



## EP299\_Rich Gund

**Lisa Nichols 00:03**

Chromosomes, little strands of nucleic acids and proteins are the fundamental genetic instructions that tell us who we are at birth. Most people are born with 46 chromosomes. But each year in the United States, about 6000 people are born with an extra chromosome, making them a person with Down syndrome. If you've ever encountered someone with Down syndrome, you know that they are some of the kindest, most joyful people you will ever meet. They truly have something extra.

My name is Lisa Nichols and I have spent the last 24 years as both the CEO of Technology Partners and as the mother to Ally. Ally has something extra in every sense of the word. I have been blessed to be by her side as she impacts everyone, she meets. Through these two important roles as CEO and mother to Ally, I have witnessed countless life lessons that have fundamentally changed the way I look at the world. While you may not have an extra chromosome, every leader has something extra that defines who you are.

Join me as I explore this something extra in leaders from all walks of life and discover how that difference in each of them has made a difference in their companies, their families, their communities and in themselves. If you'd liked this episode today, please go to Apple Podcasts or wherever you listen and leave us a five-star rating.

I'm excited to have Rich Gund on the show today. Rich is the Chairman and Chief Operation Officer at The Gund Company. Well, Rich, I am so thrilled to have you on this Something Extra Podcast today. Thank you so much for making the time to be on the show.

**Rich Gund 01:51**

Yes Lisa, thanks for having me.

**Lisa Nichols 01:53**

Well, I know we're gonna have fun. I'm so incredibly grateful. And I know you are too for many reasons, probably for our mutual friend, Tim Sater.

**Rich Gund 02:01**

Yes, Tim is a great dude. I love getting together with Tim and talking hockey and contacts. He seems to know everybody in St. Louis, and his hockey knowledge has an unbelievable amount of depth.

**Lisa Nichols 02:17**

Yes. And you know, when you just said he knows everyone in St. Louis, I call him the connector extraordinaire. He is, so, you know, he had said to me, he goes, did you deliver the keynote at this year's AAIM? And he's like, Lisa, you got to have rich on the show. And I'm surprised that you and I did not know each other before.

**Rich Gund 02:39**

But we had a great time at the show. But you know, there was kind of a scheduling problem. He scheduled Craig Berube, you know, the coach of The Blues when they won their Stanley Cup, then me and then free drinks.

**Lisa Nichols 02:58**

So, you were in between.

**Lisa Nichols 02:59**

I don't know anybody that heard a thing I said.

**Lisa Nichols 03:03**

Well, he said it was great. He loved your keynote, he said, You're a great storyteller. So, I cannot wait for our listeners to hear more. You know, I really kind of would love to start back the story of The Gund Company. And really, it dates all the way back, not because of The Gund Company itself, but to 1938, when I read that your grandfather Ed Gund,

right, married Al Bussmann or Bussmann's daughter, Charlotte, right? Started walking, you know, through that working for that company. And then, I guess decided, you know, and the Bussmann business has been around for a long time. I remember when we first moved to St. Louis, you know, Bussmann. But I think that started in the family garage in 1914. You know, a good American Dream story there. But your grandfather worked there. And then so then decided to jump on the entrepreneur wagon and founded his own company. And, so tell us more about that story and a lot of other questions for you.

**Rich Gund** 04:10

Sure, sure. So, my great grandfather is Al Bussmann. And he and his brothers started a fuse business back when fuses really didn't exist. And this is back during the electrification of America. So, you have wood frame houses and everybody wants electricity. So, they just bring in bare wire throughout a wood house. And anything that happens, any sort of current, surge, could be an electrical storm, and you'd have the house would burn down. It was just extremely unsafe, but that's how all new technology starts out. So, my grandfather had this idea he noticed that a little piece of zinc would melt faster than the copper. So, he would go into a house and electrically connect, in a little box about the size of your hand. And in that box was a little piece of zinc. And that piece of zinc would melt and break the circuit when there is an electrical spike preventing an electrical fire. So he and his brother started making these little boxes with this, what became known as a fuse, and started selling them door to door. And over time, they went regional and then national.

**Rich Gund** 05:24

And that's when Max McGraw came along and McGraw-Edison purchased Bussmann Manufacturing in 1928. My great grandfather, I don't know that he knew the Great Depression was coming. But he had unbelievable timing as far as when to sell the business. And that's, that's how we got started in the electrical business. Of course, they continued to run Bussmann manufacturing. And my great grandfather's son, Al, ended up running it well into the 60s and early 70s. And as part of all that, his brother-in-law, which would be my grandfather, Ed Gund, who married Al Jr's Sister, he started a company called The Gund Company to get into this new thing called plastics. And that was in 1951. And that's how The Gund Company got started. There was never any cross ownership. But clearly Ed worked for Bussmann. And then, at the urging of the Bussmann family started his own business to get a foot into plastics, which back then was brand new.

