begins using the product herself. Then she is mentored by her sponsor and learns how to help her own friends earn some part-time income also.

Some will take hold of a vision immediately; learning how they can turn a very small investment of membership and product into a profitable small business; then grow it into an enterprise that can help earn more than her other friends who work a 9-5 job or even in some cases more than her husband earns.

Sponsoring Others

The representative or Independent Business Owner (IBO) learns to sponsor other IBOs and to help them sponsor yet others as the mutually supporting network of friends and mentors expands.

Propelling the Business Forward

This network or group gains momentum by:

- Sharing with friends
- Promoting a needed and wanted product
- Genuine business opportunity
- Building relationships
- Business profits
- Long-term financial benefits

This is all done by becoming a member of a **success team** that helps friends succeed in business. This is what relationship marketing is all about. As you build your network of successful people you are **discipling** them in business success.

You are discipling successful business owners.

How an IBO Thinks and Influences Others

**As a relationship-based Independent Business Owner,
what you really do is help your friends
be successful in business.**

We mentor Independent Business Owners on how to multiply teams that insure business success. Relationship marketing is building business success teams. In the process everyone helps those they are responsible to and those they are responsible for to become successful in business and to grow as leaders and builders of communities.

**In relationship (network, multi-level) marketing,
everyone succeeds at the expense of no one.**

How to Get Involved

An important part of relationship marketing is to find and enroll in a company that you are so positive about that you just cannot help but share with your family and friends how it is changing your life.

Chapter 14

Business Basics – Accounting

Chapter 14

Business Basics – Accounting

Introduction

During this module you will learn the basics of accounting. This will help you to be able to keep and interpret your financial records and reports.

You will become familiar with financial terms.

The intent of this training is to keep it simple so everyone can understand. We realize that accountants and auditors will go into much greater detail, but our purpose is to only cover the basics.

We should ask the question – why is accounting important? It is important because it shows how you have done financially!

Accounting is the language of business and contains its vocabulary.

There are many terms in Accounting. They describe actions taken, analyses completed and status reports submitted.

Accounting can tell us about the level of profit, if you are profitable or not, and if not, why not!

1. Accounting Staff

All of the procedures are designed to maintain control of the finances. The **Controller** is a person with accounting skills that is responsible for maintaining and reporting on the financial status of the company. He/she also makes financial estimates and forecasts. He/she is in concert with other senior officers to establish financial policies, approve the allocation of funds for various purposes and advise on the financial consequences of financial decisions being discussed.

The Vice President of Finance and the Controller provide the Chief Executive Officer (CEO) the essential information to determine financial status, financial health of the company or organization and other essential information for decision making. Titles may vary, but the function remains basically similar.

The Chief Executive Officer (CEO) is responsible to lead the company to produce a **profit**. While discussing strategies, changes or allocation of funds to various divisions, the view is for the **bottom line**, a net profit.

Accountants and Bookkeepers handle the detailed record keeping and financial reports. They provide the raw data and reports from which analysis data is drawn.

The management of a company must insure a profit for the owners who are the **shareholders** of the company.

2. Terms

Balance Sheet

A snapshot of the finances at a certain point in time is the Balance Sheet. This shows what money you have and where it came from.

Costs of Production

Costs – knowing costs is essential to profitable management!

Cost of Production = cost per unit

Units Made

Managers must know the cost per unit produced to make a final decision on what the minimum selling price must be. Once the product is sold, the accounting office calculates the **cost of goods sold**.

Financial Scorecard

We need a financial scorecard that shows what is happening over a period of time. This report is called an:

Operating Statement
Income Statement
Profit and Loss (P & L) Statement

These all mean the same thing.

To go forward we must get the expenses in the equation: A simple equation is:

Sales minus COGS (Cost of Goods Sold) = Gross Profit
Gross Profit minus Expenses = Net Profit

There are other overhead costs to account for to get to the **Net Profit**. This is what we call the bottom line or pure profit.

For a service company, the COGS is the same as **Costs of Services**.

Net Profit

The goal is to get to the figures for the bottom line or Net Profit. In this expression several terms are the same:

Bottom Line
Earnings
Net Income
Net Profit

Net Worth Statement

A good end of year tool to have is an updated **Net Worth Statement**. This statement details the assets minus the liabilities:

Assets minus Liabilities = Net Worth

RECAP

There are many terms used in accounting, but most of them are simply tools to help lead us to the **Bottom Line** or **Net Profit**. A **Balance Sheet** is like a snapshot of the financial status on a certain day. The **Net Worth Statement** is an excellent tool to compare enterprise value year by year.

3. The Balance Sheet is like a snapshot of an end of day status of the business.

For learning purposes, view the simple chart below.

Balance Sheet	
ASSETS	LIABILITIES
_____ Cash	_____ Notes payables/Other payables
_____ Inventory	_____ Owners' equity
_____ Equipment	_____ Original Investment
	_____ Earnings week to date
Total Assets	Total Liability and Owners' Equity

There can be a Balance Sheet for COB (Close of Business) every Friday at 5:00 p.m. This then gives 4-5 snapshots for the month.

For learning purposes, let us consider the following:

Take the Balance Sheet from	Week One – first Friday night
	Week Two – second Friday night
	Week Three – third Friday night
	Week Four – last Friday night

Now we have a rolling picture over four weeks or one month of Friday night snapshots. Let's call the last Friday night's report the Ending Balance Sheet. When we take the data from the beginning Balance Sheet clear through the Ending Balance Sheet and roll it together in one statement, we call that the **Income Statement**.

4. There are two things not yet accounted for in our Income Statement for the month:

Cash Flow
Inventory

The Income Statement only tracked the business that was conducted, i.e. Income and Expenses. This is done on the **last day** of the month.

Remember that cash, inventory and some other items of value and debt have much value and eventually must be accounted for. We will cover this in a moment.

RECAP

The Balance Sheet is a snapshot for a one time glance at financial aspects of the company or organization. It provides information for completing the Income Statement that can be done monthly, like a video of the month's end. It is a summary of the monthly financial realities.

5. Managing and Accounting for Cash, Inventory and Planning for Growth

- a. **Growth through Retained Earnings** – These are earnings from the past accounting periods that have been kept in the business rather than distributing them out to stockholders.

These earnings are used to partially finance and grow the company.

Retained earnings build up the capital available without borrowing so much for operations and growth.

- b. **Cash Flow**

There is nothing as essential to the financial health of a company as available cash. Successful companies know on a daily and weekly basis their cash position and trends in the level of available cash. When cash abounds, it indicates that profits should increase. As cash shrinks, be aware that profitable operations may be in jeopardy.

Cash is the lifeblood for the ongoing successful operation of a company or organization.

Cash gives flexibility – without it you will be dominated by bankers.

- c. **Inventory**

Inventory has a lot of value. In manufacturing it consists of:

Materials for building goods to sell

Finished goods ready to sell

Inventory management, like cash flow, can make or break a business. A business can be overstocked in parts and commodities with which to manufacture finished goods. The other case is an oversupply of finished goods on the racks that are being marketed too slowly.

Inventory is like gold — it has real value!

Inventory can build up too fast resulting from too aggressive of sales forecasts, or rapid decline in product demand. Likewise a depleted inventory may mean that you have produced too few finished goods to meet the demand for the product. Remember, you incur an interest cost on the value of inventory!

Avoiding inventory problems:

There are two main techniques to be employed to reduce inventory problems.

- (1) Made to order – This is to manufacture after the order to buy is in hand.
- (2) Just in time (JIT) – Order production items just in time for use in manufacturing and then manufacture just in time to market to the demand.

The JIT process reduces the quantity of both raw and finished goods. The Purchasing Dept. arranges the receiving of materials just in time to use in manufacturing.

Manufacturing or provision of services is done just in time to be immediately used in manufacturing, shipped or supplied to the marketers.

These concepts require strong systems, controls and dependable, multiple vendors with back-up fail safe suppliers. Embargos and labor strikes really mess up this ideal system and can bankrupt companies with no inventory to sell during a labor strike.

NOTE:

Manage your inventory well or it will manage you and destroy your enterprise or at least greatly reduce your profitability.

NOTE:

Retained Earnings, Cash Flow and Inventory Control are among the measurements of potential profitability of a company.

NOTE:

Managing risk in a JIT environment requires experience, records and skill. When managed well, JIT will reduce costs, thereby increasing profit. Watch out to keep JIT really Just In Time. If it is not managed really well it will be:

- Just a little late.
- Just a little short of enough parts to build the machine.
- Just a little too much inventory of finished goods to be able to sell them.
- Just a little or a lot of demand for product orders not fulfilled because too little was manufactured.

Through skillful management and an effective computerized control system, your JIT can be:

Just as good as you ever imagined that it could be!

RECAP

Retained earnings provide resident capital and reduce the borrowing requirement. Cash flow is like the blood in the body carrying oxygen to energize and give life to the enterprise. Inventory management insures the right amount of manufacturing or service materials to be on hand at the right time to manufacture to meet the marketing demand. The Just in Time system avoids too much manufacturing stuff on hand not used and too many finished goods on the racks not sold.

<p>The goal of doing business is to make a profit and not go broke!</p>
--

6. End of Year Documents

The company's fiscal year (FY) may be the calendar year (CY) or some other date.

Summaries are prepared by the Accounting Department at the end of each month, quarter and at the close of the fiscal year.

Reports – Certain reports at year end may help to manage the company on a long-term basis and to spot trends either to avoid or exploit.

- Year End Financial Profit & Loss Statement (Income Statement)
- Annual Report on Company Operations
- Financial Statement that can be audited
- Tax Reports
- Sales Summary
- Net Worth Statement

These documents allow leaders, managers and analysts to measure the success of the company over at least a three-year period.

Long-term historical records on progress are encouraging to staff and stockholders alike.

You cannot manage what you cannot measure.

NOTE:

Focus on doing all things right, with integrity. Supply your customers what they want of high quality at a fair price. Provide stellar customer service and you will be a major player in the marketplace for decades to come.

7. Appropriate and Simple

The system put in place to account for business operations is simply done to count the money gained at the end of the day, week, month and year.

Manual System

The system can be as simple as two columns on a yellow pad. One column is for Income and the other for Expense.

<u>Date</u>	<u>Item</u>	<u>Income</u>	<u>Expense</u>
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This simple sketch is what even complex computer programs do. For some small businesses this is all that is needed. Simply start a new sheet on the first of each month. Then close out the last month of the year and close the books for that year.

Start the new year with a new sheet in a folder for the first month.

Computerized System

For a growing business an entrepreneur will often design a spread sheet by computer using a software program such as Excel. This can be customized to meet the basic training needs.

With a larger or growing company, a more professional software application can be **Quickbooks**. This type of program can usually suffice for a company with several million dollars of business activity.

At this level the software will automatically print out End of Month Status Summaries. Other specialized reports can also be obtained to help with business analysis.

NOTE:

When establishing or enlarging your business have your **Certified Public Accountant (CPA)** help you set up your books. This will help you develop a system that you can grow with and it will simplify preparation for tax filing time.

Start-up Software can be very simple and still be adequate to facilitate growth. These software programs vary and increase in complexity.

- Quicken
- Quick Books
- Quick Books Pro

When starting a new enterprise it is important to keep it simple, do-able, adequate and appropriate. The system should have a transition capacity to a higher technical level of sophistication as the enterprise grows in volume of business.

Safeguarding through Accountability

This can be called “minimum essential bookkeeping and accountability to safeguard economic integrity.” An appropriate system will consider these factors and how to:

- Monitor business activity.
- Track the flow of money (in and out).
- Expedite with clarity depositing receipts and paying bills.
- Ensure integrity in handling accounting for and safeguarding the money and inventory.
- Know the cash position at all times.
- Keep cash and checks in a safe in the facility.

