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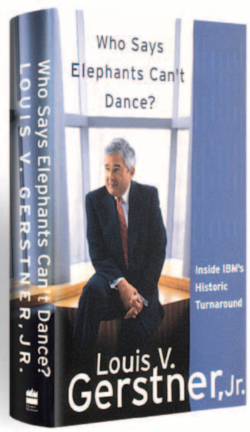

By Louis V. Gerstner, Jr.

Inside IBM's Historic Turnaround

WHO SAYS ELEPHANTS CAN'T DANCE?

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THE SUMMARY IN BRIEF

When Lou Gerstner took the helm of IBM as its CEO in 1993, the company was a shambles — hemorrhaging money, drained by an insular corporate culture, and rapidly falling prey to smaller companies that could make the same products better, faster and for less money. Wall Street was calling for its breakup into small, independent business units, but Gerstner had other things in mind — to keep the company together, change the way it (and, eventually, its entire industry) did business, and show it could keep up with and even surpass the startups and small businesses presenting its biggest challenges. Lou Gerstner thought the enormous corporate elephant could dance as gracefully as its much smaller competition. He was right.

What You'll Learn In This Summary

✓ **Always be ready to fight.** Analysts took one look at the disparate units that comprised IBM and how much they were costing the company and its shareholders, and demanded they be broken out into their own businesses. Gerstner said "No", engaging in his first battle with "The Street."

✓ **If it's broken, fix it.** IBM had an anemic economic model, a host of revenue-draining assets, and even problems with its own internal information technology tools (an oddity in the information technology industry). IBM was in serious trouble when Gerstner took over. Yet, with the right vision and strategy (not to mention the valued resources that followed them), he was able to breathe new life into the moribund organization.

✓ **If it's not broken, fix it anyway.** Some aspects of the business could have probably been safely ignored or set aside. Gerstner improved them anyway.

✓ **Make a personal commitment to leading.** True leadership — the kind that makes companies special, that can turn them around, that can make elephants dance — requires commitment, determination and passion for life, for business and for winning.

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Laying Down Expectations

Shortly after Lou Gerstner was introduced as IBM's CEO in the Spring of 1993, he met with the company's Corporate Management Board — roughly the top 50 people in the company. He laid out for them a number of troublesome areas in the company:

- Loss of customer trust, supported by low customer ratings on quality.
- The mindless rush for decentralization.
- Slow response to cross-unit issues.
- Tension over control of the marketing and sales processes.
- A confusing and contentious performance measurement system, resulting in serious problems when closing sales with customers.
- A bewildering array of questionable, even senseless, alliances.

Gerstner announced a program called "Operation Bear Hug." Each of the 50 members of senior management would, within three months, pay a personal visit to a minimum of five of IBM's biggest customers, find out first-hand what their needs and concerns were, and report back to Gerstner. The Bear Hug meetings became the first step in reducing the customer perception that dealing with IBM was difficult.

Gerstner also disbanded the Management Committee (MC), the small board of executives who okayed every major decision at IBM — a group that, in Gerstner's view, gave only rubber-stamp approval and was more of a figurehead panel than an actual decision-making body.

Within the first weeks on the job, Gerstner also met with various leaders in the computer and telecommunications industry, including Andy Grove of Intel, Bill Gates of Microsoft, and John Malone of TCI, many of whom encouraged Gerstner to get IBM out of the PC or chip business, hinting the company was too slow to compete. He even conducted individual interviews with major publications, like the *New York Times, Wall Street Journal* and *USA Today*, which, nonetheless, gave IBM and its new chairman mediocre grades for their initial performance after Gerstner came aboard. ■

Gerstner's Greatest Accomplishments

If you ask Lou Gerstner today what was his greatest accomplishment in all his years at IBM, he would say it is that his successor is a longtime IBMer, as are the heads of all the company's major business units. He didn't "clean house" of managers and executives when he came aboard; IBM was too big and complex for such a move, and there were too many talented people with unique expertise.

What he did do, shortly after disbanding the Management Committee, was create an 11-member Corporate Executive Committee (CEC) to help him make big-stakes decisions. The CEC would not accept delegation of problem solving, nor would it sit through presentations or make decisions for business units. Its focus was solely on policy issues that cut across multiple units.

Gerstner also reduced the size of IBM's board of directors, from 18 to 12 members, then rebuilt it with some of the best and brightest minds in all of the day's business communities. The board, as a result, has been a strong, involved, effective and important contributor to IBM's success.