**Lisa Nichols** 06:38

That is so what a great story that is the American dream, right? And the American story only in America. I love it. Absolutely. I was just thinking, Rich, as you were talking. What is that old saying? Necessity is the mother of all invention.

**Lisa Nichols** 06:58

Right. Right. Exactly.

**Lisa Nichols** 06:59

So, seeing what that did and how it would break the circuit? I mean, that's amazing. That's really amazing, you know, that, that your, your great grandfather, or your grandfather did that? That's really wonderful. Let me ask you this. So, you know, obviously, you're growing up in this family of entrepreneurs, right? Now, you and Steve actually are in the business today. Because Paul, Ed's son, right, went into came into the business.

**Rich Gund** 07:35

So, Ed had eight kids. And my father, Paul was the oldest of the eight. And when my father graduated from college in 1963, he joined my grandfather. And basically, it was a, they were essentially sales reps and also did some distribution, because back then all the manufacturing in this country was on the east coast. So, they set up a warehouse in St. Louis to distribute plastic materials, composite materials in this region of the country. And back then, when my dad joined them in 1963, they doubled the size of the company, from one person to two. And my grandfather went east of the Mississippi and my father went west of the Mississippi.

**Lisa Nichols** 08:23

So, they divided the country in half and one took one half and I'm not going to ask you which one was most successful, because we don't want to make your dad or your dad upset about that.

**Rich Gund** 08:36

I think they were they were both did a great job because we're still here today.

**Lisa Nichols** 08:40

Yes, they did. Absolutely. Which is really remarkable, right? I wrote I know, you know, the numbers. But I think, you know, companies that started out only 30% of them actually make it past 10 years. And then when you talk about passing down to future generations, it the number goes way down from that. So, what is success story.

**Rich Gund** 09:05

And we are so lucky. We've got, my son is now joined us, he started in October as an engineer. He is an electrical engineer. He went to Case Western, then spent two years with Deloitte in their consulting division. And he joined us in October as an applications engineer. So, we now have our fourth generation.

**Lisa Nichols** 09:28

Fourth generation. That's incredible. Have you I don't know the stats on that. I didn't look up the stats, but it has to be like super low.

**Rich Gund** 09:37

It's less than four less than 5% make it to the fourth generation.

**Lisa Nichols** 09:40

Less than 5% make it to the fourth generation. That's incredible. Well, you guys are definitely doing something right. And I'm excited to jump into a lot of that with culture and your continuous improvement and total quality management systems and that sort of thing. But you and Steve grew up in this family, you know, what did you work at an early age in the business?

**Rich Gund** 10:02

So, the was definitely a lot of encouragement to earn some money, whether it was cutting grass, shoveling snow back when we had snow. And as soon as we were old enough to go to work with dad, we did. And sometimes, you know, I can remember, my first time was going to work with dad, it wasn't a choice. It was because I did something at school, and, you know, I'd be grounded. And Mom said on Saturday, he's yours so I would go into work with that on Saturday. And he would give me things to do to sweep up the shop or do something to keep me busy. And that was kind of like, you know, stop screwing around at school.

**Lisa Nichols** 10:49

It's kind of a double win there, because he got some free labor out of you. And he's a good discipline and training for you too. So, that's wonderful. Well, you went on to the University of Notre Dame and got a BA in an MBA, and then started your career at Coopers Lybrand, which is really amazing. And you just talked about your son, starting at Deloitte. I think it's good to start at those big firms. And then you came in and joined in 1992. How did your experience, Rich, at Cooper's really inform how you lead and came into the business when you join The Gund Group?

**Rich Gund** 11:30

Well, it was interesting. With Cooper's I really saw how organizations function at a high level, and how Fortune 500 companies work because we were doing work with Anheuser Busch, Ralston Purina, Procter and Gamble, and just seeing how these world class companies work and use data. And really, it's a totally different level than what I had experienced in the summers working at the family business. So, I kind of envisioned what we could be someday. But I knew to really get there, we had to do a lot of things to raise sales, and develop critical mass, it was I knew it was going to be a long journey. But just to be able to see what's possible. I think that was a really important part of my training.

**Lisa Nichols** 12:29

And not that the company was not I mean, the company was on a great trajectory. And good, sometimes, though, I think you don't know what you don't know, right? You don't know what you don't know, and seeing these P&Gs. And these companies have been around for a long time, I'm sure you were able to, like you said, see how they did things and then bring some of that good, good knowledge into, you know, The Gund Company. So that's, I think that's a wonderful thing. And I'm sure your son with having worked at Deloitte, Rich, is probably gonna do the same thing?

**Rich Gund** 13:06

Well, it's kind of it's nice, though. He is recognized, as he's started with us that we do things that the other companies he has been exposed to do not do. And he said, you guys are well ahead of the curve on culture stuff. And he said, there's a big problem with companies like Deloitte, where they just can't keep their people because they don't have a very strong culture. And he said, you guys have done a great job of bringing in people that, whose values align. And he said, he has yet to meet anybody at our company who he considers a bad person. And he said, in his previous

work, he said, they're everywhere. Everybody's out for themselves. Everybody makes selfish decisions. And he said, I don't see that here.

