

CHAPTER 5 EXCERPTED FROM

THE SPIRIT OF OPPORTUNITY

How Free Enterprise Lets Entrepreneurs
at Winsupply Earn Their Own Success

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with Teresa Zumwald

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CHAPTER 5

## They Earned Their Own Success

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*“The big driver of happiness is earned success:
a person’s belief that he has created value
in his life or the life of others.”*

Arthur C. Brooks, American social scientist, bestselling author
and former president of the American Enterprise Institute

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The story of Winsupply is the story of our fundamentals – our philosophy, business model and key principles – and the details behind our operating structure and procedures for pattern management and scale.

And yet, there’s more to it than that.

The best way to tell the Winsupply story is to talk about some of the courageous, capable, hardworking entrepreneurs in The Winsupply Family of Companies: people who maximized their opportunities and earned their own success.

### **Scott Wilson on equity partnerships: ‘The chance to share ownership is our No. 1 competitive advantage’**

Scott Wilson grew up in the 1980s, in a subsidized housing project in Kansas City, Missouri. He had a dirt bike he kept in the kitchen, because if he left it outside, he knew it probably wouldn’t be there the next morning.

As a teenager, Scott worked at a Sonic Drive-In, the burger and tater tot place. And then one day in 1993, when he was 17, he asked Chester Remington for a job.

Chester was a family friend and the president of Kansas City Winwater, a local company in Scott’s hometown and one of Winsupply’s top

companies. Chester hired Scott to work in the pipe yard at his company, which supplies valves, fire hydrants, and all kinds of water, storm and sewer pipe to contractors in the area.

It didn't take long for Chester to see something in Scott that Scott couldn't yet see in himself.

Because Scott worked hard, he was promoted quickly. Soon, he was earning some pretty great commissions as a salesman for Chester's company.

By the time he was 25, Scott knew he was destined to do much more than sales. Chester told him that someday, Scott would be running the company.

Since nothing worth having comes easy, Scott continued to work very hard for the next five years. Then Chester decided to share Winsupply's ownership opportunity by giving Scott the chance to become a 10 percent stockholder in Kansas City Winwater. Scott said:

*"I was 30 when Chester asked if I wanted to buy stock in Kansas City Winwater and become an owner. It was a huge risk! But I took it after someone at Winsupply said, 'Scott, would you rather invest your money in a big public company where you have no say-so? Or would you rather invest in the company you work for where your voice is heard every day?'"*

To get enough money to buy stock in his company, Scott scraped together his life savings and borrowed the rest from his father-in-law.

It took him four years to buy in.

Meanwhile, Scott became an eager student of Chester's, learning every aspect of the business well beyond sales. He took on more responsibility, asked questions, made mistakes and learned lessons.

To Scott, Chester was a gracious leader, a father figure and a patient mentor. For 10 years, Chester did everything he could to prepare Scott to take over the company in 2014, when Chester was set to retire.

When that day finally came, Scott needed to have even more skin in the game as company president. So this time, he invested enough to

own 30 percent of his own company – and then he turned right around and offered to share ownership with eight of his employees. He gave them the chance to buy 10 percent of Kansas City Winwater, just as Chester had done for him.

All eight of his employees said yes, because they saw opportunity in ownership. Becoming an owner is really a way take a chance on yourself – to bet on yourself and believe you can serve customers better than your competitors can. Scott told me:

*"The opportunity to buy stock in my own company at Winsupply was a gift. I had to pay big money for it, but the returns! Every employee who works here would tell you the same thing."*

After Scott became president, his No. 1 objective was to grow his company: to take it from where it was to where he thought it should be. So he decided to revamp his team a bit to make it the best in the industry – people who are hungry to do more to take care of customers.

Scott and his team make a promise to their customers, and it is this:

*"We'll be better today than we were yesterday. And we'll be better tomorrow than we are today."*

As a result, Scott's company is still a top-performing company at Winsupply; for many years it has been named our Waterworks Company of the Year.

