

Center for Creative Leadership



ANNUAL
REPORT
2003
2004



Center for
Creative Leadership

leadership. learning. life.

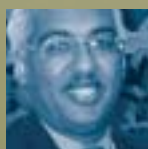


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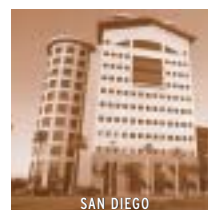
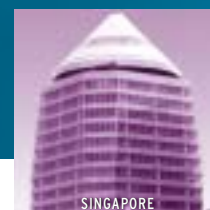
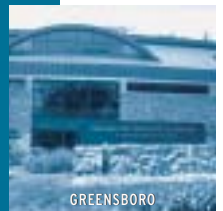
The works of art displayed throughout the 2003 - 2004 annual report are images created by CCL staff. In an initiative entitled, "Living the Values," Center staff were asked to creatively depict on a tile one or two of the Center's values: 1) Our mission and our clients deserve our best 2) Our work serves society 3) We do our work with regard for one another 4) CCL is a good place to work.



The Center for Creative Leadership

The Center for Creative Leadership is a nonprofit educational institution that serves as an international resource for increasing the leadership capabilities of individuals and organizations from across the public, private and nonprofit sectors. Our mission is to advance the understanding, practice and development of leadership for the benefit of society worldwide. Our role is to help individuals and organizations address leadership challenges.

OUR MISSION The Center's nonprofit status and educational mission give us unusual flexibility in a world where quarterly profits often drive or confine thinking and direction. We have the freedom to be objective, wary of short-term trends, and motivated foremost by our mission – hence our substantial and sustained investment in leadership research. Although our work is always grounded in a strong foundation of research, we focus on achieving a beneficial impact in the real world. Our efforts are geared to be practical and action-oriented, helping leaders and their organizations more effectively achieve their goals and vision. The desire to transform learning and ideas into action provides the impetus for our programs, assessments, publications and services.



NORTH AMERICA EUROPE ASIA

OUR APPROACH: IDEAS INTO ACTION INTO IDEAS

The Center is an educational institution engaged in a continuous and fruitful cycle of turning ideas into action, and action into ideas. We teach, and as we teach, we learn. Then we act on what we learn, developing new views of leadership, new assessment techniques, programs and strategies that respond to the evolving challenges faced by leaders and their organizations.

We believe that self knowledge is the single most important factor in the practice of leadership. Becoming more acutely aware of one's strengths and weaknesses is a type of "unfreezing" which leads to setting goals and taking action to improve. As a result, rather than teaching how to manage or analyze or strategize, we help leaders "learn how to learn" from their colleagues, their organizational and competitive contexts, and most importantly, from their own experience. Individuals rarely have the opportunity to receive extensive feedback in the workplace — to understand how others perceive them. Center programs provide leaders with the time, tools and environment needed to gain a comprehensive, accurate view of themselves, and to set personal development goals and begin working toward them. In fact, the Center's extensive use of assessment and honest, productive feedback is frequently cited as the most valuable part of our programs.

Typically, the Center's leadership programs are built on a developmental model of *assessment, challenge and support*. We combine 360-degree feedback, individual assessment and personalized attention in a safe, confidential environment designed to encourage candor, self-examination and experimentation with new behaviors vital to development. Participants are pushed to explore their strengths and identify their development needs in special activities, breakout sessions and simulations that replicate real-world challenges without the real-world consequences for failure. The result is creative exploration, insight and experiential learning that has time and again helped inspire executives and managers to revitalize and focus their organizations.



MISSION

To advance the understanding, practice and development of leadership for the benefit of society worldwide.



EXPERTISE

- » Individual Leader Development
- » Leading in the Context of Difference
- » Leadership Systems and Strategies



ACTIVITIES

- » Leadership Education
 - › Open-enrollment Programs
 - › Custom Solutions
 - › Assessment and Development Resources
 - › Coaching and Feedback Services
- » Knowledge Generation and Dissemination
 - › Research, Development and Evaluation
 - › Publications
- » Leadership Community
 - › Alumni and Friends
 - › Donations and Grants



REACH

- » Asia
- » Europe
- » North America
- » Network Associates
- » www.ccl.org



ACTIVITIES

Our activities encompass leadership education, knowledge generation and dissemination, and building a community centered on leadership. The Center is broadly recognized for excellence in leadership development and executive education.



OPEN-ENROLLMENT PROGRAMS

The Center for Creative Leadership is, first and foremost, an educational institution. It is an academy of leadership development — one that spans five campuses and more than 20 affiliate locations worldwide. Our 14 open-enrollment courses are based on the principles of *assessment, challenge and support*, a model that our research has shown to be effective in stimulating change.

CUSTOMIZED SOLUTIONS

We develop tailored educational solutions for more than 200 client organizations each year. Through this applied practice, we structure and deliver programs focused on specific leadership development needs within the context of defined organizational challenges, including innovation, the merging of cultures, and the development of a broader pool of leaders. Our objective is to help organizations develop, within their own cultures, the leadership capacity they need to address challenges as they emerge.

RESEARCH, DEVELOPMENT AND EVALUATION

Since its inception, the Center has served as catalyst for extending the frontiers of knowledge about leadership. The Center's community of scholars has contributed significantly to the understanding of leadership on many dimensions and across all sectors of society. As a hub for leadership development, the Center is an agent for the cross-pollination of ideas between industry sectors and global regions, and across the axis of theory and practice. These insights and discoveries collectively drive the development of innovative new programs, products and services at the Center. We welcome research funding and collaboration from organizations and individuals who share our interest in advancing leadership.

COACHING SERVICES

The Center's suite of coaching services is designed to help leaders maintain a sustained focus and generate increased momentum toward achieving their goals. Our coaching offerings, which can be integrated with program attendance or customized for specific

individual or team needs, are based on our model of *assessment, challenge and support*.

ASSESSMENT TOOLS AND PERFORMANCE SUPPORT

The Center pioneered 360-degree feedback and believes that assessment is a necessary foundation for learning, growth and change. The Center offers a portfolio of assessment tools, online resources and simulations that can help individuals, teams and organizations increase their self-awareness, facilitate their own learning, enable their development and enhance their effectiveness.

PUBLISHED WORKS BASED ON CENTER RESEARCH AND PRACTICE

The theoretical foundation for many of our programs, as well as the results of the Center's extensive and often-groundbreaking research, can be found in publications issued by our in-house CCL Press and through our alliance with Jossey-Bass, a Wiley Imprint. These publications provide insights and practical advice to help individuals become more effective leaders, develop leadership training within organizations, address issues of change and diversity, and build the systems and strategies that advance leadership collectively at the institutional level.

LEADERSHIP COMMUNITY

To ensure that our work remains focused, relevant and impactful to the individuals and organizations we serve, we maintain a host of networks, councils, and learning and virtual communities that bring together alumni, donors, faculty, practicing leaders and thought-leaders from across the globe. We also forge relationships and alliances with individuals, organizations and associations that share our values and mission. We draw strength from and contribute learning and resources to this community. The energy, insights and support from these relationships help shape and sustain the Center's educational and research practices, and provide those we serve with an added measure of purpose and passion as they continue their lifelong commitment to leadership and learning.



"I would trade my four years of college for this one week."

- Linda DeShazo
LDP Alumnus



Message from Thomas K. Hearn Jr.

The need for leadership remains constant regardless of place and time. The understanding of “what leadership is” and “what kind of leadership is best” is, however, never static. Back in the 1970s, the Center helped fundamentally



THOMAS K. HEARN JR.
Chairman
Board of Governors

reshape perceptions of leadership and established that leadership is not something you have to be born with, or born to, but something that could be developed using intensive and insight-producing programs and tools such as 360-degree assessments. Three decades later, the importance of leadership development is broadly accepted — management and training journals almost universally identify leadership development as a top priority for organizations — and the Center is ranked #1 worldwide for its programs to develop leaders.

But the need for leadership has continued to evolve as it always does. Once again, the Center is pioneering a new paradigm focused on a framework of shared leadership we call Connected Leadership. Organizations

throughout our world are faced with ever-greater complexity, change and competition; and their leaders are challenged to act in work environments where control is elusive and alignment is essential.

The Center’s research and teaching faculty are working to understand how leadership can be enacted in these complex and changing environments. The outcomes of this work are of the utmost importance not only for private organizations but also public agencies and governments seeking to tackle complex challenges such as security, health and education.

Our ability to advance this essential work flows from the support of those who fund our research. I thank you for your contributions in this regard as we work to redefine leadership for a new age.

Thomas K. Hearn, Jr.

Message from John Alexander

The Center's 34th year was marked by expansion and accomplishment on a number of fronts. We charted strong growth across the breadth of our portfolio of services. This signals that many organizations consider leadership development an imperative even in tough economic times. In 2003, the Center was named for the third consecutive time in *BusinessWeek's* biennial executive education rankings as the foremost institution for leadership education worldwide. This is a continued validation of the depth and impact of the programs we offer — more than three decades since we were founded.

During our last fiscal year, the Center formally launched its Asia campus in Singapore. Through CCL-Asia, we are able to serve the fastest growing and most populous region of the world, and more fully advance that part of our mission that calls us to act for “the benefit of society worldwide.”

Another manifestation of our effort to serve all sectors of society is a steady growth in our work for organizations within the public sector, from government institutions to the military to public school systems. These institutions tackle very complex challenges that demand effective leadership. Our ability to broker useful knowledge and practices across sectors and regions is an important way the Center acts as a catalyst for advancing leadership.

Research and innovation together form the linchpin of our efforts to develop and disseminate knowledge about leadership. Researchers across our five campuses are making important gains in initiatives within our learning agenda and, in tandem, working to shape effective new programs, publications and tools that address the leadership needs of a diverse array of organizations around the world.

The perspective and quotes you will see in this report are an indication of the impact the Center has on the work of thousands of researchers, trainers, coaches, thought leaders and practicing leaders from across the private, public and non-profit sectors. I thank you for sharing our mission to advance leadership and for your support of our work.



JOHN ALEXANDER
President

John Alexander





“The Center has made enormous contributions in the area of creativity and in the area of women in authority. The glass ceiling study was ground breaking 20 years ago. And its current work conceptualizing leadership is crucially important.”

