

VISTAGE

Member *Stories*

Steve Pasell, President & CEO
Amcon (American Converters)
Fridley, Minn.

At a glance

Role: President & CEO
Industry: Foam Fabrication
Employees: 76–150
Vistage chair: Don Kielley

Company background

[Amcon \(American Converters\)](#) is the Midwest's premier fabricator of foam for industrial manufacturers. The company offers a full range of materials, including polyurethane, polyethylene, polypropylene, and neoprenes, in any shape or size an application might need. Amcon is known for its quick response to customer requests and invests in the best available manufacturing equipment in the industry.

Steve Pasell joined Amcon (American Converters, Inc.) as a salesman in 1983, only seven years after the company was founded. At the time, Steve admitted that he was one of the “worst salesmen in the history of foam.” But soon after his inauspicious start, he had an opportunity to do something at the company that was a much better fit. “I took over for a partner who left the firm. I jumped into estimating and purchasing, eventually moving up through different positions in operations.”

In 1996, the reluctant salesman was appointed



president and CEO of the foam fabricator, which catered to industrial manufacturers. Just a few years after becoming president, Steve joined Vistage—TEC at the time. Before taking the plunge and joining, however, he took some convincing. Like many senior execs, he wasn't sure if he could spare the time away from the office and just wasn't sure about the value.

“Joining Vistage was one of the things I got right in 1998,” commented Steve. “We had just lost our two biggest customers—30 percent of our business.” Immediately, he was thrust into unfamiliar territory. “I had never done a turnaround and was nearly clueless on what to do. In my infinite wisdom I decided to try to replace the lost sales.” He even brought in a consulting company to help grow Amcon's sales.

While attending his Vistage group meetings with fellow CEOs he was keeping everyone informed of the progress. “But at the third meeting the guys just told me, ‘here's what you're going to have to do: You're going to cut once, you're going to cut deep and you're going to get yourself back into some black ink; and we're going to help you do

that.”

Explained Steve, “Now; of course, that’s what you do, but at the time I didn’t know what to do. I didn’t want to cut any people, I like them all. The objective feedback I received from other Vistage CEOs helped me make that tough decision.” One lesson learned during this period that still drives his management philosophy: Fire fast, hire slow.

Today, Amcon employs 140 people in four divisions: one in Denver and Maple Lake and two in Fridley. Shipments and its supply chains are usually local and regional because of the high cost of shipping. Despite its lightweight, foam is costly to ship because it’s so voluminous. “It’s like shipping air,” joked Steve.

How Vistage speakers deliver value

Besides the lessons learned from his Vistage Chair Don Kielley and the 15-16 CEOs in his group, Steve receives tremendous value from Vistage guest speakers heard at monthly meetings. “I think the speaker resources are incredibly valuable. There are nuggets that almost every speaker brings,” he said.

“Usually I would come back to the office and share my notes with others. With some speakers, I take a larger team to hear them. Steve cites two speakers that talked about the benefits of trailing 12-month averages; and, don’t get seduced by chasing the hot tools of the day like Kaizens, lean and 5S unless your company can truly benefit from them. The latter example was a reminder that “You can find yourself getting seduced by available technology instead of using good old tribal knowledge and common sense,” he noted.

After hearing a compelling presentation from a Vistage speaker talk about the risk assessment

tool real: win: worth, he adopted the methodology to improve their win rates on proposals. An analysis showed that 80 percent of the proposals developed by Amcon’s design and engineering group were lost. “We found we were chasing rainbows all the time,” said Steve, referring to the proposals they simply couldn’t win.

Evaluating opportunities through the lens of real: win: worth increased its win rate to 80 percent! Amcon now scrutinizes all projects under the conditions, 1) is the opportunity real; 2) do we have enough competitive advantage to win it; and 3) can we make money on it, and does the project position us for similar, future work? “Now, generally, we work only on projects we have a good chance of getting,” summarized Steve.

In a cutthroat industry like foam, Steve looks for every advantage in the marketplace. “There are only a few companies that use our products,” he said. Obviously, the competition for those few companies is intense; to stay competitive Amcon must be quick. “Everything we do we do faster than the other guys. We’ll have a design sample and a price in front of a prospect before the other guys ever get a call put together,” Steve boasted.

Methods gleaned from speakers and his fellow CEOs have kept Steve tightly engaged with Vistage for 17 years. I use Vistage as my board of directors,” he said.

That board also helps Steve lead Amcon’s culture of accountability and hard work. “We’re 100 percent employee owned,” he said. Yes, people work hard but Steve wants his employees to enjoy the experience. “We spend most of our waking hours here, and we don’t want it to be drudgery.”

Amcon likes to celebrate success with all its employees. “Every year we have a barbeque

where we unveil the new value of our ESOP stock; it's one of our biggest days," he said.

"It's okay to have some fun, and we encourage that. As a matter of fact, if you're not a very fun person we encourage you to find your career elsewhere," Steve said with a smile. **V**