

THE Barrett Bugle

CUSTOMER SPOTLIGHT

Focusing on what they do best

Founded in 1982, Sunco is a family-owned company that has been in business for over 25 years. The company was founded on the principle of "Great Cabinets, Quality People."

The quality of their product is their main selling feature. Sunco Cabinets starts with a selection of only the finest woods and materials and assembles the finished product using traditional craftsman techniques. The result is a high quality cabinet at an affordable price that exceeds customer expectations. Their product line includes highly crafted all-wood kitchen cabinetry, bathroom vanities, medicine cabinets, cultured marble tops, and related bath accessories.

Sunco also believes that a successful business is built upon a **commitment to service and customer satisfaction**. Sunco's corporate goal has been to meet all their customers' expectations with integrity and respect. It has been the successful execution of both principles, through the quality of their products, employees, and their dealers, that has made Sunco the successful company it is today.

Barrett Distribution, with its history of customized warehousing and logistics solutions, shares this value of meeting customer expectations with integrity and respect. Barrett was a natural fit to partner with Sunco to provide distribution services for their growing organization.

"Traditionally, we have handled all our operations in house, but as our company has grown the distribution aspect of our operations started to impact our other departments. **By partnering with Barrett Distribution, we were able to develop a flexible stand-alone distribution operation that allows Sunco to focus on manufacturing while maintaining a high level of service to our customers.**" says David Sun of Sunco Cabinets.

Barrett is able to provide technology-based, chain-wide logistics and distribution solutions to Sunco with "best of breed" warehouse management and information systems. The Blueprint™ process enables Barrett to expand our relationships with our clients, and allows us to leverage our investment in technology to drive down the client's total cost of distribution and logistics. Our Blueprint™ process was developed from our deep experience in logistics and distribution design, implementation, operations, and systems deployment. Coupled with an infectious commitment to continuous improvement and customer satisfaction, **Barrett takes pride in having customers like Sunco view us as a critical key to their own success.** ➔

—Kevin Moran, Franklin



News and information for and about the customers and employees of Barrett Distribution Centers

February 2010

EMPLOYEE OF THE YEAR

Diane Alfred awarded for outstanding performance

We are pleased to announce that **Diane Alfred is the 2009 Richard J. Barrett Employee of the Year.**

Diane has been a top performer since she joined the company 7 years ago. In fact she has been recognized for superior performance in prior years as a finalist for our company's most prestigious award. In 2009 Diane brought her performance to a new level.

Diane was a key contributor to many of our successes, and specifically those of our key clients, in 2009:

- ▶ Preparing winning sales proposals for our two largest new customers
- ▶ Training the team in Fairfield, California as they prepared to startup new customers
- ▶ Managing a 100% increase in volume for her largest customer
- ▶ On-boarding new clients in a variety of capacities

Diane has embraced her new role as our

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Family Business Successes

The following is a reprint of an article written by Arthur Barrett for the December 2009 Worcester Business Journal

There are not many career opportunities that are more rewarding than running your own business. When that business is a family legacy, the endeavor is even more rewarding.

Think of how often a child follows in the footsteps of the parent's career, especially a professional vocation. Often a "family" law practice or medical practice describes not just the type of legal or medical services delivered; but also describes the business entity, a family business. Likewise a building trade often morphs into a family business when the son or daughter follows the parent's lead and progresses from apprentice to journeyman to master.

These are exceptional examples of the son or daughter learning at the knee of the parent, embracing the trade or profession, and then enrolling in formal training to make a career within that vocation. There are so many more opportunities for growing a family business in other lines of work, where there is room for the family member to carve out an appropriate position within the business; a position with defined roles and responsibilities.

Here, then, are a few pearls of advice, or really "lessons learned", from running a family business.

Three Keys to Success:

- 1. After they complete their formal education, encourage the "apprentice" (the son or daughter, or sibling) to start a career outside of the family business.** The advantages are numerous:
 - ▶ The apprentice gains confidence in their ability to make it "on their own", without the nurturing (protection) of the m/patriarch.
 - ▶ Likewise the apprentice's supervisor, often not a family member, delegates to the apprentice with greater confidence that the subordinate can really handle the job.
 - ▶ The entrant into the business brings skills,

ideas, and decision-making experiences that s/he can germinate within the family business.

2. Separate family issues from business issues

You would not bring your family issue to work if you were not a relative of the founder/owner. Do not dilute your business focus with issues that need to be resolved at home.

