

How to Harness the Jim Collins “Flywheel Effect” to Grow Your Business with Hunter Lansing

SEASON 1, EPISODE 5 (May 2024)

Narrator: Why do some companies stand out while others seem to merely show up? That’s what we’ll explore with leaders across multiple industries to hear how they’re creating better experiences by design. And now your host, Susan Quinn.

Susan Quinn: Hunter, welcome to the show. I am excited to dig into lots of questions with you. Thank you for being here.

Hunter Lansing: It’s great to be here. Thanks for having me. I look forward to having this conversation with you.

Susan Quinn: Before we get into all my questions, tell us a little bit about Lansing Building Products.

Hunter Lansing: So, Lansing building products, we are a third-generation family business founded by my grandfather in 1955, and he actually passed away of Lou Gehrig’s disease at an early age in 1980. My father, Chris Lansing, took over the business, and he ran it for about 35 years, and then I had the privilege and opportunity of being able to be the third generation CEO. But Lansing Building Products we’re a distributor of high quality, low maintenance, exterior building products. We specialize in product categories like siding windows, doors, gutter, exterior products that go on the exterior of a home, mostly residential—about 5% of what we do is commercial, but primarily residential—and predominantly of that work that we do. It’s mostly repair and remodel work.

Susan Quinn: I just spoke at an event, and only 25% of companies make it over 15 years. If we then put on top of that generations, what, 10% of the companies actually get there, probably even smaller than that, so, I’m privileged to be talking to someone who is on a different side of the curve. Not many people get here. Speaking of that, of how you got here, what do you think has been a key indicator to your growth? What gives your company momentum to keep doing excellent work? It sounds like it’s not your unique, but you have been able to maintain momentum and keep this company growing. What does that look like?

Hunter Lansing: You used a really key word there, momentum, and that describes, I think, exactly what we’re trying to accomplish on a regular basis here at Lansing. But we call our strategy the Flywheel, and a handful of years ago, who, I think, is one of the best business minds of our time, Jim Collins, he wrote a book called Turning the Flywheel. And it’s about a 35-page book, and the whole premise behind the flywheel is that every engine has a that critical component inside of it, the flywheel and every other component is hinged off of the flywheel. It’s about understanding

how energy or pressure is applied to it, and once energy or pressure is applied and it starts to turn, everything else turns around it. Just like every engine has a flywheel, it's about really understanding a company's flywheel architecture, what is it that makes it go? What are the things, in Lansing's case, that have led us to where we are today where we're nearly a 70-year-old business? How did that happen? How did we get to where we are? And if you can really understand what that architecture looks like, you can apply that consistency to the business, to find and to achieve those results day in and day out. And so, we as a leadership team, about five years ago, read this book, and we had given out a picture of a blank flywheel—it was an off-site meeting, and I said, let's come prepared to having read this book, and let's fill out what you think Lansing's flywheel is. We worked on it in person for almost a day, and then after that we got together, went back and forth, and back and forth. But what came out of it was a very clear and distinct picture of what Lansing does on a daily basis that we know leads us to success. And I'm happy to talk about that flywheel and walk you through it.

Susan Quinn: I was getting ready to say, Tell me more, yes. This is interesting.

