

Something Extra EP 043 – Jeff Johnson

Lisa Nichols: I am so excited to have Jeff Johnson on the show today. Jeff is a 4th Generation CEO and owner of Johnson Machine Works. I'm so glad that this worked out for us to get together today. And I have come to just admire you, and consider you one of my good friends, and I'm just excited to be here with you today.

Jeff Johnson: I'm grateful you asked me. Good to be here too.

Nichols: Okay, well let's get going. We've got a lot of things to talk about so give me the quick version of your growing up if you would.

Johnson: Well, I grew up in Sheraton, IA, small town about 4000 people, about 60 miles south of Des Moines and grew up in a nice home, with wonderful parents and in a family business with a wonderful older sister and dogs and cats and all that kind of good stuff.

Nichols: Yeah, well, let's talk about that just a little bit. Now, you went to, you're a Hawkeye aren't you? And you have a BS in mechanical engineering.

Johnson: I did, I started off in the English route and then I switched part way through when I got a Bachelor's of Science in Mechanical Engineering.

Nichols: The thing that I really I want to dive into that I find so interesting. The name of your company is Johnson Machine Works and you are 4th generation. Your great-grandfather started this company. So I'm really curious as a little boy. Were you there in the plant? Were you around this your whole life? Tell us a little bit about that. And then I want to talk about the baton hand-off. And some of the lessons learned there.

Johnson: I did. Sheraton is a small town, of course and the business growing up... Well, still employs about 100 people, a couple hundred thousand square foot facility and we do big heavy steel fabrication. So what little boy wouldn't want to be around sparks flying and grinder dust and loud noise. Yeah, so I really did grow up. And we have a big shot and grit blast machine that throws these tiny granules at the steel to take away the rust and give it a good profile for

paint coats. And that was kind of my sand box when I was a kid. So you go run around the plant and it was like kid in the candy store.

Nichols: So tell me a little bit about the history of Johnson machine words because I think you guys started out with helping farmers with their machines, but then you've morphed and involved into other things now.

Johnson: We did. So the business is 112 years old and been in my family since 1907, our origins, date back to my great-grandfather David had been recruited from the town of Waterloo. He was a machinist for the railroad there and he had three other brothers that were doing general construction work in the town of Sheraton and they needed somebody that was able to do repair work for farmers and to work with steel and machining work, that sort of thing. So they recruited their brother, he came back to Sheraton shortly after he did that. The business burnt to the ground, and the three other brothers scattered.

They got out of town, but my great grandfather built the business back up again, just had two employees, but really made a name for himself and was just industrious real hard-working guy just with a couple of people and had a wife and a couple of sons a daughter, and when my grandfather was a senior in high school, my great grandfather, David passed away. Ruptured appendix and that sort of thing, and my grandfather had to drop out high school and take over the family business.

Nichols: At 18 or 19 years old?

Johnson: 18 years old and he always said that the people at Sheraton high school gave him his diploma out of the kindness of their heart, because he wasn't able to finish doing any of the work, but he was a real self-taught engineer. And so the business was very small, just doing farm repair work, that sort of thing, not really a lucrative super successful business having in the midst of the Great Depression and all that sort of... It was a tough time. But like I said, he had a family to take care of in a mother to take care of, so he taught himself how to fabricate steel for bridges and went ahead and took a chance and got a bid on a contract, and won. Got a cart load of steel fabricated the bridge that was successful, and that led to one more project and one more project and one more project and the business kind of just grew organically.

Then when World War II, rolled around the company had about 50 employees and had really developed a really strong reputation now, it was quite a bit of growth in that 20 years span but

World War II rolled around, and we won contracts for the war effort, steel buoys that mark the ports in the beaches. LSM two ship holes and depth charge released tracks for destroyers and some of this big heavy steel equipment. My grandfather had a triple the size of the business overnight, who went from 50 employees to 150 employees. Was very successful with that work, and so we won something called the E-award for excellence during wartime construction for the war effort, and 1% of all the wartime contractors won that award. So we were in good company like with Pfizer for penicillin and with Hershey for the Hershey bars and Andrew Higgins, with the Higgins boats. And so once we got that kind of acclaim then the doors opened up for bigger steel fabrication projects.

Nichols: That is just what a phenomenal story that your grandfather was 18 years old, he had to grow up fast. He was self-taught, but did he ever go and get formal business training or anything? He had to learn a lot in a very short period of time, but obviously he did it.