Physical Security of Inventory and Cash

Prevention of pilferage of inventory and security and proper use of Petty Cash are the first steps in protecting fluid assets. These two are so fluid that they can easily flow right out the door!

8. Audits

There is nothing in the world of business equal to the audit to ensure integrity.

The organization’s audit system begins rather simply as an **Internal Audit** done by the in house or organization’s bookkeepers and accountants. Then the advisory CPA (Certified Public Accountant) may conduct a **Book Review**.

Finally, a formal audit may be necessary, depending on the scope of operations, size or complex-

ity of the enterprise. The CPA can advise on how to establish an appropriate system to facilitate transition to subsequent levels of sophistication.

The CPA can assist greatly in the pre-audit phase of a company by compiling a Management Letter with or without an audit. These notes are valuable in determining economic vulnerabilities or risks.

9. Internal Controls

A valuable resource in establishing fiscal integrity is Internal Controls. This is a set of procedures and concepts to help assure financial integrity.

Effective internal controls can prolong the time before a formal audit is mandatory and can reduce audit costs later on.

There are many stories that could be recited here about misappropriation of a company's or organization's money. The top of the list may be the U.S. Congress raiding the U.S. Social Security accounts.

From small to large, companies experience loss from formerly trustworthy staff that yield to temptation and embezzle funds – taking something that is not theirs. This happens even in church offices and in the non-profit organization industry.

Be familiar with and begin to implement internal controls while the organization is small. It helps so much in ensuring financial integrity later on.

Reference:

www.freechurchaccounting.com has a section with outstanding Internal Audit Checklist Guidelines.

Several minimum essential features are:

- Monthly financial statements
- Proper handling of cash
- Accounting of Petty Cash accounts
- Control system for signing checks (two signers for non-profits)
- Federal IRS reporting requirements
- Two non-family members count or be present when counting contributions (for non-profit organizations). They should oversee custody of the funds until they are deposited in the bank.

Cash is the lifeblood of an organization, but the internal audit and controls indicate the health of the arteries that deliver the blood to its intended use.

RECAP

This learning module is designed to help you account for and safeguard the business activities of your enterprise.

Accounting is important because it shows how you have done. It also reinforces integrity and helps insure honesty in the handling of money and resources.

There are many account terms that describe what you are keeping track of or counting up.

Accounting is more than just writing down the numbers, but it also helps you know what part of the business is doing well and will show where you are losing money.

An Income Statement is a periodic financial scorecard that scores what has happened in the business.

Knowing costs is crucial. You must know the cost of each unit produced or service rendered. Then your total sales, minus the cost of goods sold can give you the gross profit. Some further analysis provides the net income figures.

Final calculations can be reported on an Annual Report and then on a Net Worth Statement.

The Net Worth Statement is kept on a multi-year chart and shows trends of the level of wealth accumulation.

Cash Flow to a business is like blood to the body. Healthy internal controls and audits assure delivery of that blood to its intended destination.

Inventory management is crucial in controlling the capacity to produce and have products available to market while avoiding too much or too few raw or finished goods.

Just in Time (JTI) is a valuable concept for Inventory management that helps manage the manufacturing and sales systems efficiently and economically.

Retained earnings help to reduce debt and build long-term real wealth held by the company.

Simply remember that the purpose of a business is to make a profit for the stockholders by operating wisely and with integrity.

Many principles discussed for companies are also appropriate for implementation in non-profit organizations such as churches, missionary agencies and local community transformation and civic organizations.

“Lead, follow or get out of the way!”

Lee Iacocca – former CEO of Chrysler who saved the company with the introduction of the minivan

Not all managers are leaders and not all leaders are good managers. Competency is required from the top to the bottom of a company to have long-term success.

Companies and organizations must be managed and led well to meet their goals.

Leaders must be people of excellent character and integrity and be constantly improving in effectiveness.

Managers ensure effective use of labor and other inputs of production. They also ensure that controls and standards of quality are met.

Politics affect businesses and their profitability. “Money moves to where it is treated best” and companies relocate to where they can earn a profit – even to Mexico or China in many cases.

Leadership is a noble task and is essential for growing organizational effectiveness and profitability.

Both managers and leaders are mandatory for companies, but not all managers can lead well. Certain leaders may in some cases not be very good at practical management.

Leaders and managers focus differently on what kind of capital they employ. Managers focus on operating and manufacturing capital and labor. Leaders deal with a different set of people that do different things than manufacturers or service providers.

Above all else integrity at all levels is essential for the long-term viability of the enterprise.

You as an entrepreneur will advance in leadership competency and will employ integrity at all levels so your enterprise will last and be profitable.

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Chapter 15

Managing Risk

Chapter 15

Managing Risk

The Mighty Race – Terrorism, a Global Reality

As terrorism becomes a global risk, the race is on to determine who will control the world – Isaac or Ishmael (both sons of the Patriarch, Abraham). One study shows the Christian faith growing by about 1.36% per year while Islam is growing by about 2.13%. This may be disputed by some researchers.

Ref. The **World of Risk**, George H. Meyers, June 2010, a Publication of Cascade Knowledge Resources, Cascade Commentary found at www.georgehmeyers.com

Global population statistics show:

Christians – 1,999,563,838 located in 238 countries.

Muslims – 1,182,242,789 located in 204 countries.

Adherents of the families of Abraham – Judaism, Christianity and Islam make up 52.8% of the global population reaching to 3,202,240,666 people.

The Muslim birth rate in Europe is three times higher than the non-Muslim rate. Throughout the West, typical Muslim women birth 4.4 children compared to the 1.5 children in European and American Caucasian families.

It appears that Christian evangelism is outpacing the rate of converts to Islam; however, the larger Islamic family size will have a profound effect on the global balance of Islamic/Christian populations.

Statistics vary greatly between geographical world regions on people migrations, birth rates and conversions to various faiths. Nevertheless, one can summarize that Muslims have more children than Christians in the Western world.

In 1980 the birth rate in **Iran** was 6.6 children per family. Today it is 1.7, rivaling Europe's 1.5 children per family. This is a dramatic shift over just 30 years. Truly, Christians are still holding their own in demographics!

The Futurist View and Forecast is Startling

Futurist John Gay stated in 1997 that Islam would overtake Christianity because of its higher birth rates in the Two Thirds World. Only time will tell if this is true. As economies have more education and wealth, family size shrinks.

Declining Confidence in U.S. Leadership

In light of the above discourse, in whom should we place our trust? The U.S. State Department? Clearly not! Today, unfortunately, our nation is showing great favor toward the global Islamic movements. In recent history, the U.S. supported Kosovo against the Orthodox Serbs.

NOTE: Disclaimer

The purpose of this chapter is to discuss Risk, Threat Identification and Planning Fundamentals.

This does not take the place of a company's or organization's Crisis Response Program, but rather it is for educating and learning purposes.

The effectiveness of this learning program is determined by evaluating lessons learned against the "Seven Cardinal Rules for the Practice of Risk Communication."

Risk Management

Risk management should minimize the cost of threat reduction concurrent with controlling cost-ly, harmful, negative events. This means to control possible bad happenings without crippling over-reactions to some possible threat. **Don't go broke trying to be safe!**

Methods and Plans

1. Identify potential risk.
2. Assess vulnerabilities (Risk Analysis)
3. Determine consequence of risk.
4. Identify risk reduction priorities (Response or Mitigation)

Seven Cardinal Rules for the Practice of Risk Communication (US: EPA et al)

1. Accept and involve the public as a legitimate partner.
2. Plan carefully and evaluate your efforts.
3. Listen to the public's specific concerns.
4. Be honest, frank and open.
5. Coordinate and collaborate with other credible sources.
6. Meet the needs of the media.
7. Speak clearly and with compassion.

Typical Categories of Risk

- Economics and Finance.
- Law, Labor and Property Issues.
- Political Unrest reinforcing Nationalism leading to Nationalization of property and businesses.
- Theft legally conducted by Government.

- Moral or ethical failure of leaders.
- Theological Issues – Jihad.
- Environmental Issues.
- National Disaster.

Sample List

Companies identify risk as those potential events that may rob a company of its profit and continuing safe operations. Included are such issues as follows:

- Economic collapse.
- Reduced demand for products or services.
- Obsolescence of product or technology.
- Aggressive competition.
- Sudden technical advantage of a competitor.
- Warranty Crises – recalls.
- Change of consumer protection laws.
- Loss of CEO or other key staff.
- Lines of credit cancelled.
- Labor unrest or strikes.
- Insurance cancelled.
- Serious or crippling lawsuits.
- Moral or ethical failure of major leaders.
- Environmental issues.
- War, conflict or insurgency.
- Rumor control and public information releases.
- Confiscation or Nationalization of industry.
- Increasing cancer of Socialism.
- Hostage taking, kidnapping, piracy.
- Natural disasters – earthquakes, floods, drought, fires.
- Islamic Jihad.
- Gross mismanagement or fraud.
- Scarcity and increased cost of production inputs.
- Accidents, embezzlement, denial of visas.

Note:

For profit and non-profit organizations or companies, risks are largely similar. The non-profits are not directly affected by profitability, but even they are at risk during recession, depression or economic collapse. There has to be profitability created somewhere that provides the revenue for the non-profits to exist.

Note:

There is an ever present threat of a non-profit losing its tax-exempt status. This has occurred rarely in past history, but is always a possibility.

A significant shift away from tax-free operations of the 501 (c)3 classified groups could devastate a significant part of the tax-free sector. Example: if property taxes are levied against a homeless shelter, boys' ranch or non-profit hospital.

There are promoters among certain liberal political groups desiring to completely cancel tax-free privileges and tax-free donations to non-profits.

Implementation

This involves taking action according to the risk management/crisis intervention plan. This means that you may respond by:

1. Do nothing or defer the problem.
2. Accept the loss from the problem.
3. Reduce the cost or effect of the risk.
4. Eliminate the risk.

The response selection is determined by the potential damage, cost or effect on the future of the organization.

The uninterrupted continuation of the company, organization or institution is the foremost goal of successful risk management planning and response.

Mitigating the risk (responding to and neutralizing the effect of the threat) is the ultimate purpose of a Risk/Crisis Management System.

**Plans are only as good as the ability to use them against a real threat.
Write, Review and Rehearse!**

Example Exercise to Manage Risk

Sweeping tax reform includes a Federal special tax levy against non-profits, beginning at 8 percent of the value of all tax-exempt funds received. This is the same rate as the Federal Value Added Tax (VAT) and is scalable at the Federal VAT rate of increase over time up to the 22 percent level after five years.

Step 1

Conduct a staff study to estimate the financial consequences of the NVAT (VAT on non-profit tax-exempt funds).

Step 2

Revenues for state and local governments have declined precipitously because business profits dropped. Businesses were hurt by the Federal Value Added Tax that was imposed on top of an already heavy tax load.

The VAT goes to the Federal government and the states can add 5 percent above the Federal increment as SVAT (State VAT). Local government and counties find their costs are going up because of Federally-imposed unfunded social programs for immigrants. The cities and counties are broke and looking for revenue.

A Presidential Executive Order authorizes cities and counties to levy property tax on facilities owned by non-profit organizations including churches, hospitals and private schools. Public institutions continue to be exempt, as do mosques because of fear of Islamic uprisings.

After the NVAT reaches parity with VAT at 22% of receipts, state and local governments may be authorized to assess scalable property tax. There is no limit on what millage rate the local and county governments can set since this is all under their own separate jurisdictions.

Step 3

Prepare a staff estimate of the consequences of a tax on the donation base and the consequences of the assessment of property taxes on the facilities owned by the agency.

