

Establishing A Growth-Minded Culture: Gray Manufacturing

Gray Manufacturing Company, Inc. has been designing, manufacturing, and selling lifting equipment for the automotive, truck, and service vehicle industries since 1952. This family-owned organization has deployed a fierce commitment to serving the customer with an eye for product innovation, driving a 25-percent increase in revenue in the last four years. Most companies would run with that all the way to the bank. But Gray wanted to answer a bigger question: What is our potential?

With the strengths they already had in place, company leaders were certain they could get to a whole new level of success. They were energized by the concept of growing twofold over the next planning horizon. They wanted to challenge themselves to be the best—in their industry, to their customers, and as an organization.

After eight months of data-diving and strategy formation, this organization is embracing the excitement and the initiatives necessary to drive that kind of growth. We just recently finished our last group meeting and recapped some important concepts that will guide the organization going forward, along with some of the key cultural shifts President Stet Schanze has already experienced because of their commitment to boosting GrowthDNA.

Increased awareness and knowledge. The data discussions that occurred when working on their ConfidenceDNA, have increased the awareness of key leaders across all functions regarding what drives the business, where money is made, and where opportunities lie. The group realized that serving customers is not just the responsibility of the sales division, but the goal of every team member. To do that, they need to be equipped with more knowledge regarding different types of customers and their needs, along with the organization's goals for each segment.

Greater participation. Along with more knowledge comes greater participation. There is a noticeable change with more people actively participating in important conversations. Because they are better informed with data, and clearer about priorities, they can then ask questions and contribute ideas, making discussions more meaningful and generating more unified confidence in decisions.

Enterprise-wide initiatives. From a strategic perspective, the organization shifted from developing functional or department-level initiatives designed to maximize existing operations to enterprise-wide projects, which elevate each department's contributions and advance the future of the business. As a result, there is more alignment among departments. Shared data puts more people on a level playing field, developing a unified understanding of what is important. Combine that with the establishment of common goals (enterprise-wide initiatives which focus on improving the company not just a specific department) and leaders and team members are now working together more often, at a higher level, and in a more collaborative way.

More open-mindedness. The number of initiatives identified are fewer in number but have much more potential impact. The organization's focus is creating an opportunity for resources to be aligned, for priorities to be clear, and for majoring in the majors. They are asking, "What can we stop doing that is tied to the past but doesn't advance the business, so that we can start investing in the things that will drive our future?" They are also asking, "What aspects of our successful past will continue to drive our future success?"

Schanze has also noticed that people are more open-minded and more willing to consider new ideas. Up until now, Gray has been very self-sufficient with great results. It rarely outsources, employing people in one plant location, scaling capacity as it goes. But new opportunities have surfaced after looking at the data; leaders have the potential to grow the company at extraordinary growth rates. Achieving this will require people to look at the business in an entirely different light, no longer stretching what is done to accommodate growth, but instead asking what will be necessary to enable the growth potential. Schanze likens it to the difference between looking at a golf hole from the tee versus looking back to the tee from the green. They are committed to reverse-engineering; now that they have defined their potential, they can ask what it will take to get there. That simplifies some things. Not all practices and processes come along for the ride. New ones are created. Some longstanding philosophies are changing. It is not easy, but people are open to those discussions, and that is where change starts.

It is still early in the process. This group hasn't even worked its way around the entire cycle. They have yet to directly address the culture and how they want to formally change processes, communication, accountability, and the like. Just by working through the first three strands, they have already realized significant cultural enhancements and have internalized that it is not what they do, but rather how they do it—their GrowthDNA—that will drive their future growth.

What is the impact?

They have confidently forecast an aggressive growth multiple for the next five years, which will take the organization to a completely different level of revenue while also strengthening their industry leadership in customer service, making them a formidable competitor and a sought-after employer. The ink on the plan isn't yet dry and they are already implementing it due to the clarity of direction provided by the strategy. They have already said no to smaller projects that they might have said yes to in the past, but now realize are distractions from accomplishing bigger goals. The organization is using a common language in the management ranks and is working more collaboratively than ever, planning on extending that alignment to front-line employees. It has implemented a more data-driven approach to decisions and also increased its delegation of decision-making.

The experience of their long tenured leaders is not replacing data, but is being enhanced by it. The dynamics have changed, enthusiasm is high, and prospects for growth are excellent.

“The GrowthDNA framework has pushed us to think differently while retaining and leveraging historical strengths and key company values. We were challenged to get out of our 10-percent-annual-growth paradigm and look at the possibilities of 2× or even 5× growth... and what it would take to get there. We have absolutely seen the value of getting out of departmental silos and getting into a one-enterprise mentality, with everybody working together to achieve enterprise goals. This makes it fun; we are all on the same team competing together rather than against each other. And it takes much of the unnecessary conflict and negative emotion, which undermines our ability to focus and holds us back from achieving our full potential as an organization, out of the process.”

— Stet Schanze, President, Gray Manufacturing