Johnson: No formal business training he learned that on the job. But I remember after I got my Bachelor's degree in mechanical engineering, I went to Iowa State University, I was starting to work for the company at the time, but I was interested in getting a Master's degree in structural engineering and the dean of the school at the time knew my grandfather and he told me very generous of him. He said, Jeff. You can come, stop work and I come and I will be your advisor and work with you to get this master's degree or you can do what your grandfather did, and just by-the-books and read them and you won't have the piece of paper, but you'll have all the knowledge and that was really insightful and it gave me a lot of new found respect for my grandpa in there because that's what he did, he was just an avid reader, and he just taught himself.

Nichols: He was a lifelong learner. And that's so important, isn't it? So did you get the paper or did you get the books?

Johnson: I didn't, I just got the books.

Nichols: Yeah, well, but it worked for your grandfather, right? So then at some point your dad took over the business and then at the age of 30, which I think is still phenomenal. You took over the business. So, talk to us about when your dad passed the baton to you. You're only 30. What are some of the lessons learned there? What are some of the things that you know you would tell... Maybe there's someone that may be taken over their business? Can you talk about that a little bit?

Johnson: A couple of things come to mind, first and foremost, I was really young when I took over the company and that was the catalyst for me taking over the business was because my the parents' marriage had unfortunately dissolved and there was a lot of stress and people were worried about other things, and so it was time for my dad to exit the business. He just wanted to not worry about that anymore. And we had an outside board at the time that was actively engaged in looking for his replacement, and I really felt compelled to raise my hand and say, "Hey give me a shot." So one of the lessons is: if you want something, you have to ask for it, go ahead and be bold. And if you have that tiger in the tank and there's something that's really percolating, speak, up or go for it.

So, that was one thing that really comes to mind about encouraging people to be bold with their instincts and where they feel like they're being led. It was a tremendous shot a confidence that my father was willing to do that, that taught me a lot that he had confidence in me to say. Yeah, I think my son can do this. Even though he knew I had a lot of learning on the job to do. Him putting faith in me like that, helped me a lot and it reminds me how much faith I need to put in other people and what that can do.

Nichols: Yeah, so talk about that a little bit. So talk about how do you set this up? You got four children and it can be one of your girls, or it can be one of the boys. It could be anybody. But how do you leave a legacy, how do you set it up for a potential fifth generation? And I know you well enough to know you are an awesome father, you're an awesome dad you put a lot into your family. Your family is very important to the most important thing next to God.

Johnson: You've got to talk about our wellness practices at Johnson machine works as an analogy for legacy planning. So our wellness practices at Johnson machine works are about physical wellness, biometric screening. If you want to run a triathlon, we can connect you with a coach. You do that sort of thing. Financial Wellness. So we pay our employees to go through Financial Peace University. And we incentivize and do all that sort of thing. And the other one is spiritual wellness. So we have Chaplains at our business and we're very active with marketplace chapels and all that sort of thing. So those are kind of three pieces of the pie. And my philosophy with wellness practices, is it's not for the people that need it, it's for the people that want it.

I really see my job as a CEO, that I'm supposed to set the table and then let people rise and let people decide this is what I want, I want to take advantage of that, I want to take advantage of

this. So with that being a little bit of an analogy for legacy planning, it's tough with a fourth generation business because you're going to have children, that feel like they have to, instead of that they got to and I don't want my children to feel like they have to, so I feel like my responsibility is just very clearly set the table and say If this is something that you'd be interested in, if this is where God has directed your life, if this is where your drive is, then you can come do this, but you can go elsewhere too. So I, I let them see my ups and downs and everything that's going on with the business. If it's something that they're attracted to then they're welcome to come in.

Nichols: I love that that is such great advice. I love the analogy that is one thing I have come to appreciate about you, you are awesome with the analogy as I say, all the time you take the ordinary things of life, and you always find the lesson there and I love that about you. So let's talk about, you have been on a sobriety journey now for what 27 years. Yeah so can you talk a little bit about that?

Johnson: So I'm 51 years old now, so 27 years so I've been sober more than half of my life. And first thing I'll say is I was a volunteer for everything, every bad choice that I made. Nothing was forced on me. Any kind of genetic problem or anything like that, this was I was making bad choices and they were to deal with very real issues, but they were bad choices and they were my choices. But I did sober up when I was in college. My first two-thirds of my college career was a little bit of a blur. Yeah, but I finished strong and when I sobered up, I started to learn lessons on how to live life on life's terms I learned how to deal with bumps in the road and things that were baffling to me before, but now the solutions became intuitive I learned how to let go of things I learned how to relax, not beat myself up so much. I learned how to forgive a lot of that kind of stuff.

