

Case Study: Wegmans

Leadership Development: The recipe for success

October 2010

THE SITUATION

Industry:

Grocery

of Employees:

38,000

Revenue:

\$5.15 billion in annual sales

Country:

USA

Wegmans, a chain of grocery stores located primarily in the North eastern part of the United States, is at the top of their game. They have been one of Fortune Magazine's *100 Best Companies to Work For* since the list's inception in 1998, including being # 1 in 2005. Wegmans continues to expand their reach into other regions, most recently into the greater Boston area, despite the weak economy. And anyone who has lived near a Wegmans store knows the devotion the brand quickly evokes in their customers.

None of this happened by accident. Wegmans understands the importance of building a strong culture within their organisation. In doing so, they have learned firsthand that strong culture results in successful business. "We have always believed that if we invest in our people through training and development, they will provide incredible service to our customers," states Jack DePeters, senior vice president of store operations.

One aspect of Wegmans' success has been an intrinsic focus on their leadership and leadership development. In 2001, they solicited the help of CTT consultant Tom Brady and his XLR8 team to shepherd some of Wegmans' leadership through an intensive and transformational development program. This partnership has continued ever since.

WEGMANS CULTURE

Wegmans has been a family run business since its inception in 1915. They are currently in their third generation of the Wegman family as leadership. As such, they have always considered themselves a values-based organisation. However, Wegmans' values were first articulated in 2001, with empowerment added in 2003. "Our values are a way of giving freedom to our people. Once you share a common set of values, you can go and be yourself. This is something we live," CEO, Danny Wegman notes on the Wegmans' website.

An example of how Wegmans lives their values is their scholarship program for employees. Each year, Wegmans gives nearly \$4.5 million towards tuition for employees to continue their education. Wegmans operates 76 stores in five states. However, their culture and their commitment to their employees seem to transcend individual stores or regional boundaries. And, in turn, they have earned remarkable loyalty among employees. Nearly 95% of people who worked at Wegmans started at the bottom, either bagging groceries or at the customer service desk.

In the almost 10 years since Tom Brady began his work with leaders at Wegmans, he has noted that there isn't a lot of entropy within the organisation. Tom admits "they're too nice and polite". People at Wegmans generally don't get fired unless they do something extreme. However, when there is entropy, employees will get moved from positions based on their LVA results. Tom recently relayed one story of a leader he from the Leadership Excellence program who had high entropy. Wegmans decided to move her out of her leadership role, and she has never been happier.

THE PROCESS

"XLR8 YOU!!! Leadership Excellence" program is an 18 to 24 month executive coaching and leadership development process. Self-assessments (such as DISC and Tri-Metrix) are conducted to begin a self-awareness process. These are reviewed before the weeklong Kick-off Leadership Experience and are an integral element in establishing a solid coaching relationship. Participants are also given a wide range of reading materials that not only discuss leadership issues, but also examine finding greater happiness and fulfilment in life.

The Kick-off week builds on this self-awareness through articulating their unique ability, personal mission and values, and top 5 passions. Sharing this with the group builds trust, deep relationships and a strong sense of team among participants and among participants and coaches. XLR8's approach works with participants as individuals, as leaders, and to help these leaders use the same tools and processes to develop their own teams.

The Leadership Values Assessment (LVA) is part of the Leadership Excellence process that participants encounter twice. The first LVA is conducted at the beginning of the program to guide the coaching and development by exploring personal values and creating an action plan for each participant through one-on-one debriefing. The second LVA is conducted near the end of the program to show progress and discuss strengths and issues that continually come across.

For Wegmans, the XLR8 team adds on to the traditional LVA format by including Wegmans' values on the template so they can assess to what degree leaders are living the espoused values, which is a component XLR8 adds to the existing report. As part of the second LVA, a comparison of the two reports highlights the shifts in terms of alignment, entropy, Wegmans' values, and more.

On-going coaching is conducted monthly throughout the Leadership Excellence program. XLR8 involves the participant's supervisor in the process as well to receive progress reports and ongoing action plan information. As Tom says, "the idea is that the supervisor becomes the coach" during the process and beyond. Tom admits that this works best if the supervisor has also gone through the Leadership Excellence program, which is common at Wegmans. "Wegmans has been successful in their leadership development focus because of the leadership support for the people going through the process," adds Tom.

An additional aspect of the Leadership Excellence program is a "pay it forward" coaching element. As part of participants' coaching experience, they develop their ability to coach others. Each participant chooses three people to coach based on the tools and ideas they have learned through the process.

MEET TOM BRADY

Everett M. Rogers coined the term "early adopters" in his book *Diffusion of Innovations* to describe people who are willing to try out new products or services, but also provide feedback to help innovators refine their offerings. Tom Brady is truly an early adopter of CTT. He is one of the first people trained in the tools, after meeting Richard Barrett in 1998. Through his continuous use of the tools, Tom has been a source of insights and ideas for development and revision of CTT products.

With a background in social work and business, much of Tom's career was spent in health care administration with an emphasis on total quality management. In the mid-1990s, Tom made the switch to independent executive leadership coach. He had built a reputation and contacts in his community in his various health care positions and was brought into Wegmans through a neighbour who knew about the work he was doing.

Tom's personal mission is "liberating inspiration by enthusiastically coaching people around the world to discover the simple truths that loving ourselves and leading from love will manifest our passions, fulfil our purpose and change the world".

THE OUTCOME

Since 2001, Tom Brady and the XLR8 team have worked with approximately 150 leaders at Wegmans through the Leadership Excellence program.

Wegmans continues to emphasise the development of their employees through both their scholarship programs and leadership development training. Their efforts not only foster great loyalty among employees and customers alike, but continue to garner the attention of organisations and institutions that honour only the best companies. Wegmans' most recent accolade, awarded in September 2010, was the Dale Carnegie Leadership Award for their contribution "to the country's economy and society through a special emphasis on the development of its human resources".

WEGMANS CORE VALUES

These five statements explain what Wegmans is all about:

1. We **care** about the well-being and success of every person.
2. **High standards** are a way of life. We pursue excellence in everything we do.
3. We **make a difference** in every community we serve.
4. We **respect** and listen to our people.
5. We **empower** our people to make decisions that improve their work and benefit our customers and our company.