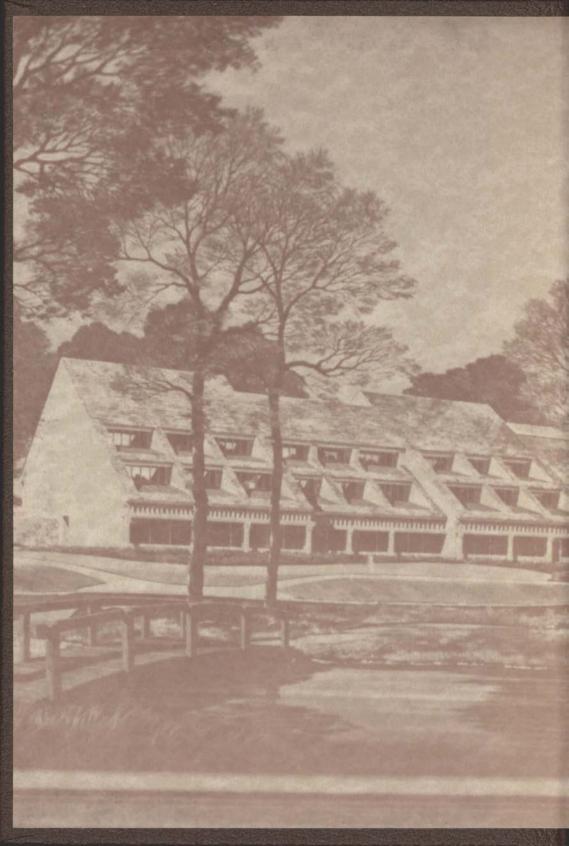
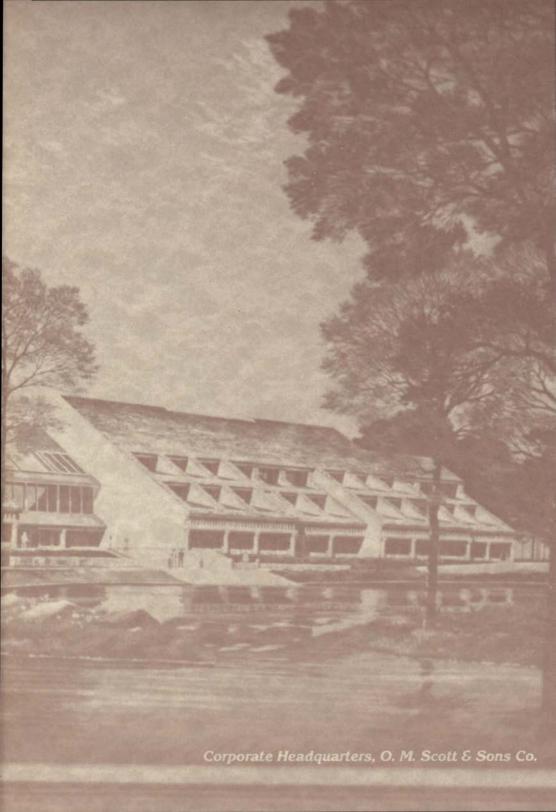
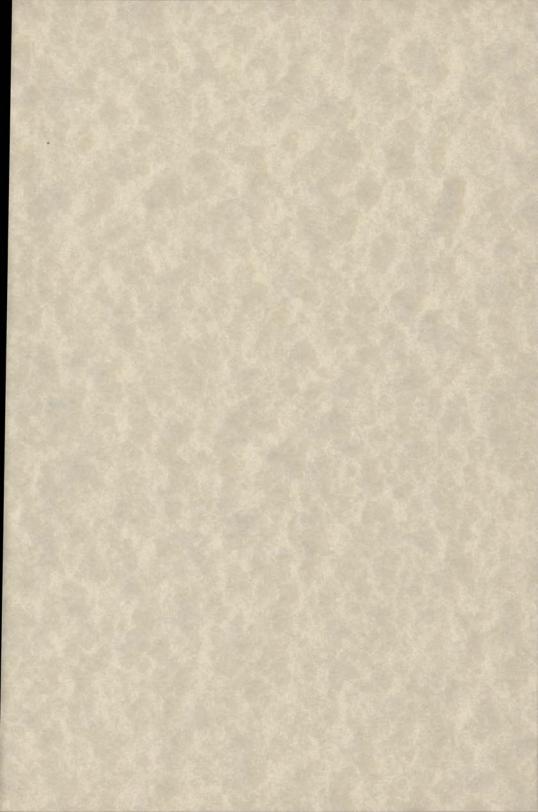
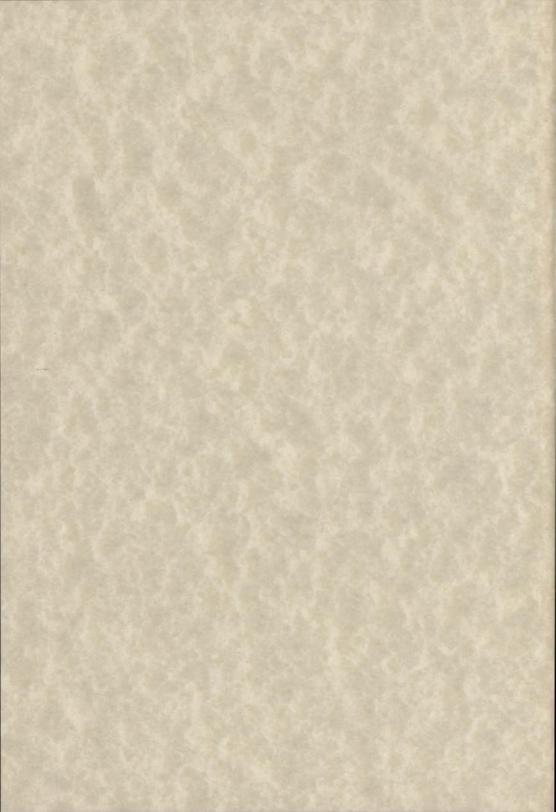
ONE MAN'S OPINION

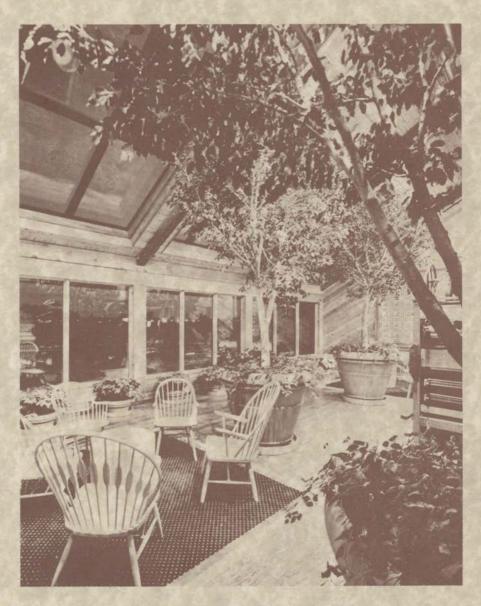




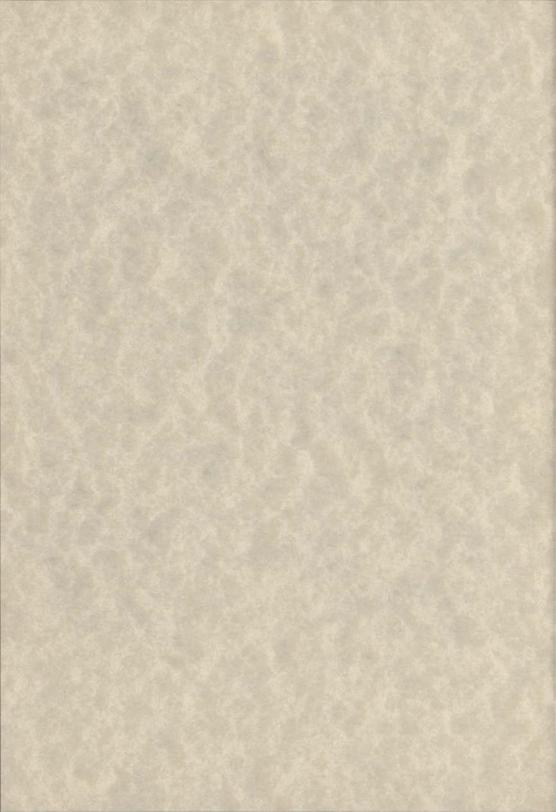






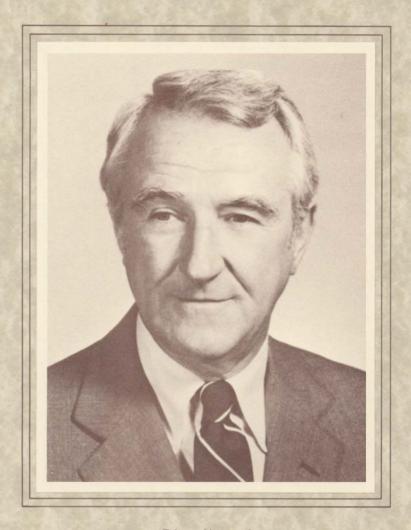


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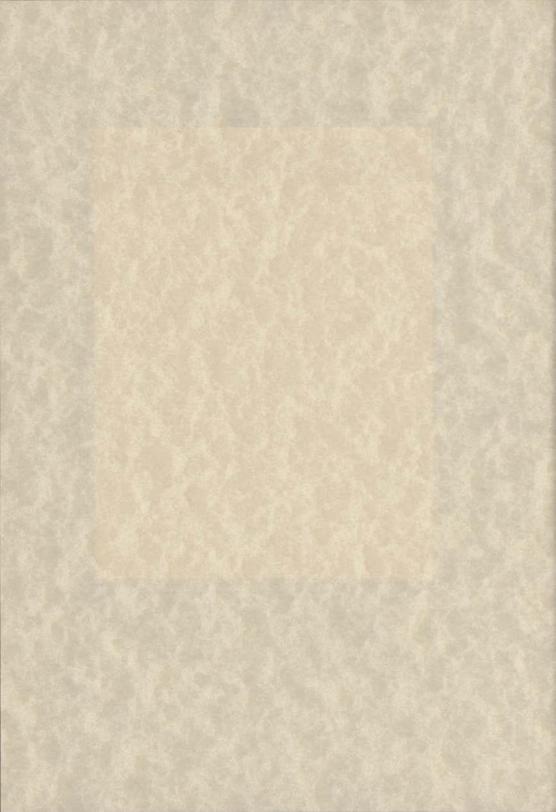


ONE MAN'S OPINION

LE HERRON JR.



F. Leon Herron, Jr. Chairman and President O.M. Scott and Sons Co.



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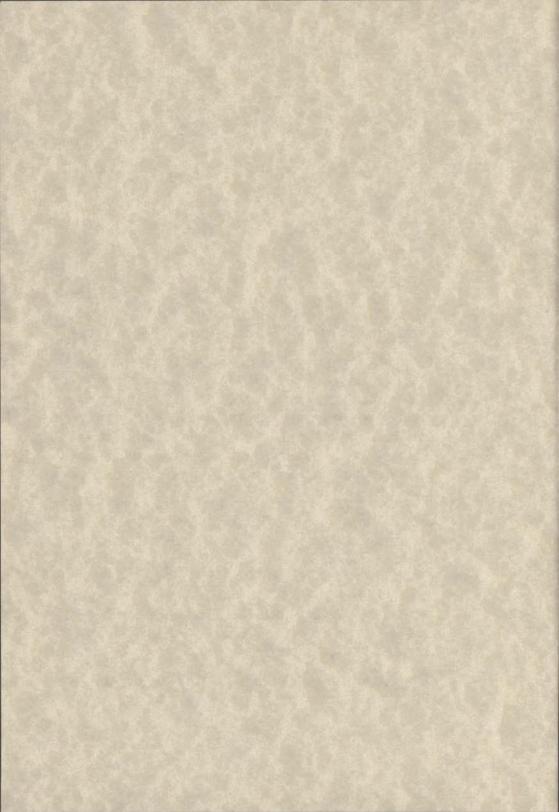
Foreword

It has always seemed to me that a company achieves excellence only by virtue of the excellence of its people.

Companies are usually seen as the sum of their tangible pieces: products, facilities, customers, and so on. But in those companies which defy the norm, like Scotts, it's the **intangibles** that really make the difference. Attitudes, characteristics, viewpoints — these are the intangible qualities of a workplace which can stimulate the mind and heart, and uplift the spirit.

In the letters which make up this series, I've tried to express the principles which have guided me as Scotts' leader over the past sixteen years. They do not claim to be based on all-knowing wisdom, nor are they intended to be carved in marble for the ages. They are simply "one man's opinion" about some of the intangible components of personal excellence and happiness . . . intangibles which I believe have been fundamental to Scotts' success.

Parts of **One Man's Opinion** are about things as they are. Other parts deal with things as they might be.

