“Bob Chapman, CEO of the $1.7 billion manufacturing company Barry-Wehmiller, is on a mission to change the way businesses treat their employees.”

– Inc. Magazine

“A lot of leaders talk about this. See what happens when you actually do it.”

– Simon Sinek, author of Leaders Eat Last

Starting in 1997, Bob Chapman and Barry-Wehmiller have pioneered a dramatically different approach to leadership that creates off-the-charts morale, loyalty, creativity, and business performance. The company utterly rejects the idea that employees are simply functions, to be moved around, “managed” with carrots and sticks, or discarded at will. Instead, Barry-Wehmiller manifests the reality that every single person matters, just like in a family. It’s not a cliché on a mission statement; it’s the bedrock of the company’s success.

During tough times a family pulls together, makes sacrifices together, and endures short-term pain together. If a parent loses his or her job, a family doesn’t lay off one of the kids. That’s the approach Barry-Wehmiller took when the Great Recession caused revenue to plunge for more than a year. Instead of mass layoffs, they found creative and caring ways to cut costs, such as asking team members to take a month of unpaid leave. As a result, Barry-Wehmiller emerged from the downturn with higher employee morale than ever before.

It’s natural to be skeptical when you first hear about Barry-Wehmiller. Every time it acquires a company whose team members have experienced more traditional management practices, the new team members are skeptical too. But they soon learn what it’s like to work at an exceptional workplace where the goal is for everyone to feel trusted and cared for — and where it’s expected that they will justify that trust by caring for each other and putting the common good first.

Chapman and co-author Raj Sisodia show how any organization can embrace this approach, rejecting the traumatic consequences of rolling layoffs, dehumanizing rules, and hypercompetitive cultures. Once you stop treating people like functions or costs, disengaged workers begin to share their gifts and talents toward a shared future. Uninspired workers stop feeling that their jobs have no meaning. Frustrated workers stop taking their bad days out on their spouses and kids. And everyone stops counting the minutes until it’s time to go home.

This book chronicles Chapman’s journey to find his true calling, going behind the scenes as his team tackles real-world challenges with caring, empathy and inspiration. It also provides clear steps to transform your own workplace and make it extraordinarily successful, in every sense of the word. As the authors put it:

“Everyone wants to do better. Trust them. Leaders are everywhere. Find them. People achieve good things, big and small, every day. Celebrate them. Some people wish things were different. Listen to them. Everybody matters. Show them.”

ABOUT THE AUTHORS

Bob Chapman is the Chairman and CEO of Barry-Wehmiller, a $2-billion global capital equipment and engineering consulting company. A combination of almost eighty acquired companies spread among ten operating companies with nine thousand team members around the world, Barry-Wehmiller’s vision is to use the power of business to build a better world.

Raj Sisodia is the FW Olin Distinguished Professor of Global Business and Whole Foods Market Research Scholar in Conscious Capitalism at Babson College. His most recent book is the Wall Street Journal bestseller Conscious Capitalism (with John P. Mackey, co-founder and co-CEO of Whole Foods Market).
PROLOGUE
A Passion for People

“It was definitely a low point in my life,” recalled Ken Coppens. As a laid-off production worker for Paper Converting Machine Company (PCMC) in Green Bay, Wisconsin, with a wife and young son, Ken was resorting to whatever legal means he could find to make ends meet. It was game day at Lambeau Field. Midway into the third quarter, Ken, dressed in layers, grabbed two black heavy-duty trash bags and began the three-block walk from his house to the stadium. With any luck, Packers fans would have left behind enough recyclable cans to fill both bags. On good days, he sometimes gathered enough to buy diapers for his son and gas for the car.

As he approached the stadium, Ken pulled his hat down further and kept his head low. Green Bay is a small town. Getting laid off was not only financially devastating but emotionally demoralizing. His shattered sense of self couldn’t handle the additional blow of someone recognizing him.

