

John Hardy, CEO

CLS CREATES A CULTURE *of* LEARNING

CAPITAL LIGHTING & SUPPLY'S IN-HOUSE TRAINING STRATEGY HAS ACCOMPLISHED FAR MORE THAN MAKING IT AN UPBEAT PLACE TO WORK. IT HAS BECOME A SUCCESSFUL RESPONSE TO THE GROWING CLAMOR ABOUT THE DIFFICULTIES OF RECRUITING NEW BLOOD INTO THE INDUSTRY.

IN 2000, SHORTLY AFTER BEING PURCHASED BY SONEPAR, six acquired companies—including Capital Lighting & Supply (CLS) in Alexandria, Va.—were staring the consequences of consolidation in the eye. Change, of course, can be frustrating, as people have to adapt or leave. But CLS saw it as an opportunity: In both the philosophy of the parent group and that of CEO John Hardy, change and learning are inextricably linked.

Sonepar USA functions by pushing management as close to customers as possible. "Sonepar recognizes that success in our industry means being fast to the market," said Hardy. "It also realizes that each customer base is different—and to serve a market, a company has to be close to its customers." So, in all of its worldwide operations, Sonepar buys into management, trusting them to do what's best for their markets.

That managerial model—empowering the front lines to make decisions and assuring them the tools they need to make the best ones—has formed the culture of CLS.

"In talking to other NAED members, one thing I'd say that is unique about CLS is that we truly teach a spirit of entrepreneurship," said Mike Hensley, president of CLS's Northern Division. "We push each person to take ownership of the business, make plans for success, and suit his or her decisions to the market. If a bad decision is made, so what? Let's just not make the same ones over and over.

"Empowerment is something to see," he continued. "When you train and educate to the point where people have the skill sets to find the data they require, they'll make great decisions. Every day our people make decisions that make our business better."

For example, Tyler Macklin, a warehouse manager at CLS, explained how the company had been having problems with items missing from deliveries. "We wracked our brains to come up with a solution—a way to be absolutely sure that the problem was on our end so we could fix it," said Macklin. The answer was simple: digital cameras. "Now we have our drivers carry them, and each time they deliver a house pack, they take a picture of it."

This solution, she noted, is already yielding results for the company. "If a customer reports something missing, we can look at the photo and say, 'Oh, you're right—we left that in the warehouse.' And then we can develop a procedure to fix it," she said. "But if we look at the photo and say, 'This shows that it was there at 8

o'clock this morning,' that tells the customer that he or she might have a theft problem. Customers appreciate this type of feedback because it opens doors to real solutions.

"The great aspect of working at CLS is the freedom each employee has to make changes," she continued. "No one is stifled; from the warehouse to the CEO, everyone has input. Even if an idea isn't implemented, the atmosphere for coming up with new ideas is nurtured."

The building blocks of a culture

An infrastructure that builds confidence enough that employees take responsibility for their decisions is the foundation upon which a culture of learning is built. CLS uses three primary outside vendors for its training curricula: Achieve Global, Skillsoft, and NAED. The company also develops measures, modules, and process training in-house. Sales and management training include two- to three-day off-site sessions; a recently developed intranet that delivers CLS processes and procedures; and Web-based modules that can be accessed for leadership, Microsoft Office, and vendor training.

Envisioned in a 2003 Strategic Planning Session, the infrastructure for this extensive

Continued on page 32



*Mike Hensley,
president of
CLS's Northern
Division*

THE HISTORY of CLS

THE YEAR 1999 marked a transition crisis for what was then Capital Lighting & Supply, originally founded in 1957. The death of the majority shareholder left the "No. 2 guy," John Hardy, talking to only one potential buyer: Sonepar, which purchased the business in 2000.

Sonepar North America—parent to electrical supply distributors in the United States, Canada, and Mexico—is a member of the global Sonepar group—the world's largest privately held electrical distributor. Worldwide, Sonepar employs more than 19,000 employees, with 1,000 branch locations and annual sales of nearly \$7 billion.

At the time of purchase, CLS was a \$50 million revenue company (today it's \$225 million with projected growth of \$400 million by 2010). Sonepar had already bought Lee Electric, and after acquiring CLS, rolled Dixie Electric Supply, Dell Electric Supply, Elite Electric Supply, and Daniels Electric (all in the Virginia/Maryland region) into what is today CLS.

"We had six sets of bad inventory," recalled John Hardy, CEO. "Six IT conversions. Six cultures. So we built a central distribution facility. We spent 2002 integrating the businesses into what is now CLS—totally reborn as a new entity since about 2003. I'm not sure why our people came to work every day given those challenges. But they did. And we got it done."

Continued from page 31

training was rolled out in early 2005, beginning with all managers—including the CEO, CFO, presidents, vice presidents, branch managers, and supervisors.

"We found that the No. 1 determinant of success or failure of any educational program was the level of participation of the management," said Tim McGowan, director of process management and training. "The one absolutely essential element is the total buy-in of every manager in the company."

As a manager, Hensley helps his people make time. "I've had several people tell me, 'I can't go to the training; I'll have to reschedule.' I tell them that's not an option. My job is to help everyone participate, even if that means rearranging schedules to get that job done."

Managers grow people

Training in what educators commonly refer to as soft skills—those difficult-to-quantify behaviors like communicating, problem solving, and active listening—is the crux of the CLS training called Interpersonal Management Skills (IMS). These skills include how to open a conversation, how to clarify and confirm what was heard, how to deal with situations where there is disagreement, and how to credit another's input.

