



What's Better than Growing BIG? Growing BIGGER Year after Year!

Steve Sanduski:

Hey everybody, welcome to another episode of On Your Mark, Get Set, Grow. This is the podcast of CEO Coaching International where we talk to the world's leading entrepreneurs, CEOs and coaches, who are looking at to make big happen. I'm your host, Steve Sanduski and our guest today is Steve Kizy. Steve is the president of Midway Dental Supply which is a company with more than 160 employees and get this, whose slowest growth year in recent years was an amazing 41%. Steve is also a client of CEO Coaching International.

In today's conversation we explore how the company is growing so fast in a highly competitive industry and the challenges that go along with that fast growth. We discuss how to foster a culture of teamwork and pitching in that will help your firm get through the rough patches that inevitably happen. And Steve also shares the book he read and the two insights from it that have propelled his success over the past 15 years.

I know you're really going to enjoy our conversation today with Steve Kizy.

Steve, welcome to the show.

Steve Kizy:

Hi Steve. Thank you for having me.

Steve Sanduski:

Well we're excited to have you here and looking forward to learning more about your story and some of the success you've had and some of the lessons that you've learned as you have built your business over the years. Let's just start, let's go back to the early days. You're a young guy, you're still in your early 30s yet you've have tremendous success. How did you initially get started in the business world?

Steve Kizy:

When I was 14 years old in the summer, while I was in high school, I decided to open up a cellular phone store in my dad's convenience store. It was just a project, something that I thought, let me see what I could do. It actually ended

up being very successful for a 14 year old making five or \$6,000 a month in profit for three months was quite outstanding. The money went all to my father 'cause he put the investment up. That's when I saw I had a true love for sales and true love for business and understanding numbers was extremely important to me and also being able to relate to people. That's where I got my start. That's where I noticed my first love of business.

Steve Sanduski: Was there anything as you were growing up? Maybe from your dad having a convenience store that had this kind of entrepreneurial bug in you?

Steve Kizy: Getting no a lot. When I was young we weren't the most, we weren't well off. We were lower middle class but there was five kids, a lot of them were older than me, I'm the second to the youngest. When I wanted something, I needed to get five yeses. I had to get a yes from my mom, a yes from my dad, a yes from my two older brothers and a yes from my older sister. If one of them said no, I was not allowed to purchase whatever I wanted to purchase. I always to build that no excuse and if I wanted something, I wanted to be able to do it. I didn't like the answer no. I think that's what honestly pushed me into business.

Steve Sanduski: And then taking that idea of always wanting to get to yes, how have you applied that? Or have you learned any additional nuances to that over the years as you've gone onto other businesses and now running a very successful company?

Steve Kizy: Keeping an open mind and knowing that it's not everything follows one path. There's a lot of ways to get to C and sometimes you don't always have to go through B to get to C. That's what I've learned is just no matter how hard it is or no matter what happens or anything that can come up or will come up or just breaks down, you can always get through it. There's nothing that stops you. There's nothing that can take you away from your goal if you have that vision in mind.

Steve Sanduski: Well let's talk about that vision for a minute here. As you started to get into the serious business world, did you start off with a very clear vision of what you were trying to accomplish? Or did the vision develop over time?

Steve Kizy: The vision developed. I started off with a clear goal but the vision developed as I kept going and learning. Learning is extremely important and I don't want to take away anything from learning from experiences. As I experienced nuances and as I experienced how the industry's handled, I would change my path and quickly change my path but still going towards that same high level goal that I initially started with.

Steve Sanduski: And what was that initial high level goal?

Steve Kizy: To bring down this high quality product at a cost effective price but also not owning everything in their office. One thing I've learned from my competition is their employees are numbers and we've seen it all over the place. Whereas with

myself, I thought of my employees as team members and with them being team members, the last thing I wanted to do was hurt any employee and learning that business isn't only about the bottom line of course, it's very important to stay healthy, but it's also about how many people can eat from an idea that I had. It was extremely important to me to see other people succeed even more than myself.

Steve Sanduski: So you talked about this idea of being a team. How do you foster this team environment within the company?

Steve Kizy: Allowing everybody to have a voice. I listen to everybody. I might not do everything that they bring up but I do implement a lot of their ideas because when people have their thumb on the pulse, those are the right people to listen to. If you ever want to fix something, you gotta ask the person doing it not looking at it high level and deciding what to change. That's really the key to fostering a team in my opinion.

