SPECIAL REPORT 2022-23

## PLAYING TO WIN IN BUSINESS 5 RULES FOR SUCCESS



## AGENDA

WIIFM VS WIIFW WORKING TOGETHER FOLLOW THE 5 RULES: 1-FOCUS ON OUTCOMES 2-FOCUS ON THE WHAT 3-CLEARLY DEFINE OUTCOMES

4-PRICING MODEL
5-SUPERVISED GOVERNANCE HOW DO YOU START?

## RONALD REGAN'S FAVORITE JOKE

THERE WERE TWO LITTLE BOYS ONE, A PESSIMIST, AND THE OTHER, AN OPTIMIST.

A PSYCHIATRIST WAS CALLED IN TO TREAT THE BOYS. HE TREATED THE PESSIMIST FIRST BY TAKING THE BOY INTO A ROOM FILLED TO THE CEILING WITH ALL SORTS OF WONDERFUL TOYS. THE LITTLE BOY BEGAN CRYING. "WHY ARE YOU CRYING?" ASKED THE
PSYCHIATRIST. "WOULDN'T YOU LIKE TO PLAY WITH ANY OF THESE TOYS?" "YES" REPLIED THE BOY, "BUT IF I DO, I WILL ONLY END UP BREAKING ALL OF THEM."

THE DOCTOR THEN TOOK THE BOY WHO WAS THE OPTIMIST INTO A ROOM FILLED COMPLETELY WITH HORSE MANURE.THE BOY CRIED OUT WITH DELIGHT, CLIMBED TO THE TOP OF THE MANURE PILE, AND BEGAN DIGGING THROUGH WITH HIS BARE HANDS.
"WHAT IN THE WORLD DO YOU THINK YOU ARE DOING?" THE PSYCHIATRIST ASKED. "WITH ALL THIS MANURE," THE LITTLE BOY REPLIED, SMILING FROM EAR TO EAR, "THERE MUST BE A PONY IN HERE SOMEWHERE!"

REAGAN'S STAFF HEARD THIS JOKE SO MANY TIMES THAT WHENEVER SOMETHING WOULD GO WRONG, SOME STAFF MEMBER WOULD SURELY SAY, "THERE MUST BE A PONY IN HERE SOMEWHERE."

EVERYONE WANTS TO KNOW THE KEY TO SUCCESS IN BUSINESS BUT THERE IS NO SINGLE KEY. IT'S A COMBINATION OF SEVERAL STRATEGIES COVERED IN THIS REPORT. MANY PROFESSIONAL BUSINESS WRITERS HAVE WRITTEN ABOUT WHAT MAKES A TRULY GREAT BUSINESS, ABOUT WHAT CAUSES SOME BUSINESSES TO SUCCEED WHERE OTHERS FAIL AND GIVEN US A FEW IDEAS ON HOW THE GREAT ONES HAVE BUILT TRANSFORMATIONAL AND GAME-CHANGING BUSINESS RELATIONSHIPS.

WHO ARE THOSE COMPANIES THAT HAVE BUILT THE BEST BUSINESS RELATIONSHIPS? WHO ARE THEY AND WHAT KIND OF RELATIONSHIPS ARE WE TALKING ABOUT? CERTAINLY, MCDONALD'S, CHICK-FIL-A, PROCTER \& GAMBLE'S, AND MICROSOFT, TO NAME JUST A FEW, ARE SOME OF THOSE COMPANIES WHO HAVE DEVELOPED THE KIND OF RELATIONSHIPS WITH THEIR PARTNERS, CUSTOMERS, SUPPLIERS, DISTRIBUTORS, AND YES, EVEN THEIR COMPETITORS THAT HAVE HELPED THEM TO ACHIEVE EXTRAORDINARY RESULTS.