Step 4

The global community gradually will decide to follow Europe and the U.S. in taxing its religious and other non-profit sector. Any facilities developed in foreign countries may begin to be taxed to help fund cash strapped economies all over the world.

Step 5

Prepare an estimate of the effect of this and the economic consequences expected.

RECAP

In these pages we have addressed the subject of Risk in light of history and current events in the world today. In these times one may despair, but be of good cheer – it has been worse and we have more open doors of opportunity now than during the struggles of yesteryear.

Whereas some of the Christian denominations seem to have lost their way, have retreated due to political and religious opposition and are comfortable in complacency, there exists an uncertain future unfolding as great as any in the course of world history.

Many things now are different than the past – many are the same. Things just move faster!

Islam – An Advancing Holistic System and a Divided Church

Islam is a holistic system including all of what today we call the mountains or domains of culture. Islam has established dominion over about one-third of the people of the world through this well-tested system. Just consider Indonesia, alone, the world's largest Islamic nation of 230 million people – a powerhouse of self-sufficiency, advancing technology and political tenacity stretching across 17,508 Pacific islands.

In the era of the late 20th Century and early 21st Century, the USA, the former bastion of free enterprise, finds itself trying to settle disputes between Shia and Sunni Muslims, expending huge sums of resources to protect sources of oil from the Middle East to feed its dependency. The British learned how to let these factions fight each other until economically exhausted!

The U.S. chooses engagement in a “just cause of regime change,” but often ends up supporting the wrong leader, i.e. Cuba.

Now a very courageous Islam announces a renewed global Jihad against the secularized West whose once wise bastions of wisdom now have multitudes of Muslims within, freely living and establishing islands of powerbases from which to coordinate and launch their technologically advancing Jihadist techniques to wherever the West is willing to take a stand, i.e. Middle East, etc.

Secularized Christianity is like a hibernating bear only willing to stand up and fight when it comes out in the springtime and realizes it must feed aggressively for the sake of the coming young before the next winter begins. It sleeps on as others invade its territory of:

- Culture
- Faith, Theology and Religious Practices
- Economy
- Government
- Education
- International Power
- Influence

It seems like Islam knows the bear (Christian movements) exiting from the winter cave is quite blinded by the sun and weakened by the winter's fast. The world has always been locked in this struggle of good vs. evil, kingdom against kingdom, tribe against tribe – and will be until Shiloh comes (Messiah and His Kingdom).

The secularized Christians have withdrawn in most cases with heavy eyelids, not quite able to discern today's reality – until, like a spider guarding its web, it crashes to the floor when the girl with the broom cleans the spider webs from the corners.

Demographics Play a Role

Christian countries continue to raise children and in the Two Thirds World there are lots of babies being born. In more developed Western countries, about 1.5 children per family are not enough to maintain the population.

Succeeding generations of the West may reignite and combine with the aggressive Korean Christians, Africans and other Asians to rejoin the march of the Christian faith. It is the power of that same spirit that raised Jesus from the dead that draws people into the web of faith, converting the soul and making life worth living that sparks the fires of evangelism.

Westerners and Americans in particular, still have an important role in heralding the message of salvation (Shalom) in its fullest sense to affect culture and fully release the purpose of God through a greater understanding of the Kingdom of God in this generation for the world today.

As we, by God's power, instill this fervor in the youth of today, the Lord's goodness will continue as a bulwark of faith influencing a world of diversity, needs and opportunity.

Really, not much has changed! As we reflect on this chapter on **Managing Risk** in today's world we conclude that this was, is and will be a troubled world. That is why we must prevail in our declaration of a better way, the Living Word made flesh to redeem us all from ourselves and our ways.

We are taking our place in the column of history and will be measured by what we leave behind as a legacy – that of our unrelenting faith, being unashamedly ethical and exhibiting strength and fervor for doing that which is right, just and fair.

The possibility of achieving these great promises is worth the **Risk** of living lives that count for unwavering faithful action in a complacent world of opportunity, unparalleled in the course of human history.

Chapter 16

Transitioning into Success

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Transitioning into Success

Transition – Moving from Where you are to Where you want to be

Transition is the process of moving from one phase to another. It is forward motion to a better place or a newly stated goal.

There is a popular chorus based on **II Cor. 3:18** entitled, **“From glory to glory He’s changing me.”** How blessed we are to be in a world of dynamic change. Change should not be done just for the sake of shaking things up, but to keep up with the times.

The Girl Scouts have a saying, “Make new friends and keep the old, one is silver and the other is gold.” As we experience transition either collectively or individually, we should be able to retain the good of the past. Two singles meet, marry and establish a home. That is really transition, but even greater effect is felt when little miss “cutsie” is born and then even the cat feels displaced.

Life itself is transitional. Each passing decade brings increase in wisdom, but with it the thinning of the hairline and thickening of the waist! Without change, there would be no improvement. One cannot recapture the invigoration of a balmy spring day or the fresh smell of a newly plowed field. But, having experienced a springtime, one can set his hope on the future spring even during the dreariness of winter. The Proverbs state that “to everything there is a season.”

Transitioning from the Old to the New

Nuggets to help during change and transition

- Looking ahead and moving on to where we will soon be requires forward focus. Looking back should only be done to avoid making the same mistakes over again.
- Living in the past intensifies the reality of aging, but living for the future brings a sense of new life and new beginnings.
- A good memory and honest evaluation helps prevent repeating previous mistakes.
- Forward motion produces friction and friction produces heat! To make change is not easy and can strain relationships.
- A proven marketing slogan is “the tried and true and something new.” The goal is to retain proven performers and develop new items from a position of economic strength.
- **“God will prune the most highly producing vines, that they may produce more**

fruit.” John 15:2

- The Lord’s discipline may seem painful for the moment, but the end result is the blessed fruit of righteousness.
- Young stallions exhibit tremendous energy and excitement, but the mature draft horses keep plowing until the field is tilled.
- Jon Lewis, Director of Research for Mission Aviation Fellowship stated, “We are what we measure.” Transition denotes a from - to something. There must be a measurable distance; an improvement, otherwise it is just change for the sake of change which may be more disruptive than profitable.

Helpful Points for Walking through Transition

- We must not let our dreams substitute for God’s plan.
- We must work together to develop a plan that God can re-direct.
- Visualization is important – we cannot move to a place that we cannot see ourselves in.
- We must let go of nagging disappointments and failure to reach former goals that may have been unrealistic.
- Prioritize – pressure fills the vacuum of the absence of priorities.
- Frustration starts when the last alternative is gone.
- Facts, faith and truth bring light to blind spots. We need clear, written objectives.
- God is sovereign and we must learn to see things from His perspective. He gives us favor even when we are not perfect.
- Reality is seeing what God is doing right and we are doing wrong.
- It takes a long distance to turn a large ship around. Without forward momentum it cannot change direction.
- It is not where we have been that counts, but rather where we are going that measures the value of the trip.
- People who do not add to our life will drain life from us. Our five closest relationships will determine our destination.
- As we honor others, honor will be bestowed upon us. Congratulate the achievement of others to increase our capacity for advancement.
- Exchange is the process of leaving something behind to receive something more valuable and to achieve our purpose.
- There are those detractors that make greater withdrawals from us than our other good relationships can possibly deposit. This is like the destruction of the body’s immune system, which leaves us too weak to accomplish anything worthwhile.
- To conserve our spiritual energy, we must concentrate our effort on those who are

assigned to the same “vision team.”

- Discernment is determining who has sent a message into our lives and whether it is a blessing or a distraction.
- Transformation is the effective development of human and social factors that result in a community of interdependent people uplifting each other at the expense of none.
- During transition you cannot afford to carry those on your back who should be walking beside you and helping to carry the load.
- Determine who is with you in the transition process. Workers often quit many months before they leave. It is best to let those who are not with you leave for other pursuits. They will do better elsewhere and you will do better without them.
- Pillars are those that uphold the work by the tenacity of their faith. Conversely, spiritual parasites want to use your faith to sustain their needs.
- Prioritize your efforts on that which multiplies. Submit to leaders who are secure and will help you multiply your work. Insecure leaders will attempt to control you and hinder progress toward your destiny.
- Any work that does not allow for evaluation is like a moving target. You must evaluate to determine if your motion is taking you forward or backward. Test your work to determine if the results can multiply without an external life support system.
- Maintain an environment of order. Avoid clutter and people with undisciplined lives. Develop a productive environment where entrepreneurship flourishes.
- Empower people that are “becoming” so that your efforts multiply through the Christ-like values that you deposit in their lives. Develop them through leadership and facilitate the enabling power of the Holy Spirit.
- A disciple follows a discipline of increasing; but a convert may change only for an immediate benefit.
- One has said, “practice makes perfect,” but even more accurately another has said, “practice makes improvement.” (Covey)

RECAP

Romans 12:1-2 talks about being transformed by the renewing of our minds to do the perfect will of God. By faith we transition to realize the substance or reality of what we have hoped for, prayed for and even dreamed about.

There is a transitional nature in life itself and change is clearly part of it. From childhood to adult, single to married, young to old, birth to death; all are examples of transition.

**To everything there is a season and with
each season there is joy in birthing the new,
but sorrow in burying the old.**

Without change there is no opportunity for improvement. Transition takes us from one level of service, leadership or responsibility to another.

Successful transition depends upon our courage to embrace the process and take advantage of its opportunities. The natural man resists change.

**Don't leave behind those who have
helped you come so far!**

Finally, leave your world in better shape than it was handed to you. The prize before us is great, and new challenges produce greater rewards.

Valuable Quotations

Modeling

**"As a leader, manager or supervisor,
one must set the standards
and live them as an example
for others to follow."**

George H. Meyers

**"Our five closest friends or associates
will determine how high we climb
and how far we go."**

John Maxwell

**In an interdependent environment,
people lift one another up
making progress together at the
expense of no one.**

**"I have yet to find the man, however exalted his
station, who did not do better work and put forth
greater effort under a spirit of approval than
under a spirit of criticism."**

Charles Schwab, Industrialist

Chapter 17

Turning Business Profits into Long-term Investments

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Turning Business Profits into Long-term Investments

Background

There is nothing more valuable to an enterprise than generating a profit. However, if that profit is eroded away by an inadequate business structure, costly legal issues or other factors, the effective management of the business is hindered.

Wealth creation and sustainability requires effective tax management, controlling risk and protection of assets from all potential predators.

Businesses are conducted to make a profit and they definitely have a place in society. Every year is not profitable for businesses and recessions come along in nearly every decade. These deal a severe economic blow to most businesses; sometimes fatal, and the enterprise is forced out of business.

In the good times, business leaders just like heads of families must lay away resources to carry the business through future lean times. Action must be taken to prevent erosion of capital.

The other purpose of yearly profits is to turn them into long-term enduring assets held within the company and also outside of the structure of the company for safety and protection.

Tax avoidance strategies addressed in a section following are paramount to establishing enduring assets.

Future enterprise expansion requires capital and future wealth demands that the capital be protected.

1. Techniques and Philosophy for Wealth Creation

Wealth creation is done through the process of adding value to a product, idea, service or process and then marketing it at a profit. Then, guard the profit in a disciplined way. Wealth creation is possible with the effective employment of:

- Vision
- Purpose
- Priorities and plans
- Organization and staffing
- Obtaining long-term profitability
- Investing wisely

Wealth is created through the effective use of capital through wise leadership and management.

Business is conducted to create a profit. A general manager of a manufacturing company or CEO of a conglomerate guides the activities to reach profitability goals to satisfy the owners (shareholders.)

Profit is the lifeblood of the enterprise – without it the firm will die. Without profit there are no funds to pay employees.

Profit to a business is like blood to the body.