Holding the Vision

After only 100 days on the job, and with major news outlets and analysts alike calling for some visible, tangible proof of a turnaround at IBM, Gerstner went public with four key strategic initiatives:

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The author: Louis V. Gerstner, Jr., was chairman and CEO of IBM from April 1993 until March 2002, when he retired as CEO.

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Holding the Vision

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1. Keep the Company Together

Gerstner decided very early on to keep IBM one unified enterprise, in the face of an increasingly diversified computer market. While IBM was slow to deliver distributed computing (delivering increased computing power to individual users), other companies moved in, supplementing IBM's basic systems with add-on applications and hardware that provided the powerful systems both business and home computer customers wanted and needed.

Gerstner recognized that no one company was positioned to be an integrator of all these disparate parts. Before the components reach the consumer, someone must sit at the end of the line and bring it all together in a manner that creates value for customers. Gerstner saw IBM as being uniquely positioned to be that company, the one that could apply complex technologies to solve business challenges. He knew the company had to be saved, had to remain together. What he didn't know was how exactly to deliver on the potential of the company as a unified enterprise.

2. Change the Company's Fundamental Economic Model

In simplest terms, if a company's revenue, gross profit, and expenses are all moving in the right relationship, the net effect is growing profits and positive cash flow — the makings of a successful business. In 1993, those relationships at IBM were all wrong — revenue was slowing (due to the company's reliance on declining mainframe sales); gross profit margin was sinking (due to the discounted prices it had resorted to in order to sell mainframes); the company's expenses were out of control.

Expenses were, however, the first issue tackled — $8.9 billion was slashed out of the budget. This required an employment reduction of 35,000 people (in addition to the 45,000 jobs cut in 1992 — the first such layoff in the company's history).

3. Reengineer How the Company Did Business

Gerstner saw IBM's business processes as cumbersome and highly expensive, requiring a reengineering program of gargantuan proportions, a top-to-bottom overhaul of its basic operations. Gerstner focused on six core initiatives: hardware development, software development, fulfillment, integrated supply chain, customer relationship management, and services. These were the processes most visible to external customers, and they were soon joined in reengineering efforts by several internal processes, including human resources, procurement, real estate, and, oddly enough, information technology. From 1994 to 1998, the total savings from these reengineering projects was $9.5 billion.

IBM's Internal IT Woes

Gerstner's greatest shock upon starting at IBM was the state of the company's internal information technology (IT) infrastructure. He found the company spending $4 billion a year on IT alone, yet people still didn't have the basic information they needed to run the business. The systems were antiquated and couldn't communicate with one another. IBM had hundreds of data centers and networks scattered around the world, many of which were dormant or being used ineffectively.

The company saved $2 billion in IT expenses by the end of 1995, going from 155 data centers to 16, and consolidating 31 internal communications networks into a single one.

4. Sell Nonessential Assets to Raise Cash

Only a handful of people understand how close IBM came to bankruptcy in 1993. Gerstner noted then that there were a number of assets that could be sold to make the company solvent again, and, thus began a wholesale jettisoning of nonessential assets:

- Much of the corporate airplane fleet was sold.
- The corporate headquarters in New York City was put on the block.
- The bulk of the company's fine art collection was auctioned off.
- IBM's Federal Systems Company (which primarily handled government contracts) was sold to the Loral Corporation.

These sales went on for many years — even after the need to raise cash dwindled. As the years went by, Gerstner continued streamlining the company in an effort to achieve and maintain focus in essential operations. ■

Reinventing Big Blue

To understand the extent of IBM's turnaround under Lou Gerstner, it is necessary to understand a bit about the company's history, particularly the company's success under Thomas Watson, Jr., who succeeded his father as CEO in 1956 and who was at the helm when the company introduced System/360, its wildly success-

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Reinventing Big Blue

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ful mainframe family. System/360 was the Microsoft Windows of its era — an era IBM led for three decades. Both IBM and Microsoft seized upon major technology shifts and brought to market entirely new capabilities for customers.

Standing on Top

In IBM's case, the big technology shift came with the advent of the integrated circuit, or semiconductor chip. Watson and his colleagues knew that those chips could handle massive amounts of work, placing the computing power that used to require a room full of machines into a box that sat in a corner (and, eventually, on one's desk). At great research and development cost, IBM fashioned a family of computers — from very small to very large processors — and peripheral devices that would enable customers to grow their systems as their business needs grew.