- Ron Heifetz
King Hussein bin Talal Lecturer of Public Leadership
Co-Founder, Center for Public Leadership, John F. Kennedy School of Government, Harvard University
and 2003 *Friends of the Center* Keynote Speaker





Advancing the Understanding of Leadership

Advancing the understanding of leadership is one of the three pillars of our mission. The Center for Creative Leadership invests a significant portion of its revenues in leadership research, which provides the foundation of knowledge for the Center's activities. This knowledge gathering activity is coupled with a vibrant publications program that disseminates the knowledge from our research and teaching activities.

Research Initiatives

In 1970, when the topic of leadership development in organizations was virtually non-existent, the Center for Creative Leadership was actively exploring important ideas and emerging leadership strategies through behavioral science research and practice. For more than three decades the Center has successfully transformed leadership knowledge into applications and practice into knowledge, thus becoming a forerunner in the advancement and understanding of leadership development.

The extensive research work at the Center continues to be the impetus behind the development of new practical leadership tools for individuals and organizations. And likewise, what is learned in the classroom fuels new, timely and cutting-edge research.

The Center continues to work on several large-scale research projects to develop knowledge and expertise in three major areas: Individual Leader Development, Leadership in the Context of Difference, and Leadership Systems and Strategies. These research areas focus on leadership in individual, group and systemic contexts.

The following are some of the projects underway at the Center.

EMERGING LEADERS PROJECT

Launched in 2000, the *Emerging Leaders* project was designed to achieve a better understanding of the similarities and differences of people from different generations. Recently renamed to better reflect the work, *Emerging Leaders: Revolution, Evolution or Status Quo?*, researchers have collected extensive data from 3,417 individuals inclusive of the "Silent Generation," those born between 1925 and 1945; the "Baby Boomers," born between 1946 to 1963; and "Generation X," born between 1964 to 1982.

The findings are beginning to provide a richer understanding of the realities of generational differences in the workplace including those related to developmental needs, learning styles and retention issues. Some initial findings indicate there are as many similarities as differences between the generations, and all groups have similar values. Interestingly, the value described as most important across all generations is family.

Data analysis continues with new discoveries being presented at the Australian Human Resources Institute Convention in Sydney; the Society for Industrial Organizational Psychology (SIOP, 2003 and 2004); and at the CCL Women's Leadership Conference in San Diego. Researchers will soon extend data collection to Europe and Asia.

MILESTONES

SOME OF THE MILESTONES IN CCL'S 34-YEAR HISTORY ARE:

2003

For the third consecutive time, CCL ranks #1 for leadership education in *BusinessWeek's* biennial Executive Education Survey. The Center was also ranked #4 for open-enrollment programs worldwide.



2003

The *Financial Times* ranks the Center's open-enrollment programs fourth in the world among non-degree executive education programs. The Center is the only non-business school ranked among 45 prestigious schools including Harvard, Columbia and the London Business School.



2003

The Center opens its Asia office in Singapore.



SUPPORT The Center is actively seeking philanthropic support to carry out the projects on our learning agenda. If you are interested in supporting any of the projects highlighted here, please contact Lynn Fick-Cooper in the Center's Development Office at fickl@leaders.ccl.org or +1 336 286 4051.

LEADERSHIP ACROSS DIFFERENCES

When people with very different histories, values and cultures interact, tensions can arise. And when conflicts rooted in difference spill over into the workplace, they create substantial leadership challenges for organizations and individual managers alike.

At the Center for Creative Leadership, we are exploring strategies for working through differences in ethnicity, nationality, race, religion or gender in the workplace with our *Leadership Across Differences* project. This project has two objectives: 1) to test and refine a model that captures the dynamics of leadership in the face of social identity conflicts; and 2) to develop educational interventions based on the tested model that will help leaders prevent or better respond to such conflicts.

Phase I of the project culminated in March 2003 with a knowledge dissemination meeting for members of the Leadership Across Differences Learning (LADL) Consortium, a group of for-profit and nonprofit organizations that provide both intellectual and financial support to the project.

Currently in its second phase, the *Leadership Across Differences* research team has developed a series of data collection tools, identified and trained investigators in several countries, and initiated data collection in France, Germany, Brazil and the U.S.A. By the end of this phase, data will be gathered from both for-profit and nonprofit organizations in 12 different countries. Information from that work will serve as the basis for the design and dissemination of tools and techniques for addressing issues of difference. Initial findings were presented at the Canadian Psychological Association in 2004.

CONNECTED LEADERSHIP PROJECT

Launched in the 2002–2003 fiscal year, the *Connected Leadership* project aims to create concepts and

leadership development practices that go beyond the individual leader. The project views leadership holistically, as an inclusive and collective activity shared by many, if not all, organizational members. This means that leadership development addresses not just individuals but the links between individuals and the systems and cultures in which they work.

In the first phase, project members have partnered with a variety of organizations, including those in the banking, technology, healthcare, government and telecommunications sectors, to explore best-practice approaches to developing organizational leadership capacities. The project's research at this stage focuses on three areas: organizational capacity for leadership, change leadership for transforming organizational cultures, and the changing nature of leadership.

"The increasingly complex challenges many organizations are facing can severely limit the effectiveness of the individual approach to leadership. A more widely shared and collective way of enacting leadership is needed. The Connected Leadership project is exploring how we can help clients address their challenges by developing leadership in this new key area."

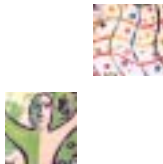
- Bill Drath
Group Director of Leadership Systems and Strategies, CCL

CHOICES AND TRADE-OFFS OF HIGH ACHIEVING WOMEN

Originally developed to capture a better understanding of the dilemmas high-achieving women face in defining and shaping their careers, this project has been broadened to explore issues pertaining to men. Findings from the initial study of women managers challenged the widely held belief that juggling multiple roles erodes a woman's effectiveness at work. Researchers found instead that skills learned in other aspects of a woman's life accumulate and beneficially impact her ability to perform on the job. In this new phase of the project researchers are exploring potential differences between men and women with regard to work/life issues.

"The leaders of today's organizations typically balance multiple life roles - manager, spouse, parent, grandparent, friend, soccer coach, PTA volunteer, United Way campaign chair, etc. The Center finds that pursuing multiple roles enhances leaders' psychological well-being and effectiveness, refuting the popular notion that juggling multiple roles leads to stress and reduced performance. The research has important practical implications for leadership development in organizations."

- Laura M. Graves, Ph.D., on the Choices and Trade-offs of High Achieving Women research
Associate Professor of Management, Clark University and researcher collaborating on the project





"The gold standard text of how leaders learn, grow, develop and change. Leaders in all types of organizations and professionals responsible for helping leaders to develop will find the Handbook is a must-read treasure chest of applied theory, practical ideas, and perspectives."

- Ed Betof, on the CCL Handbook,
Chief Learning Officer, Becton Dickinson, Inc.



Publications

Through our CCL Press and in alliance with Jossey-Bass, a Wiley Imprint, the Center has published a number of titles that disseminate the knowledge generated by our educational and research activities.

CCL PRESS

During the past year, CCL Press launched its fieldbook series with two titles. The fieldbooks are designed to give readers a practical overview of a developmental topic, along with proven steps for taking action.

- *Crisis Leadership* outlines actions a leader can take before, during and after a crisis to effectively reduce their duration and impact.
- *Evaluating the Impact of Leadership Development: A Professional Guide* focuses on evaluation of leadership development initiatives and how these initiatives can contribute to organizational learning.

Our *Ideas into Action* guidebooks are a valuable resource for the practicing manager and covers a spectrum of core leadership issues. Since introducing the guidebooks in 1998, more than 130,000 copies have been sold. CCL Press guidebooks contain proven and practical actions for carrying out a specific development task or solving a specific leadership problem. This year we've added four titles to the 24-guidebook series.

- *Developing Cultural Adaptability: How to Work Across Differences* defines cultural adaptability and details how proficiency in this area helps managers to build the relationships needed to achieve results in today's global organizations, especially

when those relationships are forged across borders and cultures.

- *Making Creativity Practical: Innovation that Gets Results* shows how to generate ideas especially suited to organizational problem solving.
- *Maintaining Team Performance* outlines four important dimensions leaders should pay attention to when monitoring a team: team member effort, team member knowledge and skills, team tactics and group dynamics.
- *Leading Dispersed Teams* helps assess the readiness of an organization for such a team and then, if appropriate, guides individuals through the steps necessary to launch and operate an effective one.

CCL/JOSSEY-BASS ALLIANCE

Twelve books have been published through our alliance with Jossey-Bass. The alliance also produces a bimonthly magazine, *Leadership in Action*, that shares practical knowledge gained in the course of CCL's educational and research activities. This year, two alliance books were translated into Korean: *Standing at the Crossroads: Next Steps for High-Achieving Women* and *Success for the New Global Manager*. In addition, the Center has licensed to the prestigious Turkish educational institute, Ugur Kariyer Merkezi, 66 CCL Press titles that are being translated into Turkish.



In 2003, through the Center's alliance with Jossey-Bass, we published the second edition of *The Center for Creative Leadership Handbook of Leadership Development*. The new handbook recaps 33 years of knowledge from the Center's leadership research and training. It features chapters written by 24 experts and a companion CD-ROM containing 15 classic CCL Press publications. Two expanded chapters focus on leadership development across race and gender, while four entirely new chapters discuss the value of coaching and life-long adult development, and CCL's ongoing efforts to rethink traditional notions of leadership. The two editions of the Handbook have sold a combined 20,000 copies.

The Leader's Edge is Banff Award Winner



The Banff Centre, the premiere Canadian learning center dedicated to the arts and leadership development, named *The Leader's Edge: Six Creative Competencies for Navigating Complex Challenges* the winner of its first Leadership Development Book Award. Written by CCL faculty members Chuck Palus and David Horth and published in 2002, *The Leader's Edge* focuses on creative techniques for helping leaders deal with the increasingly complex, volatile and multidimensional challenges faced by organizations today.

Leadership development at The Banff Centre is currently framed around competency development within the context of systems thinking, an approach similar to the one taken in *The Leader's Edge*. The organization says the integration of the book's six creative competencies into a singular perspective to address complex challenges is a powerful, practical approach for making effective change.