When Ken went to work in the machine shop of PCMC in February 1980, he figured he was set for life. The company, which built machines for the world’s biggest tissue suppliers, was considered by everybody in Green Bay to be one of the best places to work. For Ken it meant a several-dollar-an-hour raise from his mechanic’s wages. In fact, in his early years with PCMC, Ken remembers that several paychecks would often pile up atop his dresser, eventually to be cashed when he needed the money. But it was about more than just a good wage. Ken could see that, in a company of this size and stature, there was a lot of opportunity for a smart, enterprising, hardworking guy like him. As a parts delivery person, he was a low man on the totem pole then, but he knew there were many ways to move up. He was confident that a job at PCMC meant he had a secure future.

A year and a half later, Ken was laid off for the first time. His wife was due to deliver their first child any day. “I remember the dread I felt. I had a baby on the way and a wife who had to take unpaid leave from her job to go on bed rest because of premature labor. Our savings were pretty well depleted. How would I replace my income? How would I provide for my new child? The sense of dread and feelings of uncertainty were awful.” Four days later, his son was born. “I had really strong feelings of failure and inadequacy, with some periods of depression. We had bought a house but had to sell it and lost all of our down payment money. It was really difficult.” Eventually Ken was called back to work, but other layoffs would follow. In fact, in Ken’s first six years at PCMC, he never worked longer than eighteen months at a stretch.

In those days PCMC’s business was subject to wild swings. The company would receive large orders from customers, then hit a period when it had no work at all. When there was no work, the company laid off low-seniority union members like Ken, as well as engineers and office staff, to cut costs. There was little predictability as to when a layoff might happen. Once Ken found himself working overtime on a Saturday, only to learn on Tuesday that he was being laid off again.

Executive jobs were never touched, and those who held them barely felt the impact of the ups and downs of the business. For people like Ken, those ups and downs often meant financial devastation. There was no way for low-seniority employees to plan for a layoff since there was little communication from the company about when one would happen and how long it might last. If Ken left PCMC,
he’d give up the good wages and his chance to grow in seniority in the union. And getting hired by another company during a layoff was next to impossible as many of the other local employers required workers to sign an agreement saying they wouldn’t return to PCMC when the downturn was over. It was both a financial and an emotional roller coaster.

PCMC’s manufacturing director, Gerry Hickey, was experiencing his own emotional roller coaster. His natural tendency was to be a supportive and trusting leader who gave his team lots of encouragement and helped them solve their problems, but he also gave them plenty of space and freedom to do their jobs. He viewed the people he led as friends. As business pressures mounted, he was given repeated and clear directives to micromanage all activities, including what people were doing on a minute-to-minute basis. This mandate to micromanage took him back to a dark point in his career when at an annual review his supervisor told him explicitly to be tougher on his people, stating, “You need to be a jerk to them. You need to let them know who the boss is!”

Part of Gerry’s role was scouting locations outside the United States where the company could move their parts production facilities. His passport was peppered with stamps from countries from Mexico to Poland to China. In essence, Gerry’s job was to eliminate jobs in Green Bay and take opportunities away from his friends. With every trip, Gerry felt more demoralized. But he knew that if he stepped aside, his replacement might not do everything they could for his team of employees, as he tried to do. He felt trapped in a sinking ship.

The culture at PCMC grew ever more toxic. The atmosphere was one of fear, insecurity, and distrust. Ken recalls once being asked by company leaders to monitor a friend of his who had just been laid off as she packed up her personal belongings. They wanted to make sure she didn’t steal anything on the way out. It made him sick to his stomach. He, like most everyone else, came to work each day wondering if more bad news was imminent. “PCMC had brought in a consulting group to help them decide what to do. They said, ‘Here are the people you need to let go to right-size the business.’ Right-size was the big term at that time. I was a team leader then, and some of my team members were let go without my prior knowledge. There was a day that we refer to as Black Friday. I was walking past my leader’s office and one of the people on my team was there, in tears. I had a feeling of inadequacy and failure because I hadn’t been told she was being let go. In all, three of my team members were let go that day. I ended up having to go over to their cubicles to console them and help them pack their things and carry them down to their car. I felt absolutely terrible.”

