



June 6, 2008

Watco Team:

As I continue to discuss the “Lombardi Rules” that can help us all become better individuals and leaders, this week I will introduce rules 20 and 21. Here is a summary of rules 10-19.

RULE #10: Balance humility and pride.

RULE #11: Lead with integrity.

RULE #12: Build team spirit.

RULE #13: Explain why.

RULE #14: Strike the balance.

RULE #15: Build confidence.

RULE #16: Use your mission.

RULE #17: Know your stuff.

RULE #18-Demand autonomy.

RULE #19-Respect legitimate authority.

RULE #20-Act; don't react: My grandfather used to say that making a mistake is like paying tuition for school. You want to learn the lesson and graduate to the next grade. To error is human. It is a fact of humanity. But to fail from the same or similar mistakes continually is a sin.

Failure can be a great and powerful learning experience if we have the strength to honestly assess our own failings and recognize the need to change. Change itself takes a tremendous amount of humility and strength of character. A typical reaction by many people is to blame others for their failing, which deflects the truth and diminishes the real value of the experience. Good leaders seize the situation as an opportunity to learn through honest assessment. The BEST leaders possess the strength to improve by changing their thinking and behavior. When similar situations occur in the future, rather than react based on their natural instinct, the best leaders have the fortitude to choose to do things better. The truly GREAT leaders are able to foresee the signs of a looming problem and act proactively to prevent the failure.

The past can be a great teacher as can failures. It is incumbent on us as leaders to continually learn from our experiences and failures, to continually strive to improve our leadership and management skills, and to teach our people how to be the best they can be. As long as we have leadership and management responsibilities, the process of learning and improvement will never stop.

RULE #21-Keep it simple: It was said that Lombardi was a master at teaching because he understood the capacity of people to learn and change. He understood that the most effective way to teach and for people to learn was in a progressive manner.

Lombardi reduced every play to the very basics and drilled his players until they were masters in the basics. His playbook was said to be very simple. It focused on a core set of plays that the team could execute in a superior fashion under the pressure of the game. This was the case with the famous “Packer Sweep” that Jerry Kramer said the team could run in its sleep. Once the team mastered the core plays, Lombardi would develop and introduce options to the core plays that diversified his play selection. Expanding his playbook in this fashion gave him the diversity of plays he needed without sacrificing excellence in execution. In other words Lombardi’s approach melded together two very important traits: discipline and innovation. Discipline is required to focus on the basics and to execute the basics to perfection. Innovation occurred by adding variety in formations and options from the core plays.

Lombardi only introduced innovation when the team mastered the basics. This is a fantastic example of how to teach our people to achieve excellence in execution. It has always been my experience that people learn best and are more committed to a purpose when they understand the logic for our decisions. The logic for all of our decisions and actions at Watco are our Foundation Principles. Our history of success is proof that achieving Customer Satisfaction and Profitability will lead to success for our Customers, People and Company over the Long Term. Just like Lombardi, we must teach our People in a simplistic, progressive manner until they are able to execute the basics of their work in a safe, efficient manner. When these basics are ingrained as a second nature in our people, we can then expand on this knowledge by building improvements around the core principles. Teaching, coaching and developing our people, using a combination of on the job training, formal development and effective execution of the basic management process is the most important task of any leader

Thanks for all you do for our Customers, People and Company.

A handwritten signature in black ink, appearing to read "T. D. ...", located below the text.