

LEADING THE BRAND



Ron Phillips
Senior Vice President of Human Resources - Retail





CONSUMER VALUE STORES

Your Headquarters

FOR HEALTH *and* BEAUTY AIDS



“If your actions **inspire** others to **dream** more, **learn** more, **do** more and **become** more, you are a leader.”

- John Quincy Adams

Leaders Create The Brand

Your Leadership Matters!

Culture

Welcome

Friendly

Value

Respect

Accountability

Be Here Now

Always

Fun

Work-life Blending

Convenient

Care

Secure

Pride

Engage

Safe

Positive Attitude

Own it

Respond

Customer Focused

Their Name

Smiling

Results

Anticipate

Efficient

Reliable

Leading



Culture is created continuously. We each contribute to the culture of the room we are in.



“We are in a new world, using old tools.”

-Thomas Friedman, *The World is Flat*

Leadership Must Evolve At Pace with Change

HOWARD
JOHNSON'S
ICE CREAM
COCKTAILS UPSTAIRS

Restaurant





Kodak

TOYS R US

ENTRANCE

THE
GREATER
TRADE-IN
25% OFF

bike
assembly



BLOCKBUSTER

FREE
MEMBERSHIP

RENT
GRATIS

**The World of Work is
Changing**

WORKFORCE DEMOGRAPHICS TRENDS

Three generations in the workforce

Retirements & new young talent with different growth expectations



WORKFORCE VALUES & EXPECTATIONS TRENDS

Tech savvy, communicate digitally

Expect to learn, grow

Seek meaning, purpose

Enjoy teamwork



Workforce

OTHER WORKFORCE FEEDBACK

Extreme loyalty to immediate supervisor

Strong identity with “my team”





VOLATILE

SPEED OF CHANGE ACCELERATING
SUDDEN DISRUPTIONS
UNSTABLE GEO-POLITICAL,
MARKET, & CLIMATE FORCES



UNCERTAIN

UNPREDICTABILITY OF ISSUES &
EVENTS
INFORMATION LACKING



VUCA World



COMPLEX

MULTIPLE, CONFLICTING FORCES
CONFOUNDING ISSUES
NO CLEAR CAUSE-EFFECT CHAIN
OVERWHELMING INFORMATION



AMBIGUOUS

OPPORTUNITIES AND THREATS
HARD TO DEFINE
UNCLEAR CONSEQUENCES OF
POTENTIAL ACTIONS

CUSTOMERS

Increasing expectations

Digital & tech savvy

Social media & transparency of their experience requires rapid response & smart frontline decisions



