

DISTRIBUTION HAS A PR PROBLEM

BY JASON BADER, PRINCIPAL - THE DISTRIBUTION TEAM



In a recent podcast episode, I had a great conversation with a fellow advisor in the distribution space. Steve Deist is a guy who spent a lot of time on the consulting side of the fence before coming on full time with one his clients. In our conversation, we discussed the challenge that distribution has always had in attracting new candidates to the industry. Very rarely do we see people getting their education with primary focus of making a career of wholesale distribution. Sure, there are some schools like Texas A&M and Purdue University that have robust schools of distribution, but most career distribution employees kind of fall into it. In fact, most of them don't really realize what a great opportunity these supply companies can offer until they have worked there for a few years. While I have had the privilege of spending a lot of time with these folks who discovered distribution, I can't help thinking that our industry needs to do a whole lot better job of deliberately attracting bright, talented individuals to the fold. Before we can attract, we need to answer this question – what makes a distribution career so great?

Before we dive into some of the value props for a distribution career, I want to touch on an area that may help drive our case. I recently ran across an article that suggested that millennials are regretting the amount of debt they took on from student loans. Many older ones are realizing that they did not get a return on that massive investment. There are a ton of highly educated people out there accepting less than ideal work situations with no real hope of improving their financial situations. While it may be cool to get hired on by a big brand, how long does it take before these folks actually

handle a level of responsibility that their degree implies? In larger entities, how many times do we hear about the axe swinging during less than favorable quarterly results? Despite what the guidance counselor told you, expensive undergraduate degrees from university institutions does not ensure financial security.

According to my friend Steve, research has shown that the distribution business is rock solid. Through thick and thin, the wholesale distribution industry makes up around 6 to 7 percent of the US GDP. Many fear that distribution will go away due to consolidation efforts, this has simply not proven to be the case historically. The reason is simple. Distributors are independent with a capital I. When companies get acquired, senior managers from the company often jump ship and start their own entity. This creates a whole new set of opportunities for people interested in working for the industry. Distribution is in a constant state of regeneration.

If we look at the opportunities for advancement, distribution has the big brands beat. Think about how flat our management structure is. The president of the organization is typically only 4 or 5 levels away from the entry level employee. This creates an opportunity for young people to get into roles of responsibility in relatively short order. There aren't endless layers of bureaucracy. Employees of distribution companies experience are given a whole lot of rope to make decisions. We tend to get our people thinking and contributing a whole lot quicker than the large corporate employers. This can be tremendously appealing to the newest generations

coming in the door. Everyone likes to knock younger generations for being job-hoppers or having a lack of loyalty. This is a misunderstanding of what is really going on. These folks don't want to go through the hassle of leaving your company. The problem is that you have failed to give them new challenges. You have to keep them interested.

As we move more toward the value proposition of distribution, one of the other points of appeal is the noble purpose of wholesale distribution. Here is where I might raise few eyebrows, but bear with me. Younger generations are extremely interested in purpose. Why does your company exist? How do you contribute to the greater good? These are big questions from some really smart young people. Let's take a look at the difference between our b-to-b model and the bigger brand b to c model. In B to C, there is a noticeably short relationship with the customer. It can often have a relatively sporadic transaction cycle. The purpose is to satiate a need or want and then move on to the next consumer. In distribution, we create relationships with people who exist to make sure that their employee base is fed. We serve those who serve entire families. Our relationships are long term, not long cycle, in nature. We are in contact with our customers daily to make sure that their ability to generate income is not impeded. The success of our customers drives income for hundreds, if not thousands, of employees. If that is not a noble purpose, I don't know what is.

We can compete with the big brands and those who wear shiny shoes. Frankly, we offer a better overall opportunity. Now that we have a little more pride in our business, we

need to beat the drum. We need to spread the word that distribution is a fantastic career. Learn to play in the world of the big kids. Social media is not a passing fad. It has been a part of our fabric for almost 2 decades. You need to lean on the marketing people in your organization. By the way, marketing is not a socially awkward arm of sales. They are two vastly different disciplines. I host a forum for distribution marketing professionals, and I am blown away at the complexity of their world. Random customer interaction left the profession a long time ago. Their actions are deliberate, scientific and data driven. Using your marketing team, push your brand on multiple fronts. Your messaging on Facebook and Instagram should be different than your messaging on LinkedIn or Twitter. Some of you might turn your nose up at Facebook marketing because of the implied lack of professional content. You would be sorely mistaken. Your customers and potential candidates play in the world of Facebook, and now Instagram. Post and follow. Rinse and repeat.

Before I let you go, I want to touch on one final area. We need to go after younger candidates. You may be stuck in a paradigm that forces you to only go after college graduates. While that may be desirable in some respects, I think you are missing a tremendous opportunity at a massive population. Let me state this loud and clear. Great distribution careers do not require a university career. There are a ton of fantastic young people that don't fit into the university mold. We need to be that viable option. If I was a recruiter for a distribution company today, I would establish relationships with guidance counselors and athletic coaches at the local high schools and junior colleges. These kids are just as talented as their university bound peers, without the soul crushing future debt. Be proud of our industry and start recruiting like pros. Good luck.

About the Author:

Jason Bader is the principal of The Distribution Team. He is a holistic distribution advisor who is passionate about helping business owners solve challenges, generate wealth and achieve personal goals. He can be found speaking at several industry events throughout the year, providing executive coaching services to private clients and letting his thoughts be known in an industry publication or two. He recently launched his first podcast, Distribution Talk. Episodes can be found at www.distributiontalk.com. He can be reached at (503) 282-2333 or via email at jason@distributionteam.com. You can find additional resources on his website: www.thedistributionteam.com