

CATALYST

A large group of people, mostly men, are gathered in a huddle. They are all wearing blue t-shirts. The t-shirts have a logo on the back that says "WHERE YOUR DESIGN SHAPES" with a stylized figure. The people are standing in a circle, with their arms around each other's shoulders, suggesting a team huddle or a group of people in a meeting. The background is a blue wall with some faint lines.

JULY 2021

A Culture to Lean On

A legacy of learning guides this Chicago-area manufacturer's Conscious Leadership journey.

CATALYST

Welcome to CATALYST, dedicated to celebrating businesses throughout the Chicagoland area that are committed to the core principles of Conscious Capitalism:

- A Higher Purpose
- A Stakeholder Orientation
- Conscious Leadership
- A Conscious Culture

There's nothing subtle about business in Chicago. Like our winters, it can be brutal. If you make a go of it here, that's saying something. It can be frustrating and many have tried and failed.

Never prone to giving up when faced with a tough challenge the people of Chicago and the Conscious Capitalism movement instead ask, "Isn't there a better way?"

That simple question has grown into a chorus of leaders like you who are challenging the status quo and creating a better future for themselves, their companies, their stakeholders, and the world.

These are their stories.

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Preparing the next generation of conscious leaders.



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The Ace Huddle

Show up at Ace Metal Crafts in the morning and you will find team members gathered in a group for something called The Ace Huddle. This morning ritual of coming together was started by company president, Keith Stout, to reinforce that the team is the most important thing.

"I don't know how to weld, I'm an engineer," says Keith. "In college, I was a cheerleader. I joke that I use my cheerleading way more than I use my engineering. Growing up, I played 16" softball, and then I coached my daughters who are now playing in college. Before every game, we would huddle up and put our hands in and say, 'let's go, we got this!' The image of everyone coming together as one, recommitting to each other as a team is so powerful to me."

"For more than two decades, at the end of every quarterly meeting, we all put our hands in, and I reinforce that we can't be beaten if we work together as a team. If we can resolve our conflicts and remember that the people we want to beat are outside these doors, there's no way our competition can touch us."



A Legacy of Helping Others



Ace Metal Crafts was founded in 1960 by 16 sheet metal workers who, when their company was leaving the Chicago area, pooled their money, and started their own metal fabrication and finishing business. The Bensenville, IL-based company's entrepreneurial roots run deep as does its commitment to building a culture of learning, continuous improvement, and conscious leadership.



Jack Lichter bought the company in 1982. Here he is standing in front of one of the company's fabrications at 333 W. Wacker Drive in Chicago.

Shortly after Jack Lichter bought the company in 1982, his daughter, Jean Pitzo, joined him in the business. In January of 1991, Mr. Lichter sold the company to Jean, who became president, and her sister Mary Lichter who became the human resource manager.

Having worked on the sales and finance side of the business, Jean knew very little about bending, welding, or polishing metal. But she knew who did – the company's employees. "I trusted them, and they taught me," she says. "That's how it works. I could spend a million dollars on a new machine, but I



Jean Pitzo, was named CEO in 1991.

didn't know how to turn the thing on. I had to get comfortable early on with the fact that I had a lot to learn."



WHERE YOUR DESIGNS TAKE SHAPE

That willingness to ask questions, learn, teach, and coach has been central to the culture at Ace Metal Crafts from the beginning, so Jean did what came naturally, she asked questions and listened to the answers. One of the first people she sought out to learn from was the general manager of the company, Jack Stout. "Jack was the brain of the whole business and was one of the kindest, nicest people you'll ever meet," Jean, now the company's CEO recounts. "He took me along and taught me so much."



Jack Stout, long-time general manager was passionate about learning and teaching.

Teaching, coaching, and continuous learning are ingrained in Ace's culture, and it has always been that way. Jack Stout's son, Keith, now the president of the company describes his father as the person who first laid the foundation of the company's learning culture. "My father was a self-taught engineer. I remember him going to flea markets and picking up calculus books to teach himself," recalls Keith. "Back then you had to do a lot of blueprint drawing, or layout engineering where you had to use a lot of geometry. He taught himself the necessary skills because he wanted to teach other people how to do it."



Keith Stout, Jack's son and President



A Family Business - Jean Pitzo, Jack Lichter, Jack Stout, and Keith Stout



Jack Stout (2nd from right) leading one of his many classes.

"He started a class teaching layout engineering and even invited our competitors. He didn't think twice about that. He never thought that would be bad for business. To him, it was, 'how do we make everybody better?'"

"My dad knew how to make things. And Jean's dad knew the business side. I always think about those guys and how they were so kind," recalls Keith. "I have been here since I was 18 and have heard so many stories about them. When talking about my father, people used to say, 'If your dad asks us to work

overtime, we can't say no because he's done so much for us.' He would paint guys' cars on the dock and take chances on guys who maybe were down on their luck. He would give jobs to people who just got out of prison. I mean, you name it. He was always trying to help."