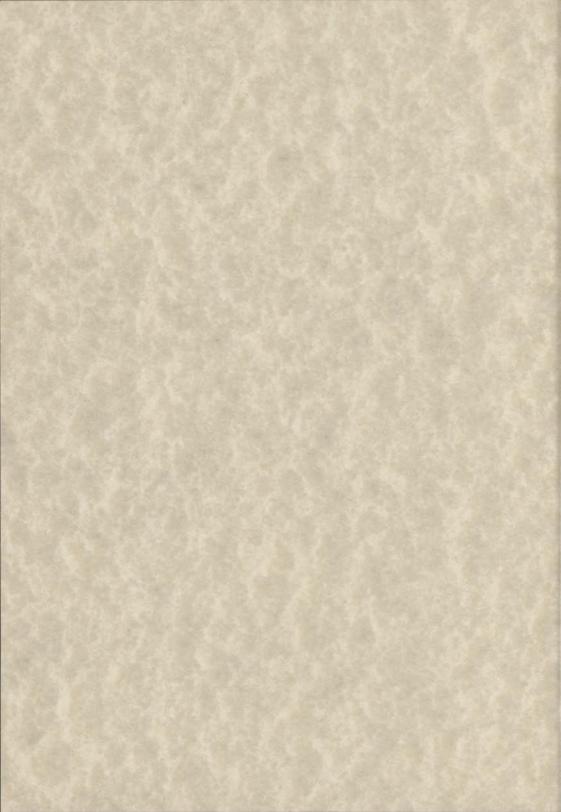


Together, they make up a sort of blueprint for associate relationships — not in the sense of any formal heirarchy, but in a simpler and more basic form which explores some of the ways we all depend on each other.

In 118 years, this company has had only four other leaders. Being the fifth has been a wonderful privilege, and at the same time a tremendous responsibility. Scotts' reputation for quality and trustworthiness is an inheritance which must be handled carefully, so it can be handed on.

At the same time, change is a fact of life. In fact, an important goal of these messages is to encourage change, when it means progress toward something better. But change should be conscious, or else it is simply drifting. It is my hope that **One Man's Opinion** will form a reference point for future years and future decisions. If you choose to change direction, here at least will be a record of the course we've tried to follow so far.

Se Herron A



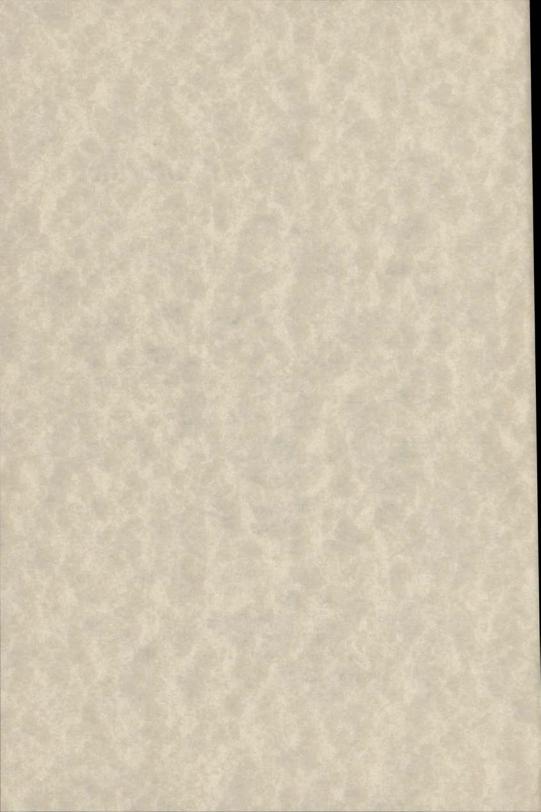
Footprints

Many people work hard to be invisible. By their definition, it's the road to security — not to make waves, not to call attention to themselves, not to run the risk of doing anything wrong.

What is especially startling to me is to find that among this group are many people not only with talent but also with college educations, and even advanced degrees. I sense an attitude among some that says, "I've put in my years at school; now it's business's job to see that I work my way up to president. And if that doesn't happen — why, it's not my fault; it's the company's fault." And then these invisible people sit back and wait complacently for opportunity to knock.

Well, opportunity knocks darn seldom for those who deprive themselves of chances to demonstrate excellence.

It's true that company structure can sometimes seem to be an obstacle to personal success, with its reviews and requests and all the trappings. Unfortunately, one of the facts of business life is that size begets structure, so that problem can't be completely eliminated. But an individual who wants to succeed, can succeed, in spite of the structure — not by dealing in internal



politics, but by trying to be above the ordinary. Structure is not a reason for mediocrity, only an excuse.

I believe the way to advance, in this company at least, is to be so good at what you do whatever it may be that the opportunity will come looking for you. In other words, make yourself visible. Opportunity isn't equipped with X-ray vision, to single you out in the middle of the crowd. And believe me, Scotts needs people who not only are outstanding, but also have the desire and the motiviation to succeed.

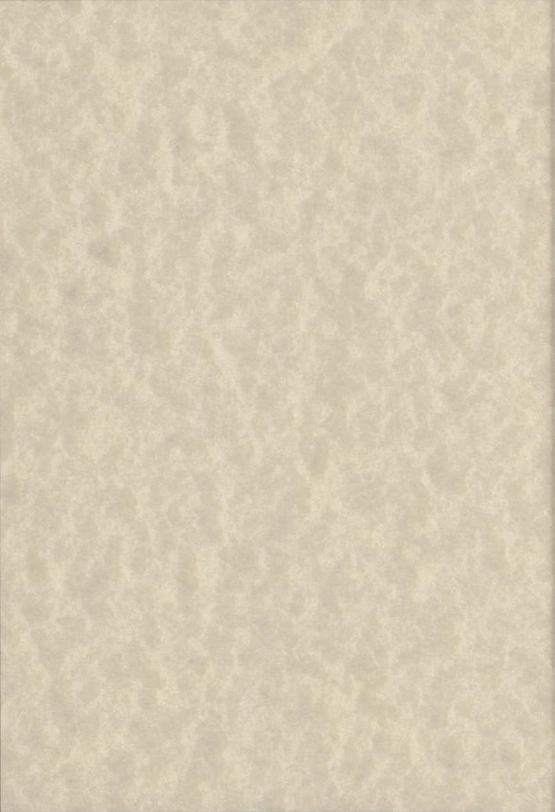
Speaking practically, in my years of business I can't recall a situation where there was as much opportunity as there is in this company today. It took us 106 years to reach our first \$100 million in sales; it should take us 7 years to reach the second hundred million. That growth offers tremendous potential within Scotts, for people who are eager, interested, ready, and willing to take advantage of it.

As we try to identify those individuals who will play a major part in Scotts' future, what I continually look for — and what I expect other members of management to look for — are footprints: the marks of contributed value that some people leave behind as they move through their day-to-day responsibilities. I'd like to see more of you become visible and make innovative



contributions. This company deserves the best that your mind and talents can offer... and you owe it to yourself to exercise and develop them.

Think boldly. Shrug off the excuses. And make FOOTPRINTS!

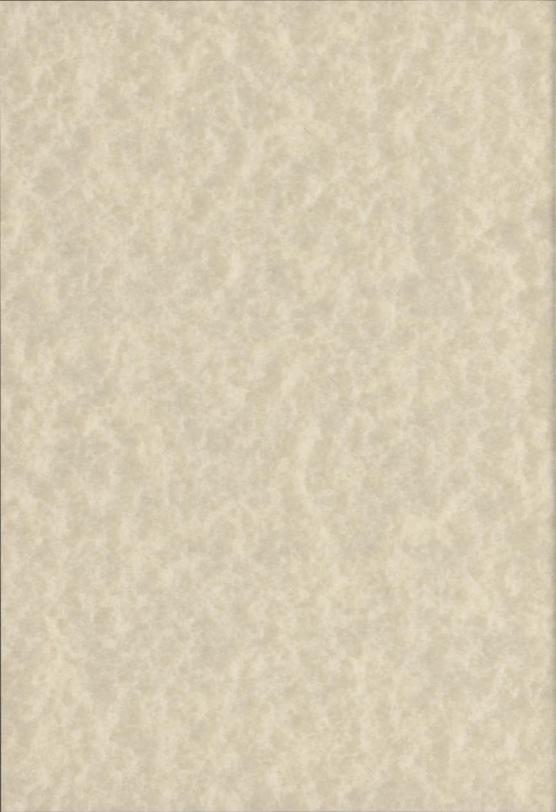


Joy of Work

One of the things that's made Scotts what it is today is that we've been blessed, on all levels of the company, with people who understand and appreciate the joy of work.

I wish I could be sure that my children and my grandchildren will be able to continue to understand and appreciate this special pleasure. The increasing problem is that we seem to be living at a time when "work" has become a four-letter word, a necessary evil that must be endured in order to enjoy ourselves afterward. Mentioning "joy" and "work" in the same breath just isn't done — after all, isn't work supposed to be drudgery?

The result is that there's growing pressure against working hard, against being conscientious, curious, and creative in work. We see this pressure on our children in school, as well as on ourselves on the job: people are made to feel uncomfortable, even somewhat freakish, if they really fully give themselves to their work and try to create something better than the

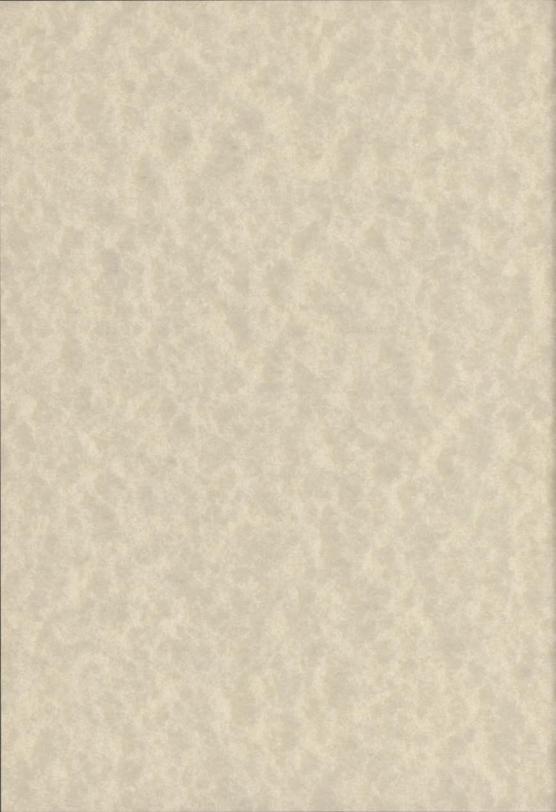


norm. It's far more comfortable for many to go along with the crowd and slack off... but this takes a serious toll in demolished self-respect. It can't help but be demoralizing to squander your precious time and energy in just "getting by."

To my mind, this unhealthy philosophy defies the belief that all of us arrived on this earth with God-given talents. The self-fulfillment that comes from creating value and meaning with these talents is really what work is all about — and it is a basic part of life. Our leisure time, on the other hand, serves to let us restore our talents and energies. In other words, instead of talking about a "means" (work) and an "end" (leisure) it seems to me that we're really talking about two halves of a truly whole, happy, creative human being.

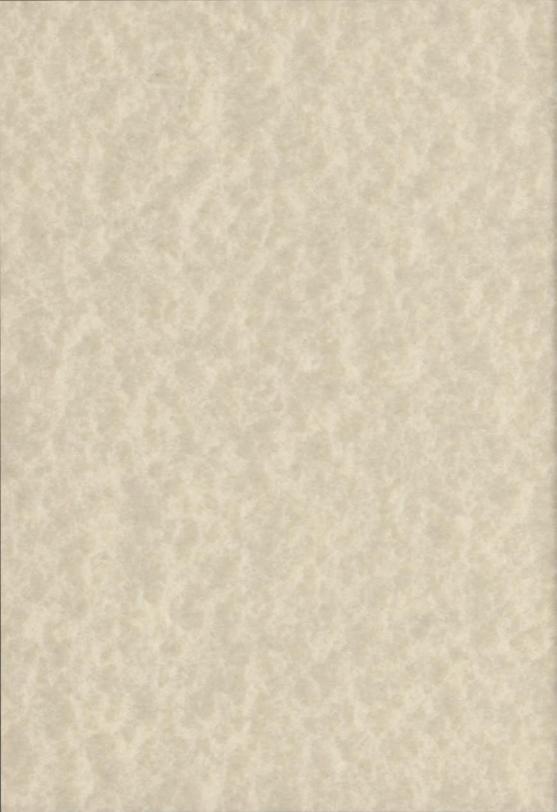
When I began to think and act this way, I found out that there's no such thing as drudgery — because we were born to create, not to stagnate. And there's no such thing as retirement either, because the creative process can continue as long as we live, whether the job framework is there or not. (I have an 82-year-old father, and I don't think he's retired yet!)

Remember, we were born to create, not to stagnate. If you have a sense of stagnation, it's time to think through what you could be bringing enjoyably and productively to your work, and to determine how you



could develop and strengthen those talents.

We're created, each one of us, with certain gifts we had no voice in choosing . . . but in our lives, we have the opportunity to discover and develop those gifts through our work, and thus to recreate ourselves. That, I believe, is the real "joy of work."

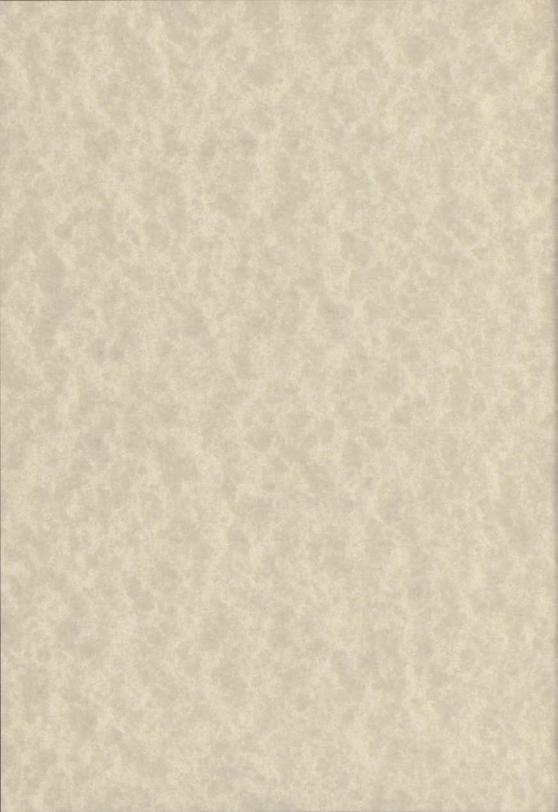


Hearts and Minds

In many years of working life, I've been struck by one particular quality shared by everyone who is really happy in his or her job. It's a quality we all recognize, and often underestimate, in ourselves and in others. I'm referring to the importance of the heart.