Steve Sanduski: Do you have an example of how that manifests itself in your business?

Steve Kizy: Yes. In 2016 we moved our distribution center and we moved our distribution center and we expanded to two new markets all at the same time, in the same month. It was extremely difficult to move over 11,000 SKUs and to organize it and to do it correctly and to do it all over a weekend. What ended up happening was people that did not get paid to move, I'm talking about sales reps, service technicians, people that only got paid for stuff that they sold or stuff that they did, were with me until 3:00 or 4:00 in the morning, putting product away to make sure that we can send product out Monday morning.

That was incredible because the people inside who don't see what the people outside do and the people outside that don't see what the people that work inside do, all saw each other put it into high gear and have one goal and work hard to get it done. That really built a team and still has not been forgotten. This is two years later and people still remember that weekend and what we all had to do to accomplish it. Very little sleep but we got it done.

Steve Sanduski: And of course you were there the whole time leading by example, right?

Steve Kizy: Absolutely. It's part of being CEO in my opinion is you have to know how to read the balance sheet just as well. I'm sorry, you gotta go backwards. Part of being a good CEO is knowing how to clean the toilets just as much as you know how to read a balance sheet.

Steve Sanduski: That happened a couple years ago, you said it's still the effects of that are still happening today so what effects are still happening as a result of that?

Steve Kizy: When sales reps go to accounts and one rep has a better shot than another even though it's in the rep's name that doesn't really have a good chance, they'll

convert it over right away. Less infighting. We see everybody has a common goal and they're all going for one thing which is to help Midway Dental succeed and help Midway Dental grow. Most of my recruiting services are done by people that work for me because they tell people how great it is to work at Midway Dental. That has been the driving force of our success and the driving force of our sales expansion to new markets. I couldn't ask for a better team due to that.

Steve Sanduski: It sounds like you've created a certain type of culture here that is team based and everyone is moving forward in the same direction and I think that's an objective that most CEOs and entrepreneurs are trying to get to but of course the devil is in the details. Can you give me some specifics in terms of how are you as the leader of the company, how are you fostering that type of team based culture? Maybe in terms of the communication that you're doing? Or the frequency of the communication. Or leading by example. Or what are some ways that you're fostering that type of culture that I think a lot of people really desire?

Steve Kizy: There's a few ways. One, leading by example. I'm always downstairs working with our warehouse. I'm always upstairs working with our executive team. I'm always on the road with our sales reps visiting customers and showing them and displaying what a Midway rep should do and how we should act. Two is the integrity. It's always being honest with my employees and always being able to tell them the hard truth no matter how difficult that can be. Three is, other people having my back. When I need to do something that not everybody agrees with, when I have a core management team and bringing in people that are on the road and in the service department into that management team to have a voice, where they understand why I'm making the decisions I'm making and having them stop the negative feedback that comes along with implementing a policy that not everybody would like, that's how I get things done. I have key influencers in each one of my markets with very little management in place and those key influencers keep everything to a minimum and help me succeed in my goals.

Steve Sanduski: Managing people is a difficult thing for a lot of people. How do you as the leader, how do you not only just work with your management team in terms of keeping a cohesive unit there, but also foster an environment throughout the organization where you people have good people relationships? Do you have any overarching philosophy in terms of how you work with and deal with people within the organization?

Steve Kizy: Sure. Every year we come out with, well once a quarter we adjust it, but we come out with a vision statement and shows them where we want to end up. What type of revenues we're looking for. What type of margins we're looking for. What type of fill rates we're looking for. And pushing the team towards a goal that's obtainable is what's easy. And putting out there in the beginning so

they know what they're KPIs are, is keeps everybody in line and focused on what needs to get done.

Steve Sanduski: Let's talk a little about this team again here for a minute. How do you handle it when the team disagrees? Maybe you touched on this just a little bit earlier in we all have our back. When the leadership team disagrees, what happens then?

Steve Kizy: I think conflict is okay as long as it's respectable. I have conflicts with my own team members. We argue all the time but when we argue we're not attacking each other, we're attacking our methods of getting to the same goal. As long as we can see that and if I have two different team members arguing and we make it clear that everything's going towards the same goal, it's just how you get there, that holds that back. It doesn't go further than that. It's all within the character of the employee themselves. I think I've chosen the right characters to help lead the team. That conflict doesn't turn into anything drastic.

Steve Sanduski: Do you pretty much have a rule that when a decision made even if someone disagrees with it that they're onboard and they move forward with it?

