

Jacob Morgan 00:06

So for those who are watching, if you're not familiar with Bob, Bob Chapman is the CEO of Barry Wehmiller. And I think you're around 12,000 employees now, right, Bob?

Bob Chapman 00:14

Yes, yes, 3 billion in revenue 12,000 employees.

Jacob Morgan 00:18

Very cool. So manufacturing company. And I also heard that you recently got mentioned in an Inc. article is the number three CEO in the world. Congratulations,

Bob 00:29

Then as my son told me Dad, there's still room for improvement. You're only number three.

Jacob Morgan 00:36

I love that. Yeah, you've still got two spots to go. Yeah, so we've done a couple podcasts together. We've had many, many conversations in the past. But this is kind of different, because I wanted to really just focus on you and your insights in your approach to leadership. And I know you've been really, really big on this concept of truly human leadership. So can you talk a little bit about what that is?

Bob 01:03

Yeah, you know I've been in business for 50 years, the first half of my career with a very traditional business education, accounting MBA, was just kind of playing the game according to what I found what I studied what I found. And it was a series of transformations. And I was successful in that environment. So the company was doing well. It wasn't some shock that caused me to come to this. But starting in 1997, I had three revelations that awakened my senses to a higher calling in business. Or why can't business be the most powerful force for good in the world, if we simply care about the people, we had the privilege of leading. Simon Sinek, we call it initially people centric leadership leadership focused on people. Simon Sinek, came in, became very close to our message, loved our message and said, Bob, this is not people centric, this is truly human leadership. This is the way we are intended to treat people we have the privilege of leading so when from people centric leadership, to truly human leadership, which means looking at the people in your span of care as somebody's precious child, not as an engineer and accountant reception as a field lineman or something not describing people by functions, but looking at people, regardless of the role they play in the company as somebody's precious child, which is the most transformative aspect of from management to leadership, because remember, the word management means my view, the manipulation of others for your success, and stewardship of lives and trust.

Jacob Morgan 02:47

I remember when we did podcast together, getting the word like manager management, we're like, take it, I gotta stop you right there.

Bob 02:57

Because the words we use affect our behavior, okay, words affect the old call managers, bosses and supervisors. First of all, you can't manage anybody. And second of all, nobody wants to be managed, nobody wants some boss, and nobody wants to be supervised. So I mean, we use words that create that kind of create behavior, instead of leaders, coaches and mentors.

Jacob Morgan 03:20

So you said there were some transformative events that happened? I think you mentioned 1997. So what happened? What got you to this revelation? Because, you know, a lot of people who are going to be watching this, they might have MBAs where they're taught management and accounting and you know, different approaches to leadership, and it's very academic. It seems like you're doing very well in that area. So what made you change?

Bob 03:45

Well, I bought a company in South Carolina in 1997. It was March of 1997. I flew down there to be there in the very first day, the big acquisition, I mean, as a 5050, someday now a company that, for us was paid about 24 million for so it's a big acquisition from a serious. Flew down to be there. The first day walked in to have a cup of coffee before the office opened. Nobody knew me, I didn't know them. So I just kind of stood there had a cup of coffee, and I just, you know, out of curiosity, watched behavior. And people were talking about March Madness. college basketball teams won how much money they won, where they were in the pool, they're having fun. Closer, it got eight o'clock, you could just see the fun go out of their body as they had to go to work.

Bob 04:30

Now I don't remember thinking this at the time. But I know what my mind was processing is why can't work through fun. Okay, why why why don't we prepare ourselves for a career that is defined by work, you know, and we can hardly wait you know that we have TGIF Thank God it's Friday, can't wait to get out of this place. So I began trying some things that aligned with value creation and fun and we saw profound changes in behavior.

Bob 05:01

A couple of years later, I was at a church service mentor, my mentor was director of our church. And at the end of service, I looked at my wife and I said, Cynthia Ed has only got us for one hour a week, we have people for 40 hours a week, we are 40 times more powerful in the church, to inspire people to live lives of meaning and purpose. As a walk out of the church that day, I said, business could be the most powerful force for good in the world. If you simply cared about the people, we had the privilege of leading.

Bob 05:37

Finally, the most momentous the culmination of months transformation was at a wedding. And a friend of mine was walking his daughter down the aisle, and I was noticing how precious she looked how proud the father was, got up the altar and said, I'm going to give my daughter to this young man to be with, and they sat down next to his wife, and they hug each other's ceremony continued. And I said myself having to walk to my precious daughters down the aisle. That's not what that father wanted to say. That's what he was told to say. What he wanted to say is look at young man, a mother and I

brought this precious young lady into this world, we give her all the love and care we can possibly give us so she can be who she is intended to be. And we expect to young man through your marriage, as she bill will be with you, that you too will allow each other to live lives of meaning and purpose and be who you intended to be. Do you understand that? That's what every father wants to save his daughter away to a young man.

