

BUILDING A SOLID BENCH OF TALENT

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I was working with a private client last year on some personnel changes. The client was getting fed up with the lack of performance and direction from one of his branch managers. He wanted to make a change. At the same time, the company was contemplating the possibility of opening a new location. The opportunity was right and the company had existing sales in the territory. I convinced the client that we should clean up the current branch manager problem before shifting focus on the new opportunity. Bad things happen when you take your eye off the ball.

Before we made a hasty change, we decided to take a look at the existing talent pool for an acceptable replacement. Since most privately held distributors prefer internal promotions, we started reviewing the potential candidates. This is where our plan came to a grinding halt. There were no acceptable internal candidates in the local branch. Undeterred, we decided to look company-wide since the locations were within a reasonable distance from one another. Again, we hit a dead end. After looking around the company an ugly truth was revealed – we were unable to move forward because the company had failed to build a solid bench.

Many of you might suggest that we could have just gone outside the company to find an acceptable candidate. This was certainly an option. There were probably some very skilled managers that could have come in and done a reasonable job, but they would always be lacking one crucial component – cultural familiarity.

Just how important is culture in a small,

privately held distributorship? I not sure if this one warrants an answer. At the risk of stating the obvious, it matters a great deal. It is often the glue that binds all the distribution functions together. It dictates how we treat the customer, what we are willing to do in the name of customer service, how we price products, how much inventory we stock, how we compensate employees and a myriad of other distribution questions. The culture of a business is more than a vibe. It is often the key element that dictates success or failure.

In my own experience, I have watched several talented individuals fail in a company because they could not assimilate into the company culture. I have personally tried to bring in sales managers and other higher level personnel from the outside. In most cases, the hire fell flat on its face. It had nothing to do with the person's experience or knowledge of the industry. It was a cultural mismatch from the beginning. I have friends who have been able to make this work, but it is certainly the exception, not the rule.

It has been my experience that the many successful managers are home grown. They have come through the ranks of the organization. They know the way business is conducted in the company. They have learned from their predecessors. They understand the customer service philosophy. They know the suppliers and how to get the most from them. Their ascension though the ranks has earned them a level of respect from the team. This is a tough hurdle for an outsider.

If we are going to continue the

tradition of growing our own talent, we need to start formalizing the process. As my client came to realize, his company did not have a method to develop future managers. When he was small, it was easier to manage that progression. He could coach and advise people along the way. As the entity grew, it was tougher to make sure that people were ready to make that leap. Many distributors, like my client, are still trying to develop their employees the same way they did 20 years ago. The first step to breaking out of this paradigm is to define your progression.

I suggest that you gather a small group of employees together and rough out the perceived progression. Most of us will start in the warehouse. What is the first job? I happen to put newbies in picking, but the starting place is up to you. Once someone “graduates” from the warehouse, they may enter the counter sales function. Then, they may move to an inside sales or customer service position. Often, the person will move on to a telesales role or outside sales function. Management may be in the future.

Remember, the path doesn't always lead to sales. I often see a diversion from the customer service role into purchasing or operational management. There are many different ways that a person can progress through the entity. There is no reason anyone should become stagnate. Our goal here is to try to define this progression.

Once the progression is outlined, the next task is to establish a list of skills associated with each position. In the case of my client, we broke the counter sales function up into four positions –

counter 1, 2, 3 and lead. We defined the skills a person had to master before moving on to the next position. The candidate worked through the list and learned how to perform each task. As they advanced, the skills became more difficult to master. The beauty of the program was that we could see who was willing to work on mastering each skill. Some were more motivated than others.

This approach can work for all levels of the progression. The challenge will be to come up with all the skills necessary for mastery. The skills will change as policies, technology and the business climate changes. In order to break down the enormity of this process, I suggest that you hand pieces of the progression off to different individuals in the organization. They are closest to the job and will have a better handle on the items required to fill out your progression.

As an added bonus, a clear progression is a great way to attract new blood into the organization. Let's face it, most of us didn't go to school with the intention of entering the wholesale distribution industry. Unless you were born into it, it probably didn't cross the radar early on. Most of us started working summers in a warehouse, came back after we graduated with the full intention of this being a short term gig until we found our "real" career. The years flew by and all of sudden you found yourself reading trade magazines and association newsletters – go figure.

While this situation may have matched many of my contemporaries, I don't think the modern distributor can rely on this method of filling their ranks. Good distributors need to do a lot less hiring and start doing a lot more recruiting. What I mean by this is that we are going to have to offer something more than job and a paycheck.

The newest generation of employees are looking for an opportunity that provides a constant stream of new challenges. If they perceive monotony, they will go elsewhere. Do we have a constant stream of challenges in distribution? Do people move through the ranks of the organization at a fairly rapid pace? We can fulfill this need for constant stimuli. We just need to learn how to sell it.

You will always be faced with the need to replace personnel in your organization – whether by choice or by happenstance. By creating a formal process for moving, and educating, your employees through a progression, you insure that you are constantly generating a bullpen of promotable talent. Good luck.