Steve Kizy: Absolutely. Decisiveness is extremely important. We decide together and I'd rather be decisive and make the wrong decision than be indecisive.

Steve Sanduski: You're in the dental supply business, your customers are other dentists, dental offices, is that correct?

Steve Kizy: Yes.

Steve Sanduski: In this age of Amazon where people can go online and they can order pretty much anything, how do you guys compete against that? Are you using technology to compete? Are you using customer service to compete? Are you using speed of delivery? How do you compete in that kind of environment today?

Steve Kizy: All three of those. One, our delivery is one day, not two days which a lot of Amazon products are one day. Two, our products are very specialized where there's a lot of questions. We keep our employees educated on the product and they can answer questions to doctors for what they're using. Three, we have a service department that fixes something if it breaks in an office. And a lot of things in an office if it's broken, they can't work. If they can't work, they're losing a lot more money than they'd save using Amazon. People buy from Amazon not because it's the cheapest, because it's the easiest. We have tried to simplify our process to make it as easy as possible consistently so our customers don't need to look at a source like Amazon.

Steve Sanduski: How do you just think about in competition in general? What I mean by that is some people say, "Well yeah, I know the competition is out there but I can't control my competition. What I can do is I can control my business." And so they

focus on trying to do the best that they can for their business and just let the competition do what they're going to do. Other people maybe spend a lot of time thinking about the competition and how they can one up the competition. How do you think about competition in that realm?

Steve Kizy: I like to keep my eyes closed or my blinders on and focus on myself versus focusing on my competition. My competition has done the opposite and focused on us and we've done nothing but have grown a lot faster than they have due to their focus of trying to hurt us. We just keep our eyes closed, keep moving forward and make it work. We do not worry about what they do, we worry about what we do.

Steve Sanduski: In terms of sales these days, obviously we've got the opportunity to do online sales. We've touched on that here just a little bit. How do you think about sales? Is it more just delivering amazing service and the sales are going to come? Or do you have a specific focus on the sales process and it's very defined in terms of the steps of the sales process? Or how do you think about sales?

Steve Kizy: We have steps that are defined in the sales process but it's unique to every single one of our sales reps. We actually have around 60 sales reps on the road, cold calling offices, going to offices and specializing in what they know. That's what important. A sales rep finding their niche but being able to make a cold call, write the right notes in their CRM system and learn how to turn a lead into an account is an art. Learning that art takes time and you make mistakes along the way but we have a mentorship program where they can make as little amount of mistakes as possible by following some of our veteran sales reps and learning from them. And that's part of the team spirit that we have going.

Steve Sanduski: Now you mention the CRM system. I'm a big fan of CRM systems. I think they're critical to most businesses yet it seems like trying to get salespeople or even customer service people to use a CRM it's that's old saying, "Garbage in, garbage out," type of thing. How do you use the CRM within your company and how do you get your key people like your sales people to really view the CRM as a critically important part of their activity and their ability to do their work?

Steve Kizy: I've limited our CRM to only data that they need on a daily basis. The data it's connected to our ERP system. They are able to see what a customer's purchased, what they've clicked on, what they haven't purchased which is more important than what they have purchased. They would build their model walking in based on what they see in the CRM system. Going into our CRM system is where the sales reps place their orders. They're forced to see the stuff.

Steve Sanduski: And then how do you integrate marketing with sales? Do you have a separate marketing department? What's the interaction between marketing and sales?

Steve Kizy: We do have a separate marketing department. We're rather versatile on that front. If a sales rep sees that they want to make a unique special or a unique

flyer to gain business from a customer, they're able to contact our marketing department directly and they will create that flyer or that special for them. Giving, empowering our reps to be able to do that, we've seen a lot of success on that front.

Steve Sanduski: In terms of, even though you're a young guy, you've been in business for quite a while now, are there some lessons that you've learned over the years? Perhaps even learned the hard way.

Steve Kizy: Absolutely. I used to be kind of high strung and constantly concerned and worried and I learned our emotions really don't get us anywhere and patience is a virtue. Being able to speak to people correctly and communicate correctly is the most important portion of business. Communication is key in any department. How you say something is more important than what you say and there's a few ways to get a goal or a few ways to send a message that people can hear. Learning how to word things correctly is probably the most important thing I've learned over the last 10 years and I made a lot of mistakes doing so.