All of us understand the tangible rewards from work: salary, fringe benefits, and so forth. We know that, in all likelihood, we can earn those rewards just by being physically present on the job and making reasonable use of our minds. But in my own experience, I've seen what enormous intangible joy and rewards come to an individual from deeper involvement — from committing not just your mind, but also your heart to the work you do.

Our language is rich in expressions relating to enthusiastic involvement: pitching in "wholeheartedly", "putting your heart into it", trying "with all your heart". I don't for a minute believe this is coincidental. The heart is tremendously important to getting a sense of success and self-fulfillment out of work. In fact, I don't really feel

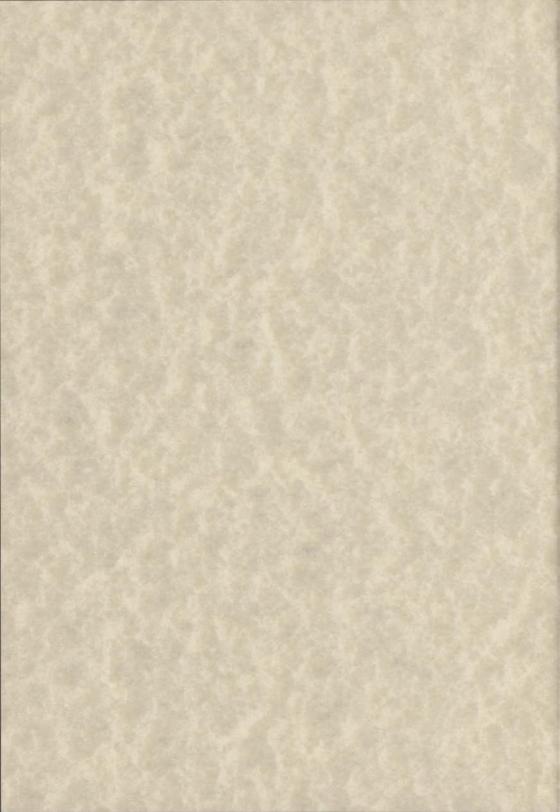


anybody can be what they're capable of being until they've taken the step of becoming emotionally involved in their work.

In making this point, I don't mean to suggest that people should be burning the midnight oil constantly or turning into workaholics. We're simply talking about bringing more creative energy, more involvement, to the job. The reward should be a personal enrichment of life, both at work and outside of work.

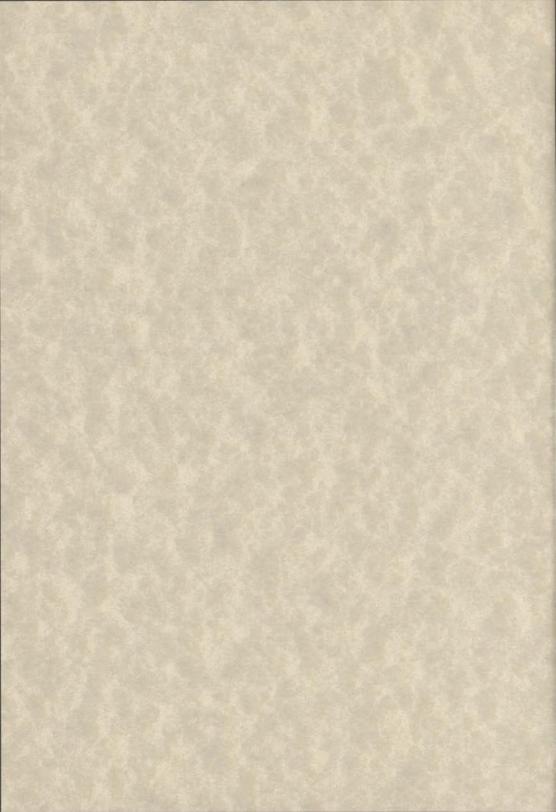
Some managers, unfortunately, underestimate the importance of their people's hearts. These managers seem to feel that they've done their job if they deal objectively and decisively with an issue, without bothering to address its peripheral emotional aspects . . . which often are more important to the whole team's success.

Simply "managing the work" is sterile and, in the long run, self-defeating unless caring is part of the process — caring about the other people involved, caring about the excellence of what the team is doing. In other words, managers cannot manage well with mind alone. And as they move up within a company, whatever other credentials they bring to their jobs, they must be involved personally and emotionally to a greater and greater extent. After all, when you're guiding a living, growing organization made up of



dozens or hundreds of human beings, it's not enough only to be able to think; you also have to be able to feel. That's where the heart comes in.

Admittedly, not everyone can make a full commitment to try to work with both mind and heart. For those who can, I believe there's an intangible reward, the joy of work, which grows with the depth of involvement. When you've worked wholeheartedly to make something succeed — when you've sweated over it, wrestled with it, believed in it, fought for it, and maybe prayed a little for it — then you become part of it, and it becomes part of you. Whether or not what you have undertaken does succeed, you've created something from yourself — and that's a reward that those who stay aloof and uninvolved can never know.

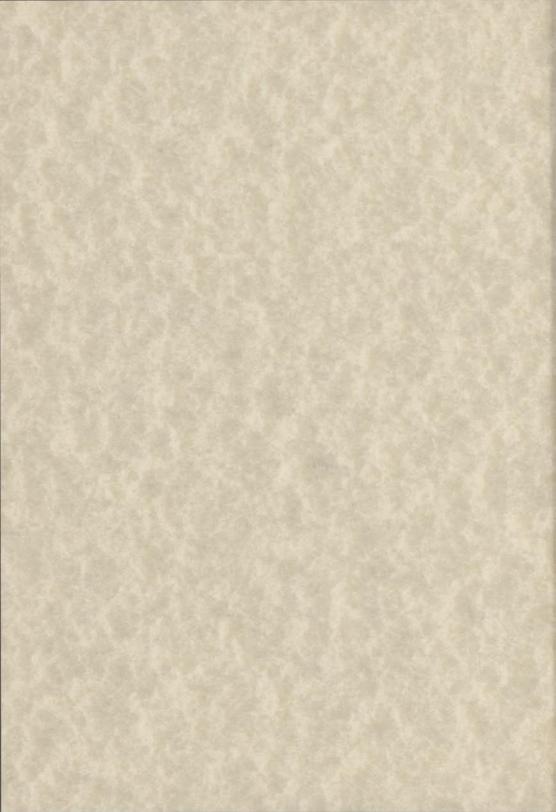


No Time Clocks

There are no time clocks at Scotts. And I hope never to see any on our premises. Time clocks often are an excuse some companies use to avoid having to think about trust. Such companies may shrug and say, "The Government makes me put them in." or "We have to have precise records." . . . but more often than not, whatever reason they finally give is really a rationalization for the fact that they don't think they can trust their people.

From the first day you walk in the door at Scotts, your word is trusted. Your signature, at the bottom of the weekly time card you fill out, is the substantiation of your work. It's as simple as that.

We couldn't live up to our own beliefs if it were any other way. After all, an essential part of the trust that exists at Scotts is the conviction that people are fundamentally trust-worthy, that when they are treated with respect they'll respond in a way that makes you respect them all the more. As you know, this is exactly the philosophy that lies behind our "No-Quibble" guar-

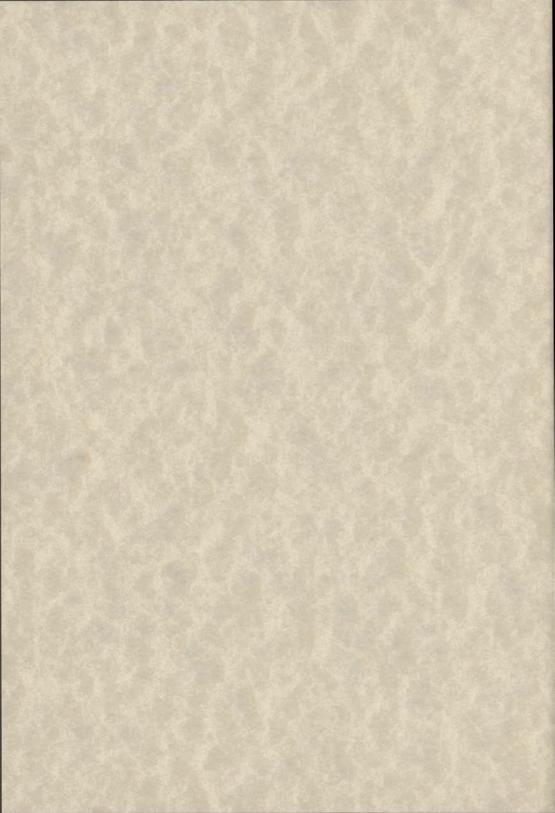


antee: we are so committed to the belief that our customers will live up to our expectations of their honesty and integrity, that we base our entire refund policy on the customer's word.

This philosophy of ours startles many visitors from outside our company. Frequently they'll ask, "Don't people take advantage of it?" Yes, there are occasional instances when our trust is abused — by customers, and by Associates. But in the long run, it's this rare individual who does abuse it who is the loser, not the company. Dishonesty is always a conscious action; and there's something inside each of us that dislikes breaking faith with others, and which makes us feel a little worse for not having lived up to someone else's high expectation of us.

I hope it will never be the case at Scotts that we give up our trust in the majority of people because of the actions of a thoughtless few. If that day should ever come, for whatever reason, we will be on the way to losing the basic spirit of our Associate relationship... because it's only a short step from the absence of trust to the absence of respect for personal dignity.

And then we're no longer individual Associates in an enterprise — we're just numbers on a time clock.



Style vs. Results

Is it really true that nice guys don't win ball games?

An associate of ours ended by asking himself that question not too long ago. He was upset because he'd always considered himself a "good" manager: he had given his people free rein to use their creativity, without trying to direct them or breathe over their shoulders. To his surprise, he'd discovered that not only were many of them unhappy with this style of supervision, but the work was disappointing. He said to me, "I guess I'll just have to get tough. No more 'Mr. Nice Guy': it doesn't get results.

In my experience, his conclusion is partly right...but, even more importantly, it's also partly wrong. I believe that it is possible to be gentle, kind and considerate and still get results — but the magic ingredient is "caring". Caring about the results, and caring about the people whose effort is vital to the result.

Many of us think of Vince Lombardi as the classic example of a "tough guy" — a hard-driving, win-at-all-



costs manager. Yet the quote I remember best from Lombardi is "Nothing but the best is acceptable" — and he cared tremendously about the individual team members who were so important in meeting his expectation of "the best". He didn't stand back remotely and fold his arms (like our misguided associate) and say, "Okay, fellows, how you win the game is up to you; I'll just watch." Neither did he make all the decisions; he didn't dot every 'i' and cross every 't' for them. He let them know what great things he believed they were capable of, and he helped them to accomplish those results, taking advantage of his own experience, skill and instinct. This, in my book, is caring.

With this ingredient, nice guys can win ball games. Your manner can be low-key and firm, without being either remote or wishy-washy; if people know what you expect of them and how to do it, I don't believe you have to scream and pound the table and humiliate them to get it. Furthermore, in the long run, intimidation as a management style tends to backfire on the user: intimidated people usually withdraw their talents and energies until they're only doing what it takes to get by. True, you'll get a result — but it'll meet your minimum standards, not your maximum. (Someone once summed up this effect as "Expect the best of me and you'll get it; expect the worst, and you won't be disappointed.")



On the other hand, if people feel comfortable that you want to help them succeed, they'll be more interested in helping you. That's true, I believe, no matter what level of the company you're on. If you're a manager, you have the added responsibility of judging results — which means that exercising fairness is a large part of a manager's caring. Being a "nice guy" doesn't mean that you tolerate slipshod work or condone mistakes, but that you care enough to figure out why they happen when they do, and help to solve the problems that caused them instead of shrugging indifferently or blowing your top.

Our associate's mistake, it seems to me, was in confusing being a careless manager with being a "nice guy". A really caring manager is a nice guy... but he or she is also tough, demanding nothing but the best and setting a personal example of what that standard means. Any other approach will not only fail to draw out the best in each individual and in the team as a unit . . . but it also may well end by fouling up the whole ball game.

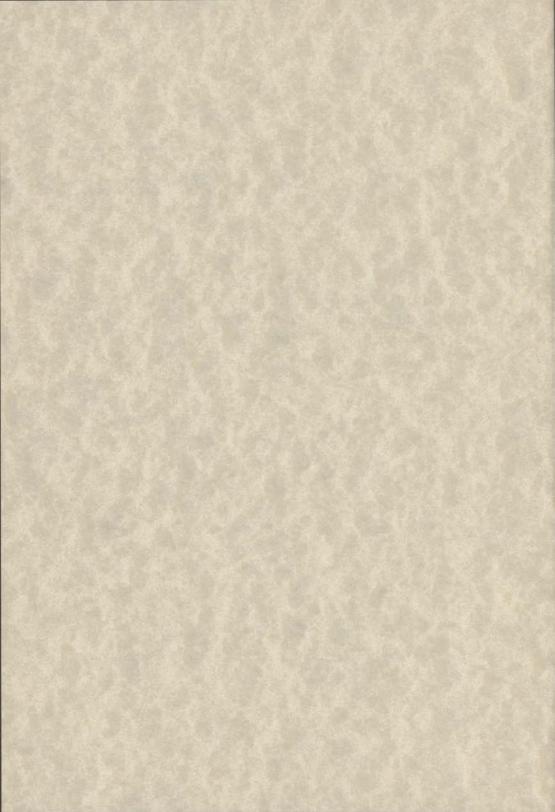


Respecting and Being Respected

The most destructive force in society is the one which subtly encourages us to disregard each other's dignity and worth. Although this impulse can be encouraged by outside influences, its roots already exist in all of us, inviting us to label each other as "different" in conveniently abstract terms — conservative or liberal, labor or management, hardhat or hippie, members of this or that economic, political, religious, or ethnic group. The net effect is we aren't compelled to admit to other human beings that we are human too.

