



Steve Szilagyi
Senior Vice President,
Customer Solutions
MSC Industrial Supply Co.

Bio:

Steve Szilagyi is Senior Vice President, Customer Solutions for MSC Industrial Supply Co. Szilagyi has overall responsibility for leading the company's inventory management solutions and related operational functions, including field service, implementation and service center operations. He serves as a member of the company's executive leadership team. Prior to joining MSC, Szilagyi served as Chief Supply Chain Officer for Lowe's, where he led a supply chain team of more than 12,000 associates and had overall responsibility for supply chain strategy, inventory and demand planning, inventory fulfillment and optimization, international and domestic transportation, distribution operations and millwork shops. Prior to Lowe's, he was Director of Distribution for Wesco Distribution and was a Principal with Kurt Salmon Associates, a global management consulting firm based in Atlanta. Steve earned a bachelor's degree in Materials and Logistics Management from Michigan State University.

Intro:

In this episode of the Supply Chain Careers Podcast, we speak with Steve Szilagyi, who has served in roles from consulting at Kurt Salmon to director of distribution at Wesco to being a chief supply chain officer at Lowe's. Steve shares his supply chain career journey, which began by working in a distribution center while in school. He provides his greatest lessons learned about servant leadership to get the most out of people by developing them and providing clear goals and the tools they need to succeed. He looks for people that understand and speak the language of personal accountability, plus those who are curious about how the system works overall rather than just their own piece of it. He also provides his thoughts on taking clear ownership of the relationship when you are a mentee. He emphasizes his need to grow or move on when new and

greater challenges are desired.

Mike Ogle: [00:01:40] Steve, we're happy to have you with us today. Welcome.

Steve Szilagyi: [00:01:43] I'm grateful to be here. Thank you for the opportunity.

Mike Ogle: [00:01:46] How did you get started on your own supply chain career journey? What were some of your greatest influences that got you started and helped you along the way?

Steve Szilagyi: [00:01:55] I am the son of Betty and Bob Szilagyi. The youngest of six children. Betty was a middle school home-ec teacher and Bob was a golf pro. He had one of the best public courses in Southeastern Michigan and tee times were at a premium and he promised the supervisors from a local grocery store warehouse a good tee time if they would give his sons jobs in the summertime at the warehouse. So, 17 years old, day before I graduated, I started at this grocery warehouse. I was an order picker. I worked in dry grocery and the dairy and fresh and frozen for four summers and several Christmases.

Going to Michigan State, I wanted to be a chef, but I found out that chefs made the least amount of money. The people who made the most money at coming out of school were the supply chain folks. I switched my major to materials and logistics management. And I remember telling my father, he says, Steve, that's a great decision. Products can be made anywhere in the world, but you always got to move them from point A to point B. And that's how I got my start in supply chain.

When it was time to graduate and I was looking for jobs, a consulting firm came to town, Kurt Salmon Associates, and I lucked out, they agreed to talk to me. And then I got even luckier. The guy who interviewed me, asked me some question that I tried to bluff my way through. And he called me on it and I said, fine. And I got a little bit of an attitude and I said, what do you guys do? And he said, we work in distribution centers. I said, oh yeah, what do you do? He said, well, we set standards and incentives and I knew what he was talking about. And I was able to have a conversation with them about it and that got me the next interview. For some reason they kept talking to me. They didn't know what to do with me. They normally hired engineers out of great schools. And here was Steve Szilagyi, a materials and logistics major, and they took a chance on me and I'm forever grateful for it. Right off the bat being with Kurt Salmon Associates, we got to work in a large variety of industries with different leaders and trying to solve different problems. And I learned from the ground up, I learned from being on the distribution center floor and learning how to do a time study and how to set a standard, and how to motivate people and provide feedback and performance reporting and coaching.

And that led to learning how to design a distribution center, and then lo and behold, I had to do a control statement for how a conveyor system worked. And then the next day I had to describe how a warehouse management system would work. I had to do all this stuff. I had to learn it and do it. And by doing that, I just kept getting more and more opportunities.

Rodney Apple: [00:04:24] I'd love to hear more about these transitions. You worked in

management consulting, had a really good run there. Went into a major wholesale distributor, obviously a strong career at Lowe's, then back into wholesale distribution with another leader, and just would love to hear about those major transitions, your key learnings. So anything you could paint some perspective on as it relates to the careers and the differences.