IBM built its entire business around mainframes — all hardware, software, sales and services were tied to System/360. Competitors reeled; many disappeared. The company appeared invincible, until the advent of the UNIX "open" operating environment in the early 1980s showed chinks in IBM's armor. Customers finally had a viable alternative to IBM's mainframe products and pricing, and the open, plug-and-play nature of the environment meant that other companies — many other companies — could gain entry into the once locked realm of information technology solutions.

The Faltering Foundation

After UNIX cracked the foundation, PC makers came along swinging wrecking balls. IBM barely put up a fight; because it didn't see PCs infringing on its enterprise computing franchise, it surrendered control of the two most valuable PC components — its operating system and microprocessor — to competitors (Microsoft and Intel, respectively). By the time Gerstner arrived, those two companies had ridden their successes to the very top of the computer industry.

Gerstner's strategy to get IBM back on top hinged on two risky bets: first, that the IT industry's disaggregation into thousands of niche players would make a *services-led* business model a huge growth segment of the industry; and, secondly, that standalone computing would give way to *networks*, allowing computing functions to be performed from a wide range of hardware — from cell phones to handheld devices, to household appliances. Gerstner then worked, over time, to align IBM's strategic efforts in four key areas: services, software, Original Equipment Manufacturer (OEM) business and e-business.

Services

The key to Gerstner's turnaround — to winning the bet and establishing his vision at IBM — was transforming IBM's service entity from one that dealt solely with IBM products, to one that was truly focused on serving customer needs. Along with Dennie Welsh — the head of IBM's service subsidiary — Gerstner transformed IBM's entire philosophy, from one that essentially sold IBM solutions to one that could, if the customer's needs were right, suggest competitive products as well, and help maintain the total solution after purchase.

Once he established the new service philosophy, Gerstner broke the service unit out as a separate company — IBM Global Services. Problems were myriad at first — IBM was essentially building a labor-based business inside an asset-intensive company. But Gerstner and Welsh built the unit into a solid success, because they were able to do the following:

- **Use its balance sheet.** Such a unit must be willing to carry the infrastructure and loss until long-term contracts become profitable.
- **Drive economies of scale.** One must consolidate a lot of customer data centers into smaller units, and use fewer resources to do so.
- **Build recruitment, training, compensation and HR processes.** The unit had to bring in a bulk of people (1,000 or more) every month — something it had never done before.
- **Be disciplined.** The unit's leadership had to learn how to negotiate profitable contracts, price their skills, assess risks, and walk away from bad contracts and bad deals.

Software

When Gerstner arrived at IBM, the company was locked in a pitched battle over operating system (OS) superiority — the company's OS/2 system versus Microsoft's Windows. It only took a short period of time for Gerstner to realize that in the networked world, desktop operating systems were yesterday's battle.

What IBM's software unit focused on was computer middleware — the largely invisible layer of databases, systems management software and transaction-management programs that connect front-end applications with the operating systems behind them (in other words, the tools a user sees and uses, and the stuff that makes the tools run). Gerstner instructed the unit to engage in a massive, multi-year effort to make IBM's middleware applications more open and network-enabled. That

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Reinventing Big Blue

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effort, combined with several strategic acquisitions, made IBM's Software Group one of the most powerful software companies in the world.

OEM

The announcement in April 1994 that IBM would mount a serious push to sell its technology components on the open merchant (or Original Equipment Manufacturer — OEM) market was equal parts pragmatism and risk. The reasons for the decision were compelling:

- The company had been underutilizing its Research Division, a fertile and creative asset.
- Dispersing its technology more broadly would drive the company's ability to influence the definition of the standards and protocols that underlie future industry development.
- Selling its technology would recoup some of the company's R&D expenditures, as well as open up a new income stream.
- In a post-PC world, there would be high demand for components to power network-accessible devices.

The company's Technology Group started out simply enough, selling simple memory chips (called DRAMs). This served as an entry point; once IBM proved its mettle in this segment, customers were less worried about their reliability as a supplier, a fact that has been an asset to the company as it moves into the emerging opportunity of providing chips to service the growing networked products industry.

E-business

The term *convergence* had been on the tongues and minds of technology professionals for years before Lou Gerstner came aboard IBM. Simply put, convergence is the melding of traditional analog technologies (like telecommunications or consumer electronics) with their digital kin.

