



4 PILLARS *of*

BY DAN SANDERS

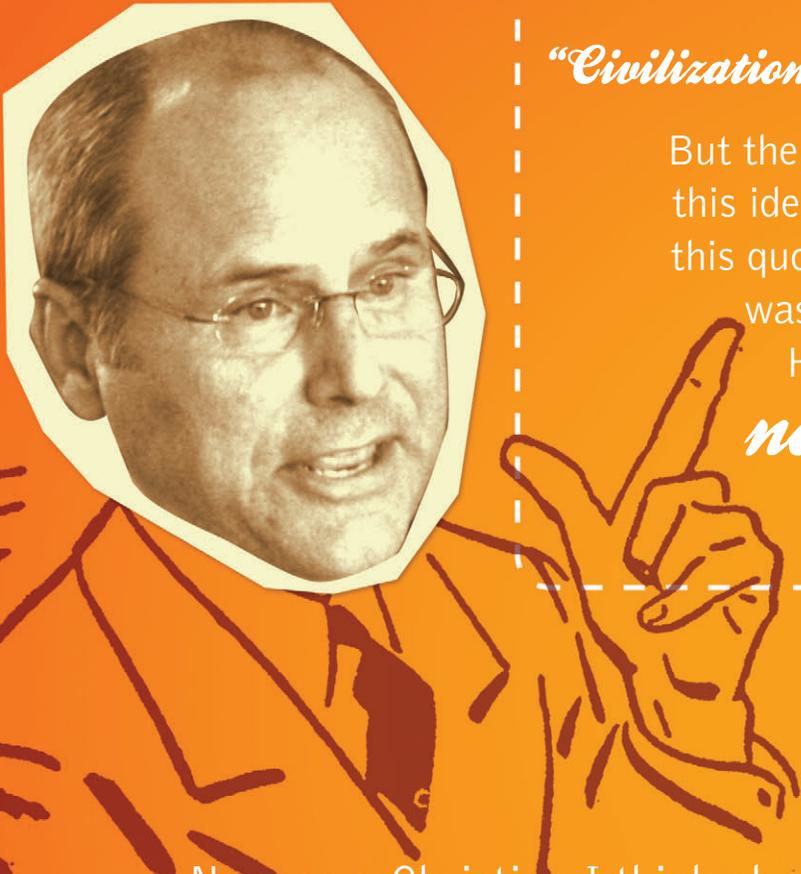
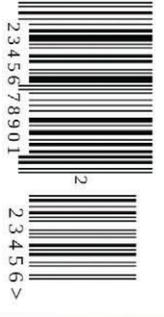
SUCCESS





Dan J. Sanders is the chief executive officer of United Supermarkets L.L.C., the first supermarket chain to win the Better Business Bureau's National Torch Award for Marketplace Ethics, and the author of the *New York Times* and *USA Today* Bestseller *Built to Serve*. In 2008, along with co-author Galen Walters, he released his second book *Equipped to Lead*. Sanders spoke twice at the 2008 Dale P. Jones Business Ethics Forum, in conjunction with the

Ben H. Williams Distinguished Speaker Series.



I wanted to start by reminding you of a wonderful quote from Dr. Arnold Toynbee, who has since past. When I was a student, I latched on to Toynbee’s teachings because I found it interesting. Here was a man who had spent his entire life studying civilizations. He is noted for a lot of wonderful quotes, such as,

“Civilizations tend to die from suicide, not by murder.”

But the quote that really resonated with me was this idea that nothing fails like success. In fact, this quote was paraphrased by Toynbee when he was asked to summarize his life’s work.

He said, “I can do it in four words:
nothing fails like success.”

Now, as a Christian I think about that, and the first thing that says to me is that pride can be a destructive thing.

We see it time and time again, particularly in a free market economy with capitalism. We get this notion somehow that we can conquer the world and in doing so, we can actually do terrible destruction because we become consumed with pride. What Toynbee is reminding us of is that when you get consumed by destructive pride, bad things happen. We see it all the time. Look at the front cover of *The Wall Street Journal*. You start reading about a leader who has done this, that and another thing. And more often than not, at the root of the problem is pride.

Well, the four pillars that I am advocating I believe to be critical to long term success. Now I am not talking about buying a company, dressing it up... and moving on to the next project. I am talking about a legacy; I am talking about doing something with a business that goes beyond just making money. You see, I don’t believe that the purpose of a business is to make a profit, I believe the purpose of a business is to fill a need. And the degree to which we make a profit is just a commentary of how good of a job we do filling the need. In fact, if I had my way, every organization in America would have the same vision statement, and that vision statement would be this: to serve and enrich the lives of others. That is what we ought to be about in business, and yet too often we get consumed with pride, and the pursuit of the almighty dollar.

I believe the four pillars are this: leadership (and I would say, spirit lifting leadership); culture, which we are beginning to understand more and more about; execution, which we can’t get away from, and then wellness, which is really sort of a new concept for many businesses in America. We haven’t talked about wellness, frankly, as much as we should be talking about wellness.

Leadership
Spirit lifting

First of all, on the topic of **leadership** —we could spend the rest of the day, and probably the rest of the month, talking about the things we have learned either through the school of hard knocks, or Baylor University, or wherever your university was. But here is one thing that I have learned after 30 years, and that is leaders can delegate authority, but they can

never delegate responsibility. There are a lot of people out there that have either forgotten this lesson, or they were never taught it to begin with.