As a result, we frequently find ourselves struggling in inflexible opposition with others, instead of working in harmony with them to achieve a common purpose. When a manager wonders out loud if he is being weak by being considerate of the rest of his team — as we discussed in the last letter — we see a startling example of this alienating force at work.

However, managers don't have a monopoly on destructiveness. It's just as easy for any team member to



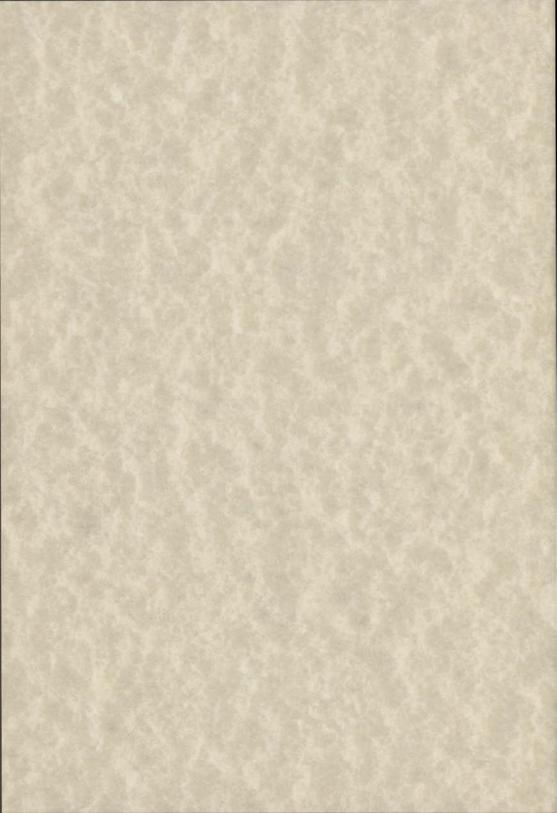
wreak havoc with the team's work, by being insensitive to the basic human need for respect. In "Style vs. Results", we looked at what disciplines a team manager must exercise to help the team to run smoothly... and, in actual fact, every team member has those same responsibilities:

First, to be aware of and to care about other team members as individuals, with their own need for respect.

Second, to care about the excellence of what the team does — and to try to live up to that standard in personal performance.

When all of the team's members believe in these disciplines and live up to them, what results is a productive and enjoyable work environment. Respect is a tremendously powerful force; it can break down walls between individuals who had been in opposition, and it can break through the artificially low ceiling a group or individual may have set on its own growth.

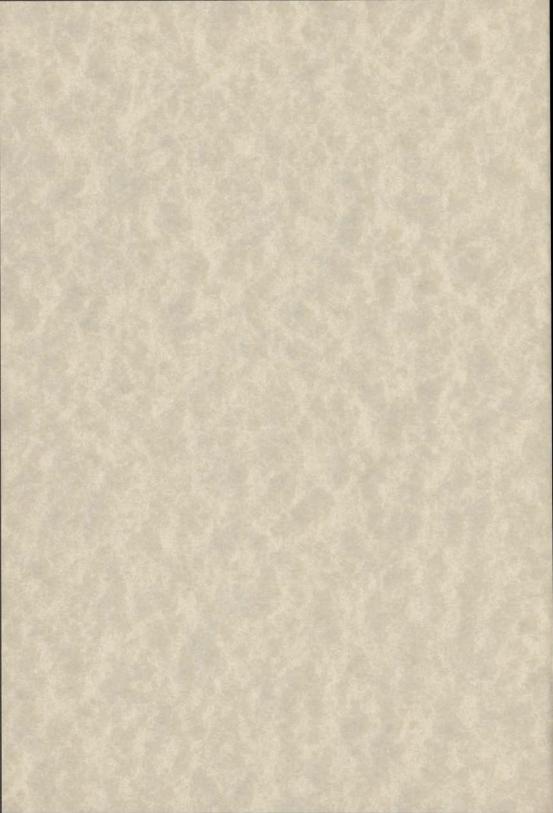
Admittedly, perfect harmony and unity is an ideal. Sometimes the raw material won't be quite right to begin with: a team member may refuse to get involved in the effort, may communicate indifference or antagonism instead of respect, or may act in a way that limits others' respect for him or her. But no matter



what the circumstances, the absence of discipline in one team member never justifies its absence in others. In personal experience, I've seen that attempting to deal autocratically with people only makes problems worse. On the other hand, the effort of working together to resolve differences can often help to build the unity a team needs.

One of our Associates noted in his own thoughts about this topic, "Respect makes a team out of two people." Those two people — or twenty, or twelve hundred — may be totally different individuals, with different talents, different abilities, different personalities . . . and yet they are alike in being valuable to each other's success.

Respecting, and being respected, are crucial elements in any true Associate relationship. For that reason, I hope we always will try to make them characteristic of Scotts.



Wishful Doing

I have a confession to make to you.

Deep inside I am a wishful thinker, an aspirer. A basic part of the zest in my life comes from wishing for better and greater things than what I see around me, and from trying to make these things happen.

Let me make an educated guess about you — deep inside you're the same, aren't you?

As these "One Man's Opinion" letters have progressed, some associates have been frank enough to point out gaps between my observations and what they themselves perceive as really happening at Scotts. Many of their colleagues, for example, don't experience "the joy of work." Not all of their leaders really succeed in "respecting and being respected." Some of their most talented and intelligent co-workers would rather snipe anonymously at other people's decisions, instead of emerging to make "footprints" of their own.

Le Herron, you sure are out of touch with today's reality.

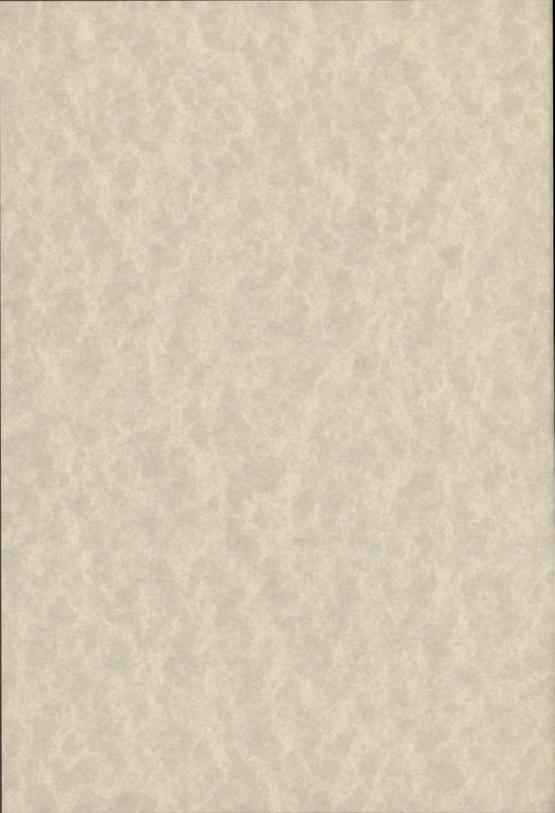
Yes, I do know the gaps exist. There is indeed a differ-



ence between some of the things that happen today, and what wishful thinkers like you and I might like to see instead. Our aspirations toward better things — whether we hold them out as goals, ideals, or dreams — are what we each strive to fulfill over a period of time, recognizing that there will probably always be some shortcoming, some gap between the desirable and the real. But should one give up the attempt to reach an ideal simply because it may not be completely attainable? What's important in life is not perfection, but progress toward perfection. Isn't there value in trying one's best to narrow the gap?

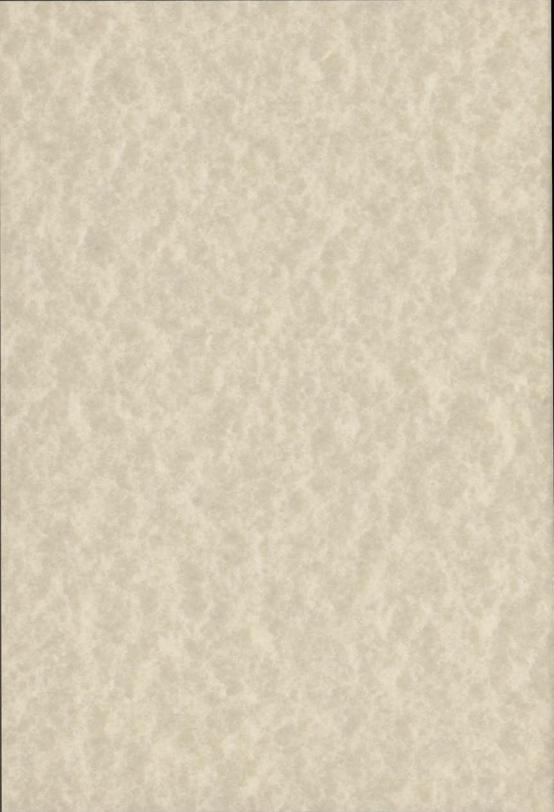
It appears to me, as we consider this question, that wishful doing is far more important than simply wishful thinking. The gaps I detect at Scotts are the chief reason for many actions I have taken and will take, and they are a major motive for these letters.

In "One Man's Opinion" I don't really intend to report on today's reality, but rather to help shape tomorrow's, by sharing my beliefs to encourage you and your own ideals and wishes. To the fullest extent possible, I aspire to see you too become a "wishful doer", if you are not one already. In your own aspirations, you hold the key to make better and greater things happen; you can become too positive a force to be defeated by negative thinkers and negative doers,



or to be tyrannized by gaps between the way things are and the way you sense they should be.

Wishing, dreaming, aspiring, together I hope we can narrow those gaps . . . until they vanish.

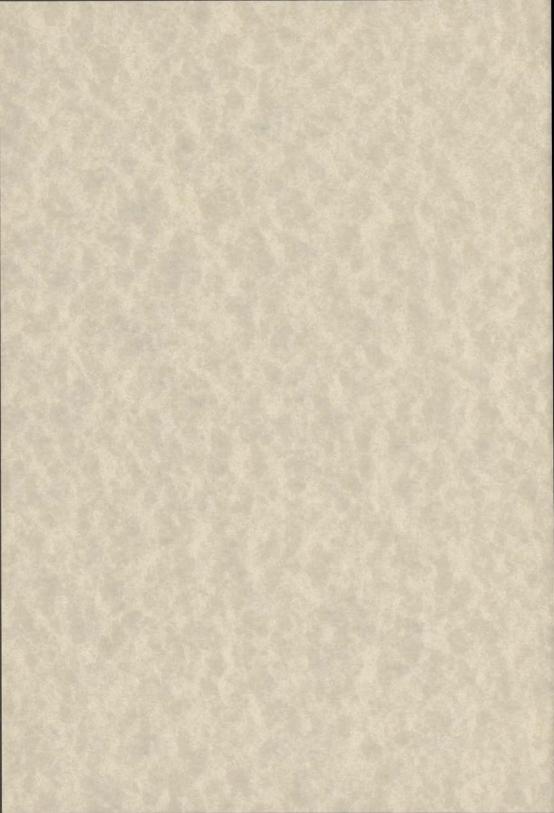


How Can A Problem Be Good For You?

There's a line in a popular song that tells us, "I never promised you a rose garden." Isn't it strange, though, that we spend most of our lives believing that if we could only be truly successful at what we do, life would be a rose garden . . . no problems, no crises, no tough decisions. In fact, it seems we often think that to be beset by problems means we've somehow failed (if we'd done things right, nothing would have gone wrong).

I would like to say flatly that I think this is ridiculous. The only people who have no problems are those who have no goals — for what's a problem but a stumbling-block between us and some goal we're trying to reach? Furthermore, problems can actually help us reach those goals, depending on how we handle them.

It seems to me that a problem can be just as valuable in building will and character as physical exercise is in building bodily health and strength. Like exercise, a problem is an often unwelcome discipline: given our choice, there are plenty of things higher on everybody's

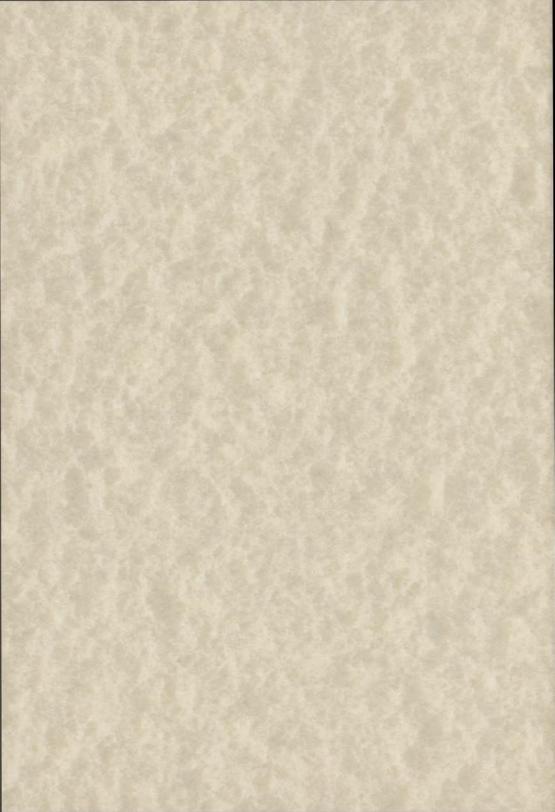


list of priorities than struggling with adversity. And yet, I know in hindsight that the times in my life that have been the most value to me have been those that were the most trying and horrendously difficult.

