

The Santa System

Leadership Lessons
from the North Pole



Lenn Millbower

The Santa System

*Ten Leadership Lessons
from the North Pole*

Lenn Millbower

Forewords

Dr. Karl Albrecht,
John Murray, III

Suggestions for Delivering Joy
Howard H. Prager

Contents

FOREWORD, PART ONE A Fresh Perspective Dr. Karl Albrecht	Pg # vii
FOREWORD, PART TWO Meeting Santa John Murray, III	Pg # ix
INTRODUCTION Helping Santa	Pg # 1
CHAPTER ONE The Flight Before Christmas	Pg # 5
CHAPTER TWO Holiday Hall	Pg # 19
CHAPTER THREE Toy Toolery	Pg # 31
CHAPTER FOUR Wintergreen Clubhouse	Pg # 43
CHAPTER FIVE Wrapping Room 1	Pg # 59
CHAPTER SIX Wrapping Room 2	Pg # 77

CHAPTER SEVEN Ready Room	Pg # 93
CHAPTER EIGHT NaNe Central	Pg # 109
CHAPTER NINE What Santa Wants	Pg # 123
CHAPTER TEN Santa Social	Pg # 135
AFTERWORD Howard H. Prager	Pg # 141
ADDITIONAL INFORMATION	
Santa's Leader Lessons	Pg # 145
Santa Sayings	Pg # 146
North Pole Acronyms	Pg # 147
Santa System Consulting	Pg # 149
About Lenn Millbower	Pg # 153
Additional Reading	Pg # 155
Acknowledgements	Pg # 157
Index	Pg # 159

CHAPTER FOUR

Wintergreen Clubhouse

Happy elves make happy toys.

—Santa Claus



Walking with Jozef provided an ideal opportunity to learn more about the elves and the North Pole.

“So, in assisting Santa, and when you’re not stuck walking someone like me around,” I asked, “what’s the most interesting thing you do?”

“I manage the benefactors for Santa.”

“Who are these benefactors?” I asked.

“The benefactors are the millionaires, trust funds, and toy manufacturers who contribute to our treasury. We also get royalties from new works based on ‘Yes, Virginia. There Is a Santa Claus,’ ‘Twas the Night Before Christmas,’ some

pieces of music, and other various sources of income.”

“Have you always had your job?”

“Oh no, we switch around a lot.”

“How long then have you worked at the Pole?”

“It’s been a very, very long time. In fact, I don’t remember not being here.”

“Where are you originally from, or if it is so long ago, do you even remember that?”

“I don’t remember much but, like most of the elves, I am originally from the Netherlands.”

“Do you ever get bored and wish you could go back there?”

“We’re not hostages here. We stay because what we do brings joy to others.”

“So, no one leaves?”

“Occasionally someone does leave, but really, what are the other possibilities? There isn’t enough to do for the Easter Bunny. And who wants a nights-only job collecting children’s teeth? And then there is that Halloween team. They are just too weird.”

“What about training? What happens when you switch jobs, or when you get your first job?”

“Training starts when the elves are young. We do aptitude and interest testing. Based on those results, Father Christmas sets up—”

“You mean Santa?”

“Well, in a way.”

I was puzzled by his answer but, realizing now that answers only came at a deliberate North Pole pace, I dropped the subject.

“He helped us set up a process. After finishing primary school, and combining the testing results and their interests, young elves attend North Pole College to learn a trade (wood working for instance); or NP University for business skills

(like clerical, law, and finance); or NP Arts for the creative fields (including art, illustrations, and costume design). After graduating, the elves apprentice in their chosen field. We also cross-utilize them so they understand what others do.

“What about differences of opinion? Does cross-utilization prevent arguments between competing Pole teams? Between elves? Leaders?”

“Almost everyone who works here is what you humans might consider the best of the best. With so many first class team members, there are bound to be conflicts, especially when everyone is lobbying for their ideas. Fortunately, the best way to deliver joy usually wins. SMILE helps a lot too. It’s a guide for decisions. Also, we transfer often to keep each team, and ourselves, fresh.”