Steve Szilagyi: [00:04:48] I say supply chain is pretty simple. It's people and boxes and trucks. With an emphasis on the people. We're trying to move product and we're trying to satisfy customer needs and help a business grow. I found that in my career, I've enjoyed trying to climb mountains. When I feel like there's not another mountain to climb, it's time to move. And keep challenging yourself and keep growing. So, growth has been the impetus behind every one of my transitions.

They've been all good transitions. When I left Kurt Salmon Associates, I'd been there 13 years and I was a partner. It was just time for me to move on. I started questioning some of the decisions that my clients were making. And I realized that the problem wasn't them, the problem was me. And that I didn't want to be in the advisor role anymore. I wanted to be in the game. I wanted to be in the leadership role. I wanted to be inside the company instead outside the company that I was working with. So, I made that leap, a company in Pittsburgh, Wesco Distribution took a chance on me. I was 34 years old. I wanted to be a VP of distribution and I didn't realize that I was really young and that I hadn't really done anything before.

I told my mentor I must have interviewed with 20 companies and I'm not getting anywhere. And he said, where do you want to work? And I said, anywhere, that'll take me. And he got mad at me. He said, stop that. He said, where do you want to work? I said Lowe's. And he goes, great. Why do you wanna work at Lowe's? And I said, I've had the study Lowe's as a competitor, and I really liked the way they go to market. And I really liked the culture of the stores. I really like what I see there. And he goes, okay, great. He says I would like a letter to the president on my desk by the end of the day. And I said, I'm not going to do that. He says, write a letter to the president. I wanted it on my desk and I did. And they gave me an interview. I got a call, and I got a in-person interview and I got a tour and I did a couple of rounds. And then they didn't offer me the job that I was interviewing for. They offered me a general manager job and I said, no, thank you. It's a great opportunity, great company, but that's not my path. My path is different. And my path is to be a vice president of distribution and the guy said, you're just a consultant. And by the way, he was right. I didn't know it. I argued with him, but he was right and we agreed to disagree. It took us three months and, in the meantime, I got an opportunity to go work at Wesco Distribution, and I took that and moved up to Pittsburgh.

And three years into the Wesco journey, I had responsibility for three distribution centers, a \$350 million business unit of the bigger company. I had a small team and small scope and it's exactly what I needed because I needed to learn. I needed to learn how to lead. I didn't know how to lead. And I had to learn how to take a journey of improvement and how to advocate in 360 degrees and communicate and develop relationships and all those things that leaders need to do. And after about three years at

Wesco, we had climbed some mountains and I couldn't see where the next one was. It wasn't motivating me. And I got a call from a recruiter about some job that I didn't want. And at the end of the call, she said, are you happy? It's the first time somebody had asked me that and about a year, and I said, no, I'm not. And she said, let's market you. And I said, call Lowe's. Lee remembered me and I got a chance to interview. And I got lucky. They offered me a job as a director of distribution. I had responsibility for three of the regional distribution centers.

In my career change has happened when it was time for more growth. The important thing to note is that it happens also when you're ready for the growth. Just to say that you want it is great, but you need to be ready for it. Sometimes I see folks who are saying, you know, I should do that job, or I should do that job. They think that they should have more responsibility than they do. And the bigger title and more pay and all that's great. I think we all deserve the most that we can attain. But we've got to show it. You got to earn it. So, if you can just focus on what you're doing and do the current job you're in, the best that you can do it. If you can learn and stay curious and do more than is expected. If you can constantly seek to exceed your own expectations in your current role. I guarantee you when they see when people see folks who can really bring it, who can deliver, they'll give them more to do. Focus on your current job and opportunities will bring themselves to you.

Mike Ogle: [00:09:17] During your career, you've had an opportunity to lead many people and teams. So, what does being a leader really mean to you?

Steve Szilagyi: [00:09:26] Leading is about serving. It's about helping others to be successful. Leadership is a voluntary job. You don't have to do it. No one's going to force you to do it. You have to decide that that's something that you want to do. And it's a great responsibility. It's the responsibility to be involved in the lives of others and to help others be successful. The higher up you go in an organization in terms of responsibility, the greater and greater that that obligation is to help more and more people be successful. I always answer now, what is your job? And I'll say, well, my title is this. I serve this team and I serve the people of this company. And we serve customers. If you put things in that perspective, if you get your mind right about what you're here to do, then you can lead, you can earn trust and you can earn the right to lead.