COMPETITION & FINANCIAL

Rapid growth

Increasing capacity

Cost reduction & leveraging scale require greater X-F integration

Changes in Business

REGULATORY & COMPLIANCE

Advanced technology

Greater complexity

Need for better & better safety & security

Sustainability



Leadership Must Evolve at a Pace With Change



Changing Workforce



VUCA World

Business Changes

Time for a Leadership OS Update



Default Leadership System: Hierarchy

Time for an OS Update

CHARACTERISTICS

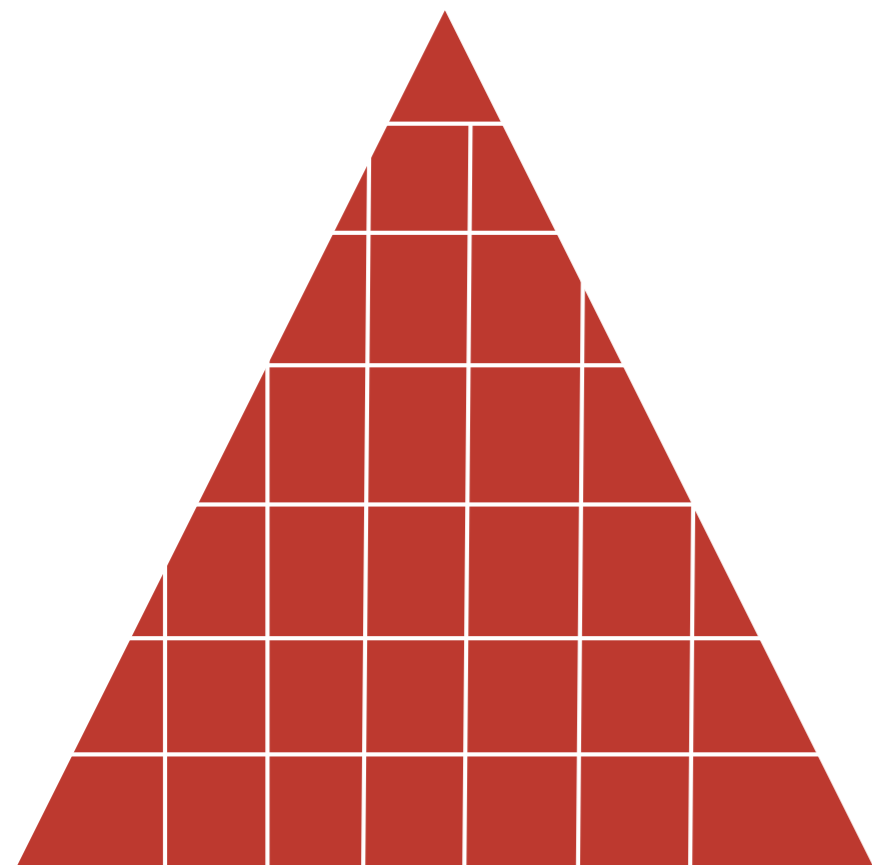
- Tall chain of command, layers
- Policy and procedure over critical thinking
- External controls over employees: “hold” accountable, blame
- Paternalistic: “we know what’s best”
- Loyalty, compliance w authority
- Problems, issues viewed parochially. Broader consequences unseen.

EFFECTIVE WHEN

- Workforce unskilled, had few career options
- Market/competition stable, predictable
- Profitability the only stakeholder
- Assembly line, stable process
- Control over narrow tasks & skills
- Efficiency valued over quality or service
- People seen as replaceable parts

UNWRITTEN RULES

- Do whatever the boss says
- Sacrifice individuality for security. Self-interest.
- Questioning authority or telling the truth ruins careers
- Focus on your job only: “heads down”
- Others decide your career path/moves