CEOs will take the following steps:

- Make a profit in the business.
- Set apart a portion for long-term investment.
- Implement tax strategies to help avoid the current confiscatory Federal tax policies.
- Invest wisely in a disciplined manner in tax-free accounts whenever possible, reinvest earnings and protect assets from loss or seizure.
- Distribute according to a pre-determined use plan.
- Establish a giving account. Begin to give small gifts and then larger gifts as assets grow while you maintain discipline. Guard against emotional giving. Have a disciplined strategy.

The most crucial technique is to maintain discipline throughout the long-term asset accumulation and use phases.

Have an “investment decision team” that also oversees the distribution of profits from long-term investments. This team should also advise in giving to worthy causes and individuals, from funds set aside for giving. In this way, emotions do not lead to conflict.

There is a philosophy of wealth creation that is essential to create and protect wealth.

We see significant actions that are progressively moving the economies of the Western countries toward Socialism. In this model there is a lack of profit incentives and a trend toward operating only to the benefit of the society at large. This model always fails economically.

The best alternative is free enterprise where business operates as free and responsibly as possible with the purpose of gaining a profit.

1. Profits from corporations and private enterprises are expected.
2. Private enterprises will pay taxes.
3. Businesses employ people that pay taxes.
4. Products and services are produced to benefit, protect and empower the citizens of the society.
5. Businesses give back to their communities through gifts and grants as philanthropy and even economic empowerment.

6. Wise businesses invest in technology so they remain relevant and viable in the future.
7. Wise business managers invest and protect funds to cover costs during potential future years of unprofitability, recessions and unforeseen economic, political and natural disasters.

Government is the ultimate unwise parasite. It continues to **overtax good businesses**, thereby **stifling research and development** as the businesses gradually wither up from capital starvation, become anemic and die. Therefore, good, **restrained government is essential to business prosperity**.

Socialistic governments, through excessive taxation, will **confiscate** the wealth of the most productive part of society (businesses and investors) and **redistribute** it to the least productive sector – the welfare recipients and unemployable population.

Business is an honorable profession. It is part of God's plan for His creation. Only businesses can create enduring productive employment.

It is God that gives you the power to make wealth.

“But remember the Lord your God, for it is He who gives you the ability to produce wealth, and so confirms His covenant, which He swore to your forefathers, as it is today.”
Deuteronomy 8:18

Just like pastoring, leading worship and teaching, conducting business is a godly profession. Actually, work is worship and labor is honorable. This is an important part of Kingdom dynamics.

“But if anyone does not provide for his own, and especially for those of his household, he has denied the faith and is worse than an unbeliever (infidel).”
I Timothy 5:8 NKJV

Investment instruments and actions guard, grow wealth and use it to benefit society.

- Foundations
- Corporate Giving Accounts
- Participation in Good Causes
- Community Enterprise Advancement
- Community Foundations
- Dedicated Management Investment Accounts to preserve capital
- Cash Account (to respond to immediate needs of corporate employees, their families and others)

2. Planning for Long-term Investments that Multiply

Establishing enduring assets requires a plan, priorities, discipline and careful allocation of resources.

“I will manage my business in such a way that I will make a profit and meet short-term operational goals to create wealth. I will also follow long-term disciplined strategies to invest the wealth to reap multiplication of wealth over future decades.”

The time to plan for long-term investment strategies is now. Do not delay!

Today in the U.S., the greatest destroyer of wealth is dependency at all levels brought about by Federal governmental policies. It not only breeds the incapacity for entrepreneurship but also is the ultimate consumer of wealth. It robs from families whose honestly earned wealth is systematically taken away. Ultimately the welfare-minded consumers view the wealthy with utter contempt because they seem to get undeservedly wealthy while the poor stay poor.

If a family has a heritage of multi-generational governmental dependency, it is possible to make a decision to sever all relationships with the governmental system, break free and form one's own heritage with a new legacy of sufficiency and God-honoring employment or even a family business.

It is not easy to go free and years of sacrifice may be necessary, but how much is a legacy of familial economic freedom worth?

Breaking free means severing ties to governmental, multi-generational dependence and engaging in private enterprise where work is worship and profit is honorable and just.

3. Handling Profits

When profits are gained in a company's operations, there should be a pre-planned protocol on how to use the money. The usual use of the money is as follows:

- Retained earnings – money left in the company to bolster operations and growth.
- Pay off debt – using cash to pay off short-term or even long-term debt like operating and capital loans.
- Share re-purchase – to buy back shares that have previously been issued to finance the expansion of the company.
- Pay dividends – reward owners or stockholders with a cash dividend payment.
- Update equipment and other production capital.

There are other possible allocations, but these are the major ones.

The main thing is – do not lose capital!

Example

A certain CEO inherited a privately-owned company and lived off from the profits. He learned that he could live a lavish lifestyle since the company currently provided for him very well. When the monthly receipts were calculated and essential cash operating costs paid, he paid himself the remainder of cash on hand.

This was a short-sighted decision since there was no provision to replace depreciating assets, to fund research for market development and to advance the company in the long run. Even though he kept payments current on daily essentials such as labor and other accounts payable, there was no investment for the on-going viability of the company.

Example

Sometimes corporations will acquire a troubled company; sell off all assets and inventory possible; deplete the cash, stop paying operational expenses, release the workers and then take the company into bankruptcy. Whereas the executive team acting for the company creamed off all of the cash possible, everyone else lost in the deal.

4. Managing and Multiplying Investments

A company, when profitable, will protect its cash balance and set aside a sum for long-term investments. Those investments can be used to:

- Buy out other companies.
- Buy shares of other companies, bonds and other liquid investment vehicles.
- Loan funds to banks and other entities at favorable interest rates.
- Pre-pay future factor inputs for manufacturing or other use at very favorable interest rates.

Multiplying returns for a company is sometimes easy, but tough in lean times. That which appeared to be good financial decisions made in the exuberance of good times may turn out to have been bad decisions later when economic hardships come.

In planning company growth, leaders should consider the bad or worst case scenario as part of the evaluation effort. For example, in the apartment rental business there are about 88 million occupants living in apartment properties in the U.S. There are about 38 million apartment rental units, or about 2.3 people per rental unit. Tenant selection is crucial to break even and ensure profitability.

Example

A rate of 5% bad tenants (not paying their rent) amounts to nearly \$33 million per day nationwide.

In selecting and managing a tenant, a property owner must comply with many regulations to avoid up to a \$500,000 fine and 20 years in jail.

A property manager screening applicants must have rock-solid data for rejecting someone. Essential elements of verifiable information should include:

- Rental, employment and credit history
- References
- Criminal background check

Having just 5% non-performing tenants can destroy a property rental business. Not only the rent is lost, but management has foregone the benefit of having a good tenant that may have stayed for a long term. The non-performing tenant has a higher tendency to cause problems such as these:

- Reputation of the apartment complex declines.
- Other good tenants will move out.
- Damage to the property.
- Cost of evicting the bad tenant.
- Higher vacancy rate from turnover of tenants.

The solution is to keep out the bad tenant in the first place and to determine as soon as possible if the property manager has made a mistake in selection. Once the mistake is discovered, the non-performing tenant must be legally removed as expeditiously as possible.

Yes, it takes less than five bad apples to spread brown rot to the whole box. Sort out the bad ones, clean up the rest and repackage for a better report for next month.

There may be no better school for understanding human character and behavior than owning a bunch of rental properties and dealing with tenant issues over a 5-10 year period. We have owned rental properties for about 40 years and it has been a major learning experience.

It takes far less time to effectively screen applicants for tenancy, than to unravel the consequences of evicting a tenant that turned out to be non-performing.

Tax Management

The CEO of a company must be knowledgeable of the tax system in the U.S. and beyond if the company is to remain profitable. Many U.S. corporations have moved offshore because of the oppressive taxation and over-regulation that is stifling the U.S. business sector.

As the Western world drifts progressively further toward European-style Socialism, governments grow larger and businesses suffer and lose confidence under the current tax load and specter of even higher taxation in the future.

Example

The Polaris Corporation manufactures and sells All Terrain Vehicles (ATV) sports vehicles. In 2010, the company closed down manufacturing in the Osceola, Wisconsin, facility where it had been manufacturing for 19 of its 56 year history. In 2009, it had a very profitable year and in 2010 even higher sales reached just short of \$2 billion.

The company, in order to ensure continuing profitability decided that realignment was necessary and essential to maintain long-term viability. This meant moving the manufacturing operations to Monterey, Mexico, to enhance the long-term viability of the corporation.

Of course, the approximately 500 workers in the small town of Osceola, Wisconsin are now unemployed as the company **repositioned** itself for greater **flexibility** to help ensure future profitability. They needed a more modern plant and were not willing to invest in it in the U.S. The Mexico site helped in their “long-term competitive positioning” according to a news release from Polaris. The Osceola manufacturing facility is for sale.

Hundreds of U.S. companies have followed the same trail of offshore operations to escape the noose of the IRS tax collector's long rope.

Still a "blind to cause" U.S. Government takes action to increase the tax on the "**rich**" in order to fund an ever-increasing size of government.

Investors viewing the taxation and regulatory trends and growing internationalization of markets believe that upgrading or building new plants is simply not a wise economic decision in this climate.

Likewise an investor ponders: "What good is it to work so hard to profit so little and then have to give away too much to the government's tax man who spends too much on programs that I absolutely don't like or may even detest?"

Today, the new jobs created in the service sector do not pay as much wages as the jobs lost in manufacturing. It takes more than two jobs in services to provide what one did in manufacturing. Single families have to restructure to survive economically just like the companies have had to do by moving offshore.

These are the issues of tax management in today's economic climate. CEOs and general managers require tax advisors that are just as important as production and marketing consultants.

Tax advisors are typically CPAs, tax attorneys, auditors and advisors on taxation and its consequences. These professions that help manage taxation are highly regarded by CEOs, managers and company owners.

The major leaders of a company must direct actions that are lawful, but also to exercise all possible and legal actions to control the amount of tax paid. Supporting the taxation and tax avoidance industry is a huge cost and obstacle to profitability in industry.

Some leaders are thinking it is better to just close down in the U.S. and move the company to Mexico, Taiwan, India or China.

Tax Management Differs Among Various Companies and the Non-profit Sector

Possible entities:

- Sole Proprietor
- Partnerships
- Corporations
- Publicly (stockholder) held corporations
- Non-profit organizations

There are IRS issues of importance even to the non-profit sector. There are about 70,000 pages in the U.S. Federal IRS tax code. And then if the stress of taxation for one's lifetime is not enough it does not stop at death. The death tax man requires his undeserved share of what you worked so hard to leave as an inheritance to your offspring.

The so-called Inheritance Tax is actually a Death Tax. The company pays taxes according to law, legally distributes dividends and the shareowners hopefully have some portion remaining.

The remaining funds become an addition to the Asset account of the company's founders, owners or heirs.

Just as expert advisors were necessary to avoid over paying taxes, professional tax experts are valuable in advising on protection to guard the accumulated distribution of legal assets upon death.

Protecting the Assets that Remain

There are laws in the country that govern the handling of assets and the resulting tax consequences.

It requires discipline and wise planning to protect one's assets and to prevent loss of capital. When the forces of weak fiscal discipline from faulty financial habits permit the capital to diminish, those same habits make it nearly impossible to rebuild the capital base.

The loss of capital and inability to multiply family wealth is described as **"Indiscriminate dissipation of family wealth results from unclear vision of possibilities and under-supported commitment to the vision and purpose."**

Family wealth is often consumed by children when the last parent dies. This is because of inadequate preparation of the successor generation to manage wisely. This is why wise parents often do not leave great wealth to their own children. They know their offspring do not have the commitment to manage such wealth without it destroying them.

