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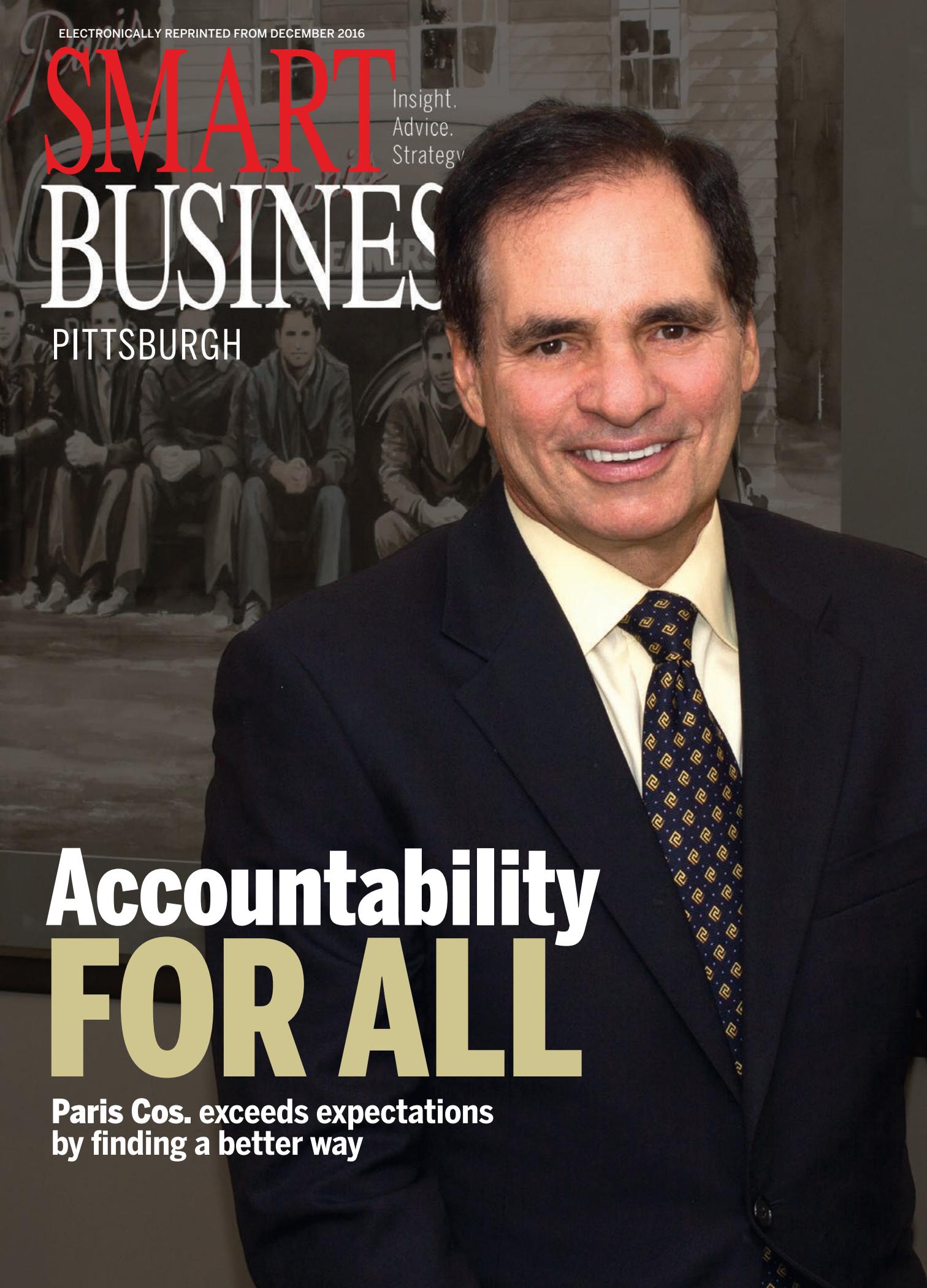
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# Accountability FOR ALL

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by finding a better way**



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# ACCOUNTABILITY FOR ALL

Paris Cos. exceeds expectations by finding a better way

BY JAYNE GEST | [JGEST@SBNONLINE.COM](mailto:JGEST@SBNONLINE.COM)

When CEO David Stern was younger, working in his dad's dry cleaning business in Western Pennsylvania was the last thing he wanted to do.

But as he was about to graduate in 1973, Stern thought he would be drafted, so he didn't interview for jobs. When the draft was abolished, he was caught off guard.

The economy wasn't great and jobs were scarce, so he reluctantly agreed to come home for a job. His dad, however, gave Stern the freedom to start a uniform rental business out of the basement.

Today, Paris Cos. still has that uniform rental division, which has more than 4,000 customers, but the larger piece of the company is its health care linen services division that provides linens to hospitals, non-acute care, surgical centers and long-term and home care.

Stern says at some point, he realized he was creating value. He could create not only an income, but also wealth just by innovating. That's when he knew he had a career.

"Everybody always says, 'Dave, you always look at things a little differently,'" he says. "So that was a thing that I think helped me in those early years when I didn't know anything about anything."

## Be in the future

When Stern first started out, he focused on the day-to-day, running the uniform rental company. Today, he spends most of

his time looking out three to five years, which allows Paris to adapt quicker to change.

By finding and developing seasoned leaders to oversee the more than 800 employees, Stern can delegate operations.