Scott tells customers all the time about the chance for him and his employees to buy in and share ownership, together with Winsupply:

*"I tell customers that shared ownership is our No. 1 competitive advantage – the No. 1 reason why our company is so successful."*

*"Never in a million years did I imagine where I'd be today. What an unbelievable opportunity this has been for me, someone who came from nothing."*

## Greg Jackson on local owners with local autonomy: ‘People at Winsupply make you feel like you can do anything if you put your mind to it’

Just a few states away from Kansas City Winwater is Dayton Windustrial, a local company in Ohio run by Greg Jackson.

Greg’s company sells commercial construction supplies – like drainage, fire sprinkler systems and industrial pipe, valves and fittings – everything that goes under the ground, in the ceiling and behind the walls of hospitals, restaurants, office complexes and school buildings.

If there’s a commercial construction job happening right now in Dayton, you can bet Greg’s company is probably involved in it. But you couldn’t have predicted that 42 years ago, when Greg was spending his days pouring and finishing concrete for new homes south of Dayton.

Back then, Greg told me he was a “directionless kid” who longed to do something different with his life. So in 1982, he took a job as a truck driver for Dayton Windustrial. Before long, Greg found himself answering phones, receiving inventory and learning every aspect of the wholesaling business, while taking classes at local universities.

Sometimes he’d get a little frustrated on the job. And his boss would say, “Someday when you own your own Winsupply company, you can do things differently!” And Greg thought:

*“Own my own company? I’m just a truck driver! I don’t know what you’re talking about.”*

But then Greg learned what he could do at Winsupply. He found out about the Spirit of Opportunity: the chance to risk a little money, run your own supply house and chase the American Dream, with help from Winsupply.

So he started spending more time at Dayton Windustrial – sometimes doing job quotes until 10 o’clock at night – because he loved the work, and he loved serving customers.

In 1993, Greg got the chance to take over as president of Dayton Windustrial. He said yes, even though he had to make some hard

decisions, like cutting expenses and diversifying the company’s products, to gain more sales.

But what a difference it made.

By 2001, the company had so much business that Greg made a case for starting a new local company north of Dayton called Sidney Windustrial. He even suggested to us that one of his very best employees, Cory Osenbaugh, had earned the chance to become Sidney Windustrial’s first president and make it a success – and Cory did.

Over time, to stand out from the crowd, Greg invested a lot of his money in new equipment and new services. It was a big risk, but it helped his company grow.

Plus, he started carrying brands his competitors didn’t and sold additional items like water heaters and plumbing fixtures. Then he raised the bar even higher by filling and delivering most orders to customers the very same day, something his competitors still can’t do.

He just kept ramping up customer service, unloading material on job sites as early as 6 a.m., so contractors could get a jump on their day.

Year after year, Greg took a hard look at his company and found new ways to expand and serve more customers. He made it very easy for customers to do business with him, and they did.

Today, Dayton Windustrial does six times the business it did in 1993, when Greg took over as president. It happened because we trusted Greg, as the local owner, to make decisions that he believed were best for his own company’s success. We trusted Greg to determine how he and his employees would serve their customers well.

During Winsupply’s 60th anniversary celebration in 2016, when Greg’s company was named one of our top-performing local companies, Greg told me this:

*“Winsupply is not for quitters or wimps, because you don’t make a lot of money in the beginning.*

*“At an early age, you need someone to help you. To point you in the right direction. To tell you that it’s not always going to*

*be like this. That it's going to get better. That you can't be an overnight success.*

*"I get up every day and say how lucky I was to be called upon to drive a truck for Dayton Windustrial ... to go from being a directionless kid, to owning and operating my own company.*

*"What made it possible was the culture of entrepreneurship at Winsupply – that Spirit of Opportunity – the people who just make you feel like you can do anything if you put your mind to it."*

### **John Siefert on support: 'Everyone at Winsupply said, "Don't worry; we'll help you figure it out"'**

It's about a three-hour drive from Greg Jackson's company in Dayton to Winsupply of Cleveland, a plumbing wholesaler with a kitchen and bath showroom spanning 5,800 square feet. The president is John Siefert, a baby boomer whose grandfather, grandmother, father and mother worked for many years in the family's wholesaling business, The Deegan-Siefert Co., established in 1922.