Bob 06:34

And all of a sudden, my mind when I went from that is, oh, my God, all 12,000 people that workforce around the world is somebody's precious child, just like that young lady, young man, not just concerned when they walk in our building every day. And the parents of the people who work for us surely want brought these kids into this world. So they could live lives of meaning and purpose. And so that day, I stopped thinking of people as functions as engineers, accountants, receptionists, production workers, hourly worker salary workers, and started seeing people as somebody's precious child whose life was placed in my care. And the way I embrace that responsibility would profoundly check affected life. And so that was the combination of the three.

Jacob Morgan 07:20

How does that manifest? So I'm sure a lot of people would say we love the concept of truly human leadership. How does it actually come to life? And do you have any stories or examples as

Bob 07:32

Well, the best thing I would say to you is that when we began this journey, we had a series of revelations. We're having dinner, we flew out to California to interview a guy wrote a book true to your roots. about leadership, we went out to Napa Valley to this gentleman on a vineyard. And we're having a dinner like for a young man and just joined a team. And he asked me a question, nobody would ask me and he said, Bob, what's your greatest fear? Now, I'm an eternal optimist. And I never talked about my fears. But I saw it for a minute. I said, you know, my greatest fear is that we we've been given a gift that could profoundly change the world, and that we die with it. We got up the next morning after the dinner, and I looked at this young man and said, Okay, well, you surface the fear, I didn't even know I had, what are we going to do? And I said, we need to what a great religions do to, to derive their original founder, as they articulate their beliefs. And then they tell stories that affirm their belief by with disciples. So we create disciples who believe this as much as I do, and how are we going to create disciples when we started creating University to give people a chance to become disciples. So that was the beginning. So what we did was, and I would say to your audience, you can ask people to care about others, you can ask them, and they'll say, Sure, I agree. But what they don't know is they don't know how to care. things we've learned. So we took them so because we couldn't send people back to graduate school to learn how to care because we teach management classes, okay. We started with a clean sheet of paper. And we started creating and one of our team members, David dynamo, and said, Well, if we're gonna teach them to be leaders, we need to teach them how to listen. I said, Why do we need to teach adults how to listen? Listen, we need to teach them how to listen. So okay, so the team developed a three day intense class on listening, empathetic, listening.

Bob 09:40

And I happened to be in Minneapolis a few weeks later, and a young lady came up and said, Mr. Chapman, I just took a university class that you offered my boss and said, great, what was it like and she's changed my life. It changed your life. And she said, Yes, I now know how to raise my two year old child. Because listening is not just at work, it's, it's in every part of your life. Not being quick to talk, but being quick to listen and understand. That began the journey. And then we started teaching, recognition and celebration, how to let people know, they matter. That's another class, we have a culture of service, which is seizing the opportunity to serve others. So a very unique approach to leadership not management. Okay, so that so I would say to you, when people, we had no idea that we had given, we're developing something that the world would awaken to, as it has in the last 10 years. And so it was Simon Sinek, who first came in and sat down with some of our people, because he had heard about it, but he didn't believe it. So he was the first from that side that came in, and he sat down to talk to our people for two days. And he said, I'm no longer the idealist. I'm just seeing what I dream and dream of the world. Tap anybody in the shoulder in any city in the country and say, Do you like your job? And I'd say, No, I don't like my job. I love my job. That's Simon's dream. Okay. And so then me kuti, Yuri sign, Raj Sisodia. And when we started getting Mackenzie's Harvard, unbelievable thinkers around the world coming in to see our culture, and every single person said, I've never seen anything like this. And, and when people would sit down with our teams, it wasn't talking to me. Grown men and women would get emotional, just saying what it feels like to be cared for.

Jacob Morgan 11:38

Yeah, that's fantastic.

Bob 11:40

And again, we're talking about creating economic value and human value in harmony. Okay, nonprofit organization, our share price has gone up 14% A year for 25 years in a row. Okay. We are a very unique value creating organization. But our focus is our people. I was interviewed by Washington University organizational development professors for an hour and a half not too long ago, a couple years ago, at the end of the interviewer, they said, Mr. Chapman, you're the first CEO we've ever interviewed that didn't talk about the product. I said, we've been talking about the product for the last hour and a half. It's our people. My grave, proud of the machinery we build, we build big capital equipment. I'll go to my grave proud of the people who built that machine.

