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VOL. 45, NO. 16
AUGUST 25, 2015

College Connection: ‘Virtuous Cycle’

Part 1: Benefits of aligning with universities go far beyond recruiting

Advertising in a campus recruiting office or staffing a booth at a college job fair isn't enough for distributors that hope to successfully recruit the next generation of workers. This article examines how a deep relationship between a distributor and university program can yield innumerable benefits for the company, its recruits and the college it partners with – as well as the industry as a whole.

Part 2 will look at how distributors use internships to bolster their position on college campuses and fast-track training for new hires.

By Eric Smith

The start of another school year means HR directors at distribution companies are plotting visits to college job fairs and placing ads with campus recruitment offices in hopes of attracting students to a variety of careers upon graduation. But these tactics might not be enough. When competing for candidates, many distributors find they're no match for companies with trendier names and bigger marketing budgets.

“The challenge facing all of us who are recruiting college students is the hype that goes along with it,” says Beverly Propst, senior vice president, human resources, Graybar, St. Louis, MO. “Anyone who goes to a college recruiting fair knows that it's all about who has the nicest sign or the best logo, or who is the most well-

known brand.”

Not only are distributors at a competitive disadvantage for landing candidates – many of whom have never heard of the field – but they lament a dwindling talent pool, claiming that while fewer and fewer graduates are looking to distribution as career, even those considering it aren't qualified to fill open positions.

Strategically aligning with a college distribution program can address both issues. This partnership, which could include anything from hiring interns to helping develop curriculum to guest lecturing to funding scholarships, can differentiate a company from a competitor, says Barry Lawrence, director of the industrial distribution program at Texas A&M University.

Regardless of the depth or breadth of a company's commitment, the return far outweighs the investment.

“If you want top-quality people coming out of the university, you've got to engage,” Lawrence says. “You've got to be engaged with the programs that exist, and you've got to work toward building new programs. And you've got to put funding behind this. We as a distribution community have under-invested in education.”

Industrial Distribution 101

Texas A&M in College Station, TX, is the birthplace of distribution's investment in education. Though several distribution programs of

varying size and scope now exist at universities across the U.S., Texas A&M was once the only one. Formed in the 1950s, it blossomed thanks to one distributor in particular, J.R. Thompson of Warren Electric, who “sought to form a relationship with the program and support his initiatives by both hiring graduates and financially sponsoring the program,” according to the university.

“Without J.R. Thompson and one or two other individuals, you might not have even seen the field of industrial distribution at a university,” Lawrence says. “It might not have ever come into existence.”

As Texas A&M prospered, sending countless graduates to distribution jobs around the country and building strong relationships with companies in the process, other industrial distribution programs emerged, including the University of Nebraska at Kearney, as well as the University of Alabama at Birmingham, where Charles Collat, former CEO of Mayer Electric Supply, forged the Charles & Patsy Collat Industrial Distribution Program and the Collat School of Business.

Collat, now chairman emeritus of Birmingham, AL-based Mayer Electric, had seen the success of Texas A&M’s program and wanted to replicate it in Alabama with hopes of giving the industry another training ground in a different locale for future generations of distribution executives. “We didn’t invest in UAB to establish any kind of competitive advantage,” he says. “We just were trying to help support education.”

In addition to supporting education by offering scholarships, funding chairs and building the university’s endowment, Collat figured a program modeled after Texas A&M’s would help increase distribution’s exposure – and its emphasis on recruitment – at the university level.

“People have never flocked to distribution,” Collat says. “Distribution has to reach out to tell people what we’ve got.”

Industry exposure is indeed a chief concern. Students “go blank” when they hear the term, says Kristen Craig, program manager at the Charles & Patsy Collat Industrial Distribution Program at UAB. So simply introducing the term “industrial distribution” into a campus’ collective vocabulary is critical. The earlier the exposure the better.

“The students start to understand that and see the role distribution plays in the economy,” she says. “They say, ‘I just didn’t know that that’s what it was called.’ It’s awkward to have that epiphany in an interview, so educating students about distribution is why college partnerships are important.”

Benefits abound

Ensuring the brightest and best college students will consider distribution requires getting in front of them as much as possible through a strong presence on campus. It requires doing more than merely swooping in for a job fair and never reappearing once the HR reps take down the company banner and pack it away for the next tour stop.

“For us to get the most out of our relationships with colleges and universities we have to be seen as a partner to them,” Graybar’s Propst says. “The key to that is: 1, repetition – we need to see them often and they need to see us often; and 2, it can’t be a one-sided relationship – they’re providing us access to their students, and we also feel we need to provide something to them, so we try to find out what we can do to help them.”