Like many local owners at Winsupply, John grew up in wholesaling. He told me:

*"I'm one of eight kids, and we were all pretty much handed a toilet seat and a flush valve in the birthing room. I was born and bred to be a third-generation wholesaler and worked every summer in the warehouse, unloading trucks and stocking bins."*

The Deegan-Siefert Co. grew profitably through the 1960s, even though John's grandfather had passed away in 1954. Everyone in the family had their roles: John's Irish grandmother – proud, strong-willed and meticulous – worked accounts receivable and kept tabs on the accountants. His father, a born salesman, built relationships and gained loyal customers. And John's mother helped in the office.

But sustaining the company's growth became much more difficult after 1977, when John's mother died suddenly at age 50 after a massive heart attack. Soon afterward, his father became ill and had to start working from home.

Sales dwindled. John, who was studying business and marketing at John Carroll University about 20 minutes from the supply house, felt restless. He knew his family's business had so much more potential, and he was eager to grow it again. So the day after graduation in 1984, John joined Deegan-Siefert full time, started selling and asked a couple of his sisters to take on more of the office work.

Although his grandmother's death a year later left a giant hole in the family business, John kept going, and by 1992, Deegan-Siefert had bounced back. But with annual sales now approaching \$3 million, the supply house needed more space. John's father dug deep into his retirement funds to help finance a new, 18,000-square-foot facility, which opened in 1996. John told me:

*"When everyone in town saw how big our new building was, they naturally thought we were a big wholesaler. So our business boomed to \$5 million and then \$6 million a year. We could not keep up."*

A few months later, John's father suffered a stroke, and his health took a turn for the worse. It became impossible for John and his sisters to reinvest in the growing business while tending to their father's round-the-clock medical needs.

By 2000, John felt alone. He had to do something drastic – or the family business would implode.

After sharing his plight with his longtime American Standard representative – who told him about Winsupply – John felt hopeful for the first time in a long time. He talked to a few local company presidents and got his father's blessing to sell Deegan-Siefert to Winsupply. John would then buy stock as president of a new company, Winsupply of Cleveland:

*"I knew I'd have to give up the company name, but we could be bigger, stronger, better with Winsupply. I did it because I could still own stock in my own company. All I had to do was prove to our longtime customers that our service wasn't going to change."*

The deal was done in March 2001, and John began to reinvent the business. But his new local company was not on strong financial

ground. It had too much inventory, too many expenses and not enough gross margin. John told me:

*“I remember having my P&L (profit and loss statement) in front of me and admitting I didn’t understand the back end of the business. Everyone at Winsupply said, ‘Don’t worry; we’ll help you figure it out.’*

*“Ben Fry was my accounting guy at Winsupply. He would drive to Cleveland and teach me different parts of the balance sheet and the P&L. We talked for hours about which expenses to get rid of and how to adjust so I could increase gross margin. I always knew I could sell anything, but now I had a system behind me that could show me how to make money at it.”*

It took John three years to turn the business around. When the housing and financial crisis hit in 2008, Winsupply of Cleveland had diversified enough to grow even during that difficult period.

John found himself on the road five days a week, selling and building new relationships. Each year, his company was adding another \$1 million to \$2 million in sales. John said:

*“Winsupply made me believe in myself. The more I believed in myself, the more I could preach that to my people and get them to believe in themselves.*

*“Today we’re the No. 1 wholesaler in Cleveland, and everybody is after us. We’d never, ever be here today without the support from Winsupply.”*

### **Steve Lyon on listening to peer presidents: ‘I knew I was pretty good at wholesaling, but I was still not doing the business they were doing’**

Steve Lyon grew up in the Snowbelt, in Ashtabula, Ohio, about an hour northeast of John Siefert’s company in Cleveland. A couple of years after Steve graduated from high school, he decided to trade Ohio winters for Florida sunshine, headed south and signed on as a truck driver for a family-owned wholesaler in Winterhaven in 1982.

Moving up the ladder was easy for Steve, who’d learned all the major industries in construction wholesaling: electrical, plumbing, water and sewer, building materials – even showrooms. He soon transferred to Orlando, and after a seven-year stint in outside sales, became sales manager and then branch manager at a \$48 million location with 70 people.

But in 2006, after the family sold the business, everything changed for Steve, who watched the new owners value corporate over customers, profits over people. Steve tried to adapt, but he hated being stuck in meetings and on conference calls far away from the customers he’d always served. When the company was sold again in 2007 and four of Steve’s sales managers were fired, he knew his time there was up.