Steve Sanduski: Yeah, we all have. In terms of where you turn to learn these things, I know oftentimes being the CEO or being the entrepreneur, it can be a very lonely job because as the old saying goes, "The buck stops here." Where do you turn when you want to learn, when you want to refresh? Do you have a network? Or maybe conferences you go to? Or books that you've turned to that have really been refreshing for you?

Steve Kizy: You know what? I'm going to refer to a book. I do have a lot of mentors and I've surrounded myself with successful people. I'm able to pick up the phone and ask them any time I want. The part that changed my life and I've failed at a few businesses growing up. I've lost a lot of money for my family in the past but have since made it back for them. But Think and Grow Rich by Napoleon Hill is probably the when I read that book it changed my life. It taught me more than I needed to know.

Steve Sanduski: All right. It's a great book. So what's one or two key insights that you pulled from that book?

Steve Kizy: Keeping that your goal in mind and understanding that when things come up it's never the end. That everything is a hill and no matter how hard you work you can always get what you want accomplished accomplished as long as it's in your brain. Stuck in your brain that this is what you need to do. And the second part I've learned from that book is surrounding yourself with successful people. There was times when I was young where I surrounded myself with the wrong people and learning that you become who you're surrounded by. Being able to learn from successful goodhearted people is what has driven me and helped me succeed. And I've learned that from the book itself.

Steve Sanduski: Yeah, those are some great insights. We definitely become the people that we spend the most time with and so it's really important that we are intentional about who we are spending our time with because that helps shape who we are. Thank you for sharing that.

You mentioned this thing from the book about the hills that you've faced. Are there any hills that you're facing in business right now that you're trying to overcome?

Steve Kizy: Sure. There's a few. There's many. There's always hills. Rapid growth is you want it but be careful what you ask for, it's difficult to maintain. And it's difficult to control. Our slowest year in the last five years has been was 41% growth. It's hard to maintain that growth and hard to support it. With that growth comes fill rates that's hard to support 'cause our trending just isn't accurate. We can't go through historical trends to figure out what to purchase. Maintaining culture is hard with a 160 plus employees. Maintaining your own schedule, a work life balance is difficult when you're growing this fast. Luckily I have a wife that supports me and understands so I've been able to do it. It could be the opposite.

Steve Sanduski: Well that's pretty substantial growth there. 41% is your slowest growth year in recent year. Obviously most companies would pretty much kill to be able to have that as their fastest growth year so congratulations on that. Let's talk a little bit about the rapid growth there. You gave us some great examples here of some of the challenges with that. You said money is one of them. We've said on this podcast before that you can actually grow broke and that you can grow so fast that you don't have this cash conversion cycle that's fast enough where you're going to run out of cash. Let's talk about cash. It's an important part of what we talk about at CEO Coaching International. How do you guys think about cash? And how closely do you monitor your cash situation in light of how fast you're growing?

Steve Kizy: We monitor our cash on a daily basis. Due to our growth, there's a lot of other factors. We're profitable but we're spending more on inventory. Our AR asset is going up constantly. It's a lot of working capital needs to sustain the growth. What I needed to do was get the right relationship with the right bank that understands what we're doing and grows alongside with us. As long as they understand that we are profitable and we know what we're doing, they help us with our working capital needs. The cash conversion cycle is difficult to maintain. We are constantly looking at it. It is not where we want it to be but it's getting better constantly. And having the right CFO in place is so important to be able to constantly monitor it, constantly work with the accounting staff, work on collections, work on payables. It's we've had our tough times, no doubt, but it's still moving in the right direction.

Steve Sanduski: You also mentioned that you have more than a 160 employees and sounds like you're adding quite a few all the time. Tell me a little bit about that process in terms of how do you go about and find people today. 'Cause with this low

unemployment rate that we have, are you finding it difficult to find good people?

Steve Kizy: Yes. It is difficult to find good people.

Steve Sanduski: Then how do you find them?

Steve Kizy: Well recruiters a lot of times. Constantly putting ads up on Indeed for lower level positions. One thing that a few rules that I've maintained on my own is, if you can't have dinner with somebody and obviously I'm talking about higher level employees, if you can't have dinner with them and you don't enjoy spending time with them, they're probably not the best fit for your company. There's a few rules I've put in place. Also my CEO coach Sheldon as taught me about the TTI report and it's more honest than an interview. We've implemented that and it's worked tremendous for us.