"We attract people that like to be entrepreneurial, because I delegate that and say 'My role is to say where we're going in three to five years. Your role is to get us there,'" he says.

It takes discipline to do this. But Stern says it's all about getting rid of the noise of the present to see the big picture, especially as your company grows.

That doesn't mean you're not in tune with what's going on. Stern still has lunch with employees, uses dashboards to track operations and visits with customers.

"So, I'm not saying I don't know what's going on, but that's not my focus," he says.

He also coaches where needed. If he sees trends in the wrong direction, he'll help his team set goals.

Over the past 38 years, Paris has increased its revenue every year with only organic growth. That's because focusing on the future gives Stern an ability to get in front of trends.

When you listen to the market and people that you admire, you'll see trends, he says. Then, it's a matter of putting two and two together to understand how it affects your organization and what you can do about that.



Photography by Molly O'Bryon-Welpott

For example, Stern sees industry consolidation commoditizing health care linen services. Health care providers in Pittsburgh, Cleveland, Erie or Youngstown will increasingly have decision-makers in other parts of the country.

"We're still a regional player, and in the health care market, it's still a regional game. But what happens is the people who are making decisions that aren't in the region, they want to deal with the least amount of vendors as possible," he says.

To counteract that, Stern and three other progressive companies across the country created the National Health Care Linen Alliance. It allows hospital systems to deal with a single point of contact for more facilities in different regions.

"It's getting traction. I think it will be successful in how regional players can compete on a national basis," he says.

## Exceptions to the rule

To ensure your business has continual long-term growth, it's important to create a culture of accountability.

That starts by measuring everything to get a baseline, Stern says. With measurement tools in place, you can create dashboards and ratios for the managers that need that information.

"What I've found is when you give them the correct information and tell them that it's important, the issue always improves," he says.



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Timely measurements will drive the people to the accountability that they are hired for.

“If something is supposed to happen and it does, then I never get too excited. If something is supposed to happen, and it doesn’t, that’s when I pay attention,” he says, adding that sometimes this is a flaw because he doesn’t naturally celebrate expected success.

But by focusing on the exceptions, you develop continuous improvement, Stern says. Because everything that happens that shouldn’t has a cost to it.

Then, you can look at what needs to be changed. What internal processes need to change? Where did you fail and how can you improve that?

The exceptions can be good, too. Why did you do so much better than expected? What happened and how can you duplicate that?

Every job has two or three key result areas that are important to it, so it’s management’s role to sort through the data and isolate that for employees, he says. By sharing what’s important to that job and how the company is doing as a whole, employees are more engaged.

“If you don’t share the information, they always think we’re doing worse or better than we really are,” Stern says. “So, it’s important to share it — Hey, this is exactly where we’re at — and make them part of the team.”

That in turn drives accountability,

because if you hire people for the right job, they like information, he says. You can tell them how they’re doing, praising them when they do well and coaching them when they don’t.

“Most people actually like that — and the people that don’t like that, I don’t really want working here,” Stern says.

### Let them know it’s coming

Whether you have a culture of continuous improvement or not, things are always going to change in business.

About every five years, there’s a major change in almost all industries, Stern says. That’s why you must learn how to communicate that change.

“I always say I learned change management from my kids,” he says.

When his kids were young, Stern would say, “OK, it’s 9 o’clock, time to go to bed.” They’d complain, ask for another half an hour and there would be a struggle.

Then, he changed his approach. At 7:30 p.m., he’d say, “Don’t forget, you’ve got to go to bed in an hour and a half.” At 8 and 8:30 p.m., he’d remind them again how much time they had left.

When it was actually time for bed at 9 p.m., there’d be no argument.

“So, it’s the same way with employees, as you develop tools for change,” Stern says. “Make sure that you start out in the future. ‘In the future, this is going to happen.’ Make sure they get it, so that when you do actually make the change, it happens a little bit easier.”

### Working on your behalf

Paris is known for its innovation, and Stern says that comes from a partnering approach with both customers and vendors.

Like many companies, Paris asks its customers what’s important to them, and then determines how to use its resources to achieve those goals.

But Paris also asks to be held accountable. Stern says they ask for rewards if they overachieve, which are then passed along to the employees, and consequences if they fall short.

He follows the same partnering approach with his vendors. Paris wants its vendors to share their knowledge to help the company succeed — and that matters more to Stern than the price.





“I’m about partnering. I want to build trust. If I build trust, I’m going to keep these customers forever.”

–DAVID STERN, CEO, PARIS COS.

A partnering approach also can mean educating your customers.

When Paris first got into health care linens, Stern noticed that you might lose a \$500,000 contract if your product cost a half a cent higher, but at the customer level, there was a lot of waste.

A nurse would never bring three trays of food into a room and say, ‘If you get really hungry, here’s some more food.’ But he or she might go in with extra blankets or an extra pillowcase and once it’s in the room, of course, it’s considered used, he says.

To better serve its customers, Paris taught health care providers how to order better and add internal controls, in order to use less of its product.

“My industry thought that was the dumbest thing in the world,” Stern says. “Why would you want to teach that to your customers? And I say, ‘Look I’m about partnering. I want to build trust. If I build trust, I’m going to keep these customers forever.’ ●

## Takeaways >>

To prepare for the future, decrease the noise from the present.

Create continuous improvement by focusing on the exceptions.

Partner with accountability in order to create innovation.