3. Establish a fair compensation package that is market-driven

- ▶ Overpaying a family member relative to the value of their position may cause animosity among peers and even superiors in the organization; and could put strain on the company's finances during a downturn in business.
- ▶ Underpaying a family member can cause resentment, particularly at home when the family member has kids to support.
- ▶ So establish a fair salary and, where appropriate, consider a profit sharing or bonus program that allows each family member (ideally, every employee) to share in outstanding results.

Three Reasons Family Businesses Outperform:

1. Family values are knitted throughout the organization.

- ▶ While it may sound corny, it is true that our company values are really a reflection of our family values.
- ▶ We help employees with personal issues as though they are part of the family. This behavior can have good or bad results, but the positives definitely win out.

2. Family businesses tend to have generous benefits packages.

3. Both of the above, in turn, create great loyalty among employees. Lower turnover helps us outperform the competition and create higher profit sharing for the

employees and higher shareholder value for the owners.

Three Reasons Customers like to do business with a Family Business

1. Trust

There has to be trust among the family members for the business to succeed. This feeling of trust permeates the entire organization. Customers sense this high level of trust, and it helps us when we are competing for their business.

2. The "Name on the Building" advantage.

When we are pitching a significant new customer our CEO loves to land the point that "I will be personally coming to you to present our quarterly performance results." Tim Barrett is convincing when he says that he is "not going to come to you to talk about problems we caused but instead to talk about examples where we demonstrated outstanding commitment to you." This commitment, in turn, opens opportunities for us to deepen our relationship with the client as they entrust us with larger responsibility for their supply chain.

3. Longevity

Many industries are ripe for consolidation, especially where the industry is fragmented (a lot of small players). So many of these mergers completely alter the form and appearance of the acquired company: 2-3 years later none of the customers and very few of the employees remain. Customers know this, and like doing business with a multi-generation family business, with the expectation that the family members will continue to service their needs in the long term.

Of course there are plenty of disadvantages that family dynamics can present: too many cousins, family strife, divorce, etc. But that is a story for another article (by another author!). 🗨️

—Arthur Barrett, President



Diane Alfred, *cont. from page 1*

most senior customer service representative by assuming responsibility for some of our highest volume accounts. Diane is also a key contributor for our sales process, instilling high confidence in prospective clients that we will be a good partner and help them succeed. Diane then follows through on Barrett's commitments and makes sure we handle their business successfully.

Diane's "can-do", upbeat demeanor is an example for others in the company to follow. She cares deeply about our commitments to customers, excelling at "One Call Resolution" and truly personifying the criteria for Richard J. Barrett Employee of the Year.

We recognized several other employees for their superior performance in 2009:

- ▶ **Bruce Hunter**, truck driver who works out of our Mansfield DC
- ▶ **Tony Lopes**, truck driver in our dedicated logistics operation
- ▶ **Kasey Phetsomphou**, warehouse associate in Advance Auto-Leicester
- ▶ **Dave Zazdiejko**, supervisor in Advance Auto-Leicester
- ▶ **Mark Maher**, supervisor in Advance Auto-Rochester
- ▶ **Renee Masse**, warehouse associate in Mansfield
- ▶ **Adam Ballarino**, warehouse associate in Franklin

Criteria for the Richard J Barrett Employee of the Year Award are based on the fundamental principles that our brother, Rich Barrett, demonstrated every day:

- ▶ Exceeds expectations of customers
- ▶ Exceeds expectations of peers
- ▶ Exceeds expectations of management
- ▶ Thinks first about what is best for the team over what is best for self
- ▶ Creates a great work environment through positive attitude
- ▶ Cares deeply about the success of Barrett Distribution Centers
- ▶ Integral in Barrett being recognized by customers as a leader and best in class 3PL

All of our finalists demonstrate these values to their peers and customers every day. Please congratulate them when you see them or talk to them! 🚗

—Tim Barrett, COO

DIRECTOR'S POINT OF VIEW

Customer-driven reorganization improves productivity



In May 2009 we took a hard look at responsibilities and work streams in our Franklin distribution center, and came up with a plan to reorganize the reporting structure and improve our performance. **Six months into this endeavor we are very pleased with the results.**

Supervisors and associates historically had responsibility for functions such as receiving or picking. After visits to other companies and some internal brainstorming, we implemented a **more self-sufficient team approach that heightened accountability.** The supervisor and his/her team of associates now have responsibility for all functions required to service a group of customers. The warehouse team now aligns with a lead Customer Service Representative and **drives improved results as the team shares the same customer focus.**

In order to effect this transition, we solicited input from managers, supervisors and hourly associates. We wanted to find the best way to ultimately improve performance. Involving the team members in the decision process brought

up many ideas on how the reorganization would work best. It also ensured buy-in from the people who would have to make it work.