With great wealth there comes great responsibility.

Asset protection management and multiplication is for committed family members. Infrastructure for wealth management and professional advisors helps you to plan ahead for the success of your successors. Planning multi-generationally protects capital.

Personal Note:

Our own children are highly proven to be capable of managing huge accounts for others. Their professional success in managing wealth for others serves to help them manage our family's true wealth in our generation and beyond. We are empowering our grandchildren to be multi-generational administrators for a continuing legacy of multi-generational wealth multiplication.

That is what the Kingdom of God is all about. It would be a family tragedy to strive, work and invest for a lifetime and then have the family assets decimated in just a few years by unskilled, irresponsible children.

Each succeeding generation should have greater true wealth than all prior generations.

NOTE:

When the asset protection plan is effectively and faithfully implemented it will promote continuance of an enduring achievement that will multiply one's legacy so that each succeeding generation has greater true wealth than all prior generations.

Asset Protection – A Study and Profession

When the IRS and the Federal Reserve System were enacted by law around 1915, certain asset protection laws were also legislated.

Legal formation of companies wisely considers the:

- Legal Structure
- Liability or Susceptibility to Predatory Lawsuits
- Tax Consequences
- Serviceability of Assets

Common legal structures are employed and each have their own purpose and distinctive. A partial list is:

- Partnership
- Family Limited Partnership
- S Corporation
- C Corporation
- Sole Proprietorship
- Limited Liability Company
- Groups of Companies

It is valuable to have a business attorney with knowledge of taxation and asset protection and a qualified CPA available for a company while establishing, managing and reorganizing. These same professionals are needed for planning for and distribution of assets and tax considerations upon death.

Unashamedly Ethical

This group was initiated by a businessman in South Africa, Graham Power. He is the founder of the Power Group of Companies. He has issued a challenge to people all over the world to make a public commitment to **“good values, ethics and clean living.”**

Unashamedly Ethical is not only a concept worth knowing about, but also now a global movement. It has the same origin as the Global Day of Prayer that unites about 500 million God-seekers from every nation of the world.

The UE **community** builds and maintains online **relationships** internationally. The **relationships** lead to **mutual edification**. The **edification** engages business leaders to commit to getting involved, thereby encouraging one another and inspiring one another on to love and good deeds.

We encourage you to join an Unashamedly Ethical community. Simply go to **www.unashamedlyethical.com** and register as an individual or company. Once you enroll you are part of a community of the Kingdom of God collaborating in unity to promote and practice biblical ethics in individual life, business and government throughout the world.

Family Involvement

As if the governmental policies of over-regulation and confiscatory tax burdens were not enough, the family itself can become an enemy to the legacy asset capital account.

Example

A certain family emigrated to the U.S. from Europe and settled in the East. As the Indian wars subsided, land became available for homesteading. This opened vast Midwest and later Far West territories for settlement.

It was the great-grandfather who took the risk to sell all and get outfitted with wagon, ox team and provisions for people and animals. They joined a company of Western bound entrepreneurs at the trailhead of the Oregon Trail at Independence, Missouri.

This family survived the dangers and rigors of the six-month-long trek and won a tract of land in the Western wheat-growing region. After the four-year requirement of occupying the land, building a house and planting and selling a crop (proving up), the 160 acre parcel of land was theirs. Number one son helped by acquiring a large flock of sheep. Raising both grain and sheep gave them some diversification. They survived the terrible winters of 1888 and 1889 and continued to add land and sheep.

The older son helped to multiply the wealth and turned it over to the third generation grandson. The third generation had not experienced the risk of the wagon train or the rigors of proving up on the homestead. Instead of multiplying land holdings, he had to sell off land to satisfy divorce settlements, as did his father, resulting from multiple marriages.

As he reached his sunset years he had no responsible son to recapture the original family vision. Now there were the later two generations of family capital predators right in the family.

As the grandson came to the end of his life, there was only a skeleton of the former enterprise left over for the heirs.

A Better Way

Another family experienced just the opposite. Each generation was raised in an environment of godly responsibility and an enduring wealth legacy. Even though tragedy was a reality in the lives of the extended family, each generation not only protected the assets, but actually multiplied them. Their wealth generation was from crops and cattle.

A key component of this was the strong history of public service of this family. They gave of themselves, raised successful families and helped others along in the course of life.

The vastly different outcomes of the two families are examples of the type of results discussed in the book: **Family Wealth – Keeping it in the Family** by James E. Hughes, Jr. In this book Mr. Hughes recounts his life experiences as an attorney for wealthy families in New England. He coined the phrase, **“from shirtsleeves to shirtsleeves in three generations.”** He recalls examples of the first generation successful entrepreneur, second generation sustainers and third and beyond generations of wealth consumers who deplete the family legacy.

RECAP

- Organize your business and organization effectively
- Lead and manage well
- Become part of an Unashamedly Ethical community
- Manage issues of profitability, taxation, wealth generation and asset protection well
- Leave a legacy of true wealth to others that have been trained and equipped to multiply the positive virtues of true wealth through multiple generations

Chapter 18

Succession Planning

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Succession Planning

Preparation for Succession

Succession planning is a process! It is the process taken by an organization to identify critical positions and to develop a plan that foresees future changes of leadership.

The plan should include the position of the Chief Executive Officer and other senior positions throughout the organization.

Governance of an organization is a significant responsibility of a Board of Directors. The Board Committee for Governance will monitor the status of the organization's senior leadership and have a sense of potential changes in the future.

"There is no Success without a Successor!"

John Maxwell

The Chief Executive Officer will monitor the status of the senior executives of the company or organization to plan for new appointments.

Basics of a Succession Plan

1. Identify the critical positions in the company or organization.
2. Review competencies essential for the major leadership positions.
3. Develop a chart of potential transitions for the next 3-5 years.
4. Develop a talent pool within the organization that contains a list of upwardly mobile leaders.
5. Analyze whether the in-house talent pool has essential competencies to promote from within to fill anticipated vacancies.
6. An acceleration pool of talent may be necessary if significant senior leadership needs are forecast in the near future. Otherwise, on-the-job, in-house leadership development is the usual method used to prepare the next generation of leaders.

NOTE:

It is a luxury to have an Executive Staff of long-enduring experience and with loyalty to the company or organization. Often there is a transition of leaders at about five years of service; and for younger generations their mobility is greater than former generations.

Preparing for Change

An organization should provide opportunity for advancement and promotion from within as the primary succession model. This fortifies loyalty which increases longevity.

When there is no room for upward mobility, many of the most capable future leaders will “move out and move on” and will be lost to the future benefit of the organization.

Timing is important. When possible, a CEO will be working from the 5-year Senior Staff Planning Chart.

A potential new CEO should be identified by the Board several years before the transition is planned. A five-year horizon is optimal.

Succession is not only for the position of CEO, but should include other senior positions as well. It is the effective function of senior executives (Vice President and Director level) that give long-term viability to a company or organization.

If a CEO replacement is required, selection is much easier if there is a group of Vice Presidents that are seasoned in their positions. If this staff is competent, the CEO position may remain open for some months without crippling the organization. However, if the CEO is a “hands on and hands into everything type of leader,” the organization will suffer greatly upon his or her sudden departure.

It is for this reason that Boards should coach CEOs to be capable of leading vicariously through the lives of capable leaders in the organization. If the CEO has not developed the line of Vice Presidents it shows that his role is strong in managing, but weak in leading.

Therefore, the succession plan must consider the style of leadership in place because it will clearly affect the time necessary in which the appointing of successors must be done.

Succession planning is essential for the CEO and senior leadership levels of the organization.

Structural Integrity and Stability

As was mentioned above, there is no success without a successor. Once I was asked to advise a small but powerful and dynamic organization. During the only meeting of the consultation I inquired about future leadership succession. There were second generation family members in the organization, but no thought of the day when the founder would step down.

We are in desperate need of leaders who will pass the baton while they still have the strength to cheer.”

**Raymond Woodward
Fredericton, NB**

Now about 10 years later, health challenges have required the founder to step back to a reduced role. This is why the succession plan should be in place 3-5 years ahead of a possible or probable requirement of appointing a new CEO or founding leader.

The majority of organizations never survive past the founder generation because there was not a deliberate staff development or succession plan.

Stages of Business

Like the life of a person, a business will also go through various stages. Whether the business lives on or dies with the founder depends on the succession plan.

<p style="text-align: center;">Three Stages of Business Infancy, Adolescence and Maturity</p>

One may add to the above graphic:

Aging after Maturity: Ossification, Immobility and Death.

Effective succession, revitalization and re-envisioning may be required to prevent aging and demise.

Infrastructural Continuation

In most cases it can be assumed that the basic infrastructure can continue after a successor takes control. Instant aggressive change may “throw some of the best employees overboard” and create stress on the company or organization and its goals.

Founder or Existing CEO Leadership Style

The existing CEO will have a certain leadership style. He may be dictatorial or participatory. In the case of the dictatorial style, decisive leadership will be required by the new CEO.

However, if her style was participatory, the CEO transition can be more of a partnership action, thereby reducing the stress of leadership transition.

The CEO should be aware that finishing well will need the following functions to be in place:

- Excellence and clarity in mission.
- Innovation is routinely practiced.
- Partnership as an attitude confirming the value of ongoing input from sub-leaders and departmental directors.

The success depends on: People, Process, Results

Partnership requires a stable focus on structure and a process of connecting, cooperating, coordinating, collaborating and networking.

<p style="text-align: center;">If you want to go far, go together! If you want to go fast, go it alone!</p>

No Excuse Transition

If the leadership style going out and also coming in is highly directive, then the succession should

be quite directive, at least initially. Regardless of the leadership style and succession plan, the outgoing leader and incoming leader should be able to collaborate in such a way as to maintain for the good of all:

- Momentum
- Management control
- Multiplication of new leaders

The **Succession Roadmap** found in a white paper from Dale Carnegie Training is called the Nuts and Bolts of Succession Planning (2007). This paper suggests the following elements as essential to the process:

STEP	ACTION
1	Get commitment
2	Analyze the work and people now
3	Evaluate performance
4	Analyze the work and the people needed in the future
5	Evaluate potential
6	Develop people
7	Evaluate program results

This process is effective not only for succession, but for ongoing development of existing staff. This helps to evaluate and develop people for advancement on an ongoing basis.

In an environment where high value is placed upon people, an Individual Development Plan (IDP) is kept for each worker.

As it is written in the Bible:

“From everyone who has been given much, much will be demanded.” Luke 12:48 b

“Whoever can be trusted with very little can be trusted with much, and whoever is dishonest with very little will also be dishonest with much.” Luke 16:10

“But everything should be done in a fitting and orderly way.” I Corinthians 14:40

RECAP

These pages are written based upon the experiences of many companies and organizations that have successfully transitioned successor Presidents, CEOs and Divisional Leaders.

Succession, when well planned and executed, permits the company or organization to continue in the march towards its primary goals with a team of leaders and workers that are able to maintain the momentum. The next step is to multiply leaders to advance to new heights in future, well-planned transition.

Truly, “you are not a success until you have a successor.”

Chapter 19

Testimonies from Family on Leadership Values

Chapter 19

Testimonies from Family on Leadership Values

From Jennifer L. Rice, CMT (Certified Medical Transcriptionist)
Daughter of George and Janet Meyers
Homemaker, Homeschool Trainer, and Medical Transcriptionist
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Time Management

As a Christian woman, there are many demands on my time. Through the years I have tried to focus on spending my time on things of the highest value, from a biblical and eternal perspective. However, just living in today's world and running a busy household could consume all my time. How does a person find more hours in a day in which to do important things, not just urgent things? I believe the key is time management.

Several authors have helped me to learn valuable time management and home management skills. I highly recommend the following books and authors.