A problem takes on value because of the personal reward an individual gets from dealing with it. It can bring us emotional maturity, mental broadening and development. It can even help build a sense of confidence. Part of the security of age, I've found, comes from one's experience of a broad range of problems; new problems are often just derivatives of old ones we've already encountered.

You've probably heard the cliche about a problem being an opportunity in disguise. What does this mean — an opportunity to look good in front of the boss? That seems to suggest that the only time a problem benefits us is when (and if) we solve it, which to my mind is like saying that the only way you benefit from training for a marathon is if you win it. The exercise of will and character in itself strengthens us, even if uncontrollable circumstances prevent us from obtaining precisely the results we would like. A problem in other words, is an opportunity to become a stronger human being.

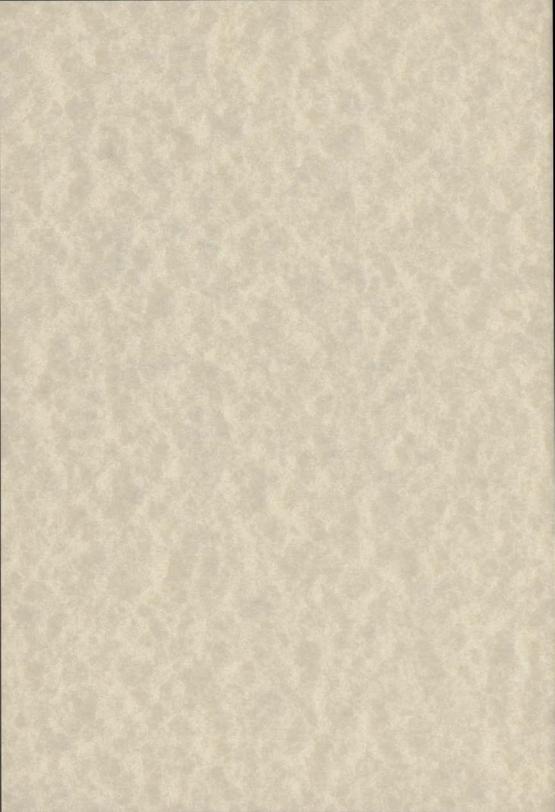
Fear of failure, then, isn't a valid reason to run away from problems. If you are true to yourself, if you know



what your goals are, you'll find that problems are inevitable; the only way to really fail at a problem is to put blinders on and slide past it, refusing to get involved with it.

I don't mean to say that sitting and stewing about difficulties will necessarily be beneficial... in fact, to worry unproductively can be very destructive. Dealing successfully with a problem really demands the effort of our God-given intelligence and energy, and most importantly, the will to reach that important goal which is now threatened. Fretting, without acting, is like trying to get into shape by thinking about exercise.

There is one wonderfully consoling quality common to all problems: they will pass. They're temporary. And if, knowing that, you can grab hold of a problem and say, "I'm going to learn something from dealing with this pain in the neck," I think that you're just that much closer to achieving the goals you cherish.



Standing Alone

From my perspective of nearly 40 years in business, there are two statements that appear to be unspoken rules of the American workplace. Considering that they're not advertised or openly applauded, they are remarkably pervasive and incredibly durable.

- 1. Don't do any more than you have to.
- 2. Never say anything good about the company.

And wherever this attitude thrives, in corporations or government agencies, it is tremendously corrosive. In return for the thrill of joining one's peers in underground opposition to the "boss", it transforms the workplace into a wasteland of sullen mediocrity, where personal excellence is unknown, extra effort is discouraged, and change comes only in bursts of bitter confrontation. If that sounds far-fetched, you can see its cumulative effect for yourself, by looking at the nation-wide sag in our productivity and our deteriorating competitive position in the world.

It exasperates me that we have to pay for this destructive attitude in shoddy and high-priced goods and services,

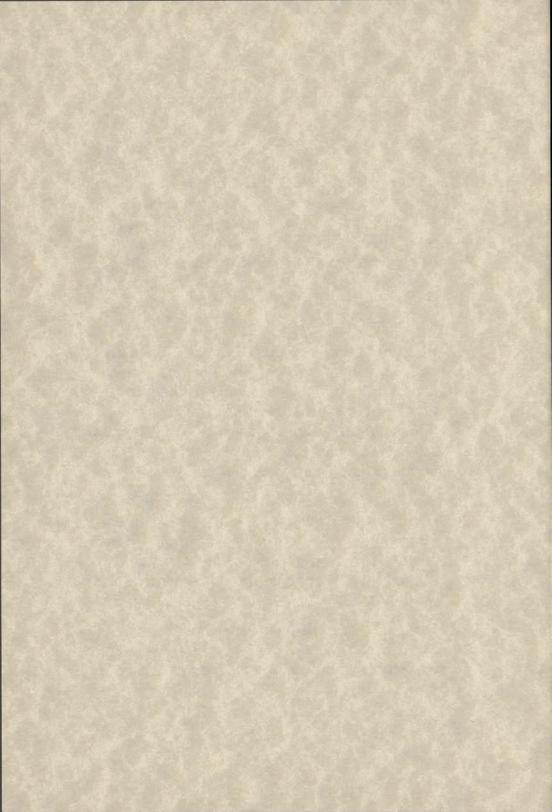


as well as in greater anxiety about the chances of controlling our country's future. But most of all, it's frustrating that these ideas go unchallenged by those who have the most to gain from challenging them. Bright, talented, energetic people are allowing themselves to be persuaded into second-rate lives by the pressure of peers who want no comparison with their own mediocrity. "Hey!" a veteran whispers to the enterprising new employee. "Don't work so hard! You want to make the rest of us look bad?"

What a waste! Why don't more people resist this poisonous wisdom? Why consent to cheat yourself of the opportunity to create wonderful things with your God-given talents, in return for a career of mediocrity hidden in the crowd? Why work so long in deceit and self-denial, when your natural ambitions would normally lead you to excel and to prosper?

Of course, peer pressure is an awesome thing, especially when one has never had to resist it before. It's uncomfortable to stand alone. You might lose the comradeship of some of your peers . . . but do you suppose you may be grudgingly awarded their respect, instead?

You see, I can appreciate the benefits of standing alone from both sides. As a worker, I've stood alone more times than I would like to admit, not because

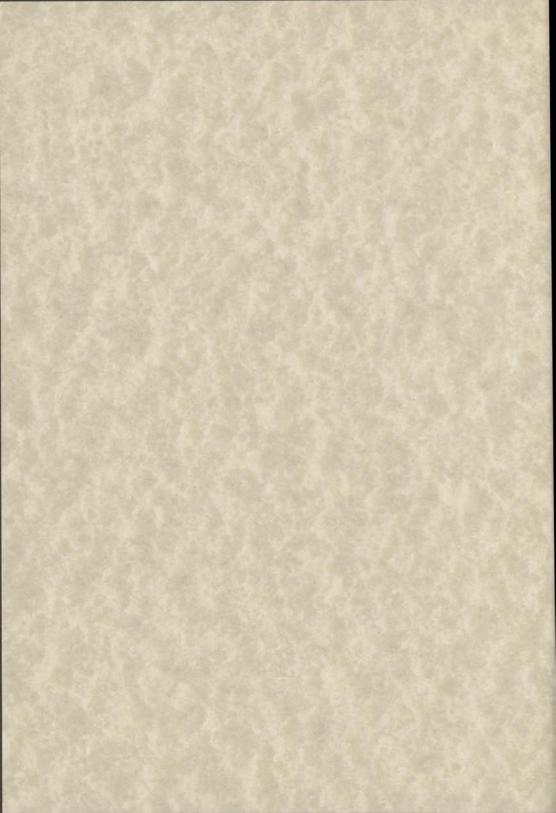


of any fondness for controversy but because I didn't want to settle for less than what seemed to me to be right. Whatever one's popularity or lack of it, I believe this is the only way a person can really live at peace with himself.

On the other hand, as a manager responsible for numbers of workers, I cry out for more of you to stand alone. Let me see what imagination and skills you can bring to help this company better itself! Give us a chance to reward your ability and enthusiasm! No one can spot your talent if you camouflage it with mediocrity.

The trend, fortunately, seems to be reversing itself. Companies are beginning to re-emphasize excellence in work, shifting more of that responsibility directly to workers through concepts like the quality circle. However, the fundamental change really has to happen inside people, who decide that the will of the crowd is not as important as their own right to seek fulfillment of their goals. It's these individuals who will reap the greatest rewards during their working lives, in terms of self-respect, satisfaction, and material success. This potential is in all of us — if we're willing to risk breaking the rules which restrict us.

If doing your best means that no one will stand with you, stand alone! Stick to what you think is right. Just remember, you were born to create — not to stagnate!

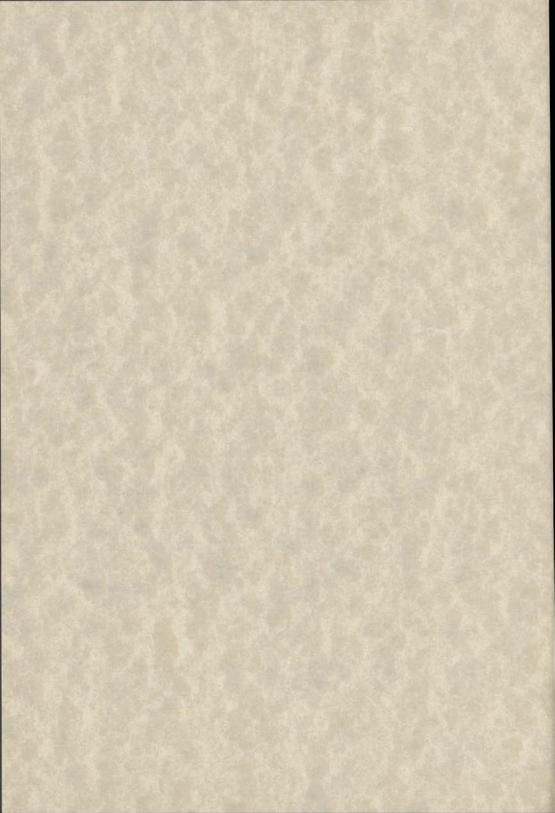


Petitions

Several of our associates recently had raised the question of petitions and their use to express a broadly held opinion of any group of associates. Their contention was that this was not only an appropriate but perhaps the only way for associates to express their viewpoint.

If petitions truly expressed the desires of those signing I would have to agree they have their place, but experience shows this is rarely the case. Petitions normally express the interest of a few people who then get others to sign their names. Most of us sign petitions because of peer pressure. It is not comfortable to say "no" to someone you have to work with everyday and besides, "I may need their help in the future." It is, also, easy to rationalize by telling yourself, "If I'm not strongly opposed to the petition, there is no harm in signing — it really doesn't make any difference to me one way or the other."

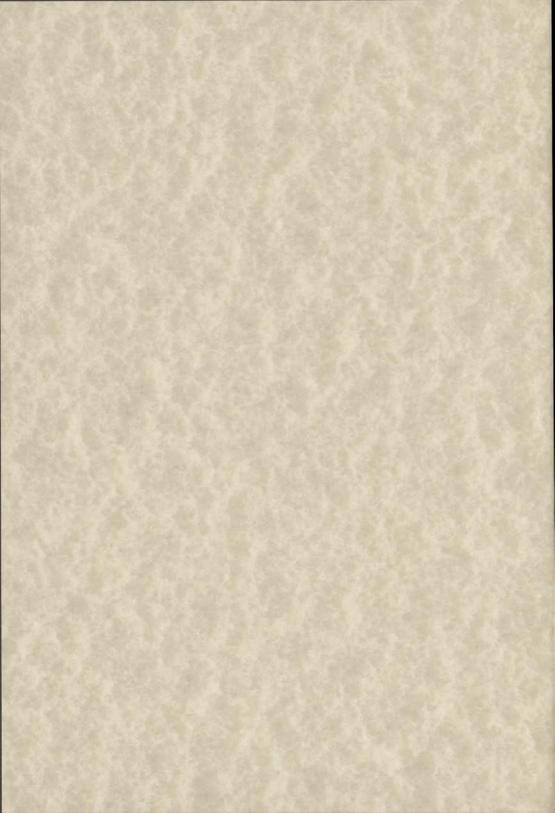
My experience tells me petitions rarely express the real viewpoint of all the signers. Fortunately, there are better



ways for us to express our viewpoint and ask questions. They are:

- 1. Talk to our Supervisor or Manager;
- 2. Talk to Associate Relations;
- 3. Use the Feedback Forms assures confidentiality, if this is important;
- Use the "Open Door Policy" with Senior Management.

Not everyone will agree with my viewpoint, but you have a right to know how I feel when I hear from an associate or several associates individually on any subject, I listen carefully and try to take appropriate action. When I receive a petition, I immediately wonder who is trying to push their viewpoint by pressuring others to sign a petition. One of Scotts most important strengths is the opportunity for each associate to speak for himself and be heard.