THESE COMPANIES HAVE DEVELOPED A UNIQUE BUSINESS RELATIONSHIP PHILOSOPHY OF "WHAT'S IN IT FOR WE?" (WIIFW) AS OPPOSED TO THE MORE WELL-KNOWN CONCEPT OF "WHAT'S IN IT FOR ME? (WIIFM). AND WITH THIS WIIFW PHILOSOPHY, THEY HAVE CLIMBED TO BUSINESS SUCCESS HEIGHTS THAT MOST PEOPLE BELIEVE ARE IMPOSSIBLE - WHERE ALL PARTIES CAN BE WINNERS. BELIEVE IT OR NOT, NOBODY (NO COMPANY) NEEDS TO BE THE LOSER.

## HOW MANY TIMES DO WE SEE THE MANURE BUT FAIL TO SEE THE PONY?

THE CONCEPT OF THE PONY MAY BE CALLED A "PERSPECTIVE." DO WE SEE PROBLEMS AS JUST A BUNCH OF THINGS WE CANNOT RESOLVE? OR, IS OUR PERSPECTIVE THE ABILITY TO SEE PROBLEMS AS OPPORTUNITIES - TO SEE THE ART OF THE POSSIBLE WHEN OTHERS CANNOT?

OF COURSE, SOME PROBLEMS ARE RELATIVELY SMALL AND CAN BE DEALT WITH WITHOUT TOO MUCH INCONVENIENCE. THEY ARE TOLERABLE ISSUES WITH EASY FIXES. AND THEN THERE ARE THOSE TYPES OF PROBLEMS THAT ARE A LOT BIGGER. MOST OF US HAVE NAMES FOR OUR BIG PROBLEMS: IMPOSSIBLE. UNWORKABLE. IMPRACTICAL. P\&G REFERS TO THEM AS "WICKED PROBLEMS." IF YOU SOLVE A WICKED PROBLEM, YOU'LL MAKE A LOT OF PEOPLE VERY HAPPY.

MICROSOFT CALLS THE CONCEPT OF THE PONY "TRANSFORMATIONAL INITIATIVES." MCDONALD'S RECRUITS SUPPLIERS TO HELP IT ACHIEVE ITS "PLAN TO WIN." NO MATTER WHAT YOU CALL IT, THE PONY REPRESENTS THE POTENTIAL TO UNLOCK VALUE-CREATING OPPORTUNITIES WHEN OTHERS CANNOT. THE MOST SUCCESSFUL COMPANIES HAVE LEARNED TO LOOK AT THEIR CUSTOMERS AND SUPPLIERS WITH A NEW PERSPECTIVE, A VIEWPOINT THAT ACTIVELY SEEKS BUSINESS PARTNERS TO TURN TOUGH PROBLEMS INTO OPPORTUNITIES TO CREATE A POWERFUL, COMPETITIVE ADVANTAGE. FIND THE PONY, CREATE VALUE; CREATE WORTH WHEN OTHERS CANNOT, AND YOU HAVE A REAL COMPETITIVE ADVANTAGE. SOLVE A WICKED PROBLEM, AND YOU MAY EVEN BE ABLE TO CREATE A COMPETITIVE ADVANTAGE THAT HAS THE POWER TO CHANGE THE WORLD.

## WORKINE TOE:THER MEANS WINNNNG TOEETHER



WORKING TOGETHER MEANS WINNING TOGETHER

PROCTOR AND GAMBLE HAD A PROBLEM. AFTER LAUNCHING ITS VERY SUCCESSFUL SWIFFER BRAND OF CLEANING SUPPLIES THREE YEARS EARLIER, IT STARTED LOOKING FOR WAYS TO EXPAND ITS PRODUCT OFFERINGS. FIRST, THEY BEGAN WORKING ON A HANDHELD DUSTING TOOL.