Elizabeth George: **Life Management for Busy Women**
Emilie Barnes: **More Hours in My Day**
Julie Morgenstern: **Organizing from the Inside Out**
David Allen: **Getting Things Done**
Marla Cilley: **Sink Reflections**

Change Is Good

Sink Reflections is written by the famous "Flylady" (of flylady.net). Her website provides encouragement and how-to's for the multifaceted job of "keeping house." Streamlining our stuff is a key element in a less-stress home. The most important concept I learned from her was to make changes gradually by taking "baby steps." Many of us have become frustrated with disorganization in our lives and have tried to change too many things too fast, with the result being discouragement and slipping back into old habits of inefficiency. Her website provides virtual mentoring and accountability, if you want it, or just some really great tips, planning resources, and detailed lists.

Another helpful website is zenhabits.net. This author, Lee Babauta, has taken David Allen's **Getting Things Done** system and simplified it and provided insights on, again, making changes step-by-step. Change is difficult. Habits are hard to break. A little bit of self-awareness regard-

ing our stumbling blocks can be helpful. For instance, my husband and I watched an interesting time management DVD by Julie Morgenstern which helped us see that one reason we both tend to run late is that we are always trying to do “just one more thing.” We are not consciously making a decision to be rude; rather, we need some tools to train us out of this habit. With all secular authors, we need to be discerning and wary of mysticism, New Age philosophy, and a selfish and me-centered mindset, but there is much to be gained and gleaned by reading a variety of time management books.

A Life Of Focus

Controlling this precious commodity called time has enabled me to not only do the things I **need** to do, such as managing a home and working part-time to supplement the family income, but also the things I **want** to do, such as home-educating our five children, being involved in ministry at our church, and pursuing life-long learning in things that interest me, such as history and literature. I have learned the futility of comparing myself with other women. God has uniquely gifted each of us. I would much rather clean out and organize a closet or help a friend institute a new laundry-sorting system than cook a gourmet meal (like my daughter Amy) or paint a portrait (like my daughter Allison). I delight in their giftedness and that of my friends, but I can enjoy doing the things God has gifted me in without feeling inferior. Focusing on God’s priorities for me and thanking Him for the abilities I do have is a better use of my precious time.

With studying and memorizing God’s Word and using it as the guide for all of life, prayer, planning in detail, education, and making ourselves accountable to mentors, we can move toward becoming who God created us to be and worship Him with our daily lives. At a seminar a few years ago, I was challenged to write my own epitaph. How do I want to be remembered?

Turning 50 this year has also led to some soul-searching. What do I still want to accomplish? How can I be pleasing to God and bring glory to Him in my remaining years? I believe these questions can be answered if I focus on my “epitaph,” taken from Psalm 37:23-24: **“Jennie’s steps are established by the Lord. He delights in her way. When she falls, she shall not be hurled headlong; because the Lord is the one who holds her hand.”**

Yes, there are challenges and disappointments and failures as we walk through this life, in preparation for the eternal life to come, but God is with us, guiding us and changing us into the people He wants us to be.

From Steven K. Meyers, M.S. Taxation, CPA
 Son of Dr. George and Janet Meyers
 Manager, Tax Accounting and Technology
 Chevron Energy Corporation
 San Francisco, California

Leadership

A leader should be the one who knows what needs to be done. Part of the leader's role may also be to manage the work of getting it done, but the most valued leadership role is knowing what needs to be done. To prepare for this involves developing a big picture understanding of trends, risks and opportunities and this trait is what differentiates a leader from a supervisor.

Be willing to do yourself what you are asking of others. That does not mean getting down "in the weeds," but to establish credibility with the team it doesn't hurt to have walked a mile in their shoes.

A leader must maintain the highest integrity, meaning always doing the right thing the right way. It is important to always be honest and to establish credibility. If you don't know the answer to something, then say that, but then go out and get the answer. If you lose your credibility it takes a long time (if ever) to get it back.

On integrity, our organization has what we informally call the "**Wall Street Journal**" test. If the action we took ended up on the front page of the Wall Street Journal how would it reflect on people's view of the organization?

A leader should accept responsibility and accountability for the work of the team. The team's success is your success and the team's failure is your failure. If you don't accept responsibility and you make excuses or blame others (even if that is justified), people above you and below you in the organization lose respect for you.

Decision Making

Once a direction is chosen, stick with that direction unless something has happened that decisively warrants a change. The team will function best if there is a steady and consistent direction over a period of time. If there are too frequent course corrections the team will adopt a wait and see approach before getting on-board.

Don't be afraid to act. Avoid "paralysis by analysis." The saying that "it's better to ask for forgiveness than permission" is a useful philosophy. A savvy boss in a thriving organization would always have a bias toward thoughtful, reasoned action rather than inaction.

If you're making a decision and the pros and cons of each possible course of action are about equal, just pick one and move forward. Once you make the decision, commit to it, without second guessing. Even if it turns out it may not have been the optimal way to go, it is probably still possible to be successful.

The leader should set the example of being decisive and anxious to get closure. The temptation is to things 95% done and then they sit and wait. Get the task done, pat yourself on the back for doing so and recognize the others who were involved.

Career Development

The knowledge in high demand today may not be as valued tomorrow so it is important to be flexible and commit to learning new skills and new ways of thinking. The workforce is dynamic and it is important to be flexible in approaches to getting the best from people.

Over the span of a career, there may be instances where you are not recognized sufficiently for your contribution and other times when you seem to get more credit than you deserve, but over time, it about evens out.

Gain a good understanding of what your leader expects from you and strive always to exceed that.

Develop and mentor other people. This requires a transition from individual contributor to a leader. In order to successfully make this transition, it is helpful to learn to take satisfaction and pride in the work that the team you lead does. You may feel that you did not accomplish one thing in a day, but if the work of the team was a success then that is your success.

In interactions with other groups or peers, think of the philosophy of abundance i.e. there is more than enough resources, opportunity etc. for everyone. If you can work with others to build up the overall organization, all are better off.

Relationships

A leader should maintain his or her composure at all times. Flying off the handle when frustrated is something people don't soon forget and they won't do their best work for you. This same behavior should be expected of subordinates.

Invest time in other people. Even though sometimes it may seem easier to just do it yourself rather than assign the work to someone else, it is best for both you and them in the long run to make the commitment to train them.

From Allison L. Rice, 24, M.F.A. (Master of Fine Arts)
Daughter of Mark and Jennie Rice
Granddaughter of Dr. George and Janet Meyers
Graduate of Academy of Art University in San Francisco
Part-time Waitress

My Experience with Managers

In my experience as a restaurant server for the past three years, I have seen many managers come and go in that time. Some were a pleasure to work for, others I would dread seeing when coming in to start my shift. I have to ask myself sometimes, “Why is that? Why are some managers so easy to get along with, and others not?”

I remember when I first started working for this restaurant, there was so much to learn, and one manager was so patient with me, yet he would nicely tell me when I had made a mistake. Another manager continually lost patience with me, even yelling at me at times, but he played favorites and turned a blind eye when other employees did totally illegal things. He didn’t last long!

One factor which makes a good leader is simply consistency. Moody people are not fun to work for. Any little thing could set them off, and employees must tread lightly in order to avoid an outburst. On the other hand, when a manager walks in smiling and says, “Let’s have a great day, you guys are awesome,” it really sets a mood for the entire crew. Good leaders demand respect because of the high example of integrity they set. They also demand respect because they are efficient, hard-working and knowledgeable.

A leader must also be like a parent—capable of guiding, directing, and disciplining his/her “family of employees” as needed. At the same time, every leader must develop the good habit of encouragement. Depending on the personality type of the employee, sometimes a little “pat on the back” is all that is needed, rather than berating him/her over insignificant details. If someone is doing their job well, by all means, acknowledge and reward them! Positive and negative reinforcement are both necessary to keep workers on track. Making someone feel needed and appreciated can go a long way toward gaining their loyalty. Like a good parent, a good leader listens to his crew, pays attention to their needs, and has their best interests at heart.

From Joel D. Meyers, 26, MBA
Son of Dan and Laurie Meyers
Grandson of George and Janet Meyers
Product Services Associate
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Build People who will Build People

One of the most impacting leadership concepts I have been exposed to emphasized the importance of building people to have the vision and ability to pass it on. It has been said that the mark of a true leader isn't in what his or followers do (the 2nd generation), but in what the 3rd-generation followers do. This litmus test reveals whether the first leader was able to instill the leadership skills necessary for the 2nd-generation leaders to do the same for the 3rd generation.

Only when the 3rd generation is able to successfully build more leaders and carry the mantle can we say that the first generation was truly successful. In every opportunity that we have as leaders to build others up, we shouldn't do so with a limited perspective to only see that person, but to see the generations of leaders that should come out of that person.

Never Sacrifice the Permanent on the Altar of the Immediate

We all encounter times in our lives where we are faced with decisions about whether we will make an unwise decision with immediate but short-lived benefit, or whether we will act wisely and forego the short-lived benefit to instead have a long-term benefit that may not appear immediately. We need to make a determination to act appropriately with the long-term in mind and follow through each time we face such a decision. We should be willing to make sacrifices in the short-term that have long-term, lasting benefit.

Prioritize Times to "Sharpen Your Saw"

This is one of the most important leadership principles that my Dad passed down to me. In our busy society, filling our schedules completely with good activities is easy, but we must not allow that to happen all the time! Intentionally setting aside time to keep oneself mentally and emotionally healthy through recreational activities is key. If we only ever fill our schedules with activities that need to be done but don't fill us back up, we will over time become worn out and ineffective for anything. Rather than doing this, we should always strive to keep a balance in our lives of enough things that fill us back up so that we don't ever become empty and unable to serve others.

From Daniel G. Meyers, MBA, CPA, CMA (Certified Management Accountant)
 Son of George and Janet Meyers
 Controller,
 Industrial Finishes & Systems, Inc.
 Eugene, Oregon

Keys Things That Have Helped Me in Life and Work

The Big Picture

I have found it of vital importance to clearly understand why I am on the earth and the purpose of life. I read the Bible nearly every day and the wisdom of the Word coupled with my faith is the cornerstone of my life. It isn't about me, but rather about Him. 1 Corinthians 8:6 says that we exist for Him. This understanding really helps bring things into focus. I highly recommend Rick Warren's **"The Purpose Driven Life."** I read the book when it first came out and recently read it a second time. It is written in 40 bite sized chapters and makes a wonderful study. I have a personal mission statement and regularly visit it to see if I am on track for what is important.

Family

In addition to our walk with the Lord, our family relationships are the greatest blessing on earth. There is so much heartache and trauma when things don't go well in these relationships. Paul wasn't referring to marriage when he talks about "fighting the good fight"! I have been wonderfully blessed in a marriage to Laurie of more than 30 years and have had to learn a few things. I have read numerous books on marriage and the best I have read is **"His Needs, Her Needs: Building an Affair Proof Marriage"** by Willard Harley, available for \$13.59 at Amazon.com. In addition to the joy of a great marriage, Laurie and I have been blessed with five wonderful children. We have enjoyed our kids, but part of the reason for that is our kids were under control. It quickly takes the fun out of being with children when they are undisciplined and out of control. James Dobson has some great books on child rearing, **"Dare to Discipline"** and **"The Strong-Willed Child"** that have been a real help.

Continuous Learning

There is a tendency to think we have "arrived" when we graduate from high school or especially university. I have been fortunate to have had great opportunities for university studies, even to the Master's degree level. But I have learned far more on my own. I have a continuing parade of materials and information that passes in front of me each day. I subscribe to numerous periodicals, listen to books on MP3, and get email and web-based materials also. It may seem overwhelming, but the key is to work like a gold miner. If you're not finding gold dust don't spend too much time in that area. If you are finding gold, then slow down and really glean. A key insight for me was learning how to read a book that is only of some interest. Read it in minutes for the key ideas by looking at the back jacket, the table of contents and the first sentences in the paragraphs. Magazines can be scanned in a couple of minutes using this approach. The key is to look for the nuggets.