For example, Graybar provides speakers for classes, mock interviewers for a career day and anything else that “allows us to assist them with their mission, which is get their students trained, get them information about business and the industry and add that real-world flavor to the classroom,” Propst says. “And it also allows us to get more exposure to the students and the universities and colleges, as well.”

Aligning with colleges such as Texas A&M, UNK and UAB – as well as East Carolina University and Central Washington University, other popular ID programs – helps CED, Irving, TX, convey information about the industry as well as electrical distribution to students, many of whom think working in that sector means reading meters for a power company.

“The biggest benefit is just getting the word out to more and more students about the industry,” says John Reinig, CED’s training manager. “We look at it from the electrical distributor side of things. However, when I go to schools I do spend a lot of my time talking about distribution in general, how important it is, how it can play a role in what they do, how they can make a great career out of it.”

A consistent presence helps a distributor promote its own brand – a significant challenge in a realm where few have heard of Grainger, Graybar, Stock Building Supply or Sonepar, says Mike Wigton, president of Jackson, MS-based electrical distributor Irby Co. and an advisory board member of the Texas A&M program.

“When GE goes to a college campus, they don’t have to explain to the kids who GE is,” Wigton says. “When Irby goes in there, we have to explain who Irby is. The difference in that is if you go into sales for a manufacturer, it’s the

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brand that's most important; when you get into the distribution side, it's not about the brand, it's about the person."

Access leads to success

The most obvious benefit for a distributor that aligns with a college program is "access to the kids," says Mike Rowlett, CEO, Womack Machine Supply Co., Farmers Branch, TX. "I've bet we've hired close to 70 ID students over the last 15-20 years, and probably half of our sales force are ID students (from Texas A&M), and probably 10-12 are from Nebraska-Kearney."

While Womack Machine's sales department is loaded with students from industrial distribution programs, it also recruits from those programs for its supply chain and customer service departments. Yet the company's relationship with the colleges runs even deeper than just hiring their graduates.

Companies might invest financially in university programs to develop programs and provide scholarships, but, as Rowlett points out, "it's not just money; you've got to put your effort into it. You've got to find people to work with the universities to develop curriculum, develop materials, speak in classrooms. It's a function of your capital, but it's not just financial capital. The more educated and knowledgeable the students are, the better they are able to come up with new needs and solutions for the industry. It's a self-fulfilling prophecy."

That self-fulfilling prophecy is central to Lawrence's mission at Texas A&M. When distributors align with college programs, they help create knowledge by sharing best practices, writing textbooks or assigning business projects that gives students practical experience.

Then as more distributors align with college programs – perhaps even funding the creation of one at a nearby institution, if needed – the programs can extend their reach to more students. As more students are exposed to distribution and seek employment in the industry, the industry gains more talented employees to fill its ranks. And as more employees enter distribution, they, in turn, will lend their support to the university programs that fostered those careers.

"If the companies engage in a university's knowledge, then they help us build that body of knowledge and in so doing they become the companies that faculty are talking about, that faculty are using for education purposes, and that leads to the companies developing strong brand names among the students for recruiting purposes," Lawrence says. "It's a virtuous cycle."

Demand on the rise

An alignment with Texas A&M has been immensely successful for chemical distributor Brenntag North America, Reading, PA, according to Bill Fidler, who from 2006-2013 served as the company's president and CEO. He says the rise of Texas A&M's program over the years, as well as burgeoning industrial distribution programs at other colleges and universities around the country, is critical for the industry's continued prosperity.

"It is the true recognition of the fact that distribution is a profession and there are specific skills that can be learned at the undergraduate and graduate levels," Fidler says. "The real benefit that we have gotten out of our alignment with the industrial distribution program at Texas A&M is the development and understanding of best practices of the top distribution companies."

Fidler, who retired in June after a long career in distribution, sees a rising need for additional college programs because "distribution is a long-term growth industry," he says, "and the opportunity for universities to develop industrial distribution programs is front and center."

Scott Jochum of UNK's industrial distribution program agrees, saying he could easily "double the students I have now and place them all." For him, that signals a need for additional distributors to reach out to existing programs and align with existing universities, or help develop a new program – in much the same way their predecessors did.

"We need those companies that want to invest in our programs," Jochum says. "But it's not just investing in our programs, they're investing in the discipline of distribution. It's a win-win."