THE R\&D LEADER IN THEIR DEPARTMENT, HOME CARE, FOUND THE ANSWER ON A TRIP TO JAPAN. HE FOUND A HANDHELD DUSTER THAT WAS USER-FRIENDLY AND SLEEK AND WAS CERTAINLY BETTER THAN ANY OF THE PRODUCTS THAT P\&G WAS TESTING AT THAT TIME. UNFORTUNATELY, THE DUSTER WAS OWNED BY UNICHARM, A JAPANESE COMPANY THAT WAS A FIERCE COMPETITOR IN ASIA'S DIAPERS AND FEMININE PRODUCTS MARKETS. WHAT WAS SO CONSUMER-FRIENDLY ABOUT THE UNICHARM DUSTER WAS THAT IT CONSISTED OF A CURLY FIBER THAT CAPTURED DIRT AND DUST FAR BETTER THAN ANYTHING P\&G HAD DEVELOPED.

SINCE UNICHARM DIDN'T COMPETE WITH P\&G IN THE HOME PRODUCTS MARKET, P\&G WONDERED IF IT WOULD BE WILLING TO COLLABORATE AND DECIDED TO PRESENT THE IDEA TO UNICHARM. LUCKILY, UNICHARM WAS OPEN TO THE IDEA, AND ULTIMATELY P\&G BOUGHT THE RIGHTS TO THE DUSTER OUTSIDE OF JAPAN.

TO DECREASE TIME TO MARKET, UNICHARM CONSTRUCTED THE DUSTERS AND HELPED START UP NEW PRODUCTION AT A P\&G PLANT IN CANADA. BOTH COMPANIES EVEN SHARED THE SAME ADVERTISING.

THE SWIFFER DUSTER WAS AN IMMEDIATE SUCCESS, AND IN THE FIRST FOUR MONTHS, IT EARNED OVER \$100 MILLION IN SALES. CONSUMERS LOVED THE WAY THIS NEW DUSTER TRAPPED THE DUST AND DEBRIS IN ITS CURLY FIBERS. BOTH P\&G AND UNICHARM WERE WINNERS, AND THEY CONTINUE TO WIN EACH YEAR.

SOLVING A PROBLEM - TOGETHER. SHARED VISION. SHARED RISK. SHARED REWARD.
WE HAVE ALL BEEN LULLED INTO THE TRAP THAT "WINNING" MEANS THAT SOMEONE ELSE HAS TO LOSE. INSTEAD, THE GOVERNING DYNAMIC SHOULD BE TO SET A CLEAR STRATEGY AND WORK MUTUALLY TO WIN-TOGETHER.

HOW DO YOU PLAY TO WIN? IT'S EASY TO SAY THAT EVERYONE NEEDS TO PLAY NICE. BUT PLAYING A GAME REQUIRES A BASIC KNOWLEDGE OF SOME RULES. NOT KNOWING THESE RULES MAY RESULT IN CHAOS AND IGNORING THE RULES LEADS TO AGGRAVATION.

WORKING TOGETHER IS A GREAT GAME TO PLAY, SHIFTING THE CONCENTRATION FROM WIIFM TO WIIFW. IT HAS WINNERS AND MORE WINNERS. IT LOOKS FOR A PONY THAT EVERYONE CAN SHARE.

HOWEVER, IT DOES HAVE RULES. FOLLOWING SOME OF THE RULES WILL LEAD TO SOME SUCCESS. BUT IT ISN'T A COMPLETE SUCCESS. PLAYING BY ALL THE RULES IS NECESSARY TO MINIMIZE THE TRANSACTION COSTS CONNECTED WITH ANY AGREEMENT. WANT TO PLAY? FIRST, LEARN THE RULES.

THE KEY POINT IS THAT ANY WORTHY CONTRACT MUST BE FAIR AND EQUITABLE TO ALL PARTIES IN THE AGREEMENT. IT WILL CHALLENGE THE ORGANIZATIONS TO CONCENTRATE THEIR ENERGY ON REVEALING SHORTAGES AND PROBLEMS RATHER THAN BARGAINING FOR A WIN AT THE OTHER PARTY'S EXPENSE.