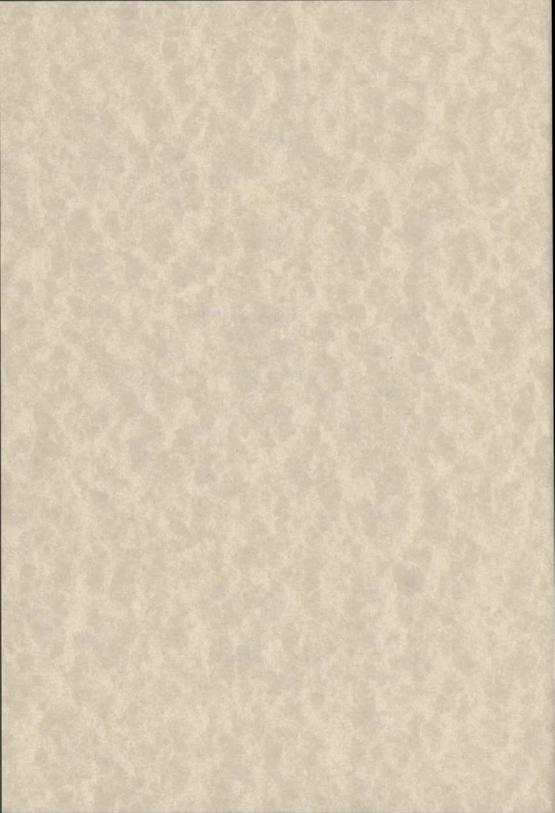


How To Succeed In Business

It concerns me that young people just coming into the work force are still being given a very peculiar idea of how to succeed on the job. Best-selling books like **Power!** and **Looking Out For Number One** warn them that it's everyone for himself, and that they'll have to claw and gouge their way to the top. I'm sure you've heard this philosophy before; it sounds as if it must be true just because it's been around so long.

Yet trying to succeed on one's own is terribly difficult, if not impossible. For one thing, it takes a great deal of scheming, politicking, and maneuvering, which is tremendously hard work. And often the result of all this effort is that Number One's co-workers, annoyed at being manipulated or shouldered aside, are only too glad to see him fall flat on his face. (In fact, they'll probably help to trip him.)

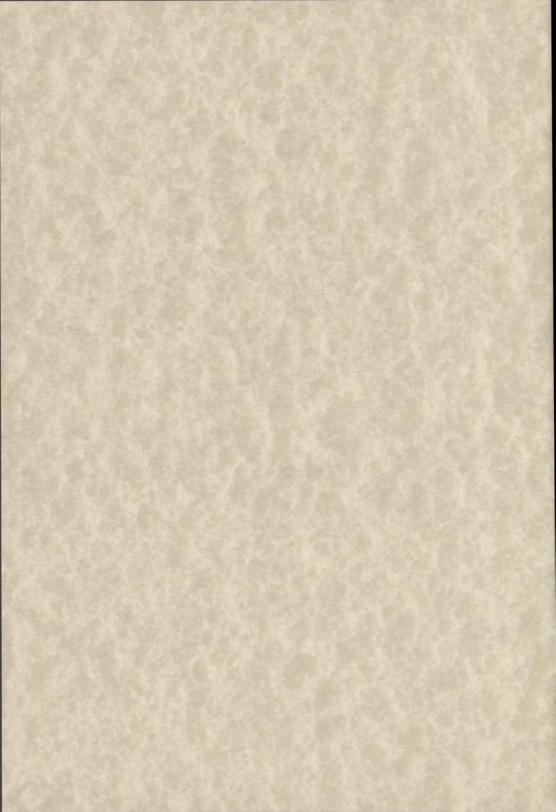
In short, an advancement policy based solely on looking out for one's self is not only arduous but probably doomed to disaster from the start. In my own expe-



rience, it's always seemed far simpler and easier to encourage other people to join me in working together for success, whose rewards we will all be able to share.

"Learning to work together with others" is probably the closest thing to a business success formula that I can conceive of. There's room in this formula for all the personal ambition you might have. Ambitious people working together will have a greater chance of attaining personal success, as their common enterprise succeeds. On the other hand, those who can't work together will probably end up sharing their failures together. (Imagine the difference if the forces in the auto industry, for example, had learned to work together instead of surviving only through confrontation.)

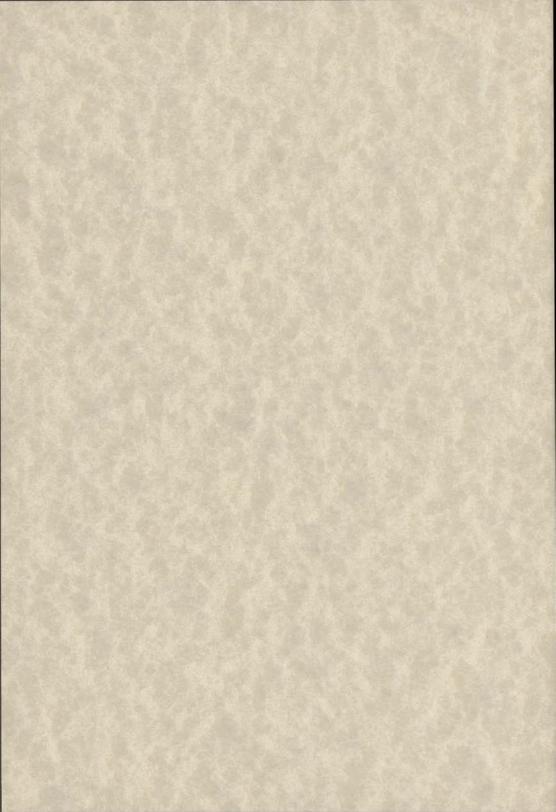
Of course, we can't control all the factors leading to success or failure, but by controlling how we go about trying to succeed — by sharing the effort with others, in return for sharing the rewards to come — we can certainly improve the odds in our favor. For instance, if I work hard to make Scotts succeed, solely so I myself can earn a better salary, my determination will have some effect on our success. But if the people responsible for research, manufacturing, marketing and distribution are working together with me so that all of us can earn more, we have a much better chance to succeed. If we can encourage that spirit to permeate the entire organization, Scotts be-



comes darn near unbeatable, and our chances of attaining success on a companywide basis become excellent. By sharing individually and collectively in the rewards of that success, we're all inspired to keep succeeding. That, I believe, is how people (and companies) really advance.

On a corporate level, Scotts has tried for many years to make a practice of sharing success with the people who have made it possible. Speaking from my own viewpoint, I take enormous joy in this sharing. When, after a year of companywide effort and record-breaking sales, I hear an Associate comment that the size of the company's profit sharing contributuion means he'd receive the equivalent of 57 weeks of pay for a 52-week year, I am delighted by his pleasure. When I see new cars in the company lot, when I hear of new families which Scotts' shared rewards have helped in some way to launch, I know the true blessing of success.

If those misinformed young workers could stand in my shoes and feel the pride and satisfaction in my heart at that moment, I think they might understand a little more fully what it really means to succeed. I can't believe there's any joy in "looking out for Number One" which compares with this.



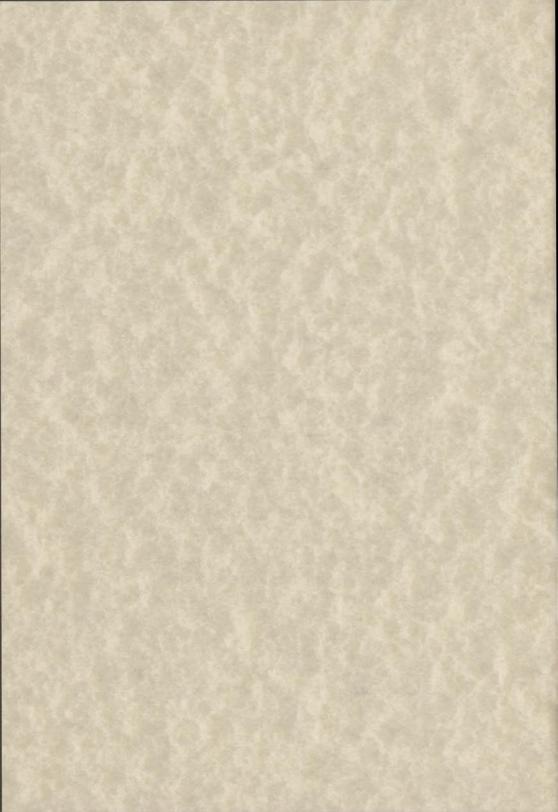
The Nature of Power

What's the one thing a leader must have to be successful?

Followers, right? So basic an answer, and yet it's at the heart of all leadership failures. A leader who has no followers has no power to achieve results.

Unlike an impressive title or a bigger salary, followers can't be awarded to a leader; they must be attracted through honest respect and won by personal effort. We might draw an important distinction here, between appointed leaders and real leaders. You'll see both versions in any organized group: the appointed leader has been given the authority to lead, but it's the real leader who has developed the **power** to lead.

We all know people for whom we want to do things, and other people for whom we have to do things. Which of these two groups gets our maximum efforts, and which gets the minimum? Those who can inspire us to consistently give our best are the ones with real power. In fact, if a group's real leader and its appointed leader are two different individuals, it's the real leader whom people will more freely follow.

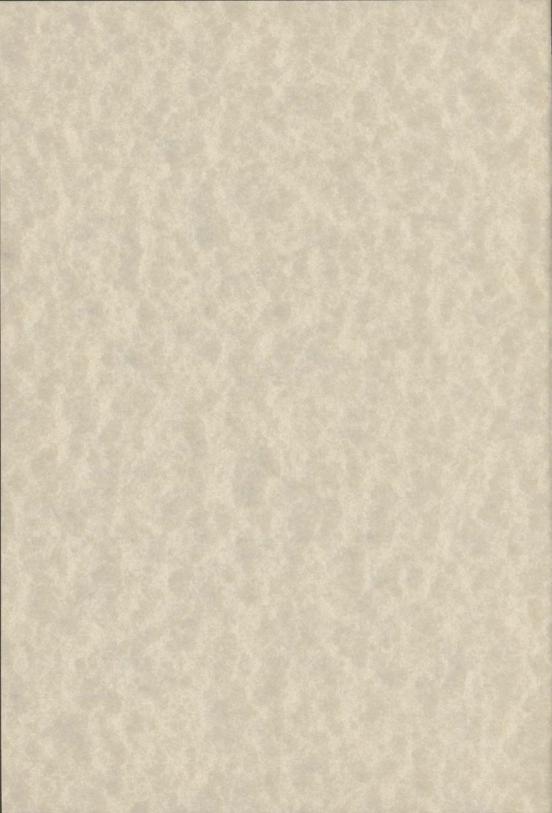


The truth is that power really does come from those who are governed, from their willingness to be led. This suggests to me that successful leadership is really successful followership; it's the ability to earn the respect, support, and involvement of other people who are willing to be guided in a common enterprise. The appointed leaders who don't understand this never fulfill the opportunity of their office. Their designated authority never blossoms into real power, and because they don't have people's respect and support, they eventually lose even that original authority.

Authority without power, after all, is limited in what it can accomplish. For example, if I, as a leader, fail to inspire people to respect me, to want to involve themselves in being led toward a common objective, then there's a point beyond which this company cannot go. If the situation continued long enough, support and confidence would be lost, and eventually — having lost my power to lead — I would soon lose my formal authority as well.

When a leader has been given authority from above and has earned power from below, he or she is in a unique position to help people accomplish great things. True, this combination of power and authority can be hard to handle properly, even for the best-intentioned leaders.

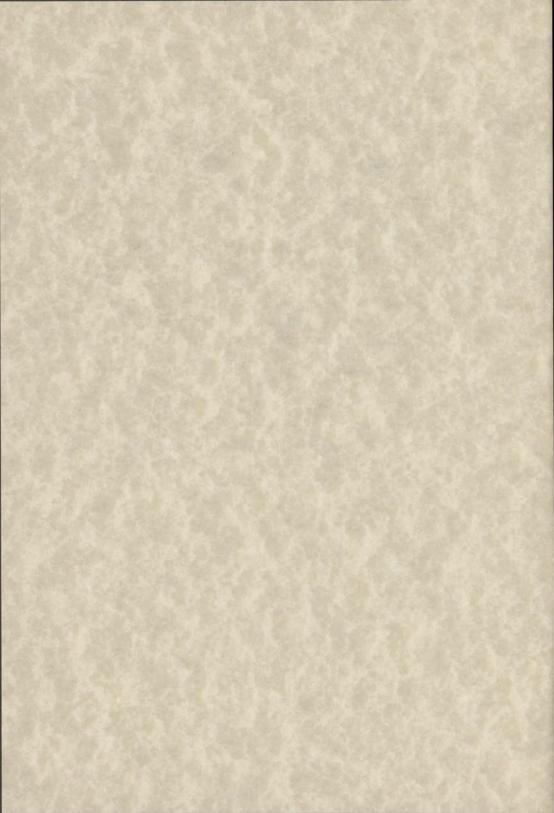
(I'd like to offer some observations on that subject in a future letter, "The Temptations of Power".) But when



it comes to seeking out candidates for supervisory or managerial positions, I sense a growing awareness in many companies that the people skills of a "real leader" are as important and as desirable as technical skills.

In talking about people skills, I don't mean to suggest that the most popular member of a group is necessarily its real leader. Rather, the individual who really leads others is someone who holds his or her colleagues' respect, and who cares a great deal about helping others to do their best.

In other words, I believe that leadership, too, is based on the mutual respect and caring which are so important to a company's success. It's this respect and caring which are the chief components of power, and which make it such a fragile and awesome force.