Nichols: You have a management philosophy today. Has that always been your management philosophy? Or did this journey somehow influence that?

Johnson: Yeah, my management philosophy is you need to give it away to keep it. And that comes directly from my recovery journey because you always heard people say If you want to really learn something, you need to teach it, that sort of thing. It's the same kind of concept the same kind of idea. I'm not here living this life just so that I can buy more stuff and eat more groceries, I want to fit myself to be a maximum service to God into my fellows and so I need to be giving away the good stuff that I've been given and my sobriety has refunded me a life I never could have imagined. And so I'm very much about supporting other people and very much

about giving other people autonomy in their decision making process. I'm very much about encouraging other people and that comes straight from the recovery stuff.

AD: Let's take a quick break and then we'll be back at Jeff Johnson.

Nichols: So Jeff, I want to talk a little bit about company culture, and how important that is. You know, the... Oh, management guru Peter Drucker said culture will eat strategy for breakfast. And I know that you guys have worked very hard at building a strong company called culture and I want you to talk about that in just a little bit.

Johnson: I love talking about that. We're very much a family, we're just family-oriented, we're a family business, so that kind of sets the table, but we're a small group as well, so we're 100 employees, roughly, and it's good that we know each other and that we stay close together and that we can support each other and know what's going on in each other's lives. I feel like there's real strength there. So we'll come up with any obstacle in our business. We've got each other's back, and we're there for each other, we can celebrate. My grandmother had a Swedish proverb that she taught me years ago a shared joy is twice the joy and a shared burden is half the burden. And we lived that out Johnson machine works.

If somebody's going through some trouble we want to hear about it. because it lessens it for the person but one picture of our company culture when we had our 100 year anniversary we invited the whole town and as a Johnson machine works family, we just put on this party for the whole town and they were 4000 people showed up it was so wonderful. It was exactly the whole down... So we're real purposeful about that. One example about family that comes to mind. I had an issue recently with my mother who was wrestling with dementia and unfortunately, she's passed away from that disease about six months ago, but when I was just in the midst of having to take a lot of time away from work and spend more time with my mother, we had a company meeting one time and I was up talking about our company culture and how important that was, and I shared with the employees that I wanted to be able to pray for them. So if they had any issues please let me know. And I told them Okay I can't ask you to do that without sharing some of my own as well.

So, I shared with them that my mom was wrestling with dementia and I got a little bit emotional about it I think and I invited them. If anybody knows anything about that, it would be very valuable to me to hear about that. That's a little picture of family. That's a picture of us supporting one another, a picture of a shared joy is twice the joy a shared burden is half the

burden. And I remember after that meeting, one of the welders came up to me while I was walking through the shop, and he said, Jeff, I'm so sorry, chokes me up now just so he said, Jeff, I'm so sorry to hear about your mom. And just... that little thing. Told me everything about the heart muscle about our business and I got a lot of people looking at me with kind eyes and pat me on the back and doing that sort of thing. But that's what we do for each other and that's a real part of our company culture that it comes from a Biblical Proverb, as well, Proverbs 27-17, As iron sharpen iron. So one man sharpens another kind of fits our steel business.

Nichols: That's right, oh my goodness. Well, it is so true and I've just so many leaders that I've talked to, when they really focus on the culture and people are doing better at work, they do better at home, they do better in every part of their life, work can be a place where healing can happen and people, it's the family that not necessarily you're born into, but you get to choose, right? It's wonderful to have built a culture like that, and so I think Peter Drucker would be very happy with you. So let's talk about this, you had the opportunity to do something really special and spent a whole summer almost a whole summer in Oxford. Can you talk to us a little bit about that? What did you do there when you were there?

Johnson: I went to the British Museum I went to the British library; I went to every wonderful thing I could think of looking at relics and listen to professors. And it was fantastic. What had happened is I was living my faith, out more and more in the marketplace and I had people coming up to me and asking me about what was going on, asking me about my faith. They were very intrigued and encouraged about... And I mentioned that to a fellow YPOR and said, "I need to have a response to these people who are asking me about my faith. And he told me about this program in Oxford that was started by Ravi Zacharias international ministry is called the Oxford Center for Christian apologetics.