## FOLLOW THE 5 RULES

ANY GREAT BUSINESS RELATIONSHIP VYING FOR A WIN-WIN FOLLOWS FIVE SIMPLE RULES. THEY ARE EASY TO UNDERSTAND BUT SOMETIMES HARD TO FOLLOW. IT REQUIRES TRUST AND TRANSPARENCY. PEOPLE WORK TOGETHER ON A FOUNDATION OF TRUST AND TRANSPARENCY WHERE THERE IS MUTUAL ACCOUNTABILITY FOR ACHIEVING THE DESIRED RESULTS.

THROUGH THE CAREFUL DETERMINATION OF DESIRED RESULTS, BUSINESS PARTNERS CAN GIVE THEIR BEST TO EACH OTHER. TOGETHER THEY WILL BRING THE SKILLS AND RESOURCES TO NOT JUST PERFORM ACTIVITIES BUT TO ACHIEVE TRANSFORMATIONAL SUCCESS.

RULE \#1: FOCUS ON OUTCOMES, NOT ACTIVITIES
FOCUSING ON OUTCOMES CHANGES THE CONVERSATION. IT COMES FORWARD TO EVALUATE AND CALCULATE RESULTS, NOT EFFORT.

RULE \#2: FOCUS ON THE WHAT, NOT THE HOW
ONE OF THE GREATEST ENIGMAS IN BUSINESS IS THAT WE HIRE EXPERTS (SUPPLIERS AND EMPLOYEES) TO HELP US AND THEN FALL INTO THE TRAP OF TELLING THEM EXACTLY HOW TO DO THEIR JOB.

TO BUILD THE BEST BUSINESS RELATIONSHIPS, EACH PARTY NEEDS TO MAKE A PARADIGM SHIFT. YOU CAN'T DO EVERYTHING YOURSELF. GO OUT AND FIND THE BEST EXPERTS TO HELP YOU.

FIRST, DETERMINE WHICH EXPERTS ARE THE BEST IN THEIR FIELDS, AND THEN CHALLENGE THEM TO DO THEIR JOB BUT DO NOT TELL THEM HOW TO DO IT. BE CONVINCED THAT THEY WILL SIGNIFICANTLY IMPROVE YOUR METHODS AND PROCEDURES AND WILL GET THE BEST RESULTS ON THEIR OWN.

## RULE \#3: CLEARLY DEFINE AND MEASURE YOUR DESIRED OUTCOMES

WHAT DOES SUCCESS MEAN? HOW IS IT DEFINED? HOW IS IT MEASURED? WHAT OUTCOMES ARE DESIRED? FOR EACH PERSON, SUCCESS MIGHT BE DISSIMILAR OR MAY EVEN BE DEFINED VERY DIFFERENTLY.

KNOWING HOW SUCCESS IS DEFINED IS A CRITICAL RULE. IT REMOVES AMBIGUITY; EVERYONE KNOWS WHAT YOU ARE TRYING TO ACCOMPLISH AND HOW SUCCESS WILL BE MEASURED. EVERYONE SHOULD SPEND TIME ESTABLISHING CLEAR DEFINITIONS. INVESTING TIME UPFRONT IS CRITICAL TO ENSURE THAT EVERYONE UNDERSTANDS WHAT THINGS YOU ARE TRYING TO ACCOMPLISH. JUST LIKE SUCCESS, YOU DON'T HAVE TO MEASURE EVERYTHING. A GOOD RULE OF THUMB IS THAT THERE SHOULD BE NO MORE THAN FIVE SUCCESS FACTORS.

RULE \#4: A PRICING MODEL AND INCENTIVES
COMPANIES SHOULD SHIFT FROM A PRICE TO A PRICING MODEL - ESPECIALLY FOR MORE COMPLEX, STRATEGIC RELATIONSHIPS. BUSINESS PARTNERS SHOULD BE ENCOURAGED TO WORK TOGETHER TO INNOVATE. WINNING IS GOOD, BUT THE FOCUS SHOULD BE ON WINNING TOGETHER - NOT WINNING AT THE EXPENSE OF YOUR BUSINESS PARTNER.