As we approached our next location, I spotted Mrs. Claus waiting for us at the entrance. She was in an intense conversation with an elf when we arrived, so Jozef held us back.

“This is the Wintergreen Clubhouse,” Jozef explained quietly. “Wintergreen is, in Dutch, the word for evergreen. It’s called Wintergreen because evergreens are, well, always green, and the clubhouse is always open. This is a place where elves socialize, eat a meal, play games, try out the latest toys, and just relax and enjoy themselves.”

Seeing us, Merri Claus concluded the conversation and approached us.

“Hello again Mr. Millbower.”

“Lenn, please. I was in the Disney organization for years, and everyone is on a first-name basis there. I’m not even sure who Mr. Millbower is. My father perhaps.”

“Very well, Lenn. Call me Merri, and I do remember you as a child with a Davy Crockett coonskin hat on your head. So cute.”

“Yeah, that was me, but it’s been a long time since anyone has considered me cute. I think it was the *Davy Crockett* TV

episodes that led me to working for the Walt Disney Company. But that's not why we are here. Tell me about you and this place."

"Certainly. I started as an elf and soon caught Santa's eye. We've been together since the 1800s."

A door then appeared and opened, and she cautioned me. "Brace yourself. We'll get interrupted a lot. As the EEO, Elf Experience Officer, every elf seems to have something to share with me."

The room was huge, comparable in size to Holiday Hall. It was part cafeteria, part rec room, part toy trials area, and the general social gathering hot spot. The smell of cookies permeated the air and joyful music played in the background. There were at least 100 elves there. Some were chatting. Some were eating. Some were playing games. Some were trying new toys. Some were watching big screen monitors showcasing the latest Pole happenings, honored elves, and messages from Santa.

The walls were divided into sections and each section featured a mural and a Christmas tree.

Jozef explained, "Each team decorates their own mural."

"Some of the murals look really professional," I observed, "and some others—"

"Artistry isn't what matters. It's their space to decorate how they please. Also, the Christmas trees get redecorated for different holidays and occasions. All the elves vote for their favorite decorations and that department wins. Last Halloween, the Ready Room won for its Frankenstein tree. But I don't know. There is something just not right about red blood oozing from a Christmas tree."

After taking in the room, I looked at Merri. She was already surrounded, and Jozef began quietly opening a path for her to travel. Although it was crowded, I stayed close enough to Mrs. Claus so that I could hear the conversations

she was engaged in.

“Merri, are you coming to our wedding? The big guy too?” one elf asked.

“Yes Gusta. We’ll be there. Have you decided which of you two is going to move to another department?”

“I joked with Skyler that I am already his boss at work. Now, I’ll be his boss at home too. I think he’s moving. Too much bossing around.”

A second spoke up. “I have a really good idea to improve my assembly line.”

“Love that you’re thinking. Talk it with your leader first,” Merri directed, “and let me know the outcome.”

“Mrs. Claus, Mrs. Claus,” another called out. “Look what I got from Krampus,” the elf said as she excitedly held up some kind of recognition card.

“Congratulations Evi.”

“That’s my 9th in a month!”

“That’s absolutely wonderful. I am so proud to know you.”

“Hey Lars,” Merri asked another elf, “How’s the new job?”

“There’s a lot to learn. It’s a bit overwhelming. Thank you for helping me with the transfer. I think I’ll be much more comfortable there.”

“Let me know if you do have any problems,” Merri responded, then stooped to pick up a piece of trash from the floor.

As she stood back up, another elf began talking. His appearance startled me. All the other elves I had encountered were ageless: not exactly young, but definitely not old either. They just felt, well, eternal. This elf had the countenance of an older man. Then, I realized I was missing the conversation and broke my train of thought to listen in. I’d have to ask about his appearance later.

“—and as you can see by that wrapper in your hands,” the man continued, “my gingerbread ice cream cones are popular with the elves, but I’m having trouble supplying them. My sleigh drivers can’t find the path. I understand the need to keep all this secret,” he said waving his hands around the room, “but with all the magic in this place, there has to be a way to install a sign that only we can see.”