“When I think of leadership, I think of inspiration, motivation, and setting an example for those around me. Leadership means that a leader must get to know those who might follow, whether it be co-workers, children or patients who need to be encouraged to make good decisions.”

– Jimmie Butts
Foundations of Leadership Alumnus,
Registered Nurse and Author





Advancing the Practice of Leadership

A core component of the Center for Creative Leadership's mission is to advance the practice of leadership. We do this through a variety of activities focused on sharing our knowledge and building leadership networks.

Networks, Councils, Conferences and Forums

AMI

The Association for Managers of Innovation (AMI) is a network of individual practitioners of innovation who are committed to fostering and leveraging creativity and innovation in organizations and for society. AMI identifies leading edge innovation, shares experiences, sponsors research and recognizes innovation. This close-knit network of innovation practitioners began in 1981 with six members and today more than 30 participants. Members include:

- | | |
|--------------------------------------|--|
| American Bank of Commerce - Colorado | Intellectual Assets, Inc. |
| American Red Cross | James Hardie Building Products |
| Armstrong World Industries | Johnson & Johnson |
| Bank of Montreal | Kraft Foods |
| Bayer Corporation | McNeil Consumer Healthcare |
| Borg Warner | Milliken & Company |
| Center for Creative Leadership | Perot Systems |
| Cisco Systems | Prochaska & Company |
| Design Continuum | Procter & Gamble Company |
| EDS | S.C. Johnson |
| Energizer Battery Co. | San Jose Police Department |
| Fidelity Investments | Science Applications International Corporation |
| Frito-Lay | The Timken Company |
| General Mills | The Virtual Thinking Expedition Company |
| GlaxoSmithKline | U. S. Borax, Inc. |
| Hallmark Cards | World Bank |
| Hoffmann-LaRoche, Inc. | YMCA of the USA |
| Idea Connections Systems, Inc. | |
| Innovation-TRIZ, Inc. | |

Dan Buchner Shares South African Experience with AMI

In 1999, Dan Buchner, director of Industrial Design at Design Continuum Inc. in Boston, had the opportunity to take his extraordinary ability to foster and leverage creativity in the workplace halfway around the world when he led a group of top international designers and engineers on an expedition to address widespread water and sanitation issues facing rural South African communities.



The International Council of Societies of Industrial Design sponsored the project.

With only two weeks to find a solution and using only the tools around them, the group designed a hand-washing device using water bottles. The MahLangu, named after a local woman who headed a disabled daycare center, was a simple device that offered 50 to 70 washes per litre. The MahLangu helps contain the spread of disease by allowing villagers to easily wash their hands with clean water. "The MahLangu is one design I am most proud of," said Buchner. "The South African trip forever changed by life."



"Leadership sets the stage for innovation focusing the creative assets on a specific objective. Leadership enables people to create and implement novel and useful products and services for society by providing the appropriate climate, communication mechanisms, challenges and rewards."

- Mary Boulanger
AMI member, Armstrong World Industries



CREATIVE LEADERSHIP COUNCIL

The Creative Leadership Council (CLC), comprised of 58 senior decision-makers from 21 companies, is a network of leaders who share the Center's belief in the pivotal importance of leadership in a world of inevitable change. The corporations that form this exclusive group share leadership practices and help underwrite the Center's research, publishing and scholarship programs through their philanthropic support.



The North Americas and European chapters of the Council convened several times over the past year to explore important and emerging organization issues — such as evaluating leadership development initiatives and blended learning solutions — through presentations and roundtable discussions. Council organizations SC Johnson & Son, Inc. and Bristol-Myers Squibb hosted Council meetings in Europe and North America.

This year, CLC welcomed new members **General Mills, Inc.** and **Kohler Co.** to CLC Americas. General Mills is a multi-billion dollar leader in food sales. Kohler Co. is a world leader of kitchen and bath products and home furnishings.

To learn more about the Creative Leadership Council in the Americas or Europe, contact Cile Johnson, senior manager, Creative Leadership Council at +1 336 286 4014 or via e-mail at johnsonc@leaders.ccl.org.



“Being a part of the Center's Creative Leadership Council creates an opportunity for me that I wouldn't normally have, and it offers tools that I can take back and apply in my world.”

– **Bettina Kelly**
Vice President,
Chubb & Son Corporation

CLC-Americas Members

- American Express*
- BD*
- Bristol-Myers Squibb Company
- Capital One
- Chubb Group of Insurance Companies*
- CTS Corporation
- Eastman Chemical Company*
- General Mills, Inc.
- Kohler Co.
- Northwestern Memorial Hospital
- Novartis Corporation*
- PricewaterhouseCoopers, LLP
- Prudential Financial, Inc.
- SC Johnson & Son, Inc.
- State Farm Insurance Company
- Syngenta Corporation*
- Verizon Communications Inc.*
- Whirlpool Corporation
- Wilh. Wilhelmsen Inc.*

CLC-Europe Members

- American Express*
- BD*
- Chubb Group of Insurance Companies*
- Eastman Chemical*
- Novartis AG*
- Scottish Leadership Foundation
- Swiss Reinsurance Company
- Syngenta AG*
- Verizon Communications Inc.*
- Wilh. Wilhelmsen Inc.*

*Indicates membership in both Americas and Europe Chapters

EVALUATION WORKSHOP

As the demand for leadership development continues to grow globally, the Center's work around the world is also expanding.

In January 2004, CCL-Europe clients from Unilever, BOC Group, Xerox-Europe, the Office of Health Management in Ireland and Citigroup attended a two-day evaluation workshop in London. The event, sponsored by the Center's Creative Leadership Council and hosted by Citigroup, was filled with work-based learning and networking opportunities for the European executives. Participants brainstormed ideas, collaborated and developed strategies to better evaluate the impact of their leadership development efforts.

“When the evaluation increases the organization's knowledge about barriers to and facilitators of organizational change, then the learning that takes place can contribute to organizational resiliency and flexibility.”

– **Kelly Hannum**
CCL Research Associate and Co-author of *Evaluating the Impact of Leadership Development: A Professional Guide*



FRIENDS OF THE CENTER LEADERSHIP CONFERENCE

The Center's community of alumni, donors and friends gather annually in North America to explore new ideas on leadership development, examine today's leadership challenges, and network with peers, mentors and thought leaders at the *Friends of the Center* Leadership Conference.

The fifth annual *Friends of the Center* Leadership Conference was held in October 2003 in Orlando, Fla. The conference provided an intimate learning and networking environment for 200 attendees. Featured speakers included Malcolm Gladwell, author of *The Tipping Point*; Ron Heifetz, founding director of the Center for Public Leadership at Harvard's John F. Kennedy School of Government; Bob Eichinger, CEO and co-founder of Lominger Limited, Inc.; and Robert Throckmorton, creativity consultant for PLAY. Also presenting was CCL's Lily Kelly-Radford, vice president of Global Leadership Development. Sponsors for the conference were Pearson Reid London House/Pearl Solutions, Leadership in International Management (LIM), CPP, Inc. (formerly Consulting Psychologists Press), FedEx, Nestle and Xerox.

SMITH RICHARDSON FORUMS ON EFFECTIVE UNIVERSITY LEADERSHIP

This year the Center and Wake Forest University sponsored the *Smith Richardson Forums on Effective University Leadership*. Forty-five university presidents and chancellors from across the country participated in three forums to share their leadership experiences and insights in the university environment. These academic leaders represented some of the nation's top universities, such as Notre Dame, Vanderbilt, the University of Michigan, the University of Southern California and MIT. Nine presidents were commissioned to write an essay on their challenges and perspectives on university leadership that highlighted leadership strategy, cultural understanding, lessons learned, and reflections on how these lessons were applicable to leaders in business and government. The forum was the result of a grant from the Smith Richardson Foundation in an effort to address the unique leadership challenges facing America's universities. A book, *Leadership Responsibility*, is forthcoming and will include essays and summary discussions.



MILESTONES

2002

The *Financial Times* ranks the Center as one of the top 10 non-degree executive education providers worldwide and places the Center first worldwide for customized training faculty and teaching materials.

2001

For the second consecutive time, CCL ranks #1 for leadership development and #4 for customized programs in the *BusinessWeek* Executive Education Survey.



2000

The Center launches Leadership in the Context of Difference, a global initiative to develop a model of leadership effectiveness in organizations comprised of diverse peoples and cultures.

UK LEADERSHIP FORUM

In the fall of 2002, CCL-Europe established the UK Leadership Forum. This bi-annual forum provides participants with an opportunity to network with people who are passionate about leadership development and to preview CCL's extensive global research and publications. Cultural adaptability was the theme for the summer 2003 forum where content from the CCL Press guidebook, *Developing Cultural Adaptability: How to Work Across Differences* was highlighted. In the fall 2003 session, the theme of the forum was women's leadership development. The session featured CCL's most current research about high achieving women and the choices and tradeoffs they face.

CONFERENCE PRESENTATIONS

During the past year, CCL faculty and professional staff presented at numerous professional conferences around the world. These included the Society for Industrial and Organizational Psychology (SIOP), where Cindy McCauley, CCL senior enterprise associate, was elected SIOP Fellow. Elsewhere, senior program associates Kerry Bunker and Mary Lynn Pulley presented at the 2003 Conference Board's Leadership Development Conference. Bunker presented on *Leading in Times of Change: Balancing Paradoxical Leadership* and Pulley's presentation was *Blended Learning Solutions for Developing Leaders*. Center faculty made three presentations on key aspects of leadership at the American Society for Training and Development (ASTD) International Conference, which included a Center for Creative Leadership "conference within-a-conference." In Istanbul, Turkey, research associate Chris Ernst presented *Leadership Across Differences: Reconciling Ethnicity, Religion, Gender, and Culture* at the Second Global Leadership Forum. CCL President John Alexander and Center faculty played key roles in the Chief Diversity Officers Forum sponsored by Bennett College and DiversityInc. Alexander was also a speaker at the World Economic Forum in Singapore.

Awards

The Center recognizes excellence and innovation through a variety of awards and in turn has been honored with a number of awards from other institutions.

CENTER-SPONSORED AWARDS

Leadership Quarterly Award

A joint award for best paper is annually presented by the Center and *The Leadership Quarterly*. The award includes a citation, a cash award and an invitation to visit CCL. In 2003, Richard N. Osborn of Wayne State University, James G. Hunt of Texas Tech University and Lawrence R. Jauch of the University of Louisiana at Monroe were recognized for their paper, "Toward a Contextual Theory of Leadership."