Hunter Lansing: At Lansing, I would tell you, Susan, that our success is because, first and foremost, our people, and our people always, always make the difference. Look, we're a distributor of exterior building products, and the products that we sell, products like James Hardie and CertainTeed Roofing and Anderson windows, these are wonderful products, but they are sold in multiple locations and all 112 markets that we operate in, and so what is it that we're selling that's different? And what's different about Lansing is that we're selling an experience, and what makes up that experience is, yes, it's the products, but what really differentiates us is our people. So, if you picture a fly wheel, or if you haven't seen a fly wheel, maybe you picture a clock, and so sort of up at one o'clock, we would say we would draw in people; recruiting, hiring, and retaining the best, most outstanding people that align with our culture and values, but are also gonna be additive to our culture and values. So that would be step one, and keep in mind that the flywheel, it's not a bulleted list of nice things to do or of aspirational goals. If you do the first one really well, it should naturally lead you into doing the second part well, and if you do parts one and two well, it should naturally lead you into doing part three well. And so, after we have great people that align with our culture and values, we want to provide them with the very best training so they can be successful in their roles, and so we do a lot of training here at Lansing, both in person and virtually. It's just a big deal, and it's very foundational to our culture, and so, you have to have great people that know how to do their jobs really well, and if you have that, you're gonna have happy people. And that leads us to the third part of the flywheel: great people that know how to do their jobs really well that are also participating in ongoing training. Training isn't a linear thing. It really isn't a beginning—well, there is a beginning, but there's never really an end is what we think at Lansing. You're always learning. You're always training. You're always, as we like to say, around here, making each day better. But once you have great people that know how to do their jobs well, then, naturally, we should be able to provide our customers with a wow experience. And so, you heard me talk a little bit about that earlier where it's our people that make the difference. But what we say at Lansing is what are we doing outside the bounds of our building products? You know, our customers expect us to deliver high quality products on time and to have them in inventory—those are really table stakes for a building products distributor—but what are we doing outside of that that really makes an impact. And so, for us, it's things like helping our customers grow their businesses and finding unique ways to differentiate them from their competitors. We have our own internal marketing group that helps our customers grow their businesses. That's an example of one way in which we try to provide a wow experience, but there's also a ton of just little things that we believe we can do that can really make a big

difference in the lives of our customers. And so it could be very simple things, like one of our warehouse associates realizes or sees that our customers trailer tire is low on air, and sort of jumping out and saying, let me take care of bringing you back up to 35 psi, Mr. Customer, so you can be on your way, and it's those kinds of things that we try to really open our eyes to and try to help our customers in many, many different ways, and be as friendly as we can along the way.

So great people that are trained, well, are wowing the customer, that leads us to the fourth part of the flywheel, which is being able to sell our products higher than our competitors. Lansing is a little unique in that way. We don't go to market; we're not trying to be a low-cost leader. We go to markets—we need to be competitive, that's important—but we need to sell our products higher than our competitors. Now higher might be a nickel, or a dime or a quarter. It could be one percent, it could be two or three or five, but it's somewhere in that range. If we go back to part three of the flywheel, the wow experience is worth something, and so we expect to be paid for that. And so, there's a lot of training that goes on within Lansing to help our sales team sell their products higher than our competitors. I would also say that the sales team and the operations team, those two functions within the business are so closely intertwined, and so the team has to be really operating at a high level. But our sales team also has to be getting in front of our customers and talking about the right products at the right time, and really representing the company well, which leads us to the fifth part of the flywheel, which is we're able to invest in our culture and our brand, and that has been and will continue to be so critical to Lansing's long term success. And so, we do that in a variety of different ways. In the way we train, and how much time and energy and effort and investment we put into that. It could be the way in which our facilities look, and how we try to have facilities that are clean and modern. Or whether it's racking, or whether it's our trucks or our forklifts, or the way we even dress and wear the uniform. All these things are representative of our brand, but also our culture.

I would also say at this point, we're very fortunate to work with a company like Circle S, that understands our brand and culture really well and helps us in a variety of different ways really continue to advance that and make it look as best as it possibly can. So, you gotta have a great partner as you're doing that.

Susan Quinn: Well, you know it is about partnerships, for sure, and you're kind to say that, but I've also worked with companies in my career for 40 years, and I would say, most people that I know, they probably read the Jim Collins book, Good to Great, you've taken it a step further and had your team really understand the essence of a flywheel. And I'm going to say, in my experience, I've never been able to see a company articulate the momentum of that flywheel like you have been able to describe.

Hunter Lansing: Yeah, we do have one more, part.

Susan Quinn: Okay, please add it, because it's powerful how you step through that.