**Lisa Nichols** 14:01

That's so cool. Well, I know you guys have focused a lot on core values and your philosophy and principles that really have not changed. But you know, I think, let's talk a little bit more about Gund Company. I mean, you've, you've talked a little bit about what you guys do, but you guys serve, our listeners may not know everything you guys do. I mean, you guys are in a lots of different industries and electric cars, the aerospace industry, I mean, you do a lot of things. You know, why don't you tell our listeners a little bit more about what you guys provide the services. And then let's move into culture.

**Rich Gund** 14:41

Sure. So, with a name like The Gund Company, even though it's very charming, and creative, it really doesn't tell anybody what we do. So, we are in the composite's world. We make plastics, composite plastic. So, it's some sort of substrate like it could be paper, it could be glass, it could be a woven fabric, we combine it with a thermoset, resin, epoxy, phenolic, melamine, you name it, and then we'll make parts with those composites. And many times, we're making the sheet product, and then we got to cut it and machine it. Sometimes you can mold it, sometimes you can shape it sometimes, well there's various different processes. But basically, customers send us their part drawings and their material specifications. And then we'll quote the part based on what they send us. And we get the work based on our quote in our ability to meet their specifications. So, we are essentially a composites company at this point. And we are very strong with the electrical industry. We're in oil and gas, medical aerospace, we are doing some things with electric vehicles. But I'd say at this point, we're doing a lot more with larger electric equipment, generators, transformers switchgear than we are with EVs.

**Lisa Nichols** 16:08

And you guys have gotten how many manufacturing locations 12-13, something like that?

**Rich Gund** 16:14

Not quite that many. So, we've got quite a few locations in terms of manufacturing in the US, we've got a facility in St. Louis, Milwaukee, Northwest Indiana, in a city, small town called Cedar Lake. We're in Fergus, Ontario, which is just outside of Toronto, we got to two facilities in Los Angeles that we're going to move into one single facility later this year. We're in Dallas, we're in Queretaro, Mexico. And we're also in China. We have a two facilities in China. And then we just signed a joint venture for a facility in Delhi.

**Lisa Nichols** 16:55

Wow. Okay. That is, that's amazing, amazing, amazing growth. And I do want to talk to you a little bit more about that growth formula. You know, what you believe, is the precipice for that, or the foundation of that, but you guys use this formula to guide your daily actions. And its quality times service over cost times cycle time, equals trust, which equals value. So, you guys are huge on building the trust with the customer. And that's where you believe, then you're bringing them value. Right? So, you know, let's talk a little bit about that. So, you know, as the quality improves, your, your value increases, right?

**Rich Gund** 17:41

So, what you're talking about is our value equation. And this is something that we picked up from Roland Boreham, who used to be the CEO of Baldor Electric. Rolly died a few years ago, great guy. But basically, really had this value equation where he said, quality, and customer service, over cost and cycle time is the formula. And basically, what that tells you it's really a relational formula more than if you plug in numbers. So, as you increase quality, or customer service value goes up. If you take cost down, or cycle time down, value goes up. So, I spent enough time with Rolly over the years where I, we talked about the importance of cycle time. And speed is the only one of those four dimensions of value that necessarily affects the other three. Every time you lower speed, you're going to lower your costs, you're going to improve quality, you're going to improve service, because everybody wants it faster. If you're going to be fast, you have to do it right the first time, which is always faster and always improves quality. And of course, your costs come down because speed through and throughput lowers your costs.

**Rich Gund** 18:57

So, Rolly, you know, we talked about this value equation. Now if you said, yeah, please use it. So, we've been using it, now 25-30 years, but it was probably about 10 years ago, where I realized the value equation isn't complete because there was times when we had the best quality, the best service, best price, you know, fastest turnaround, we still didn't get the order. And what I realized we were missing is that trust component. The customer had some trust with other suppliers that didn't have with us maybe they hadn't used us before, maybe they use the other guy. So, that trust

component is kind of subjective and talked about the relationships and the connections we had to build in the market to overcome any fears because once we get somebody into our system, and they get used to our quality and on time delivery and speed and service and technical expertise, we don't lose customers. But we had to build up that trust component so that customers felt secure in using us for that first time.

**Lisa Nichols** 20:10

I'm sure, Rich, you've read Covey's book leading at the Speed of Trust?

**Rich Gund** 20:16

Yes, of course, that's required reading here.

**Lisa Nichols** 20:19

It's required reading. Exactly. And I just I think about, you know, what you just said, and it's true. I mean, you may have all those components, but they've not experienced you before, they've not used you before, right?

**Rich Gund** 20:32

"The Speed of Trust" is, it's a book that I literally buy by the case. When you buy them by the case, they're only seven bucks each. And all right, I hand them out like candy. Everybody has to read "The Speed of Trust", because they've formulaically break down trust. And they tell you how to build trust. And they tell you, there's 13 trust building behaviors in the book. Well, we, we came up with a 14th, our 14th trust building behavior is, bring data.

