





While many know G.L. Huyett for its centerfolds in the American Fastener Journal and its provocative Las Vegas Trade Show booths, the story of G.L. Huyett is the story of an experiment in capitalism, and an exercise in corporate transformation. G.L. Huyett was founded by a German immigrant in 1899, was incorporated in 1906. and is one of the oldest continuously operated businesses in the state of Kansas.

Located in the tiny town of Minneapolis, the Company is managed by Timothy O'Keeffe, Chief Executive Officer, who purchased the company in 1992. As O'Keeffe notes, "The Company had one employee and a bunch of junk sitting in tin sheds. I liked the business because it was tangible, and it was part of the Great American Industrial Machine. I felt a calling with G.L. Huyett and this experience has been a test of my ability and the perseverance of me

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#### and the team."

Under O'Keeffe's leadership the company took off." We added a lot of new products, and really worked to take care of our customers. At that time the business was simple." But as the business added manufacturing in 1999, and management structure grew, the business became more complex." We sort of hit a wall about 2008 or 2009," notes O'Keeffe." The first problem I realized is that we had a cultural problem. We were like a clubhouse, where we talked

as we liked, dressed as we liked, and treated each other as we liked. That works when you are 15 guys in a trailer house, but to be a professional Company, you have to carry yourself with integrity and care, and you have to approach the business of business as a practicing professional." So O'Keeffe developed a Code of Conduct and a training program known as the Professional Development Series (PDS).

He notes: "The PDS recognizes that all occupations can be optimized by approaching the occupation as a professional practice. At G.L. Huyett, we encourage people to carry themselves as professionals. The professional is a practitioner and we have defined nine elements that make up a professional. The elements start with the basics - Accuracy, Completeness, and Timeliness, or ACT. One thing you can never do in a business is beat yourselves.



O'Keeffe, above, describes the challenges of turning a good company into a great company. "We're not there yet, but we're moving in the right direction."

To prevent that, all actions must conform to ACT.

The PDS progresses through Success Orientation; Change Agency; and Resource Allocation. O'Keeffe notes that middle managers and supervisors must be practicing professionals in these traits." Middle managers have to possess mastery success orientation, where they are inherently motivated to learn the business. They must execute change and they have to be stewards of their assigned resources."

At the top of the Professional Development Series is Team Development, Management, and Leadership. O'Keeffe: "Your top executives and managers must be able to lead. They must be good managers as there is a distinct difference between management and leadership, and of course, they have to have the ability to build teams."

In assessing his state of affairs in 2009.



lem." I realized that I was an unskilled manager, as well as a poor manager. I communicated poorly, and I did not really understand organizational development." And so O'Keeffe set out to learn. He worked with an executive coach to learn how to communicate better." It has helped me in all aspects of my life. I have learned that sometimes it is better to be nice than right. I am also a better reader of people. I must not forget that I must practice these traits, not unlike 

The core of the Professional Development Series is in its practice. At no time can a professional be finished or through with their effort. Professionals must consistently develop themselves, be receptive to feedback or learn from their mistakes, and then set new expectations or goals that are beyond their current abilities. Professionalism inpsires people to find meaning in what they do, to apply effort, and to build value for the person, and for the team.

O'Keeffe next noted that he had a management prob-

G.L. HUYETT PROFESSIONAL PRACTICES

"All occupations, even the oldest occupation, can be improved if you approach the occupation as a professional practice."

- INDIVIDUAL CONTRIBUTOR PRACTICES ("ACT");
- · Accuracy: The achievement of defect free results.
- · Completeness: The effort made by a person to perform all duties for a given task.
- Timeliness: Completing work, projects, or tasks according to schedule.

#### SUPERVISOR PRACTICES:

- · Success Orientation: The demonstrated ambition, drive, and applied effort to achieve goals, to engage in self-improvement, and to realize the highest levels of production and performance.
- · Change Agency: The ability to assess chaos in an organized manner and then develop a plan of action with proper stakeholders to see that the plan is executed in a minimally stressful manner with measurable
- Resource Allocation: The continuous process of assessing an organization's resource needs, and then allocating resources available on a "highest and best use" basis in the most efficient manner.

### PROFESSIONAL MANAGER PRACTICES:

· Team Development: The ability to evaluate the function of the team; to establish a game plan to execute the function; and to select teammates that maximize team performance.