Hunter Lansing: So the fifth part is we're able to reinvest in culture and brand, and then when we do that, we're at the very last part of the flywheel, and again, almost naturally, that momentum carries us into that sixth part, where we become an admired company, that people are attracted to and want to be a part of a winning team. They want to be a part of an organization like Lansing. And so, becoming that admired company, and then we're right back to the top of the flywheel, and so Susan in the book, Jim says that the best companies they spend their flywheels, billions, and billions, and billions of times. And I'm not saying that we are spinning our flywheel

billions of times, but that's what we aspire to do is really to have that flywheel, in many ways, if it's spinning really well, I don't want to say it effortlessly happens, but in many ways inertia takes over, and the initial effort of applying energy to it is not there as much as it was in the early part of it, but you can really kind of take your hands off of it, but make sure it's spinning, but the work is not nearly as challenging in the beginning as it is once you kind of get it up and on plane. Certainly, ours will slow down at times, and we Lansing have our own challenges for sure, but in our minds, as a leadership team, really, as in all of our associates, we try to keep this front and center. When you come to our home office and you come off the elevator, we have a six foot tall by 11 foot wide, painting of a flywheel, and it's just a reminder to all of us here at our home office what our roles and responsibilities are within that flywheel, and it just serves as a good reminder of what we're trying to accomplish on a daily basis.

Susan Quinn: Well, you've touched on so many things there. The momentum is really what companies need. Discipline is our destiny, and you're doing a lot of the small things well. Yeah, it maybe is hard to get the flywheel moving, but that momentum, and maybe it seems easier, it's kind of like you see a musician, you think they're a one hit wonder.

Hunter Lansing: Yeah.

Susan Quinn: But the hours that they have spent perfecting the work that they do, and I hear the same discipline with your company. Attention to your brand, attention to your people, and that was the first thing that you said, that you want to be able to have them come in, that they're trained, you take care of them, happy people will then wow your customers. And I love the example of someone pulls into your warehouse, yeah, there are other companies that distribute it, but how many of them say, Mr. Customer, let me make sure, that tires a little bit low. So how do you—you invest in training—how do you teach your team to see the little things.

Hunter Lansing: Yeah, you know that's a really insightful question, and I go back to the very first part of the flywheel and there are times when I wish we had this playbook that says, look for this and look for that and do this and do that, but I've come to realize in my years of being in this, in our business, that if you bring the right people onto your team that truly do align with our culture and values, they see those things and they pick up on them really quickly, and the training that's reinforced allows them to be able to sort of step in quickly and say, hey, can I help you with this, or I noticed that. And again, it just goes back to people and really people caring about the organization and its mission and its purpose, and it's so easy for me to say that, but as you know, there's a lot that goes into that.

Susan Quinn: The foundation of your company. You've talked about a mission and purpose, and aligning your people to what is foundational for Lansing. I'm assuming that a lot of that was from the very beginning, from your grandfather that has continued to perpetuate today. How has that evolved? How have you taken the basic foundation, and what do you think is important to amplify today? I mean, 70 some years ago, your grandfather had a different workplace, and today it's very different. So, what does that look like for Lansing today?

Hunter Lansing: You know, we have had a mission statement for many, many years, and when I say many years, it does go back to my grandpa. But we have within our mission statement our values and those values are respect, service and excellence, and we have a mission statement, and our associates are expected to be able to say that mission statement. This is an interesting story, we had a board meeting about five or six, seven years ago, I can't remember exactly when, and

one of my colleagues was in there with me, and we have wonderful board members, and one of them said to someone that I work with closely on my team, he said, you know, you all at Lansing talk about excellence all the time, but what does excellence look like at Lansing? Can you help me to really understand that? And I can remember thinking to myself, I am struggling to answer this internally. And I'll share with you that my colleague, who's been with Lansing for decades, who is an embodiment of our mission statement, also struggled to say, you know, excellence looks like this and this and this.

