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Corporate Spotlight

World Wide Technology

CEO Jim Kavanaugh puts values first at World Wide Technology. Jennifer Monroe reports.

World Wide Technology is a company driven by its core values, and Jim Kavanaugh will be the first to tell you they're not optional. "It is not acceptable if you have three or four out of five," said Kavanaugh, CEO and co-founder. "The core values are mandatory."

It is difficult to argue with Kavanaugh's description of the five core values as "reasonable and realistic." World Wide Technology expects its employees to be team players; be honest and have integrity; have passion for the work they do and a strong work ethic; have a positive and open attitude; and embrace change, both positive and negative.

Get with the program

In fact, so important is adherence to these values that they rate above job performance. "You can be an A player on job responsibility, but if you are not performing on core values, you will be provided the constructive feedback on how to improve," Kavanaugh explained. "If you don't, we will ask you to leave."

Kavanaugh and partner David Steward founded World Wide Technology in 1990 when he was still in his 20s. Today, it is a respected, value-added reseller for the IT industry and an outsourced supply chain solutions provider for many of its customers.

"I liked technology," Kavanaugh said. "I thought technology was an area of growth and opportunity. I was always interested in going out and creating something new. That is easier when you are young and single."

At the beginning, when the company was small, Kavanaugh said the values were intuitive. "The core values were almost something you didn't need to talk about because everyone understood what it took," he explained. "But as a company continues to grow, you need to figure out a way for everyone to understand what those core values are and why they're so important."

Investing in individuals

Now all 650 employees learn about the values from quarterly business updates and on a daily basis from managers. All employees at all levels also are formally assessed on their adherence to the values during their annual reviews. Even potential new employees are evaluated on how tightly they embrace these values during the interview process.

"It can be a little frustrating for managers as they are interviewing because they will reject qualified candidates if they don't have the core values that fit this organization," Kavanaugh admitted. "But it pays off in dividends over time. You end up bringing the right people on who are complimentary to the overall organization."

World Wide Technology makes investments in its employees, most recently through an effort to expand training and educational opportunities. "We are continuing to invest in different training curriculums around leadership, accountability, and supply chain services" Kavanaugh said.

For example, World Wide Technology and St. Louis University, Kavanaugh's alma mater, already have a good partnership, and both are looking to do more. "We are getting more integrated with the Business School and the The Consortium for Supply Chain Management Studies for formal educational training," he said.

Giving (and keeping) 100%

According to Kavanaugh, dedication to the company's five values and the training program go a long way in allowing the company to meet one of its top three goals—100% customer retention.

Additionally, World Wide Technology is systematic in the way it measures and monitors its performance levels with customers, both external and internal. "We have structured performance metrics based on service level agreements with customers," he explained. "We have a very disciplined process in place."

Not only is customer satisfaction important for retention, but also for finding new customers. "We achieve growth from customer reference," Kavanaugh said. "If we do our job by driving customer retention and satisfaction, it will drive us to new customers. We put few dollars toward traditional marketing and advertising."

Kavanaugh sees this as one of the least risky marketing propositions. "Within certain limitations you can control your own destiny by always taking care of your customer," he explained. "If you focus on your customer and execute, you're almost assured you'll get new business."

Hard lessons learned

You're almost assured you'll get noticed within your industry as well, especially when your annual revenue for 2003 was $1.1 billion. So far this year, World Wide Technology has found its way onto "biggest" and "best" lists in a number of magazines including Washington Technology, St. Louis Business Journal, and Black

Enterprise.

This success is not something Kavanaugh takes for granted. In the early and mid-1990s, World Wide Technology faced a number of challenges. “If I knew then what I know now, we probably wouldn’t be around,” he said.

But it is in keeping those difficult days in mind, Kavanaugh said, that allows him to be an effective leader today. “If you can make it through the difficult times in the early stages of the business, you gain a significant appreciation for what you had to go through to get to where you are today. I don’t forget, intentionally, how challenging it was in the first five years of this business. It’s a Ph.D. in hard knocks, and it’s good. Those learning experiences, if you can figure out a way to capture them and never lose sight of them, can be an incredible foundation to work from.”

One thing that hasn’t changed for Kavanaugh, however, is what he hoped to gain from running a company. “I am doing what I wanted to do,” he said. “What I really enjoy is leading and managing people. That’s what I was doing back when we first started the business—developing a strategic plan and then driving the organization to execute the plan and grow the business. It’s just at a different size and scale now. As long as you can communicate your top goals (100% customer retention, financial performance, and live and breathe our core values) throughout the organization, hold your people accountable, and measure them in a disciplined way, you’ve got a good opportunity for long-term success. That’s what energized me then, and it’s what energizes me now.”

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