PATHWAY to PURPOSE

Foundations Module 1

Building a Culture of Excellence

Leadership Excellence

Horst Schulze, Founder of West Paces Hotel Group

Horst has spent his entire working life in the hospitality industry, including Hyatt, Hilton, before later becoming the first employee of the Ritz-Carlton. He went on to become Vice-Chairman of the Board and oversaw global operations.

He has been recognized as an innovator in customer service, largely responsible for the Ritz customer service model.

Under his leadership, the Ritz-Carlton twice won Malcolm Baldrige National Quality Awards. No other hospitality company has won the Baldrige Award.

Hotels Magazine recognized Horst as "corporate hotelier of the world."

A 3-Session Series featuring 3 Sessions on Video, 3 FCCI BLG check-in Forms and an Application Wrap-Up. Filmed on location at the 2009 International Conference.

- Series Planner
- Typical Meeting Agenda
- 3 Sessions of Content

Business Leadership Group

Series Planner

Leadership Excellence — Horst Schulze

Filmed on location at the 2009 FCCI International Conference, Naples, FL

Week 1	**The Centrality of Prayer; and Manager or Leader?** Video Session 1 of 3 - 17 Minutes
Week 2	**What Is Leadership?** Video Session 2 of 3 - 21 Minutes
Week 3	**Servant Leadership** Video Session 3 of 3 - 12 Minutes
Week 4	**Application & Commitment**
Week 5	**Group Check-In**
Week 6	**Servant Leadership Pathway Assessment**

FCCI BLG AGENDA

The following is the typical P2P agenda for a standard 1.5 hour meeting.

Minutes	Typical Agenda for meeting with Video content
5	**Opening Prayer**
10-15	**Group Check-In** **(each individual limited to a few minutes; should be brief and dependent upon how many members are in the group; most groups can allow 3 - 4 minutes each)**
20-25	**Video Viewing**
30-35	**Group Discussion, Prayer & Application**
10	**Administrative Items & Closing Prayer** **(ask prayer partners to exchange Prayer Cards)**

Minutes	Typical Agenda for meeting with Group Check-In
5	**Opening Prayer**
75	**FCCI BLG Check-In Form**
10	**Administrative Items & Closing Prayer** **Ask Prayer Partners to exchange Prayer Cards**

Prayer, and Manager or Leader? - Video Session 1 of 3 - 17 min

Nuggets from Horst:

"It takes very little to be happy; but when you are, you're king."

"We are living in a period of leadership crisis in every arena."

Horst started in the hotel business as a bus boy at 14 years of age, later rising to the position of Vice-Chairman of the Board. Horst mentioned that the first Ritz-Carlton location was in Atlanta [his home]; the fifth was in Naples, FL [the FCCI conference location].

The West Paces Hotel Group, Horst's new venture, has three divisions:

Capella, catering to an exclusive clientele, never more than 100 rooms per location

Solis, competing directly with the Ritz-Carlton

Independent Hotels, where West Paces carries out property management functions

Although the processes are the same between the divisions, each division focuses on different market segments.

West Paces Group features a ***voluntary*** prayer communication to its employees, offering prayers in emails that repeat every 20 days. The subjects of the prayers are always practical. Horst offered the following as an example, reading it from his phone's email Inbox:

Wisdom, discernment and revelation—This journey of the West Paces Hotel Group will be impossible, unless you bless us daily with your gifts of wisdom, discernment and revelation. Your word often tells us that if we ask of God, You will give them to us abundantly. We boldly ask for your gifts and blessing, whether we are in the front line of the business, an affiliate or a support person at home.

Forgive us for not coming to you daily. Please change this in us, so that we are totally dependent on you. True victory comes only from the hand and heart of God. We are very grateful, Lord, for your generosity. As with all *of your Holy gifts, they are irrevocable; but how we use them is a function of our individual or corporate free* will.

On behalf of the West Paces hotel Group family, we choose to use this wisdom, discernment and revelation for Your Glory, and not for the glory of man. Bless us Lord, so that all of us will acknowledge you in all ways, so *that You will make our paths straight. And remind us each day that Your grace is sufficient. Cause us to seek* and be sensitive to the tender voice of the Holy Spirit, saying "this is the Way, walk in it." Amen

Manager or Leader?

