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Whirling her way to success

HOW TO BOUNCE BACK FROM LOSING A KEY CUSTOMER

BY MATT McCLELLAN

Losing a third of your business usually means you're in for a bad year. For Kathy Adams, president and CEO of MTI Whirlpools, it meant that it was time to go get some new business.

"When we realized we were going to lose our sink business to the home centers, we thought, 'OK, we're great at building tubs and whirlpools and being innovative; how can we take advantage of that?'" Adams says.

But while MTI had been busy churning out sinks, the company's core business had languished. Adams decided to refocus MTI on whirlpools and hot tubs, a decision that led the 175-employee company to 2007 revenue of \$28.5 million.

Smart Business spoke with Adams about how to keep your employees focused during difficult times and how to take advantage of a trend.

Q. How do you prepare your employees for a big change?

If bad economic times come, it's very important that you've prepared in advance. What I try to do is talk to the employees.

Ask them, 'What do you do in those times that are just crazy busy? What are the dangers of those crazy busy times? Maybe you're getting grumpy with your fellow employees because you're overworked. How do you deal with that? Also, what are the dangers of the slow times? What are some things we can do in the slow times so we can be prepared?'

We have a list of things we do in slow periods and for crazy, busy periods. Then we implement those plans.

For instance, even if our order

entry department has no orders to take, they can focus on going to our competitors' Web site and learning more about our competitors or reading about trends in other industries and seeing if we can apply them to our industry.

So, keeping everybody focused on something is just absolutely necessary. Then they get a good sense of what they're accomplishing.

Q. What is the danger of losing focus?

You're lost if you lose focus. Your employees lose their sense of accomplishment. A lot of Americans think that work is a bad thing, when really work is a blessing.

As a leader, you try to see that young people get some experience so they get a sense of satisfaction for a job well done. If you're able to achieve that, then work doesn't really feel like work.

If they're coming to work and they really don't have anything to do, then they're not going to get a sense of satisfaction. They're going to start hearing about recessions, they're going to start believing that their job is going away — it's just unhealthy.

So if you can keep them focused on some worthwhile work — sometimes it's a challenge to come up with those things, but we do.

Q. When business is slow, how do you get it growing again?

Understand what the truth is about your industry, understand where you are weak and figure

out how to overcome those weaknesses. Understand your strengths and how to take advantage of those strengths.

We try to look at trends broadly. How can our little whirlpool company, our little tub company, take advantage of a trend?

An example of that is dogs. We saw people doing ridiculous things for their dogs, like making bathrooms for their dogs. So we said, 'OK, we'll make a whirlpool just for a dog.'

Realistically, a human could use the same whirlpool, but we

We have strategic planning sessions that we conduct with our managers. We try to look at the whole world and find out where we are weak.

Name-brand recognition is an example of a weakness. We're not Jacuzzi, we're not Kohler. We're just a little company in Sugar Hill, Ga. We just sell through distribution, but we would like people to come into showrooms and say, 'We want an MTI whirlpool or bathtub.'

We've worked at getting better at it, but how do you sell your product before you have the name-brand recognition? The answer is with the showroom people who can learn your product and realize it might be better quality or more innovative, and they can lead the consumer to you. So we work first on getting name-brand recognition in the industry.

Q. How do you build brand recognition?

We, as a company, started trying to sell up. Well, this is like moving from Wal-Mart to Saks Fifth Avenue. It can't be done overnight. We regained our focus on trying to be the best in the world at making these tubs and communicating that to the people who had the power to sell our product.

We came up with another innovation — the jetted laundry sink — and that got huge attention. That got us into a lot of high-end showrooms that would not speak to us earlier.

Then, every year, we were lucky enough to come up with something else. You've got to razzle-dazzle them. <<



"You've got to razzle-dazzle them."

took the elements of our whirlpool and made it fit the needs of a person who might be washing a dog.

Q. How do you identify your strengths and weaknesses?