

Supply New England Adds To Its Bottom Line With New Management Initiatives

Executive Summary

Supply New England improved leadership, supervisory and innovation skills, helping managers increase store efficiency and boosting operational profitability. Supply New England partnered with Dale Carnegie® to:

- Increase the percentage of customer orders filled completely at the time of order;
- Lower the percentage of returned goods;
- Boost individual sales performance and enhance their internal sales and recognition programs;
- Improve gross margins with new, employee-designed, management incentives.

These accomplishments were achieved in less than nine months and added over \$200,000 to Supply New England's bottom line.

Supply New England shifted from merely talking about change to making dramatic, quantifiable improvements. The company's return on investment has exceeded their expectations, and they have enjoyed benefits that go beyond dollars and cents. Renewed employee commitment; strong organizational momentum; and deep positive customer relationships have all resulted from Supply New England's partnership with Dale Carnegie.



Supply New England: A Market Leader In The Boston-Providence Region

Opening its doors in the late 1940's, Supply New England now employs over 200 people and is one of the largest distributors of plumbing and heating supplies in Southern New England. The company also offers the latest styles in kitchen and bathroom cabinets, fixtures and accessories.



Supply New England is headquartered in Attleboro, Massachusetts, and serves its customers from 18 locations including Boston, southeastern Massachusetts and Rhode Island. In addition to serving the plumbing and heating needs of contractors and builders, the company also operates seven retail *Kitchen & Bath Gallery* showrooms.

The Challenge: Striving To Improve In A Demanding Business Environment

At the conclusion of its annual sales and management meeting in early 2004, Supply New England had few urgent concerns. They enjoyed:

- Strong sales;
- Excellent employees;
- Great products;
- Growing markets.

However, they knew they could become better.

According to David Corcoran, president of Supply New England, the company was looking at two issues. "First, we wanted our branch managers to do an even better job of managing their sales teams and taking care of their other responsibilities as managers. Most of our managers come from a sales background. They love the customer contact." As a result, Corcoran explained,

"They were often too involved in individual sales transactions. We needed them to be true branch managers." Addressing this issue would improve operations at each store, enhance profitability, and build stronger customer relationships.

Second, Supply New England needed a plan to deal with its own success. "As we've grown, we've never been completely satisfied hiring from competitors. We like to grow our own," said Corcoran. But rapid growth has made this a challenge. Supply New England needed a way to ensure that operational efficiency, store profitability and sales would continue to improve at the same time qualified people were moving into new positions.

Corcoran and his management team concluded that they needed to improve management and leadership expertise for employees throughout the company. "While we carry great products and offer good pricing, what ultimately distinguishes our company is our customer service and people skills. We simply have to be better than our competition." And, added Corcoran, "We knew what we wanted to achieve, but we were saying, 'OK, exactly how do we do this?'"

The Dale Carnegie Promise: Management Development With Measurable Results

After consulting with Supply New England and learning about their business objectives, Dale Carnegie created a customized two-pronged approach for key staff, including current and future store managers: a management and leadership program as well as a sales development program (the subject of a separate case study). Dale Carnegie believed that designing the programs to run concurrently was critical as well.

According to Caleb Powers, senior sales training consultant at Dale Carnegie, "We believed the two development efforts would work in concert to

create company-wide solutions. Working through interconnected store management, operational, and sales issues Supply New England made huge strides forward."

Dale Carnegie knew that if Supply New England built superior management and leadership skills, they would achieve ambitious and measurable goals. In particular, Dale Carnegie pledged to add at least \$200,000 to Supply New England's bottom line. "And that's what really sold me," said Corcoran. "I knew that management improvements of that magnitude would easily cover the investment necessary. Now I'm saying to myself, 'I can't lose.'"

"We talked to some other firms," Corcoran noted. "But only Dale Carnegie emphasized the importance of teamwork and building relationships with customers. Our business relies on repeat business," explained Corcoran. "We want our contractors and builders coming in every day, talking to us every day. It is truly a relationship business. That's what Dale Carnegie brought to the table."

Management Improvement And Innovation Generates Higher Profits

Dale Carnegie worked with a cross section of Supply New England's managers and prospective managers. "Initially there was resistance," recalls Corcoran. "Employees wanted to know why they were picked. Some thought they had done something wrong. But we were simply selecting the people we thought were up-and-comers."

Employees taking part in the leadership and management work sessions were quick to recognize how Dale Carnegie

"People are thanking me. People want to know when they'll be able to take the training. And now, when we run marketing promotions our people are enthused, paying attention and ready to go. The training has been overwhelmingly positive."

David Corcoran
President

could help them improve their skills and produce tangible results. According to Powers, Dale Carnegie emphasized team building, coaching, and processes to allow managers to "Work on the business, not in the business."

Dale Carnegie created employee teams that identified specific business challenges. The teams brainstormed

potential solutions, and created a series of *Innovation Projects* to address real-world issues. The *Innovation Projects* helped illustrate Dale Carnegie's management and leadership concepts and show that major improvements could be achieved.

In total, four *Innovation Projects* were implemented. These projects worked to:

- Boost sales performance and create new sales incentive and recognition opportunities by redesigning and expanding Supply New England's sales and recognition programs;
- Increase the percentage of customer orders filled completely at the time the order is taken by analyzing and adjusting supply chain management practices;
- Improve gross margins by introducing new internal management incentives, and;
- Lower the percentage of returned goods by updating operational policies and procedures.

To date, these projects have resulted in dollar savings well into the six figure range.

Benefits Beyond The Bottom Line

"Obviously I'm pleased with the quantifiable results," said Corcoran. "Dale Carnegie delivered on their promises. Their customized management and leadership programs have added over \$200,000 to our bottom line." The biggest unexpected benefit for Supply New England has been the positive impact Dale Carnegie has had throughout the company. Corcoran is enthusiastic. "People are thanking me. It made a difference to them," said Corcoran. "They were so positive and so enthusiastic both on a personal and a professional basis that we ended up with a very strong group of committed employees. That in itself," continued Corcoran, "paid for the whole program."

What's Next For Supply New England

In less than nine months, Dale Carnegie had a significant impact on management development at Supply New England. So is Supply New England going to continue to work with Dale Carnegie? "Yes!" declared Corcoran.

"We'll be doing four new management and leadership groups in the coming year. In addition to providing development services to new people, we'll also be doing some one-on-one and small group consulting sessions to address very specific topics." Corcoran is actively recommending Dale Carnegie to other businesses. "This works. It's generated huge returns for us. Investment in our people has had a measurable impact on our management and operations. And our employees are revved up, committed, and excited about their future with Supply New England.

Dale Carnegie® provides dynamic employee-based training, coaching and business counsel. Dale Carnegie's sales, management and leadership programs are carefully tailored to address the unique circumstances of your business. Their services are designed to engage employees in the creation of innovative solutions to business challenges. Dale Carnegie's "active and involved" development strategies result in dramatic increases in employee performance and significant improvements to your bottom line.



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