Walter F. Ulmer Jr. Applied Research Award

Dr. Ann Howard received the Center's 2003 Walter F. Ulmer Jr. Applied Research Award. Dr. Howard is manager of Assessment Technology Integrity for Development Dimensions International (DDI). She has developed new assessments, development methods and innovative assessment programs. She has authored more than 90 publications and papers on topics such as assessment centers, management selection, managerial careers, and leadership.

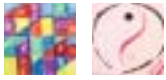
The Ulmer award is designed to stimulate outstanding field research and its creative application to the practice of leadership. The award is named in honor of Walter F. Ulmer Jr., retired CCL president and chief executive officer.

European Journal of Work and Organizational Psychology "Best Paper" Award

The Center and the *European Journal of Work and Organizational Psychology* recognized six authors from Israel and Sweden with "best paper" awards. Joseph Schwarzwald, Meni Koslowsky and Vardit Agassi, educators from Bar-Ilan University in

SUPPORT The Center has designated funds established to receive contributions in support of the Walter F. Ulmer Jr. Applied Research Award and the Kenneth Clark Research Award. These funds help underwrite the costs associated with each award. In 2003-2004, we gratefully acknowledge the many contributions made to support these award programs (see pages 28-29). If you are interested in supporting any of these awards, please contact Lynn Fick-Cooper in the Center's Development Office at fickl@leaders.ccl.org or +1 336 286 4051.





Ramat Gan, Israel, were honored for their paper on *“Captain’s Leadership Type and Police Officers’ Compliance to Power Bases.”* Gunnar Aronson, Klas Gustafsson and Margaret Dallner, research scientists from the National Institute for Working Life in Stockholm, Sweden, were selected for their paper on *“Work Environment and Health in Different Types of Temporary Jobs.”* The annual awards recognize and encourage high-quality scholarly work on leadership and organizational effectiveness.

Kenneth E. Clark Student Research Award

Marie T. Dasborough, a Ph.D. student at the University of Queensland Business School in Australia, was the 2003 winner of the Kenneth E. Clark Student Research Award for her paper entitled, *“Cognitive Asymmetry in Employee Affective Reactions to Leadership Behaviors.”* According to Dasborough, leaders shape affective events, such as positive “uplifts” or negative “hassles,” that determine employee attitudes and behaviors in the workplace. As a recipient of the Clark award, Dasborough received a cash prize and will travel to CCL’s headquarters in August 2004 to present her research. The Kenneth E. Clark Student Research Award recognizes outstanding unpublished papers by undergraduate and graduate students. The award is named in memory of Kenneth Clark, distinguished scholar and former president of the Center.

AWARDS RECEIVED BY THE CENTER

American Evaluation Association Award

Three members of the Center’s research team were honored by the American Evaluation Association for their work on a groundbreaking initiative in public education. CCL researchers Jennifer Martineau and Glenn Newsom and administrative coordinator Margaret Olson received the award for their evaluation of the Bryan Leadership Development Initiative, a unique program designed to build leadership skills within Guilford County, N.C., schools. The program was funded by a \$4.3 million grant from the Joseph M. Bryan Foundation and by a \$5 million gift of

in-kind services from CCL. The CCL team’s award-winning longitudinal evaluation of the Bryan program summarized the results of the multi-year initiative documenting the outcomes and impact, analyzing potential improvements and providing information that could be used to replicate the program’s successes in communities across the U.S.A.

N.C. Family Friendly Organization

The Center’s headquarters in Greensboro, N.C. was named for the second consecutive year as one of North Carolina’s premier “family friendly” employers. CCL was one of 14 organizations selected for offering such employee benefits as parental leave, special parking for pregnant women, flexible schedules and time off for volunteering.

Special Olympics Award

The CCL Days of Community Special Olympics volunteer team was recognized recently at the Special Olympics annual awards banquet. For the past four years, several Center staff members have volunteered at the annual Special Olympics Spring Games for Greensboro, N.C. and Guilford County. We were pleased to be recognized for this effort, which stems from the combination of commitment, quality, community and caring that exists at the Center.

SIOP Fellow and CCL Senior Fellow

DR. CYNTHIA McCAULEY

In April 2003, Dr. Cynthia McCauley, a senior enterprise associate at the Center, was elected as one of 14 Society for Industry and Organizational Psychology (SIOP) Fellows at the 18th Annual SIOP Conference. Fellowship status is conferred only after rigorous evaluation by peers and is granted only to a small percentage of industrial-organizational psychologists. Cindy was also named CCL Senior Fellow in recognition of her contributions to the Center.





2003 Distinguished Alumni Award

RETIRED MAJOR GENERAL JAMES DOZIER

Retired Major General James Dozier was the recipient of the Center's 2003 Distinguished Alumni Award. General Dozier's military career has taken him all over the world with tours of duty in Asia, Europe and at the Pentagon. However, it was a trip to Greensboro, N.C. to participate in the Center's flagship Leadership Development Program (LDP)[®] in 1980 that may have provided the general with one of his most valuable lessons.



On Dec. 17, 1981 as part of an attempt to overthrow the Italian government, the Red Brigades, a left wing terrorist group, kidnapped Gen. Dozier. During his captivity, he credits the lessons learned in LDP for helping him survive the ordeal.

"In the Center's program you learn how to develop your leadership skills by seeing yourself as others see you. So I began looking at myself through the eyes of my kidnappers. They saw me as a U.S. military general so I began acting the way they would expect a general to act," said Dozier. Gen. Dozier believes that feeding the kidnappers perceptions that he was a reliable prisoner and getting them to see him as a human being helped save his life.

The general's experiences have served as a model for training military officers who may be taken captive.

General Dozier, now retired from military service, is active on several boards and operates a citrus grove and foliage plant nursery.

The Center for Creative Leadership Distinguished Alumni Award was established in 1999 to honor the accomplishments and continuing growth and development of individuals who have participated in its leadership development programs.



MILESTONES

1999

The *BusinessWeek* Executive Education Survey ranks CCL #1 for leadership, #3 for innovation, #3 for customized programs and #5 in human resources. The Center is also ranked #7 overall – the only non-business school to crack the top 20.

1996/1997

U.S. News and World Report ranks CCL in the top 10 non-degree executive education programs. CCL is cited by *The New York Times* as "one of the most respected in the field" with reference to leadership courses.

1995

The Center celebrates 25 years and introduces *The African-American Leadership Program* and *Leadership and High-Performance Teams*.

2003 H. Smith Richardson Jr. Visiting Fellow Award

MICHAEL FULLAN

Michael Fullan, dean of the Ontario Institute for Studies in Education of the University of Toronto was selected by CCL as the 2003 H. Smith Richardson Jr. Visiting Fellow. Fullan has spent his professional life studying change and has received international recognition as a researcher and author focusing on organizational reform.

Fullan's tenure as Visiting Fellow has focused on mining "lessons learned" from both his past work and CCL's efforts to help enhance programmatic responses for our clients. Echoing the natural connections between his work and CCL's, he says, "Leadership is the only way to get systemic reform. If we don't get leadership in numbers and at many levels, and if we don't get leaders who are developing others, we can't get the job done; that makes leadership the premier strategy for change."

The H. Smith Richardson Jr. Visiting Fellow program is made possible through an endowed fund created to provide Center fellowships to thought-leaders and practitioners in the leadership development field. These Smith Richardson Visiting Fellows spend time in residence at the Center working on projects to advance knowledge in the field and to connect theory and practice. They interact with our clients, staff, Board and friends in the communities we serve. The program is named in honor of the late Smith Richardson – the Center's first chairman of the Board of Trustees, long-time chairman of the Smith Richardson Foundation, Inc., and chairman of the board of Richardson-Vicks, Inc. – who was an enthusiastic supporter of real-world research that practicing leaders could use.