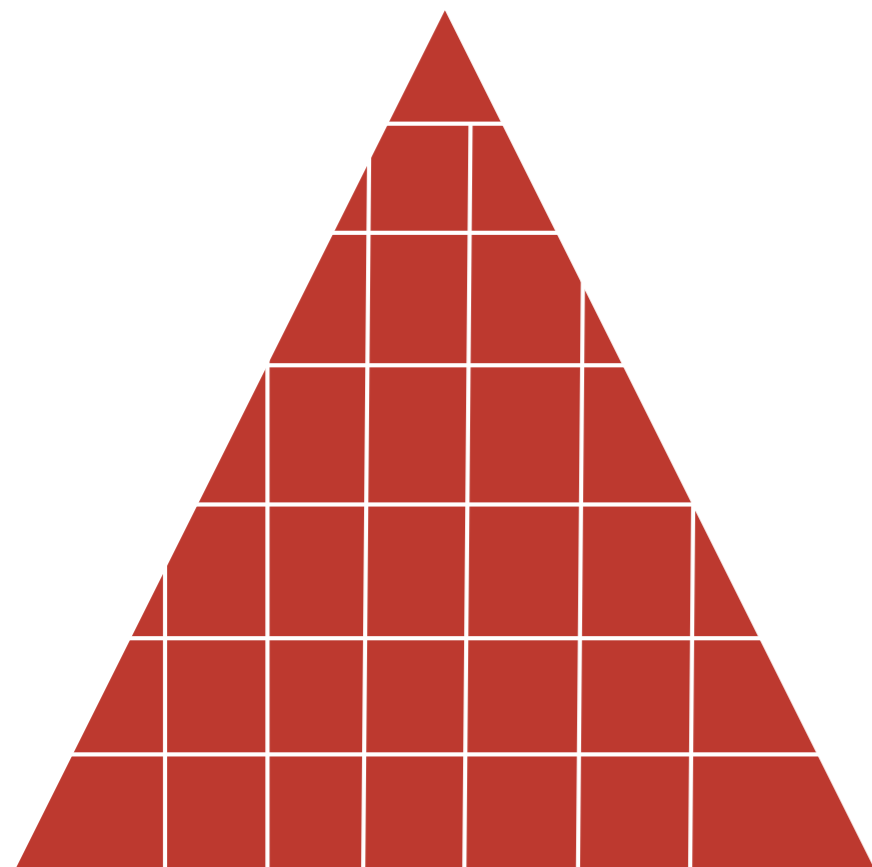


Default Leadership System: Costs

Time for an OS Update

THE VIEW LOOKING UPWARD

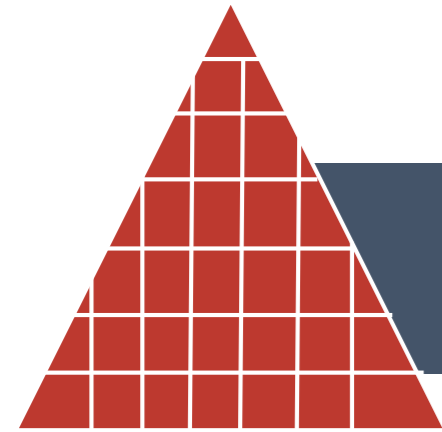
- Political safety: looking good a top priority
- Wait for permission, direction, risk free guarantees
- Low trust. Always say yes. Customer = highest level boss
- Expect top management to have all the answers
- Avoid conflict. Don't share bad news or discuss tough issues
- Wish they → would change
- Fear and complacency



THE VIEW FROM ABOVE

- See left column
- Managers must maintain control, order
- Live in a fishbowl, isolated from the truth
- “Why don't they act empowered?”
- Narrow, silo focus. Compete with, don't trust peers
- Tough to discern “boss pleasing” from competence/potential
- Don't move forward until all steps defined
- Wish they ← would change

Leadership OS Update



FROM: HIERARCHY

- Command and control; authority-based
- Narrow self-interest; silo thinking
- Low trust. Customer = highest level boss. Customer is always right.
- Leader has all the answers
- Avoid conflict and feedback; talk *about* people
- Impersonal relationships: status distancing
- Inspires fear and complacency
- Policy and procedure prescribes what & how
- People concerned with individual political safety or approval



TO: INTENTIONAL EFFECTIVE LEADERSHIP

- Inspires people with vision, purpose, meaning
- Collaborate, partner across functions
- Builds trust. Speaks & encourages truth
- Leader develops, coaches, asks great questions. Learns and discovers *with* people. Adaptability.
- Direct, honest, helpful, timely feedback (in all directions)
- People encouraged to think and act in the company's best interests – Enterprise Thinking
- Builds teams at all levels; leads as a team

