



# Bank of Marin NEWS

CENTRAL MARIN EDITION

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## FALL 2005

### What Makes a Successful Business? (From a Charismatic Customer)

Jason Jennings, Bank customer, Tiburon resident, prominent author, speaker and business consultant, has spent twenty years leading successful businesses and consulting companies; teaching them how to achieve their full economic potential. Following two years of research on his new book, *Think Big, Act Small: How America's Best Performing Companies Keep the Startup Spirit Alive*, Jennings profiles the leadership of a handful of companies that have grown both revenue and operating profits annually by ten percent or more for ten consecutive years.

Through two previous best-selling books Jennings has come up with an outline of the ideal leader: a strong, silent type who places the good of a company (and thus, its employees) above his or her own. Out of an initial candidate pool of 50,000 companies, Jason chose only nine for his new book who embody this leadership ideal and have racked up a decade's worth of double-digit profit growth.

They cut across a wide spectrum of enterprises, but all, according to Jennings, have "nailed the fundamentals." With plenty of anecdotes from CEO and worker interviews, Jennings argues that regardless of how big a

company becomes, acting big and ignoring the needs of employees, merchants and customers always leads to lost profit.

Included among the featured companies are outfits such as Cabela's, the wildly popular outdoor-store-cum-tourist-attraction; Koch Industries, a privately held \$40 billion behemoth quietly making piles of money in more than 100 industries ranging from road paving to oil-sludge refining, and Petco, a veritable

home-away-from-home for a booming population of pet owners. Here, in his own words, is the leadership gospel according to Jason Jennings.

#### Focus on the company, not on yourself.

When most corporate types think of growth, they think only about themselves – about owning a fancy vacation home. Not the people interviewed for this book. Take Pat Tracy. He's the founder and CEO of Dot Foods, a \$1.57 billion food-redistribution business in tiny Mount Sterling, Illinois. Tracy cares less about how big of a house he lives in and more about keeping his company healthy for others. He wants the local guy who starts out working in cold storage to get his college degree through the company and eventually make a \$150,000 salary there.

#### Keep your hands dirty.

Last year there was a new reality-TV show

called *Now Who's Boss?*, where a CEO would spend a few days doing menial jobs on the front lines. The CEO from the show's first episode, a 15-year veteran of a major hotel chain, had such a meaningful experience, he later announced that going forward he would require senior managers to spend one day a year doing frontline jobs.

At the companies studied, there's no need for these types of programs because they happen every day.

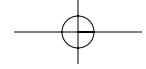
At Sonic Drive-In, CEO Cliff Hudson insists that his executives spend at least half their time in the chain's actual kitchens – not a test kitchen at headquarters – to come up with new menu items.

Jim Cabela, founder of the \$1.59 billion outdoor retailing phenomenon, works until noon each day personally addressing new complaints that came in the day before.

#### Stay focused by letting go.

One of the great hallmarks of





the people leading these companies was they had enough self-assurance to let go of businesses and internal processes that were no longer working.

Each year, for example, Koch Industries performs a value assessment on each of its 100-plus business units. If the division's present value – basically its return on capital and equity – is smaller than the price it could fetch in the current market, then the unit gets sold off. Simple as that. Someone like Charles Koch views that as a more compassionate way to do business than a prolonged death.

All the companies looked at had a similar philosophy: Take lots of small chances, but don't make a bet so big that it would upend you if it didn't work.

**Balance short-term goals with long-term horizons.**

Tracy from Dot Foods said, "Volume is vanity and profit is sanity, and we're far more interested in being sane than we are in being vain." The idea is that some companies get so wrapped up in their future visions of grandeur they lose sight of

profitable short-term growth. That's also a principle used to guide expansion. In the early 1990s, O'Reilly Automotive, a chain of auto-parts stores, had 127 stores. Within a decade, it had more than 1,000 stores in 18 states. That's adding 100 stores a year for 10 years straight. We asked David O'Reilly if he thought he'd have 5,000 stores in all 50 states one day, and he said, "Sure. We just won't make that prediction. We're much better knowing where we'll be in 2 years than in 5 or 10."

**Ignore what most companies do; they're usually lousy role models.**

We all learn by example. The people leading the companies that were examined either were taught well or had seen what happens when things are run poorly. Before being named CEO, Hudson watched Sonic almost unravel. Brian Devine, Petco's CEO who previously helped build Toys "R" Us, saw that whole operation come unglued as Wal-Mart ate its lunch. Once you've opened the door of a furnace and your eyebrows have gotten singed, you're not going to let that happen again.

Reprinted from [www.jason-jennings.com/consulting](http://www.jason-jennings.com/consulting)

**Upcoming Book Passage Events Sponsored by Bank of Marin**

**Author Brandt Goldstein:** Attorney and author Brandt Goldstein speaks on his new book, *Storming the Court: How a Band of Yale Law Students Sued the President – and Won*. This is a true story about a group of Yale law students in 1992 who began a heroic and substantial effort to free 300 Haitian refugees held by the U.S. at Guantanamo Bay. The students plodded through the arduous process alone and found a way to take on the president and the U.S. government. And they won.

Book Passage, Corte Madera  
Tuesday, December 6 at 7:00pm

**Elaine's Picks for Sale:** Elaine Petrocelli, charismatic owner of Book Passage and voracious reader, will discuss her favorite selection of holiday picks.

Book Passage, Corte Madera  
Tuesday, November 29 at 7:00pm

**Ronsheimer Named New Novato Branch Manager, Pelham Promoted to Branch Administrator**

Rich Ronsheimer recently joined the downtown Novato branch as Manager, taking over for Peter Pelham, who was promoted to bank-wide Branch Administrator. Both Rich and Peter share like qualities of community mindedness and exceptional customer service. Rich is a 30 year resident of Novato, a long time Marin County banker and former President of the Rotary Club of Ignacio.

Pelham's philosophy has always been that he's in the "people" business, not necessarily the "banking" business, though he's been in banking for 25 years. Peter has worked in virtually all areas of banking from teller to lender, and now is in charge of all ten Bank of Marin branches. Peter has served as past Novato Chamber president and President of the Rotary Club of Ignacio. He will remain based in the Grant Ave., Novato branch.

**Top 25 Jobs in America**

Fast Company Magazine assembled a list of the 25 Top Jobs for 2005. This year's list is based on four criteria: job growth, salary potential, education level, and room for innovation.

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| <b>1</b> Personal finance adviser    | <b>14</b> Actor                         |
| <b>2</b> Medical scientist           | <b>15</b> Lawyer                        |
| <b>3</b> Computer software engineer  | <b>16</b> Advertising manager           |
| <b>4</b> Chiropractor                | <b>17</b> Management analyst            |
| <b>5</b> Environmental engineer      | <b>18</b> Postsecondary education admin |
| <b>6</b> Biochemist and biophysicist | <b>19</b> Financial manager             |
| <b>7</b> Sales manager               | <b>20</b> Actuary                       |
| <b>8</b> Epidemiologist              | <b>21</b> Airline pilot                 |
| <b>9</b> Computer system analyst     | <b>22</b> Geoscientist                  |
| <b>10</b> Athlete                    | <b>23</b> Market research analyst       |
| <b>11</b> Agent and business manager | <b>24</b> Securities sales agent        |
| <b>12</b> Marketing manager          | <b>25</b> Medical services manager      |
| <b>13</b> Producer and director      |   |

