

SPECIAL REPORT: LEADERSHIP DEVELOPMENT

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Internal Development

How Alexandria Industries accommodates growth and succession planning

Tom Schabel, CEO,
Alexandria Industries; Lynette Kluver,
director of organizational development,
Alexandria Industries

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A man and a woman are standing in a factory setting. The man, on the left, is wearing a blue long-sleeved shirt with a logo and glasses. The woman, on the right, is wearing a black blazer and glasses. They are both smiling. In the background, there are several international flags hanging from the ceiling, including the United States, Australia, Austria, Canada, and others. The factory floor is visible, and there are blue metal structures in the background.

SPECIAL REPORT: Workforce Training

Internal Development

Alexandria Industries uses its ambitious in-house Leadership Academy to accommodate growth and plan for succession

In 2008, Jason Bachman was a second-shift supervisor in the pressroom at what was then Alexandria Extrusion. A 15-year employee, Bachman was eager to move up in a company that was growing quickly and poised to grow even faster.

In just one year, the company established a strategic alliance with Wheaton Plastics to enhance its injection-molding capabilities. It created Alexandria Finishing and soon acquired Alexandria-based Doege Precision Machining, and then traveled south to acquire M&M Metals, a Dallas-based manufacturer of precision metal fabrications. And from banter around the company, Bachman knew there were more growth opportunities at hand.

To help accommodate its growing employment demands, the company had created something called the Leadership Academy, an innovative two-year program that was designed to train employees on a variety of issues, give them better self-awareness, and steep them in company culture.

Eighty of Alexandria Extrusion's 300 employees applied for 20 spots. Bachman was one of them.

"There was a lot of excitement" about the program, Bachman remembers. "We knew we were going to be doing acquisitions in the future. [The Leadership Academy presented] an opportunity to help us grow within the company. I had the desire to lead and I had the desire to help others."

The inaugural class, of which Bachman was a member, received instruction that combined self-assessments and one-on-one counseling with monthly classes that ranged from two to six hours in length. Topics included business acumen, communication and management techniques—with a healthy dose of company culture.

Bachman took the Myers-Briggs personality assessment, which revealed his decision-making style. The Winslow Assessment measured, among other things, how he worked with others, how he handled tasks, and with what level of emotional maturity he did these things.

The tests demonstrated to Bachman his type of personality. "I'm the kind of

personality who says 'Let's go! Why aren't we done yet?'" he said. "It allowed me to understand that I need to take a step back—it's not always about how fast we can get stuff done. We have to bring people with us."

The training stays with him today, he said. As general manager of Alexandria Extrusion MidAmerica, a subsidiary of what is now called Alexandria Industries after yet another acquisition, Bachman now manages 55 employees and, he said, still works on tempering his "let's go" inclination.

"It is still my personality," he said. "I'm always wondering why we're not doing things faster. But I know it is not about the speed. It's about doing it right. Bringing people on, making sure everybody is trained and educated. Developing people.

"I'm having a lot of fun with it," said Bachman, who drives from his home in Alexandria to the Minneapolis-St. Paul airport every Sunday night and boards a plane to Indianapolis, returning home on Thursday nights. "If I look back at all the things I've done, this is probably the most rewarding. What you're really doing is changing people's lives. You are helping people become better."

The concept of the Leadership Academy long gestated in the creative thinking of Lynette Kluver, director of organizational development at Alexandria Industries. Kluver has deep experience with providing imaginative training at the company. Over 15 years, she has leveraged almost a million dollars in training grants from the Minnesota Jobs Skills Partnership and other state institutions.

She estimates that she began advocating the concept to colleagues on the company's leadership team about two years before they began the program.

As the company's top human resources executive, Kluver was also well aware of the succession challenges in its Alexandria Extrusion facility, in which more than a quarter of employees were 55 years old or older.

"We need to have a whole lot of people ready to fill the positions when somebody is ready to retire," Kluver said. "As we

Core Values

The Leadership Academy included a strategic exposure to what drives Alexandria Industries

As Alexandria Industries entered a period of explosive growth, CEO Tom Schabel and his leadership team spent eight months crafting a shared vision and infusing its workforce with common values.

