

St. Louis Business Journal's
Top 150 Privately Held Companies
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Forest Park — May 3, 2007

THE NEW LANGUAGE OF INSPIRATIONAL LEADERSHIP

As a native St. Louisan who has lived here all my life, I truly appreciate the opportunity to come before you tonight to talk a little bit about the philosophy I have evolved in leadership. Usually, I only have an opportunity to talk to the person sitting next to me at dinner. But lately, as I've been getting older, I have come to the point in my life where I ask the people that I meet a question that has led to a really wonderful journey for me. The question that I'm going to ask you tonight is:

What do you hope to achieve in your time on this earth, and how are you using your leadership role to realize true success in your life? How are you making your life matter?

Unfortunately, I find that when I ask that question, most people are totally unprepared to answer it. To some, life is merely a series of events. To young people, it's usually about their children. But when we turn 60, we start thinking about the rest of our life. It is now apparent to me that each of us has the POWER to recognize and bring out the potential in others. My journey at Barry-Wehmiller has been about this realization, and if you ask me that same question, you'll get this answer: *My goal is to touch as many people's lives as I can with my actions and my leadership every day.* We've tried to instill that principle in our company, and it's been very meaningful to us.

Together, there are approximately 80,000 people employed by the 150 privately held companies in this room. Take a moment to think about the number of lives that we touch, including each of those 80,000 employees and their families, assuming a typical family is four people. I believe that we as business leaders have a unique opportunity to inspire and challenge people, and therefore by using their gifts, our team members are able to return home each evening with a sense of fulfillment so they can be there more fully for their spouses and families.

Because we're in the field of acquisitions, we have many opportunities to get outside Barry-Wehmiller and see other companies. You can imagine, if we've bought 38 companies, we've probably looked at over 150. If I asked you how many people you know personally who love what they're doing, how many of you would answer positively? And so I find, in my dialogue, that many business leaders send people home from their companies every night empty, frustrated and feeling unappreciated. And we wonder why, in our schools, we have drug problems. We wonder why, in our marriages, we have relationship problems.

I don't find enough people who take the time to consider: How am I touching the lives of people associated with my firm? How am I ensuring that when I send them home each night, they go home with a sense of fulfillment, a sense of worth, a sense that they're using their gifts in life? At Barry-Wehmiller, that is our preoccupation. I believe we're the only company in St. Louis that has an

Organizational Empowerment Team that works full time on the field of inspiration. What we have found in business is that people have lost touch with individuals. It's all about numbers; it's all about growth. By sharing my personal leadership journey tonight, I hope that each of you would reflect on your purpose in life and the legacy you want to leave, and in doing so, embrace the awesome responsibility of leadership.

THE TRUE MEASURE OF SUCCESS

Let me pause for a moment and tell you a little bit about my journey, which has led me to this. I graduated from the University of Michigan with an MBA and began my career at Price Waterhouse. I joined Barry-Wehmiller in 1969 and spent six years working with my father until he died unexpectedly when I was 29 years old. Barry-Wehmiller has its roots in 1885, making equipment for the brewing industry. It was a great old company that had become stuck in its historic markets.

When I took over the company after my father's death, it gave me a chance to try under my leadership to transform the business, and we began a period of unprecedented organic growth. We grew from \$18 million to \$72 million in five years. It appeared, based on the articles in the newspaper and the people you'd talk to, that everything we touched had turned to gold. In fact, everything we touched turned out to have issues.

From the early 1980s through 1987, we experienced traumatic financial stress, with liquidity challenges and changes in market conditions. I always tell people that from the worst time in your life comes the most meaningful lessons. All of you who are bankers know it well because every credit committee in town rejected our loans in 1983. We experienced a period of dramatic decline, and in 1983 I made a decision that marked the change in my leadership perspective: *I decided that while the history of the company was great, what we needed was a future.*

I was inspired by the Emerson Electric model, which was a model of growth through acquisition. In 1984, with no money, no credibility and no experience, we began buying companies. By 1987, we crafted an opportunity to spin off two-thirds of our business on the London Stock Exchange, which allowed us to begin anew. We retained ownership of the historic Barry-Wehmiller business, serving the brewing industry, and we were now financially solid.

My directors came to me and said they had never seen anything like this—dramatic growth, followed by traumatic decline and then phenomenal recovery. Bob Lanigan, our outside director who was chairman of Owens-Illinois at that time, used the expression that we needed to “suit up again” and do things better this time. So in 1988, a group of us got together and said, “Now, we've got a little credibility, we've got a lot of money, and we've got some experience.” We designed a vision for the “ideal company,” and we began to look for companies with whom we could share the experiences from our traumatic years to help them recover as we had. Twenty years and 38 acquisitions later, this philosophy has continued to work for us. We have grown revenues and share value by 20 percent a year, compounded to revenues today of \$935 million.

