

Take It from the Top

Successful management strategies for precasters.

By Bridget McCrea

Some business leaders may get their inspiration and motivation through osmosis or some other magical formula to start the day with a refreshed sense of attitude, productivity and accomplishment. For others it takes a little more effort, and one of the best ways to absorb such knowledge is through reading.

Ted Coons is so inspired by management books that he shares them with his customers and staff. The chairman and CEO of Spillman Co., Columbus, Ohio, purchases multiple copies of "topical" business management books, sends them to select current and prospective customers, and hands them out to key staff members a couple of times a year.

"I use them internally here and as a marketing tool," says Coons, an avid reader whose reading and sharing strategy blends well with the firm's 12-year-old continuous, company-wide improvement process. It is a process that also includes annual strategic reviews and off-site management team meetings where issues like new product development and expansion are discussed in depth.

Coons uses the Amazon and Barnes and Noble Web sites, and the Wall Street Journal and New York Times book lists, to come up with the best-suited selections. Most recently, he sent around a book on how to treat customers. Coons says feedback on the books – both from internal and external recipients – has been largely positive. "I just got a thank-you letter from a customer this morning," he says.

On the ball

Precast manufacturers may offer products that serve as the underpinnings for many of the world's structures, but that doesn't preclude them from having to practice excellent management strategies. Not only are they competing against one another, they are also going up against a selection of tried-and-true and up-and-coming materials being sold by other industries.

By combining real-world experience with books, magazines, the Internet, continuing education and association participation, today's precasters are gaining an edge in the marketplace not only for themselves but for the industry as a whole. At Modern Precast Concrete in Bethlehem, Pa., for example, company president Vernon Wehrung turns to the philosophies of management guru Stephen Covey for help in running his company.

In his book "The 7 Habits of Highly Effective People," for

example, Covey discusses his Sharpen the Saw strategy, which centers on the idea of preserving and enhancing the greatest asset you have: you. Doing so requires a balanced program for self-renewal in the four areas of your life: physical, social/emotional, mental and spiritual. "You increase your capacity to produce and handle the challenges around you," writes Covey. "Without this renewal, the body becomes weak, the mind mechanical, the emotions raw, the spirit insensitive and the person selfish. Not a pretty picture, is it?"

Wehrung says the philosophy translates well at the business level, where too many company heads focus on working their business rather than working on their business. "Strategic thinking falls by the wayside, because it's not something that needs to be done urgently," says Wehrung, whose firm has 150 employees and three locations. "During tough times, however, you really need to be thinking strategically instead of operationally."

In following Covey's strategic management philosophies, Wehrung prefers to "begin with the end in mind," meaning figure out what his firm does better than any other company and then try to maximize that strength over a period of five to 10 years. "Ask yourself what role you want to play in the industry, with your customers and within your community," says Wehrung. "Then figure out what you have to do to get there."

Wehrung also believes in the classic 80-20 rule, which states that 80 percent of a firm's business comes from 20 percent of its customers. By following this strategy, he and his management team are able to ease the burden on Modern Precast's estimating department, which during these challenging economic times is dealing with more and more requests from customers who want to "buy as cheap as they can," says Wehrung.

"We have to ask in the most polite manner possible what the actual chances are that we'll get the bid on a quote that's going to take two



Does Your Company Stack Up?

According to a recent American Management Association report, high-performance organizations are generally superior to their low-performance counterparts in the following areas:

- Their strategies are more consistent, are clearer and are well thought out.
- They are more likely to go above and beyond for their customers.
- They are more likely to adhere to high ethical standards throughout the organization.
 - Their leaders are relatively clear, fair and talent-oriented.
 - They are superior in terms of clarifying performance measures, training people to do their jobs and enabling employees to work well together.
 - Their employees are more likely to think the organization is a good place to work.
 - Their employees use their skills, knowledge and experience to create unique solutions for customers.

Source: American Management Association study (2007), The High-Performance Organization

hours to develop," says Wehrung. If the odds don't look good, then he will move on to the next project. Wehrung also looks at the 80-20 rule in reverse: 80 percent of a company's challenges are created by 20 percent of its customers. "If you can eradicate the 20 percent that causes issues," he says, "look at how much time you could free up to do other things."