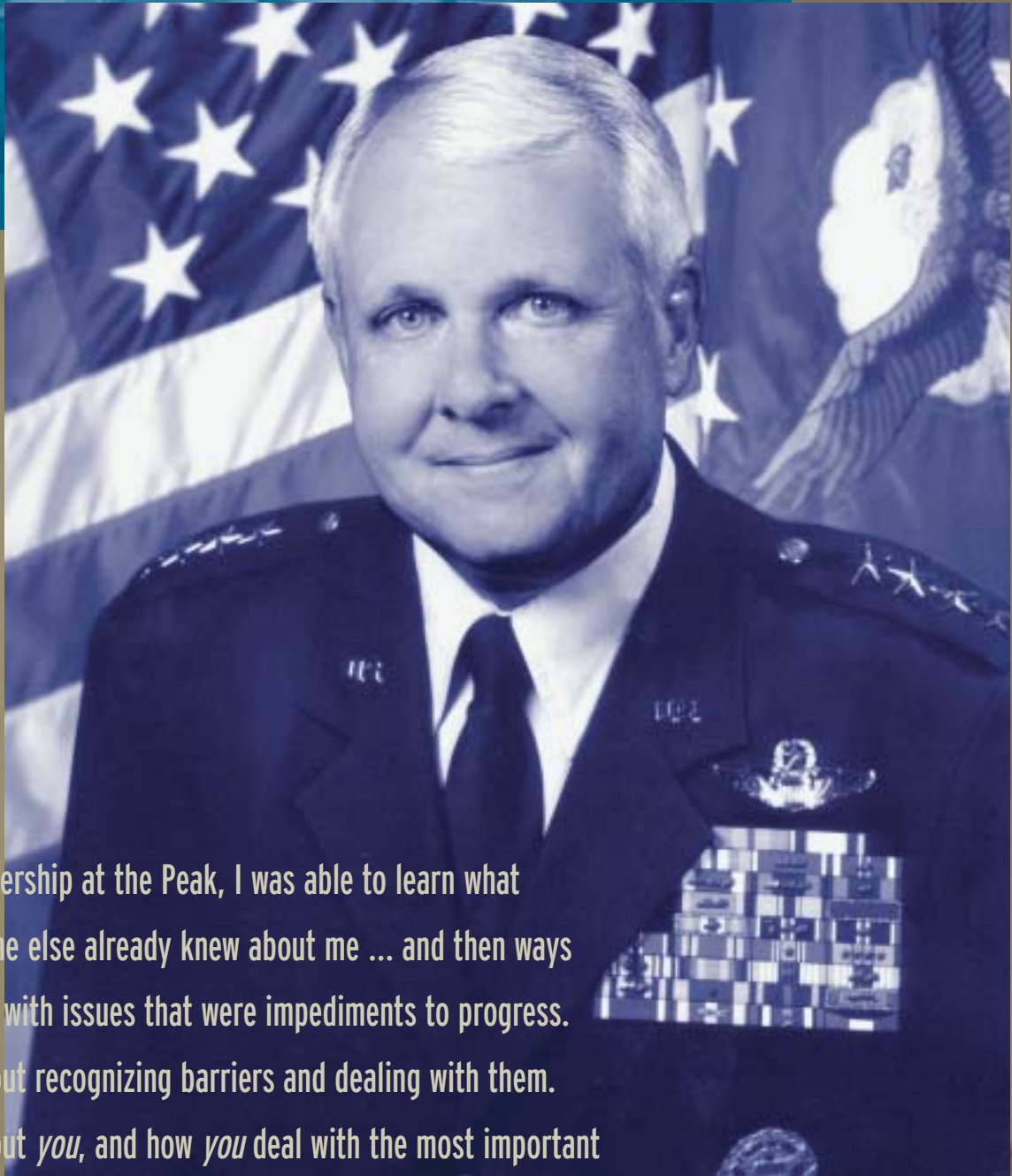
In the Press

Center faculty published research-based articles in leading management and training journals, including *MIT Sloan Management Review*, *President & CEO* and *Training*. In addition, CCL faculty articles were noted in the *Journal of Managerial Psychology* and *Leader to Leader*.

The Center also continued to serve as one of the media's foremost sources on leadership for topics ranging from work-life balance and feedback to

fostering creativity and diversity in the workplace. During the year, the Center was cited or quoted routinely in articles that appeared in many influential publications, including *BusinessWeek*, the *Chicago Tribune*, *The Christian Science Monitor*, *Entrepreneur*, *Harvard Business Review* and *Inc.* The publication of the second edition of *The Center for Creative Leadership Handbook of Leadership Development* drew coverage in the business and academic press.

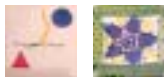
CCL's profile also increased in the Asian and European press. *NHK*, the largest television network in Japan, aired a segment on CCL's services, and Australia's *Sydney Morning Herald* wrote about the Center's research on Emerging Leaders. The public launch of CCL-Asia in Singapore resulted in prominent coverage in the *Financial Times*, *Straits-Times*, *Lianhe Zaobao* and other outlets. The Center's research also continued to draw attention in Europe, where articles appeared in such publications as *L'Echo* (Belgium) and *Sydsvenskan* (Sweden).



“In Leadership at the Peak, I was able to learn what everyone else already knew about me ... and then ways to deal with issues that were impediments to progress. It’s about recognizing barriers and dealing with them. It’s about *you*, and how *you* deal with the most important aspects of your life, to the people around you. It’s a quick, sometimes turbulent but exceedingly rewarding flight!

- Gen. Hal. M. Hornburg
Langley Air Force Base, Va.
Leadership at the Peak Alumnus





Advancing the Development of Leadership

Strengthening leadership capacity and offering high-quality leadership development to organizations and individuals is an essential part of CCL's mission. Through our open-enrollment programs, custom services and assessments, we strive to work across all sectors of society to create a better world through better leadership.

Open-enrollment Programs

Success in today's complex and rapidly changing business environment depends heavily on the collective effort of individual leaders. Built on a framework of assessment, challenge and support, our 14 open-enrollment programs offer individuals and teams a broad range of learning experiences to enhance their personal leadership skills. CCL's unique blend of one-to-one feedback, targeted individual development plans and interactive classroom sessions provide a powerful learning experience for participants.

LEADERSHIP AT THE PEAK

This past year, five United States four-star generals and admirals joined several executives from U.S. organizations for a special Leadership at the Peak program. This distinguished group included five four-star generals and admirals — all of whom are second in command in their branch of service. Also in attendance were the Navy and Air Force's top commanders. In all, 20 top-level military officers participated in this distinctive program designed to help senior leaders evaluate their leadership effectiveness and focus on high-level challenges.

DEVELOPING LEADERSHIP TALENT: STRATEGIES AND TOOLS

In March 2004, after a year of review and development, the Center unveiled a new Tools for Developing Successful Executives workshop for professionals in leadership, learning and development, human resources, and organization development roles.

The revised program also received a new name to reflect a broader emphasis on the workshop — *Developing Leadership Talent: Strategies and Tools*. The updated content emphasizes designing leadership development initiatives that are linked to organizational challenges. New workshop content is aligned with the recently published second edition of *The Center for Creative Leadership Handbook of Leadership Development*, which is the textbook of the Tools program. New modules include: case studies on high potentials and derailment; how to measure the impact of leadership development initiatives; and an update on the most recent CCL research on leadership.

IMPACT OF THE EUROPE LEADERSHIP DEVELOPMENT PROGRAM

The Center completed a two-year evaluation of its flagship program in Europe. Findings from the impact study of the Europe Leadership Development Program (LDP)[®] show that 47 percent of the participants perceived a significant improvement in their overall leadership ability 120 days after the program and 44 percent indicated some improvement in their leadership capacity.

Furthermore, the study reported many participants found Europe LDP culturally relevant because of the diverse mix of nationalities represented in the group, and the opportunities this provides for discussion of cultural difference. Eighty-four individuals, representing 25 countries, participated in the study. They ranged in age from 27 to 62 years old and spoke 14 different native languages. Nearly 40 percent of the participants had obtained a master's degree and 25 percent had a doctoral or other professional degree.



"At the Center for Creative Leadership I learned the art of 'setting goals.' Through a delightful exercise, at the time, all goals set seemed way beyond reach. In the ensuing 18 years, each goal, quietly and gently became part of my life, enriching each day immensely. What a wonderful lesson!"

- Margaret M. Waddington, MD
LDP Alumnus
Member, CCL Leadership Legacy Society

Since its launch in October 1974, more than 41,000 people have gone through the Center's flagship Leadership Development Program (LDP)[®].



Customized Solutions

Several hundred organizations from the corporate, nonprofit and government sectors turn to the Center each year for innovative, customized solutions to address specific leadership issues. From one-time programs to multi-tiered, multi-session training programs and research initiatives, the Center's customized solutions are carefully tailored for each client.

UNITED STATES POSTAL SERVICE (USPS)



The Center has worked closely with the United States Postal Service for more than six years. Our current collaboration involves 750 executives taking part in the *Leading People Through Transformation* program due to be completed in 2005. CCL also recently launched the next phase of its leadership development initiative with USPS to tackle the organization's future challenges. This three- to four-year initiative will involve the executive committee of the USPS and other key stakeholders. The client's organizational capacity for leadership will be enhanced through action learning and supported by intensive programs, guidance from sponsors, and ongoing action learning coaching. The program will be coupled with extensive evaluation and research activities to identify key areas of impact and learning for USPS.

VERIZON

Like many organizations today, Verizon operates in an environment of ongoing change. To help the company thrive in this climate, the Center has been working with leaders at various levels from supervisors and high potential managers to directors and executive directors. In 2003, Verizon leaders participated in 10 customized programs.

Supervisors participated in a customized *Looking Glass Experience* simulation, which offered a realistic but supportive venue for learning how leaders exercise influence within the context of an organization. Verizon's high potential managers participate in a multi-phase process that provides them with the opportunity to work on real business challenges in parallel with participation in a leadership development initiative. Currently, the Center is redesigning the program for directors and executive directors to better enable them to take on greater complex challenges and an expanded scope of responsibility.

XEROX

Xerox has been a Center client for many years. CCL continues to work with Xerox, including Xerox Corporate, the North American Solutions Group (NASG) and Xerox Europe on a number of different programs. The work with Xerox includes the delivery of more than seven programs that range in intensity. Together the programs reach a wide spectrum of managers, ranging from individuals just entering leadership positions to those in vice presidential roles. This collaborative endeavor has enabled the Center to become an active partner in addressing Xerox's broad leadership needs.

UNITED STATES AIR FORCE (USAF)

The Center continues to be a key member of the USAF's Leadership Architecture Group, which consists of a number of organizations and consultants that advise the Air Force's senior leadership on options for sequential and developmental leadership programs. In addition, a very aggressive effort is being made to schedule select officers in the grade of colonel and lieutenant colonel for attendance at a one week custom-designed CCL program. In a

"The CCL programs have helped NASG be a more cohesive and productive organization and they've helped us form a strong culture. There's a stronger sense of how we work as leaders, what the required skills are, and how leadership is tied to our business strategies. Our work environment is healthier because people know we care about them and that we're investing in their futures."

- Patty Shaffron
 Manager, Communication and Leadership Development, Xerox North American Solutions Group (NASG)

MILESTONES

1993

A survey by *The Wall Street Journal* and *Bricker's International Directory* ranks two CCL programs - *Leadership at the Peak* and the *Leadership Development Program (LDP)*® - as #1 and #2, respectively, among the top leadership courses for executives.

1990

The Center's European campus in Brussels is established.



1989

Benchmarks®, the Center's pioneering 360-degree assessment tool, is launched commercially.



Network Associates

The Center is able to expand its global reach through network associates who are licensed to offer one or more of our programs and assessments to the public or to managers within their organizations. Eighteen network associates spanning eight countries are currently licensed by the Center.

- Canadian Centre for Management Development**, Ontario, Canada
- U.S. Government**, Washington, District of Columbia, U.S.A.
- Defense Acquisition University**, Ft. Belvoir, Virginia, U.S.A.
- Eckerd College**, Management Development Institute, St. Petersburg, Florida, U.S.A.
- Futures Group, Inc.**, PSB Corporation, Singapore
- JMA Management Center, Inc.**, Minato-Ku, Tokyo, Japan
- Mt Eliza Business School**, Mt Eliza, Victoria, Australia
- PBS Corporation**, Singapore
- Rensselaer at Hartford**, Hartford, Connecticut, U.S.A.
- Right ARJ Management Consultants**, Lyon, France
- OPP Limited**, Oxford, United Kingdom
- TEAM, Inc.**, San Antonio, Texas, U.S.A.
- Technologia Administrativa**, Moderna SC, Mexico City, Mexico
- The Leadership Development Center**, Bradley University, Peoria, Illinois, U.S.A.
- The Niagara Institute**, Ontario, Canada
- Union Pacific Railroad**, Omaha, Nebraska, U.S.A.
- University of Maryland University College**, National Leadership Institute, Adelphi, Maryland, U.S.A.
- VIMA International, Inc.**, Burke, Virginia, U.S.A.