Meanwhile, I was also busy raising six children, which I will tell you from my experience, is not much harder than doing 38 acquisitions. They both rank pretty high in terms of stress and challenge. With my wife and partner, Cynthia, we worked hard. We raised six kids, got them married and now have 14 grandchildren. But I will tell you that some of the greatest learning experiences from that time were the parallels I encountered between building a company and building a family.

During this time, I had a great mentor in Rev. Edward Salmon, our rector at The Church of St. Michael & St. George. Being envious for years of Ed's opportunity to impact the lives of individuals and families, I realized that through my leadership in Barry-Wehmiller, I had a larger congregation and a similar opportunity! Through his example, I began trying to bring my personal goals, my business goals and my beliefs into harmony.

One of the issues that we have in business is that we have defined success inappropriately based on wealth, titles and achievements. Quite often, you peel back that success and you find someone with a broken marriage and dysfunctional children. When we decided to redefine our vision of success for Barry-Wehmiller, we developed the following expression:

"We measure success by the way we touch the lives of people."

It is our belief that if we in business—the economic engine of America—would focus more on the impact we have on people, we could address many of the issues we face as a country and civilization. It is our belief that we can help people realize "true success" in their lives through our leadership in business.

THE POTENTIAL OF PEOPLE

Over the past 30 years, I've had a lot of good experiences and a lot of challenging experiences. I would say to you that the turning point for me relative to our current leadership model occurred about 10 years when we completed our then largest acquisition in South Carolina. After the closing, I flew down for a visit. It was spring and March Madness was in full swing. I noticed that everybody was laughing and talking to each other about their bets in the basketball pool, how well their teams were doing, and whether they were going to win the \$100 jackpot. But as it approached 8 a.m., I watched people go back to their desks, and I witnessed the fun and joy go right out of their voices as they began working.

I had a thought that day that I have not lost: *Why do people work to make money so they can go home and have fun?* What if we could inspire people in such a way so that each day they would be enthusiastic about their roles and motivated to use their gifts, and what if we could have the insight and ability to recognize those gifts and show our appreciation?

That same day in South Carolina, I happened to have a meeting with the customer service team. It was a fairly demoralized team, and I had been told that I should expect a group of pissed off people. Walking into the room, after witnessing the earlier behavior and thinking about the idea

of having fun at work, another idea occurred to me. I said, “Let’s play a game. Whoever sells the most parts each week wins, and if the team sells the most parts, the team wins. Now, good luck.”

Over a period of 13 weeks, revenues went from \$59,000 a day to more than \$70,000 a day with the same people, the same customers and the same products. We experienced dramatic changes not only in performance, but in morale, as we celebrated both individual and team successes. This simple game—and the way that we encouraged people through the game—changed the way these team members saw their “work.” People went home feeling good. They enjoyed what they were doing more. The pissed off group of people dissipated, and they became a highly motivated, energetic group of people who went home every night with a great sense of achievement.

Afterward, I sat down with the vice president of customer service, the same person who had told me I was going to encounter a group of pissed off people, and I had a moment that I want you to reflect on, which I will never forget. I said to him, “I don’t understand. People only need so many spare parts. Being nice and putting in a game doesn’t mean customers are going to buy more parts. How could the team’s performance have improved so dramatically?” He looked at me and said, “You know what, I guess I just didn’t think they had it in them.” I thought a minute and replied, “The truth is, they had it in them all the time.”

In 38 acquisitions, I have yet to meet a group of people who are incapable of becoming a high-performing, committed team if the leadership has integrity, passion and vision. Instead of being managed or bossed, what people need is the motivation to put all of their God-given talents into play.

We began to roll out a series of motivation programs over the next several years. Then in early 2002, we gathered a group of 20 people from across the company—from everywhere in our organization—secretaries, foremen, people we thought had a gift for people. We spent about three weeks prior to that session distributing a variety of articles about the meaning of leadership and how to inspire people. Then we came together and began talking about all of these motivation programs that seemed to change behavior so dramatically.

We started by writing down words to describe what we want the environment we work in to be like. It should be an environment of trust, communication, celebration, respect and inspiration. This was the culture that the people in our company aspired to. We ended up with a document we call our *Guiding Principles of Leadership*, which emanated directly from that group of people. Today, when we recruit people for our company and talk to people within our company, that document is clearly the most significant because it defines who we want to be.

According to our Guiding Principles, leaders at Barry-Wehmiller are called to be coaches, mentors and teachers. We try very purposefully not to use the word “manager.” I would like the first person to come up here who could manage anybody in their life. You can’t manage your wife; you can’t manage your kids; you can’t manage your friends. But we walk into businesses and we give people the title of managers, supervisors and bosses. And we refer to these wonderful people we work with as “headcount.” People have learned in my company not to refer to somebody that way. What I usually say is, “How would you like your son or daughter to be referred to as a headcount?”

