

AN INTERVIEW WITH

# Cal Turner Jr.

## Lessons from AMA Set Company's Future

BY CHRISTIANE TRUELOVE



*AMA Quarterly* talked with Cal Turner Jr., who turned his father's company, Dollar General Corporation, into the brand it is today. Turner was the CEO of Dollar General from 1977 to 2003. He wrote a book taking a look behind the scenes of the company called *My Father's Business: The Small-Town Values That Built Dollar General into a Billion-Dollar Company* (Center Street, 2018). Turner spoke about how he and his managers initially relied on AMA courses to establish a strategic plan and grow the company, the role former AMA Chairman Lawrence Appley played in laying out Dollar General's path to success, and the differences between leaders and managers.

### Your company and you have used AMA programs to train yourselves over the years, is this true?

**Cal Turner Jr.:** You better believe it. The *Wall Street Journal* favored us in a wonderful way with an actual review of the book, and they started the review with the announcement from my father to me that I was about to become president of Dollar General—the announcement he made while he was in his executive washroom, sitting on the john and speaking through a closed door to me. And the review said something to the effect of, so much for corporate succession! I actually got my first promotion. I had been executive vice president, my father was the president, and there was no one of higher title than president of the company at that time. He said, "Son, I think it's time for you to become president so I can become chairman for a long time." So we did it. But when

I did it, I had leadership tremors, because it's one thing to come into the business—he gave me the title of executive vice president immediately when I came in—but now I am president. And whatever a CEO is, that's what I am. And this business is entrepreneurial chaos under my dad, the founder, and now I was president.

And I remembered I had taken an AMA management course in New York. I had gone up there, once a month for four different months, we'd had a week up there, at AMA headquarters. Larry Appley [Lawrence A. Appley, former chairman of AMA] had everyone in his clutches as a dynamic speaker and presenter. So when I became president, and it scared me, I looked into AMA again. And they had at the time what they called "Management Course for Presidents," and it was about strategic planning. They convinced me that this

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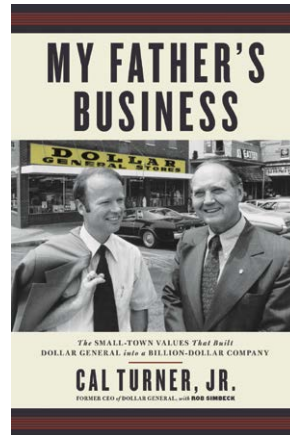
was the way to really open your company up to all of its possibilities and empower management to become a true team and get the company going. The strange twist to it is, at that time, we still didn't have a budget, we didn't have a chief financial officer, and we went right into strategic planning. I don't know if there is any other company on the face of the earth that has embarked on strategic planning before doing budgeting.

It got the company going, though. We went up to Hamilton, N.Y., to the American Management Association planning and implementation center.

Our ragtag senior management team got a dose of wonder about what we should do with this company. The beginnings of our becoming a team at the top of the company occurred in Hamilton, N.Y., doing strategic planning and following the AMA model under Hank Pattison as our planning coordinator. We gave Hank fits. His eyes would swim around in his head at some of the things that we'd say! But that's where we got real teamwork and coordination into the senior management of the company. I owe the genesis of success to AMA and strategic planning that we took through AMA.

### After that, did you have any of your employees take courses through AMA?

**CT:** Oh yes, you put out the catalog, and we'd have the catalog and send people, whether it was for "Finance for Non-Financial Executives" or it was a sensitivity training experience. We used AMA considerably. And then many years later, I got a brochure, after Larry Appley had retired from AMA. He was in Santa Barbara teaching a course he called "Communicating for Productivity." And our company was again at a crossroads, and I remembered how inspiring he was, many years ago in New York. So I sent myself out to Santa Barbara. Larry and I gelled and I got a private audience with him. And I told him that our company had succeeded because of following the AMA strategic planning model under his protégé, Hank Pattison, in Hamilton, N.Y. He was really impressed with that, and he and I had some commonality. He was from a solid Methodist background, I'm a backsliding Methodist. I told him our company is about to take on an acquisition that's going to challenge the dickens



out of our management development programs. And I wanted his help.

I remember Larry saying, "Well, I'm not available. My calendar is completely booked for the next year and a half." He was 80. And I said, "Larry, you didn't quite hear me. I wasn't asking you, I was telling you this is something you have to do. Here we are, we have gone the AMA route and it has made us successful, and this backsliding Methodist needs you to help us get this company going." And a tear streamed down his face, and I knew that we got him.

Larry came on our board, and my dad said, "Well, OK, I don't know who this fella is, but he's already 80. He can't be around here too long." But Larry Appley was the kind of mentor I needed at that critical time in our company. He helped us take the next step up in our professional development, and he and I developed a great personal relationship. It was kind of a version of a father-son relationship. He didn't have a son, he had daughters, and he and I bonded. He helped me navigate the breakup of family and putting the company back together. He'd been through that with many companies, like Marriott and many others. But without Larry Appley and AMA, I'm sure the success of our company would not have been as great as it turned out to be. We're an AMA-developed company.