This story about Ken and Gerry and their company follows a sadly familiar pattern. PCMC had been a market leader but had lost market share to aggressive foreign competition. In its final year as a family-owned business, PCMC lost $25 million on $200 million in revenue. It faced deep uncertainty about the future, experiencing many of the challenges confronting other US-based manufacturing businesses. It responded to its financial difficulties with traditional management tactics like frequent restructurings and layoffs, but succeeded only in exacerbating its problems, damaging its culture, and destroying morale. Fear and distrust were rampant. A corrosive “us vs. them” mentality pervaded the company: union vs. nonunion, office vs. shop, management vs. workers.
Ken recalls what happened when he moved into a nonunion job. “I was offered an opportunity in manufacturing engineering at PCMC. To use the terminology of the day, I was ‘jumping the fence,’ going out of the union. The position offered a little bit of hope, an opportunity for some education and growth. But psychologically, it was very difficult because I lost some friends; they stopped talking to me because I was no longer in the union. When I went into the shop to ask questions and get information, some people refused to talk to me.” Ken had come to realize that many of his friends saw the union as their foundation, the floor they stood on, their rock. “But I saw the union as a ceiling. There was nothing you could really do to control your own destiny; you were simply a number. No matter how hard I worked, what types of improvements I tried to make, I could never get above a certain grade level that was preassigned.”

PCMC moved production of one price-challenged product line to Brazil to access the lower labor costs there. But even that wasn’t enough for its largest customer, who laid down an ultimatum: Move primary production to China within three years or we will pull our business from PCMC. The family that had owned PCMC for over eighty years didn’t know how to deal with the mounting challenges and essentially gave up. The company had lost money five out of the previous seven years; the outlook for the future of hundreds of team members was bleak.

The solution to their problems wasn’t in China, though. It was right in front of their eyes. As Ken recalls, “We knew the business was failing. Some of us knew there were things we could do to help. But it was a very stifling, controlling environment. The leaders in the business who had that control weren’t interested in having others engaged in the business. It was a very nervous-making and uncertain environment, filled with tension and absolute fear.”

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Everybody Matters is about what happens when ordinary people throw away long-accepted management practices and start operating from their deepest sense of right, with a sense of profound responsibility for the lives entrusted to them. When we say “long-accepted management practices,” we’re talking about a wide range of behaviors—from how companies treat their team members in meetings to how they handle a multimillion-dollar shock to their bottom line—that begin from the assumption that people are the functions they perform, and that succeeding in business means knowing how to make the hard decisions in the interest of making the numbers. Throughout this book, we’re going to tell stories about the many times my company, Barry-Wehmiller, faced a challenge or crisis that could have been answered with sacrificing people for the benefit of the business. Instead, we challenged ourselves with this question: How can we redefine success and measure it by the way we touch the lives of all our people?

At the heart of these stories is a simple, powerful, transformative, and testable idea: Every one of your team members is important and worthy of care. Every one of them is instrumental in the future of your business, and your business should be instrumental in their lives.

This isn’t simply idealism, though there’s nothing wrong with that. Business leaders are always looking for investments with the potential for good returns, but our focus is on creating value for all stakeholders. Machinery can increase productivity in measurable
increments, and new processes can create significant efficiencies. However, only people can stun you with quantum leaps. Only people can do ten times what even they thought they could. Only people can exceed your wildest dreams, and only people can make you feel great at the end of the day. Everything we consider valuable in life and business begins and ends with people.

We may all know that, yet most of us consistently get these situations all wrong. We apply cruel, myopic solutions. We misjudge the results. Most of these business challenges are not what we think they are.

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If you drive through many small towns in Wisconsin or Ohio or Michigan, or in rural Pennsylvania or in many parts of California or indeed in most parts of the country, you see many sad and stark reminders of a world and a way of life that has gradually ceased to be. Decaying hulks of abandoned factories, shuttered warehouses, and empty office buildings are all that remain of a once-thriving manufacturing economy that delivered secure, well-paying jobs and supported full, vibrant lives for tens of millions of people.