"We'd always done strategic planning, but creating our five-year vision was an interesting process for us," he said. "We wanted to talk about what kind of legacy we would like to leave behind. In the process of creating our shared vision, we believed there was also a need to bring stronger focus on our values, as well."

looked around in meetings, we knew that there was going to be a great need for people to take new positions, whether they are in a leadership position to lead people, or just to be a leader."

Then came 2007 and the advent of a probable string of acquisitions that would pressure the company's ability to identify the right mix of employees to help cope with the potentially explosive growth. "We knew that we didn't have the depth to support that growth," she said.

She knew that developing leadership skills inside the company would enable it to make those additional acquisitions with greater confidence.

"The beauty of it was that we didn't have to start thinking about it, because I'd been thinking about it for years," she said. "We had the ability to move quickly."

"Leadership development is a key piece in succession planning—to make sure you have the right people with the right skills in the right place at the right time," she said. "If you are not being proactive, then you're not going to be successful."

"I have a passion for coaching and mentoring," she said. It "fills my cup," she said, to help employees achieve an understanding of who they are, and their values, strengths and gifts. And then to give



Engineer Adam Rupp, a graduate of the Leadership Academy, says his MBA taught leadership skills “but the Leadership Academy taught me how to be a more effective leader by using my own values and the company values to guide my decision making.”

them tools to leverage that knowledge in their workplace and in their communities is “pretty darn exciting.”

The growth of the Leadership Academy dovetails with the company’s more acute focus on aligning its company vision and culture among its newly acquired entities. Company CEO Tom Schabel described that evolution in last month’s *Enterprise Minnesota* magazine.

“We’d always done strategic planning, but creating our five-year vision was an interesting process for us,” he said. “We wanted to talk about what kind of legacy we would like to leave behind. In the process of creating our shared vision, we believed there was also a need to bring stronger focus on our values, as well.”

More pragmatically, Kluver said, “Culture will eat strategy.”

A few years ago, Schabel’s senior leadership team took about eight months to develop full agreement over that shared vision. The power that came with that agreement was a defining moment, he said. The company’s explosive growth imbued the process with a special urgency. “We realized that as we made acquisitions, and we were growing, we had new leadership coming into different roles,” Schabel said. “It was important to get agreement around our values. We wanted to make sure that all of the employees, no matter what facility or location or role, defined

integrity, for example, the same way we do in Alexandria, Minnesota.”

The company methodically introduced its values to employees over 10 months. Company executives visited each of their facilities in Alexandria, Wheaton (Minn.), Dallas and Indianapolis multiple times. Once there, they broke departments into smaller groups to facilitate in-depth discussions.

“We knew we couldn’t just have an employee meeting and leave it at that,” Schabel said. “We rolled it out in a formal manner to ensure that people understood that this is more than a sign on the wall.”

Values (personal and corporate) occupied a fundamental role in the three-pronged objectives in the design Kluver gave to the Leadership Academy, along with servant leadership and competencies.

To fill the first class, Kluver and her colleagues identified high performers, “people from whom you are going to get an immediate return on investment,” she said, adding that they would have potential to move up to an identified position during a certain timeframe.

Recruits would also demonstrate learning agility, according to Kluver. “Research shows that learning agility is a predictor of leadership success,” she noted.

This, she said, includes:

People agility: Confident people who know themselves well, who have a passion to learn and who also learn from their

experiences. “They have connections,” Kluver said. “They look to nurture and develop relationships. And they are typically good communicators.”

Results agility: People who inspire others to perform beyond their capabilities, who understand that results take effort. And who aren’t clock watchers.

Mental agility: People who analyze problems from a fresh point of view. They have an attitude that embraces opportunities to be challenged. They have a mindset that is open to different ways of doing things and learning new things.

Change agility: People who are curious about new ideas and unafraid to take initiative.

Kluver planned the Leadership Academy with the help of Vicki Jodsaas, president of The Competitive Edge, an Alexandria-based company with clients in 25 states. Their vision blended classroom instruction, personal coaching and real-life work applications.

Students receive 130 hours in monthly classroom instruction over 18 months that covers a mix of company culture, communications, relationship building and business acumen. Instructors include in-house executives and outside consultants, as well as faculty from the technical college system.