Steve Sanduski: Yeah, well that talent insights report is a real goldmine in terms of having potential candidates take it and then the insights that come out of it and then working with Sheldon, your coach here at CEO Coaching International, can really help you understand whether these are the right candidates or not. I also, I like your idea of for your leadership team that these are people that you want to feel good going out to dinner with. We have another client here at CEO Coaching named Nathan Mercereau and the way that he frames that is he asks himself, "Would I want to spend a day in a canoe with you?" That's how, he's from Canada, so the canoe metaphor was working well for him. That's how he tries to answer that question. Certainly spending time in a canoe, it's a confined place. But also it takes teamwork. You gotta know who's paddling and what direction you're going and so I think there's a lot of good metaphors there in terms of would I want to spend a day in a canoe with you? So critical that we've got the right team in there.

You also mentioned the idea of work life balance. That is a problem that almost every entrepreneur and successful CEO has to deal with. How do you address that?

Steve Kizy: Two ways. One, you have to have an understanding family. An understanding life, an understanding wife on what is going on. Wife or significant other. On what is going on. What your goals, what your motive are. Being able to support you in that matter. Not make it more difficult for you than it already is.

Two, you have to love what you do and I do love what I do. I never wake up in the morning thinking I don't want to go to work or I don't want to face challenges or I'm going to hide from this today. I can't take a day off and sit at home to take a personal day. If I'm taking a day off, I'm on vacation. I don't like sick days. I hold myself back from those and that's just the work ethic I've had since I was a little kid. One thing I am not is lazy. I don't want my employees to

be lazy. Example first and show them who you are and what drives you and it'll drive them as well. It'll inspire them to do better.

Steve Sanduski: Okay, well Steve ... just go ahead.

Steve Kizy: No go ahead. No, no, go ahead, I'm done.

Steve Sanduski: I was just going to start wrapping up here. Okay, Steve, as we wrap up here, is there anything else that you want to share that we haven't talked about yet before we jump into some rapid fire questions?

Steve Kizy: No, I don't think so. I think we covered quite a few bases.

Steve Sanduski: Excellent. So here's a few questions that we'll run through here kind of quickly. Let's start with who has had the greatest impact on you as a leader?

Steve Kizy: My oldest brother has had the greatest impact on me as a leader. He is 14 years older than me. He is a dentist and who helped me get into this business. When I graduated from college it was in 2008 and we were in the recession and I asked my brother if I could work for him and help him grow his dental group and his dental practices. He looked at me straight in the face and said, "No, you cannot work for me. One brother already works for me and I'm not going to take care of another." What I was upset at the moment and upset for a while after that but what that has done is made me self reliant and really put nothing, there's no backup to what I'm doing. And that's helped me be successful. My brother is my biggest influencer.

Steve Sanduski: So some tough love there but ultimately it enabled you to really be self sufficient. A great example there. How about one leadership trait that brings success?

Steve Kizy: Keeping an open mind. You have to hear things, you have to notice things. That's the most important aspect. You need to be able to change your position if it's wrong on the drop of a dime and you have to be able to admit that you were wrong. I'd say that that was the most important trait.

Steve Sanduski: Okay, now we also talked about the team earlier today, so what would be one of the best ways to show your employees appreciation?

Steve Kizy: Positive reinforcement and authority to make decisions and mistakes.

Steve Sanduski: So empowering the team to make those decisions.

Steve Kizy: Yes.

Steve Sanduski: Excellent, okay. How about, I'm going to start a couple sentence here and I'd like you to finish them. The first sentence is, what I know to be true is ...

Steve Kizy: Employees are by far your most important asset.

Steve Sanduski: Totally agree. The second one is, the best way to accelerate personal growth is ...

Steve Kizy: Read and practice what you read.

Steve Sanduski: And read Think and Grow Rich.

Steve Kizy: Yes, absolutely.

Steve Sanduski: I guess speaking of that, is there another book, maybe another one that you're reading recently that you'd recommend too?

Steve Kizy: Yes, Simplified by Charles Koch.

Steve Sanduski: And what did you learn out of that book?

Steve Kizy: I'm about three chapter in but what I've learned is really how simple people's businesses are and how simple minded needs to be and it seems complex but it's not. You have a simple idea and you let the right people make the right decisions to make that idea happen.

Steve Sanduski: Okay. All right. Well great Steve. Well I appreciate it. Some great insights here and congratulations on the great success in your company and the fast growth. I appreciate you sharing all those insights and we'll look forward to watching your continued growth in the future.

Steve Kizy: Thank you so much. I appreciate your time.

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