Even among businesses that are still operating, you see numerous companies with a proud heritage that are trying to shrink their way to success, routinely announcing mass layoffs and never-ending “restructurings” in desperate bids to survive. You see people losing their livelihoods, but also their sense of self-worth and hope for the future. You see communities being hollowed out, schools operating at a fraction of their capacity, young people leaving en masse in a despairing search for more meaning and better opportunities elsewhere. It feels like a race to the bottom; everything that can be cut has been cut, and little of value remains.

The cause of all this is a corrosive mind-set that has taken root in the world of business, based on a narrow and cynical view of human beings. The devastation we are seeing today is the predictable end point of an unfolding that started in the first decades of the industrial revolution. There was a fatal flaw at the heart of the capitalist enterprises that once enabled these communities to flourish: From the beginning, employees were treated as functions or human resources, as interchangeable as the parts they labored to produce. Concessions on safety and more humane working conditions were granted grudgingly and only after protracted battles between uncaring management and militant unions. Lacking heart and passion and soul, such enterprises eventually became easy prey to ever more hard-nosed competitors operating with lower costs and willing to cut every possible corner.

It doesn’t have to be this way. It is possible to restore hope and provide secure futures for people living and working in these kinds of communities, indeed in all communities. But to do that, we first have to radically change the way we think about business, about people, and about leadership. If we do so, we can build thriving organizations that bring joy and fulfillment to all who serve them and depend on them.

Though they are the exceptions rather than the rule, organizations do exist today in which everybody connected with the enterprise flourishes: customers, employees, suppliers, communities, and investors. Such companies operate with an innate sense of higher purpose, have a determination to create multiple kinds of value for all of their stakeholders, have leaders who care about their purpose
and their people, and have cultures built upon trust and authenticity and genuine caring for human beings.

Most of these “conscious” companies were born that way, and almost all of them operate in growing industries. But there is another less known but in some ways more compelling phenomenon that is also stirring. It is a way of being as a business that is slowly bringing about a renaissance in American manufacturing. It is a mind-set that is proving to be effective in diverse locations around the world and that works equally well in business contexts outside of manufacturing. At Barry-Wehmiller, we have evolved a fully fleshed-out business philosophy that we have used to rejuvenate and restore to prosperity dozens of businesses that were floundering, that in many cases were on their deathbed.

This is a story about the power and impact of “truly human” leadership. It is about bringing our deepest sense of right, authentic caring, and high ideals to business. It is about achieving success beyond success, measured in the flourishing of human lives. It is a story of an approach to business and leadership that emerged only in the last twenty years or so in the life of a 130 year-old-company, but that has already built a strong track record of enriching the lives of team members and creating extraordinary shareholder value at the same time. It is an approach that has been tested, refined, and proven to work dozens of times in half a dozen very different countries and in numerous towns and cities across the United States.

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In October 2005, Barry-Wehmiller acquired a struggling PCMC from its then owners, a long-established local family led by a benevolent leader who cared deeply about the organization. But it was also an organization with a top-down approach to leadership, very little trust, and a bit of cronyism. Ken recalls how it felt to work there. "In the period just before the acquisition, I used to stop at a little convenience store for a cup of coffee on my way to work. I had my name badge and entry card clipped to my belt. The young lady at the checkout counter noticed it and said, ‘Oh, you work at Paper Converting? That must really suck.’ It was surreal and embarrassing to me, because I thought, ‘Here is a young lady who is working at a minimum wage job, and she feels sorry for me.’"

As the acquisition was being completed, people in Green Bay were convinced that more production would be moved to lower-cost countries so the company would be better able to compete, meaning that most of them would have no future with the company. Instead, as a first signal of the new approach, we announced that manufacturing for the product line that had been moved to Brazil would return to Green Bay. The news was met with disbelief: Could this possibly be true? Ken felt some stirring of hope. "Within the first week, the Guiding Principles of Leadership (Barry-Wehmiller’s vision and values statement) got hung up in the hallway in the office area that I worked in. I remember stopping and looking at it and feeling a sense of hope and yet a sense of doubt. It seemed too good to be true, because in my twenty-five years, this was what everyone wanted but never experienced. I remember thinking to myself, ‘Man, if we can do ten percent of what it says in this document, this will be a great place to work.’"