He said it's a six-week program, you go with you're in a very small group of about a dozen other business leaders vetted from larger group. I'm not sure how large but anyway. And you go over there and study and you study, and you study that really equips you with being able to give an answer for your faith and bringing your ministry into the marketplace in an appropriate bold fashion. And so I went over there, we moved Daniel and I moved our four beautiful kids, over there, Rented a lovely little place, and I had my chin on the floor the whole time I was there, I just couldn't imagine how lucky I was, but I learned from some of the greatest. These people were our teachers and it was just incredible, the kind of things that we got to learn.

Nichols: What if some of our listening audience was interested in the Oxford Center for apologetics what would they do? I mean how would they even go about finding out more?

Johnson: Go to rzim.org and search on there for the Oxford Centre for Christian apologetics. And I would encourage everybody to run and go do that. It's the most fantastic opportunity.

Nichols: Now you've got me I thinking when can I do that? Alright, so I want to talk a little bit. You and I are connected through an organization, a global organization called Young Presidents Organization, and it's been so long now. I don't remember how old you have to be, I don't remember any of the specifics. There's a revenue threshold and that EO feeds into YPO. And so, if people out there interested in EO or YPO.org and out more about that, but talk to me, a little bit. how has YPO affected your business and possibly even your family. Because I know our family has benefited from taking sub-mission trips and things like that, as a family. So, can you talk to us a little bit of about YPO.

Johnson: I mentioned earlier that I took over the business when I was 30 years old, very young and we had some outside board members that were involved with YPO and they recommended it to me, and I ended up joining in 2000. So I've been in my YPO for quite a long time and got into a small group forum in YPO so I was able to benchmark again that. As Iron sharpens iron, one man sharpens another. That was so powerful for me to be able to have a ready-made group of like-minded CEOs whose decimal point was in different places whose life experience was different male, female, it was just different, but they were able to speak with authority into my business and issues that I was having in an extremely confidential setting, and that was so unbelievably viable to me when I was just learning the business. So that was one thing was we were the form experiences.

The other thing is my wife and I got involved with the Christian Fellowship network early on, I think it was in 2003, we went to our first vision of values conference and oh my goodness, how powerful that was. My wife and I went to our very first conference, my son was young at the time, my oldest son, Noel was very young at the time and he was sick and had to stay back at the hotel with my wife and I went to the dinner and mentioned to somebody at the dinner, that my son was sick. And the next thing I know, the person at the dues the speaker said, "we have a little boy who's sick back in his hotel room and they prayed for my son right there, which was a powerful thing, so that was a wonderful thing, but then the Christian Fellowship Network has led me into another forum group with Christian people out around the country, and I've gained

access to all kinds of leaders, thought leaders, theologians pastors all that sort of thing. It's just been a powerful experience.

Nichols: It has for us as well. Well, thank you for sharing that. So Jeff, this is something extra. What do you believe is this something extra that every leader needs?

Johnson: Well, I think for me, is being authentic and being vulnerable. Do you know what kid Sugi pottery is? It's a Japanese pottery where they take these beautiful pots, but before they're finished, they throw it on the ground, and they break it, so, and then they put it back together again with gold filigree and a little glue in between the joints and it takes a very normal beautiful pot and it turns it into something absolutely unique, and gorgeous, and it's like a thumb print. There's no two that are exactly alike. That's called kintsugi and it's absolutely gorgeous.

And when I think about vulnerability, I think about being transparent, I think about being authentic, from a leadership perspective, I think that's something extra. You do take you brokenness, you take the lessons that you've learned from the road that you've tried only you have traveled, you take all your life experiences, you take all of your successes, you take all the things that all the gifts that God gave you, that just makes you and that becomes like the gold filigree in this broken pot, which is a beautiful metaphor, I think because we're all a little bit broken, absolutely, but then we're put together to become something beautiful and something unique and from my belief system, I'm the only Jeff Johnson that God ever made in all of human existence.

Why would I want to try to be anything other than 100%? Jeff Johnson right, or as Dr. Sue said, "I'm the youest you that God ever made. I don't know if he said that, but something like that, right?"

Nichols: Well, that is a beautiful metaphor and it's so true. I do believe that people are, I think you think people yearn for authenticity in other people, because then they can see sometimes themselves too, right? If you always look like everything is perfect and you don't be authentic with your and vulnerable with your weaknesses or the things that you're working on or the things that you're broken. I don't think people can relate to that, nearly as well.

And so, if they can say, "Oh that person, so like me, they have struggles too... So I love that Jeff.. I love that. Well, this has been so much fun, I have had so much fun and I think we can go on for a couple of hours, but we're not going to do that to our audience right now.

Johnson: Thank you for having me.