

10:25 am

Gord's Meeting

With Jack in the middle of his private meeting, Karen Smithers walked into Gord Maxwell's office. She smiled when she saw Carl Jennings was already present.

"Good morning, Gord...and Carl. So nice to see you again," she said, as she shut the door behind her.

"Good morning, Karen," Gord said with a smile.

Carl moved forward, gave her a hug, and said, "It's great to see you too, Karen. It's been too long. How have you been?"

Karen beamed up at him and winked. "Fair to middlin' I guess," she replied with a smirk. Carl grinned at her dead-on impression of him.

"Hi, Norm," Karen said as she extended her hand to greet Norm Baker, Gord's executive coach and advisor.

As seasoned as Gord was, he valued Norm's independent perspective in helping him think through important and strategic issues for the growing company he was leading. Creating the Vice President of Operations position to address both succession planning and to position Belles for growth had come as the result of a series of coaching sessions between Norm and Gord.

Today's meeting between the four of them was to discuss the candidates and help select the new Vice President of Operations.

This is an excerpt from the book;

"Sparks – Leadership Actions That Will Ignite Your Organization"

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As they moved to the conference table, Gord looked at the members of the group. They each had strengths and talents he valued, and their insight would go a long way in helping him make this critical decision.

Carl, although retired, was a great friend of Gord's and of Belles Building Products, having spent 22 years working there before retiring. Carl was instrumental in the company's profitable growth and positioning it for continued success by hiring and developing many of the company's current employees, including Jack Sparks.

Karen was Gord's right-hand. He relied on her a great deal. Her business insight and perspective were formidable, and she was always an excellent sounding board when he needed someone to bounce ideas off. She was intelligent, respected by all of the employees, and had a shrewd mind for all aspects of business.

And finally, there was Norm. As Gord's executive coach, Norm was well respected by Carl and Karen. He was at this meeting to provide his perspective and to facilitate the discussion.

"Well, shall we get started?" asked Gord, motioning for everyone to sit down.

"Before we do, did anyone else happen to hear the ruckus coming from John Saunders' office a few minutes ago?" Karen asked.

Getting mystified looks all around, she sighed. "I don't know what was going on, Gord," she said, "but I could hear him screaming at someone from out in the hall, and his door was closed. I'm not trying to tell tales out of school, but whatever was going on, a few of the guys on his team looked

worried. I can only hope it was a personal call because if it was business, it didn't put him or Belles in a very good light."

Gord frowned and then nodded. "Thanks, Karen. I'll look into it."

He nodded to Norm, who leaned forward. "Let me bring Karen and Carl up to speed," he said. "As you may know, our objective is to identify the best internal candidate to fill the newly created position of Vice President of Operations. The person in this position will focus primarily on running the business, thereby freeing up Gord's time to concentrate on strategic positioning for the company. If, after this discussion, we don't think we can find the perfect internal candidate, we will begin looking outside the company. However, we also agreed that looking outside the company is less desirable because it will likely slow Gord's transition into the strategic role. Moreover, with an external candidate, we may possibly run the risk of an unwelcome shift in our culture. We have seen it before and we'll see it again with other companies. Our 'grow your own' philosophy has served us well over the years, and we expect it will continue."

Karen quipped, "Well, maybe we can convince Carl to come out of retirement."

Carl gestured with a brisk head shake and said, "No way."

Everyone chuckled.

Norm continued, "Our successful candidate for this new position must be able to do three things: First, they must be able to consistently deliver growth to the top and bottom

lines. Second, as the leader of operations, their actions must ignite the organization. And third, they must have the potential to eventually replace Gord as President and CEO while grooming someone to replace themselves. As you know, we are considering Jack Sparks and John Saunders for this position.”

Gord said hopefully, “Although I wish Karen would reconsider her candidacy for the position.”

Karen mimicked Carl, “No way!”

This drew another round of chuckles.

Karen truly was honored that she had been considered for the position, but her work plans were short-term. She and her husband had already planned to take an early retirement and move to his native France in the Loire Valley, where his parents owned a small winery. Both of Karen’s parents had passed away some time ago, and with no children to consider, their dream life was right around the corner.

Norm asked, “Does anyone have anything to add or discuss at this point?”

“Not from me,” shot Karen.

“I’m good,” said Carl.

