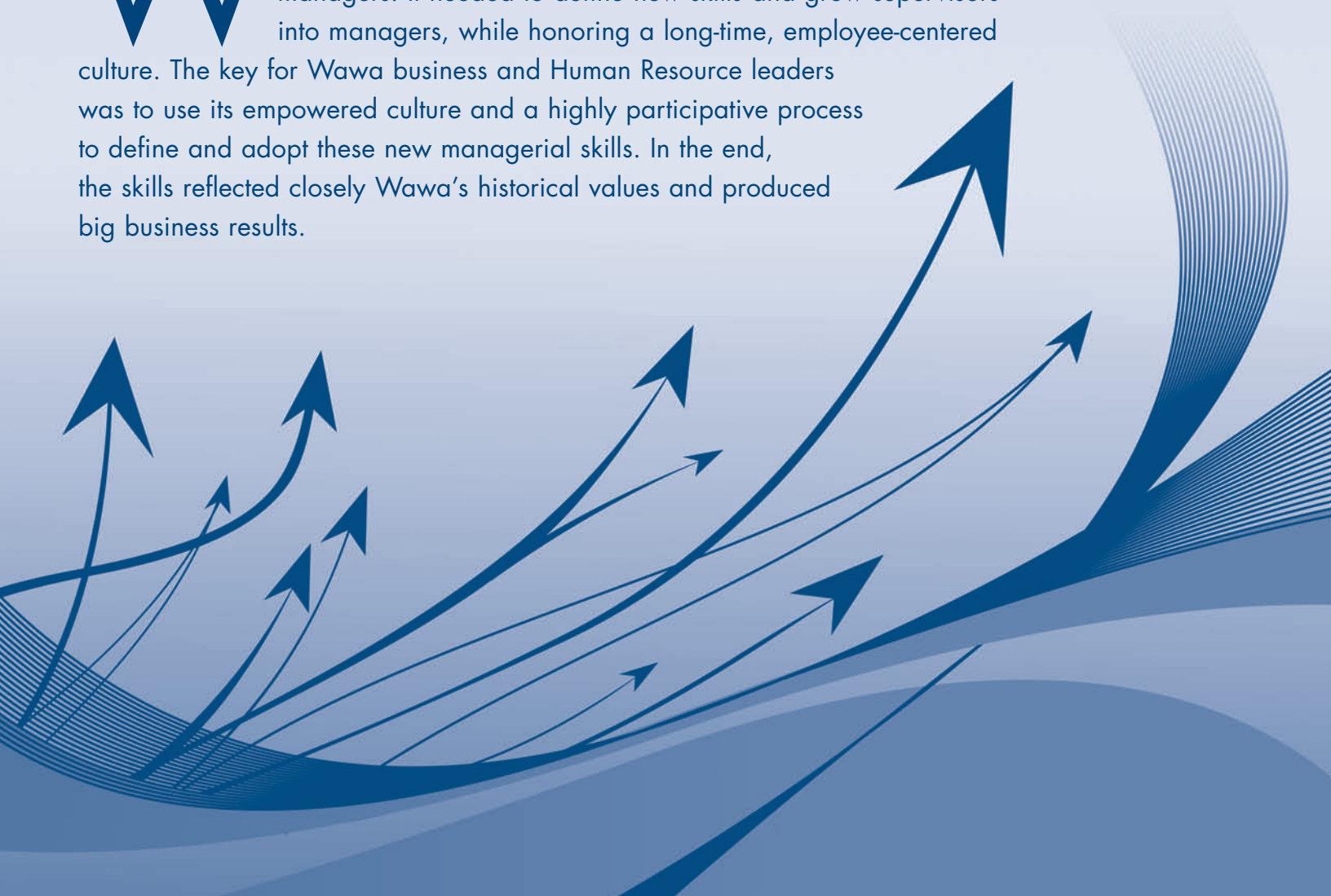


Drawing a Cultural Blueprint for Leadership and Growth: The Wawa Story

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Wawa, a fast-growing convenience store chain in Pennsylvania and neighboring states, was outgrowing the skills of its store managers. It needed to define new skills and grow supervisors into managers, while honoring a long-time, employee-centered culture. The key for Wawa business and Human Resource leaders was to use its empowered culture and a highly participative process to define and adopt these new managerial skills. In the end, the skills reflected closely Wawa's historical values and produced big business results.