Jacob Morgan 12:24

So what about some leaders out there? Because, you know, you're you're the CEO. So you have, they might say, oh, you know, Bob's the CEO, he has a lot of power to change the company because he's the CEO. But I'm, you know, a mid level leader in my company. And I believe in a lot of the things that Bob says, But you know, those around you don't even It's not talked about here. My executives don't care about it. So what can I do? Do you have any advice or suggestions.

Bob 12:52

So I was speaking to a group of operational executives for \$20 billion division of a bigger public company. This is few years ago, and I gave my speech which your listeners understand. At the end of

it, an executive raised his hand and said, Mr. Chapman What if corporate doesn't endorse this? Okay, same question. And first time I had that question, and I thought for a minute, thought of the Wizard of Oz, I think I saw the Wizard of Oz one time in my life, but for some reason, I thought, the story of Dorothy, the Tin Man, the Scarecrow, and the lack, and I said, I said, You remind me of Dorothy and the Tin Man seeking something that you don't think you have, okay? Because when Dorothy and the Tin Man, Scarecrow, the lion got to the wizard. He said to them, when it was revealed, it was just an elegant gentleman, a wise gentleman said, you have what you need use what gifts you have. And so I said, What do you need from corporate, you don't need a requisition for funding, okay? You don't, you don't need a memo that we're going to care about people. You just need to begin to embrace these practices, and live these and look at the people in your care. And that's how it begins. And you got to play it smart. You got to play within the group, the company, you know, the philosophies you have.

Bob 14:19

But I mean, I even had a CEO of major world Corporation, say to me, who became ordinary speak and asked me to come speak to his team. How should I handle my board of directors, so even the chairman wasn't sure how to handle because this is a language that boards don't speak, okay? And I said very carefully, you got to be very careful, because you don't want to say all you know, all of a sudden we're gonna do these things. You need to introduce us in thoughtful ways and start showing people because remember, three out of four people in this country are disengaged in what they're doing. According to Gallup, if you had a machine tools and your plant or some other operation or plant there was, you know, only 25% productive you would address it, okay? People are not sharing the gifts out there doing what they need to do to get by. Okay? So, so I just said them, just go out and embrace these practices thoughtfully and understand the audience isn't going to understand it, you're gonna do it in thoughtful ways. And that's the advice because many people who hear me speak are in that exact same situation, you can begin by listening, you know, the most powerful thing we teach is how to listen to people, okay? And I let them know they matter. And you can do that without, you know, any major disruption, you can begin listening to people through empathetic listening is a skill. We teach it at our company, we teach it in our Leadership Institute, and so that I have a nonprofit that we teach it around the country. So that's what I would say to anybody, what you can, you can begin by thinking about your situation and beginning to apply it. And looking at the people just begins by very simple looking at the people you have the privilege of leading somebody's precious child, not as an engineer, receptionist, or corporate.

Jacob Morgan 16:04

How do you spend your day? A lot of people are always fascinated. How do leaders spend their day? What do they do? What do they focus on? What do they read? What is it like?

Bob 16:15

Well, you know, depends on the evolution of the company. You know, in my early days, I spent my entire day intensely focused on trying to change this 100 year old company, and the credit future I would say the primary responsibility of a leader is to give those people in your care a grounded sense of hope for future. Okay, now I'm gonna go on in Jim Collins is good to great. He talks about the need to get the right people on the bus. Okay. say to you, I think that's, I don't want to disagree with that. But I'd say definitely, you need to build a safe bus. Okay, so every leader that listens to this webinar on this podcast, as as got to think about your business model, I say that bus is every who's got to build a safe

bus, which is your business model. And then you need drivers who can drive it safely, and know where they're going. And then anybody that gets on the bus is going to do fine.

Bob 16:23

So responsibly to the leader is to constantly stand back and say, Is my business model safe for the people who've invested in me their time my team members, or investors or bankers, if I got a robust, visible, because I will tell you, if you don't have a safe bus, you're going to hurt people. Okay? The business model, and you know, we've seen many business models be destroyed by changing the economy changes in technology. So one of the biggest words and using the design of our business models, the word balance, we'll balance of industries, products, technologies, countries, so that anyone change in any one part is not going to hurt the whole company. So designing the business model is my first responsibility. And then finding drivers. But I can share that vision of that, that safe bus, and then put them in the driver's seat. So they can take the people that have the privilege of leaving to a good place. That is our responsibility as leaders, if we did that, and send people home each day, we'd have a dramatically more caring world than we have today.

