

“This Year, We Need to Get Better Faster So We Can Move to the Next Level”

Address to Local Company Presidents at the Winsupply Strategic Planning Meetings March 2020, Nashville, Tennessee

Rob Ferguson, President, Winsupply Local Company Group

EXCERPT 1: SPEECH OPENING

Eleven years ago this week, I was in Phoenix getting ready for my first stockholders’ meeting as the president of Grandview Winnelson, located just south of Kansas City.

I will never forget how I felt that day.

I was nervous and scared and wanted the whole thing to be over with before it even started.

Because back then, things at my company were not good.

The recession had just hit, and we were struggling.

I had just found out that our biggest customer had filed bankruptcy, and stuck us with a quarter million dollars in bad debt.

In one day, my investment in my company was cut in half.

I was challenged with everything you can imagine: my customers, my vendors and my team.

I seriously thought my board was going to fire me.

I was so worried I could barely talk.

All I wanted to do was get in, tell the board what they wanted to hear, and get the heck out.

But what happened next was different than I expected.

In the room that day were all five members of my board.

I told them everything that was going wrong.

They actually listened to me. And then they started talking to me.

We discussed so many things that day.

Like what it was going to take for me to fix what was broken, turn things around and move my company to the next level.

They told me we had to be the BEST in our market.

- We had to build the best relationships.
- We had to have the best team.
- We had to do what no one else was willing to do.

Then I realized something important.

Everyone in the room that day wanted the exact same thing.

They wanted to see me succeed.

My meeting wasn't set up to make me feel inadequate or incompetent.

It was about one thing.

And that is HELP.

That's what this was all about.

Did my board push me?

Yes!

Did they have tough conversations with me?

Yes!

Did they make me feel uncomfortable at times?

Absolutely!

But I have to tell you:

What they did that day made me better.

And it made my company better.

That help showed me what it means to have an equity partner.

A true business partner who wants to see you succeed.

So I changed what I was doing.

- I stopped feeling sorry for myself.
- I took ownership of everything – my company's past, present and future.

- I set bigger goals, and began to hold myself and my team accountable.

Average wasn't good enough anymore.

So I dove into my financials.

And spent a lot more time planning.

I reached out to other presidents, like Luke Larkin at Winsupply of South Atlanta, who gave me pep talks on days when I was ready to quit.

And Scott Wilson at Kansas City Winwater who showed me what customer relationships really looked like.

I relied on Andy Wademan, my operations manager.

Andy had my back. He took care of everything so I could get on the road, build relationships and grow our company.

And one year later, we were named Winsupply's Turnaround Company of the Year.

So many people gave me the help I needed to get better.

And that is the value of equity partnerships at Winsupply.

Last year, you made it possible for all of us to achieve another record year.

So let's take a few minutes to celebrate what we accomplished together last year ...

EXCERPT 2

The second pillar of our business model gives you LOCAL AUTONOMY.

This gives you the freedom to make decisions that you believe are best for your company.

So what decisions will you make this year to get better faster?

To figure that out, you need to do something different.

I challenge each of you to spend more time working ON your business, and not IN your business.

In my role, I get to attend a lot of local company board meetings.

So many times, I hear presidents say that

- “This is the year I’m finally going to train my entire team” or
- “I’m finally going to hire another outside salesperson” or
- “I’m finally going to increase gross margin.”

But do you know what happens?

Many presidents spend every day of every week of every month FIREFIGHTING.

They do what’s URGENT.

So they never get to what’s IMPORTANT.

Then the year’s over.

And that one important thing they wanted to do never gets done.

As presidents, we HAVE to stop FIREFIGHTING.

We have to do what's important NOW – TODAY! – if we expect to move to the next level this year.

That means doing three things:

- **Asking hard questions ...**
- **Becoming great wholesalers ...**
- **And “learning the math.”**

So let's break these down, and talk about what they mean.

FIRST:

As you are working ON your business, you need to ask some hard questions.

Like what will you do to make your business disruption-proof?

We used to talk about how to recession-proof your business.

But in reality?

Recession-proofing is easier than disruption-proofing!

Think about it.

Recession-proofing is based on things you KNOW and can CONTROL.

Like how to serve your customers, manage cash and work your inventory.

But disruption-proofing your business is a whole lot different.

It's based on things you don't know and can't control, like:

- WHAT the next disruption is ...
- WHERE it's coming from ...
- And HOW FAST it's coming.

Will it come from Amazon?

From more manufacturers selling direct?

Or from a new threat like coronavirus?

The fact is – you just don't know.

And that is why you need a PLAN to make your business DISRUPTION-PROOF.

