

The following is an excerpted chapter from “Wisdom at the Top: Lessons on Leadership and Life from 35 CEOs,” a book by Scott Rosen featuring interviews with 35 Philadelphia-area CEOs, including Tim Andrews:

Transparency and Caring

Tim Andrews, President and CEO, Advertising Specialty Institute

“Think of anything that you can put a logo or a slogan on, to promote a company, product, achievement, or event,” said Tim Andrews, President and CEO, as I sat across from him in his office. “T-shirts, mugs, pens, and key tags are popular examples.

“Let’s say you’re having a company picnic,” Tim went on. “You might want a tablecloth, cups, napkins, and gift bags with your company logo. You can use one of our online tools to search among 750,000 products, to find the best price and match for what you want to do. The products are then imprinted on demand by one of our suppliers and delivered to you. ASI helps you create the whole palette for a marketing campaign.”

ASI has served the advertising specialty market, also known as the promotional products industry, for over 50 years. The company has its home office in Trevese, Pa., and employs about 500 people.

Andrews started out as a journalist at Dow Jones, publisher of *The Wall Street Journal*, then moved into a variety of marketing, technology, and business positions at the company. He next joined Primedia, where he ran the business-to-business publishing division. In 2002, Tim was recruited to join ASI, a family-owned Philadelphia company founded in the mid-1950s.

Did Tim imagine becoming a CEO as a child?

“I don’t think I knew what a CEO was,” Tim said. “I wanted to be a journalist. That was really my path, from five or six years old.”

I wondered if Tim received formal business training beyond what he learned on the job.

“It was all on the job. I thought about going to Harvard Business School when I was about 30, after seven years as a journalist. But I couldn’t really afford to go there. I grew up poor in rural Indiana. We were on welfare and food stamps, so what I had earned in New York was what I had earned in my entire life. I benefited from a lot of good internal programs at Dow Jones, and I also had a couple of good mentors.”

Tim defines his role as CEO as “listening, and not only looking at financial statements. If a CEO thinks his job is to spend the day looking at financial statements, something is wrong there.

“About 40% of my job deals with talent management--developing and putting in place programs to manage and create incentives for my team. Another 30% of my time is spent with customers, mostly in their offices and at the 20 or so trade shows I attend every year. Of the last 30%, half is spent looking at other industries for ideas, and the other half is spent looking at the internal gauges of how the business is performing.”

I asked Tim how he dealt with the climate of fear and uncertainty caused by the current recession.

“The challenge is to keep your employees focused, grounded in truth and not in fear. What we have now is a nation grounded in fear and not focused on the future. If everyone’s afraid about what’s going to happen, then it’s going to happen. Yes, there are a lot of people without jobs, but at the end of the day 92% of people do have jobs. In a downturn, people are still spending money and you have to find out how to get that business.”

Throughout our interview, Tim emphasized his role in fostering a corporate culture based on openness and transparency.

“What works for me is a quarterly all-company meeting, where I spend about 45 minutes talking through the major highlights of the last quarter, but also focusing on what’s going to happen in the next few months,” Tim said. “Then I take questions. I think we average 15 questions, which may not sound like that many, but they’re pretty tough and educated questions. For example: ‘Six months ago you told us we were really going to work on market share. How are we doing?’ When you get a question like that in front of 450 employees, you know people are listening.

“When I joined the company six years ago,” Tim recalled, “I told Norman Cohn, the owner, after he interviewed me, that I was going to say something to the employees and then take questions. I said I wanted to set the tone for an open-door policy.

“And Norman said, ‘They don’t ask questions at meetings.’

“And I said, ‘They will, because I’m not going to leave until I get three.’ And that’s what happened. People weren’t afraid to ask.

“You’ll notice three windows in my office. It was a solid wall when I came here. On the first day I asked the building staff how long it would take to put in windows. People can know instantly when I’m here and when I’m not, just by looking in.

“If people have the sense over time that you’re transparent and telling it like it is,” Tim continued, “you’ve built a trust level where you can be honest with them, especially when bad times happen or you have to make a tough decision. If you can be honest with them about the little things and the good stuff, they’ll know you’re serious when there are also bad things to say.”

Communication in any successful company is a two-way street. When I asked Tim what sets him off, he said, “Finding out bad news after the fact, when someone knew it in advance, or had a reasonable expectation it would happen. Number one, no CEO likes to be surprised. Number two, if I had known about the problem in advance, I could have avoided or limited the bad outcome, or made a different decision.”

Sometimes a family business can be reluctant to turn over the reins to an outsider. This wasn’t the case at ASI.

“Norman and his family said I would make every business decision. That doesn’t mean that I don’t ask for advice and that it’s not widely supplied. Everyone has different viewpoints, and I consider them as I decide on the best course of action. Never have I been told by the family that I couldn’t do something, even if other people didn’t agree.”

ASI has grown impressively since Andrews came on board six years ago. The company has increased its distributor members from 17,000 to 23,000, while growing the supplier network to 3,600. Its online marketing system, ESP Online, now has 33,000 users, up from 5,000 a few years ago.

“I think we have a great opportunity to grow the number of distributors, to perhaps 40,000, in five to eight years. We’ve moved into Canada in the last two years. It’s a significant market, and we have other opportunities around the world.”

I asked Tim how he views his legacy.

“I think a legacy is created by a series of actions, and only becomes clear after the CEO is no longer around. I try to help people be the best they can be. I’m not sure that’s a legacy, it’s more a style. If I can do that, I’ll feel really good.

“I don’t look at this as a collection of 500 employees, but as 500 families that are depending on our decision-making,” he went on. “Right now I’m going through what every CEO goes through, and that’s the renewal of our health insurance. It’s probably one of the largest costs that employers look at. There are salaries, payroll taxes, and then healthcare. How do we fairly manage that increase?”

“We had five healthcare scenarios to choose among this year, and we immediately eliminated three because I couldn’t stand in front of my employees at an all-company meeting and feel comfortable explaining those options, given the culture we want to continue to have.”

When I asked Tim what he was most proud of, he brought it back to ASI’s culture.

“When I joined the company, one of the siblings said, “You’re working for a family business. What does that mean to you?”

“I gave a stumbling answer because I had never been CEO of a family business. Two years passed before I was finally able to answer the question: we care. We may not always be able to keep every employee and we don’t tolerate underperformance. However, we make decisions from a caring perspective, and that’s good.

“I think it’s really important to give back. You can run an organization with a heads-down, bottom line approach. Or you can take the heads-up approach, which is what the Cohn family does. We’ve done a tremendous amount to get the company involved in charitable work. Every holiday season we have an adopt-a-family program through the local homeless shelter at the American Red Cross. We ask employees to volunteer, and they buy toys and clothing for children and families with their own money. Last year about 80% of the employees volunteered for the program. We helped about 60 or 70 kids have a great holiday season.

“And we give out a free turkey to every employee during the holidays,” Tim added. “When we did a survey of employees, 93% said don’t mess with the turkey. So the turkey is safe.”