In the early 1990s, inside IBM the concept took the form of "the cloud" — a graphic representation of a network that could enable and support incredible amounts of communications and transactions among people, businesses, and institutions. Gerstner recognized that if the cloud became the focus of all such interaction, it would cause a revolution in computing (moving emphasis away from the PC, toward larger enterprise systems inside the cloud) and one in business (interactions between individuals, groups, governments and other entities would be revolutionized by massive, global connectivity).

IBM was uniquely positioned to benefit and lead in this new, convergent environment, in part because it had embraced open, standards-based computing, including important Internet standards and protocols. To succeed, the company had to do the following:

- In software, recognize middleware applications would be the integrating glue of networked applications.
- In service, a new business was built around Web hosting, including consulting and implementation components.
- In component technology, it had to maintain and grow the foundry of specialized chips that were in high demand.
- Get the entire company on board and moving together.
- Deal with the confusion over what exactly made an e-business company. IBM's focus — middleware applications, service and chip technology — were not as visible to the online public at large as products such as browsers.
- Revamp all marketing communications, to communicate the real value inherent to the Internet, and how IBM did fit into that equation.

Lou Gerstner considers IBM's e-business campaign to be one of the finest jobs of brand positioning he has ever seen. ■

Mr. Watson Pays a Visit

A special moment occurred for Lou Gerstner in the first few weeks of his tenure at IBM:

"I walked out of my house one morning at my usual early hour," he explains. "However, when I opened my car door, I suddenly realized there was someone sitting in the back seat. It was Thomas Watson, Jr., former IBM CEO and son of IBM's founder. Tom literally lived across the street and had walked up my driveway to surprise me and ride to work with me. He was 79 years old.

"He was animated and, perhaps better stated, agitated. He said he was angry at what had happened 'to my company.' He said I needed to shake it up 'from top to bottom' and to take whatever steps were necessary to get it back on track.

"He offered support, urged me to move quickly, reflected on his own career, and, in particular, the need he had seen over and over again to take bold action. At the end of our ride together, I had the feeling he wished he could take on the assignment himself!"

Addressing Corporate Culture

Lou Gerstner came to see that culture isn't simply one aspect of the game — it is the game. An organization is nothing more than the collective capacity of its people to create value. Taken on their own, concepts like vision, strategy and financial management can only take a company so far; it is only when those elements are ingrained into the very fiber of an organization that that organization has the chance to be great. The values a company claims to have (teamwork, customer service, shareholder value and the like) do not necessarily translate into the day-to-day behavior of an organization's employees.

Successful institutions almost always develop strong cultures that reinforce the elements that make the institution great. They reflect the environment from which they emerged. When that environment shifts, the culture tends to impede the organization's ability to adapt.

Such was the case at IBM, which seemed to exist in the shadow of its founder, Thomas J. Watson, Sr., a self-made man who engendered a culture of respect, hard work, and ethical behavior at his company.

Watson deliberately and systematically institutionalized three Basic Beliefs that had made IBM successful under his stewardship:

- **Excellence in everything we do**
- **Superior customer service**
- **Respect for the individual**

These Beliefs were baked into the company's compensation and benefits systems, its management schools, its training programs, its marketing and customer support. They formed the doctrine of the company.

At the same time, companies need to change — as the world changes, the rules, guidelines and customs lose their connection to what the enterprise is all about. What the Beliefs had meant in 1962 (when Watson's son, Thomas J. Watson, Jr., introduced them) was not the same as what they meant in 1993, when Lou Gerstner took the helm.

When IBM was at the early height of its market share, "superior customer service" essentially meant "servicing our machines on the customer's premises." Over time, however, the idea of service became deeper, more layered — the needs of IBM's customer base had changed, and the company had no way of knowing what those needs were, because they didn't know how to ask. Customer service became more of an administrative task than a nuanced approach to individual clients.

Over the course of 30 years, as the Beliefs became further ingrained in the company culture, a sense of entitlement among employees made them feel immune to such external forces as competition, price wars, and the like. They believed that anything important started inside the company, and were essentially disinterested in customer needs. As this happened, employees shifted their attention away from external forces, toward insular, internal politics. There was general permission to stop projects dead in their tracks (the infamous "non-concur" system), a bureaucratic infrastructure that defended turf instead of promoting collaboration, and a management class that presided, rather than acted. ■

The Culture of "No"

The aspect of IBM's culture that Lou Gerstner found most remarkable was the ability of any individual, and team, any division, to block agreement or action. The Belief "Respect for the individual" had dissolved into a pervasive institutional system for nonaction, one that supported something as extraordinarily restrictive as the nonconcur system, in which IBMers, when they disagreed with a position taken by their colleagues, could announce they were "nonconcurring."