At Hyatt Hotels, as a VP and General Manager of 10 hotels, Horst went from a position of considerable authority, "living like a king," to working in the Hyatt corporate office in Chicago, where he was "one of many bums." While visiting hotels in Columbus & Indianapolis, he inspected two hotels that were identical in architecture and almost every physical way; but found a dramatic difference in atmosphere. In Indianapolis, many things clearly indicated that things were "just right," while things were "not right" in Columbus. The ultimate difference was because the Columbus manager was ***only a Manager***, the Indianapolis manager was ***a Leader.***

The Indianapolis hotel had employees that were bought-in to a vision, connected with purpose. ***They were not just employees; but they were part of the vision and future of the hotel.*** *In Columbus, the manager understood the numbers; but did not recognize the employees -- he was not personally bought-in to the vision and purpose. Visible indicators of Leadership included employees greeting guests with eye contact and bending down to pick up trash. Even though the Leader had a better hotel and staff, the Manager won "Manager of the Year."*

Horst said that when he started the Ritz-Carlton, he never hired the managers of the year, because even though they knew how to squeeze expenses, they most often do not lead! Evidence of a leader running a location is recognizable at almost every level. ***Out of 65 Hyatt locations, Horst estimated that there were 60 managers and only 5 leaders. Sixty had technical proficiency; but five understood the dream of having a world-class hotel chain.***

Related to our lives as a whole, Do we find Leaders or Managers in business?

–in politics?—in education? –in health care?

Managers view the circumstances of their failures as excuses--Leaders do not make excuses; confronting the true situation with absolute honesty.

Managers blames others--Leaders take ownership of problems, as do their followers.

Managers have explanations why things do not work--Leaders find solutions.

Leaders may take longer to change things, because they align the organization to solutions, engaging the employees to resolve challenges.

"ONE OF THE GREATEST MISTAKES OF CEOS IS MAKING DECISIONS IN A VACUUM… [FAILING] TO INFORM AND ALIGN THE ORGANIZATION. IN FACT, THE ORGANIZATION [OFTEN] IS NOT EVEN ALIGNED TO ITS VISION."

Discussion Questions:

1. Horst started his teaching on Leadership Excellence with prayer. What are your thoughts on using prayer as a starting point for your leadership?

   _____

   _____

2. Have you ever explored the difference between Management and Leadership?

   _____

   _____

3. Can you think of any other attributes of Managers that differ from Leaders?

   _____

   _____

Key Takeaways:

Employees of West Paces Hotel Group voluntarily receive daily prayers in their In-boxes, asking for God's help in specific ways both corporately and personally, for that day.

Excellent Managers are not automatically excellent Leaders.

"One of the greatest mistakes of CEOs is making decisions in a vacuum… *[failing] to inform and align the organization. In fact, the organization [often] is* not even aligned to its vision." Horst

WHAT IS LEADERSHIP? - Video Session 2 of 3 - 20 min

What is Leadership?

This question framed up all of the activities surrounding the launch of West Paces Hotel Group.

1. **Consider the following questions to help Build a VISION for your business:**

    - Who are we? (prayer was part of that answer)
    - Who do we want to be in 5-6 years?
    - Where are we going?

West Paces Hotel Group Vision: We are the Global Leader in the service business. Our accomplishments and contributions have a meaningful impact on society.

"We measure everything we do against the Vision!"

2. **Develop value statements [questions]:**

    Is it good for all concerned?

    - Is it good for the owners?
    - Is it good for our employees?
    - Is it good for our guests?

    Is it honorable? <implies that God is involved>

    Is it good? <a slightly different question>

    Does it add value?

    Is it good for society?

3. **Align everyone—by writing down the values, talking about them, teaching them and most importantly, modeling them.**

Select the right people—after you have defined who you are and where you are going, ASK your candidates:

1. Where are you going? [What is your dream, direction, or trajectory?]
2. What are your values? [Specifically, what directs your decisions?]
    - Proper trajectory + proper values = alignment
3. Are you growing? [Ask them to share examples]

HORST SUBMITS THAT IT IS IMMORAL TO HIRE PEOPLE TO FULFILL FUNCTIONS-- "CHAIRS FULFILL FUNCTIONS" PEOPLE ARE HIRED TO JOIN IN A DREAM, A VISION, AND A PURPOSE.