As I always do after acquisitions, I met with groups of associates that included office, plant, union, and nonunion team members. We told them we would do everything we
could to give them a better future and shared a vision of a “great American manufacturing company.” I said, “We believe in you. We can turn this business around, and we can do it with the people who are here today. We can compete with equipment made anywhere in the world. Let’s go out and build something great together. We will show the world that you can pay people fairly, treat them superbly, manufacture locally, and compete globally—right here in Green Bay, Wisconsin!”

Ken found himself awestruck as he listened. The promise of a new approach to business was encouraging, but he was dubious about yet another management strategy. He remembers, “I wasn’t sure what to expect. First we thought that we wouldn’t have a job, then we heard about this crazy CEO who was going to focus on fulfillment at work. This guy seemed like he was from another planet.”

Sitting next to Ken, a clearly skeptical union team member raised his hand and said, “I want to hear you say that you care about our union.” Without missing a beat, I responded, “I don’t give a damn about your union... I care about you.”

In the years since, he’s come to see I meant it. I believe that if you trust people and show them that you believe in them, they can transform their own lives and the future of a business. Ken remembers the exact moment when he realized this. “We were all wondering when the Barry-Wehmiller people would come in and fix us. I reported to Steve Kemp, who is now the president of PCMC. I asked him when the bus from St. Louis would pull up. He put his hand on my shoulder, and said, ‘Kenny, there is no bus. People like you and me, we have to fix this.’ Instead of feeling disappointed, I actually felt good; we knew things were broken, but we had ideas, we wanted to try some things, and this gave us a feeling of hope and trust. I felt like somebody finally had faith in me and faith in our ability to improve things.”

We promised to create a future for the hundreds of union and nonunion team members in Green Bay, so that Ken and many others like him could count on the security of a good job and a fair and predictable wage. We were committed to building a sustainable business model, one that would be resilient in shifting economic times.

Our promise went beyond simply a secure future. I had grown to understand that my responsibility as a CEO transcends business performance and begins with a deep commitment to the lives of those in our care—the very people whose time and talent make the business possible.

We envisioned a new kind of business culture—a culture that puts people first and where true success is measured by the way we touch the lives of people. I’m completely obsessed with creating a culture in which all team members can realize their gifts, share those gifts, and go home each day fulfilled. Barry-Wehmiller was already on this cultural transformation journey, and now PCMC would be too.

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With our guidance, PCMC immediately got busy turning around its broken business. It was clear that they needed to make some changes quickly to restore the faith of their disillusioned, broken-spirited team members. As a first step, we sent a team from PCMC to visit Barry-Wehmiller facilities in Phillips, Wisconsin, and Baltimore, Maryland. These were businesses that were struggling when we acquired them that we had turned around financially and culturally. Gerry, who
was selected to join both trips, recalls his first impression: "Associates in those locations were extremely enthusiastic and involved in the business. We were invited to speak with whomever we wanted to; they had nothing to hide. Rather than being told what to do, the Phillips and Baltimore teams felt engaged in creating their own future, a remarkable contrast from the environment at PCMC, where supervisors micromanaged every activity. Those trips gave us hope that the same thing was possible in Green Bay."

With renewed enthusiasm, the Green Bay team got to work. A clear first priority was expanding PCMC’s customer base beyond the industry’s few largest companies with their unpredictable buying cycles. The company had become far too reliant on their business and reactive to their needs.

Recall the customer that insisted we move production to China so they could reduce the cost of buying our technology. Our team flew to their corporate headquarters and informed them that PCMC would not be moving production to China. Instead, we gave them our assurance that we would find a way to earn their business while operating in Green Bay. Needless to say, the customer was skeptical. For Gerry, the news lifted an enormous weight. Rather than carrying the guilt of executing a plan to cut jobs, he could now focus on rebuilding his team.