Then out of the blue came a call from Winsupply.

Steve was fascinated to learn about the opportunity to become an owner and make money for himself and for the employees he’d get to hire. Because he knew a lot about wholesaling – he’d been in it for 25 years now and had a good following of customers – he was sure he could do it.

And yet, the risk was steep: Steve and his wife knew their family would have to sacrifice since Steve would have to take a pay cut and drain his 401(k) retirement funds to buy stock in his local company. He told me:

*“I was on the fence about Winsupply until the day our VP at the branch handed me a Jack Welch book called ‘Winning.’ The VP wrote inside, ‘Steve, I know how much you like to win.’ Then he gave me two more books with ‘win’ in the title. That did it: I talked to my wife, and we made the decision together. Then I called Mike Larkin at Winsupply and told him I was in.”*

In October 2007, Steve opened Winsupply of Orlando. But a rather rude awakening came quickly. Steve said:

*“All those things I thought I knew about wholesaling? I learned pretty fast there were a lot of things I really didn’t know.*

*“Most wholesalers who come from large, top-down companies don’t know anything about cash. Back at my old branch, if we*

*needed cash, we just spent it! And I never had to pay attention to a balance sheet because I didn't own anything. But at Winsupply, we suddenly had a bank line, cash flow and a balance sheet to manage – and I did not do a good job at first.”*

When the economy went south in 2008, business got even tougher and more stressful for Steve, whose new company was scraping by and barely profitable. But Steve persisted:

*“The driving force was the fear of failure – the fear of letting down those who believed in me, while also proving to those who didn't that they were wrong.”*

Finally, in 2012, Winsupply of Orlando achieved profit sharing and issued a dividend, and then sales and profits began their gradual, upward climb.

Nevertheless, Steve was still not as successful as some of his peer presidents at Winsupply. He told me:

*“That's when I started really listening, more than I ever had before, to all the presidents who'd been doing this for a very long time at Winsupply. I knew I was pretty good at wholesaling, but I was still not doing the business they were doing.*

*“Until I paid attention, I didn't realize their focus was different. They really knew their managing ratios – like people productivity and earn/turn. They could tell you every ratio in their company, what affected those ratios and why. If I wanted to do better, I knew I'd have to spend a lot more time understanding my own ratios and learning how to manage them better.”*

Changing his focus helped Steve change his business.

In 12 years, he's tripled sales at Winsupply of Orlando, and in 2015 he sponsored a new local company, Miami Winsupply. In 2019 – after providing maintenance, repair and operations supplies for theme parks, resorts and hotels in central Florida for many years – Steve spun off that part of his business into a new company, Winsupply of West Orange, which he also sponsored. This new local company, which also serves residential plumbing contractors, is run by a president and seven others who were trained and mentored by Steve at Winsupply of Orlando. He told me:

*“I'm fortunate to be in a great peer-to-peer group with longtime local company presidents who challenge me to keep building on what we have. I want others who work for me to have ownership someday and the pride you feel when you start and build your own company. I want Winsupply to keep growing.”*

## **Randy Marcello on desire and drive: ‘You can never be happy where you're at; you can never stop striving’**

Two-and-a-half years after Steve Lyon opened Winsupply of Orlando, Randy Marcello – a seasoned wholesaler with 17 years in the industry, 12 more in sales and a corner on his HVAC market in Baton Rouge, Louisiana – quit his high-paying job at a competitor to join The Winsupply Family of Companies.

Randy opened Baton Rouge Noland, a cold start, in April 2010. He told me:

*“I wasn't satisfied where I was. A pat on the shoulder was not good enough for me. I knew I could be doing so much better for myself and for my family if I took a chance. Since I knew Monte Salsman at Winsupply, I called him and asked for an opportunity. I maybe had \$75,000 to my name back then, and I took it all and invested it into my own local company.”*

For several months, Randy worked long hours by himself, gradually bringing on one employee and then another. To keep payroll costs low, he asked his wife and their two daughters to pitch in on the weekends, doing office work and restocking shelves.

