

Some Thoughts on Leadership

By Vince Madiraca

The customer is always right. It's all about the customer. We have all heard these statements before and no one has contradicted it. Who else could be number one? How about the employees? As the leader of a company or department, the employee is number one to you. Treat your employees well and you can be assured that they will take care of your customers. YOU need to make work fun and you need to make work so everyone wants to come in every morning and give your customers top notch service. Unhappy employees will not go beyond the call of duty to help your customers and they may even "spit in their soup".

Inspect vs. Expect

Your employees need you to watch out for them. They will do what's inspected of them, not what's expected of them. Managers are constantly thinking (and telling "their" boss) that their subordinates have been told what is expected of them and they can't understand why they are not doing their job.

You need to inspect their work early and often. Once you start to trust them, you can inspect periodically but your employees must know that this duty is important and they must think that you could inspect at any time.

If you have an employee who is not hitting expectations, you need to sit down with them, ASAP. Remember what the warden said to the guards in the movie, Shawshank, "not tomorrow, not after breakfast, NOW". I say not Monday or next week, now. If not now, when? Keep this in mind, "if you accept it, you can expect it". Get on it ASAP. Don't let reprimands linger.

Run morning exception reports. Don't bog down personnel with busy work that does not work. But, if you expect a result each day, you better inspect it. At my current company, we have a report that prints out every morning, all purchase orders that are open past their due date. It is someone's job to call the vendor and find out what is going on and if it's still delayed they change the due date. So, if I run a report today, there better not be any PO's prior to today and there won't be any because they know that this is important to me and the customers. And it's important to them because they bought into it. I discussed it with them and they agreed that this should be done every morning so they do it. The key is that they believe the report is important because our customers are waiting for these products and we are on top of it. It is a lot easier to call the customer, proactively, and explain there is still a delay than it is to get a call from them and have to explain that you are not on top of it. The employees agree and therefore will do it.

At one company, we ran so many productive morning reports: items below order point, accounts receivable over 59 days, accounts payable due for discounts, etc. These were meaningful reports and everyone bought into them. They are sitting in the computer room for them to pick up in the morning to start their day. Over time, we had to kill some reports because they were not working

or we changed the process. This occurred when someone spoke up and said there is a better way, this report is not working anymore.

We also ran “celebratory” reports. Our main report, we called it the “HC” report named after broadcaster Howard Cosell because “he told it like it is”. It was a one page report that showed the sales for yesterday vs. projections (budget) and EVERYONE saw it and looked for it. By the way, we believed in sharing our financials with everyone. Most small business owners are scared to share the numbers but that will be another topic for discussion, later.

Our celebratory reports showed: Sales were up 20%, Suzanne entered the most orders yesterday, Rob picked the most lines in the warehouse, John answered the most calls in customer service, etc. People love stats and are motivated by these reports. They didn’t realize that these were also “secretly” inspection reports. If you have a report that shows all of your customer service reps ranked from 1 to 12 by highest sales volume every day, you can be sure that #12 will want to answer the next phone call before anyone else.

Speaking of #12, keep in mind that someone has to be #12 and that’s OK. We are only as good as #12, but when it comes time to tell #12 to pick up the pace, do so. If the sales volume is not OK, let them know that it’s not OK to enter “X” number of orders. I am looking for you to produce “Y” and you must constantly communicate this to them. They will either get better or leave. When it comes time to let them go, it won’t be a surprise to them and you will feel comfortable with this decision. You will be able to sleep nights knowing that you did it (managed) right. Keep this in mind, if you let someone go and they are surprised, you did not do your job. Don’t let it happen again.

By the way this is not micromanaging. This is managing. You have to trust people but you have to be a manager. I trust you but I am watching.

Management by walking around (MWBA). As a manager, how could you not have your finger on the pulse of where the action is? If you are not visiting the front lines often then you are not leading. Yeh, MWBA is a catchy phrase but are you really doing it? You have to show your presence.

When I ran the customer service department, I would have a headset on my head with the plug-in cord dangling from my ear. I can’t remember how many calls we were taking back then but it was thousands, daily. I would walk up to a customer service rep’s desk, sit down and plug in my headset and listen. After the call I would let them know what I thought. I enjoyed it. Think about it, this is truly MWBA and it was fun.

I did so in a non-threatening way because I had a positive relationship with them. I was not there to catch them doing things wrong, I was there to have fun with them. After the call, I would tell them we are lucky to have you taking care of our customers and here is a suggestion. Plug into your employees with a friendly atmosphere with humor. Tell them they are doing a good job as much as possible and be specific. If you are doing this, they will all be great and you will know your customers are in good hands.

Managing is like parenting. Most of your hires will be great, but they have to be managed. As a manager you want your “kids” to succeed. Help them. Give them resources. Do not leave them on

an island hoping they will get it. They need your expertise. Never stop training them. I hear people say it's expensive to train and what if I train someone and they leave. Well, it's better to train people and have them leave than not train them and have them stay.

Take the hit. Don't throw your subordinates under the bus, when you are confronted by your boss, take the hit. The buck stops here. After you swallow your pride with your boss, call him/her into your office and use it as a teaching moment. If it needs a reprimand do so. If it is serious enough, write them up with a warning. But don't let your boss reprimand them.

My boss came to me the other day and said Phyllis did this. I said it's my fault I told her to do it that way, I will have a talk with her and make sure she is aware of it. And then bring her in and tell her that this is the way it's supposed to be done, understand?

These are just some of my thoughts on how you can become a better leader in a distribution company. It comes from a willingness to roll up your sleeves and take a look at what your team is actually doing. In the next part of this article, I will talk about how you build relationships with team members, focus on the right things and recruit fresh talent. Good luck and I look forward to speaking with you in the future.

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