
Leadership: Lessons from Business and Sports

Philip Livingston

Great Leaders Set Big Goals and Communicate Them Again and Again

- Annual goal setting at University of Maryland
 - Jerry Claiborne – Hall of Fame College coach
 - Season goals set in opening meeting every year
 - Weekly objectives
 - Rush for 150 yds
 - No turnovers
 - 3X5 card football goals and personal goals
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The Little Things Make the Difference
Between Good and Great

Roll three times!!

Al Davis

Owner – Oakland Raiders

**“You want to be an
ACCOUNTANT!?!?!”**

Raider Values

Super Bowl XV – Raiders 27 – Eagles 10

Pride and Poise

Commitment to Excellence

What are Our Values?

Bob Swanson Co-Founder Genentech

Sense of Urgency

Leadership Role of Finance

- Passage of Sarbanes Oxley Act of 2002
 - Some real leadership failures lately
 - Finance has a tough role:
 - Be a team player – side by side with the team but also the conscience of the company
 - Make sure our shareholders get a true picture
 - Need to step up across all fronts in finance
 - Need to eliminate transactions done only for accounting impact!
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Traits of Great Business Leaders

- Makes the right call on where to **SPEND their time**. Works on the things that make a difference.
 - Avoids jumping in to solve problems that others can handle
 - Develops a pipeline of **great people**
 - Maintains **control of KEY decisions**
 - Makes **people feel appreciated and stay loyal**
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Traits of Great Business Leaders

- They have **high expectations** of their themselves and their teams.
 - **Optimistic** and positive
 - Recognize that work is NOT purposeless ambling, but purposeful action
 - Constantly looking for what we are accomplishing and what needs to be accomplished – **RESULTS orientation**
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My Favorite Characteristics of a Great Leader

- Self-effacing
 - Action oriented. Move now, fix it later.
 - Optimistic
 - Focus on the results not who gets the credit
 - Act like stewards of great organizations
 - Ears open! They listen and learn.
 - They build and empower great teams
 - Focus on the facts and decisive
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“The Effective Executive”

Peter Drucker

1. Effective execs **know where their time goes**. The work effectively at managing the little of their time that they can be brought under their control.
 2. Effective execs focus on outward contribution. They gear their efforts to **results rather than to work**.
 3. Effective execs **build on strengths**; they do not build on weakness. They do not start out with things they can not do.
 4. Effective exec **concentrates** on the few major areas where superior performance will produce outstanding results. They **set priorities and stay with their priority decisions**.
 5. They make effective **decisions** based on a system of gathering facts and dissenting opinions. Look for a few great fundamental decisions. Focus on the getting the right strategy rather than the razzle-dazzle tactics.
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Leaders Focus on Their Strengths

- What are your strengths?
 - How are you developing them?
 - Leadership Inventory:
 - Is it your communication skills?
 - Knowledge of the industry?
 - Technical skills?
 - Team building and people development?
 - Relationship building?
 - Strategic and analytical thinking?
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Leadership is a Relationship

Leadership is a RELATIONSHIP between those that aspire to lead and those who **choose to follow.**

Leadership is most often evaluated by asking the **subordinates and peers.**

Natural Tensions and Conflicts in Leadership

- Dialogue amongst senior leadership about the conflict between individual / unit priorities and enterprise priorities or the priorities of another unit.
 - **Leadership conflict is inherent in managing a complex environment** – recognize it don't fight it.
 - **Don't waste emotional energy** thinking your organization is different. Conflict is natural.
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The IPO Process: Great Experience for Finance Professionals

Preparation, Preparation and then.. More Preparation

- You can't start early enough!
 - Quarterly accounting critical
 - Get the months right
 - Don't leave pieces out of the monthly process
 - Taxes, equity, stock comp
 - Revenue recognition critical
 - Incentive compensation
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Basic Process

- Company evaluation of readiness and market conditions
- Research vetting process by investment banks
- Selection of legal advisors and investment bankers
 - Lead manager and co-managers
 - Analysts capabilities critical
- Due diligence sessions with bankers and lawyers
- Drafting of the S1
- File SEC with SEC, SEC comments 30 days later
- Amend S1 and clear SEC comments.
- Investor meetings and roadshow to generate orders

Basic Process

- Roadshow complete, orders assessed to determine the issuance price
- Pricing
- Start of trading the day after the pricing

ONTO LIFE AS A PUBLIC COMPANY

GOOD LUCK!!

Some Other Learnings

- Intellectual honesty with investors – candor and straight talk, highly valued. Spin not viewed positively.
 - Positioning of the company key. What's unique and powerful about your company?
 - Don't accept everything the bankers and lawyers tell you at face value.
 - Be picky about the investors you see and press for quality meetings. Quality more important than quantity.
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Some Other Learnings

- SEC reviewers appreciate a direct dialogue with the CFO and Controller. Don't have legions on the calls.
 - Know that many investors will press for information that's really related to their investments in your competitors.
 - Have your own view of VALUATION. Your model.
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SOX

You Don't Want to See Sausage Made

- Is it “form over substance” or “substance over form”
 - Is it a “firewall” or a “fireplace”
 - 404 is the only bad part of SOX
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