Coons also keeps a close eye on his company's bidding process, and says he impresses on his team the fact that the firm "can't be all things to all people." By adding value for those customers that it does serve, Spillman Co. has been able to raise its profit margins while working in a more focused manner that targets its customer base. "Our hit rate on quotations has gone up

dramatically over the last few years," says Coons. "We're not just quoting for quoting's sake. If we don't feel that it has a reasonable opportunity for becoming a successful order, we won't get involved."

Pride of ownership

For Greg Kerkstra, the best management strategies start at the employee level. Programs like profit sharing plans and quarterly employee meetings help create a culture of pride of ownership for his two-location, 200-employee firm – Kerkstra Precast of Grandville, Mich.

About two years ago Kerkstra launched a quarterly newsletter that is written by and for the firm's employees, and covers everything from safety to quality control to specific projects that are underway. He credits that communication tool – plus the profit-sharing plan and quarterly meetings – with helping to develop more productive, conscientious workers. "This is a great way to engage them," says Kerkstra. "It's about creating a sphere of ownership and using tools like peer pressure and suggestion to get the job done right and in a timely manner."

Looking at his bookshelf, Kerkstra says he has learned a lot from titles like "Lean Thinking" by Daniel Jones and James Womack, and "Good to Great" by Jim Collins, the latter of which he often uses as a teaching tool. In return, he says the company not only has made productivity gains, but it has also significantly improved its safety culture.

"We went from the bottom of the list (among those in the precast industry) to the top of the list for lowest number of accidents," says Kerkstra, whose top five managers each have a financial stake in the firm. "I don't ever go home thinking I'm the only guy worried about the interest of the company. That's been very helpful."

Continuing education

One way precasters are boning up on their management strategies and putting them to work in their own firms is through continuing education. Offered by organizations like the National Precast Concrete Association, the American Management Association and a host of regional manufacturer's associations, such education can serve as an excellent catalyst for executives looking to train themselves and their executive staffs on the most effective management skills for today's marketplace.

"Education doesn't stop when you graduate from school," says Wehrung, whose team regularly attends seminars and classes to stay up to speed on the best management strategies. He sees continuing education as particularly vital for precast manufacturers who have been in the business for decades and who are stuck in a rut of using antiquated management practices. "Because they've been around a long time, they think they know it all," says Wehrung, who points to the NPCA's bookstore, Web site and training classes as good options. "Use your association to the fullest extent."

Kerkstra urges precasters to look closely at their marketing

15 More Great Management Reads

1. "The Nature of Leadership" by John Antonakis
2. "The Leadership Challenge" by James M. Kouzes and Barry Z. Posner
3. "Fish! A Remarkable Way to Boost Morale and Improve Results" by Stephen C. Lundin, Ph.D.
4. "The Five Dysfunctions of a Team: A Leadership Fable" by Patrick M. Lencioni
5. "Love Is the Killer App: How to Win Business and Influence Friends" by Tim Sanders
6. "The Likeability Factor: How to Boost Your L-Factor and Achieve Your Life's Dreams" by Tim Sanders
7. "Five Frogs on a Log: A CEO's Field Guide to Accelerating the Transition in Mergers, Acquisitions and Gut Wrenching Change" by Mark L. Feldman and Michael F. Spratt
8. "Naked in the Boardroom: A CEO Bares Her Secrets So You Can Transform Your Career" by Robin Wolaner
9. "Elizabeth I CEO: Strategic Lessons from the Leader Who Built an Empire" by Alan Axelrod, Ph.D.
10. "An Introduction to Airline Economics" by William E. O'Connor
11. "Boeing 737-100 and 200 (Airliner Color History)" by Michael Sharpe and Robbie Shaw
12. "The 8th Habit: From Effectiveness to Greatness" by Stephen R. Covey
13. "Harvard Business Review on Leadership" by Henry Mintzberg and others
14. "Revival of the Fittest: Why Good Companies Go Bad and How Great Managers Remake Them" by Donald N. Sull
15. "Made In China: What Western Managers Can Learn from Trailblazing Chinese Entrepreneurs" by Donald N. Sull and Yong Wang

Source: Amazon/Listmania!

and business development strategies, particularly as steel prices continue to rise and prompt more customers to turn to precast as a more affordable option. "Find your specialty within the industry and use good management strategies to stick with it and hone it in a way that produces good results," says Kerkstra. "By doing so, you'll not only be developing your own firm, but you'll also be advancing the industry as a whole." ■

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