“Humm, let me look into that,” Merri responded.

“Thank you.”

“Umm, speaking of deliveries,” another elf chimed in, “I have a vehicle problem.”

“Tineke here,” Merri explained to me, “is Chief Elf for Pole Supplies.”

Turning back to the elf, she asked, “A vehicle problem?”

“Yes. As you know,” Tineke continued, “both Yannick and I were up for the position. I got it. Yannick has always been a rival, and I don’t think he likes me very much. I was brought in from wrapping, so I didn’t spend years in supplies, like he did. He seems to feel that you can’t manage supplies unless you spent years there driving and delivering them. Anyhow, I got this position, and he got fleet maintenance. Part of his job is to support me with the vehicles my team needs to deliver supplies. But he’s buying rundown vehicles at Alaska state auctions and ‘fixing’ them for us. That keeps his mechanics busy, but we get decrepit, junky vehicles. They break down a lot.”

“Have you talked to him about this?”

“I’ve tried, repeatedly. He avoids me.”

“Okay, I’ll set up a meeting with you and him in my office and we’ll talk this through. We need to deliver both ends of SMILE: safe AND efficient.”

“Thank you. I don’t want friction, just a joyful situation.”

“I understand,” Merri responded.

I suddenly realized that as Mrs. Claus was meeting and

greeting, she had been slowly walking towards one wall. She reached that wall as the vehicle conversation ended and a door opened in front of us.

As Jozef walked behind us, we entered a small connecting hallway. Stopping for a moment, I commented, “Getting through the Toy Chest was like running a marathon. Do you get interrupted like this often?”

“Yes.” Merri answered. “I found out many years ago that if I wanted to use the restroom, I needed to leave my office 10 minutes early. Getting there was like running a gauntlet. Santa finally had a bathroom installed in my office. It’s been a lifesaver, but it also meant I get out of the office less. Nowadays, to compensate, I walk around a lot.”

“Don’t all the interruptions make it difficult to get business done?”

“It’s hectic but, no, these elves ARE my business. I try to be the leader the elves want to approach rather than one they want to avoid,” and, with a nod to Jozef, “He helps. Santa too. He preaches that happy elves make happy toys.”

“Everyone certainly looks happy enough!”

“Things seem all happy and nice, but it is a real leadership challenge. Consider this. How would you manage a workforce that can rarely be fired, develops deep relationships, marries teammates, sometimes have competing, equally important, priorities, and seem to live forever?”

“That sounds difficult, but what about this living forever thing? “I asked, “Santa mentioned it too. What does that mean, exactly?”

“The Pole stops aging somehow. No one knows why. It just does. I’m not really sure how old Santa is, and I am *not* sharing my age. The elves? Young elves age quickly. As they reach adulthood, the growth spurt stops. So does aging, as long as they stay at the North Pole. But in the real world, when an elf is no longer under the magical protection of the

Pole, aging happens at a normal human pace, including all the ailments that seem to afflict humans. Anyone choosing to leave knows that they will be giving up their longevity, and perhaps even their health.”

“What about that vendor? He looked old.”

“He is. He decided to leave the workforce several years ago and, once he left, he started aging.”

“There is, however, one exception to the aging issue: field elves.”

“Field elves?”

“Yes. Elves out in the real world, but still working for the Pole. They’re placed in toy companies, manufacturing, government, industry, the arts, charities like Toys for Tots, or they work as financiers, product testers, online influencers, and, most critically, keeping an eye on those third-party pretend Santas, and verifying the NaNe list.”

“NaNe? It’s a listing?”

“You’ll learn more about that later.”

Fully recognizing now the futility of trying to get information before my hosts were ready to share it, I dropped it. I’d just have to learn what a NaNe was when they were ready to tell me.