“Okay, then. Please continue,” said Gord.

“Good, let’s discuss our two candidates and their ability to satisfy these three objectives,” Norm said. “Why don’t we start with their ability to consistently deliver growth to the top and bottom line? Would anybody like to start?”

“Well,” Carl began. “Reviewing the financial statements, this is a tough one because our sales numbers are impressive. I see both building products and specialty building products on the verge of having a record sales year.

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Plus building products has had 20 percent compounded growth for the past three years in a row and specialty products around 12 percent over the past two years.”

“We have had good growth,” said Karen, “but you also said this is a tough one. What is so tough about it?”

As the others listened, Carl replied, “It’s tough because although the top line is impressive, the bottom line isn’t. Look, the selling expense for both groups is shrinking but so are their gross margins. Gross margins are down significantly on the specialty products side.”

“Do we think we have two candidates that pay more attention to the top line than the bottom line?” asked Norm.

“Possibly,” replied Carl. “After all, it’s the nature of what they do. They are measured principally on sales volume results with a lesser emphasis on the bottom line.”

“Do we think we have two candidates that know how to pay attention to the bottom line and know what to do about it while continuing to grow the top line?” asked Norm.

“I think we do,” said Gord. “I take accountability for the shrinking margins. I haven’t pressed either of them on bottom line growth. The focus has been on top-line growth while aggressively growing and defending market share. We also have room to tighten up our costs out of the yard and warehouse and re-manufacturing facility. I’m confident that the leadership to operate Belles more profitably will come from our new Vice President.”

Karen and Carl smiled at each other. Listening to Gord embrace accountability was not surprising to them. It was comforting to work for a leader who consistently embraced accountability for his performance, behaviors, and

actions. Particularly in a time when there are so many pathetic business and political leaders who shift blame to others or deny, deny, and deny.

“The question then is do you have the confidence that either of your candidates can do that for you?” asked Norm.

“Yes, I do,” replied Gord. “Karen, Carl, do you feel differently?”

“No, I think they are both capable at the bottom line,” said Carl.

“I agree,” said Karen.

“Okay,” said Norm with a smile. Now let’s narrow it down a bit further, shall we? Of the two, who do you think is better at the bottom line?

Gord replied, “I think John has an edge at managing the bottom line, and Jack has an edge at getting us the top line.”

After a moment’s thought, Karen and Carl both agreed.

Norm then asked, “Okay, then, looking forward, which do you think is going to be more important to you—margin or market share?”

Gord hesitated for a moment and said, “It depends.”

“Well, if it depends,” said Norm, “Let me ask you this. Would it be easier to get Jack to brush up on the bottom line or to get John to become more effective on the top line?”

“If we had Jack continuing to manage the sales top line and John paying attention to the bottom line, I think we win,” said Gord.

“Gord, you didn’t answer the question,” said Norm.

“I know,” replied Gord with a small smile. “The correct answer is I think Jack could adapt to managing the bottom line better than John could adapt to managing the top line, but why does that matter?”

“Well, let’s look at one possible scenario,” Norm answered. “What if the one who isn’t chosen for the new position quits after the other one is hired? That would open up a new problem. That’s why it’s good to be clear on this going in and to look at all the possibilities before making your final selection.”

“If we continue with this line of thought, the next question would be which of the two would be most likely to quit if the other one gets the job?” asked Norm.

“Gosh, Norm, all of these are tough questions!” said Carl.

Norm responded, “It’s what a good coach does, Carl—ask the real tough questions to force you to think carefully and to help you make the right decision.”

Carl said thoughtfully, “I think I’m too far removed from this one to be able to answer it and be of any use.”

Karen tilted her head and said slowly, “I think John would quit before Jack would.”

“I agree,” said Gord. “For one thing, John came here with high-level experience and as a potential candidate to someday replace me.”

Norm looked at the tight faces across from him and said, “Okay, unless there is any further discussion, then John Saunders has a slight edge on Jack Sparks in this area.”

The discussion continued as the committee went over both the applicants’ work history with Belles, their very

different management styles, their achievements and their failures. At noon, they broke for lunch, which was brought in, and they limited their discussion to non-work-related topics. Right at one o'clock, they started in again, and by 2:30, the decision for the new Vice President of Operations had been made.