Network Associate Receives Worldwide Recognition

The University of Maryland University College, a long-standing Center network associate, was awarded the 2004 Prize of Excellence by the International Council for Open and Distance Education (ICDE). The Council recognized UMUC for "the highest possible excellence in the fields of open, distance, virtual and flexible learning." ICDE is the global organization of universities, national and regional associations and government entities involved in distance education in 142 countries.

"first" for the USAF, their top noncommissioned officers are also attending a similar program in cohort groups at one of CCL's campuses. Over 250 officers and noncommissioned officers will attend one of these programs during the 2004 calendar year. On the open-enrollment side, the USAF plans to have all of its lieutenant generals attend Leadership at the Peak in the coming year. Longitudinal evaluation programs are also underway.

BLENDING LEARNING SOLUTIONS

CCL's Blended Learning Solutions integrates computer-based online learning and face-to-face classroom and coaching experiences.

To date, five CCL programs have utilized blended approaches. Of particular interest is the Xerox-Europe program which is running its second cohort and incorporating improvements from the award-winning design of Xerox Emerging Leaders Program in North America. The Xerox Europe program is particularly notable for the diversity of its 36 participants, who hail from 14 countries.

CCL continues to build its internal capacity for delivering these types of programs. In 2003, the Fielding Graduate Institute worked with CCL to create a customized training program to certify 24 faculty, staff and adjuncts through online facilitation.



CCL-Europe

In support of CCL's mission to disseminate its knowledge across the world, CCL-Europe entered into several project-based collaborations in 2003. CCL-Europe conducted two programs through Leading Concepts in Dubai and one through the Irish Management Institute in Dublin. Future markets include Poland, the Czech Republic and Spain. According to CCL-Europe's managing director Rudi Plettinx, *"There is a growing demand in Southern, Central and Eastern Europe for high-quality leadership development programs."* In addition, CCL-Europe substantially expanded its cadre of multi-lingual and CCL-certified associate trainers and coaches to accommodate demand for program delivery in local languages, particularly in Spanish and in Dutch.



CCL-Asia

The Center has worked with clients throughout Asia for more than 30 years. Recognizing the increasing leadership demands faced by Asian managers, CCL formally launched its Singapore site in February 2004.



More than 100 people, including CCL clients, alumni, government officials, and friends of the Center, attended the launch event featuring guest of honor Mr. Teo Ming Kian, chairman of the Singapore Economic Development Board (EDB).

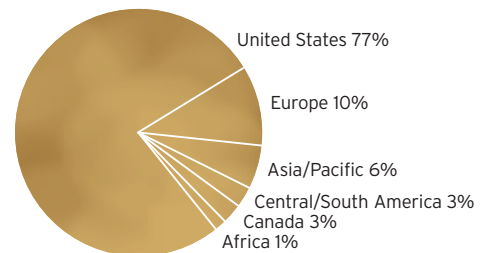
Following the launch event, the Center held a learning day to better acquaint participants with the Center's approach to leadership development.

Over the past three years, the Center conducted six programs with the Economic Development Board in Singapore. Other major clients include the International Enterprise Singapore and the Central Provident Fund and Merck. In March 2004, the Center launched the Asian Leadership Consortium Program for leaders from six different corporations in Singapore.

The Center plans to begin offering open-enrollment programs next year and will expand work with organizations in Malaysia, India, Japan and Korea.

GLOBAL REACH

We served people from 124 countries in 2003-2004.



Customized Solutions for CCL-Europe Clients

RABOBANK GROUP

Rabobank, a unique Triple A cooperative of Dutch banks with 58,000 employees, enlisted CCL-Europe in developing and delivering a customized leadership development initiative for its senior management population. The 12-month process combines a number of face-to-face workshops with a six-month set of action-learning on-the-job leadership projects supported by individual and peer coaching. Cohort groups are carefully selected to include participants from across the organization in order to foster cross-business networking. In addition, a structured coaching relationship between the participants and their direct managers, initiated and supported during the 12-month process, serves as an effective source for developmental support afterwards and builds a sustainable leadership capacity within Rabobank.

UNILEVER HOME PERSONAL CARE EUROPE (HPCE)

Since 1998, over 500 middle managers at UNILEVER HPCE have participated in a customized three-day program titled Foundations of Leadership. During the program, all assessment data is clearly linked to UNILEVER's Path to Growth Leadership Competencies so that participants can easily apply key learnings when they return to their workplace. In 2003, a six-month follow-up process was added to the program in order to enhance the learning experience and affect substantial behavior change. After the face-to-face event, participants continue to support each other through CCL-facilitated peer learning groups. These group meetings give participants the two-fold advantage of not only playing the role of coachee, but also playing the role of coach, a skill which UNILEVER HPCE sees as key to effective leadership in a virtual environment. The formal learning process comes to a close during a one-day celebratory event where participants share their experiences and commit to continued personal development.



"For more than 20 years, I was driven by the end goal of becoming a plant manager. But even though I pushed myself and everybody around me to produce that promotion never materialized. When my company gave me the opportunity to be professionally coached by CCL, it was truly an awakening! My coach helped me put my life, family and work in balance. I came to realize I didn't need to be a plant manager to be successful. Ironically, several months later I was chosen to manage our new facility. I honestly enjoy every day of my life."

- Dean Marion
Plant Manager, BGF Industries

Assessment Tools

The Center offers a suite of developmental tools for assessment and learning support as well as related services to help organizations enact highly effective leadership development initiatives. CCL believes that assessment is a necessary and effective starting point for learning, growth and change — that it can serve as both a catalyst and a map for change.

In the past fiscal year, more than 100,000 Center assessments, which have been translated into nine languages, were distributed worldwide.



360 BY DESIGN®

In January 2004, the Center released a significantly enhanced version of 360 BY DESIGN, our customizable online 360-degree assessment. First introduced by the Center in 2000, this tool provides online assessment and feedback as well as development planning. It can be tailored to address specific leadership competencies vital to success in an organization, has increased administrative capabilities, and provides an expanded feedback report.

SKILLSCOPE®

The Center introduced SKILLSCOPE online, allowing clients to administer this assessment electronically through a secure Web site system. SKILLSCOPE provides feedback on job-related strengths and weaknesses. The new Internet-based version reduces completion time and has several electronic administrative features, such as electronic follow-up reminders, online status reports and inventory management.

IAS

Early in 2004, the Center launched the Internet Assessment System (IAS), a secure online service that facilitates the assessment completion process. The system offers Center clients more flexibility and options than ever before, allowing them to distribute both paper and Internet assessments to participants.

Coaching Services

The Center offers a variety of customized coaching solutions designed to provide a range of developmental choices for leaders and organizations. Our one-to-one coaching initiatives have proven to be motivational and effective in helping individuals and teams remain focused on achieving their desired goals. In 2003, more than 2,000 individuals took advantage of the coaching options offered by the Center — nearly double the number of participants in 2002.

In addition to our coaching services, CCL staff are continuously engaged in research to advance the understanding of effective coaching practices. Knowledge from this work has been shared at major industry events such as the International Coaching Federation and the Conference Board.



"Within three weeks of implementing CCL's 360-degree assessments, our managers were talking about how the experience was helping them in their jobs in very concrete ways. The effect has been so positive, we're going to take the program down through all of our salaried personnel."

- David Sullivan
Director of Compensation and Benefits
Boral Industries

Community Partnerships

Our mission demands we work across all sectors of society to create a better world through better leadership. Through donor support from individual, corporations, and foundations we have worked to make leadership development programs available to hundreds of nonprofit managers who are called upon to tackle some of the most complex problems present in our communities.

PROGRESS ENERGY SCHOOL LEADERSHIP EXECUTIVE INSTITUTE

In 2003, 125 South Carolina superintendents and principals completed the "Progress Energy School Leadership Executive Institute." With funding support from Progress Energy, this five-session, 18-month program delivered by CCL in partnership with the South Carolina Department of Education has now graduated a total of 275 educators. A special ceremony honoring the graduates was held in Columbia, South Carolina. The Honorable Inez Tenenbaum, State Superintendent of Education, hosted the event.



FAIRFAX COUNTY PUBLIC SCHOOLS LEAD PROJECT

CCL's Education Sector continues to partner with the *Learning, Empowering, Assessing, and Developing (LEAD) Fairfax* program in Virginia's

Fairfax County Public Schools. Funded by a grant from Dewitt Wallace Readers' Digest Fund, the *LEAD Fairfax* initiative promotes systemic reform of leadership to significantly improve learning for all students. Key components in this process include attracting, developing and supporting leaders who have the ability to influence the actions of others; who are knowledgeable about research-based practices in curriculum, instruction and assessment; and who are capable of managing people and resources effectively.

The Center's Education Sector also delivered programs to principals of the Norfolk Public Schools, in Norfolk, Virginia. These programs were also funded by the Dewitt Wallace Readers' Digest Fund.

GUILFORD COUNTY SCHOOLS SENIOR LEADERSHIP TEAM PROGRAM

Through a grant from the Joseph M. Bryan Foundation, CCL delivered a comprehensive leadership program for the superintendent and senior leadership team of the Guilford (N.C.) County Schools. The initiative was designed to increase this group's capacity for working as a high-performance team focused on district-wide goals. This five-phased program helped the leaders deepen their knowledge and skills in addressing contextual issues that can potentially impact morale, effectiveness and overall results.



"We are very pleased to partner with CCL to provide a comprehensive leadership development program to our aspiring and emerging leadership within our district. An added enhancement to our relationship has been the Center's willingness to engage with us in building our capacity to develop and grow our own leaders in a conscious and intentional fashion."

- Andy Cole

Director, Office of Employee Performance and Development; Director, LEAD Fairfax County, Fairfax County Public Schools

MILESTONES

1988

The Lessons of Experience, a publication outlining key developmental events for executives and the lessons that can be learned from them, becomes a CCL best-seller.