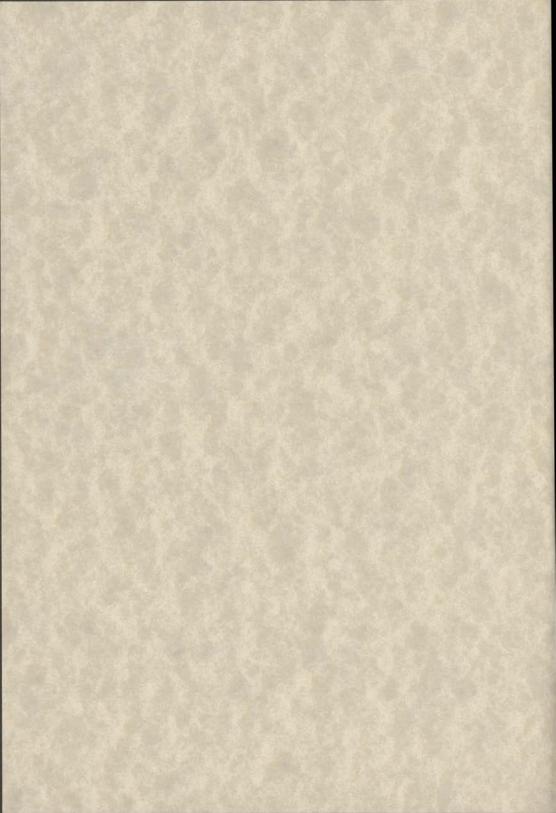


The Temptations of Power

"Power tends to corrupt."

Many of us are familiar with that observation, which dates back about a hundred years to Queen Victoria's contemporary, Lord Acton. We all know examples from personal experience that seem to prove the rule... and yet, isn't there something highly ironic about it? In the most recent letter of this series, "THE NATURE OF POWER", the conclusion was that power really derives from the consent of the governed; a leader must earn it and hold it by virtue of others' respect for his or her character and capabilities. How can leaders be corrupted by something which others can easily deny them?

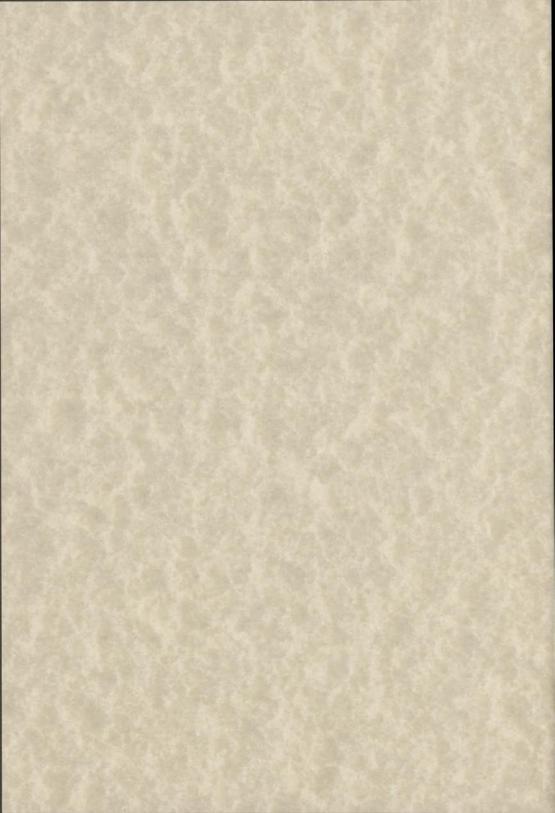
The primary opportunity for trouble exists, it seems to me, when formal authority is added to the informal power a leader already exercises—in other words, when a leader becomes aware that if people don't want to follow voluntarily, he or she now has the official clout to make them obey anyhow. It's then that power tends to corrupt, no matter how good the lead-



er's intentions may be, because of the terrific pressure of expectations from above (where the authority comes from) and below (where the power comes from).

The inexperienced leader faces two major temptations: overusing power and authority, and underusing them. Overuse is the more strikingly visible of the two; it springs out of leaders' eagerness to justify their superiors' trust in them, and out of fear of being thought a pushover if they act like nice guys. Symptoms are a tendency to crack the whip constantly, to restrict people's initiative, to take exceptional performance for granted. In essence, this type of leader trades on people's natural desire to cooperate and contribute. without allowing them in return enough of the tangible and intangible rewards of outstanding performance. Eventually, people will lose their willingness to work with individuals like this; and with their real power eroding, these leaders have to fall back on the authority of their office to get results. Once the slide starts, it's hard to stop. Persuasion and involvement are replaced by coercion; people who once gave willingly of their talents and creativity now do the barest minimum of work to get by. For want of a little more consideration and caring, an entire team's effort can be crippled.

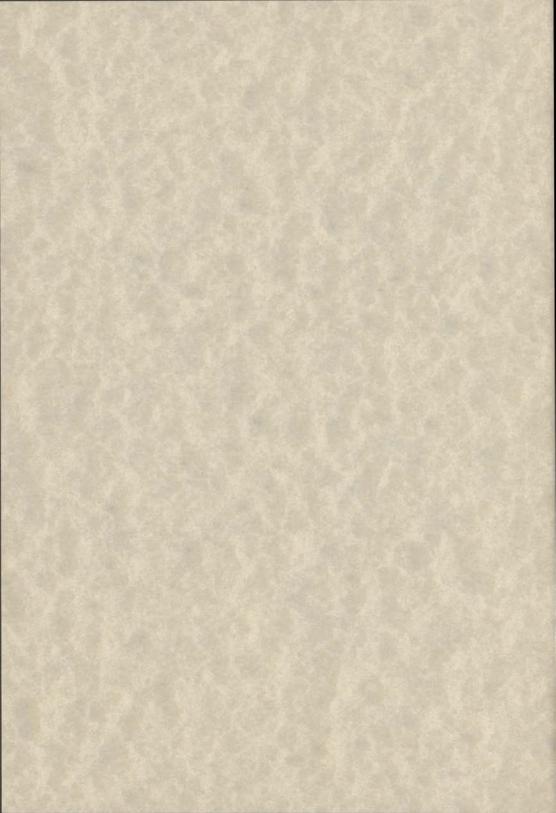
On the other hand, there are the leaders who are so considerate of their followers, and so unsure of themselves, that they underuse their power and authority.



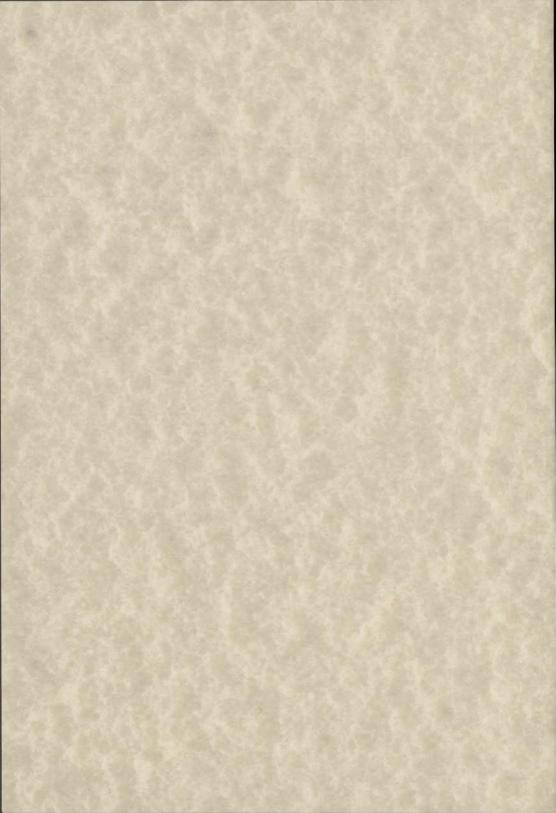
Knowing that others trust and respect them, they're anxious not to jeopardize their power and risk crushing that spirit of willing cooperation by being tough. What they may not realize, however, is that their reluctance to set and enforce high standards will be perceived by other team members as a lack of caring.

Underuse of power, I believe, can actually cause more problems than overuse, because it leaves people floundering for direction and feedback, depriving them of opportunities to be productive. At first bewildered by the lack of guidance from an individual whom they have confidence in, they eventually perceive that their own growth and the team's progress are being hampered, and their respect for the leader begins to deteriorate. If the leader fails to act at this point, the team can literally disintegrate in front of everyone's eyes.

Power has received a bad name largely because of excesses like these. It's true that much depends on the integrity of those who use it; power in the hands of a Hitler, for instance, is all the more frightening because it was given to him by those he governed. Our first and best defense agains villainous leaders is simply common sense. But the majority of leaders would not hold either authority or power if they hadn't started out worthy of trust, and the majority of misuses of power happen through a combination of good intentions and bad judgment.



Note that Lord Acton did not say, as many people think he did, "All power corrupts." He said, "Power tends to corrupt." If leaders can avoid the temptations of power by caring about the people whose effort is vital to the result, as well as caring about the result itself, then there is really no limit to what they can accomplish.

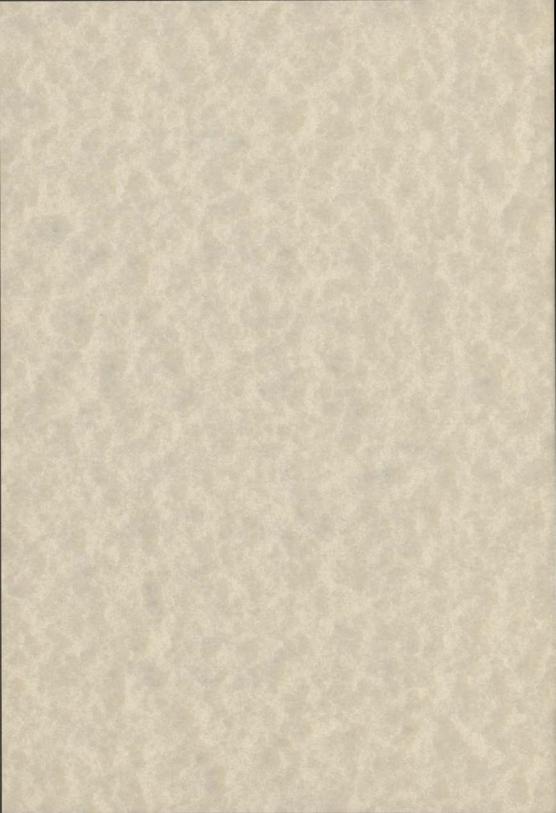


Excellence

Doing the best possible. Playing to win. Going the extra mile. Not settling for second best.

You can probably think of half a dozen other ways to describe an idea we're all familiar with: excellence. Though it's often expressed in comfortable cliches, it's not always a comfortable concept. Many people struggle in pursuit of it; others resist it or shy away, preferring to lose themselves in the crowd. One way or another, we're all involved in the challenge of excellence, because it's a vital part of our personal pride, self-fulfillment, and relationship with others.

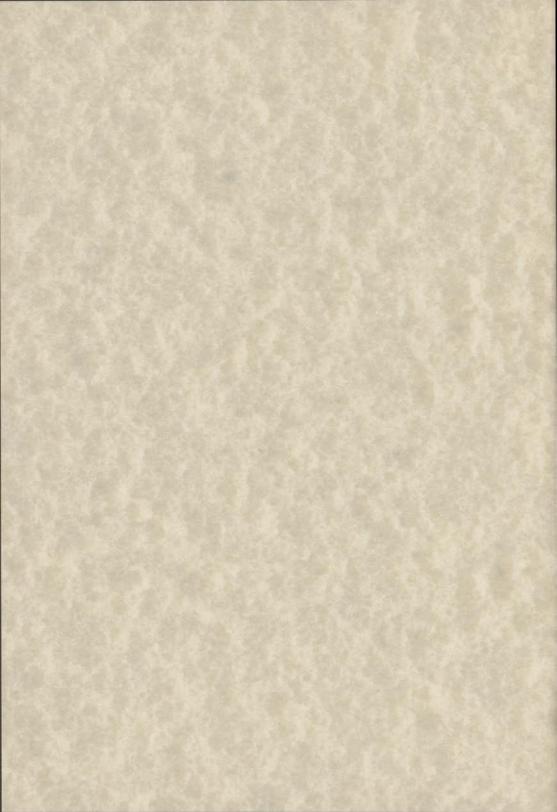
In these letters, I've tried to express an attitude toward excellence which I perceive as characteristic of Scotts. The central feature of this philosophy is inspiration and encouragement of individuals to do their best. Tangible inducements such as salary and fringes aren't really a positive factor. At best, they may discourage substandard work, but they can't inspire excellence by themselves. What factors do make the difference? Personal example . . . caring leadership . . . attention to quality . . . integrity and openness . . . respect . . . appreciation of others' efforts: all of these intangibles help to create a climate in which people can flourish as more



productive human beings. Striving together for excellence, these individuals bring a better company into being. Beyond that, their individual pride leads to a collective pride, which in turn stimulates creativity and innovation.

Scotts' new corporate office building is a specific example of this philosophy in operation. Though it's composed of tangibles like timber and glass, fabric and electrical circuits, the pride it inspires in Associates has much more to do with the dreams which engendered it and the thoughts and ideas which went into its design and construction. If the same materials and the same budget had been used without the enhancement of these intangible aspirations, the resulting building might still have been adequate—but it would not have had the same power to inspire and stimulate those who experience it.

