

Leadership Conversation

Evening Post Industries, Inc. – Joe Waring

Video Length: 14:59

<https://www.youtube.com/watch?v=JoEn0BOGNsk&feature=youtu.be>

Topic	Time
<p>How did your prior experience working in finance help you when you became CHRO?</p> <ul style="list-style-type: none"> - The blend of general experience allowed for quick understanding of the role - Able to understand how to add value early on 	<p>0:58</p>
<p>How can HR use accounting and finance? What tools make this function better?</p> <ul style="list-style-type: none"> - Modern practice of HR is linked with finance - Benefits are expensive - Legal involvement has increased - “Understand the rules of the ball game”, understand how HR influences the things that have monetary implications 	<p>1:58</p>
<p>How has your experience in HR now helped you in your role as CFO?</p> <ul style="list-style-type: none"> - Within HR, the opportunity to get to know employees and work with key managers, understand compensation and benefits philosophy, and know the issues that come with acquisitions or divestitures gives the ability to anticipate those as the COF, but work to allay those concerns as well 	<p>2:39</p>
<p>Is gaining experience in HR something that you would advocate for others going up through the finance ranks?</p> <ul style="list-style-type: none"> - Experience as a CHRO was invaluable <ul style="list-style-type: none"> o Helped understand in-house benefit structuring and the effect it has on risk aversion o Recognize the value of employees and the role they have on executing strategic vision - Establishing relationships with employees/managers has made it easier to convey financial ramifications of all decisions that are made - “HR was the conduit for me to be able to do my job” 	<p>3:30</p>
<p>Provide an example of how decisions may be different, or the process of decision making might be different with having these experiences.</p> <ul style="list-style-type: none"> - Benefits survey was conducted to gauge the preferences of employees - Data was collected and analyzed to see how the monetary implications were coming to bear - Understanding this afforded the opportunity to re-slice the benefits to match the expectations of employees - As a CFO with no HR experience I wouldn’t have understood how creatively to do that – provided a more personalized benefits package 	<p>4:35</p>
<p>Have the results from that led to greater engagement with employees, greater commitment, or greater performance ultimately?</p> <ul style="list-style-type: none"> - Yes, able to take the results and show employees “we listened, we heard, we care” - Serving your employees is a crucial competitive advantage 	<p>5:37</p>

<p>Your company is so diversified and you're pulling in new industries, what are some of the challenges associated with doing that? How do you do it? How do you keep on top of all of these different industries?</p> <ul style="list-style-type: none"> - 1). Humility – don't overestimate what I think I know/what our management team thinks we know - 2). Hire experts on different business lines as needed - 3). Keep the core ethos of the company – family-owned aspect of “we are here to serve the communities in which we operate” - 4). Figure out the commonality between business lines and give them the room and the autonomy to operate 	<p>6:16</p>
<p>Is it the commonality between business lines that helps you get the synergies to make all of these things work together?</p> <ul style="list-style-type: none"> - We have been lucky to hire good people who want the ability to operate - We work to incentivize them correctly and then get out of their way - Try to remove as many obstacles as we can - The real reason behind our company's success is that we've been able to attract and retain good people with integrity who are good business operators 	<p>7:14</p>
<p>Is it a fair assumption to make that when choosing to purchase a new company you first evaluate the talent that is there, especially the talent of the executive leadership team?</p> <ul style="list-style-type: none"> - Yes, at this point we have the key senior leadership team, so it isn't quite as necessary to integrate everyone from an acquisition - But we have built an identity and right now we are right where we need to be 	<p>8:20</p>
<p>How do you evaluate an external leadership team?</p> <ul style="list-style-type: none"> - Focus on integrity, passion, someone who's going to run the business as if it is their own - Compensation philosophy is obviously different across different business lines, have to determine what metrics or incentive schemes work 	<p>9:13</p>
<p>What are your thoughts regarding the ongoing debate about the value and relationship between strategy and the execution of that strategy? Does execution carry a lot of weight in that?</p> <ul style="list-style-type: none"> - Day in day out it is execution that drives the strategy - It's identifying problems, look at sales, and understand the efficiency in which you operate 	<p>10:03</p>
<p>What things do you think really drive that execution?</p> <ul style="list-style-type: none"> - Data, understand the environments in which you operate - Look at each business segment individually to understand what drives success 	<p>10:50</p>
<p>How do you go about understanding a business? What suggestions or steps do you follow to help you analyze and understand a business and then to figure out how to execute really well?</p> <ul style="list-style-type: none"> - Don't skimp on advisory resources - Bankers/business brokers help you identify an opportunity or management team - Lawyers and external consultants help understand the ramifications of the business we are getting in to - Have a team, a corporate team, that works hand in hand to avoid getting lost in communication 	<p>11:43</p>

<p>It is often taught that people need to find an expertise, a core competence to excel. Can you say a little bit about that that may be in a situation where you have so many different companies in so many different industries?</p> <ul style="list-style-type: none"> - Personally, disagree with the thesis that you need to find something and specialize early. - My career path as a generalist has allowed me to adapt and learn and eventually the themes start tying into each other - “If somebody said you need to specialize, I think that what you want to do is get as much exposure to different themes as you can and then naturally see how they tie together.” 	12:51
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Helpful Quotes:

“There is no better way to learn how to pull the strategic levers in the company than to actually know the employees of the company.”

[2:56](#)

“Anyone can pay someone whatever the market rate is, but really a lot of people want the ability to operate, create, and influence the path that their company is going on.”

[8:04](#)

Discussion Questions:

1. Why is it important to incentive employees properly? In what ways could this be done?
2. What factors go in to determining a company’s strategy? Why is this important?

Company	Leader	Topics
Evening Post Industries, Inc.	Joe Waring, CFO	Strategic Partnerships, Business Sustainability, Strategy Implementation and Execution