1987

The Center releases *Breaking the Glass Ceiling* - a pioneering publication based on CCL's women-in-leadership research. The Center's San Diego location also opens its doors.



1983

The Center opens its Colorado Springs location.



SCHOLARSHIPS

In 2003 - 2004, the Center funded 267 scholarships at a value of nearly \$1.2 million for leaders of nonprofit organizations to attend CCL educational programs. The following are some of the organizations that received CCL scholarships.

- Active Living By Design
- American Heart Association
- Associated Solo Artists
- Australian Council for Educational Leaders
- Avon Products, Inc.
- Blue Cross and Blue Shield of North Carolina
- Brandeis-Bardin Institute
- California Latino Legislative Caucus
- Catholic Health Association of the United States
- Centers for Disease Control and Prevention
- Central Arizona Project Association
- Central College
- Character Education Partnership, Inc.
- Children First
- Church of Bergen, Norway
- City of Mesa Library
- Colorado Springs Society for Human Resource Management
- Community Partnership for Families
- Community Solutions, Inc.
- Compassion International
- Congregation Rodeph Shalom
- Danone Waters of North America
- Evangelical Lutheran Church in America
- Family Resource Agency, Inc.
- Foundation of the Heart
- Geophysical Institute
- Gettysburg Hospital
- Girl Scouts of the USA
- Goals for Memphis Association
- Goodwill Industries of Middle Georgia, Inc.
- Great Smoky Mountains Institute at Tremont
- Greater Yellowstone Coalition
- Greens Farms Academy, Inc.
- Healthy Mothers/Healthy Babies
- Heart of America Family Services, Inc.
- Hispanic Federation, Inc.
- Hispanics in Philanthropy
- Institute for Research on Women



“Without the scholarship assistance my organization would not have been able to send me to the training. I am grateful for having had the experience as I returned to my organization with a renewed sense and purpose of what it means to be a strategy leader.”

- Deborah Long
Senior Vice President, Corporate Relations and Administration
Girl Scouts of the USA

- Judson Center
- Kalihi-Palama Health Center
- L2 Foundation
- La Clinica Tepeyac, Inc.
- Local Initiatives Support Corp.
- Los Angeles Community College District
- Mercy Corps
- National Council of La Raza
- National Wildlife Federation
- Nebraska Children and Families Foundation
- New Leaders for New Schools
- Novato Human Needs Center
- NY City Council of Speakers Office
- Orange County LAFCO
- Outreach International
- Parent Institute
- Presbytery of Detroit
- Public Health Institute
- RAIN
- Reynoldsburg City Schools
- Rocky Mountain Survivors Center
- Society for Human Resource Management
- Southern California Public Radio
- St. Joseph's Hospital
- Sutter Health Systems
- The American Red Cross
- The Banff Centre
- The Children's Hospital of Philadelphia
- The Children's Mercy Hospital
- The Christian & Missionary Alliance
- The Cliff House at Pikes Peak
- The Life Coach Network
- The Norfolk Foundation
- The Tri-Cities Cancer Center
- The Wilderness Society
- U.S. Department of Justice
- UCLA School of Medicine
- University of North Carolina
- United Way of East Central Iowa
- United Way of Rhode Island
- United Way Services
- University of Buffalo
- University of the West Indies
- University of Utah
- USAID Tanzania
- Wake Forest School of Medicine
- Wellesley College
- YMCA of Central Maryland
- YMCA of Greater St. Louis
- Yosemite National Institutes

“Over the last 18 months, CCL has supported our strategic effort to develop our leaders by giving us scholarships to a variety of programs that CCL offers. Given our non-profit, international non-governmental status, our organization would not otherwise have been able to participate in these significant experiences. We would like to sincerely thank you for your generosity and for the clarity of your vision – you are truly educating the leaders of the world.”

- Mignon Mazique, Executive Counsel and Neal Keny-Guyer, CEO, Mercy Corps



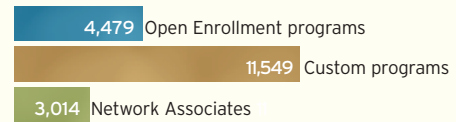
ORGANIZATIONS SERVED

The Center works with a wide range of organizations, from Fortune 500 companies to government agencies to nonprofit and educational institutions. This year we collaborated with more than 1,000 organizations to help meet their leadership and management development goals.

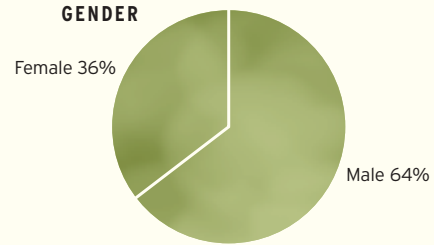
The following is a sample of the client organizations the Center worked with in 2003 - 2004.

- | | |
|--|--|
| ABN AMRO Bank N.V. | Microsoft Corporation |
| Alstom Power Inc. | Motorola, Inc. |
| American Chamber of Commerce | Mt. Eliza Business School |
| American Express | Novartis |
| Amgen Inc. | Office of Health Management (OHM) |
| AT&T Corp. | Orkla ASA |
| Bank of Ireland | PacificCorp |
| Bayer Corporation | PepsiCo, Inc. |
| Beeches/OHM | Pfizer, Inc. |
| BOC Group (British Oxygen Company) | PriceWaterhouse Coopers, LLP |
| Bon Secours Health System, Inc. | Progress Energy |
| Boral Industries Inc. | Prudential Financial, Inc. |
| Bristol-Myers Squibb Company | Rabobank Group |
| Bryan Leadership Development Initiative | Random House |
| Catholic Healthcare Partners | Rotary Youth |
| Chubb Group of Insurance | SC Johnson |
| Citigroup | Society of Human Resource Management |
| Colgate-Palmolive Company | Singapore Economic Development Board |
| Cornell University | Solectron |
| CTS Corporation | Sonoco Products Company |
| DaimlerChrysler AG | South Carolina Department of Education |
| Dannon | Standard Bank Investment Corporation |
| Duke Divinity School | State Farm Insurance Companies |
| Eastern Management Development Center (WMDC/OPM) | Syngenta |
| Eastman Chemical Company | Swiss Re |
| Federal Executive Institute (FEI/OPM) | The Prudential Insurance Company of America |
| Federal Reserve Bank of Richmond | The Ryland Group, Inc. |
| Fortis N.V. | The Trane Company |
| Gambro | Torstar Corporation |
| Georgia Leadership Academy | Trinity Health |
| GKN Automotive NA | Unilever HPCE |
| GlaxoSmithKline | United Defense |
| Guidant Corporation | United States Air Force |
| Hillenbrand Industries, Inc. | United States Army |
| IDEA of KOC | United States Navy |
| Interbrew S.A. | United States Postal Service |
| Institute of Public Health in Ireland | Verizon Communications Inc. |
| INVESCO | With. Wilhelmsen Inc. |
| Johnson & Johnson | Western Management Development Center (WMDC/OPM) |
| Kenan Foundation | Whirlpool Corporation |
| Koç Industries | Women in Cable and Telecommunications |
| Mashantucket Pequot Tribal Nation | Xerox Corporation |
| Maytag Corporation | |
| Methanex Corporation | |

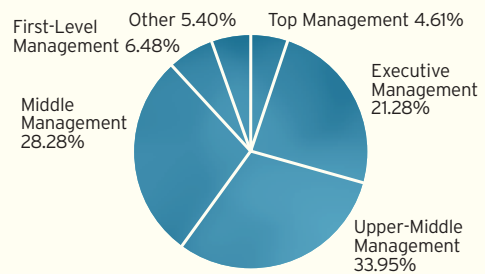
NUMBER OF PARTICIPANTS



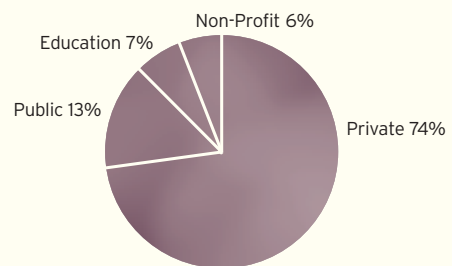
GENDER



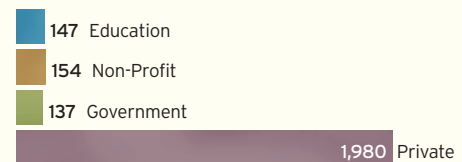
LEVEL IN ORGANIZATION



PARTICIPANTS BY SECTOR



ORGANIZATIONS SERVED BY SECTOR





Supporting CCL



Friends of the Center Special and Designated Funds

The following funds have been created to acknowledge the accomplishments and interests of donors, special contributors and friends, or to support a Center-wide activity of lasting importance. Donors who have designated their contribution to a specific fund are identified by the symbols below.

- ❖ **Center Staff Knowledge Management & Dissemination Fund** – Supports resources in the electronic medium to assist Center staff to share and distribute business and enterprise information. Established in 2001 with funding from Michael M. Lombardo and Robert W. Eichinger.
- ▼ **Thomas F. Bridgers Jr. Center Development Fund** – Supports professional development for the Center's faculty and staff members. This fund honors one of the Center's founding staff members who, regardless of position and title, spent more than 30 years advocating the personal development of Center staff.
- * **David P. Campbell Creativity & Artistry Fund** – Supports the maintenance of tools of creative expression and honors Smith Richardson Senior Fellow, David P. Campbell.
- **Kenneth E. Clark Research Award Fund** – Supports the Clark Award to recognize outstanding unpublished papers by undergraduate and graduate students. The fund is named in memory of Ken Clark, distinguished scholar and former president of the Center.
- ◆ **Francis H. Freeman Reference Collection Fund** – Supports reference collection acquisition for the Center's library. The fund honors Frank Freeman, the Center's chief librarian from 1970 to his retirement in 1999.
- **Greensboro Leadership Fund** – Established in 2000, with an initial grant from The Weaver Foundation, this fund provides financial aid to nonprofit executives working in Greensboro, N.C.
- ★ **H. Smith Richardson, Jr. Visiting Fellowship Fund** – Created in 1999 to honor the memory and contributions of H. Smith Richardson, Jr., this fund provides support for visiting practitioners, scholars and other leaders-in-residence at the Center. Mr. Richardson was chairman of the Center's governing boards for more than 25 years.
- ▲ **Walter F. Ulmer, Jr. Applied Research Award Fund** – Supports the Ulmer Award designed to stimulate outstanding field research and its creative application to the practice of leadership. The award is named in honor of retired president and chief executive officer of the Center, Walter F. Ulmer, Jr.
- ❖ **Leadership For A Changing World Scholarship Fund** – Established in 2001 in response to the tragic events on September 11th, this full tuition scholarship program is for United States public health and safety leaders to develop their capabilities to meet the challenges of our rapidly changing world.

