

Cultural Evolution in the Legacy Distributor

By Jason Bader

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As many of you know, I have had the pleasure of hosting my podcast, Distribution Talk, for the past 3 years. In fact, I just celebrated my 100th episode. For a guy who just squeaked his way into and out of college, this is a pretty big surprise. The reactions are pretty funny when people from my past find out that I have been a published author for the past 18 years and have a successful podcast. It just goes to show you that people can change. You don't have to be who others expected you to be. The same goes for multi-generational family businesses; just because the entity looked a certain way and conducted itself in a certain manner, doesn't mean it has to remain that way. I have been hearing this a lot from the guests I interview and the clients I serve. Time to share it with you all.

About a year ago, I saw a post from a friend of mine, Jeff Peterson of Geneva Supply. Jeff is this really inspirational leader who has a keen eye on company culture and how to evolve as the company scales at a blistering pace. In this post, he said something to the effect that "company culture is not a ping-pong table in the break room." I don't know why this struck me, but it got me thinking about creating deep cultural shifts in the organization versus surface level window dressing. Sure, a ping-pong table or stocked break room might signal a fun environment, but it doesn't address the deep-seated barriers to equity, inclusion and belonging in our organizations. By the way, Jeff has been running a great series on his LinkedIn profile tagged #BeforeIGoIn. He sits in his car, before he goes in the office, and talks about how to be a better leader through employee engagement and observation. Jeff grew up in some very male dominated, stogy industries and has led his organization to be the company that most of us wish we could grow up to be. Do yourself a favor and check out his profile.

I think the first step to changing your culture is to identify where you are today. I recently interviewed Diane Dye Hansen of What Works Consulting. Her firm specializes in helping business leaders identify their current culture and create strategies to change. During our conversation, she suggested that most leaders are out of alignment with the associates in their workforce. They perceive the culture to be a certain way, but the associates view it completely differently. This causes mistrust and resentment between the two sides and can slowly begin to affect performance. Her suggestion was to spend time identifying what the associates really think about the direction of the company. Although it may sound a little self-serving, she suggests that this type of information gathering should be performed by a third party to remove bias and promote a level of safety. Some of your associates are bold enough to tell you what's really going on, but many fear passive retribution. Can you really blame them?

Once you identify misalignment and truly desire to make change, you have to create a plan of action. What are you willing to do different? How open are you to accept suggestions for non-senior associates? This may be a tough one to overcome. I have seen several next generation leaders so mired in fear of sinking the entity that they are unwilling to embark on a cultural shift. It worked for the previous generation, why not now? I have said it before, and I will say it again – You only coast one way. Look at some of the most successful companies in the distribution business. Do you think they run their entity the same way they did 20 years ago? Do the faces of leadership look the same?

Education is key to changing culture. I am not asking you to bring in a guy like me or one of my colleagues. Although, it may help accelerate the program. What does a diversified workforce look like?

How does that affect our decision making and communication? As you can well imagine, this type of education can be most challenging for your senior executives. I am not always talking about a generational label here. Millennials can still be senior members of your organization. And they can still be very stuck in some exclusive and legacy behaviors. They may need additional coaching. I recently played golf with a 40 year-old executive of a distributor client. He shared with me that he has been struggling with some of the company training around diversity and inclusion. He just doesn't get the pronouns. If we can be really honest here, most of us from a certain generation struggle as well. What I loved about this guy is that he is really trying. He wants to be part of the change. He wants to make the company a better place. I have no doubt that he will. If there is a desire to change, it is within an executive's grasp.

Once an evolving company has learned the language of change and is doing everything in its power to communicate this new direction, they have to put their money where their mouth is. Talking a good game is worthless if actions don't back it up. For most companies, this is most evident in their recruiting and promotion practices. Is the company still basing promotion on longevity? When looking for applicants, are we still more apt to interview candidates with a certain pronounceable name or Y chromosome? Bias, even unintentional, in opportunity has no place in the modern workforce. Our companies must learn to be intentional in our actions.

I recently had an interview with Bill Condron of The Granite Group. His is the CEO of a multi-generational plumbing distributor. One of the more impactful things he talked about during our interview was the fact that women make up a majority of the population. He said, "If we are an industry that is only attractive to 49% of the population, we are fighting with one arm tied behind our back." His company is doing everything they can to make women feel welcome in their company. This isn't just a gender strategy. If you want to be a diversified company, you have to be intentional about hiring candidates from other cultures and backgrounds. I am not asking to revert back to the misunderstood days of affirmative action and reverse discrimination. I am simply asking you to intentionally remove bias from your recruiting and promotion activities.

When building something great, we often refer to sweat equity in the process. The same can be said for changing culture in a company. You are going to sweat. You are going to work hard at walking the walk. You will make mistakes and learn from them. Keep the end goal in mind. Those companies that find ways to engage their associates in meaningful dialog about diversity, inclusion and culture will be ones that thrive. If we are just shepherds of a company during our time in leadership, then we must do everything in our power to pass the entity on in better shape than we found it. Good luck and know that I am always here to help.

About the Author:

Jason Bader is the principal of The Distribution Team. He is a holistic distribution advisor who is passionate about helping business owners solve challenges, generate wealth and achieve personal goals. He can be found speaking at several industry events throughout the year, providing executive coaching services to private clients and letting his thoughts be known in an industry publication or two. Last year, he launched his first podcast, Distribution Talk. Episodes can be found at www.distributiontalk.com and most podcast applications. He can be reached at (503) 282-2333 or via email at jason@distributionteam.com. You can find additional resources on his website: www.thedistributionteam.com