Leadership System Update Challenge

Courage and Persistence to Meet the Resistance

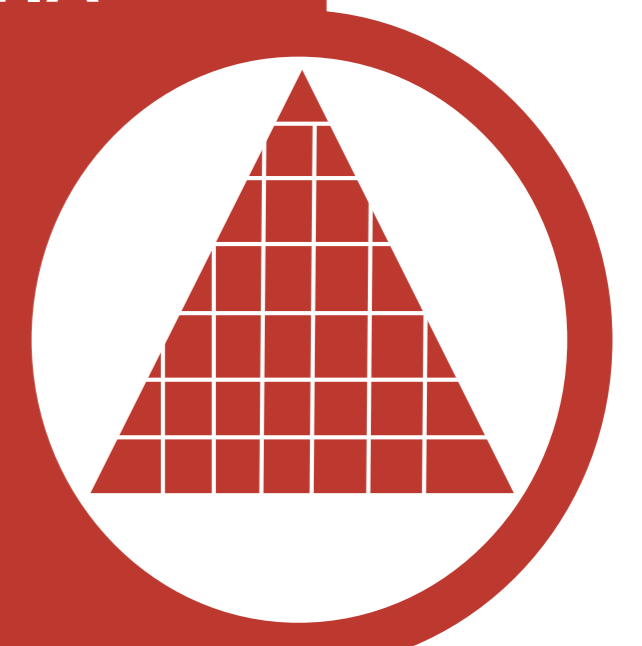
FORCES FOR CHANGE

Complexity calls
for more
collaboration
New talent
expects stretch
Biz requires more
integration



SOCIAL SYSTEM INERTIA

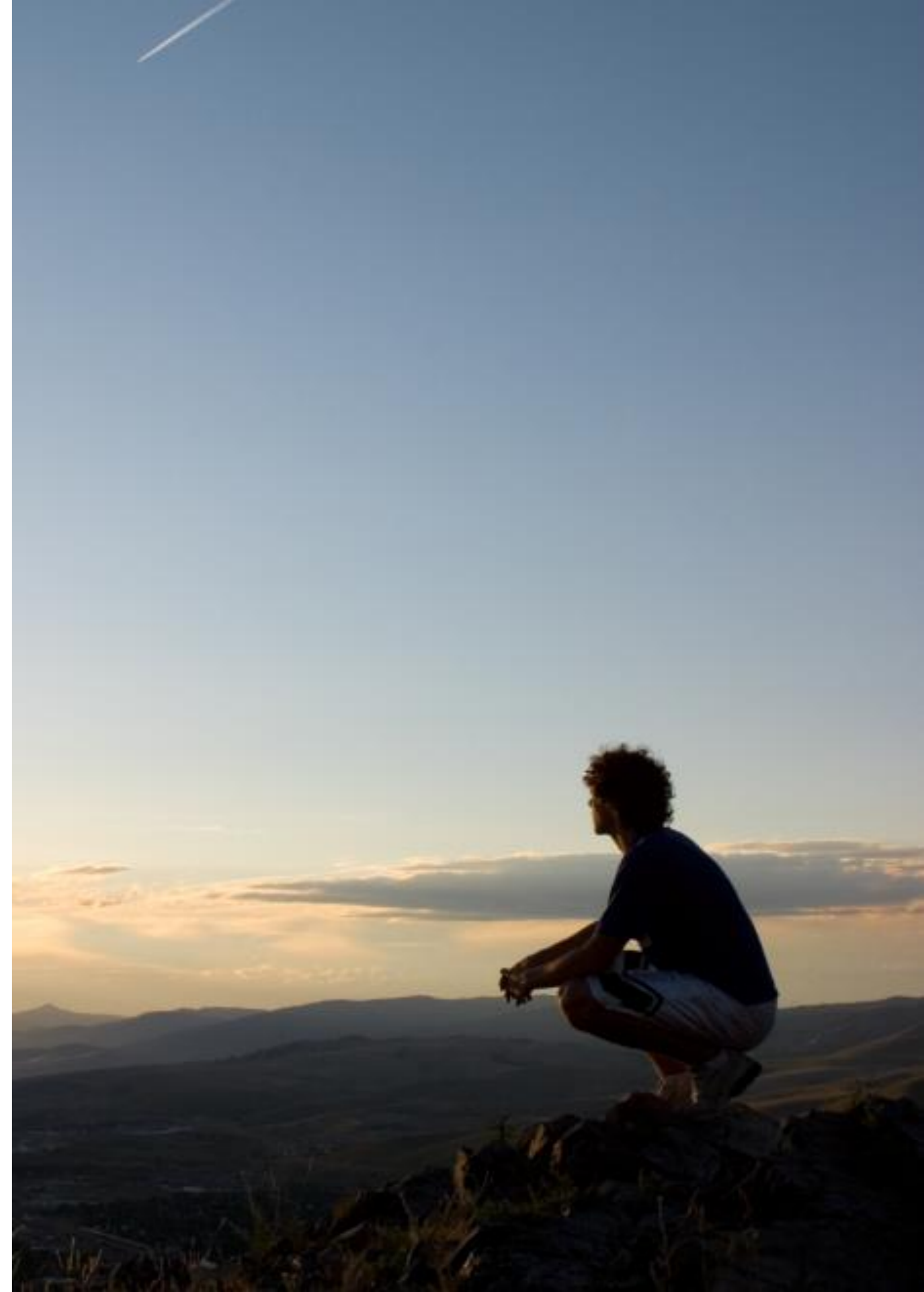
Habits, routines
Comfort w status quo
Desire for security
over accountability
Leader doesn't get
truthful feedback