"A purpose [or vision] is only joined if a purpose is given… An employee *must fulfill a function, that is their job; but an employee must understand and fulfill their purpose if leadership is exercised."*

- A Leader must be driven by a dream of being excellent.
- A Leader must create opportunities for the people around them to create excellence.
- "Being connected to creating excellence is [ultimately] part of human happiness."

4. Be Encouraged! [Challenges are normal]

   Since launching their new luxury division, 16 other hotel companies joined the same segment. By the time of Horst's presentation, 11 of them were already bankrupt. When things get tough, Horst looks to Dietrich Bonhoeffer's words for encouragement. In a jail cell, sitting with nothing, sentenced to death, Bonhoeffer wrote the following.

"The important thing is to make the best use of all possessions & capabilities and accept the limits of the situation. By which I mean do not give way to feelings of resentment and discontent. Above all, we must not neglect the greatest that is left to us, our faithful daily intercessions. Lord, grant that I may live in response to your will and enabling, not by my circumstances and weakness. Amen." - *Dietrich Bonhoeffer*

Reinforcing Excellence

West Paces Hotel Group is a small company; but it is already global, with locations in Bali, Singapore, Italy, Switzerland, Austria, Germany, Mexico & the US.

To connect the employees with the vision and direction of the organization, constant reminders go to each employee, including:

- Daily reminders of the company's values are sent to all employees.
- Expectations that every guest is greeted if the employee is within 10 ft.
- Excellence is a constant theme in all communications.

True Leadership requires identifying and communicating purpose & values, selecting team members who line up with them, and then bringing the organization into alignment.

Moral Leadership, Foundational to Great Leadership —

Ghandi studied the New Testament. He liked what he read; even adopting its principles into his leadership, though he never became a Christian, largely because he did not like what he found in the practice of Christians. Gandhi marveled that Britain, with a military force of about 40 thousand was able to control a nation of 400 million. He finally concluded that the key to Britain's dominance was their position as moral leaders of the country. The Brits brought order and peace to India, until they forsook their moral leadership by attempting to crush Gandhi's followers with a heavy hand. The Brit's attempt to force, instead of inspire order, led to their demise, as national leaders and the colony of India soon became a freestanding nation.

HORST ON ADAM SMITH, FROM WEALTH OF NATIONS—

"People cannot buy-in to order and directions". People can only buy-in to objectives, goals, motives and values. Yet, management continues to largely issue orders and directions and expect excellence."

Discussion Questions:

The group may consider discussing the following, even following with a meeting or two to refine and implement:

Are there aspects of Horst's 4 points of leadership that you need to develop and implement?

a. If so, would you consider doing so with the group's help?

_____

_____

b. If not, please consider sharing your conclusions with the group.

_____

_____

Key Takeaways:
Vital to effective Leadership

1. Vision.
2. Value Statements.
3. Alignment.
4. Encouragement (personal and what/how you impart encouragement to others)

Sidebar: Where do you turn for inspiration and encouragement?--Why Horst receives such inspiration from Bonhoeffer's words. A brief bio on Dietrich Bonhoeffer:

From **http://en.wikipedia.org/wiki/Dietrich_Bonhoeffer#Imprisonment (confirmed through other sources)**

[Because of his association with a group that pursued Hitler's assassination in the "July 20 plot"] For a year and a half, Bonhoeffer was imprisoned at Tegel military prison while awaiting trial. There he continued his work in religious outreach among his fellow prisoners and guards. Sympathetic guards helped smuggle his letters out of prison to Eberhard Bethge and others, and these uncensored letters were posthumously published in "Letters and Papers from Prison."

Bonhoeffer was condemned to death on April 8, 1945…He was executed…by hanging at dawn on April 9, 1945…a month before the capitulation of Nazi Germany. Like other executions associated with the July 20 Plot, the execution was particularly brutal. Bonhoeffer was stripped of his clothing and led naked into the execution yard, where he was hanged with thin wire for strangulation… Bonhoeffer's brother, Klaus Bonhoeffer, and his brothers-in-law Hans von Dohnanyi and Rüdiger Schleicher were executed elsewhere later in the month.