MILESTONES

1978

A new behavioral simulation, *Looking Glass Inc.*®, is launched.



1974

The Leadership Development Program (LDP)® – CCL's flagship leadership course – is introduced.

1970

The Center is founded as a nonprofit educational institution focusing on leadership and leadership development.



Honor Roll of Donors to the *Friends of the Center* General and Special Funds

The Center gratefully acknowledges the generous contributions made by the following organizations and individuals. Gifts designated to specific funds are indicated by symbols. Refer to *Friends of the Center* Special and Designated Funds list for specific fund description. Please note that the members of the *John W. Red Jr. Circle* are those special donors who have given cumulative gifts of \$10,000 or more to support the Center's mission.

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Smith Richardson Foundation

Leadership Legacy Society

(Planned Gifts)

Joseph F. Carroll

Karen McNeil-Miller

Margaret M. Waddington, M.D.

Red Circle

(Lifetime Membership -
cumulative gifts of \$10,000+)

James and Mary Bruce

Robert W. Eichinger

Robert A. Ingram

Michael M. Lombardo

Peter L. Richardson

Stuart S. (Dick) Richardson

Melvin Sorcher

Margaret Waddington, M.D.

Patrons

(\$25,000+)

- Cemala Foundation

Leadership Circle

(\$10,000 - \$24,999)

INDIVIDUALS

- ❖ Robert W. Eichinger
- ❖ Michael M. Lombardo

ORGANIZATIONS

E.M. Kirby Foundation, Inc.
JMA Management Center, Inc.
Progress Energy

Friends' Society

(\$5,000 - \$9,999)

INDIVIDUALS

Robert A. Ingram

P.Y. Lai

Peter L. Richardson

Stuart S. (Dick) Richardson

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Sustainers

(\$1,000 - \$4,999)

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Barbara Demarest, *in memory of Marsha Smith*

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(\$500 - \$999)

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Tim Nelson (Shainin LLC)

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Lisa Hudson Varner

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CIGNA Matching Gifts Program

- ▲● Tornow Partnership

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(\$250 - \$499)

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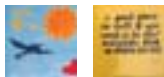
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Victoria Guthrie

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Kathy Kleindorfer

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Yoshiharu Matsui
 Mark McLaren
 ◆ Brenda McManigle
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- ◆ DaimlerChrysler Corporation Fund
- ◆ Discovery Learning, Inc.
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(up to \$249)

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 Jennifer Bradley, *in honor of Harold & Mary Jane Moore*
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- ◆ Boyer Management Services
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Special Support

The support of these individuals and organizations, which provided the Center with material gifts or services on a pro bono or reduced-fee basis, is gratefully acknowledged:

Cindy McCauley
 Miller Brewing Company
 Sage Publications

The fifth annual *Friends of the Center Leadership Conference* was held in Orlando, Fla. in October and would not have been possible without the generous contributions (both monetary and material gifts) made by the following organizations:

American Express
 CPP
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Friends of the Center Special and Designated Funds

- ◆ Center Staff Knowledge Management & Dissemination Fund
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- ◆ Francis H. Freeman Reference Collection Fund
- Greensboro Leadership Fund
- * H. Smith Richardson Jr. Visiting Fellowship Fund
- ▲ Walter F. Ulmer Jr. Applied Research Award Fund
- ◆ Leadership for a Changing World Scholarship Fund

See full fund descriptions on page 27.

Message from the CFO

During our 2003–2004 fiscal year, the Center charted solid growth across the breadth of our portfolio of offerings. The net result was a seven percent increase in overall revenues for the Center, up from the four percent growth we posted in our previous fiscal year.

At the Center, we continue to expand our operations and systems to better serve our constituents. Notable in this regard is the formal opening of our new Asia campus in Singapore, the continued rollout of our Internet Assessment System (IAS), which makes many CCL assessment tools available online, and the launch of the Center’s revitalized Web site, which offers access to a vast array of resources on leadership.

As the Center heads into a new fiscal year, our sights are set on continuing to achieve strong growth, as well as further extending and enhancing our offerings and operations. The philanthropic support we receive, in the form of individual contributions and research funding, is vital to this work, and we thank you for your support.

Sincerely,

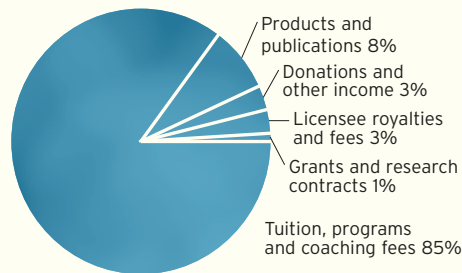


BRADLEY E. SHUMAKER
Chief Financial Officer and
Vice President, Strategy, Planning and Finance



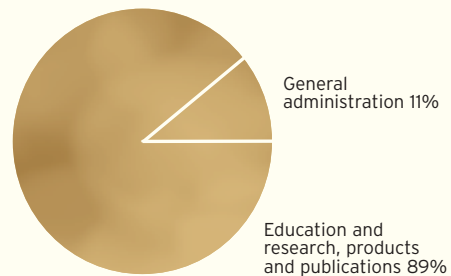
FINANCIAL HIGHLIGHTS

DISTRIBUTION OF OPERATING REVENUE 2003-2004



Total operating revenue 2003-2004
\$60.7 million (unaudited)

ALLOCATION OF OPERATING EXPENSES 2003-2004



Governance



"There is a need and a desire for better leadership in Asia, and CCL can play an important role by sharing its knowledge and helping Asian leaders apply it. That's why it's so exciting for me to serve on CCL's Board of Governors."

- P.Y. Lai
Founder and Executive Chairman,
Global EduTech Management Group, Singapore

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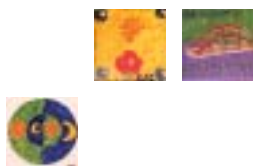
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2003: MICHAEL FULLAN
Dean of the Ontario Institute for Studies in Education
University of Toronto

2002: SHALOM SCHWARTZ, PH.D.
Professor, Department of Psychology
Hebrew University of Jerusalem

2001: KATHY KRAM, PH.D.
Professor, Organizational Behavior
Boston University School of Management

2000: JAY CONGER, PH.D.
Professor, Organizational Behavior
London Business School

DISTINGUISHED ALUMNI AWARD WINNERS

2003: MAJOR GENERAL JAMES DOZIER
U.S. Army Retired

2002: NANCY L. SNYDERMAN, M.D.
Practicing surgeon and medical correspondent
for ABC News

2001: INEZ TENENBAUM
Superintendent of Education, South Carolina

2000: LLOYD D. WARD
Former CEO for the U.S. Olympic Committee
Former CEO of Maytag Corporation

1999: GEN. H. NORMAN SCHWARZKOPF
U.S. Army Retired

Provenance

The Center for Creative Leadership is working to shape and fit the theories and ideas of the behavioral sciences with the practical concerns of managers and leaders.

The Center as an institution remains something of a cross between a university business school and a research institute — serving as a clearinghouse for innovative ideas and techniques for creative leadership development and education. Though negotiating the elements of this complex charter can be difficult, the rewards are rich when theory informs practice and deeper acquaintance with practice widens the compass of theory.

Because of its unique faculty — a blend of talented, widely recognized behavioral scientists and creative training practitioners — the Center is able to conduct broad research into issues of leadership and development in complex organizations, while at the same time applying new knowledge in training programs to develop better managers and leaders.

The inspiration for this unusual organization and its mission — to advance the understanding, practice and development of leadership for the benefit of society worldwide — came from H. Smith Richardson Sr., who was largely responsible for building the Vicks Chemical Company. His vision is shared and has been implemented by his son, H. Smith Richardson Jr., and grandson Peter Richardson. In the years after the elder Richardson had built Vicks from a one-drugstore operation into a major international corporation his thoughts turned to the broad questions of how businesses can remain vital and continue to provide useful, innovative products and services through economic ups and downs, in the face of changes in the



H. Smith Richardson, Sr.



marketplace, and in spite of the inevitable succession of management groups.

He was particularly interested in this last issue. Many enterprises eventually fail, he deduced, because management sooner or later “loses the ability to recognize and adjust to new and changing conditions.” What

organizations needed was not just leadership for the present and the near future, but a kind of innovative leadership with a broader focus and a longer view. Such leadership would be concerned not with profits, markets and business strategies alone, but with the place of business in society. This sort of leadership would come from people, Richardson said, with “minds that could do cross-country thinking.” Only by taking into account the broader implications of decisions could a business remain stable and productive “throughout future decades and generations.” What was needed, he realized, was creative leadership.

The dream of an independent institution devoted to the concept of creative leadership was realized with the founding of the Center for Creative Leadership in 1970. The Smith Richardson Foundation Inc. provided the initial financial underpinning and has been a generous supporter for more than 30 years.

Today, our research and training programs are widely respected by scholars and professional managers alike. Every year, some 20,000 managers and executives, educators, government administrators, and community service and volunteer leaders attend our programs, and our publications, products and research initiatives reach a worldwide audience.



For information about the Center's programs, products, or services, contact:

CLIENT SERVICES

One Leadership Place
Post Office Box 26300
Greensboro, NC 27438
USA

Telephone +1 336 545 2810
E-mail info@leaders.ccl.org
Internet <http://www.ccl.org>

For information about supporting the Center's work philanthropically, contact:

CCL INSTITUTIONAL ADVANCEMENT

One Leadership Place
Post Office Box 26300
Greensboro, NC 27438
USA

Telephone +1 336 286 4057
E-mail friends@leaders.ccl.org
Internet <http://www.ccl.org>

NORTH AMERICA EUROPE ASIA

The Center for Creative Leadership is committed to a policy of equality of opportunity for the admission of all students regardless of race, color, creed, sex, age, national origin, sexual orientation, or disability, and does not discriminate on any such basis with respect to its activities, programs or policies.

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