### What are the lessons from AMA and Dollar General that you would tell other companies to take to heart?

**CT:** There is almost an immeasurable difference between a leader and a manager. Leadership is about development. Management is about mere results. I wouldn't say that results aren't important, but our company needed to get beyond entrepreneurial chaos, it needed to get beyond its version of boss-ism. My father, who founded the company, was "the boss," and he knew his leadership style was no longer relevant and he wanted me to figure out what was. Well, AMA helped me to do that. But I became fascinated with the distinction between management and true leadership that opens the company up to everybody, leadership that challenges people to grow and develop to their fullest potential, leadership that really defines a mission

and a purpose for an organization that vitalizes and makes everyone in that organization excited to be part of it. Our company was one of little stores scattered everywhere, and we definitely needed the kind of culture that true leadership can help you to have in scattered locations. I can't say enough about the importance of AMA in our company's development.

### When you look around the business world today, what are the things that leaders should be doing that they may not have learned the lessons to do?

**CT:** I think leadership is about achieving the right connections. You need to be connected to the same mission and purpose. Management needs to be connected to each other. The culture is critical, and every high-growth company needs to get beyond mere operations and into true leadership. Today, I see a very strong need for leadership in our society that helps us get beyond guilt and blame so that we can incorporate diversity of talent, diversity of objective. Our problem solving is much more incisive when it brings to bear everybody's input. We need as a society to discover the things that we need to come together to accomplish, the things that will never be accomplished as long as we're blaming somebody who's not like us. Leadership helps an organization to understand the synergy of different

the sales that we thought we'd have from their programs. I would learn why not in the store.

One time I was interviewed by a reporter who asked me if I was surrounded by yes-men. I said, "Of course I am, every CEO is. And that's why I have to go out to the stores."

### There was something other leaders have said, that not only are they as leaders surrounded by yes-men, but they can start to get a big head and a belief that everything they do is the right thing because they are the CEO.

**CT:** I was the opposite of that. I mean, we know how I got my job. I'm the boss's son. I've tried most of the jobs at this company, and I'm not good at any of them! But that makes me respect you who do these jobs, and it helps me to know that I need you. And if you'll help us figure out this company, we'll share the success of it with you. We want you to think of, what are our opportunities here? What can we do for the customer that only Dollar General is positioned to do? You know the customer. You're out here working with the customer.

One time, I was trying to find out why customers weren't buying this microwave popcorn that we had repackaged at a higher price. And the store manager told me, "Mr. Turner,

"We'd have a problem we didn't understand, and I'd go out to the stores and learn the answer from employees or customers in the store."

talents and different points of view. They help develop the powerhouse of the organization.

In our country today, there is plenty that can unite us, whether Democrat or Republican, but it is leadership that brings our potential differences into synergistic combinations.

I was a scared boss's son, who had to engineer change in an organization. My need for helping a company grow and develop prompted a fascination with leadership. My dad was a manager of sorts, but he was a boss. And we had many father and son issues to resolve. One time he said, "Son, you consult others too much. It's more efficient to tell them what to do. You know what you want to do. Just tell them and get on with it." But our company had grown beyond that, effectively responding to a boss. And I wasn't a boss anyhow. I needed the insight of everybody to figure out what to do with the company.

The few times I really impressed people who worked for me at Dollar General, we'd have a problem we didn't understand, and I'd go out to the stores and learn the answer from employees or customers in the store. I knew what we were supposed to be accomplishing, because the merchants would be telling me all of their wonderful programs. And then I'd go out to the stores and find out we weren't having

our customers can't afford to spend \$2 for popcorn. They'll buy it for \$1. We used to sell it for three for \$1. Now we're trying to sell eight for \$2, and they can't afford to spend \$2 on popcorn." We had thought we were offering them more value. I went back to the office and I said, "Look, instead of eight for \$2, let's give them more value. Let's sell four for \$1." And then microwave popcorn sales started going better. The eight for \$2 was an idea that the merchants had to make a good seller even better, but the problem was it didn't work. And they thought it was amazing that I had figured out what was wrong with our eight for \$2 popcorn price. And I didn't figure it out—I just went out to the stores and talked with people.

### What is another important leadership lesson you'd like to share?

**CT:** Get beyond guilt or blame. Separate the person from the problem. When we were trying to get the company going and something would go wrong, my father would ask, "Who did that?" And I'd say, "I'm not going to tell you. We're not going to ask who did it. We're going to say what happened, and who needs what help to fix it." Because when something goes wrong in this company, there is never any one person to blame. And when everybody is looking for the person to blame, nobody is looking for the solution to the problem. **AC**