WINNING IN THIS WAY RELIES ON TWO PRINCIPLES. FIRST, ECONOMICS SHOULD REWARD THE PROVIDER (TEACHER, PHYSICIAN, SUPPLIER, EVEN EMPLOYEE) FOR DELIVERING SOLUTIONS, NOT JUST ACTIVITIES. WHEN PROPERLY CONSTRUCTED, EVERYONE SHOULD BE GIVEN THE INCENTIVE TO WORK TOGETHER TO SOLVE PROBLEMS PREEMPTIVELY. THE MORE SUCCESSFUL THE RELATIONSHIP AND THE OUTCOMES IT PRODUCES, THE MORE PROFITS THE COMPANIES (AND EMPLOYEES!) CAN MAKE.

SECOND, A PRICING MODEL SHOULD BALANCE RISK AND REWARD FOR ALL PARTIES. AFTER ALL, IF YOUR PARTNER INVESTS IN A SUCCESSFUL SOLUTION TO YOUR PROBLEMS AND BY DOING SO, EXPANDS THE PROVERBIAL PIE FOR YOU, SHOULDN'T THEY BE ENTITLED TO A PIECE OF THAT PIE?

RELATIONSHIPS, LIKE CHILDREN, NEED TENDING. BECAUSE CONTRACTS ARE DELIVERED OVER TIME, THEY HAVE TO BE MANAGED AND GOVERNED OVER TIME BY THE PARTICIPANTS.

THERE NEEDS TO BE OPEN
AND HONEST FEEDBACK AND HONEST FEEDBACK FROM ALL PARTIES IN THE RELATIONSHIP. THAT WILL HELP MAKE SURE THAT EVERYONE IS PLAYING BY THE RULES AND WINNING. THE CONTRACT (AND THE RELATIONSHIP) CHANGES AS THE BUSINESS CHANGES.

## ABOVE ALL ELSE, THE RELATIONSHIP IS ABOUT BEING FAIR, NOT JUST AT THE START OF THE GAME BUT DURING THE GAME AS WELL.



# IT'S DIFFICULT, IF NOT IMPOSSIBLE, TO ACHIEVE SUCCESS ALONE 



# ASK MCDONALD'S, AND THE 

 COMPANY WILL TELL YOU ITDIDN'T DO IT ALONE. SUCCESS CAME WITH THE ENTREPRENEURSHIP AND LEADERSHIP OF MCDONALD'S SUPPLIERS AND RESTAURANT OWNER/OPERATORS. .

## HOW DO YOU START?

SUCCESSFUL BUSINESSES AND BUSINESS RELATIONSHIPS START WITH WE. THEY START WITH BEING HUMBLE ENOUGH TO RECOGNIZE THAT "WE" IS MORE POWERFUL THAN "ME."

RECOGNIZE THAT TOGETHER YOU CAN ACHIEVE MORE THAN BY GOING IT ALONE.
SOMETIMES YOU NEED A PARTNER TO REACH YOUR HIGHEST POTENTIAL. IT CONTINUES BY SEEKING OUT LIKE-MINDED INDIVIDUALS AND ORGANIZATIONS THAT CAN HELP YOU. THOSE INDIVIDUALS WITH THE SKILLS AND INSIGHTS TO HELP YOU FIND A PONY, WHEREAS OTHERS SIMPLY SEE A PROBLEM OR PILE OF MANURE. BUT MOST IMPORTANT, IT REQUIRES A TRUE COMMITMENT TO PLAY BY THE RULES-TO PLAY IN A CREDIBLE AND FAIR MANNER.

SHARED VISION - SHARED RISK - SHARED REWARD. ALL IN SUPPORT OF A WIN-WIN RELATIONSHIP.

SUPPLIERS AND OWNER/OPERATORS ARE KEY LEGS IN A THREE-LEGGED STOOL. THIS IS A RADICAL APPROACH TO WORKING WITH BUSINESS PARTNERSESPECIALLY SUPPLIERS. SUPPLIERS KNOW THEY DON'T JUST HAVE A SEAT AT THE TABLE; THEY ARE A CRITICAL PART OF MAKING THE SYSTEM WORK. AND MCDONALD'S IS A SYSTEM TO BE RECKONED WITH.