The net effect was unconscionable delay in reaching key decisions, duplicate efforts (as units focused solely on their own pet approaches) and bitter personal contention, as hours of work would be jeopardized or foiled by lone dissenters. Years later, Gerstner heard it described as a culture in which no one *would* say yes, but everyone *could* say no.

Principled Leadership

In order to breathe some fresh air into the organization, Gerstner did away with the Basic Beliefs, pointing instead to eight principles:

1. The marketplace is the driving force behind everything we do. Gerstner recognized that IBM was guilty of producing confusing technology, then making it instantly obsolete. Under the first of Gerstner's principles, the company vowed to focus on serving customers and, in the process, beating the competition.

2. At our core, we are a technology company with an overriding commitment to quality. Technology was always IBM's greatest strength. Under Gerstner, the company needed to funnel that knowledge into developing products that served customer needs above all else.

3. Our primary measures of success are customer satisfaction and shareholder value. No company is a success, financially or otherwise, without satisfied customers.

4. We operate as an entrepreneurial organization with a minimum of bureaucracy and a never-ending

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Principled Leadership

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focus on productivity. The warp-speed marketplace demands that the company accept innovation, take risks, and pursue growth, both by expanding existing businesses and finding new ones.

5. We never lose site of our strategic vision. Every business, if it is to succeed, must have a sense of direction and mission, so that it knows what is important, and how it fits into any given situation.

6. We think and act with a sense of urgency. Planning and analysis should never be carried out to the extent that the job that needs to be done now does not get done.

7. Outstanding, dedicated people make it all happen, particularly when they work together as a team. The best way to end turf wars is to cherish and reward teamwork, particularly teamwork that delivers customer value.

8. We are sensitive to the needs of all employees and to the communities in which we operate. People must have the room and resources to grow, and the communities in which we do business must become greater because of our presence.

Some questioned the need to do away with the Basic Beliefs, in favor of these new principles. For Lou Gerstner, the reasons were clear — the Basic Beliefs had morphed from wonderfully sound values to something virtually unrecognizable.

Lou Gerstner used these principles first to serve as a wake-up call to his leadership team — to motivate them to focus its talents and efforts outside the company, not on one another. Gerstner noticed almost immediately upon taking the CEO job that so few of those in his employ talked with passion about a competitor; on the contrary, many spoke with passion about other parts of IBM. He couldn't believe competitors and critics alike were saying IBM was through, that those competitors had taken so much market share from IBM, and yet, all the company's leaders could worry about was their own little internal turf.

Win, Execute, Team

Gerstner set company leaders on a new path, based on the eight principles and focused on three simple key concepts:

● **Win.** Business is a competitive activity — there are winners and losers. In the new IBM, there would be no place for anyone who lacked zeal for the contest. The opponent is out there; the marketplace must be the driving criterion for all actions and behaviors.

● **Execute.** Speed and discipline must supersede the obsessive perfectionism that caused IBM to miss market opportunities, allowing others to capitalize on the company's discoveries.

● **Team.** Everyone must commit to acting as one IBM, plain and simple.

"Win, Execute, Team" began as a mantra, and eventually took the form of a new performance management system, based around these three concepts (dubbed Personal Business Commitments, or PBCs), and the actions employees were going to take in the forthcoming year to fulfill those commitments.

The Moon Shot

Yet, even with this new focus, Gerstner knew he needed something more, something to shake his company out of its complacency. IBM had been averse to change for so long that its management and employees never saw the external challenges coming that wound up shaking the company to its core. Gerstner used the near-collapse of the company as a focal point for bringing about change, but he knew the memory of that would not last forever. There came a time when it was clear to all that the company's life-or-death crisis was over.