The legacy of Jack Stout and Jack Lichter lives on as Jean and Keith work with company executives to build a team of coaches. Along with Deb Benning, the company's Chief Relationship Officer, Jean developed a course on emotional intelligence which is taught to everyone at the company. "There are eight classes in the course starting with self-awareness," Jean says. "We are teaching welders and grinders about victimhood. We teach triggers. We teach forgiveness. We have different tiers or tracks focused on leading. Beginning with leading yourself then leading others. You progress to being a value stream leader then leading other leaders."



Deb Benning, Chief Relationship Officer, knows that Ace's culture is a competitive advantage.

So, how do company team members react to this type of training? "I think it's just expected because we are intentional in our effort to build a learning culture," says Benning. "Over 80% of the company has been trained in the tools for them to learn and use in their day-to-day work at Ace. We now teach it in Spanish and Polish. We are so committed to learning that we hired a training leader this year who will build on the training we have developed and make it a more formalized program - an internal Ace University."



Ace Metal Crafts prioritizes continuous employee training.

The leaders at Ace view their culture as a competitive advantage when it comes to recruiting as well. "I think people are starved for leadership," says Benning. "I think people want to belong. They want to know they matter. They want people to see them. Recently a candidate asked me what I liked most about Ace. I said, 'it has never felt like a job.' It has always felt like I was going home to be with my friends. I have a voice in what happens here, and I am part of something special. I think that when people feel that way, regardless of their job, they give everything they have."



Then and now, Ace delivers.



a higher

The company's conscious culture journey began when Jean first read *Conscious Capitalism* by John Mackey and Raj Sisodia. "I couldn't put it down I was so excited. I had never met anyone trying to do what I was trying to do, work on culture," she says. "No one else even talked about culture back then. So, to read this book that lays out what a great culture looks like and describes what I've always felt was just amazing. I was like, finally, somebody else is talking like this!"



Jean Pitzo works with her team to develop their leadership skills.

Starting in 2008 with Eckhart Tolle's *A New Earth*, discussing self-awareness and ego, Jean and the executive team had been reading books together. So, it was natural for Mackey and Sisodia's book to become part of their book club discussions. After finding that the philosophy gave them a framework to bring into Ace, the team got more organized around their intention to build a conscious company. They landed on a unique and inspirational higher purpose - To Create Joy Through Kindness.

"It promotes a psychologically safe workplace," explains Jean. It is also a constant reminder of why we're on the planet. Not why we're at Ace Metal Crafts, but why we're here on this earth - to create joy through kindness. And yes, we bend metal. Yes, we've got to deliver our parts. But boy, Ace is our lab to do our life's work, our God's work."

purpose



Keith echoes Jean's thoughts about the company's higher purpose. "I believe strongly that we're here to bring heaven on earth. It's our responsibility to bring heaven here. So, 'on earth, as it is in heaven' doesn't mean wait to go to heaven. It says make on earth as it is in heaven.

To me, I feel like there's a responsibility to do that."



Keith Stout believes that a leader should work to make "heaven on earth."

BRUTAL REALITY & CREDIBLE HOPE



Company leaders worked hard to provide answers to their team members during the pandemic.

During the pandemic, an important part of fostering and maintaining a strong culture was what Jean calls delivering regular doses of “Brutal Reality and Credible Hope” at company town hall meetings.

“We had to be honest,” Jean says. “We didn't know if it was going to last two years, five years, five months, two seconds. We didn't have those answers and people were scared and nervous, so nervous.”

“We just said you know, here's the brutal reality, here are the numbers, we lost this much in revenue, this much in profit. We didn't have the orders coming in, but we did a forecast. If sales go down to X, this will be the loss. If sales go down to Y, this will be the loss. So, that's the brutal reality. The credible hope was a firm belief in the fact that we've got this. It's not going to be easy, but we're going to make it through because the company is financially healthy despite the downturn.”



While the pandemic slowed the company's business, there was still plenty to do.



The company began to take on projects that had been on their to-do list for years to make sure everyone had work to do. Keith Stout explains it this way. “We took advantage of the time we had,” he says. “We shaped what we called ‘leap forward’ projects. By completing these tasks that we never had the time to accomplish before, we were preparing ourselves to be more ready than anyone when the economy came back. We wanted to be the company that could leap forward faster than anyone else.”



Top: Keith Stout goes over scheduling with a team member.

Bottom: Keith and his team prepared for when the economy would bounce back by working on "Leap Forward projects."



Gino Rigitano, Vice President of Operations - Machining knows that Conscious Leadership Is a journey.

The importance of this approach was not lost on

one of the newest members of the Ace Leadership Team, Vice President of Operations - Machining, Gino Rigitano. “I was always in search of something because I knew there was a different way to lead. There's a different way than the conventional, you know, MBA approach of metrics only. Last year was a fearful time with a lot of uncertainty,” he says.