Wawa Incorporated, with roots stretching back more than 200 years, is a dominant convenience retailer in the Mid-Atlantic States. It employs more than 16,000 associates in over 200 stores. In 1995 Wawa opened its first combined food service and gasoline store, selling more gasoline per day than most petroleum marketers and employing an average of 60 people. Since then, Wawa, famous for its coffee and hoagie sandwiches, in addition to its branded gasoline, has expanded its fuel and food operations at a rapid clip, with more and larger stores coming online all the time.

A New Leadership Challenge

Since it can and does keep expanding, even in tough economic times, one of Wawa’s key leadership challenges is to develop store managers into general managers. A store manager supervises people; a general manager runs a business. In response to increasing the number, size and complexity of its stores, Wawa recognized the need for a new kind of leader—a general manager/leader who leads store associates through other leaders—and knew the company needed to develop these “Leaders of Leaders” quickly, while preserving the best of its historic culture.

At Wawa, Human Resources is an acknowledged leader of change. To support associates through Wawa’s rapid growth and change, HR has ensured the consistency and continuity of the company culture. It was natural for the company to turn to HR to help with this leadership need.

The architects of this initiative—Dave Szumski of Wawa HR and Carol Mitchell, an external consultant from Talent Strategy Partners—took a high involvement approach that has energized and engaged the workforce. Their strategy was simple: Decide what to do and let Wawa’s culture dictate how to do it. Wawa’s culture is built on strong adherence to its core purpose and values.

Our Core Purpose: To Simplify Our Customers’ Daily Lives

Our Core Values:

- Value People
- Delight Customers
- Embrace Change
- Do the Right Thing
- Do Things Right
- Passion for Winning

It’s All About the Values

The first step was to define what Wawa was looking for in this new type of leader. The company understood and had the training and development infrastructure in place to address the business management and technical skills of the job. What it needed was a definition of the *people* management skills that were driving the success of high-performing general managers in these new, more complicated fuel stores.

How they did the work was as important as what they did. Carol and Dave hit the road and interviewed 16 store managers and eight of their supervisors, covering all of Wawa’s market area. Their goal was to elicit stories about experiences that would reveal the behaviors these managers have demonstrated in achieving success and overcoming failure. This typically is done through individual interviews, but for practicality, the team used a small-group format to collect the data in a comfortable atmosphere.

To encourage independent thinking, the team structured the group interview so that the managers did not completely influence one another in deciding what stories to share. After a few “warm up” questions, Dave and Carol gave the group time to individually reflect and jot down key facts of their stories before they shared them.

The stories people told contained strong people-development themes, particularly the ability to “see potential” in someone, even if the individual did not recognize it in him- or herself. This competency is core to Wawa’s culture and values. The following quote illustrates this: “I had to get to know the [assistant] managers and see who the leaders in the group were. One person was the ring-leader, but their [his associates’] opinion of him wasn’t good. I saw his potential because he commanded attention. So I gave him feedback on the tone of his messages. He listened to me and he wanted to change. And he did change. I feel particularly good about the fact that I steered him, helped him see himself.”

Many managers talked about their passion for winning, another core value in Wawa’s culture. One store manager talked about moving to a store at a beach location during the summer: “Others have had trouble [satisfactorily staffing a seashore store in the summer], so I decided I wanted to do something that hadn’t been done. I worked with another manager to get people trained before the summer.”

This manager also recognized the need to inspire commitment: “I had to get people to work for me instead of on the boardwalk. So we had a grill out back and we’d cook for them [the store associates]. We even had a garden; we grew tomatoes.”

EXHIBIT 1

Team Performers	Team Leaders	Leader of Leaders
Value People	Coaching & Developing Others, Relationship Building	Mentoring, Team Building and Inspiring Commitment
Delight Customers	Customer Focus	Managing the Customer Experience
Embrace Change	Manage Change	Lead Change
Do the Right Thing	Responsibility	Interpersonal Engagement
Do Things Right	Process Management and Execution	Driving Accountability
Passion for Winning	Business Drive	Talent Strategist, Achievement Drive and Motivation

EXHIBIT 2



Awareness of the effect one has on others was another theme that was prevalent and, again, a part of what Wawa values in its people. One store manager commented, “I told her that people think she’s smart and condescending; that she’s talking down to them. She needed to understand how her actions affected others.”