Reflection

Consider Your **Own Organization & Leadership**

1. What attributes of hierarchy are most prevalent on your team?
2. What are the costs or negative impacts?
3. In what ways is your own leadership unintentionally contributing to reinforcing this, keeping it in place?
4. What might you consider changing?



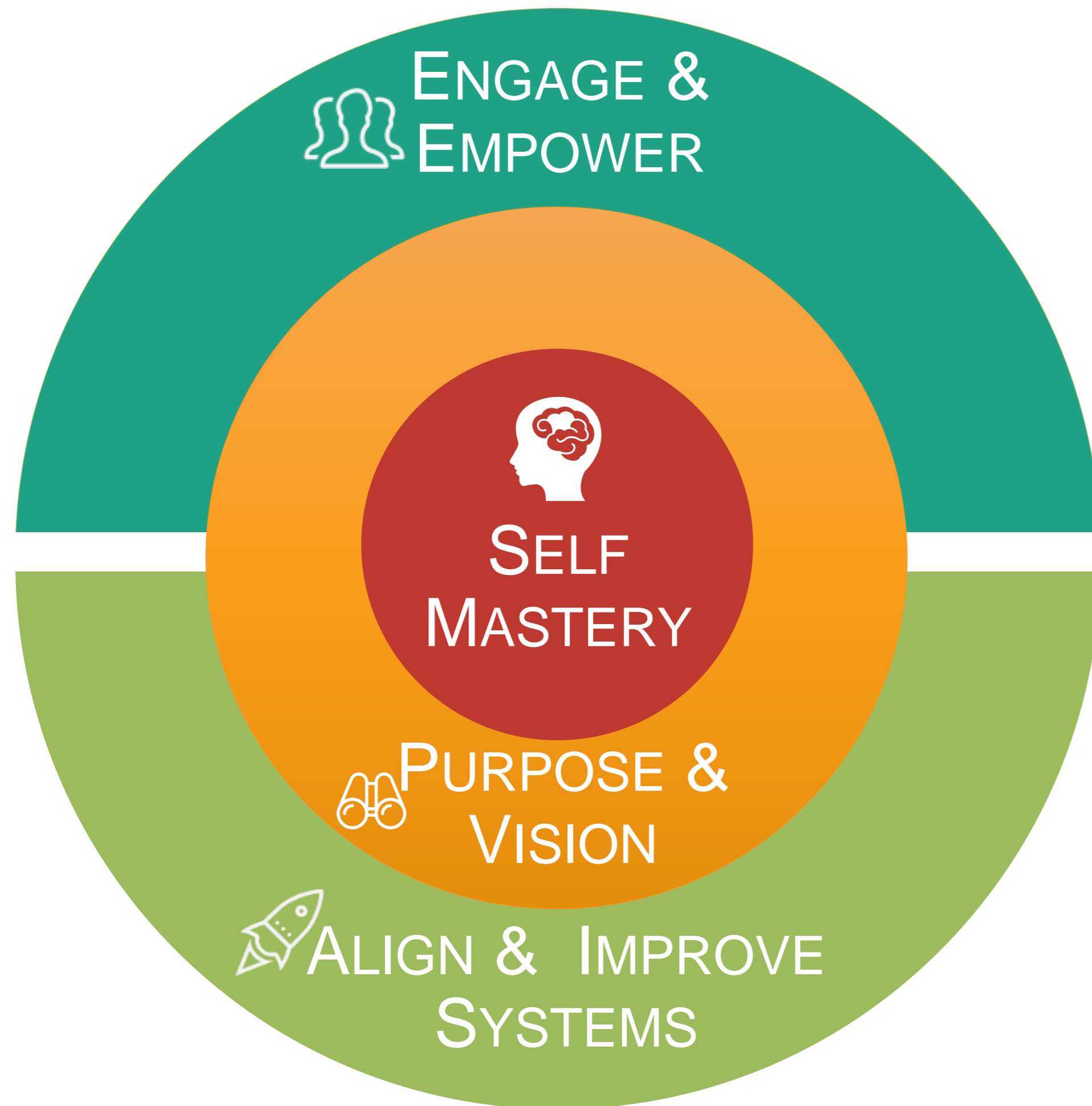
minute clinic

“The task of leadership is not to put greatness into humanity, but to **elicit it**, for the greatness is already there..”

-John Buchan

Leadership Vision: Intentional and Effective

Intentional Effective Leadership



SELF MASTERY

Lead from inside-out
Know yourself; invite feedback
Create the future mindset
Authenticity, integrity
Lifelong learner. Curious.



PURPOSE & VISION

Clear on future you are creating
What you believe in
Leadership legacy
All actions purposeful, intentional



ENGAGE & EMPOWER

Caring, trust-based relationships
Coach, stretch & develop
Foster teamwork; collaborate
Interpersonal intelligence



ALIGN SYSTEMS

Focus on mission-critical results & processes
Systems thinker, whole company success
Sustainability of talent & resources

Self Mastery

Lead from the Inside Out



“When a man starts out to build a world, he starts first with himself.”

Langston Hughes

KNOW YOURSELF. INVITE CANDID FEEDBACK

- Ask for & use feedback
- Aware of impact of their behavior
- Continuously learn about personal strengths & weaknesses
- Balanced life – manage, renew energy

AUTHENTICITY, INTEGRITY

- Take tough stands, openly deal with difficult issues & relationships
- Show vulnerability; OK to not know