“Another way we lose elves,” she continued, “is when they decide to stay at the Pole as a villager and open up a shop. Santa’s favorite is Up the Chimney. Pipes and tobacco, of course. The Bowl of Jelly restaurant is especially popular as a dinner date location. But the most popular are the two bars, The Happy Elf Pub and the Red Nose Tavern. We’ve had some failures too. Ginger’s Bread, for example. How much gingerbread can an elf eat? And then there was Visions of Sugar Plum Candies. No one needed it. Why go to a store for candy when it’s readily available on the job?”

“Lots of candy, no aging or health issues, and long-term job security.” I said, “Who wouldn’t want that?”

“Yes. Very few elves leave. But their longevity of service can be a recipe for stagnation. We’ve had to focus heavily on elf joy.”

“Elf joy? How do you do that?”

“We say, ‘happy elves make happy toys.’ It’s an actual Happiness Success Formula our leaders follow:

Great leaders make elves happy.

Happy elves make happy toys.

Happy toys make children happy.

Happy children makes parents happy.

Happy parents make the world a happier place.”

“That’s an interesting formula,” I asked, “but how do you actualize it?”

“A key point for leaders is being out in the area, demonstrating purpose, and guiding the way. *Guide* is actually what we call it.”

“So, you’re a guide, not a leader?”

“Both. Let me explain. We believe there are four different types of leaders: buddy, boss, grunt, guide.

“The *buddy* is everyone’s pal. It’s important to be friendly, but a leader cannot be effective if they are too much the buddy.

“The *boss* is the strict, no-nonsense leader who punishes when things go wrong. They’re the type that demand, ‘my way or the highway.’

“The *grunt* is one who keeps doing the elves’ jobs instead of their own. They probably should not have been promoted in the first place.

“The *guide* is a better approach. That leader points the way and then gets *out* of the way unless the team needs guidance or assistance. Guide behavior is what we expect of leaders here.

“You’ll meet with several of our top leaders in a few minutes. You’ll see a lot of unanimity there.”

“One other thing I’d like to ask about, the recognition card—”

“Yes, the Joy Card.”

Can you tell me about that?”

“The Joy Card,” Merri explained, “is not Santa driven. And it’s not leader driven. Anyone can recognize anyone for bringing joy to others. The only requirement is that there has to be a real situation where the one receiving recognition did something to create magic for the one giving the recognition.

“There’s a monthly Joy Card winner. On the last Friday of every month we hold a special gathering: a Santa Social. It’s our monthly wrap party. The big guy is there. So are the other leaders. We celebrate the successes from that month and the Joy Card winner is announced. The winner gets to take a ride with Santa in his sleigh. It’s the highlight for many a career. The winner also gets to choose what special dessert or snack will be available in the Wintergreen Clubhouse for the next month. And, as an added treat, the winner gets a surprise gift. Often, but not always, it’s dinner at a local establishment.”

“I noticed you didn’t say anything about an employee ... er ... elf ... of the month.”

“No, we don’t do that. It’s too subjective. Those not chosen often are envious and wonder why they weren’t selected. And the first month you don’t post an elf of the month is the last time the program has credibility.”

At this point, Jozef interrupted, “Mrs. Claus, the Wrapping Room?”

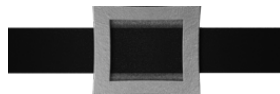
“Oh, we need to go. The Santas are waiting.”

“Santas?”

“Yes. They’re in here.”

With that, a door appeared in front of us. The sign over

the door announced, “The Wrapping Room.” We said good-bye to Jozef, Merri opened the door, and I entered a room full of Santas.



LEADERSHIP LESSON FOUR: *Be approached, not avoided.*

North Pole Observations

Merri Claus and Jozef shared several tidbits about how the North Pole works, including transfers, aging, schooling, training, and recognition. The key points for me, however, centered on Merri’s leadership approach. It, frankly, amazed me. It was a master class in boss-employee communication and stems from her conviction that the elves “are my business.” And the elves knew it too. They approached her with an openness that can be rare in boss-employee relationships. The resulting interactions may have seemed casual and spontaneous, but Merri shrewdly did a number of specific things.