“As leaders, we don't want to sugarcoat things. I think the town halls gave people a chance to just be present in that. It was also an important part of our continuous journey of building a culture of conscious leadership. To be there for our team members, even when we didn't have all the answers, was so important.”

THE UNIVERSAL LANGUAGE OF TRUST





The company's transparency with its workforce and its commitment to honest and open communication are consistent with its core values of Trust, Respect, Care, Clarity, and Discipline. "Our values are the bedrock of our conscious culture," Jean emphasizes. "If you visit Ace, you will probably not notice any big words on the wall that tell you what our values are but, you will feel them as you visit with our team."



Team members helped shape and define the company's core values.

Another behavior is sharing knowledge. In some shops, people don't want to share knowledge because they think that's job security. They don't want to tell the other guy how he welded that job the last time. We believe that sharing the things we have learned will help others get better. That's really what Jack Stout and my father talked about from the very beginning."

There are many different ethnic cultures at Ace and five languages are spoken there. That diversity brings with it many different meanings for those words. "It's a challenge that I think every CEO around Chicago should accept and take on," says Jean. "Throughout 2020, while dealing with the impact of the pandemic, we held 75 meetings. We interpreted every one from English to Spanish, Polish, Vietnamese, Bosnian, and Serbian. When you do that it's such a gut check for leaders because you're losing productivity as people are in meetings longer. It is just so important to recognize the strength that kind of diversity brings to our culture."

As part of the company's efforts to bring its core values to life, team members were asked to identify behaviors that support those values. The shop team members decided that promptly returning what you borrow is a sign of respect. "Think about that," Jean says. "In a shop full of 150 guys and toolboxes. If you borrow a tool and you don't bring it back, how disrespectful is that?"



At Ace, returning borrowed tools and sharing knowledge are signs of respect.



A Conscious Culture Pays Dividends

“I gave a speech at a conference on lean manufacturing in 2005 entitled “A Culture to Lean On,” says Keith Stout, Ace Metal Crafts president. “I said you can’t just ‘do lean.’ You must have a culture that will support it and sustain your efforts. I was like the weirdo dude. You know, I’m talking about values and behaviors and people are like, what? Who are you? But if I went to that conference today, you couldn’t find anything that isn’t about culture. It’s all about culture. It’s everything.”



In 2013, ACE applied for and was selected by Toyota Motor company’s TSSC division to advise them on their continuous improvement journey. ACE introduced a new profit-sharing bonus plan to reward each team member for their part in our collective success.

In 2019, the company expanded its overall position in the stainless-steel fabrication and machining industry with its acquisition of IRMKO Tool Works, also located in Bensenville. Fully incorporating the separate location’s workforce into the Ace culture is a high priority for Keith and his team. “I remember the reaction of one of our new team members when he got his uniform, his Ace Metal Craft shirt,” says Keith. “He said, ‘I feel like now I’m a professional.’ That pride in what you do, who you do it for, and why you do it, to him, it was heaven on earth.”

A Legacy of Love



Angela Pitzo, Jean's daughter and Vice President of Manufacturing, is preparing for the day when she will lead the company.

Today, Jean Pitzo has taken a step back from the day-to-day operations of the company. With a team of leaders including Keith, Deb, Gino, and Jean's daughter Angela, the company's Vice President of Manufacturing picking up the mantle, she reflects on her legacy. "I have been so fortunate to have had the opportunity to guide this team to another level and create an environment that enables them to go home at the end of the day with pride in their work. Conscious Capitalism can amplify the influence a CEO has on the long-term future of a company, and I am so grateful for the association with the movement."

Jean recounts a story that helps her know that it's working. "One year, we discussed with team members a 'value a month' and this particular month, it was 'Care.' The value stream leader who was facilitating the meeting wanted to write the word 'care' in English, Vietnamese, Polish, and Spanish. There were four or five Spanish-speaking people that were from Mexico, Belize, and Guatemala in the room. They were disagreeing on the correct way to spell the word 'care' in Spanish. At the end of their five minutes back and forth, they came up with the word 'amore' which is 'love.'"

"I was like, that's it! Right there! That's how you know what you've been talking about all these years is making a difference."



All team members at Ace Metal Crafts actively define the company's conscious culture.



CHICAGO STORIES

As the first national chapter of Conscious Capitalism, the Chicago chapter has strived to tell the stories of Conscious Leaders in our community. *Chicago Stories* is a celebration of people throughout the Chicagoland area who understand that business, done well, can elevate humanity.

You are invited to join our community of business leaders who know that Chicago is and always will be the City of Big Shoulders AND Open Arms.

Visit us at www.consciouscapitalismchicago.org to see how you can get involved.

Maybe we can tell your Chicago Story!



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CHICAGO CHAPTER