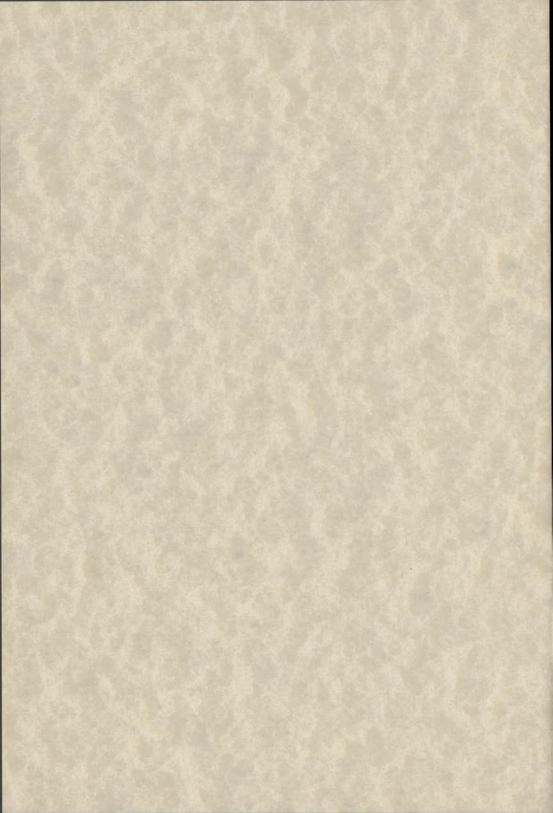
I really believe that excellence inspires excellence. It's a creative, positive force, with a snowballing effect because of the goals and aspirations which motivate it. On the other hand, "being average" is a state of stagnation, and it disturbs me greatly that so many individuals and organizations in this country are content with it. There's no reward for being average, no joy in mediocrity. At best, it's a non-negative: you are succeeding in avoiding the penalty for being below average. What kind of achievement is that?



In our consumer studies, people consistently tell us that they associate the Scotts name with quality and excellence—not just in connection with our products, but as characteristics of the company itself. The strong trust they place in us suggests to me that there's a growing hunger for excellence in this country, a dissatisfaction with the national drift toward mediocrity. Yet why should this philosophy of Scotts' be so uncommon? It doesn't really cost any more, in dollars or in hours, and its byproducts—enriched human satisfaction, better products and services more efficiently provided—are so valuable as to be almost beyond price.

All of us benefit when people and companies are willing to stand up—and stand out—in a commitment to excellence. We can't afford to lose any more ground; in fact, hard work will be needed to regain yardage which has already been lost due to complacency. Sure, we can be justifiably proud that people have thought of Scotts for years in terms of caring, dedication, honesty, and outstanding value. But if anybody thinks we're doing fine in that area and can afford to stop "playing to win" for a while, let me ask you one question:

What did you use to associate with the words "Made in USA?"



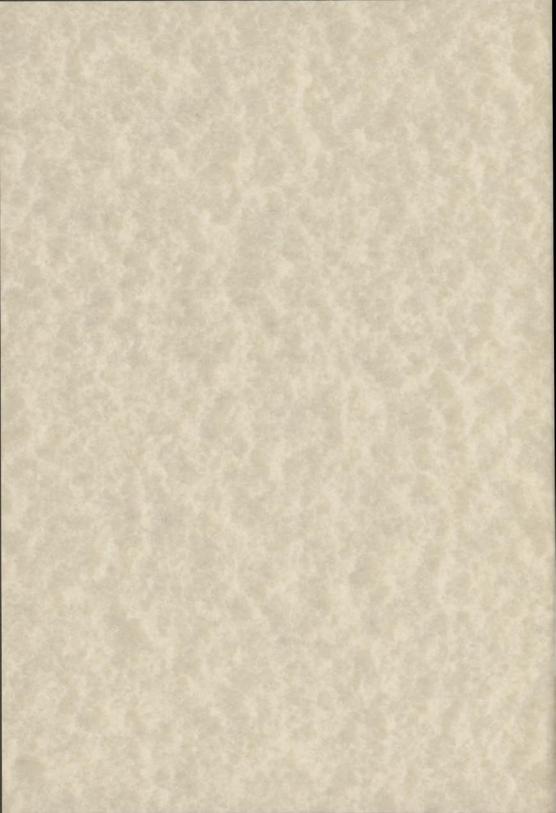
Be Thyself

Do **your** associates know the real human being you are—or are you projecting yourself instead the way you think they'd like to see you?

It's so very easy to fall into this trap as a result of the simple desire to impress others. A salesperson who is naturally thoughtful and precise feels it's necessary to project an image as a gung-ho go-getter, to impress clients. A worker who, at heart, enjoys her job joins her associates in griping about the boss and the company, to impress them with her good fellowship. A supervisor acts like a submissively obedient Dr. Jekyll to impress his superior, then turns into a fire-breathing Mr. Hyde to impress (and intimidate) subordinates.

Imagine: all this role-playing not because we want to, but because we feel somehow it's expected of us! Our lives become controlled by what we think other people want us to be. (And our guesses are usually wrong.)

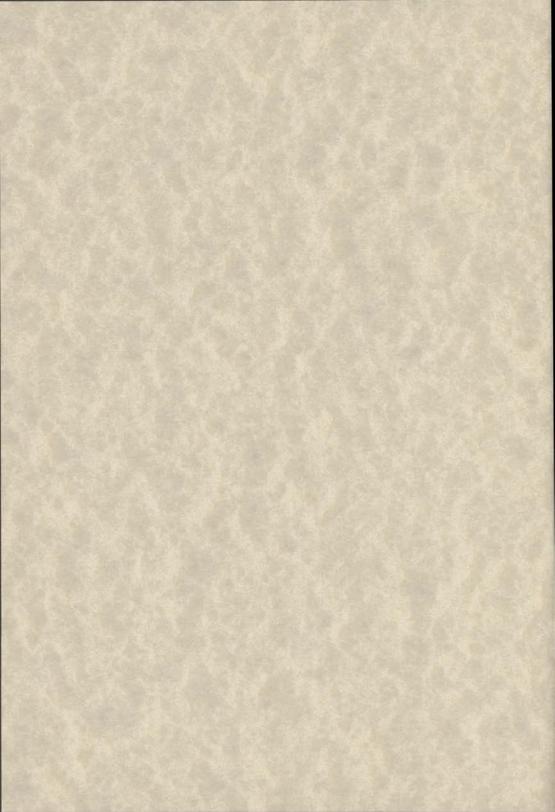
But you really can't fool all of the people all of the time. Sooner or later, any effort to win respect by impressing people in a phony way will backfire into a loss of respect, once they realize that your appearances don't tally with your actions.



It seems to me far better to act in accordance with your own nature and values, striving to be the same person in the eyes of man that you would like to be in the eyes of God. If you let people see the real you, and do it all the way, be prepared for the fact that you may not be as popular as those who adapt their values easily to what will please others. But instead of approval based on your acting talents, you'll earn a more fundamental kind of respect, as a decent and honest human being.

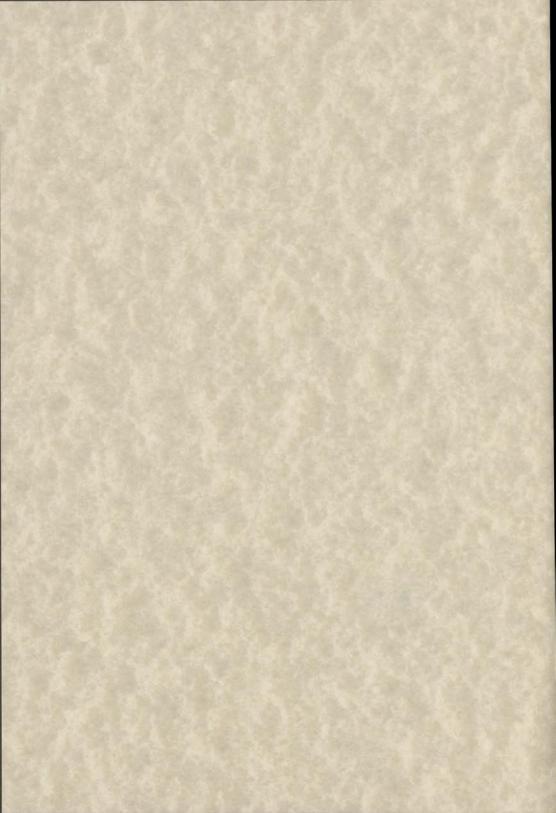
By being open in this way with yourself and with others, you stand to benefit from one of the greatest rewards of honesty, which is that people will forgive you for being human and genuine. When you're open with others about yourself, they become a little less fearful about revealing themselves as they are. In my experience, honesty generates honesty—and then the chances for effective communication, caring, and respect are tremendously increased.

Please do not read into this message that "anything goes". If you've always tended to be short-tempered under pressure, for example, I'm not suggesting you should feel free to blow your top whenever a deadline looms. Don't stop trying to become the better person which you know you want to be or should be. But the choice of your values and attitudes should come from within, not from what you think other people would



like to see.

Knowing you were created as a unique and richly interesting human being, why waste so much of your life fabricating images to mislead people? Be yourself! Stand alone, and let others see the real you!

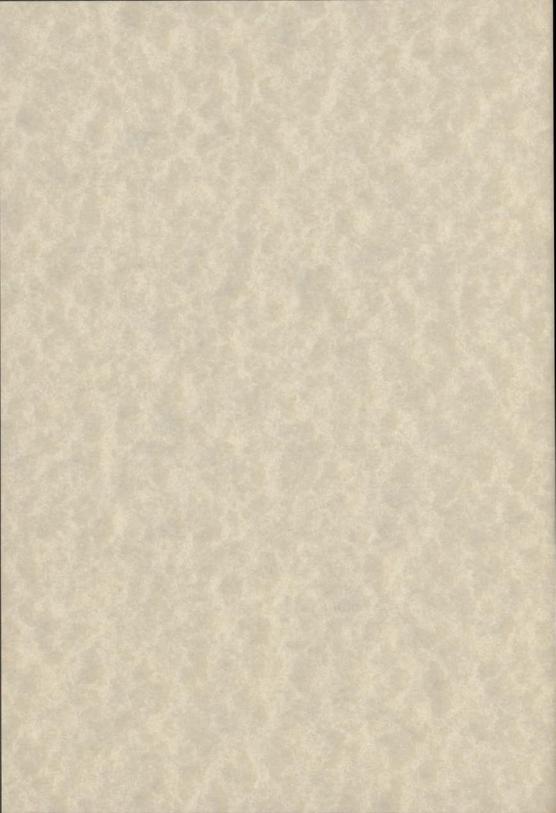


A Company of Leaders

Thank you, my friends and associates, for allowing me to serve you as your leader for the past 16 years. Your trust and willingness to work together with me in this enterprise have brought us to a point which will be the ceiling of my era. Yet before all of you lies the prospect of greater heights of success than Scotts has ever known, for today's ceiling is only the floor of the future.

And thus we've reached the end of these messages. One Man's Opinion was never intended to reveal fixed, eternal truths, only personal views of "what can be". I've tried to express through them the values that have guided me as a leader, with the hope that they'll become part of today's benchmark, a starting point for new growth or new directions you may decide to take.

These messages are dedicated to all of you. No matter what the degree of formal authority may be, you are all leaders, dependent on the good will and good work of your associates, influencing each other for better or worse. If nothing else, I hope these thoughts have encouraged you to reach beyond "what is" toward "what can be", by showing you one man's opinion of how you might make it happen.



Be willing to involve youself emotionally.

Your God-given ability to create things of meaning and value multiplies its effect when you involve yourself wholeheartedly. Enjoy your own creative energy.

Trust others.

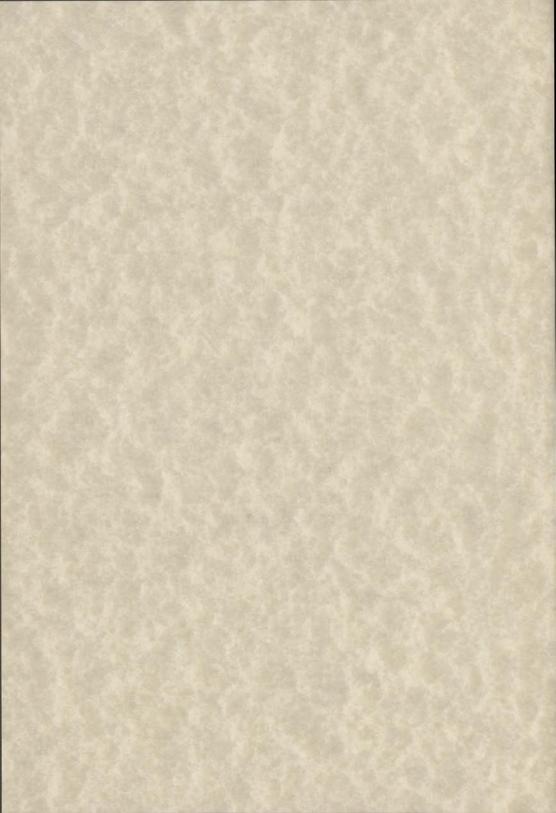
The majority of people are fundamentally worthy of trust, and they will respond positively to being respected for their basic honesty and dignity.

Be willing to excel.

Don't hide your high personal standards; share them and inspire others. Make yourself outstanding—visibly outstanding. Leave "footprints" of value in your daily life.

Be considerate.

Remember the importance of other people's willing participation in reaching your goals. Your respect for them can encourage them tremendously; their respect for you makes your success easier to achieve. Communicate clearly and listen clearly.



Be open to new ideas.

Don't avoid them for fear of mistakes. By the same token, learn from your problems; they'll strengthen you as you wrestle with them. Try to control events by acting before they control you. Be courageous!

Last and vitally important: be yourself.

Let other people see the real you. Be as honest with others as you are with yourself; and don't be afraid to stand up for what you believe in.

Lastly, a personal thank you to each one of you. It has been an unusual privilege to be a part of Scotts and to have had the opportunity to serve you. This is truly a different company with special people. May God Bless you individually and collectively.