- Walk the talk; adhere to espoused values
- Humanity and humility

CREATE THE FUTURE MINDSET

- “Play to win” vs. “play to not lose”
- Know your inner game: thinking patterns that drive your behavior
- Stay future–focused, creating your desired future vs. fixing problems
- Maintain composure & focus

LIFELONG LEARNER. CURIOUS

- Active interest in learning & growth
- Take time to reflect and assess
- Seek out full understanding of perspectives & data
- Openness to other points of view

Purpose & Vision

Your Leadership Focus



“Leadership is the capacity to translate vision into reality.”

Warren Bennis

FUTURE YOU ARE CREATING

- Clear on what will be better in the future in your work unit & why that matters to the business
- Role model commitment to that vision

LEADERSHIP LEGACY

- Strong sense of how you intend to make a difference
- Committed to leaving the organization & people better as result of your leadership

INSPIRE WITH YOUR BELIEFS, VISION, THE “WHY”

- Clearly communicate vision within & beyond work unit
- Communicate the “why,” meaning behind initiatives and events
- Help people connect their efforts to the vision
- Help others see & celebrate progress

PURPOSE & INTENTION IN ACTIONS & DECISIONS

- Strategically, rigorously plan & deploy resources & personal time for near & long term success
- Achieve goals and high performance standards
- Consider leadership & cultural impact of actions, decisions & communications

Engage & Empower

Unleash the Potential of People & Teams



“When you were made a leader you weren’t given a crown. You were given the responsibility to bring out the best in others.”

