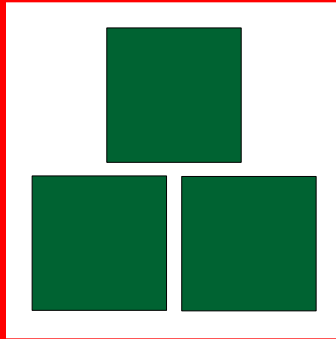


**STEWARDSHIP
- THE RESPONSIBILITY FOR THE
PERFORMANCE OF AN ENTERPRISE
AND THE DELIVERY OF VALUE**



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ENTERPRISE AND THE DELIVERY OF VALUE

Stewardship is the discipline of administering the affairs and assets of others. Religious institutions apply the concept to those who administer their finances. The concept has been extended to the notion of household servants taking care of residents, and crews taking care of passengers on planes, ships, and trains. The stewardship discipline applies to enterprises also.

An enterprise is a group of activities intended to produce income organized as a business for profit, as a not-for-profit association, and even as a government agency.

This discussion is about stewardship in enterprises organized as businesses. However the same principles apply to not-for profit associations and to government agencies.

When organized for profit as corporations, partnerships, or limited liability companies, enterprises have shareholder, partner, or member investors. Investors delegate responsibility to a management team for directing and controlling the activities. The investors elect a board, who in turn appoint the officers, who in turn hire and retain other employees to enact the values, and to achieve the mission and vision.

The stewards of an enterprise include management (board of directors, officers, and non-official managers) and associates (supervisors and staff). Collectively they administer affairs and protect assets. As stewards, unincorporated sole proprietors should separate their personal assets from those being used in their enterprises.

Every employee of the enterprise is a steward if they share its values, mission, and vision. An employee who sits on the side lines, does nothing constructively, speaks negatively, delivers poor service, or is otherwise uncommitted, is not a steward. Such individuals should seek opportunities elsewhere because only stewards can be trusted as custodians of the enterprise.

The stewardship discipline is about the effective application of the individual competencies of the stewards to the benefit of the enterprise and its constituencies. Competencies consist of knowledge and skills in personal, professional/technical, and enterpriship disciplines. Enterpriship embraces entrepreneurship, leadership, and management disciplines. The discipline applies to owner-managed enterprises also because there is a mutual responsibility between any enterprise and its constituencies to perform and to deliver value to all concerned.

Constituencies include employees, customers, suppliers, investors, regulators, and competitors. Employees are owed fair compensation and a safe environment in exchange for loyalty and productivity. Customers are owed quality and value in exchange for loyalty and timely payments. Suppliers are owed loyalty and timely payments in exchange for quality and value. Investors are owed returns above the cost of capital in exchange for commitment. Regulators are owed compliance in exchange for freedom to do business within laws and regulations. Competitors are owed challenges in exchange for fairness.

For sole practitioners the burden is high because of the breadth and depth of proficiency required to operate in regulated and competitive environments - even sole practitioners have to delegate sooner or later if their enterprises are to build momentum.

Stewardship competencies have three components: enabling, domain, and core.

Enabling competencies depend upon the entrepreneurial, leadership and managerial roles played not only by management, but by every steward in the enterprise. Enabling competencies drive efforts to realize opportunities.

The entrepreneurial role - both a process-oriented and a product-oriented role - is that through which stewards turn innovative ideas into value for the enterprise and its constituencies. Stewards must exercise this role at every stage of an enterprise's development, not just the early stages.

The leadership role - a people-oriented role - is that through which stewards set the direction that others will follow to achieve results. The role is applicable to top-level executives and team leaders on the front-line, or anywhere in between.

The managerial role - a process-oriented role - is that through which stewards apply resources to activities to achieve results.

The enabling competencies of enterprises are based upon the enterpriship competencies of the individual stewards collectively. There is a mutual responsibility among all stewards to ensure that individual competencies of all concerned are being used beneficially.

Stewards often assume two or even all three roles. A steward's ability to multitask is critical to the enterprise's agility, and increases the value of their contribution.

For example, an individual may play the entrepreneurial role by introducing an innovative idea, act as a leader by influencing others to adopt the idea, and leverage managerial skills to obtain positive results from the implementation of the idea. Entrepreneurial skills are essential at any stage of development, not just the emerging stage.

For example, an employee on the front line in a retail establishment can play the entrepreneurial role by upselling or cross-selling other products and/or services, and by asking customers for suggestions; play the leadership role by showing other employees how to better serve customers; and play the managerial role by using time, materials, and supplies efficiently and effectively, such as by reducing waste, recycling, and eliminating redundancy.

Domain competencies represent the specific functional knowledge and technical skills that are required to perform an activity. Domain competencies are found within subject areas such as legal, finance, human resources, information technology, program management, engineering, operations, marketing, and sales.

Core competencies are activities done well that can give the enterprise a competitive advantage.

When stewards work together in teams, synergistic effects can fill gaps in the competencies of individuals. Collectively they determine how competencies can be applied beneficially, and which activities give the best advantage.

Constituents make commitments to an enterprise when they are confident that it can perform and deliver value - employees devote careers, customers are loyal, suppliers advance credit, and investors source capital.

The key success factor of stewardship is to ensure that the enterpriship competencies of individual stewards be transformed into the enabling competencies of the enterprise to deliver value.

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About Nigel A.L Brooks...

Nigel A.L Brooks is a management consultant to entrepreneurs, business enterprise owners, executives, and managers, and the enterprises they serve. He specializes in developing the entrepreneurial, leadership, and managerial competencies that build sustainable advantage from vision to value. He is an author and a frequent speaker.

He obtained his professional experience as a partner at Andersen Consulting (now Accenture, Ltd.), as a vice president at Booz Allen Hamilton, Inc. (now Booz and Company), as a senior vice president at the American Express Company, as president of Javazona Cafes, Inc., and as president of The Business Leadership Development Corporation. He has been a contributing editor for the Bank Administration Institute magazine, and has served on boards of entrepreneurial networks. He was educated at the University of Exeter, Devon, United Kingdom.

His clients are in the financial services, food services, high-tech, manufacturing and distribution, pharmaceuticals, oil and gas, professional services, retail and wholesale, transportation, and government industries.

He has experience in North and Latin America, Europe and Asia-Pacific.

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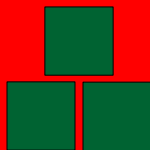
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