Mentors

I have been very blessed in my life with many people who have helped me. In particular for the workplace I have had three individuals who have had a profound impact on my life, my father

and my direct supervisors in my two main work experiences. I am deeply grateful for the input and know I am much further in life because of these mentors.

Getting Things Done

No book has helped me more than Robert Allen's "**Getting Things Done.**" It is available for \$9.99 at Amazon.com and is the best \$9.99 I have spent. From personal experience I can say that the problem with time management approaches is that they don't work! But Robert Allen's approach does work, as hundreds of thousands are finding. The approach is to have a simple organizational plan for dealing with the onslaught of requests and information that hit us each day. We need to have a system for prioritizing so that the important things of work and life get done. It takes a lot of the stress out of life having the Getting Things Done system in place.

Giving People What They Want

I remember my mother telling me once that it is easy to bless a child by meeting their request, as it is usually something pretty simple that they want. This principle extends into the workplace. We have our own plans and agendas but in reality we are at work to help those over us to succeed. I have found it to be very important to listen for cues as to what my boss and the senior leaders in my company want, and try to meet these needs if I can. Even though I have degrees and certifications, it is often accomplishing some minor task that means a lot to people over me. Zig Ziglar has said, "You can have anything you want in life if you will help enough other people get what they want."

Kindness

Proverbs 3:3 says "**Do not let kindness and truth leave you; bind them around your neck, write them on the tablet of your heart.**" Kindness makes life so much better in the workplace and at home. It provides a platform to enjoy life if we can be at peace and enjoy being with those we work with and our family. Little acts of kindness often bring great blessing to people.

From April Rice, 13
 Daughter of Mark and Jennie Rice
 Granddaughter of George and Janet Meyers
 Homeschooler
 Quartz Hill, California

This was an essay for a Financial Foundations class. There were 10 students from 7th and 8th grade using an Economics Primer called “**Whatever Happened to Penny Candy?**” and Dave Ramsey DVDs.

Economics in Action

I now know much more about economics than I did when I started this class. I have learned many things from my teachers about how to apply a Christian world view to economics, and how to manage my money wisely. We also have memorized many Bible verses about financial wisdom and responsibility, and how to apply these truths. In conclusion, the way we manage our money is not only important to our financial security, but also for maintaining a good testimony for Christ. Economics is vital to a person's life because it shows a person's true motives and priorities.

I have learned new terms and what they mean. Our ABC's of finance have been fun and informative, helping the class to remember important economic phrases and ideas. Inflation is an increase in the amount of money, causing prices to rise. The business cycle refers to the regular change of prosperity and recession in our economy. A real coin is a disc of pure precious metal, whereas the coins we use today are just tokens because they have no silver in them. The law of supply and demand is simply this--when the supply goes up, the price goes down, and when the supply goes down, the price goes up. I have also learned about the dangers of credit card debt. High school and college age kids are most often preyed upon by credit card companies because of their ignorance and immaturity, so young adults really need to stay informed about debt.

I believe that the one of the root causes of America's economic problems is a wrong world view. The world view is wrong because it is not centered upon God, but it is centered upon principles set up by sinful man. This leads to pride, greed, and bad usage of power. Ethics also plays a major part in our economic problems. When leaders do not have good ethics, the choices they make are sinful and often lead to chaos and disaster.

We should continue to seek out economic news regarding our nation's financial state as often as possible, so that we can make the right choices when it is time for us to vote. Although I do not discuss or think about economics daily, since taking this class I have definitely become more interested in economics and have begun to “tune in” when I hear about economic news. I have learned that our country is making unwise financial decisions, such as pumping million of dollars into the economy to try to “jump start” it. By electing upright leaders, having financial security by staying out of debt, and keeping informed about our country's economic status, I believe our citizens can make a difference.

Chapter 20

Legacy – The Life Well Lived

Chapter 20

Legacy – The Life Well Lived

Leaving a Godly Inheritance

It is what we have invested in others that we leave behind as a legacy of remembrance of our contribution in life. What we have done, no matter how great the achievement and even the level of monetary wealth that we have accumulated, will be largely forgotten. What have we done that will endure?

As we are prepared by parents, teachers, mentors and pastors to succeed in life, we must also take the steps on our own to responsibly prepare for death, the separation unto our eternal destiny and reward. The legacy we leave will influence our progeny for generations.

We are created in the image of a loving, caring God, given a somewhat predictable number of years to live, and then as surely as we were born we will certainly die.

What is the legacy that we leave that will influence others for generations?

Once we reach the years of **accountability**, we are responsible for our own actions and their consequences. We are called in this life of faith to greatness, because our Creator God is great and we are created in His image. Like Him, we are to be loving, fair, just and right.

Hebrews 9:27, **“As it is appointed for men to die once, but after this the judgment.”** First comes life, then death and then the judgment. That much we know for certain. We also know that the White Throne Judgment is where the disciples of Jesus receive their eternal reward.

Family Wealth Management

Managing family assets requires purpose, planning and skill. Family wealth must be well-managed, multi-generationally. If one generation fails to keep the valuable inheritance intact, it will be systematically destroyed by the next generations.

Without a family mission and purpose statements, the focus and commitment to wealth multiplication soon fades away into insignificance. When this happens, the compassionate response to ever increasing family emergencies chips away at the capital base. Often competition for the estate to be divided and distributed is demanded by some heirs.

The destructive force of dependency is the primary enemy of the family wealth dynasty. In some cases, when the majority of family members are undisciplined financially and are consumers of capital, it is best to put the family capital into a trust, with trustees that are not members of the family. Carefully selected trustees from the business, banking and legal community should be sought for counsel.

All it takes for sustainability is one knowledgeable family member in each generation that knows business and investing well and is willing to obtain wise counsel. This person must have adequate authority and high financial responsibility to protect the family capital and multiply it for the next two generations. This family member must have a protégé that is learning from his or her youth how to take the place of the mentor in the future and to become the successor.

“You are not a success unless you have a successor” is certainly required for multiplying inter-generational true wealth.

An Enduring Legacy

Setting things in place is something that we can do! We recommend that everyone establish a personal mission statement that helps guide his/her life. My personal mission statement has been helpful to me, but not necessarily appropriate for others. The purpose of showing it is not as an example for content, but to validate that I have done it, it has served me well and has multi-generational power!

My Personal Mission Statement

**“Through faith and wisdom acquire true wealth,
mentor others and leave an enduring legacy.**

George H. Meyers

This is my current, but not first personal mission statement, and it reflects quite well my priorities at this stage of life.

The writer of the mission statement will receive benefits of leading a more organized life with established plans and priorities. However; that too is temporal and what is left behind must relate to proven character, compassion, faith in action and a life well lived and dedicated to the purposes of God.

A **legacy** that endures is based on the kind of **character** imparted to others that transcends this life into eternity. A **spiritual legacy** is the living **testimony** of one's life in the earthly kingdom of God that transcends into the kingdom of Heaven for eternity. **Enduring values are spiritual values and character values imparted to others.**

Characteristics of Endurance

The experiences and trials of life develop our character to the end that we are fashioned into the character of the Lord Jesus Christ. This passes on into the children created in a marital union who are influenced and molded to also conform through the rigors of real life experiences into the image of Christ. We should love as Jesus loved and mirror His eternal purposes. This is the legacy that endures and has great value.

A legacy also includes **physical assets** that a person leaves for others. This varies among people according to their commitment to work, save, invest, multiply and protect wealth. As sure as the rigors of life develop character, **disciplined asset management** creates and multiplies wealth.

To establish an enduring legacy requires action. This means aggressive, determined steps to iden-

tify your vision and to develop the mission for your current life and the plan that is put into place now in preparation to be enacted upon at your death.

Family Heritage

Proverbs 13:22 **“A good man leaves an inheritance for his children’s children, but a sinner’s wealth is stored up for the righteous.”**

Accumulated **multi-generational wealth** can be **multiplied inter-generationally**; however, nearly always by the fourth generation all family capital has dissipated. How can this be?

Family members or **descendants** that do not actively participate in the continuing responsibility for **wise management** of well orchestrated wealth multiplication become **consumers of the wealth** that their ancestors sacrificially accumulated.

The same responsibility rests with parents and grandparents in training their descendants in **personal spiritual commitment** and formation and responsible planning for effective life here and for eternity.

**True wealth is genuine prosperity in spirit, soul, body,
education, culture, economy, marriage and family.
Money is only one aspect of the issues in studying true
wealth. Youth should be challenged to create
“true wealth” as they progress through life.
Money can rapidly fly away,
but true wealth is anchored in the soul.**

Janet Meyers

Legacy Lost

Legacy is lost by not training family members to be disciples of the Lord Jesus Christ. Only in Him are the treasures for life and eternity that are available to all and are faithfully banked in heaven.

There are great benefits to **multi-generational vision**. Planning, training and developing our children and grandchildren beginning at a young age will prepare them for a responsible, mature lifestyle later in life.

“Behold, children are a heritage from the Lord. The fruit of the womb is a reward.”

Psalm 127:3

Happy is the man with children and grandchildren. The cooperation with God in creating and raising of children is the process in which a married couple physically positions the continuance of their seed, values, character, true wealth, capital assets and eternal values to their succeeding generations.

A Tri-partite View of Legacy

The inheritance that we have received from our ancestors and will pass on to our descendants can be expressed in a similar way as the form in which we were created:

- God created a body, breathed into it a spirit and it became a living soul (mind, will and emotions).

In the same way we are creating an inheritance in our own families for our children and grandchildren:

- Spirit: Faith and spiritual foundations.
- Soul: Growth in the dimensions of culture, language, socialization, education, belief system, world view and fundamental values.
- Body: Through our genetic inheritance we receive a physical body over which we have the personal responsibility of stewardship. The honoring of parents according to Scripture, and intentional care and feeding of the body can usually yield a long life.

Parents desire for their children to develop in an excellent manner, to be socially astute and successful in life, raise godly and economically successful families. We tend to want for our children exactly what is best for ourselves; however, sometimes we fail to attain to our capabilities. Sometimes devastating situations happen and all too often bad habits prevent us from reaching even a small part of our potential.

Other Tri-partite issues prove the multi-generational discipline and understanding of the multiplication of wealth. These issues are:

- The inheritance that I receive.
- The multiplication of the value of inheritance that I have stewarded throughout my lifetime.
- The sum total of the various components of value that survive past me and are distributed to my heirs as my enduring legacy.

Blueprint for Prosperity

My **blueprint** for prosperity stems from my value system. That system is **integrity** driven by **biblical knowledge**. The combination of those two qualities leads to True Wealth. This type of wealth, resulting from solid character, is the positive **virtue** of not what I possess, but what possesses me. It is the composite of who I am, what I am, why I exist and what happens after I am gone.

True wealth comes from a vision of my birthright. I am of the lineage of Abraham, Isaac and Jacob. As a spiritual son of Abraham I am in covenant and have inherited the promised blessings. These blessings are many and are recorded for me in the Holy Bible. I pass those blessings to my successors.

I progressively create a vision: what I can conceive, I can achieve. This is to me inventing the future – a **Blueprint for Prosperity**. If it is going to be – it is up to me! Out of my words come the issues of life, the manifestation of my inner belief.

Together with my wife and children we pray, dream, create and plan a shared vision. From this multigenerational vision, strategies flow for **Total Wellbeing – True Wealth**. This leads to multiplying multigenerational prosperity for future generations. This is the manifestation of the benefits of the Kingdom or “Shalom” of God.