Jacob Morgan 18:23

So as far as how it manifests into the day to day aspect of your job, does that mean that you just spend all your time with people checking in with people lots of meetings? Or how do you actually spend your time.

Bob 18:34

I would say when I began my, you know, I'm an accountant by training, I worked at Price Waterhouse. So you know, I spent a lot of time analyzing numbers. But I would say to you, the numbers are really the output of a good business strategy, and then people staffing that strategy with people who can embrace it. You know, we're not, you know, I bet this 50 years, I've made a lot of mistakes in that credit time. But today, I'm really focused on the following. Where are you going? Why do you want to go there? And when you get there, why will you have taken your people to a good place? Okay. That is the primary question.

Bob 18:50

And I don't see many people embracing that, you know, the kind of this year's budget, you know, three year plan, I believe strategy, just like a sporting team, if you've got the right, play patterns, and you understand who you're playing against. And you then execute that play pattern well, but it's not just going out and playing your position well, it's going out and playing the game plan as well. That's particularly designed against the team you're going to work to the good off defense, throwing a passing game or a running game. So I think most important thing is what is your business model? And why does give those people who place their caring you a good future. And if you don't have a good business model, you're eventually going to crash Okay? or dramatically sub performing hurt the people, you've invited companies. So the most important thing an executive can do is understand the business model and risk and exposures of it. So you can try and design it as safe as you can for people who place their trust in

Jacob Morgan 20:18

what are the biggest mistakes that you see leaders making, whether they're seasoned leaders or new?

Bob 20:27

I would say the biggest mistake that I see people make is they're too focused on the numbers and not enough on the strategy. It's made that threaten the numbers are output of the strategy, you know, and it's, I don't find enough people that think about where they're going, and why they want to go there. And understanding the competitive landscape, the market dynamics, the customer base, you know, I have a quote, our company has acquired 115 companies in the last 30 years, and share price by 14% of their compound of that type. So we must have figured out something. And so I find when I acquire other companies is people haven't thought, you know, they just don't think deeply enough about the strategy that play patterns, the game they're going to play, people are competing against, and in the long term out of shape the company,

Bob 21:20

I mean, I again, I started 1999 and 75 When my dad died with a very old story business, marginally, marginally profitable, marginally financeable. And the company kept trying to play the same game pattern played for 100 years, and it just was never going to win. And I, the biggest decision I made is, the day that I said, I'm proud of our history, but our history doesn't give us the future, we got to reshape the future of our company. That is, that is our responsibility as leaders, whether you're leaders of the country leaders in business is a family is to look out on the broader horizon. So you know where you're going, Okay, why you want to go there? And why, you know, so I just, I don't see enough. Focus on, you know, where you're going, and how to get there. And, you know, because we made money, we did this. And I think strategy is the most unique part of sports and business, okay. My, my youngest son, who was a star baseball, football basketball player in high school, and I said, this is just like a sport, you got offense defense, you got play patterns, and you got a scoreboard, you just don't get hurt as much. Okay, you can play it in a wheelchair. So I'd say the businesses is a lot of fun. It's challenging. But I think the key is, what is what is the value creating strategy that gives your people a grounded sense of hope for the future?

Jacob Morgan 22:55

What do you see that separates good leaders, you know, I'm sure you have a lot of good leaders have been waiting over from, for me, great leaders, those who go above and beyond and stand out? What's a solid percentage that separates those two leaders?

Bob 23:12

Well, I would, you know, I saw that question, what is the difference between good and great part of it has to do with the experiences. As I look at as I contrast, some of our leaders, some of our leaders have grown up in what I call normal companies where, you know, making \$1, every year was kind of a focus in business. They didn't think deeply, and then somewhere people have come up through the organization and really good skill sets. And so it's kind of like, they developed their graduate post, post education plate. And they just have a sense of the doable, you know, it's just the elegance upon which they can talk about operations, about r&d About selling strategy. I mean, I just, that's the greatest leaders just have this kind of natural sense for the aspects of the business, not just, you know, kind of, and they've been with really good companies don't necessarily good culture that say good cultures. And

when you take and our recent experience, when we bring some people in have had some great experience with really well run companies. They just come in and do things naturally that we thought we had to train people to do. So I think that there's some good and great is expressed and exposure you've had after your education or you learn how to, you know, put in practice the full breadth of business, not just denarian or selling or finance. You see how all these things come together and create

Jacob Morgan 24:49

Big picture. A couple minutes left, maybe just two more questions. You said you made a lot of mistakes over the years. How do you each mistake Maybe you beat yourself up over it, or what do you do when something bad happens?

