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## SMART LEADERS

Oscar J. Horton on how measuring performance increases motivation at Sun State International

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How Art Lambert banished offices to create a fun, open culture at LexJet

# Peak performance

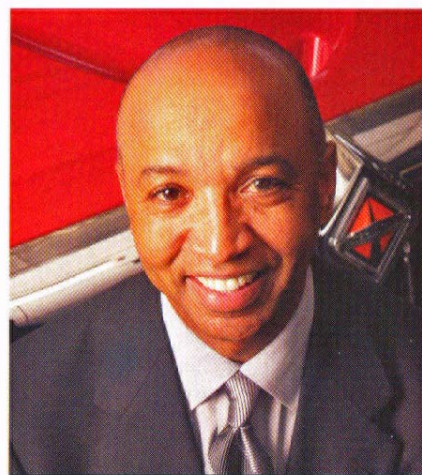
How Bill Tamayo rededicated himself to Suncoast Roofers Supply to grow it into an industry leader

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smart leaders

### 6 Oscar J. Horton

Sun State International's president on how measuring performance increases motivation



## OSCAR J. HORTON

### PRESIDENT AND CEO, SUN STATE INTERNATIONAL TRUCKS LLC

Although customers may not always be right, they are always important. To show a customer you realize that fact, you must be able to promise something and deliver the promise ahead of time, says Oscar J. Horton, president and CEO of Sun State International Trucks LLC. You have to make sure that when your customers experience a problem, if you commit to them that you are going to have a product back in their hands in 24 hours then you should have it ready in 23 hours, he says. Ensuring customer satisfaction has led the company of more than 200 employees to about \$100 million in 2006 revenue. *Smart Business* spoke with Horton about how to get the most out of employees by teaching them how a business operates and how patience is important for the future of a company.

**Educate employees on how your business functions.** One thing I found out with employees here is that they had no idea about the concept of how we make money or how what we do translates to the customer. So we started in small groups of about 10 to 15 employees, and I visited with them personally, trying to get a dialogue started about what customer satisfaction means.

We teach a course here called basic financial literacy. All of our employees each year go to a class that, over the course of a year, is about a six-hour course. It talks about the income statement, the balance sheet, strategic planning and implementation.

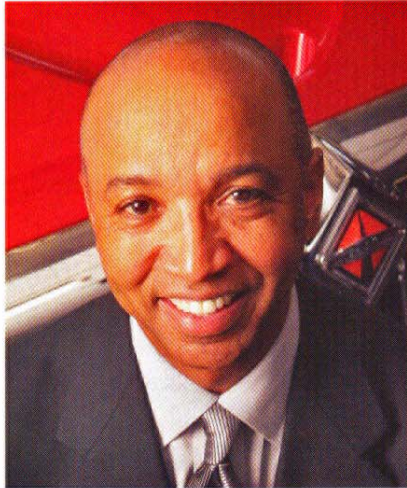
In that class, they have small teams, and they have to run their own business. It's a simulated process. We teach them how what one person is doing can impact the person's business. In each one of our business units, let's say service, we have our service team broken up into about 12 to 15 people in each team. They each get a report card at the end of every month, and an income statement that tells whether they were profitable.

But they also get surveys and feedback from the customers. This is on an ongoing basis.

In each one of our technician's paycheck every Thursday, we put a performance feedback chart in their check to tell them how they performed against the work they had performed over the last seven days. They get to see the end result of what they do. They have seen the impact of that result in terms of our results.

**Find positions where employees will succeed.** We have some testing instruments by an outside firm. We look at it as a green light, red light, yellow light process.

We try to discover those areas that are your green light areas. Those are areas where you could wake up and, without prompted, do them with a certain amount of enthusiasm. The red light and yellow light areas, that doesn't mean you can't perform them, but after awhile, they become tough to get up to.



If we are talking about a technician, there are some certain indicators that will tell us this person will be a good technician for the long term and not just one that will be good for six months and then decide they want to be in charge of another area.

It will test for their aptitude and some of those kinds of skills. It will ask questions like, 'If you had to choose over the long run, would you want to sit at a desk all day long, or do you like to be out in the environment?'

**Be patient when developing a culture.** Culture development is a slow process. When we got here, the enthusiasm and morale were low. I knew it wouldn't be fixed with the snap of the fingers.

One of the things is just tons of communication. The other thing is to make sure whatever we say and commit to people, we try to commit that to some form of written goal or contract with the person. That way, we don't come to the end of a six-month period, we talk about performance, and no one knows what we were talking about six months or a year ago.

The second thing is catching people doing things right and praising them for that. When there are problems, let people know we expect problems, but let's sit down and talk about the problems and

what we can do to fix it.

For example, in the performance feedback chart, it's a bar chart, and there's a line across that bar chart that talks about minimum expectation.

If your bar hits that line, then that's eight hours paid for eight hours work. If your performance goes above that line, we are going to share with you some of that performance incentive. If you are below that line, we tell you, 'Let's sit down with your supervisor and figure out why you can't get that line.'

Your performance will be better [if you develop a good corporate culture]. If people have pride in what they do, feel like they are part of that process, understand goals and objectives and are being rewarded for doing the right things, your customers will see a major difference in their level of service.

**Keep an eye on growth.** When you're growing, everyone wants to give you an opportunity to do something. Now, if I said, 'Let's go tackle this and let's go tackle that,' we could double our business. But I would outpace the skills and abilities of the people I have to do that.

I have to have the patience to slow down. I have to talk to myself at night. I have to tell the people who offered me the opportunities that it is great, but we'll have to pass on it this time.

We religiously meet the second Wednesday of each month. I say, 'Here are some things I have been chatting to some people about. What do you guys think?' That's how I introduce it in the first meeting.

The next month I'll bring it back and say, 'You guys had a chance to sleep on this, here are some numbers.' I'll try to build some excitement and enthusiasm about it.

Then about the third month, we'll put together a task force within the group to study a little bit more and decide whether we want to go after this one or straighten out some things we are already into.

**HOW TO REACH:** Sun State International Trucks LLC, (800) 741-7566 or [www.sunstateintl.com](http://www.sunstateintl.com)