But the hardest question to ask is this:

WHY do your customers do business with you?

Let me say that again:

WHY do your customers do business with you?

And the answer is NOT: "Because we provide GREAT SERVICE!"

I am asking you to stop saying you have GREAT SERVICE!

It adds ZERO VALUE.

Your competition says it.

And your customers are sick of hearing it.

Because they don't know what it means.

“Great service” is now a commodity.

As a local business owner, you already know the truth:

If you can make your customers more profitable, they will do more business with you.

You need to know exactly what you are doing to add value to your customers’ bottom line.

EXCERPT 3

Today, I've talked about where we've been, where we're going and how we're going to get there this year by getting better faster.

But we also have to do ONE MORE THING if we want to move to the next level.

We need to rekindle the Spirit of Opportunity in others.

I know each and every one of you is grateful for the opportunity you have been given at Winsupply.

Gratitude is what inspires people to pay the Spirit of Opportunity forward.

WINSUPPLY CHANGES LIVES.

It has changed MY life.

And it has changed YOUR life.

It is why I believe we should have a line out the door of people ready and waiting to be local company presidents.

But we don't.

Why is that?

Why have we slipped in our responsibility to pay the Spirit of Opportunity forward?

- Maybe it's because local companies are choosing to get bigger instead of spinning off new companies.
- Or, maybe it's because we want to keep all our best people, since recruiting and training take a lot of time and a lot of money.
- Or, maybe it's because we have been hiring truck drivers – not future presidents.

Right now, area leaders and an outside recruiter are spending a lot of time helping us find new presidents.

But what about the people who are already at Winsupply?

We need more people here to raise their hand!

We need more people like John England – an outside salesman at Mt. Vernon Winnelson who attended our Management Development Training Program.

He was trained by Mike Anderson, Mt. Vernon's president, and was ready to be an owner.

In 2016, John took over Winsupply of O'Fallon and threw himself into his company. He was in the office everyday by 5 A.M. And he focused 100 percent on customers.

- Today, his team loves him.
- His vendors respect him.
- He is everything you want to see in a local company president.

Because of John's leadership and his team's hard work, John increased his company's stock value by 865 percent in just three-and-a-half years.

865 percent!

Over the past two years, I have been to every MDTP graduation.

So I know the talent we have in this organization.

I know there are dozens of people just like John who are ready to run a company.

They may not have the courage to raise their hand.

- So we need to find these people.
- Tap them on the shoulder.
- And offer them the Spirit of Opportunity.

I bet you have a couple of these people in your own company right now.

So do what Mike Anderson did.

Call them out. Let them go. And pay the Spirit of Opportunity forward.

That has always been the culture here.

And that is why this year, when we have an opening for a truck driver, we need to go back to recruiting future presidents again.

What's in it for YOU if you pay it forward?

You can spin off a new company – and earn a percentage of that equity growth.

You can mentor a new president – and feel pride in giving back.

And you can leave a legacy, just like

- Chester Remington and Kent Best. Altogether, they started more than 30 local companies.
- Dean Lucas at Newburgh Windustrial – who helped 16 people become presidents.
- And Kevin Severy at Sioux Falls Winair. Kevin trains new presidents at his company – and even travels across the United States to help many other presidents get better.

Plus, what about Dana Wadsworth at Bangor Winsupply? He has opened three new companies in just six years.

I'm leaving many people out. But yet, we could use so many more.

So I am asking for your help.

What are you doing TODAY to recruit and train new presidents?

What are you doing TODAY to start new local companies?

How are you paying forward the Spirit of Opportunity TODAY?

EXCERPT 4: SPEECH CLOSING

This year, none of us can be comfortable being average, because average isn't good enough anymore.

Eleven years ago, when I took over as president of Grandview Winnelson, I started out being average.

But people at Winsupply pushed me.

They made me look in the mirror and face the truth:

It was my leadership that was stopping us from being the best.

The people at Winsupply made ME better.

And they made MY COMPANY better.

The moment we stopped being average and comfortable was the moment we changed our future.

Twenty-five years ago, our co-founder Dick Schiewetz shared some important observations about our business.

Dick said that many people want to be entrepreneurs.

Many people want to be their own bosses, and run their own companies.

But becoming a successful president – running a really great local company – comes down to one thing.

Desire!

Not how much you know.

Not what your skills are.

Not what your abilities are.

It's how BAD you want it.

Today, I believe every president in this room has the knowledge, skills and abilities to get better faster and move to the next level this year.

What happens next depends on just one thing:

How BAD do you want it?

Thank you.