Nevertheless, despite all this caution, Randy's first year at Baton Rouge Noland wasn't a success. Because he brought in too much inventory, his company lost money. In year two, he broke even. By year three, cash flow finally turned – and stayed – positive.

For a few years, Randy took his profits and reinvested them back into his company so he could continue to grow it. Although he'd earned a business finance degree from Southern California University long before he opened Baton Rouge Noland, Randy quickly discovered that what you learn in college about business finance and what you learn at

Winsupply are two different things. He relied heavily on his area leader, John Simmons, for help:

*“John would dissect my P&L and make suggestions about where and how we could cut expenses to improve our bottom line. He’s a human calculator! He broke everything down so you could understand it and apply it.”*

From the beginning, Randy’s mission for Baton Rouge Noland was clear: No matter what it takes, always take care of the customer.

This level of desire and drive, honed during his early years in wholesaling, likely emanated from his childhood in New Orleans. His parents struggled, and Randy was mostly on his own by age 15. To earn money, he delivered groceries in the neighborhood and picked up odd jobs wherever he could find them. He said:

*“I wanted to be an entrepreneur at Winsupply, to grow my own company, to know when I retired that my children would be financially free. Getting there takes a lot of time and a lot of support from your family more than anything. It also takes drive: You can never be happy where you’re at; you can never stop striving.”*

And he hasn’t. Four years ago, Randy pitched a new idea to his local company board: What if Baton Rouge Noland set up a fabrication shop for custom sheet metal? After all, his HVAC customers needed it daily, custom fabricators were in short supply and the margins would make it a profitable addition to the business.

The board agreed, and during Randy’s first year with his fab shop, he not only recouped his initial investment into the shop but also made money on the service, which has remained highly profitable. Last year, he went back to his board and asked about buying new equipment to expand the operation. Randy told me:

*“Now we have a machine that can pump out square duct metal 24 hours a day. That gave us more productivity so we could bring in more volume. Today we’re not turning anyone away; we’re taking care of every customer.”*

Seeing his employees strive just as hard to take care of customers has profoundly affected Randy, who has learned to put extra controls on his company’s expenses so he can do more to reward his hardworking employees. He said:

*“I saw the work ethic our warehouse manager was putting in, so I decided to give him a \$10,000 profit-sharing bonus. He came into my office, and I told him how proud I was of him and his attitude, and how well he serves our customers. When I handed him the check, he started crying – and then I started crying – after he told me that he takes care of his mom, and this was the money they needed to finally replace their old trailer home.*

*“That day was an absolute blessing. It taught me that by doing whatever we can for our employees, local companies can flourish, which means our entire organization can flourish.”*

Today Randy’s still striving, and he has no plans to stop:

*“I’m still having too much fun doing this every day. Winsupply having enough faith in me to take a risk on me drove me to work even harder and has been the biggest and most important thing in my life.”*

### **Rob Ferguson on leadership and accountability: ‘I had to face the truth: If something wasn’t right at my local company, it was all on me as the president’**

About the time Randy Marcello was starting his wholesaling career in Baton Rouge, Rob Ferguson was a teenager helping his grandfather and father string pipe in excavated ditches some 700 miles north in Odessa, Missouri, for customers of the family business, Ferguson Plumbing and Underground.

By 1994, the family business had acquired Suburban Supply, a plumbing wholesaler, which got Rob out of the ditch and immersed in an industry that would set the course for his career.

Wholesaling lessons came quickly to Rob, who worked summers in the warehouse, on the counter and in the pipe yard. Often, he overheard his parents and grandfather as they sat around the kitchen table haggling over which vendor or banker they'd be able to pay that week.

Rob learned early on that business is personal and moneymaking is hard; although customers were always calling about something that needed attention, the loss of any customer hurt because it affected their livelihood. Sacrifice was required; the workdays were long and any vacations were short, since his family always left later and came back earlier than planned. Plus, everyone had to wear multiple hats: president, manager, truck driver, purchaser, counter salesperson, accountant, lawyer.

While studying business administration at the University of Central Missouri, Rob knew he'd eventually return to the family business full time. But first, he wanted his own experience. So after graduation he left the state, took a job with a large national wholesaler and immersed himself in that organization, learning aspects of wholesaling at a scale he'd never seen back in Odessa.