And so, at that point in time, I realized that our people knew our values, they knew the mission statement, but they didn't quite know or understand the behaviors that fall under excellence, or service, or respect. And so, you know, what respect means to me, Susan, may be a little bit different than what it means to you. And so, getting everyone on the same page is what we realized that we needed to do. And so, a couple of years ago, we started the process of really identifying what we call our True Blue behaviors, and so, those behaviors outline, or really define what those values are. And so, to give you an example, there are four behaviors that fall under our value of excellence, and so the first one is putting safety first, other one is engaging the whole Lansing team, the third one is developing yourself and others, and the fourth is making each day better. That's a mindset sort of thing, an optimistic view of it's a new day now, how am I going to get better than what I was the day before? Those True Blue behaviors, they identify and really share, communicate to our people what it means to embrace or to be excellent at Lansing.

Susan Quinn: Where you are focused on is certainly what we see as well. We follow top traits of the highest performing companies, certainly at our own company we want to emulate it, but you have touched on almost all nine of the traits in this short conversation, so you are living your core values at a very high level. And I also see, in the work that I've done and just in living life, that people use, I almost call them bankrupt words. We just use them, but we really don't know the meaning of them.

Hunter Lansing: Yeah.

Susan Quinn: And for your firm to take them and define them as True Blue behaviors as you said, and for each one, respect, service and excellence, you've given specific behaviors that everyone can stand behind. So, let me ask this question: you're further defining a strong company, what are the wins that you have seen? How is that growing your company? I know you've got a flywheel; I know it repeats itself, but have there been any wins that you are proud of since you've taken over as the third generation of this company? What stands out?

Hunter Lansing: Yeah, that's a great question, I would say, and I just covered it, we introduced these True Blue behaviors, we introduced them a year ago to the company, and so we're still getting reps with that, but that that's been a real difference, maker for us, I'm very proud of the work that our team has done with that. The purpose of Lansing building products, the reason we're a third-generation family business, the reason why I'm on this podcast right now, talking with you, the reason why we haven't sold out a large competitor, or been bought by private equity, or any of those kinds of things, the reason why we do what we do is because we exist to make a positive impact in people's lives. And so, that's also very clear and is a big part of our culture. What goes along with that purpose is, we have three long term goals.

And I'm going to really focus in on our number one long term goal, which is to be—and we haven't accomplished it yet, so I can't say that this has been a big a win for us yet, but it's something

that we're going to accomplish—but that is to be a best-in-class place to work and build a career. And so, that speaks to our people, our associates, and it speaks to their engagement at Lansing, and their experience, and how happy or unhappy they are. And so, we feel like if we are making a positive impact in people's lives, number one people meaning Lansing associates, and then after that, our customers, our vendor partners, and of course, the communities that we serve. But to shed a little bit more light on that number one goal being a best-in-class place to work and build a career, you might say, well, that sounds really nice, but if you're gonna have a goal, it has to be quantifiable. Yes, you have to be able to measure it. And so, the way in which we measure that number one goal that we have is through our annual participation in the great place to work survey. And so, we believe and know that best in class is in that 90-percentile range, and, so last year, for example, we had 95% of our associates take the survey, so we start first in making sure that we do as best a job as we possibly can, an exhaustive of a job of making sure every voice is heard. And then, once we do that, the results are the results. And so, we had 95% of our people take it, and of the 95%, 84% of our people either agreed or strongly agreed that Lansing is a great place to work. So, we have been in that mid to upper eighties range. It was our fifth year of taking the survey, but what we do each year after we take this survey is my team and I and other leaders in the company—we actually even have a group of about 10 associates within the company that are in various roles, like truck driver, warehouse, associate, financial analyst, they get together and they actually take a look at the results as well along with my team and I and other leaders—and we look for themes or consistencies, and we pick out three or four things that our people are saying, this is what we believe is gonna make Lansing a better workplace, and then we really work and are very diligent in trying to enhance and make those three areas of the business better.