People need to know what the goal is. We need to paint pictures for what good looks like. And of course, leaders in an organization need to be aligned on what the goals are so that there's not conflict when teams are going off in different directions. What's the goal? What are we trying to accomplish? And the next question that you need to answer for your team is do they have the tools to do their job. Are you putting them in a position to be successful? Are you helping them get what they need, whether that's training or tools or coaching, whatever it is, are you helping them to be successful?

The third thing you need to do is called first break all the rules. I highly recommend it. Wonderful book, one of the best books on leadership that I've read. Make sure people are in the right position to do what they do best every day. Make sure they're cast in the roles that fit them. Don't have them playing on the line if they're a wide receiver, it's not

gonna work. So, make sure people are in the right position.

Fourth thing you need to do, people need positive reinforcement. I can go pretty well all day long on one compliment. And if leaders can give feedback to their team, positive feedback, regularly, about what they're doing, man, that just encourages more and more. Fifth thing is somebody's got to care about me as an individual. And as a leader, you need to care about your team as people. Nobody works for the company and nobody works for you. People work to support themselves and their families and their dreams. Your job as a leader is to help them succeed in doing that. Sixth thing you need to do is you need to help people grow in the company. Take an interest in their development, help them grow. Coach, mentor, feed, encourage, push. We're either green and growing or ripe and rotting. It's one of the other, and that's the law of nature. Getting better, getting worse.

Finally, people's voices need to be heard. Need to know that their opinion counts. They need to participate. I want to be heard. I've got an opinion. If you want to figure out how to fix something, go ask the people doing the job. People are not the problem. People are the answer. The process is the problem, and it's working perfectly as designed. If you want to fix something, go down to the front lines and ask people how to fix it. You want to improve, go down on the front lines and ask people, what can we do to improve? You'll get nuggets that are just beautiful.

Rodney Apple: [00:12:34] When it comes to fielding talent, hiring people for your openings, what do you look for specifically, in terms of soft or hard skills, and what's your secret sauce for getting the very best out of your teams?

Steve Szilagyi: [00:12:47] My recruiting these days is largely for higher level positions, but I also do a lot of interviewing and recruiting for internships. Let me start with leadership. If you're interviewing for a leadership position, you got to get the right frame of reference about what you're looking for. You gotta be real specific about what you're looking for. Leadership is the skill of influencing people to action with character, that inspires confidence and excellence. So, I'm looking for the character. I'm looking for trust. I'm looking for somebody who is putting people first. It doesn't matter what the job is. Life's a team sport. I've got somebody who's going to be a good fit on the team. Who's going to play well with others.

Brilliant jerks. I forget what book it comes from, but there's a term, someone can be brilliant, but if they're a jerk and that they irritate everybody around them, they're not a help to them. And brilliant jerks need to be weeded out fast. And if you hire one, you need to correct that mistake. So, I'm looking for character first and foremost, positive people are lightning rods for other positive people and positive experiences. And we can turn that into actions. Looking for accountable people who speak the language of personal accountability. What can I do? How can I help, rather than blaming or procrastinating, or playing the victim? I'm looking for people who demonstrate accountability and I'm talking about personal accountability, hold themselves accountable and use that language too. I'm looking for people that are curious. The best career advice that I've been given is to do the job you're in the best. You can just knock it out of the park and that will attract attention. Part of that is being curious though, it's

going beyond your job and understanding the whole. There's a term it's called system thinkers. I'm looking for people that can see the whole picture, that aren't mired into the supply chain. There're hardly any businesses that are in business for supply chain. They're in business to serve customers. It doesn't matter what the business is. So, understand that and understand how the role of the supply chain fits in the bigger picture, and the bigger goals of the organization, you give me somebody like that and we can do things together.

[BREAK at 15:01]

Mike Ogle: [00:15:25] What would you tell your younger self about how to prepare for a supply chain career today?

Steve Szilagyi: [00:15:30] I don't think it's limited to supply chain and I tell interns, I tell this to my kids, the children of my friends. If you do an internship, I don't want to hear about what you did during your internship, per se. I want to hear about what you learned. I want to know that you weren't just there checking a box and pulling a paycheck. That you were curious and that you're able to demonstrate an understanding of something bigger than yourself. I tell students tell me about the business, learn about the business, learn about what's going on around you. Tell me how it works. Tell me where it can be better. Tell me why it's excellent, et cetera.