UNDERSTANDING THE NATURE OF POTENTIAL BUSINESS PARTNERS, WHETHER CUSTOMERS OR SUPPLIERS, IS A CRITICAL STEP IN ACHIEVING A SUCCESSFUL RELATIONSHIP. THEY NEED TO BE LIKE-MINDED AND WILLING TO SHARE.

IDENTIFYING LIKE-MINDED INDIVIDUALS AND COMPANIES IS NOT AN EASY TASK. SOME INDIVIDUALS MAY BE LIKE-MINDED BUT WORK IN A LESS-THAN-SHARING ENVIRONMENT. HOW CAN WE DISCOVER IF CERTAIN INDIVIDUALS HAVE THE ABILITY TO PLAY NICE? TO FIND OUT IF THEY BELIEVE IN MUTUAL PROSPERITY, NOT MUTUAL DESTRUCTION, YOU CAN BOTH ANSWER QUESTIONS IN A COMPATIBILITY AND TRUST SURVEY TO HELP MAKE SUCH AN ASSESSMENT.

SOME PEOPLE, AND SOME ORGANIZATIONAL CULTURES, CAN'T CHANGE. ALTHOUGH THIS IS NOT AN OPTIMAL SITUATION, IT IS A REALITY. SCORPIONS STING. GORILLAS TEND TO ACT LIKE GORILLAS. BY READING THIS REPORT, AND UNDERSTANDING THE WIIFW PHILOSOPHY, HOPEFULLY, YOU WILL BE ABLE TO BETTER UNDERSTAND HOW TO FIND, AND BEHAVE IN, GREAT BUSINESS RELATIONSHIPS.

BUT BE FOREWARNED, YOU CAN'T PLAY "WE" WITH SOMEONE WHO ONLY KNOWS "ME." IT IS DIFFICULT (IF NOT IMPOSSIBLE) TO CHANGE THE NATURE OF SCORPIONS AND GORILLAS.

## SHARED VISION - SHARED RISK - SHARED REWARD. ALL IN SUPPORT OF A WIN-WIN RELATIONSHIP.

## win win <br> rom

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## ABOUT GRIP

GRIP WAS INCORPORATED BY CHARLES AMASH IN 1980 AND HAS GROWN INTO ONE OF THE NATION'S TOP SUPPLIERS OF INNOVATIVE PRODUCTS TO THE RETAIL INDUSTRY.

LOCATED JUST SOUTH OF GRAND RAPIDS, MICHIGAN, GRIP FEATURES A 200,000 SQ FT STATE OF THE ART WAREHOUSE FACILITY INCLUDING A 2,000 SQ FT PRODUCT SHOWROOM.

GRIP CARRIES A PRODUCT LINE OF OVER 1,000 SPECIALTY TOOLS, TARPS, AUTOMOTIVE, CARGO CONTROL, CLEANING, LED LIGHTING, MAGNETICS, OUTDOORS, HOUSEHOLD ITEMS, IMPULSE AND GENERAL MERCHANDISE. GRIP HAS A PROVEN TRACK RECORD OF EXCELLENCE IN SUPPLYING RETAIL CLIENTS WITH INNOVATIVE PRODUCTS, TIMELY FULFILLMENT, AND WORLDCLASS CUSTOMER SUPPORT. AT GRIP, EVERYTHING IS ABOUT EARNING YOUR BUSINESS...ONE CUSTOMER AT A TIME. IT'S ABOUT BUILDING RELATIONSHIPS AND FOSTERING BUSINESS PARTNERSHIPS THAT WILL LAST LONG INTO THE FUTURE. OUR GOAL IS TO HAVE CUSTOMERS FOR LIFE. THE FUTURE AT GRIP IS EXCITING AND WE'RE HOPING THAT YOU CAN BE A PART OF IT AS ONE OF OUR MANY CUSTOMERS FOR LIFE.