A few months later, senior VPs from that customer were invited back to tour the new PCMC. In the intervening months, the team had worked hard on implementing multiple process changes using the tools of continuous improvement. By examining key processes and making incremental improvement in the ways PCMC executed orders, they were able to get higher-quality parts out in record time. During the visit, the customer group walked around, observing the improvements that had been made and talking to the associates. One senior VP selected an associate from manufacturing who had spent a long time as a member of PCMC’s union. He asked, “Does everyone here believe in the change that’s happening?” Unprompted, the PCMC associate responded, “No, but we’re focusing on those who do believe.”

Simultaneously, we made operational adjustments. PCMC’s service business was strengthened by introducing a greater sense of urgency and new performance metrics, which resulted in better value to customers and the business. Through it all, the team worked on creating an exciting new vision—an ideal future state—for PCMC. The result? Extraordinary commitment from its hundreds of team members, union and nonunion alike—commitment to being part of the team that would create that better future.

PCMC achieved a healthy turnaround in its first year under our ownership. Within two years, the business started showing financial performance fundamentals that more than validated our faith in its future. The remarkable recovery was overshadowed only by the profound emotional recovery of its team members, who no longer left home for work each morning wondering if the day would bring news of yet another layoff and no longer returned each day drained and dispirited.

Within eight years, we took a company that was losing money, that was near financial insolvency, and that had little hope for the future to a company that has not had any layoffs, has brought jobs back to Green Bay from abroad, is gaining market share, is developing new products, and has become a model of truly human leadership. The transformation at PCMC transcends what can be expressed in numbers. It took real human initiatives to
create a culture that today gives people optimism for the future despite the massive challenges they faced. We have shaped an organization over time that has a future in Green Bay with the same team members it had when it was failing. Our unique approach to leadership and strategy has created a business that is thriving!

Gerry Hickey now says that his job as a leader is to see every situation through the eyes of his team. A graduate of every leadership class Barry-Wehmiller University offers, Gerry says that some of his greatest learnings have been to truly understand others, and to listen intensely and work harder on recognizing and celebrating individual accomplishments. Even more importantly, he says the experience has improved his thirty-eight-year marriage to his wife, Wendy. “During the ‘dark days’ when we were fighting for survival, Wendy would describe me as confused, frustrated, and somewhat bitter. It was impossible not to bring the challenges we were facing home. Now, I think I’m a better listener and a more caring husband, and I think Wendy would agree!”

Eventually, Ken Coppens left his position within the sales administration team to lead continuous-improvement initiatives in two Barry-Wehmiller businesses. Through that role, he discovered his gift to inspire and facilitate change, ultimately leading to his current role as a professor at Barry-Wehmiller University. Today he teaches other Barry-Wehmiller team members around the world courses ranging from communication skills training to continuous improvement to creating a culture of service. His job every day is to inspire change in others, creating a sustainable foundation for Barry-Wehmiller and its culture to endure. That begins with enabling its people to flourish. “Years ago someone dismissed my dream of becoming a teacher, so I did too,” Ken shared. “This organization has given me so much opportunity, and I feel this incredible sense of being unchained. It’s given me a new life.”

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The Barry-Wehmiller approach to transformation, rejuvenation, and renewed growth has been proven to work in dozens of companies in different industries and diverse cultures around the world. No matter the status of the industry—distressed or vibrant, even companies experiencing severe challenges—our approach has created tremendous stakeholder value. The key pillars are establishing a shared long-term vision, fostering a people-centric culture, developing leaders from within, and sending people home fulfilled.

In the end, it is about truly caring for every precious human being whose life we touch. It is about including everybody, not just the fortunate few or the exceptionally talented. It is about living with an abundance mind-set: an abundance of patience, love, hope, and opportunity.

Everyone wants to contribute. Trust them. Leaders are everywhere. Find them. Some people are on a mission. Celebrate them. Others wish things were different. Listen to them. Everybody matters. Show them. We don’t just need a new guide to leading in times of change or adversity. We need a complete rethink, a revolution.

How do I know? Because I started out as one of those leaders who put profits before people, who always thought about costs, never about caring. Eventually, I realized it is all about leadership—but not the kind of leadership I had learned in business school. And that has proven to be more rewarding than any numbers could ever be.