**Lisa Nichols** 21:07

Ah, love it. We talk about that too.

**Lisa Nichols** 21:09

You won't find that in the book.

**Lisa Nichols** 21:12

We need to talk to Stephen MR Covey. And so, you need to go ahead and add that bring data, right?

**Rich Gund** 21:20

Well, I've met Stephen several times. He took our story and said he was going to put it in his book, "Trust and Inspire." But somehow, we got edited out. And that's just fine. But so, Stephen loves our website, because we not only talk about trust, but we credit him. I'm hoping he'll write another book and include us.

**Lisa Nichols** 21:45

I'm sure, well, he should, because you guys are a great case study. Let's talk maybe one or two more things, and then we do need to take a quick break rich, but you guys, we are talking about this as you have a very high standard and emphasis on quality. And in fact, continuous improvement is really important for you guys. And you have a formalized, standardized QMS system. But you guys are ISO 9001 Certified, as well as many other certifications, which are not easy. But you have three guiding principles in the company. And I think this probably speaks a lot to the culture that you've built. What are those guiding principles?

**Rich Gund** 22:25

Sure. So, we believe strongly that we're not in business to do just one thing. And a lot of companies are, they'll tell you that we're in business to make money or meet the needs of our shareholders, or some will say, Oh, we're, we're in the business for our customers. Ford says quality is job one. But, we don't think it's that simple. For us, we have to do three things really well all the time. And it starts with taking care of each other. And we believe if we take care of each other, and demonstrate to our people with empathy, listening, compassion, all of those things really are then our people can take care of customers. And that's the second piece. Because customers have to be taken care of well, in order for them to come back. And if we do a great job taking care of our customers, some of them will even pay a premium for our product or service. And then that goes into number three, which is take care of the business. So, profitability is absolutely essential. And but a lot of companies kind of screw this up. When they make money they put it in their pockets, they pay out stock bonuses to executives, what have you, we dumped that back into take care of each other.

**Rich Gund** 23:41

So, it's for us, it's a continuous improvement loop that starts with taking care of each other and leads to get taken care of, of the customer. And then take care of the business and then it continues back into taking care of each other. And it's a delicate balancing act. You can't overemphasize one or under emphasize the other. It's kind of like a three-

legged stool. If you overemphasize anyone, you're gonna fall off your stool. Same thing if you under emphasize any one leg. So that's really how we run our business. And all of our strategic planning is around those three things. We've got our key measures, we've got five key measures each align with one of those three principles. And then all of our action plans aligned directly with how do we improve key measures. So, we've got great alignment from principle to metrics to action plan. And then every facility every plant, every market leader, every function is aligned the exact same way. So, in terms of alignment and strategic deployment, top to bottom, we've got a really strong system.

**Lisa Nichols** 25:00

I was, I'm glad you said that. Because I'm thinking to myself, you've got a system, you've got a system and alignment is one of the things that we talk about a lot, right? In getting all the departments getting all the function areas, getting all the locations aligned with one another. But without the system, Rich, it's almost impossible to do.

**Rich Gund** 25:20

It seems difficult.

**Lisa Nichols** 25:23

Yes, yes.

**Rich Gund** 25:25

And you can go to one of our facilities, and you can see, you can look at their strategic deployment board. And it looks just like every other facility, the only thing that might change, all the key measures are the same, all the goals are the same, but the action plans as they apply to a particular facility or function may vary. Because what one facility may not need a 10% improvement in on time delivery, you know, so they, if you need that, that's your action plan.

**Lisa Nichols** 25:55

That's so good. We could do a whole podcast just on that. And I know that would be helpful. We need to take a quick break, though, and we'll be right back with Rich Gund on the Something Extra Podcast.

**AD** 26:08

Hey there, in a challenging business climate like this savvy leaders looking at technology to find an edge. This can mean the difference between staying ahead of the curve, or playing catch up. It's time to collaborate with the highly skilled experts at Technology Partners. Our team of technologists draws upon decades of experience for your project, with each bringing a passion for solving problems, and a track record of success. How can we help you overcome your biggest technology challenges? Visit [technologypartners.net](http://technologypartners.net), to book a free consultation with one of our leaders.

**Lisa Nichols** 26:39

So, welcome back everyone to the Something Extra Podcast with Rich Gund. So, Rich, I absolutely loved everything that you just talked about there. Easier said than done. I mean, it's not it's not easy to do. But you guys certainly have done that. And you've focused a lot on this culture of innovation. And I was curious is that well, how have you done that? And how do you get everybody in alignment? But I think you just answered that question. Do you do any benchmarking, Rich, against other organizations like yours do you do because that's another component possibly that you know, you could measure yourself on?