The other thing I would say is that it's a marathon. It's a long, long career. Where are you going? When I was in my early twenties, somebody asked me, what do you want to be in five years? I said, I had no idea. I really didn't. And then I finally came up with this definition. I said, I want to be a principal at Kurt Salmon Associates. And you know what? I manifested that. And somebody asked me what I wanted to do. And I said, I think I want to be a vice president of distribution at a major retailer. And I manifested that. You gotta have a destination. If you don't know where you're going, any road will get you there.

And every so often look up and say, where am I going? We don't get a chance to start over and write a new beginning, but we can start now and write a new ending at any time. So, at any time in your career, I'm reflecting and I'm figuring out where am I going now, once I decide where I'm going, then I'll go after that and I'll manifest it.

Rodney Apple: [00:17:04] Mentorship, we think it's so important in the workforce. A lot of people look at it differently. They think you have to have this formal setup, but others look at it informally. I'd love to hear your perspective on this topic of mentorship.

Steve Szilagyi: [00:17:16] Life is one continuum of mentorship. My parents and my siblings mentored me and being the youngest of six, I got a lot of input believe me. My parents, my siblings, my teachers, my coaches. Those were all mentors for me. I learned from all of them, good lessons and bad. But you learn and I think it's your obligation, it's my obligation to give back, all the time, as much as I can. I tell people all the time, I'm willing to have a mentorship relationship, but you own it. Okay, you call me set up the time I got all the time in the world to give you, I'll listen as much as you want me to listen, I'll answer as many questions, I'll tell as many stories as you want to hear. I

will talk about whatever you want to talk about, but you own the relationship. I'm not gonna force anything. And I've got several now that are just routine calls with people that I'm just there to be of service.

I think I've been successful in life because I've learned from others. The most important thing about mentorship, whether you're helping somebody or you're seeking help, you need to be open and be able to listen. And those times that I've listened, and learn good lessons, and put those into actions, that's why I've been successful. And it doesn't have to be a person that's alive. The wisdom of the world is on the bookshelf. The great leaders of history are on the bookshelf. Their minds are just waiting to talk to you. All you got to do is engage.

Rodney Apple: [00:18:46] We see a lot of change in supply chain. We'd love to hear your perspective, two or three of the influences that you see impacting supply chain careers of tomorrow.

Steve Szilagyi: [00:18:56] Automation, it's going to get better and better and better and better and better. And underneath the automation is the math. Understanding the math and the engineering behind it. Being curious about what the technology can do. Being open to it. It's really important. We are in an unprecedented labor market right now for all jobs, all levels, unprecedented. It's not going to get better in terms of availability, not in the short term. The demographics are against it, so we need to automate more and faster. Future leaders are going to have to have a real command of how those technologies and how those machines work, and underneath all that is statistics and math. So, I'm telling my kids to take stats and to take math and to be more engaged in it.

Number two, in spite of everything that I just said, people, people, people, people, people. Learning how to be a good teammate, and learning how to lead or the elements of leadership. Growing your leadership skills and capabilities. Leadership's a skill. Character can change. Your character is made up of thousands of decisions that you make every day. Are you going to be nice? Are you going to be humble? Are you going to be polite? Are you going to be forgiving? Are you going to be a resilient? Character is in development all the time. You need to be conscious of it and be working on it all the time, working on your character, which manifests in your brand to other people, how other people receive you, because life is a team sport supply chain is a team sport, especially. If you can connect, you can lead. And if you can lead, you can take your career wherever you want it to go.

Mike Ogle: [00:20:38] Can you share a couple of key leadership challenges that you ended up facing and a little bit about how you dealt with them and how those challenges helped you grow as a leader?

Steve Szilagyi: [00:20:47] There are so many stories. I remember we were working on employee engagement. Our distribution centers are very big operations, a million and a half square feet, thousand people. Leadership matters and caring and commitment matters, leading the right way matters. And we were doing town halls and it was hosted by this guy, Frank Luntz, a pollster most famously during presidential elections. And Luntz will get a group of people together and will hand them a device. And he tells them,