"A manager doesn't get paid for current

decisions," said McGowan. "Managers get paid for the impact their current decisions have on future results."

"The IMS training program gives our managers the confidence to develop people—to grow the individuals who will replace them when they move up or retire," said Mike Bourn, president of the Southern Division.

Hensley has worked for CLS for four years and can prove that the company is growing its own people. "Recently, we had to replace four people in one of our locations within a very short period," he said. "Instead of having to find people from outside to populate that store, we were able to hire from within. That would never have happened two years ago.

"This tells me that we're on the right track," he continued. "You have to have your own farm team. Successful businesses have a deep bench to draw from.

"This is a major success not only for our company, but also for our people," he added. "One of the workers we've put behind the counter was in the warehouse two years ago. He came to me the other day and told me to look out the window at the parking lot; I saw a brand new car.

"That's what developing the individuals within your company is all about—he's proud of his car, he's proud of his job, and he's building a career," he said.

Investing in people

"Three components make up our business: time, money, and people," said Bourn. "Given that this is such a people business, if you're spending your money on your people, they're going to pay you back with time."

Sure, it's expensive. CLS not only pays for the three-day, off-site training in soft skills, but also encourages everyone to take work time to access online courses they need to get closer to error-free processes and service delivery.

"All of the people involved in our industry have a choice, including our employees," noted Hardy. "We don't forget that all of the people with whom we interact have the discretion to choose whether or not to have a relationship with us. The key for us is to create an organization that allows people to grow, encourages them to grow, and has accessible resources in place for them to choose to grow."

It becomes quite energizing for a group of people to fully understand that their company is willing to invest substantial resources in them.

McGowan mentioned that the company recently provided training for its drivers in the course Providing Stellar Customer Service/Healing Customer Relationships.

"We gathered 62 drivers in four locations on a Saturday," he said. "They walked in wondering what they were doing there. By the end of the day, we had to kick them out; they were so energized."

Jerry Kelly, Baltimore warehouse supervisor, said, "I learned that my people have a lot more problem-solving skills than I had given them credit for. They had good ideas and asked for tools to help keep the customer satisfied—for example, having giveaways on hand to help smooth a touchy situation. That was something I'd have never thought of."

"Helping every person at the company feel involved and valuable is the investment we're making," added McGowan. "We're already seeing a return on that investment in terms of loyalty, morale, error reduction, and productivity."

Results offer proof

The old adage is that "change is hard." In many respects, that's true. But change also keeps a company vibrant, alive, and



Tim McGowan, director of process management and training. David Wolfe in the background.

thriving. To change is to learn new things, and when people know there are resources available to help them adapt to change, they are grateful. Customers notice not only improved understanding skills, but also higher morale.

"The reality is that a company could not have survived the changes CLS has gone through without employing a culture of learning," noted Hardy. Shortly after the introduction of the IMS and the PSS classes, successes were apparent, and people began to clamor to participate. It's a running joke throughout the branches for one to recognize a communications technique being used by a co-worker and to ask, "Are you IMS-ing me?"

"We can actually see the result of the communications training on our bottom line," said Brian Chavis, Richmond branch manager. "Now people don't buckle to the everyday stresses so easily. They make more good decisions and fewer errors, and serve the customers better. We can actually see the difference in our company's numbers."

People are recommending jobs at CLS to nonindustry people like their friends and families. People within the industry are beginning to notice, too. "We have just had four people join us en masse," said Ken Cain, vice president of marketing. "They're the beginning of our Energy Maintenance and Systems group, and they came together from within the industry to work with CLS."

Dave Dixon works in outside sales and has been with CLS for one year. "Because of the quality of training offered here, I was able to get up to speed in about three months," he said. "Today, CLS has the ability to selectively choose quality people from within the market to work here because they offer that level of training and self-determination."

"The training itself is simply invaluable," he continued. "A particular contractor in my sphere of work at my past employer had had a difficult experience with CLS before the changes were made here. He was not happy when he discovered that I had come on board here, but with the approach to problem solving I've learned at CLS, I was able to talk him through his hesitation about joining me."

"I invited the opportunity for him to lay

all of his cards on the table, and together we went over the various alternatives. I assured him that he could rely on me to be his go-to guy here. And by building on that past relationship and initiating an honest conversation about this new one, I was able to bring him with me," explained Dixon.

"Every day our people are discovering new ways to learn and access information," said Hardy. "As they find things

they want to learn and discover ways they want to grow, we're able to provide it. As long as people within the organization are learning and changing—and as long as these people really invest themselves in the progress and success of the company—then we'll succeed. It's that basic." ■■■

Chichester can be reached online at falconer@swva.net.



HMC
INDUSTRIES
The Homac Companies



AFFILIATE
NAED
National Association of
Electrical Distributors

BARRACUDA®

Insulation Piercing Connector - It's got teeth!

Homac's Barracuda IPST Series is UL listed and offers significant installed cost advantages compared to conventional splice and tap connectors.



IPST 350

Barracuda connectors require no special tooling and there is no need to strip the cable! Just insert the cable and tighten the connector with a standard alan wrench.

The Barracuda's massive tin-plated copper teeth pierce through the toughest insulation and the shear-head screw design ensures that proper torque is applied for every connection.



IPST 402

Contractors and installers will save time, save money, and improve reliability.

Help your customers take a bite out of their connector installation costs! Give us a call or contact your local representative to find out more about the Barracuda!

12 Southland Road, Ormond Beach, FL 32174
Phone: 386.677.9110 • Fax: 386.673.5497
E-mail: sales@homac.com • www.homac.com

Circle 113 on Direct Info Card