Jack Welch

CARING, TRUST-BASED RELATIONSHIPS

- Trusting and trustworthy
- Develop & maintain warm caring relationships
- Manage conflict while maintaining relationships

COACH, STRETCH, DEVELOP

- Give more & more authority to best talent. Stretch their abilities.
- Provide helpful coaching to improve motivation and performance
- Support employee development – on the job and formal
- Develop leaders and leadership *teams*

FOSTER TEAMWORK. COLLABORATE

- Leadership is collective – act as a leadership team
- Utilize teams for complex initiatives
- Work across silos, seeking & supporting common ground

INTERPERSONAL INTELLIGENCE

- Focused, effective listening
- Deal with others’ feelings and reactions
- Manage own feelings to stay in positive mindset & maintain trust
- Take responsibility for own role in misunderstandings

Align and Improve Systems

Attend to the Whole and The Parts



“To manage a system effectively, you might focus on the interactions of the parts rather than their behavior taken separately.”

Russell Ackoff

FOCUS ON MISSION-CRITICAL RESULTS & PROCESSES

- Improve the most critical processes to reduce waste & improve results
- Engage all perspectives; encourage bottom-up process improvement

SUSTAINABILITY OF TALENT AND RESOURCES

- Eliminate or reduce activities that waste resources
- Ensure that work demands don't burn people out
- Balance short term results & long term company well being

SYSTEMS THINKER WHOLE COMPANY SUCCESS

- Redesign system/process to solve multiple problems
- Look for behavioral, cultural factors in complex problems
- Consider broader company & external impact of decisions, actions, policies