In June we created four work teams within Franklin (see diagram). We assigned associates to these dedicated customer teams. The decision process was partially based on the following criteria:

- ▶ **Skill set of the associates**—each Team needed to have 3-5 experienced reach truck operators.
- ▶ **Activity of the customer**—we wanted to balance the activity level of each team's total customer base.
- ▶ **Location within the facility**—we took into account the location of the customer within the facility to keep each team's customers in close proximity and create separation between the work teams.
- ▶ **Alignment with a lead Customer Service Representative.**

The team concept has been in place for seven months and the initial results have been positive. We have found that customer-focused

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Barrett goes great distances to help those in need

In 2009 **Bob Willert** and **Tim Barrett** rode their bicycles 90 miles in the 30th annual Pan-Mass Challenge. Collectively they raised \$9,000 for cancer research.

The Pan-Mass Challenge is the largest annual fund raiser for the Jimmy Fund/Dana-Farber Cancer Institute, the signature charity of the Boston Red Sox. Last year was the second Pan-Mass ride for Tim and the fourth Pan-Mass for Bob. In 2009, for the second straight year, the Pan-Mass Challenge eclipsed \$30 million in contributions to the Jimmy Fund. This event has raised \$240 million for cancer research since its inception in 1980.

Also, in 2009 **Chuck Collins** redoubled his PMC effort from a year prior by pacing **Arthur Barrett** through the 50 mile Rodman Ride for

Kids. Don Rodman, a local businessman and philanthropist, has sponsored this bicycle fund raiser for 15 years. Mr. Rodman underwrites all of the event's expenses, and adds 15% to the amounts raised by all riders. Collectively, for the second straight year, the Rodman Ride raised over \$6 million for 35 child-related social service agencies. This fall Chuck and Arthur tied for fifth place in funds raised by Rodman cyclists. Their efforts directly benefited three institutions for which they rode:

- ▶ Cradles to Crayons
- ▶ Catholic Charities
- ▶ America SCORES

More information about these charity rides can be found at www.pmc.org and www.rodmanrideforkids.org 🚗

—Linda Skrzat, Mansfield



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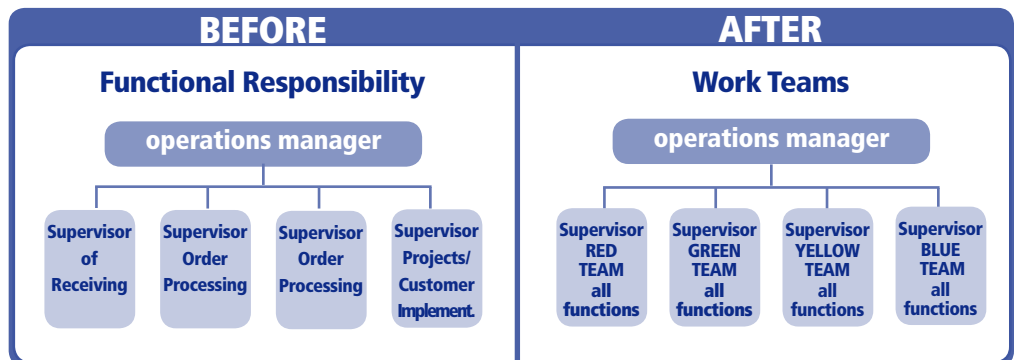
Customer-driven reorganization, *continued from inside*

work teams with self-contained accountability make **more efficient use of manpower**, as they communicate more and raise relevant work knowledge.

As we build upon this concept, other benefits are being realized, such as:

Development of Supervisors and Associates

- ▶ Supervisors are now responsible for their team's P&L, and they complete a monthly forecast with weekly updates to make sure they are on track to meet team projections.
- ▶ Supervisors are tracking all labor, and are able to effectively allocate labor and measure productivity by account.
- ▶ Supervisors have objective tools to coach and develop their staff.
- ▶ Each Supervisor is accountable for his team's results.
- ▶ Associates are learning multiple system



functions, and are applying them to increase efficiencies.

- ▶ Associates gain a more complete understanding of their customers' products and requirements.

Teams are assuming ownership of operational metrics, and working within their team to improve. We created a scorecard that tracks completion of daily, weekly, and monthly

responsibilities. Supervisors are coaching their staff daily to reach an established goal for each metric. Alignment of each Supervisor with a lead CSR has fostered better communication among operations, customer service and the customer. **The effectiveness of the change is a tribute to the quality of our people, and their ability to embrace change.**

—Bob Willert, Director of Operations