The camp doctor who witnessed the execution wrote: "I saw Pastor Bonhoeffer ... kneeling on the floor praying fervently to God. I was most deeply moved by the way this lovable man prayed, so devout and so certain that God heard his prayer. At the place of execution, he again said a short prayer and then climbed the few steps to the gallows, brave and composed. His death ensued after a few seconds. In the almost fifty years that I worked as a doctor, I have hardly ever seen a man die so entirely submissive to the will of God." [28]

Central to his theology is Christ, in whom God and the world are reconciled…He believed that the Incarnation of God in flesh made it unacceptable to speak of God and the world "in terms of two spheres," an implicit attack upon Luther's doctrine of the two kingdoms. Bonhoeffer stressed personal and collective piety and revived the idea of imitation of Christ. He argued that Christians should not retreat from the world, but have a duty to act within it.

[28] Eberhard Bethge, Dietrich Bonhoeffer: A Biography, p. 927

SERVANT LEADERSHIP - Video Session 3 of 3 - 12 min

A model of Servant Leadership:

1. Excellence begins with a DREAM [Vision] of how the worker's workplace will look at a future time. Vision is best described as a snapshot of a future [perfected] state. A true leader envisions a clear future view of their workplace, goes in passionate pursuit of that dream, and engages others to join him/her on the journey. "Force yourself to see something beautiful"—this must be something that makes you want to come to work.
2. Exhibit COMMITMENT—The leader never gives up on the vision [remember The Stockdale Paradox in Good to Great]
3. Determine HOW, in concert with co-workers, never in secret.
4. INITIATE what it takes to succeed.
5. MOST IMPORTANT—The Leader exhibits continual FOCUS on the VISION. This is where most Managers fail to transcend to Leadership.

More contrasts between Leading and Managing:

- Leaders live in the solution. Managers live in the excuse.
- Leaders see circumstances as hurdles. Managers perceive circumstance surrounding failure as success barriers.
- Leaders see solutions as a way to excel and do better than all around them, as they improve on their workplaces and life. Managers often take comfort in challenging circumstance, as it relieves them from responsibility [in their own minds].

After retiring from the Ritz-Carlton on a Friday, Horst started a new company on Monday. Within less than a week of retirement, both he and his wife realized that he is happiest and most fulfilled when he is leading a hospitality company. As a leader, he realized that he must focus on a vision.

Setbacks are continual. Horst believes that leaders MUST focus and apply their inner fortitude to a vision. To do less leads to discontent, unfulfillment and worse.

Horst presented a true case study where a location manager faced with accountability for a month that was way below the occupancy target made excuses, including: 9/11, weather, road construction and other factors. This location Manager who had previously exhibited Leadership, suddenly was acting only as a MANAGER. In the same scenario, a LEADER would become more: accountable, learning and objective-focused, engaging and passionate in working toward a solution.

"I GO TO WORK FOR TWO REASONS…ONE, TO CREATE EXCELLENCE IN WHAT I AM DOING. TWO, TO BE WITH MY FRIENDS."

– HORST SCHULZE

Discussion Questions:

1. **Is there one aspect of Horst's Servant Leadership model that seems particularly challenging?**

2. **What do you think would be most helpful in growing in that area?**
   - **How can the group help?**

3. **Horst's model would be valuable for anyone building an organization focused on excellence. How can you apply it to your organization?**

Key Takeaways:

1. A true Servant Leader envisions a clear future view of their workplace, goes in passionate pursuit of that dream, and engages others to join him/her on the journey.
2. Key to Servant Leadership is an unrelenting FOCUS on the Vision. It must inspire and drive all activities.
3. Management functions are a necessity; but to stop there and not Lead is failure. Knowing the difference is vital.

APPLICATION & COMMITMENT

Date Series Began: _____

Date Series Ended: _____

Participant's Name: _____

One of the BIblical Truths (Principles) I learned from these lessons was:

_____

_____

_____

_____

_____

I intend to apply this Truth (Principle) in my business by:

_____

_____

_____

_____

_____

With the help of the Holy Spirit, I will begin applying this Truth immediately. I ask and expect my group to hold me accountable for this, and to check with me periodically to determine if I am doing so. Please ask me:_____

_____

_____

_____

_____

_____

_____

Signature: _____

Date: _____

JAMES 1:22-25 NIV

Do not merely listen to the word, and so deceive yourselves. Do what is says. Anyone who listens to the word but does not do what it says is like a man who looks at his face in a mirror and, after looking at himself, goes away and immediately forgets what he looks like. But the man who looks intently into the perfect law that gives freedom, and continues to do this, not forgetting what he has heard, but doing it — he will be blessed in what he does.