• Management: The science of stimulating a team to experience vision, motivation, and control such that the team realizes success that can

• Leadership: The ability to stimulate a team to see a future that is not otherwise recognized or to conquer goals that are not easy to achieve; and to have the courage to persist in the midst of adversity.

an alcoholic. I still have improvements to make and I am a better person for this experience."

O'Keeffe also set out to hire an expert in organizational development." I realized that there is an entire science to performance management and organizational development." O'Keeffe hired an experienced Human Resources veteran from the pharmaceutical industry." Our Human Resources Director has been a resident personal trainer and coach for our management team, as well as a consultant to designing the elements of our performance management system."

In 2010 G.L. Huyett introduced a comprehensive performance management system. The system consists of development, feedback, and incentives, as well as setting expectations. As O'Keeffe notes, "Probably the kernel of the system is a formalized pay grade and a merit increase program that is tied to a Job Bank. We publish our pay grades on the wall in the plant. It insures that everyone knows what the system is, and where they are at in the system."

In this performance management system, employees receive a quarterly performance evaluation." It is a lot of work," says Brian Schlachter, HR Generalist, "but this is what is needed if you are to develop an

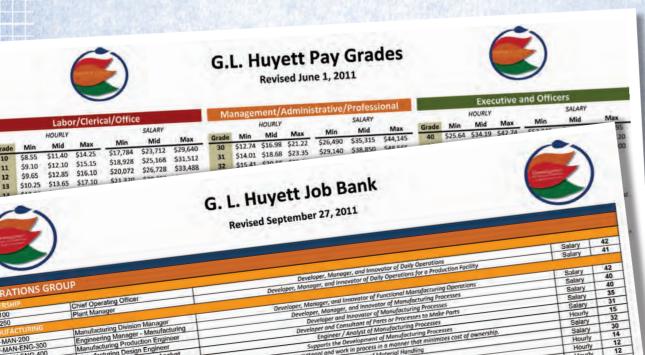


organization to World Class." The evaluation system ties to incentives on both a quarterly and annual basis. Each quarter, G.L. Huyett employees receive a profit sharing bonus based on company profitability, productivity, and performance. As O'Keeffe notes, "People gain a lot of trust when you open your books each quarter to everyone in the Company. It provides a connection to individual and team performance."

Huyett managers have noted a change in the culture from this move." We have drawn closer and more intimate," notes David Adams, Controller, "and the financial IQ of team members has been significantly upgraded. Our people are better financial managers, even at the individual contributor level, but they are also better stewards of their own personal financial affairs."

O'Keeffe notes, "Our people are becoming capitalists. In a day and age when success and profit have become vile words, our people are recognizing that success is good, and profit is a necessary resource in a business that is required to invest in plant and equipment, and it is the source of pros-

"We publish our pay grades on the wall in the plant. Everyone knows what the system is, and where they are at in the system."



"People gain a lot of trust when you open your books to everyone in the Company. It provides a connection to individual and team performance."

perity for the participants." Huyett's evaluations also drive an employee's annual merit increase." We tie performance to pay. The merit increase is driven by performance and the employee's legacy pay rate in relation to their grade."

"The merit increase drives self-directed personal development," notes Schlachter." As employees move up within their grade with each merit increase, they approach the top of their grade. Absent a promotion, such persons will see only very small or no merit increases, even with noticeable improvement in their performance. They have to increase their skills or competencies to gain promotions."

G.L. Huyett has installed a personal development planning process that enables employees to plan their development

with their manager. "Everything we do is planned," O'Keeffe notes. New hires receive a written Onboarding Plan, and promotions reall quire the completion of a specified written plan. Currently the Company is develformalized oping "canned" plans for Key Account Manager; Master Machine Technician; Procurement Technician; and Warehouse Technician Notes O'Keeffe, We are in a remote



G.L. Huyett is working to create a Culture of Excellence in order to attract and retain talent. Part of this effort includes offering a customized healthcare plan that features free healthcare for employees and their families who do not use tobacco.

location. We have a specific way we want to do business that is not like any other. These development plans allow relatively unskilled persons with sound attitudes toward life to move through a series of progressive plans that move them from unskilled to skilled, and thus we can fund the people side of our growth."

The process of transitioning a good company into a great one comes with challenges. As changes were made, G.L. Huyett experienced significant turnover. From 2010 to present, nearly every manager in the Company has changed, either through attrition or from failure to perform." The last two years have been the most difficult but also the most rewarding of my life," notes O'Keeffe." Very few managers really manage," notes Scott Longfellow, Chief Information Officer, and one of the only senior managers who have stayed the course through these changes." Performance management has been transformational and we are starting to see the positive results of five years of excruciatingly hard work."