True wealth envisions, empowers and equips the **successive generations** of my family with wisdom. Therefore, each generation has the capacity to learn, earn, give, serve, invest and receive an abundance of grace to obtain and pass on increasing **True Wealth**. This blueprint for life is reproducible. Through wisdom and applying it to life's situations, we encourage and empower members of our multiplying family and do not destroy initiative or motivation through dependency. Individual initiative and creativity is rewarded with opportunity to learn more about life, its responsibilities and the blessings received from faithfulness.

The principle is that of the "Lock, the Key and the Hand that turns it." Laid out before each of us is a measured number of days of life. Wisdom is the key to unlock the treasures of life and eternity. It is our own hand that will determine our destiny by daring to turn the key that unlocks a future of opportunity based on our individual faithfulness and employment of eternal laws and principles.

I am a leader and mentor. I receive from mentors to equip me to lead and mentor others. I surround myself with wise counsel. I am knowledgeable, well-educated, experienced and have been progressively learning throughout every phase of my life. I possess **True Wealth** that is multiplying yearly for me; and as I share this with others my capacity to receive is increased.

Blueprint for Prosperity (Continued)

I have put in place a plan for virtue to continue to multiply in my family – as a legacy to succeeding generations – **True Wealth** in its purest and finest form. As wisdom increases in multiplying generations of my family, **True Wealth** will grow beyond our imaginations.

I have a team of business advisors and mentors to guide us in planning and managing our business affairs. My financial management team, comprised of members of my own family, assists me with sound money management and information for investment decisions.

I have a health and wellness team that consists of medical doctors, specialists and holistic well-ness practitioners who help keep me well.

We are schooled in the principles of **True Wealth – the Shalom of God**, and understand our obligation to others and help them keep and multiply their wealth. It is through giving and empowering the less fortunate members of our communities that we are acquitted of guilt for acquiring financial wealth and special abilities.

This **blueprint for prosperity** is capable of expanding to accommodate our growing capacity to receive; to bring clarity to the purposes and processes of **True Wealth** accumulation; to increase our capacity for philanthropy and to maintain our lives together on life's journey in capably handling misfortune and rejoicing in success.

In the transition from this life to the life which is to come, we can all truly rejoice that God is our helper. He is the One who gives us power to obtain wealth and we are secure in Him.

"But remember the Lord your God, for it is He who gives you the ability to produce wealth, and so confirms His covenant, which He swore to your forefathers, as it is today."
Deuteronomy 8:18 NIV

Entrepreneurship for profit is an example of godly social responsibility.

Living a Life that Counts

A person who lives his life well is the kind of person who thinks, dreams, plans and acts multi-generationally. That person organizes his/her life encompassing these parameters:

- Vision overview
- Mission statement
- Purpose statement
- Plans
- Priorities and family
- Objectives
- Contingencies
- Legal structure
- Asset protection
- Protection from predators
- Accountability
- Wise investment decisions
- Effective reports
- Lifelong learning
- Faith for life now and on into eternity

The above sequence, when implemented with commitment, will serve well to meet the objectives of an **Asset Advancement Plan**.

NOTE:

When the Asset Advancement plan is effectively and faithfully implemented in a highly disciplined manner it will:

- Promote continuance of an enduring achievement that will multiply one's legacy in an ongoing manner.
- Increase so that each succeeding generation possesses a higher level of true wealth than all prior generations.

Every future generation should be more healthy, wealthy and wise than all past generations of the family.

My prayer is that this book will encourage you in your quest to obtain True Wealth for your own life and the lives of your descendants!

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Appendices

Other Organizations of Value in Business Leadership

Foundation for Emerging Leaders (FEL)

The **FEL Training Series** of 12 training modules is a product of **Leadership Training International** (LTI), based in Chesapeake, Virginia. The Foundation for Emerging Leaders is making an impact in the practical education of leaders both nationally and internationally. It is a biblically-based, learner-centered equipping track that develops marketplace leaders that influence the world where they live and work.

The foundational characteristics of the FEL leader are a faithful, God-fearing, Kingdom understanding believer, living out a life of impact in the community. These positive character traits influence family, colleagues, workplace associates and education faculties. By association with the FEL graduate, many experience the Kingdom of God at work here on earth.

The **FEL** course is commonly used by church congregations to equip their leaders for marketplace leadership; just like Jesus fulfilled his ministry in the marketplace.

Half of the modules are for Inward Growth, focusing on the inward personal growth of a ministry leader to help build a foundation that will last a lifetime. The remaining modules are for Outward Growth of a leader for him or her to produce results and effectively lead others.

Examples of the training are:

- **The Leader's Foundation** – forming a Godly self-image and proper foundation for leadership.
- **The Leader's Calling** – Discovering your calling and role in God's Master Plan.
- **Leading with Mentoring** – Finding and providing effective mentoring relationships.
- **Leading with Teams** – Developing a diverse leadership team approach for ministry.
- **Leading Skillfully** – Developing key practices and skills for effective leadership.

Go To Nations, the ministry we serve (formerly Calvary International) – is using the FEL Training Series as a valuable tool in training missionaries and national leaders in many countries of the world.

For more information: www.ltiworld.org

Harvest Evangelism – Transform Our World

Transform Our World is the name of the International Transformation Network. This organization was developed by Ed Silvano, the highly respected advocate of Business as Mission doing Marketplace Ministry internationally.

The information training site highlights the “**Five Pivotal Paradigms for Transformation.**”

This is walked out through Prayer Evangelism. “To see what we have never seen, we must do what we have never done, or else we will continue to see what we always see. Embracing these five paradigms is the first step of a long and glorious journey.” (Taken from Ed Silvano’s book **Transformation**, chapter 3.)

Five Paradigms

1. The Great Commission is about discipling nations, not just people.
I am a disciple of nations, and a model for people.
2. The marketplace (the heart of the nation) has already been redeemed by Jesus and now needs to be reclaimed by His followers.
I walk and work in confidence that what I do will make an eternal difference.
3. Labor is the premier expression of worship on Earth, and every believer is a minister.
I am equipped by God with unique gifts and talents designed to shine light where there has been *darkness*.
4. Our primary call is not to build the Church but to take the Kingdom of God where the kingdom of darkness is still entrenched in order for Jesus to build His Church.
I am called to do things in a way that will bring the will of God in heaven to my earth every day.
5. The premier social indicator that transformation has taken place is the elimination of systemic poverty.

I seek to dislodge systems within my sphere of influence that keep me and others poor, spiritually, relationally, materially and motivationally.

Contact Information: www.TransformOurWorld.org

Go To Nations – Jacksonville, Florida

This organization was originally founded as Calvary International in Jacksonville, Florida, in 1981; now doing business as **Go To Nations** (GTN).

The focus is on fulfilling the Great Commission. The strong Bible Institute strategy results in pastors and Christian leaders being trained to plant and multiply church congregations and networks with a goal of raising up National Christian Movements in the nations.

There are about 450 missionaries and national workers from four continents that live and serve in 25 countries. The biblically-based emphasis of the Go To Nations equipping track provides opportunities for developing leaders for church ministries and serving Jesus as the Lord of the marketplace.

Training begins with a 6 day orientation, followed by 10 weeks of internship training in one of three locations in the world. Training in fundraising is part of the curriculum. The third step is apprenticeship for 10 months under a veteran missionary in the foreign country of assignment.

Our heart is to connect people to a totally loving and completely holy God.

Our purpose is to recruit, equip, mobilize and serve missionaries and churches, enabling them to fulfill the Great Commission.

Our vision is to preach the Gospel of Jesus Christ, bring hope to the hurting and train leaders to change nations with God's love.

Community Transformation is implemented in the rural sectors to help lift communities from poverty and despair to faith and hope.

Global Pathway, a training manual, is a valuable tool to help pastors develop a thriving missions program and stir their congregations into Great Commission churches that impact nations around the world.

Steps...to the Mission Field is an exciting, yet practical step-by-step guide for anyone interested in pursuing missions service.

For information on how to connect to the world through Go To Nations,
go to: **www.gotonations.org**
Phone 904-398-6559

J. Robert Clinton Institute

The J. Robert Clinton Leadership Development Institute is a strategic partnership between Bobby Clinton and Leader Breakthru. Its mission-vision is to offer the research and resources of Bobby Clinton to an ever-widening audience of church and mission leaders, and to facilitate the networking of in-the-field practitioners of Clinton resources.

We seek to widen and deepen a movement toward leadership development research and concepts coming to the Church-at-large around the world. The Institute consists of five components:

1. Web-based delivery of resources, books, manual and articles.
2. On-Line Learning and leader development processes.
3. The Clinton Gathering – yearly summit of practitioners and seminal thinking.
4. C.L.A.S.S. – School of Advanced Leadership Development Studies offered twice yearly.
5. Leadership Development Networking and Coaching.

Contact: **www.jrclintoninstitute.com**

KINGDOM BUSINESS LEADERSHIP

Have you ever wished for a practical training manual for business explaining to you what to do and how to do it? KINGDOM BUSINESS LEADERSHIP was written to empower a new kind of business leader. In today's fast-paced marketplace, leading and managing wisely are still mandated even though technological advances are rapidly changing many aspects of the work environment.

"This book is packed full of value! In just a few pages Dr. Meyers delivers a lifetime of leadership and business wisdom. The style is pithy, and unlike so many texts on these topics, the author does not force you to sift through a mountain of verbiage to find the gems, nor does he bore you with redundancy. If read and applied, this volume will empower leaders, enrich the lives of those they serve, transform the organizations they lead and advance the Kingdom of God in the earth."

- Jason Benedict | *Strategist, Regent Center for Entrepreneurship, Virginia Beach, Virginia*

"This is a great book written by a man of God who has spent a lifetime leading! There seems to be a vacuum of real leadership in our world today. Yet, I believe God is raising up a new generation of leaders with desire to implement a real Kingdom change in business or government. Leading how Jesus led, requires a completely different world view of leadership. In Kingdom Business Leadership, Dr. George Meyers has given the practical, sage advice leaders so desperately need. You will be able to take these principles to work with you! Dr. Meyers has synthesized his years of effective, insightful, empowering, Spirit led leadership and put it in a book that will become one of the cherished possessions of your library. It is a rare privilege to draw from a treasure chest of Godly wisdom contained in Kingdom Business Leadership. This book will become a leadership manual for Kingdom business and government leaders of this generation. Well done Dr. Meyers!!"

- Paul L. Cuny, President | *MarketPlace Leadership International, Author of Secrets of the Kingdom Economy*

I have been very blessed in my life to have Christian parents who cared deeply for me and trained me up in the way I should go. In Proverbs 6:21-22 it says regarding your father's commands and your mother's teaching, "Bind them upon your heart forever; fasten them around your neck. When you walk, they will guide you; when you sleep, they will watch over you; when you awaken, they will speak to you." This book is a father's wisdom on life principles and the reader will get to participate in teaching that has been a part of the training for our family throughout our lives. We walk in incredible blessing in our family and having these life principles instilled in us has been instrumental in bringing this about. Be blessed as you read and share in the treasure of this book!

- Daniel G. Meyers | *Controller, Industrial Finishes & Systems, Inc., Eugene, Oregon*



Author George Meyers has had work experience in the U.S. and internationally in management and executive leadership in business and non-profit organizations. His international experience and Ph.D. degree in Business Management have given him knowledge and expertise in training others in leadership and management. He retired as a Lieutenant Colonel from the U.S. Army Reserve in 1990 after 35 years of service. He resides with his wife, Janet, in Jacksonville, Florida. They have a large network of business professionals all over the world.



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