

Turbo Leadership Systems™

The **TURBO** **Charger**

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To our clients and friends

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A \$50,000 Risk That Paid Double Dividends



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*Insure
tomorrow by
investing today*

Cathy, purchasing manager for a paper mill in northern Ontario, Canada, told Session 3B of the Leadership Development Lab:

"It was right before our 1995 annual shutdown, I had just been promoted to the position of Purchasing Manager. I was enthusiastic and wanted to save the pulp mill as much money as I could while providing good quality workmanship and supplies from selected suppliers. The annual maintenance shutdown was fast approaching and requisitions for supplies and services were flooding the purchasing department. I was determined to save as much money as I could. To ensure comparative pricing, I sought competitive bids for each job to be performed. I received a requisition for fiberglass piping repairs in the bleach plant area from our maintenance manager. The maintenance manager noted on the requisition the contractor he wanted to perform this task. I proceeded to seek out a comparative contractor and could only come up with one other company that could do this work. I provided this supplier with the scope of work and they sent me a quote.

To my surprise, the quote came in at \$50,000 less than the contractor that was traditionally used to do this job. I checked references to ensure the new contractor would be suitable to perform this job. Everything checked out, so I approached the maintenance manager and production manager with my findings. Both individuals flatly refused to award this contractor the job. The maintenance manager said he was very pleased with the workmanship of the contractor they had used in the past and wasn't willing to make the change, considering this was a critical area of the mill and a delayed start-up would be too costly.

Although they didn't feel comfortable with this contractor, I still thought it was important to bring this up to my superior, the mill manager. He was pleased with my work and

ultimately left the decision up to me. He said I was responsible for the outcome. Now I was in a dilemma. Do I hire the low cost provider or not? I called in the new contractor and once again reviewed the scope of the work, the importance of meeting the required deadlines and quality standards. He said they wanted to expand their business and this would be an ideal opportunity to prove their capabilities. Their supervisor ensured me everything would be performed to scope and on time. He agreed to give me daily updates as the work progressed. I felt more comfortable after the discussion and awarded the new contractor the job.

I asked our mill supervisor to keep me informed of any problems incurred during the job. Everything worked out well. The maintenance manager, the production manager, and the mill manager made a point of telling me they were pleased with the outcome. I earned the respect of my peers and I was able to save the company \$50,000!

The lesson I learned from this experience is to have confidence in my capabilities, to take risks that can generate positive change. To become an exceptional leader, I need to continue to make changes. Companies must evolve to remain competitive.

The action I call you to take is don't be afraid to take a stand, stick by what you believe in, take a risk. If you don't, you will never know what could have been.

As you go through life and take risks, the benefits you will gain are positive outcomes. Even if the risk ends in failure, you will learn from your mistakes and carry that knowledge with you to ensure future successes."

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