Recently, I was at a wedding, and I watched a gentleman walk his daughter down the aisle, a precious young girl, a very proud father, and all of the family members beaming. As they got up to the altar, the father took the hand of his daughter and gave it to the young man. Ceremonially, the father was saying, “I’m going to trust you to take care of this precious daughter of mine for the rest of her life.” It’s a very beautiful part of the ceremony because you are, in effect, transferring the responsibility for the care of that child to another human being. It occurred to me after I saw that ceremony that what we should start doing in business is that every time we hire somebody, the parents of that 40-year-old engineer or that 20-year-old accountant should be required to bring their “child” into the office, where there will be a small ceremony in which we will make a covenant to look after them, respect them and give them an opportunity to use their talents. I believe the parents would be incredibly touched by that vow.

I have come to realize the sacred trust we have with the people who are part of our organization. Each team member is someone’s precious child. How much better would the world be if we, as business leaders, would embrace the leadership responsibility to nurture that child and to help them become all that they are capable of becoming? As Chet Walker, our director, said recently, “Respect and trust are free, yet priceless in value and return.”

Now I would say to you, “How many of you run a business where every employee is like your child? How many of you are creating an environment for your ‘children’ that allows them to use their talents and be inspired, motivated and recognized for that?” I know that today you get involved with your kids’ school and social activities because you want them to be all that they are capable of being. When they’re older, that won’t change. I’m sure you hope they will belong to a company that strives to help them achieve their fullest potential.

FROM SUCCESS TO SIGNIFICANCE

We have three objectives within our principles at Barry-Wehmiller. We want people to return home *safe* (because we’re in a manufacturing environment), we want them to be *healthy*, and finally, we want them to go home feeling *fulfilled*. Many people told us that the companies they had worked for before had similar principles, but nobody lived them. Since we instituted these Guiding Principles and were so touched by the words in this document, our concern was how to take it out of the frame on the wall put it in people’s heads and hearts.

We spend a great deal of time communicating these principles and working on inspirational programs that will allow us to grow closer to them in our daily leadership practices. Five years ago, we began a series of discussion groups in which we meet with groups of 20 or 30 people to consider the very question I asked you: What do you hope to achieve in your life, and how is what you’re doing for our company allowing you to use your gifts and realize your goals?

Roger Staubach once gave me a book called Finishing Well, in which he’s noted. Roger is a former Dallas Cowboy quarterback, Heisman Trophy winner and an accomplished businessman. He had a successful life and wanted to move on and do something more significant. It occurred

to me, “Why do we have to be successful and THEN do something significant? Why can’t we, in the process of building our businesses, embrace the incredible power we have in the lives of people and take the incredible responsibility to do good *while* we are building great companies? Why can’t they be in harmony? Why does business have to be hard, forcing us to go outside our business to do charitable things?”

Let me tell you another story. Recently, we acquired a company in Green Bay, Wisconsin, called Paper Converting Machine Company. PCMC is an 80-year-old company in the tissue industry with \$200 million in sales that had lost \$26 million the year before we bought it. I sat down with a group of UAW members, non-union members, office workers and plant workers to have one of these dialogues about our Guiding Principles, which made quite an impact on them.

Soon after, a group of people in the assembly area voluntarily formed a Lean “kaizen” event to respond to a Procter & Gamble project more efficiently. I saw an e-mail come across my desk while we were having an executive conference in Green Bay, which said, “There’s something going on in the plant that you need to be aware of.” I asked if they could have these people come in and meet with all of our divisional presidents and our vice president of operations to talk about what they were doing. The next day, three gentlemen and the foreman came in to the conference area and described this efficiency event they had organized on their own initiative. It was wonderful. But they weren’t ready for my question. I really wasn’t that interested in how many hours they saved, the quality improvement and so on. I said to this one man named John, “How did the experience make you *feel*?”

John is 60 years old and a UAW member, who has worked for the company for 30 years. His incredible statement to me in response was that he’s been getting along better with his wife. He said he used to come home so frustrated that he was impossible to live with. He had to throw his hat in the door first to see if he would be allowed to enter. Now he comes home a lot happier. Now I’m telling you something, there’s nothing he could have told me that would have been more meaningful than that our leadership team had touched his life and it was improving his marriage. He went on to say that, in the 30 years he’d been with the company, nobody had ever asked him what he thought.

