

BY ANDY KANEFIELD AND MARK POWERS

**R**ichard Mark, senior vice president of Missouri Energy Delivery for AmerenUE, has experience weathering storms. Whether it was handling lawsuits while chairman of the East St. Louis Public School District Financial Oversight Panel, a volunteer position, or in his current role overseeing the systems and people that deliver electricity and gas to the people and businesses of Missouri, he has survived the lightning and thunder of dissatisfied constituents.

**How does he handle these high-profile roles?**

“My basic principle about managing anything, whether people or businesses, is fairness. There are a lot of management approaches that are fads, but I think basically people want to be treated fairly. They may not like every decision, but if they feel you’re being fair and doing things with the best intentions, I think it makes any decision more acceptable. You can’t advertise enough to have people believe that you’re fair. You have to act fairly and build up fairness capital over time. Being fair sets the standard for everything else you do.

“This principle was solidified for me when I was COO at St. Mary’s Hospital (what is now Kenneth Hall Hospital) in East St. Louis. We were losing \$6 million every year. We were told by our corporate offices to either cut costs or close the hospital. So we did something that was unusual at the time. We hosted employee meetings and rolled out the balance sheet for everyone to see. We explained that we either cut costs dramatically, including some job cuts, or the city would lose the hospital. The day we laid off 125 employees, the press interviewed a woman who lost her job. Of course, she was disappointed that she lost her job, but she said ‘If it means keeping the hospital, I can accept it.’

“I try to manage by other principles too. They’re not special or fancy, glimmery or shiny, but I think it’s what people expect. In addition to being fair, you need to talk to people who are affected by your decisions, you need to communicate clearly and concisely and, whenever possible, deliver messages personally. Communication needs to be clear and heartfelt.”

**How do you demonstrate these principles?**

“We’ve undertaken a three-year, \$1 billion initiative called PowerOn.

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Our vision with this initiative is to improve customer reliability and to prevent, as much as possible, repeated outages during storms. We wanted to have the projects driven from field workers rather than at the corporate level. So the first thing we did was solicit input from field managers and project engineers so we would know what was happening at all levels of the organization. We asked them to identify the safety issues, the sources of consistent service problems, and to prioritize the projects. This bottom-up information sharing has been key to making the project successful so far.

“Clear and concise communication is often a challenge with the highly educated, intelligent and technically advanced work force that we have. It’s easy to get caught up in process, formulas, and graphs. You lose the focus on the basics of serving our consumers.

“I recall a meeting we had with all the district engineers. During the meeting, there was a very technical presentation about how you know when to replace underground cable based on industry standards, number of previous failures, and the probability and frequency of future failures. From my perspective, it was very simple. If we know it has failed and that it’s going to fail again, why don’t we just fix it? I encouraged the

engineers to put it on their PowerOn priority list. At the break, I had about six engineers come up and tell me that helped them understand that we want things fixed for the customers. We don’t want it fixed because that’s our process. We had to put it very simply and very suc-

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cinctly. We’re not worried about probabilities or complex formulas. We’re worried about putting customers’ expectations first. As our entire industry moves toward being more consumer-driven, I am trying to move us away from complicated formulas to something simpler like, ‘Would that solution be acceptable to your mother-in-law?’

“And it’s working. Two executives from J.D. Power & Associates recently presented the results of the 2008 Residential Customer Satisfaction Survey to our board. We still have a lot of work to do, but they reported that we had the second biggest rebound in

customer satisfaction of any company in the history of their study.

### **What about delivering messages personally?**

A leader has to carry the message throughout the organization personally and as quickly as possible. It helps to have simple, direct, personal communication where you look people in the eye. You have to take it to people yourself. Now, I can’t talk individually to all 3,000 employees in Missouri, but I don’t limit myself to talking to VPs and managers. I speak to employee groups of field workers and office staff.”

### **What advice do you have for other leaders?**

1. Change automatically brings about some resistance. You have to believe in what you’re doing, so when the going gets tough, don’t give up.
2. Be relentless in the communication of your message and don’t be ashamed of it. Don’t back off or accept less than the best.
3. Be fair and honest in everything you do.

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## Fairness capital

Richard Mark believes in building up “fairness capital,” which can be translated as “trust.” Stephen M.R. Covey has written a book, with Rebecca R. Merrill, entitled “The Speed of Trust: The One Thing that Changes Everything.” The book suggests that trust is more than a “soft, social virtue” but is also a “hard-edged, economic driver.” Covey suggests there are four Cores of Credibility:



**Core 1: Integrity.** Are you congruent? Do you walk your talk? Do you have the courage to act in alignment with your values and beliefs?

**Core 2: Intent.** What’s your agenda? Trust grows when you genuinely care not only for yourself, but also for the people you interact with, lead or serve.

**Core 3: Capabilities.** Are you relevant? Do you have the abilities that inspire confidence – the talents, attitudes, skills, knowledge and style?

**Core 4: Results.** What’s your track record? Do you get the right things done? Do you accomplish what you are expected to and promise?