**Rich Gund** 27:16

Absolutely. So, I don't know that we've come up with a whole lot of original stuff ourselves, but we have been relentless bench markers. And you know, think back in our history, there's a company in town called Watlow Electric. And the Desloge family was unbelievably generous with us and helping us with our continuous improvement program. This would be around 2014-2015. Around that same time, maybe it was a little bit later, we met Bob Chapman at Barry-Wehmler. And they've been just absolutely wonderful. As far as our take care of each other initiatives, and really shown us what taking care of each other really looks like. So, you name it, we've tried to benchmark it years ago, I was on the board of examiners for Missouri Quality Award. And I did that for five or six years. And that gave me access to a whole bunch of great Missouri companies that I was able to benchmark and learn from them that allowed us to become ISO Certified at that time we were weeping became ISO Certified in '96. At that time, we're the smallest company in Missouri to attain ISO Certification. And most of the systems I put in back then were because of what I learned at the Missouri Quality Award. Well, they're marking.

**Lisa Nichols** 28:49

And that's a good leadership lesson right there to write. Rich, one of the ways that you can grow your organization and get better, right is to get involved in boards like what you just did and the things that you can learn there. We were, because I started my career at McDonnell Douglas, Greg and I both did, and I remember the Malcolm Baldrige.

**Rich Gund** 29:10

I was on an examination team that gave it to, who was it? It was a David Strong was the leader. It was the spare parts division for the missile defense unit.

**Lisa Nichols** 29:28

The missile defense. So, I mean there's a lot...

**Rich Gund** 29:32

They are an unbelievable company.

**Lisa Nichols** 29:34

Unbelievable. We always say we're just so amazingly grateful for our time at McDonnell Douglas. And it's kind of like what you had mentioned about Coopers, right? You got to see the P&Gs you got to see these larger companies and these iconic brands and how they did things and, and that's really what we felt like. It's, it's like we saw what good looks like, right? And sometimes you don't know what good looks like, but we got to experience what good looks like.

**Rich Gund** 30:05

And we're, we're trying to pay it back now. And while we and we have been for some time anybody who wants to benchmark us, we invite them in, we'll spend the day with them, showing them and their people, how we do things, our continuous improvement system, how we take care of each other will, will show them everything we possibly can. And my brother and I also serve on boards for private and also nonprofit companies with just simply to help them grow, because we've gotten so much from the St. Louis business community. We've got to give back. So, if there's people in your listener group that want to benchmark us, more than happy to open up our doors, and we can learn from each other.

**Lisa Nichols** 30:49

Absolutely. We can get better together, for sure. That's so good. That's so good. I had another thought. And it just left me but maybe it'll come back. I think we've already talked about this age thing, Rich. And that's one of the things that's in the, what did you call it, in the bag? Yes. Listeners, I'll give you a little preview. So, we're just talking about aging before we hopped on the podcast today. And, and Rich you said, somebody said, oh, you know, there's a bag, you know, this invisible bag, and oh, you know, I'm having trouble with my eyes. Oh, it's in the bag. It's just one of the things that you get.

**Rich Gund** 31:28

When you turn 50, we all get this bag of health issues. Anytime something goes wrong. It's Oh, that's, that's in the bag.

**Lisa Nichols** 31:36

In the bag. It's in the bag. But hey, we also talked about we're doing what we can right, to we're trying to do our part to stay really healthy. That is so funny. Well, let me ask you this, so the company has grown significantly. And I think I probably know the answer to this. Part of the answer to this is what strategies have been most effective in driving growth. And I think it's truly one of them as you guys focusing on this value equation and building the trust, and then the quality product, the customer service, all of those things are probably pieces of that. But is there anything else?

**Rich Gund** 32:10

So that's, that's a great question. So, when I started, you know, coming from Coopers, we did a lot of work with Cycle Time Compression. And back then we were doing a project with Anheuser Busch. And they had this proliferation of brands with like Bud Ice, and Bud Dry, and Ralston Purina was coming out with all these different cereals around Teenage Mutant Ninja Turtles, and all of these new products kept coming in and how fast you could get them to market had a big impact on how much market share you could grab at the time. And so, when I joined The Gund Company, I was fortunate we had really a strong quality reputation. But speed wasn't really our forte. So, we kind of redesigned things. And we became speed focused. And we started going after the repair market, in the electrical industry.

**Rich Gund** 33:06

So, you know, when the power goes out, people kind of lose their minds. And the power goes out, it isn't because the copper failed. It's because the plastic failed, right? So sometimes an entire subdivision is in the black is, you know, got blackout conditions, because they need our little piece of plastics. So, we got really good at responding to emergencies. Whether that was power generation, or distribution, didn't matter, the customer called we're going to

double the price and get it to him. And that worked great, because people just needed it fast. They didn't care what you charged them. I can't tell you how many times customers will call up and say, this is what I need. Get it to me as fast as you can. I don't care what you charge me. Okay, that's the customers we like.