this device has a dial on it. Middle is neutral. So when the arrow is pointing up, it's neutral. And if you like what you're hearing, I want you to turn it to the right, which is green. And if you don't like what you're hearing, turn it to the left, which is the red. And then he proceeds to play an interview that he's held with a leader at the company. And in this case, he showed a tape of me and my boss and others. And my responses, which I thought were like awesome responses. Our scores were horrible. Just horrible. Most people went like this, he's tricking, and he's trying to get more work. And that's a bogus question. They didn't hear that right. And they were blaming and they were procrastinating and they're playing the victim. And I had a choice. I could join in that activity, which would have been easy, or I could say, wow, I really stink. And there's something to be learned here. And ask another question. And I did. I asked if I could get Luntz to come back and do another distribution center. Before we went to that other distribution center, I took a tour with him through another facility and asked him questions and found out he wrote a book that words matter and they do, so how you project something really matters. And it matters in terms of how people are gonna receive it. We judge ourselves on our intentions and others judge us on our actions. And so, we may say something meaning one thing, but it's going to get received in a different way. Anyway, I learned about how to take the values that we had or that we wanted to grow and how to place them in a place where people could accept them. I would say that I thought that I was failing at creating the right kind of environment for our team to be successful. And instead of blaming or procrastinating or playing the victim, I jumped in and I tried to learn something new. And I'll tell you that the language that we learned from that experience stays with me today. We keep using it because it's good language and it's appropriate and it helps us all focus on what we're supposed to be doing. I'll give you a glimpse. The most important leader is the frontline leader, because the frontline leaders lead most of the people in the organization. Your frontline associates, they look to their leader for counsel, for advice, for direction, for support. So you need to support those leaders. The companies that support their frontline leaders the best are the ones that have the best results, because those folks are engaged. The most important people to engage is not the associates, it's the frontline leaders. And if those people are engaged, lookout, you're going to get great results. It took a while. It took years in fact, but our engagement scores on our frontline leaders went like this and the associates, their curve followed it. That team created one of the highest engaged groups in the entire company, and this was distribution center employees, folks who went to work in a dark concrete box every day with dirt and dust and grease and hard lifting work. This is the highest engaged team. And it was because their leaders cared about them. Their leaders were clear on the goals. Their leaders were focused on giving them the tools they needed to be successful. Their leaders were giving them feedback on a regular basis. Their opinions counted. We manifested that and it started with failure. And the folks who don't seek out help, who deny the failure, who try to blame others for it, other circumstances, or play the victim or whatever. Those are the ones that get stuck, where they are, or are promoted to customer. Out of the company and to customer. The ones who hold up their hand and say, you know

what? I don't have all the answers. I want to fix it and I'm willing to do something different. I'm willing to learn and put it into play and see if it works. I'm willing to take the risk about not knowing at all. Those are the ones who succeed. I would say that my career has been a succession of failures and that has led to my growth and to success in my career. And I've had a good career.

Rodney Apple: [00:25:29] You've given us some tremendous advice today, but we'd love to hear if you've got anything that you could recall, like the best advice you've ever been given in your career. And if you've got a couple of nuggets of wisdom that you might want to share with our audience before we wrap up.

Steve Szilagyi: [00:25:45] I'll repeat that the nuggets that have stayed with me my entire career. Number one is don't worry about who's keeping score. Don't worry about who's getting the credit. Do your job, do it really well. And people will notice, cause folks are watching. They're always watching, the camera is always on and you might not think it is. Rock your job. You'll get attention. You'll get the right kind of attention. If you're doing great, if you're being a value in service to those around you, and it's not getting recognized, you're in the wrong place. It's okay. Go find somewhere else to be successful.

And then the second one is to just knock your current job out of the park. Don't be focused on what you don't have. Don't be focused on what's not in front of you, focus yourself on what is in front of you and put all your energies into what you're currently working on. And if you truly do that, if you give it what you got, if you give it your all, you're going to knock it out of the park because that's uncommon. It's really uncommon. There's a lot of folks who just show up for the paycheck and that's okay. As long as they're meeting expectations, but I got to tell you expectations, they're really not that high. At the end of the day, they're not that high. And if you give your all guess what you're going to wildly exceed them. And more opportunities will come to you. People who exceed those expectations, they get noticed, they get more opportunity, bottom line.

Mike Ogle: [00:27:06] Steve, thank you for a great conversation and your insights about supply chain careers.

Steve Szilagyi: [00:27:11] Thank you. It's been a pleasure. I've loved the conversation. Great questions and I hope it's of benefit to your audience.

Don't miss new episodes, sign up at [Supply Chain Careers Podcast](#).