An expensive core element of each Leadership Academy is each student’s personal and confidential hour-long session, once a month, with Yvonne Kinney-Hockert of Consulting Solutions. Long associated with Alexandria Industries, Kinney-Hockert works with students on company objectives, personal objectives, roadblocks or opportunities.

Kinney-Hockert debriefs students on their Myers-Briggs and Winslow results and constantly integrates their sessions with company values and course objectives.

“We’ve had a relationship with her for a number of years,” Kluver said. “She knows our culture and she knows individuals well. While it is the most costly aspect of the program, without it, it wouldn’t be as effective.”

Students learn whether they are open to change, whether they are an introvert or an extrovert, whether they like details or the big picture.

She’ll also coach participants through challenges outside the workplace that may keep them from being as effective as they could be. “It ends up being pretty

powerful,” Kluver said.

The popularity of the coaching sessions, according to Kluver, is demonstrated by how people “sit outside her door, consciously tapping their foot, waiting to get in. When the door opens, they race in with their list of things they want to talk about.”

And, finally, students apply their instruction to real-world situations within the company. “We are not copying a canned leadership program off the shelf,” Kluver said. “We want you to learn in the trenches.”

Kluver and her colleagues are now planning three other educational offshoots within the next year.

- Leadership 101, a less intensive class, will enroll its first session of students in March. Forty participants will develop the same self-mastery skills, along with studying basic business issues, learning leadership skills, and improving their communication skills during an 18-month program in which classes meet every eight to 10 weeks.
- Manufacturing Academy. In a format similar to the Leadership Academy, students will work through five or six functional areas that will concentrate on technical skillsets, in addition to leadership skills.
- Masters’ Academy. Tied more closely to succession planning, this highly customized effort aims to help prepare Leadership Academy graduates for specific future responsibilities.

“The Masters’ Academy is our future,” Kluver said. “There are a lot of us who will be retiring over the next five to 10 years. We better have a pool of candidates ready to go.”

Engineer Adam Rupp, an employee of Alexandria Industries since he enrolled in an internship in 2005, is a graduate of the second Leadership Academy session. After graduating from Alexandria Technical and Community College, he went on to get a degree in mechanical engineering at St. Cloud State University and then, while working at Alexandria Industries, earned an MBA, also from St. Cloud State.

“The MBA teaches skillsets, such as marketing, accounting, and finance,” he said. “You’re learning information. It is not necessarily about how to lead others,” which he says is a shortcoming of his formal education.

“I also had never heard of a company promoting its values to the point where you

could apply them,” he said. “I had always seen them written or posted on their websites. The Leadership Academy focused on those.

“My MBA taught me leadership skills, but Leadership Academy taught me how

to be a more effective leader by using my own values and the company values to guide my decision-making. When I see a decision being made that is representative of our company values, it is apparent that the decision was the correct one.”



Accountant
Karla Noetzelman

Life-Changing

Karla Noetzelman’s experience made her a zealous advocate for the Leadership Academy

Accountant Karla Noetzelman keeps a four-inch loose-leaf notebook perched on a file cabinet above her desk at Alexandria Industries. It contains all the notes and handouts from every session of her experience as a student in Alexandria Industries’ Leadership Academy.

The notebook is the grand connector of the Academy. Every student receives one and is required to maintain it throughout the program.

Noetzelman says she pulls it down and thumbs through it at least once every couple of weeks to get background on a particular work challenge, whether how to accommodate diverse opinions in a meeting or how to most effectively communicate through email.

A six-year employee, Noetzelman says she was in part motivated to join the Leadership Academy to get to know other people at the company. As a member of the accounting staff, she is located in an off-campus facility that houses only 14 of the now almost 400 Alexandria-based employees.

“I really wanted the opportunity to have a leadership position and to learn more about the company,” she says. “I had never worked in manufacturing before, so it was a great opportunity to understand our business and to meet other people, and learn more about the company.”

She has since become a zealous advocate for the Academy. “It was life-changing for me,” she says. “I never imagined a company would put a person through something like this.”

She says one of the biggest takeaways was the lesson of influence. “I learned I could adapt to other people and how to influence them,” she says. “Leadership is about influence. It is not about coming in and telling people what to do.”