**Rich Gund** 33:57

So, speed became a really a big part of how we went to market and lead to us growing when I started, we were about 3 million in sales and we started having growth years of 30 and 40%. That was all because we were driving speed. And you know, another industry that we got into because we could respond was steel manufacturing. And you know, when an electric arc furnace goes down, it's because the insulation components failed. And it's, it's really tough stuff to get it's, it's hard to machine. So, we figured that out and could respond next day. And because every day a steel mill is down, it's millions of dollars. So, if somebody you know wants to pay us \$5,000, for a \$2,000 part, it's an No big deal, they're gonna do it. So that was, you know, in the, in the 90s, that was a big part of our growth. And once we had enough critical mass and profitability, we started doing acquisitions. And we became very strategic and where we did our acquisitions geographically. And we bought up competitors, which was helpful in terms of shrinking the number of competitors we had. But it also allowed us to go to a big customer like ABB, or Siemens or GE and say, hey, everywhere you got to plant, we got to plant within 500 miles. So, we can now do a national or regional contract, which none of our competitors could do.

**Rich Gund** 35:36

So, it allowed us to talk at a higher level strategically with our key customers, and build those relationships. And what we're now is considered an extension of those big customers. So, we're so integrated in with our key customers, that basically, we, they have a need that goes into their build of materials electronically, it feeds right into our system, and ends up at an order at one of our machines to start producing all within minutes. So, we can respond to a customer within 48 hours. And really a minimum of manual intervention.

**Lisa Nichols** 36:21

That is huge.

**Rich Gund** 36:22

Speed even to this day is really important for us.

**Lisa Nichols** 36:25

Is really important, but it wasn't right at one point, but you saw that opportunity, you saw that need in the market. That wow, I mean, you know, really being able to respond quickly to these industries that that needed, your service was going to be paramount.

**Rich Gund** 36:44

And that's why we're in foreign countries as well, because you know, our large multinational customers had a facility in Mexico or in Canada or in China, and they wanted a reliable supplier nearby. And so, a lot of companies will go to Mexico, for the low-cost labor, and then ship stuff back to the US. For the most part, you know, I would say 85 to 90% of our sales out of our Mexico facility is for Mexico. So, it's really about being close to the customer, not just physically but emotionally, mentally, strategically.

**Lisa Nichols** 37:25

I love that. You know, Rich, you said you know that we're really an extension of those customers. That is one of the I will never forget, it is one of the highest compliments that we had ever been paid by one of our large customers. And when I was at lunch one day with the one of the executives, and she's like, we just look at you guys, you guys are an extension of us. And I'm like, what just a fabulous, fabulous testimonial and appreciate that so much. But let me ask you this, what about, how do you what's the customer feedback loop? Do you guys have a customer feedback loop? And how has that really, because here's what we always say we always say if you want to know where you want to need to go as an organization, listen to your customer. And I can't even tell you how many times that a customer has come to us and said, can you do XYZ? I mean, we just won a contract with a customer yesterday that said, can you do XYZ? And I will tell you at the time that this conversation started, we could not do XYZ. But guess what, now we can. Because we worked, we worked hard to put the pieces in place, right to make that happen. So, for you guys, what does that customer feedback loop, feedback loop look like? And how has it informed Have you or maybe you even have a an anecdotal story about that.

**Rich Gund** 38:48

So, we've got lots of customer touch points. And we're not satisfied if our salespeople are just talking to a buyer. We want to be the technical expert for our customers years ago, especially in electrical industry, there was an electrical



engineer on staff that helped design equipment and specialize in the installation components. Over time, those people have been eliminated. And so now for the most part, people depend on us to be the technical experts, we've got a full array of testing capabilities of multiple plants. Anybody wants to do a comparison of different materials we can do that. We can provide them all the technical information they need, so that they can make the decision we don't care what material a customer wants to use. We let them make the choice but we can give them the data so that they can make the choice.

**Lisa Nichols** 39:43

Make an informed choice right and informed decision.

**Rich Gund** 39:46

So, we've, we've got relationships with the technical people. We've obviously got related on ships with the buyers, but also at the strategic level, we will meet with the executives and key customers, so that we're in tune with what they're doing from a growth standpoint, our facility in Dallas is there, because a key customer wanted us to have a facility in Dallas, our customer in Mexico is there because a key customer said, please come to Mexico. Same with Canada. So, we're talking at multiple different levels for key customers and getting their feedback and making sure that we are hand in glove with them as far as meeting their needs.

**Lisa Nichols** 40:29

So good. I mean, that's what truly, their challenges need to become our challenges. Now we need to care about them as much as I do, right? But you can't do that unless you're having the conversation.

**Rich Gund** 40:41

And we and we also believe that it's important to pick your customers, we want to create the absolute strongest supply chain to the end customer. So, if we can pick the best customers in any industry segment, we're going to build that strong supply chain. And there's so many customers out there that just want to send you a list of parts to quote, and then they can do the spreadsheet analysis and the low-price wins. Well, that doesn't really help us build a strong supply chain. We don't, we can be the lowest priced supplier, we've got the ability in the size to do that. But we need mindshare. If we're going to really build an efficient supply chain with our key customers, we need mindshare, and if somebody's going to switch suppliers based on the nickel, we're never going to get that mindshare. So, that's where we're always looking for who's the best in their industry segment and how do we partner with them to build that strong supply chain?