You see, we never get away from the responsibility part of it as a leader, we delegate authority to folks to make decisions on our behalf, to carry out projects and so forth, but the responsibility is still ours. If you understand this concept then what it means is you won't be in the business of hiring warm bodies, you will be in the business of surrounding yourself with people that are competent that have been trained to do what you do if you weren't there, right? If you don't believe this, if you don't buy into it, if you don't embrace it, you won't believe in accountability. And one could argue that what we need most in our country today is accountability.

Culture

PROMOTING A HIGHER PURPOSE

On the subject of *culture*, my belief is this: the most productive organizational culture promotes a higher purpose. I mentioned earlier that the vision of serving and enriching the lives of others is what a culture ought to be. If you are really serious, a culture ought to be taking individuals, engaging them in a meaningful way, and finding out what their strengths are so that they can find their greatest fulfillment and greatest meaning in your organization. You see, too often in business we treat people like objects. Scripturally, I think it is a big issue. We are taught in scripture that we ought to love people and use objects. But too often in our society where the culture is wrong, we love objects and use people.

We had a lady come to our store with a ham that was clearly bad, and she was very upset with us and was demanding to see the store manager. And of course, the employees were quick to point him out. He is getting ripped stem to stern by this lady, and as she is ripping him, he notices that the ham has a logo on it from a competitor's store down the street. And as she takes a breath for the second volley he says to her, "M'am, I am sorry you are upset, but this ham came from a competitor down the street. We don't sell this ham." She glanced down, saw the logo from the other company and was mortified. Then the store director did something special. He said, "I am sorry you have had a bad day, why don't you walk with me to the back of the store. You pick out whatever it is you want, and we will get you back on the road as fast as possible, no charge."

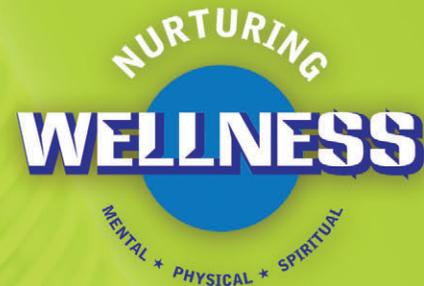
But you know, it is not a story about a bad ham. Good grief, we have been in business 93 years. I am sure we have had our share of bad hams. It is a story about a store director that made a decision that was based on a higher purpose thinking, right? We don't have a training manual that if someone shows up to the store with a ham from a competitor and it is no good, give them a free ham. Can you imagine trying to write a training manual that had every conceivable situation that might happen inside a store? But what you could say is this: we are here to serve and enrich the lives of others, and if you see an opportunity to do that — do it. You may have some folks down in accounting that are a little upset from time to time — we can't be giving away hams! Good decision or bad decision? To give away that ham is a great decision; she has been an extension of our marketing department. She has been walking around constantly telling everybody about this free ham.

Now on the subject of *execution*, we can't get away from that. I am going to say something here that seems contrary to the popular view. Front line employees are more important than bottom line profits. I am not saying profits are a bad thing — I am a capitalist; I love free enterprise.

I have had that pay day; I know what that feels like. Front line employees are the key. They are the lifeblood of the organization. My whole premise is that the system is broken because we spend more time talking about the past and not enough time talking about the potential.



Now, if you really want to know what the potential of your team might be or what the potential of your organization might be, how are you going to find that out? Is it going to be by manipulating the numbers back at your mahogany foxhole office? Or is it going to be by putting the front line folks first, and getting right there alongside them asking questions. Because you know what, when you ask people questions you would be amazed what you find out. If you are focusing on your front line people, you will find that the bottom line profits are greater than what they would have been. In other words, don't accept the fact that you can just get to a number, but ask the more compelling question: if we really engaged our front line people, how much better could the number be?



And then on the subject of *wellness*, we have got to start thinking differently in this country about work. We spend a lot of hours working. My dad was a 35-year veteran of Amoco. He got up at 4:00 in the morning and was asleep in the chair by 7:00 with *National Geographic* in his lap. Hard working. I don't understand why it is that in business today we struggle with this, but for some reason we have this sort of divorced mentality that looking out for the welfare of the people in our business is not profitable. Nurturing their mental wellness, their physical wellness, their spiritual wellness, is a good thing. In our company we have a sabbatical program; you have been there five years, you get four weeks off in addition to all of your other time. In the four weeks, you do not take your PDA, you do not take phone calls, and you don't correspond from home. You don't do anything but go someplace—somewhere where there is a purpose.

I think every journey begins with a vision. Whether you call it a mission or a vision doesn't matter. Vision is critical to long term success, and higher purpose visions are the ones that sustain you. Because in the end, I believe what Max Dupree says: the future can be created, not simply experienced or endured. Don't you agree with that? I don't want to simply experience or endure what is going to come down the pike; I want to start creating a different future. I don't care how many stores Wal-Mart builds or Costco builds or Whole Foods builds, I am not going to simply stand by and experience that or endure it. We are going to go and create ourselves a future, and to do that you need people that understand leadership and culture and execution and wellness.