In order to maintain the momentum of change and keep the company focused on a singular goal, Gerstner decided to declare e-business as IBM's "moon shot," its galvanizing mission, the purpose that would be incorporated into everything the company did from that point forward, the new ground for its behaviors and operating practices — in other words, its culture. In moving focus from crisis to mission, Gerstner shifted the internal discussion from "What do we want to be?" to "What do we want to do?" ■

Lessons Learned

Lou Gerstner has often been asked what he has learned over the course of his three decades in business. Although he notes that each individual's circumstances are different, there are fundamentals that characterize successful enterprises and successful executives.

They Are Focused

Lack of focus is the most common cause of corporate mediocrity. Some companies stray too far outside their realm of expertise, taking a "grass is greener approach" — Xerox going into financial services; Coca-Cola into movies; Kodak into pharmaceuticals. Others determine acquisition is the best way to grow their business, rather than working hard to fix or build their base business. Quite often, such deals not only fail to work; they wind

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up sinking the acquiring entity further into the morass of their growth problems.

At the end of the day, a successful, focused enterprise is one that has developed a deep understanding of its customers' needs, its competitive environment, and its economic realities. Vision statements might make a company's employees feel good or revved up, but they cannot turn a goal into reality. Vision is not the same as strategy.

Intelligence wins wars, whether on the battlefield or in the marketplace. Deep competitive insight is critical to success. A company might want to believe its products are the best available, but facts are facts — that company will never know how valuable or valued its products are without examining them for cost, features and functionality, and comparing those findings with those of the competition.

The best leaders don't hide behind staff; they don't simply preside over the work of others. They are visible every day with customers, suppliers and business partners.

That analysis feeds directly into corporate strategy — insightful action plans built on clearheaded thinking and analysis, long on detail and short on vision, that are reviewed regularly, becoming, in a sense, the driving force behind everything a company does. From there, resources are applied to the most important elements of the strategy; this, on occasion, will require reprioritization of some resources, taking them away from one task or project to put them on a more important phase of a strategy. While this is rarely easy (and, often, not done very well), it is nonetheless necessary in some instances.

They Are Superb at Execution

Execution — getting the task done, making it happen — is the most unappreciated skill of an effective business leader. It is extremely difficult to develop a unique strategy for a company; if that strategy is truly different from what others in the industry are doing, it's probably highly risky. Industries are, after all, defined by economic models, explicit customer expectations, and competitive structures that are known to everyone and impossible to change in a short period of time.

Execution is really the critical part of a successful strategy. Getting it done, getting it done right, getting it done better than the next person is far more important than dreaming up new visions of the future. According to Lou Gerstner, effective execution is built on three attributes of an organization:

- **World-class processes.** Every industry has five or six key factors that drive leadership performance; the best companies build processes that enable them to outperform competitors vis-à-vis these success factors. If your company has antiquated, disconnected, slow moving processes — particularly those that drive success in your industry — you will end up a loser.
- **Strategic clarity.** Companies that out-execute their competitors have communicated crystal-clear messages to all their employees on mission and strategy, but this does not automatically lead to perfect execution. Superb execution is more about values and commitments, the reinforcement of communicated strategies in everything a company does.
- **High-performance culture.** Superb execution is not just about doing the right things, but doing the right things faster, better, more often and more productively than your competitors do. This type of high-performance culture is full of leadership-driven, self-starting executives and committed employees; it makes first-rate products; it also maintains a culture in which excellence is praised, cherished and rewarded.

They Abound with Personal Leadership

In Lou Gerstner's mind and experience, personal leadership is the most important element of institutional transformation. Great institutions are not managed; they are led. The best leaders create high-performance cultures, with demanding goals, measured results and full accountability. They don't hide behind staff; they don't simply preside over the work of others. They are visible every day with customers, suppliers and business partners.

The finest CEOs of our time — the Sam Waltons and the Jack Welches, and the Andy Groves — are all passionate about winning. They urge their colleagues to win. They hate to lose, and when they do lose, they demand that what caused them to lose be corrected. Leadership is not cold or intellectual — it's personal. The passion exhibited by these leaders was not a substitute for good thinking or good people or good execution. Rather, it is the electricity that courses through a well-made machine that makes it run, makes it hum, makes it want to run harder and harder.

Leaders must also possess the highest level of integrity, of fairness and even-handedness. Playing favorites or excusing some while others hang for the same offense, destroys morale and the respect of colleagues. There are almost always good arguments to be made for bending the rules, but the executive that allows too many exceptions will find his leadership eroded, the trust of his colleagues evaporated. Leaders must demand uniform and fair adherence to good principles and policies in order to be effective. ■