Intentional Effective Leadership



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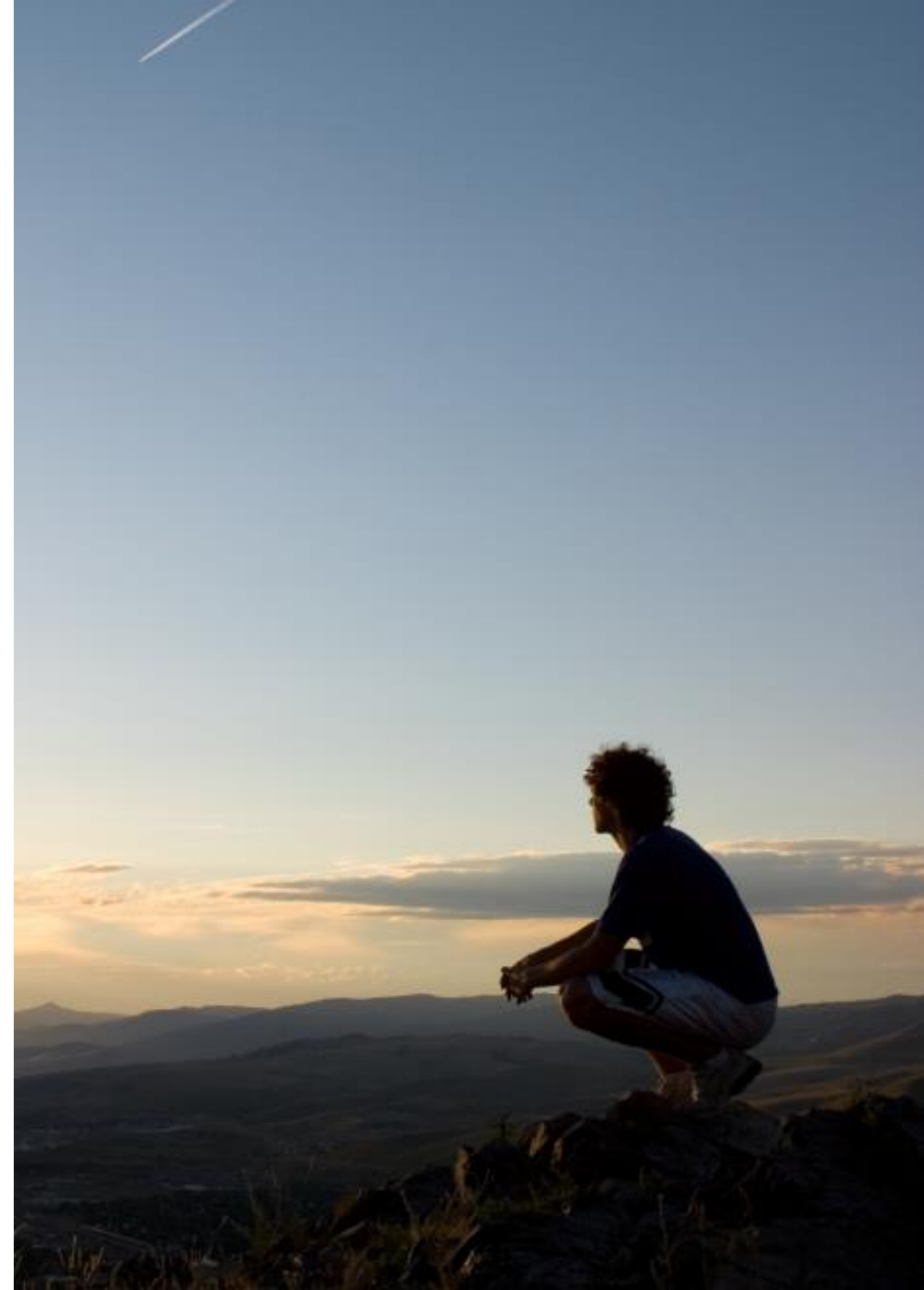
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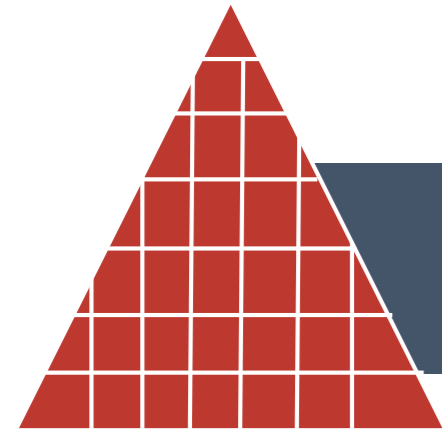
Reflection

Consider Your **Own Organization & Leadership**

1. Review the elements of Effective Intentional Leadership on the previous slides.
2. Which are your 2-3 greatest strengths?
3. Which 2-3 are most important to you to improve?
4. How might you get candid feedback on your leadership?
5. *What is one idea you'd like to pursue to be more intentional in your leadership?*



Leadership OS Update



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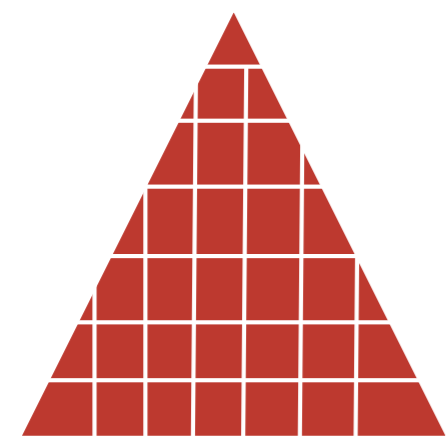
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Leadership System Continuum



Default
Hierarchical
Leadership

0

50

100



Intentional
Effective
Leadership

 **CVS**
Health[®]

 **aetna**[®]

"Leadership and learning are indispensable to each other."

- John Fitzgerald Kennedy

The Path to Elevated Leadership