So, for example, this year—we take the survey each summer, so it's been about eight months since we've taken it—and one of the three areas that we focused on is communication. And our people basically said, we need to become better internal communicators amongst ourselves. And so, we set some goals for ourselves. One of them was creating an app, an internal app, where people could download it on their iPhones, and they could see nearly everything that's going on inside of Lansing, whether it's a directory or what we call a family room—where it's almost a social media kind of thing, where people can post pictures about and write things about what's going on in their branch, or really anywhere—to other very basic things like information on HR and insurance and those kinds of things. But we found that has really advanced our communications efforts a lot and the company that we partnered with to help us create it, our communication specialist, really was the one that championed this event for us, but the company that he partnered with to build this, they said that we've had the highest amount of downloads with any company that they've ever worked with, so I think we're almost into the 90 range of Lansing associates that have downloaded the app and have gotten engaged in it. So, that's one example of, our people said we need to become better communicators, and they were right. And so, there's many other examples, but it's a journey, and we understand and know that it's something we're probably not gonna accomplish it this year, and that's okay, because this isn't a nice sort of check the box thing that we wanna put in a newsletter or a board report and say we did it, but we know that this is something that it's a journey, it's long term. And it's something that we're always going to be working on and listening to our people, taking action, and then following up and listening some more, and taking some action, and following that continuous loop to improve and make each day better.

Susan Quinn: Wow. You have provided in a short period of time, honestly, the secrets that every company can extract. You've almost given it—the moment we came on to what is important to

your company, from guiding principles to how you treat your employees. I love the comment that you're you said five years, best place to work, 95% of your teammates took the survey—Hunter, that in and of itself is best in class, and I would imagine 25 to 30%, are what most companies have, you've got 95% and 84% are saying it's a best place to work. But yet you wanna continue to better your best and get in that over 90%. So, kudos to you for continuing to do that, and I just wanna reinforce what I heard. They don't stop there, for those listening. They bring their team together. What did we learn? And so, they take three themes, and one of last year's themes, we can be better communicators, and an app, 90% of your company has downloaded it. You know, I think people are hungry for communication. And when you can do that well, that is, that is a huge feather, and that will propel momentum. The purpose part of your company, it seems like at every angle you show care. You show continued advancements and careers, no matter where people are in the organization. That's also a very powerful thing, and I would say just certainly you continue to seek out from others to learn and get better. That's not only a discipline, but there is this mindset that is invigorating for me to hear you as a leader, and I am so grateful for your time today, and I hope I can invite you back, because I know there is a lot more to share. But before we do, if anyone wants to learn more from you, if another leader wants to pick your brains, how might we put that into show notes? What would be the best way to reach you?

Hunter Lansing: I can be reached on my email. My email is Hunter.Lansing@LansingBP.com. And so, shoot me an email. Our website is www.LansingBP.com. But it's been a great conversation—I feel like I've done a whole lot of talking, but I love talking about these things. I'm passionate, it's fun, it's invigorating for me, so thank you for giving me the opportunity to share some of these things with you, Susan.

Susan Quinn: Thank you. I've got one more question, and then we will wrap it up.

Hunter Lansing: Yes.

Susan Quinn: What do you do to keep bettering your best and sharpening your pencil to do it a little more with respect, service, and excellence for your team?

Hunter Lansing: You know. That's a great question. I'm very fortunate to have some wonderful role models that I have around me. And so, there's individuals that I have access to that have done what I'm trying to accomplish in their business careers, and so I'm able to speak with them and to learn from them. And I'm always curious how others have been able to accomplish what they've been able to accomplish and be so successful. And so, I'm fortunate to ask a lot of questions of others, and to try and take that wisdom and bring it over here at Lansing. It always looks a little bit different once I start applying it, but doing it in our own unique way, that really helps me to be able to reach out to others that have sort of been there and done that. And I'm fortunate to have some amazing people in my life that I can lean on.

Susan Quinn: Hunter, thank you so much. You are an inspiration and keep that positive outlook and spreading that to the world that needs it today, so I hope to have you back soon, and we will continue the conversation.

Hunter Lansing: I'd love to come back, really appreciate you having me.

Susan Quinn: Thank you.

Hunter Lansing: Thanks.

Narrator: Thank you for being part of our best in class community, and until next time, keep bettering your best.

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