We’ve tried to manage them; we’ve tried to supervise them; we’ve tried to boss them and tell them what to do. This gentleman, John, said to me, “I have a sense of HOPE now, a hope that maybe I’m going to get to do something with my life that matters. I’ve actually used my mind to help us do that.” There’s an expression that I want you to remember. No matter what your business is, it applies to you: “*We’ve paid people for their hands for years, and they would have given us their hearts and their minds for free if we had just asked them.*”

I want to give you another story that again emphasizes this point. We do many things to help make sure our principles stay alive, and one of the most special is our SSR peer recognition program. We award a Chevy SSR two-seated retro truck to individuals who are nominated for best exemplifying our Guiding Principles. They get to enjoy the car for a week, gas paid, and it’s a lot of fun.

I have probably talked to 50 out of the 70 winners of this award. Almost every time, every person, when asked what their week with the car was like, told me that the very first thing they did was to call their spouse. You would think they called to say, “I won the car. I’m coming to pick you up.” Those may have been the words they chose, but what they really meant was, “You know that argument we had last night? I just got selected among 400 people as an outstanding leader, so obviously you are lucky to be married to me.” Now ladies, get ready for this because I wasn’t. In talking to 50 people, almost 49 out of 50 people told me that the second thing they did after calling their spouse was to go over to their mother’s house to give her a ride in the car. Why? To say, “You know, Mom, you did a pretty good job of raising me.”

When our winners drive around in this crazy car all week, everywhere they go, people ask, “What is that thing and why do you have it?” This gives them the chance to say, “I was selected as an outstanding leader in my company,” which always begs the question, “Gee, they got any job openings in that company of yours?”

I was in Baltimore recently to present this award at a ceremony attended by about 300 people, and when I introduced the winner, I told that story about the mothers. After the ceremony, a 40-something woman walked up to me, and here’s the line that blew me away. She said, “You know, Bob, I won that car two weeks ago, and I had a wonderful week. But I have to tell you, my mother died a couple of years ago, and I was very touched by what you said about people showing the car to their mothers. I have to admit that I did drive the car to the cemetery.” Can you imagine how good I felt? This lady took her “trophy” to the cemetery to thank her mother, even after her death, for the influence and impact she had made in her life.

THE AWESOME RESPONSIBILITY OF LEADERSHIP

The bottom line in all of this is that our problem in America is not our workforce. Our problem in America is not our people. It’s the lack of inspiration. It’s the lack of people feeling fulfilled by what they’re doing. We’ve gotten too caught up in numbers. We’ve gotten too disconnected from the way we touch the lives of people. Our promise at Barry-Wehmiller is that if we’ve got 4,000 employees and they each have an average of four people in their families, we’ve got more than 16,000 people directly impacted by our leadership. It is an awesome responsibility. I mean, I thought I was pretty responsible when I had six kids. But when I think that 16,000 people will be impacted by the leadership of me and my team, it creates an awesome sense. And for you in this room, if you’ve got 80,000 employees represented by 150 local companies, and I’ll bet you do, just think of how many lives in this city are impacted by the way you go about leadership.

What are you doing with your life and your leadership position, and how are you sending people home so they can be there for their spouses, not just physically but emotionally, for their kids, for their community? That’s the power of the American business economic engine. We can change the way things are done if we reconnect with the power that we all have in leadership to touch people’s lives. At PCMC, the largest acquisition in our history, I’ll tell you, we used every ounce of leadership in our bodies to take a company from a \$27 million loss on \$200 million to a \$27

million profit the next year. But it was simply leadership—inspiring people, giving them a belief in themselves, giving them a vision for the future. It was that simple.

I want to read to you a statement made by one of my colleagues, our group executive who led that initiative, a statement in the context of our leadership style. This is from Tim Sullivan. Tim and his wife, Mary, are at our table this evening. Tim recently said, “Clearly, we couldn’t have achieved the success or have such high prospects for the future without living the principles of respecting, trusting, inspiring, empowering and recognizing people.” I’ve had many people tell me that they’re not sure their people are ready for this. Well, I’m too old to mince words. My statement to them is, “They’re ready. Maybe you’re not ready.”

I hope that each of you IS ready because the power in this room, the power in this city, to make this a better place is within each of your skills and leadership. I hope the thoughts I have shared with you about my personal leadership journey will touch your life in such a way that you will grasp the profound opportunity you have in this world to make a difference. I hope you will join us in transforming our businesses into culture value-creators for the good of society so that people will enjoy working for our companies, doing business with them, investing in them, and having them as part of their families and communities.

Let me leave you to consider this question once again: What are you going to do with your life? What legacy are you going to leave? How are you going to give your life meaning, and how can you bring that goal in alignment with what you’re doing now? You only have one life to live, and you’re living it, and your actions have the power to positively impact other people’s lives. We need to inspire people; we need to challenge them; we need to recognize them; we need to give them a sense of fulfillment so when they go home, they can be what they were meant to be in this world. We can do that in our business. We CAN do good in our business.

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