He attended management training; quoted giant commercial jobs; and learned how to build customer relationships, negotiate and sell. He even found himself on an acquisition team onboarding new branches into the national organization.

By 2005, Rob was ready to return to Missouri, eager to apply everything he'd learned to expand his family's business beyond Odessa. Rob told me:

*“But then I get this call from my dad, who asked me if I'd ever heard of Winsupply because they were interested in buying the family business.*

*“At first, I was very against it; I didn't want us to give up all the equity. But the more I learned, the more I realized that my family would be crazy not to do this.”*

Tom and Michelle Ferguson, Rob's parents, would run the new local company, Odessa Winsupply; Tom would be the president, and Rob

would have some ownership. For the next three years, they worked with their team to expand Odessa Winsupply until Rob decided he wanted his own local company. In 2008, he took over Grandview Winnelson, about 40 minutes from Odessa, after its president, Kent Best, was named an area leader at Winsupply. Rob told me:

*“Becoming president of Grandview was a big deal because it was a bigger company with about \$6 million in annual sales – but I had zero thoughts in my head about failure. I was almost overly confident. It was something I knew I was going to do.”*

However, Rob's first two years were rough. After the recession hit, Grandview lost a third of its business. Then, one of his company's biggest customers filed for bankruptcy, which left Rob with a \$250,000 loss in bad debt.

He felt both angry and fearful as he struggled with customers, vendors and employees. Rob knew he didn't have the right relationships; plus, vendors weren't supporting him, and many people on the team of 12 he'd inherited weren't on board with the culture he wanted to build.

It was time for some big changes. He began by rebuilding his team with people who were willing to do whatever it was going to take to make the company successful. Rob told me:

*“We kind of had a chip on our shoulder because we knew that no one took us seriously in the market; that's how our company was perceived for a very long time, and we had to change that. We felt like we were underdogs, and that's what motivated us to work so hard.*

*“All five of us would work together and load trucks at night. If the customer wanted us to stock something, we'd bring it in stock. If a customer called for a 50-cent item, we'd deliver it. My team was willing to do absolutely anything, like get material delivered by 6:30 a.m. to five different job sites – even though we didn't even have five trucks! All we cared about was making sure customers were happy and taken care of – and that changed expectations in our market.”*



Rob pushed his team very hard. But his team also pushed him:

*“I remember it like it was yesterday: I was in the office, and my team came in and said, ‘Why are you here? If we don’t have any sales, then none of us have anything to do. You need to get out of here and start selling!’ And they were right. They held me accountable.”*

Rob also got serious with vendors, setting up weeks of face-to-face meetings to share his plan for growth in both residential and commercial markets. He quickly found out who was willing to partner with his company and focused on building those relationships.

By 2010, Grandview Winnelson had begun turning the corner when Rob attended training at Winsupply’s Leadership Academy. He told me:

*“It was the first time I had to look in the mirror and face the truth: If something wasn’t right at my own company, it was all on me. Not on my team. Not on my vendors. Not on my customers. It was my leadership that was causing us not to be the best we could be.*

*“I also learned I had to let go. I had to let people make mistakes. I had to get out of their way and let them do their jobs so they could become leaders. As soon as I was able to do that, things really took off for our company.”*

Rob and his team continued to grow Grandview Winnelson, adding about \$2 million a year in sales even throughout the recession. By 2014, when Rob was asked to become an area leader at Winsupply, annual sales at his company had reached \$13 million. In 2018, Winsupply named Rob vice president of operations, and in 2019, he became president of the Local Company Group. Rob said:

*“Everything in this business comes back to relationships and having a team you believe in. It’s about always growing as a leader – sharing responsibility but being 100 percent accountable for your actions as a local company president.”*

## **Dean Lucas on paying it forward: ‘It’s rewarding when a new president calls me and asks, “Would you help me solve a problem?”’**

About 1,200 miles east from Grandview Winnelson is Newburgh Windustrial: a local Winsupply company on the southeast side of New York State about an hour north of New York City. Dean Lucas was 37 when he started it in 1990 after working eight years for another wholesaler.

