



Unleash the Entrepreneur
Inside Every Employee

Playing the Game at Dorian Drake International

Success By the Numbers

Dorian Drake International

2009-2011

Game plan: Implement a system that would bring all of the company's associates onto a single bonus plan that would build unity and improve overall company performance. The results after ten years are impressive.

Results:

- ◆ **Skyrocketing Sales:** After beginning to play The Great Game in 2002, Dorian Drake has seen its sales nearly double from \$33.3 million that year to \$62 million in 2011.
- ◆ **Cash Cow:** Over the past decade, Dorian Drake's have grown by a factor of ten, growing from \$213,000 to \$2.2 million. Net income over that same period also zoomed from \$213,000 to \$1.4 million.
- ◆ **Bonus Time:** Other than a hiccup caused by the recent recession, Dorian Drake has increased its bonus pool every year it has played the game, topping out at a total of \$675,000 paid out its associates last year.
- ◆ **Improved Associate Commitment:** The firm's impressive financial performance has helped drop its turnover ratio from about 25% to less than 5% over the past decade.
- ◆ **Globalized:** The firm's 70 associates are literally spread all over the world, accounting for some 12 different time zones.

Company Background

Dorian Drake International is an export management company that helps U.S. manufacturers in four product categories - automotive, food service, industrial and hardware - sell their wares around the world. The company was originally founded as Dorian International in 1980 by Ed Dorian Sr. and later changed its name in 1985 after it acquired British-owned Drake International - a company five-times its size. "It was like a minnow swallowing a whale," says Ed Dorian Jr., the company's CEO who joined his father at the company fulltime in 1983. The company is celebrating its 10th year of playing The Great Game of Business in 2012.

Business Challenges

After struggling through the global recession of the early 1980s, Dorian Drake grew rapidly from 1987 to 1997. But a chain of events that occurred over the next five years such as the economic collapses in Asia and South America and the tragic events of 9/11 hammered the company's operations. From a peak of \$55 million in 1997, the company's revenues shrank to about \$30 million in 2002. Worse, the company actually lost money that year for the first time in its history and was forced to pay bonuses with equity in the company. "My dad told me to find a way to make sure we never did that again," says Dorian Jr., who then discovered the *Great Game of Business* and decided it could help save his business.

Great Game Solutions

Making the transition to open-book management in 2002 was initially challenging for Dorian and his team. "We had been decidedly closed book about how we did things beforehand," he says. "The notion of huddling and forecasting was very new to us." Another major pushback from the associates was the decision to change how the company paid out bonuses. Rather than reward sales based on product category, the company would now share in a single bonus plan based on a single critical number. "We needed to get everyone on the same team and working toward the same goal," says Dorian.

With economic conditions still floundering that year, the company missed its first bonus payment - but the company's bottom line improved considerably. The following year, 2003, was also tough as the company fought through the outbreak of the SARS epidemic and the beginning of the Gulf War. But, because the U.S. dollar weakened, which made U.S. products more affordable, the company rallied enough to pay out a quarterly bonus at the end of the year. By 2004, the third year since Dorian Drake opened its books, the company made 100% of its bonus goals.

"What I began to realize was that open book was more than just a financial methodology," Dorian says. "I saw a different culture emerging in the company where people cared about what was going on and were sharing information and resources. Everyone was pulling for each other."

As the company began to evolve, with associates spread around the world in countries like Mexico, China, and the Czech Republic, it also began to change how it played the game when it came to communicating. Rather than huddle daily, the company began holding monthly huddles for each of its business units combined with a monthly companywide-meeting. "We haven't missed a single meeting in 10 years," says Dorian.

The Game also helped the company weather the recent recession. Rather than lay off staff during the downturn like most companies, associates supported the implementation of company-wide pay cuts in April 2009 instead. A turnaround quickly followed, as the company not only restored full pay by the end of the year, it also paid out 45% of its bonus target. "There's no way we could have pulled that off if we weren't open book," says Dorian, who even after a decade, has continued to expand how it plays the Game by recently adopting the High Involvement Planning process. ◆



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