**Lisa Nichols** 41:43

That's really wise to you do the work upfront to make sure you understand who the customer is the right target audience customers base? So, that's really good leadership advice, too? Well, oh, goodness, I've got so much more here. But you know, what advice, Rich, do you give to young people who maybe aspire to be in a leadership position in the C suite like you are, you're the COO, or own their own thing? I mean, what, what advice, I'm sure, you've got your own kids, I'm sure you've given them some advice. But what do you tell young people? I'm sure, yeah, just like mine. What, what do you tell young people about that, how to be successful in business?

**Rich Gund** 42:27

So, this is gonna sound odd, but you know, to my kids, and to people their age, all my kids are in their 20s. And, from my perspective, you know, it's a little different. I got married at age 24, my wife was 23. My daughters who are 28 and 29, say that my wife was a child bride, just, you know.

**Lisa Nichols** 42:55

At 23.

**Rich Gund** 42:56

At 23. But what I tell them is, you know, while we were raising them, we said, you know, get good grades, participate in after school activities, get a job, you know, do service work, all of these things, we never told them the most important thing. And that's to find a life partner. The most important decision I ever made was, with my wife, Kathleen, we decided to get married, start a family. And my kids say, well, you know, it's not like back in the 50s, when you guys got married, things have changed. And I'd say it doesn't matter if you're married, you got to find a life partner. It doesn't even have to be somebody it's romantic with. Maybe you adopt somebody, but you need somebody to share your life with somebody that can be supportive of you and you can support them, be a good partner to them. There is so much richness in life that comes from having a life partner that you are absolutely on the same page with on everything, and explore the world together. There's just so much joy in that.

**Rich Gund** 44:03

And if you've got that, then you can go and do whatever you want professionally. But if you put the professional before getting that life partner, your life is going to seem empty. And your life is going to feel like it's missing something. And you're gonna find it by working more. Because ultimately, you will become successful. You will eventually have enough money. But you will have missed out on just one of the great joys in life and that's sharing your life with somebody with someone.

**Lisa Nichols** 44:34

Oh, that is such, such good advice.

**Rich Gund** 44:37

Tell my kids, will you?

**Lisa Nichols** 44:40

Well, I'll talk to your kid you talk to mine, okay, because you know, sometimes they just don't think we know a lot, right? I shouldn't say that my our kids are great about that. But there have been times, okay, let's just say. There have been seasons where that's not the case. So, you talked about what, Kathleen, I'm so glad that you brought her up, because I know you guys are actively involved in the community. In fact, you guys give to a variety of nonprofit initiatives, what, what's the importance of giving back, Rich?

**Rich Gund** 45:12

Oh, my, we've been just blessed in so many different ways, so much more than we deserve. And it's, a lot of times giving back is easy. If you can ease somebody's suffering just even a little bit, I feel like you got to do it. And it could be as easy as stopping a runaway shopping cart, you know, don't just watch it hit somebody else's car, you know, step up, right? We all are responsible, and, you know, weren't responsible for the communities we create. And we're responsible for the families that we have. And the friends that we have, and responsible is just able to respond, right? We can all respond. And we it's a choice. And that choice has got to be one with joy, and care and empathy. And you can do it in isolation, or you can do it with a plan. And one of the great things with Kathleen is we've always been able to talk through what our priorities are in life and how we can give back and how that fits with everything else that we got going on. And we do it together. And you know, everything I do with Kathleen is just so much better than when I do it by myself. So, I'm just, I'm blessed beyond reason beyond what the good Lord should have ever possibly given me. And she's a big part of it.

**Lisa Nichols** 46:43

I that, I could not agree more. I can agree more. And, you know, you talked about, you know, this, this thing of doing life with somebody sharing that life with somebody, it is so much fun when you, because Greg and I have always said, Greg said early on, for us, and we were, we didn't talk about this, but we were childhood sweethearts and high school sweethearts and went to college and then moved to St. Louis from Kentucky. But he said early on, he said, you know, Lisa, he said, what would be so cool is if we could one day build a business, and we could do well as the business so we can do more good in the world. He goes, I'm never impressed by people who do good for themselves. I mean, you have to take care of your family. But if you're only doing good for yourself, that's just really.

**Rich Gund** 47:34

Eventually it's gonna get empty, right?

**Lisa Nichols** 47:36

It's gonna get empty, right? But it's what you can do in the world and improving somebody else's life, right? That really matters. So, oh, my goodness, Rich, this has been so much fun. But I have to ask you this is called something extra, what do you believe this is something extra every leader needs?