For Dean, the opening of Newburgh Windustrial was the fulfillment of a dream he’d had for a very long time: the chance to change his family tree by becoming an owner, running his own supply house, and working hard to grow and get ahead for himself and for his family. Dean told me:

*“I wanted to run something, to be the boss, to be something more than I was. So I just **had** to do this – win, lose or draw. I knew that if I didn’t try it, part of me would have always said, ‘Dean, you should have done this.’”*

So he did, and he also invited a friend and co-worker, Pat Connell, to join him and buy stock in his new company. Together, they took the risk and put in the work, but in the beginning, things were pretty scrappy for Dean’s new company, which was set up to sell pipe, valves and fittings to mechanical contractors:

- He got a deal on startup inventory, used trucks and secondhand furniture from friends in the industry who wanted to see him succeed.
- He had to be patient, since it took a little while for vendors to come around with product lines and good pricing.
- He ran the business on a shoestring – out of a warehouse without any heat.

In the beginning, Dean took a smaller paycheck and worked 16 hours a day. He was willing to take a few steps backward so he could make some giant leaps forward in the future.

Dean had never been more determined in his life. He never stopped selling, and he had a lot of help – especially from other local company presidents, who taught him how to read financial statements and manage his inventory.

After only four months, Newburgh Windustrial was starting to make money. So Dean shared his profits with his employees at the end of the year.

Around 1999, Dean decided his company wasn't growing fast enough, so he began selling fire protection products like sprinkler heads. Before long, Dean's company was making huge fire sprinkler systems. In 2013, that work led him to spin off his original pipe, valves and fittings business into a new local company, Orange County Winsupply, which he helped sponsor.

Over the years, Dean worked hard to grow Newburgh Windustrial, which now serves contractors in nine states. And he did even more than that.

Since coaching other people came naturally to him, Dean spent lots of time helping people just like himself – people with the same dream he'd had to own and operate their own companies. Dean knew that if he helped them, and they succeeded, the entire Winsupply organization would keep growing.

Altogether, over the past 25 years, Dean has helped at least 16 entrepreneurs – including Pat Connell and three other employees – to either open, take over or rebuild local companies at Winsupply coast-to-coast. Dean said:

*“There were a couple of acquisition companies over the years that we basically picked up out of the ashes and put on life support – but they made it because the local company presidents there just worked so hard. We gave them solid ground to stand on. They wanted so badly for their companies to be successful that they made it work.”*

Dean has continued to pay it forward. He told me it's so rewarding every time a new president calls him and says: “Would you be on my company's board of directors?” or “Would you come to my annual meeting?” or “Would you help me solve a problem?”

He knows that what they're really saying is this: “We value what you've done and what you know, and we think you can help us succeed.” Dean told me:

*“Getting a call like that feels just as good to me as getting a big dividend check from Winsupply.”*

## **John McKenzie on the responsibility to help: ‘We are motivated by our desire to see local companies succeed’**

Like Dean Lucas in New York, John McKenzie – the son of a father who built and remodeled houses in Dayton and a mother who worked daily at a dime store – grew up yearning to *be* somebody. To *do* something. To *have* something.

Unable to afford college and tired of working retail jobs at department stores, 22-year-old John answered an ad in the Dayton Daily News and showed up to interview for a Help Desk job at Winsupply when we were migrating the last 100 local companies to the WISE enterprise resource planning system in 1996. John told me:

*“I remember being told about the local companies: how the presidents are entrepreneurial, become owners and work hard to succeed. Then I was told about a service company that existed to help the local companies. I remember the word ‘help’ and immediately felt this enthusiasm.”*

*“I heard that day that you could be anything you wanted at this organization – that you could do something – that you had the chance to become rich.”*

*“That started my adventure. The more I learned about Winsupply, the more I loved it. The more I saw local owners be the curators of their own destiny, the more I believed what I'd been told that day was true.”*

On-the-job training on the Help Desk turned John into an IT employee. As the youngest person in the office back then, John was sometimes schooled by Winsupply's co-founder Dick Schiewetz, who wanted to make sure John understood his role. John told me:

*“Dick made it clear to me that my job was to either help the local companies generate more gross margin or help them cut their expenses. He’d walk by and ask, ‘How much gross margin have you generated for local companies today?’”*

That lesson about the responsibility to help is one John still carries with him after nearly 25 years at Winsupply in more than a half-dozen different roles to help local companies succeed.