"On another level, the turnover we have experienced reflects a corporate transformation from the Culture of Comfort, to what we call the Culture of Excellence." says Adams." As we have engrained accountability and the planning of work, certain persons who wanted comfort over excellence have left the Company." Adams notes that in the Culture of Comfort, managers migrate to titles, meetings with other managers, isolated internal geography, and they refrain from peaceful confrontation with low performers." In the Culture of Excellence we as managers are ever-present as disciplined leaders setting standards and providing feedback and interventions. Most of all, there is a concentrated effort made to the planing of our work." Jodee Reed, Huyett's Warehouse Divi-

Jodee Reed, Huyett's Warehouse Division Manager further contrasts the two

"In the Culture of Excellence managers are ever-present as disciplined leaders setting standards and providing feedback and interventions."



Huyett is using sign-on bonuses, profit sharing, and free healthcare to attract the cream of the crop in its locale, and across the industry.

PLACE

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G.L.HUYET

cultures:

"In the Culture of Excellence, a comfortably-seat-

ed forklift driver gets off the forklift and fixes the pallet. In the Culture of Comfort, he stays on the forklift, only to watch a box fall off the pallet, break up, and toss thousands of parts onto the floor. In the Culture of Comfort, it is perfectly acceptable to waste time picking up parts because of an "accident." In the Culture of Excellence, this is not acceptable and you will be held accountable."

To further support the Culture of Excel-

"In the past two years, wage and benefit growth increased an average of 28%."

lence, Huyett has engaged in an "Employer of Choice" initiative. Brian Schlachter explains "We want to be the first choice of employees in our locale, so we are moving to formulate a culture and menu of benefits that optimizes our attractiveness to potential recruits." In the past few months Huyett has introduced HuyettCare<sup>TM</sup>, a health and wellness program that offers free health insurance to eligible employees. Coupled with the Merit Increase and Profit Sharing program, general wage and benefit growth have increased an average of 28% among the performing population of the Company in the past two years.

While these programs come with a cost, the corporate transformation at G.L. Huyett has brought business results. Adams indicates that for the first time in history, G.L. Huyett is debt free, has seen high growth rates return, and the Company has remained profitable. "As a CPA, I rarely see clients perform at this level, so the work that we have done to transform the culture has translated to business results. Our service level numbers are better. Our financials are better. Everything is much better."

While you may have expected to read about parts and processes in this article, the story of G.L. Huyett

Training is a vital part of the development process. G.L. Huyett employees receive written training plans at hire, and are encouraged to work through personalized development plans to gain promotions and move up within the pay grades in its job bank.

is a story of people, and as O'Keeffe notes, "We are not a fastener business. We are a people business. Our business mission is to provide a Way of Life for our employees and our customers. We are the Purveyors of a Way of Life." He adds, "We still have a ways to go to meet our standards of excellence. But I now think we have a system to get us where we want to go, so that our future is more under our own control. We have greater command of our destiny as we seek to become a great company." Today with over 100 employees, more than 600 product lines, and over 95,000 different parts, G.L. Huyett seems poised for a bright future, and more importantly, is a story of American capitalism and the effort that entrepreneurs and managers must bring to create successful enterprises." Making the effort to move from what I hope is a good company, to someday being a great one is the hardest thing I have ever done," says O'Keeffe.



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In recent years, we've made substantial investments in facilities, people, and technology that have led to increased expansion and record sales. We're a highly entrepreneurial enterprise and team-oriented group of 100+ employees committed to improving our community and simplifying the lives of our customers by providing quality parts and service on time at a fair price.

We embrace a Culture of Excellence that puts the interests of our customers and our team members ahead of the individual. Employees and management work together in a respectful environment to develop systems with patience and fortitude with the goal of building a worldclass organization prepared to meet or exceed the expectations of our customers. We call this our "Way of Life" and invite you to become a part of it.

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## We're in a GREAT PLACE to offer the following positions:

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#### **Channel Sales Manager**

G.L. Huyett is currently looking to expand into additional market channels. The Channel Sales Manager is charged with business development into an assigned distribution channel, and would be a metropolitan-based role near international airports. 60% travel or more is required.

#### **Purchasing Manager**

Assigned to lead G.L. Huyett's global procurement efforts. Experience in manufacturing, especially machining and turning, is a plus.

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Experience in Fanuc controls and OKUMA turning equipment and VMC's is desired.





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