- She left her office early so that she had time to be interrupted.
- She did not hurry through the room.
- She remembered elf names.
- She congratulated elves on their personal and professional milestones.
- She slyly verified that Gusta, the elf getting married, knew the transfer rules and that she and her future husband would follow them.

- She, without taking sides, willingly involved herself in solving a transportation issue between two department leaders.
- She praised an elf for coming up with a way to improve the assembly line and, rather than undercutting that elf's leader, told the elf to take the idea to his leader first. She then asked the elf to follow up with her so that his good idea did not get overlooked.
- She congratulated elf Evi for receiving her ninth recognition card of the month and told Evi she was proud to know her.
- She remembered that another elf, Lars, started a new job and asked him how the job was going. She then offered to help Lars if he experienced any problems in that new job.
- She stooped down to pick up trash.
- She took a complaint from a vendor and promised to look into the solution the vendor offered.
- She listened intently as Tineke explained the conflict with Yannick. She then, realizing that the two elves would not be able to work the issue out between them, took charge of arranging a meeting for the three of them to figure out how to be both safe and efficient.

Buddy, Boss, Grunt, Guide

Part of the secret to Merri's success is the type of leader behaviors she exhibited. In this formulation, leaders can be categorized into four different styles: buddy, boss, grunt, and guide.

- The Buddy – Friendly, wants to be liked, tends to avoid making decisions.
- The Boss – Demanding, wants results, doesn't care if it offends employees.
- The Grunt – Hands-on, wants to do it themselves, often stuck in minutia.
- The Guide – Welcoming, wants the team to succeed, coaches and mentors, assists when necessary.

Merri demonstrated guide behavior. Guides see themselves as the ship captain, charting the course and steering the team towards clear goals and successful outcomes. They cheerlead and champion team members. They set clear standards and expect the team to meet them. They encourage suggestions and actively integrate them into projects. Their enthusiasm motivates their team. Employees want to approach these bosses. The likely result is high morale, active participation, and superior results.

Guide behavior has become the primary approach to leadership at the North Pole. The resulting Happiness Success Formula is a simple one:

- Great leaders make elves happy.
- Happy elves make happy toys.
- Happy toys make children happy.
- Happy children makes parents happy.
- Happy parents make the world a happier place.



A Real World Example

The Guide also became the central approach at Hamilton, a hospital system I assisted. Their biggest problem was HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems) reimbursements from the United States Medicare and Medicaid programs. The government requires health care entities to survey patients and their families. They score health care facility success in two ways: clinical competence and caring compassion. If a hospital system does a good job in the healing process but a terrible job being compassionate, Medicare and Medicaid reimbursement from the government is reduced. In other words, you can achieve patient clinical success and still not be fully reimbursed if the patient or their family feels you weren't emotionally sympathetic to their needs.

The sequence Hamilton needed to succeed is similar to the flow chart Santa and his team devised:

- Great leaders deliver caring staff guidance.
- Satisfied staff deliver caring patient and family interactions.
- Satisfied patients and their families rate the facility higher.
- Government reimbursements increase.



To actualize that sequence we launched a program, “The Heart of Hamilton,” for all employees. The program focused on ways to add “heart” to patient/family interactions. In

addition, leaders attended a series of programs to help them deliver caring interactions with their staff.

It worked. Employee satisfaction results rose to the 90-percentile range, HCAHPS scores increased by over 15%, and the hospital system gained over \$100,000 in additional government reimbursement. The initiative was so successful that “The Heart of Hamilton” expanded beyond its initial internal focus and became a central focus of the hospital’s external advertising and communication. And importantly, the hospital’s local community ranking jumped from the ninth place position to number two in less than a year.

Questions to Consider

When thinking about your and your team’s leadership approach, consider the following:

- Which of the four leadership styles do you observe in your organization? Are they the leadership styles your organization needs? Is there an appropriate balance?
- Do your employees willingly approach your organization’s leaders, or do they try to avoid conversations with them? Does your technology get in the way of face-to-face interactions?
- Do your leaders receive annual reviews? Do those annual reviews encourage the leadership styles you need? Are there corrective paths for leaders who do not meet the required expectations? If not, why not?