In 1998, John moved into IT Infrastructure and began dealing with servers, routers, switches and tape backups. It was his job to help local companies get set up to run WISE locally and connect back to the mainframe computer in Dayton for running nightly processes. Later, when the time came to consolidate 380 IBM AS/400 computers and move to a central system in Dayton, John was tapped to take on the challenge:

*“I had to learn it – I had to figure out all the details – and I had to own it. That is what entrepreneurship is. I’d already received a lot of great teaching in this organization, and this was my chance to really do something. The message was, ‘We will give you all the help and support and access to expertise you need, but we won’t do it for you. Let’s see what you can do on your own.’”*

The proof that John had begun to earn his own success came when he received his first profit-sharing check for \$2,725 in 1998. That year, he was also invited to own stock in the business services company Dapsco, which meant that John was getting the chance to become an owner, to feel a sense of pride in ownership, just like the local company presidents he was serving every day.

John had always heard from his coworkers that the sooner you were able to buy stock, the more time you had for your investment to grow. So John borrowed the money from his parents with a promise to pay it back as soon as he could. John knew that buying stock meant he’d be betting on himself, and he was ready to roll the dice.

In late 2007, John began leading a team effort over 18 months to convert 107 Noland Company locations, purchased by Winsupply in 2005, from their 3EMW computer system to WISE and also provide

WISE training. That gave John the opportunity to begin sharing everything he’d learned about the Winsupply philosophy and business model with a newly acquired subsidiary originally founded as a top-down branch operation. John told me:

*“It was a chance to help these locations start thinking like owners, to empower them to decide on their own product lines and pricing, to invite them to be independent and entrepreneurial, when in the past they had relied on a central authority telling them what to do.”*

After the conversion project ended, John realized that it would take considerably more training and time for managers at Noland to know and understand how to properly apply Winsupply’s unique philosophy and business model in their daily operations. That became part of John’s job when he was named Noland operations director in 2008: teaching and coaching Noland companies not only on the independent decision making required for them to succeed as entrepreneurial locations but also on how to make the most of Winsupply’s systems and processes.

But when the recession hit hard in 2011, John was asked to pivot and address the larger number of loss local companies that had emerged over the past few years. John hit the road in triage mode, diagnosing and attempting to help these local companies fix the business issues that were keeping them in the red. He said:

*“We worked alongside local companies and helped them talk to customers, clean up inventory, hire new salespeople, make deliveries, collect money and use the distribution centers. We conferred with area leaders and had to hire and fire presidents. I lived on the road for months at a time to help local companies get better people and processes in place. We wanted to do all that we could because of our responsibility to help, even though at the end of the day, the president alone had autonomy and authority, and ultimately was the one accountable.”*

The day John had to tell a president that he’d lost his entire investment was the day John saw for himself that every president’s risk/reward journey is real:

*“That experience keeps me grounded in our business model, and allows me to speak truth to power when we advise a local company president, because I have seen what happens on the human side, the interpersonal side, when a president who does not perform loses his investment.*

*“People who provide support at Winsupply are here to help local companies be successful, but I learned that day that we cannot make them successful.”*

That experience also bolstered John’s desire to help and his personal commitment to be swift and candid about informing local companies about patterns of performance that might cause trouble in the future.

In 2014, after years of encouragement from his longtime boss Jack Johnston, John finally received his bachelor’s degree in business administration. He earned a master’s in logistics and supply chain management two years later.

John’s first two decades at Winsupply had prepared him well to take on a series of new roles serving local companies: director of supply chain in 2015, director of Shared Purchasing Services in 2016 and vice president of supply chain in 2018.

Today, John is president of the Support Services Group, a team of people who embody and respect the entrepreneurial spirit that exists at every local company. Individuals in support services earn their own success by helping the people at local companies earn theirs. John told me:

*“We are motivated by our desire to see local companies succeed, and we gain satisfaction and fulfillment every time success happens.*

*“We do it as ambassadors of Winsupply – people who endlessly tell our story and why our business model matters.*

*“We do it as consultants – people always eager to share with a local company what we’ve seen work well at so many others.*

*“And we do it as innovators – people who refuse to become complacent in our everyday desire to serve.”*