



*“Working with the CRT allowed us to clearly define and articulate our vision for the company in a living document that we can continue to use. I would recommend this process to any company that wants to challenge its direction and is looking for sound feedback from talented business people.”*

- Allan Keck, President  
R..W. Smith & Company

#### Company Profile

Founded in 1935 to meet the needs of the food service industry, R.W. Smith & Co. (RWS) is one of the most recognized names in food service consulting, design, installation and supply - providing everything a foodservice operator needs to open and run a restaurant except for the food and alcohol. RWS has clients from around the world in hospitality, gaming, restaurants, corporate feeders, and sports and entertainment venues. After many years designing and installing walk in coolers for the restaurant industry, RWS leveraged its expertise by establishing a Controlled Environment Rooms Division to serve the bio-tech industry. RWS has built a reputation as an industry leader in the highly specialized world of controlled environmental rooms.

## MENTORING SERVICES CASE STUDIES

### **R.W. Smith & Company**

#### **Cooking Up a Plan for Growth**

Since 1935, R.W. Smith & Company (RWS) has been serving the high-end food service business. The company had experienced slow and steady growth, was cash flow positive, and realized more than twice the average profit margin of its competitors. While business was good, RWS wanted to know what it was going to take to move to the next level.

#### **A Full Plate**

Allen Keck, President of R.W. Smith, knew something had to change. He had grown the company this far, but his plate was full and he knew he might become the bottleneck to growing the company. He was running out of internal management bandwidth and expertise. His systems needed to be overhauled. He had a general idea of what he needed to do, but didn't hesitate to seize the opportunity to get an outside opinion.

The Chairman's RoundTable (CRT), a diverse group of seasoned executives who offer free strategic counsel to growing San Diego area businesses, provided the insight and encouragement that Keck needed. "I was recovering from a bad management hire and hesitant to bring anyone else on board. I needed someone to say 'get over it, you need to do this.' It was clear I had to let go of the reins and hand them off to the right people. That was the first step that had to be taken in order to reach our growth objectives."

#### **The Recipe for Success**

There were many options for growth for RWS. Keck was considering acquisitions as one possible growth strategy. "The CRT said it was not a good idea. They were very clear on this point," explained Keck. "They said we didn't have the depth of management talent or the systems to execute a successful acquisition. It was tough to hear, but looking back I know they were right."



# Strengthening SAN DIEGO, One Company at a Time

## About Chairmen's RoundTable

The Chairmen's RoundTable is a non-profit volunteer organization comprised of successful Chief Executive Officers with diverse industry backgrounds who provide businesses in San Diego County advice on how to manage and grow their businesses through a well-defined mentoring program. CRT members provide this service free of charge to qualified area businesses as a way of giving back to the community.

For more information, please visit [www.chairmensroundtable.com](http://www.chairmensroundtable.com)

Instead, the CRT made several recommendations to support internal growth. "We implemented many of the recommendations that the CRT made. We set up divisions with P&L responsibility. We successfully hired several management executives to whom I handed over appropriate responsibilities. We involved everyone in strategic planning and pushed P&L responsibility down to the line manager level. And we updated our systems so that our team would have the information they need to help them meet their P&L objectives," said Keck.

### One Last Tip

"One of the final recommendations that our CRT mentors made was to set up a fully functional board of directors," said Keck. "I would have to say that of all of the recommendations, that has provided the biggest benefit over time. Everyone needs to be accountable to someone if you want to grow. That includes me."

Key Challenges:	Recommendations:	Results:
<ul style="list-style-type: none"> <li>• Determining how to best enhance management team</li> <li>• Need to decide how to grow the business more rapidly</li> <li>• Evaluating Bio-tech division opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Expand the use of an outside consultant to define and hire the right management positions</li> <li>• Divisionalize each of the three operations with managers who have P &amp; L responsibility</li> <li>• Let loose of the reigns and hold managers responsible for their sectors</li> <li>• Institute a bottom-up planning process for each division</li> <li>• Hire a division manager for Bio-tech and give him/her clear guidelines for growth</li> <li>• Set up a fully functional board of directors with 2 – 3 outside directors</li> </ul>	<ul style="list-style-type: none"> <li>• Hired key executives to head up divisions and pushed P &amp; L responsibility all the way down to line managers</li> <li>• Created an independent board of directors</li> <li>• Bio-tech division has grown exponentially and is very profitable</li> <li>• Grew from \$40 million to \$70 million in sales (over five years)</li> </ul>