Final Thoughts

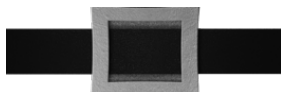
There are occasions where an effective guide must switch to another leadership style.

- Buddy behaviors may be required when an employee is upset and needs help in coping with an issue they confront.
- Boss behaviors may be necessary in dangerous situations.
- Grunt behaviors may be required when the team needs help and the leader pitches in.

Effective leaders function mostly in guide mode but when a situation calls for them to switch into buddy, boss, or grunt behaviors, they switch for the minimum amount of time necessary. And, when the immediate need is resolved, they switch back to the default guide position.

What Comes Next

Next, let's meet with several of the North Pole leaders and learn their perspective as they gather in the Wrapping Room.



ADDITIONAL INFORMATION

Santa's Leader Lessons

*Leadership Lesson One:
Be your best. Share the rest.*

*Leadership Lesson Two:
Engage emotion. Deliver devotion.*

*Leadership Lesson Three:
Set guidelines, not decisions.*

*Leadership Lesson Four:
Be approached, not avoided.*

*Leadership Lesson Five:
Chart the course. Let others steer.*

*Leadership Lesson Six:
Employees come first. Customers come second.*

*Leadership Lesson Seven:
Preserve the fourth wall.*

*Leadership Lesson Eight:
Process matters more than product.*

*Leadership Lesson Nine:
Mind your head SPACE.*

*Leadership Lesson Ten:
Open your heart and spread joy.*

Santa Sayings

Chapter One, The Flight Before Christmas:

No one succeeds alone.

Chapter Two, Holiday Hall:

We bring joy to the world.

Chapter Three, Toy Toolery:

*If Santa must make every decision,
no presents get delivered.*

Chapter Four, Wintergreen Clubhouse:

Happy elves make happy toys.

Chapter Five, Wrapping Room 1:

Bad leaders belong on the naughty list.

Chapter Six, Wrapping Room 2:

*Bringing joy to the world also means
bringing joy to each other.*

Chapter Seven, Ready Room:

Santa is not a person. Santa is an image.

Chapter Eight, NaNe Central:

Does process matter?

Ask a nice child mistakenly placed on the naughty list.

Chapter Nine, What Santa Wants:

*Keep the spirit of Christmas in your heart.
That's where I am.*

Chapter Ten, Santa Social:

*What kind of leader gives a visitor more
than he can give most of his team members?*

Workshop Acronyms

Santa's Workshop is a dynamic place. Over time, as is true of most organizations, Santa's personnel have developed their own unique acronyms and language shortcuts. Listed below are the most common ones, and their meaning.

CTO – Chief Territory Officer, a Santa's assigned territory.
EAP – Elf Assistance Program, the intervention program offered to elves in danger of losing their employment at the North Pole.

EEO – Elf Experience Officer, Merri Claus's position.
Elfspectations – Protect the magic. Project positivity. Perform your role. Partner effectively. The four attributes and behaviors the elves are expected to demonstrate.

Field Elves – Elves who work someplace other than at the North Pole.

Happiness Success Formula – The formula Workshop leaders follow to ensure end product success.

HELP – Happiness, Excitement, Love, Peace, the emotions people feel when opening presents on Christmas day.

Joy – The defining purpose and goal of everyone working at the Workshop.

NaNe – The Naughty Nice list.

NNC – The Naughty Nice Crew, the team that verifies there are no nice children on the naughty list.

NPA – North Pole Arts, the elves' school for creative skills

NPC – North Pole College, the elves' school for technical skills.

NPU – North Pole University, the elves' school for business.

POLE – Positivity, Ownership, Logistics, Expertise, the attributes and behaviors Workshop leaders are expected to demonstrate.

SMILE – Safe, Magical, Inclusive, Loving, Efficient, the filter the North Pole team applies to make effective decisions.

Roof Run – The Christmas eve presents delivery route.