Another manager told a similar story. “Steve was better than people saw him. I reviewed how he was perceived and formed a plan with him. For example, after a meeting, I pointed out to him that he shouldn’t necessarily talk about negative points in meetings. People perceive him as negative.”

Then Carol and Dave involved assistant store managers and store associates through a second round of individual and group interviews on corresponding topics. This proved to be a valuable step; not just in the additional data collected, but also in the engagement it created at that tier of the company.

It all came down to the Wawa values. Wawa has done an outstanding job of articulating its values and nurturing a culture that brings these values to life. Dave and Carol listened to the data, attaching to the walls of a conference room more than a hundred Post-it™ notes with behaviors and phrases they had collected, grouping the related behaviors, and giving each group of behaviors a title. In the end, the behaviors identified from the high-performing store managers’ stories linked back to Wawa’s values.

The Leadership Structure

The search for the store manager of the future yielded the progression of competencies shown in Exhibit 1. Store managers have become general managers and Leaders of Leaders, reflecting that they now manage other managers, rather than directly managing individual contributors. The assistant managers are Team Leaders who directly manage store associates, the Team Performers. In short, the team discovered a model of cascading leadership that is rooted in Wawa’s values.

The new structure requires values-driven leaders at all levels. This internalization of company values is not the result of chance. Wawa has systems in place that maintain the strong values of the culture. For example, the company deliberately links rewards and recognition to its values. The “Golden Wings Award” (Wawa is a native American term meaning goose) highlights peer-nominated associates and managers for outstanding demonstration of our values. Wawa also conducts a bi-annual “Leadership Values Challenge” to assess the climate and the associate experience of the company against its values. In addition, the company has changed its multi-rater assessment and performance management systems to support the new leadership requirements.

Evolution is continuous and results can be seen quickly. The leadership competency cascade has been a work in progress. Multiple stakeholders have given input and events of everyday company life have shaped aspects of the model. The additional time that the highly participative and iterative process required for developing the model paid off in the broad ownership of the results.

Results from Leadership

Not only has Wawa seen ownership, it has seen results within the first year of implementation. There has been an immediate change of focus from “I need to get results” to “I need to develop people who can get results.” The Leader of Leaders competency profile clearly reinforces this behavior in competencies such as mentoring, team building, and talent strategist. Average performers are adopting the behaviors that are second nature to top-performing leaders. Executives have observed positive changes in the behaviors of these store leaders, and, as a result, better productivity.

Senior management also has identified benefits such as “a clear definition of where this position is going” [from store manager to general manager]. The clear definition of skills and qualities needed for the job have helped them understand “what to hire for.” Development programs now are based on the competencies assessed as weakest in Wawa managers in general.

One director of store operations said she now coaches people on specific competencies in the Leader of Leaders model and sees improvement in the associated business results. “We are so much better today than a year ago because of the

focus on the competencies. A lot of pieces are coming together. It's all about how we are managing; and clearly, the competencies are a huge part of it."

"There is a strong correlation between development of the talent pool and business results," says a senior director of store operations. He goes on to say, that, "Since implementation of the competencies, there was a 12% reduction in turnover of customer service associates in 2006, and a 19% reduction in 2007. This reverses a trend line we've seen for a number of years. There is a direct correlation between creating the right environment in the stores and associate satisfaction [reduced turnover]."

Wawa has adopted a DNA metaphor, depicted in Exhibit 2, for its competency model. The values and competencies are the genetic information of the organization. They make up a blueprint that is assembled in different ways to create different levels of leadership.

The work is not over. There is an initiative underway to tailor the competency model for corporate leadership roles. And, Wawa being Wawa, the company will review the data and continue to refine its leadership competencies, allowing them to evolve as the organization does. Stay tuned!

BIOGRAPHICAL SKETCHES

David Szumski is Wawa's Leadership Development Manager and oversees Wawa Corporate University. Over his 27-year career with the company he has held a variety of positions within Store Operations and Human Resources. Currently the scope of his work includes performance management, leadership development and succession planning.

Carol Vallone Mitchell and **Patricia Schaeffer** are the co-founders of Talent Strategy Partners, a management consulting firm that specializes in helping companies create deliberate cultures™. Mitchell develops competency-based solutions with particular expertise in developing people for leadership. Schaeffer's technical expertise is in performance-management programs that support and reinforce business goals and organization values. She is a member of the board and co-chair of programs for Philadelphia Human Resource Planning Society.