Bob 25:06

Well, again, in 1975, when my dad died, my first six months, were just keeping the company alive because it was financially very fragile. But all of a sudden, I decided I had all these ideas to create a good future. And I started developing solar energy systems for the brewing industry, I started off an electronic inspection systems filling system. And our company was growing naturally. And I just everything I touched seem to turn to gold. But, but But what I, what I was doing, though, was I was asking people who had been in business for decades, got a new one play better, and all of a sudden embrace these new things. And I got way out over my ski tips and the market. I mean, we're doing Miller Brewing Company, Philip Morris. And as your bush and Carlsberg, grand Denmark and Philip Morris, I was dealing with really smart people. But I over assessed our ability to transform and I made that mistake. And we ended up in each one of those major, unbelievable initiatives falling short of realizing expectation, and I hadn't kept myself financially grounded, you know, I was so excited to all of a sudden be growing and all these new fields, that I didn't have my financial discipline as they need to be. Just my bankers are so supportive of my growth. And then when we hit some roadblocks, they were the first one to bail, the first ones to encourage me and the first ones, the real ones that you always got to keep yourself, you know, financially solid to pursue growth.

Bob 26:33

So I grew without financial disciplines. That's it. I didn't beat myself up. I'm an eternal optimist. I get up every day with a very positive attitude. And you know, I mean, I'll give you an example. We were in the midst of banks and pull on us. It was probably February of 1984. I flew in the people, leaders from England, so I was having a Saturday morning meeting. This is just kind of extreme. So we were our paying bills. You know, I guess somebody couldn't take us in bankruptcy in a day. Team can wrangle. So we'll meet on Saturday morning, so we're going to win our boardroom on Saturday morning. I said, Well, why don't we get a cup of coffee before we start? And my VP of Finance says, Bob, I forgot to tell you they repossessed our coffee makers last week. We hadn't paid him six months.

Jacob Morgan 27:21

So they took your coffee meeting me.

Bob 27:26

That's got to be a pretty low point when your coffee makers get repossessed. Okay, and my reaction? So this is this is my answer. But my reaction was, you know, I never really liked that coffee. When I

went on buying a cup of coffee, I'll be right back. It didn't even faze me, I took a positive approach. And my family would tell you I never brought home I don't remember ever worried I should have I mean, we're on the edge of bankruptcy for nine, barely got refinance, and I had no expenses. So I believe that people look for leaders who have a grounded sense of hope, I had a grounded sense of hope, not much chance of success, but a grounded sense. So I never gave up hope. And the people around me stuck with me. And we made it through to become, if you will, today, Barry-Wehmiller is talked about around the world because of our culture today. And so, yeah, and this because I honestly, the skill I have is, I'm sure if we took an intelligence test, I would be very average. But what I would say I have this common sense and creativity, I see value or other people don't see it, because things are kind of simple. To me, the cultural journey we are on is amazing how to impress people at Harvard, McKinsey, and Stanford. And, and it came from us pretty simple mind, but just simple thoughts. Everybody is some is precious child is not some deep psychological and capturing moments of value. So anyway, I would say to you that leaders need I personally believe leaders need to be optimists. Okay. Grounded optimists that they can people can put their faith in you and won't let them down. I think that's important for leaders.

Jacob Morgan 29:14

It may be very last question for you. So you've been a leader. You mentioned for many, many decades. Yeah. From from all of your years of leading, what would you say your best piece of advice or your greatest learnings from your career has been?

Bob 29:30

Well, I, I speak at Boise University's MBA, second year MBA every year. So the one thing I tell I've been kind of speaking for years Harvard did a case study in Barry-Wehmiller, early 90s. So I've been speaking in colleges. The number one thing was two things, one from business and one from a culture. The number one thing that to our success is the day I realized there's no relationship between between what something costs And what it's worth, okay. That is the number one business thing. And the number one cultural thing I learned is everybody that works for me is somebody's precious child that's been placed in my care. Those are the two primary lines from my business strategy standpoint, and a cultural standpoint. I love

Jacob Morgan 30:21

it. It was a great piece of advice. Well, Bob, thank you so much for sharing your insights and words. It was always a pleasure to speak with you.

Bob 30:30

Thanks. Yeah, I appreciate you. Join us the journey helping show the message. Thank you very much. Appreciate it.