**Rich Gund** 47:52

So, for us, that's really easy question. And I know you've probably answered or asked this question 1000 times, I hope my answer is adequate. But it's pretty simple. It's care. The best leaders care. And they care about their people in a way that goes above and beyond what's reasonable. Sometimes they are able to demonstrate empathy. They listen. They're compassionate. That doesn't mean they don't hold people accountable, because we believe that accountability is part of care. But our best leaders demonstrate care, not just for their people, but for their customers and for the business. And care is often demonstrated through self-sacrifice. So, it's hard to find an occasion where somebody, you can see somebody's making a sacrifice and there's no care there, right? Care and self-sacrifice are, are always linked. And in the business world, nobody wants to talk about love. We're comfortable talking about care.

But nobody wants to talk about love. But love is really care, right? It's, it's the way we put love into action is the care we provide. Our best leaders know how to care. Our best leaders can teach others how to care.

**Rich Gund 49:14**

Because let's face it, care is not universal. And based on what somebody's background is they might not know or be comfortable demonstrating care. And what we've found in our organization is we'd sometimes have to teach how to care. And when you get people in a room and you start talking about some of the commonalities between different backgrounds and how do we each demonstrate care, everybody all of a sudden, all of our defenses come down, we're able to share, we're able to recognize each other for the great humans we are. And we go forth, and now we feel much more comfortable about demonstrating that care out in the world. And we really believe that business, which is kind of gotten a bad name, I think. There's a lot of people that are, you know, the multi billionaires buying yachts and, you know, doing things that other people would go to jail for, but they somehow skirt. Businesses can be a force for good.

**Rich Gund 50:23**

We can take people every day who come into our doors, treat them great, and send them back home better than the way they came in. And instead of going home, and yelling at your spouse, and being upset with the dog, you can go home and you can give everybody a hug. And you can be a ripple of good in the community. Based on how we treat people every day at work. We can be a force for good. And there's, you know, I talked about Barry-Wehmiller. And Barry-Wehmiller and their people definitely feel this way. The more companies we can get to think about how do we be a force for good? That is just to me, the highest achievement we could ever have as an organization is people come to us and say, Okay, how do you guys do it? How do you treat people so well, that they go home better than when they came in in the morning? And we've got a lot of things that we do that help us do that. And I can't say we're 100% successful all the time. But people know they are cared for when they come in to work.

**Lisa Nichols 51:34**

It's an intention. It's an intention Rich, I mean, you guys focus on it. And, I want to do another podcast about that, okay?

**Rich Gund 51:43**

Absolutely. We just had here are, it's a great day, every year or we have an employee stock ownership program. And once a year, the valuation gets done and the distributions happen, and everybody gets their updated stock certificate. We just had that. So now, we've got, we have \$50 million in the ESOP. Awesome, and we've got about 500 people in the ESOP. So, the average balance is right around \$100,000. And a good chunk of those people went to high school, but they certainly didn't go to college. And they, if they can stay with us, then that's what we always tell people, if you stay with us, you will be able to retire, one. You'll be ready to retire fairly wealthy, and you'll be able to have a very healthy life, right?

**Lisa Nichols 52:49**

That's a big way that you're caring.

**Rich Gund 52:50**

There was a time when, back in the early 90s, when we had people leave us. And, you know, they didn't have any retirement savings. We weren't big enough to even have a 401 K. And they would try to live on Social Security. And that really didn't work out. And it's not a healthy way to live when you can't afford to buy medications, eat right and, etc. So, they end up having a very short retirement until their death. Well, now we've got people that can retire early. And they can retire healthy, and they can travel and they can do things that they never thought they could. And we have people to come back to see us after they've retired and they, they give us hugs and they say I never thought I'd be able to retire. My parents never retired. We are a family that works till we die, but not me. I retired at age 60. So, it that's really gratifying when we can do that. And our ESOP is one of the ways that we demonstrate that care, because nobody's ever paid a penny for the stock that is in their ESOP. That is that the family gifted to everybody to be part of our family. We believe that you have to share the risk and reward. So that's how we set it up is through our ESOP. And it has been so gratifying to see people have lives that they couldn't have had without that ESOP.

**Lisa Nichols 54:17**

I seriously want to continue that conversation. That is amazing. We're Rich, this has been so much fun. Thank you so much. I cannot wait for our listeners to hear your story and to learn from you. It's just wow, we could just keep talking and talking and talking.

**Rich Gund** 54:34

Like I said, give them my number. Let people know. I more be more than happy to take them through and I'd love to learn from them as well.

**Lisa Nichols** 54:42

That sounds great. All right. Thank you so much for being on the show today.

**Rich Gund** 54:46

Thank you, Lisa.

**Announcer** 54:47

Thank you for listening to today's show. Something extra with Lisa Nichols at the Technology Partners Production Copyright Technology Partners Inc. 2019. For show notes or to reach Lisa, visit [tpi.co/podcast](http://tpi.co/podcast). Don't forget to leave a review on Apple Podcasts, Google Play or wherever you listen.

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