

John Wright:

Welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host John Wright. For nearly 15 years, I was senior vice president and a general counsel at Triumph Group Incorporated, a global aerospace component supplier. I'm now a member of the securities and M&A groups at Ballard Spahr, a national law firm with clients across industries and across the country.

John Wright:

In this episode, we're delighted to welcome two guests, Brian Garish, president of Banfield Pet Hospital, the largest veterinary practice in the United States, with more than 1000 hospitals and 19,000 associates, and Kenny Beck co-founder and CEO at CEO Connection, the only membership organization exclusively for mid-market CEOs. They will discuss their own backgrounds and career paths, how they see the pandemic and social justice issues affecting the companies they work with, and the challenges that lie ahead for businesses and planning for the current uncertain times. Leading the discussion is my Ballard Spahr colleague, John Kerkorian, to whom I'm now happy to turn over the show to introduce himself and further introduce his guests.

John Kerkorian:

Thanks for joining us today. I'm excited to have two terrific guests with me and to talk about a topic I think you're going to find interesting. My name is John Kerkorian. I'm a partner at Ballard Spahr, a resident in our Phoenix office. For the last year and a half, I've served as the head of the firm's strategic planning efforts.

John Kerkorian:

With me today are Brian Garish, the CEO of Banfield Pet Hospital, the largest general veterinary practice in the US. And with him, Kenny Beck, who is the CEO and founder of CEO Connection, a CEO membership organization, exclusively focused on middle market companies and CEOs. Gentlemen, thank you. With that, let me turn it to you and just give you an opportunity to tell us a little bit more about you and your companies.

John Kerkorian:

Brian, why don't you tee it up?

Brian Garish:

Thanks, John. Thanks for having me. So, super excited to be here and having a good opportunity to talk about what we do at Banfield. First, I guess I'll start off with Banfield. We are a nationwide company of veterinary hospitals in 42 states. We have over 19,000 associates. We're playing such a strong role right now in the human-animal bond. What we're seeing during this time in COVID is how important pets are playing such an important part of our lives. I'm very fortunate and humbled to have the opportunity to lead Banfield during this time right now.

John Kerkorian:

Terrific. Kenny, tell us about CEO Connection briefly.

Kenny Beck:

Oh, I noticed you said briefly. I was wondering how much time I had. All right. We're the only membership organization in the world actually focused on mid-market CEOs and companies. We define the mid-market as companies between a hundred million and 3 billion in revenue. Our mission is to help them succeed and we do this by connecting them to each other. We have over 17,000 in the community. And connecting the people, information, resources, and opportunities to which they otherwise would not have access, that enhanced their career, save them time, make them money. And Brian's a member and John's a partner.

John Kerkorian:

Exactly. It's interesting. Ballard is a strategic partner with CEO Connection. That's how I met Brian, what, about six, seven months ago, right at the beginning of the pandemic.

Brian Garish:

Yes. That's right.

John Kerkorian:

We were getting CEOs together to try and talk about how in the heck are we going to navigate what we were facing. So Brian, with that, talk about what the pandemic has done in your business, how the companies respond, and what have been the big challenges that you guys have faced and tried to overcome?

Brian Garish:

Yes. Thank you for the question. When we met about six months ago, I think it was such an important meeting because trying to bring together CEOs and organizations to solve the societal issues and become thought leaders to help each other is incredibly important. When I think about what the pandemic has met and has done to our business, it's been an unbelievable year in terms of what we're all experiencing personally, and the blending of the personal and professional life is just really crazy right now. But what's been encouraging is how important pets are in our lives. We know that pets play such an important part of the family. Specifically to me, I have two cats, Ashton and Kenji, and how much comfort and joy they provide for me while I'm working. Sometimes they get in the way of the Zoom calls now, but they just provide so much just impact on my life and they play such an important role. We were seeing that across the country in so many peoples.

Brian Garish:

During the pandemic, the human-animal bond has only been strengthened. You know, in fact, at Banfield, we've been doing a couple of surveys in terms of how important pets have been in our lives. What we found is nearly 70% of all pet owners are paying much more attention to their pets and using their pets as a way to de-stress from everything that's happening. We also know that 38% or even more committed to prioritizing their preventive care for their cats and dogs than ever before. So from a business standpoint, the human-animal bond is incredibly strong, has never been stronger, and pets are playing a very integral part of keeping us safe and keeping us, I would say, kind of calm during these uncertain times.

John Kerkorian:

You know, I'll tell you, since the pandemic, of course, we've all been at home. Both my wife and I, for business, traveled extensively before the pandemic. And so, it was difficult to have pets in our house because we were gone all the time. That's changing, and we're home, and now we can actually entertain that, so that's going to be changing for our family soon. But I mean, are you obviously seeing more of that type of thing, Brian?

Brian Garish:

Yeah, we are. What's been an amazing story across the country are adoption shelters and humane societies that don't even have pets or animals to be adopted. We're seeing this insurgence of people understanding that the compassion that I can get and give from a pet, that undeniable bond, the love that pets provide for us, is so powerful. We're seeing that across the country now, where to the point of when people are now starting to think, if I go back to an office setting, how am I going to take care of my pet and what impact is this going to have on my pet? I think one of their most recent studies had nearly 50% of people that only owned one pet stated when they go back to an office situation, they're planning on getting another pet to keep the other one company.

Brian Garish:

From a business standpoint, it's been great because of that. But I would say more from a societal standpoint, through the pandemic, we're seeing a rise in mental health issues, fatigue in the workplace, or now at home, I should say, that blending of the personal and professional life has caused a lot of stress, and pets are playing a big role in de-stressing us. So as a result, it's been fantastic for our business. And it's been fantastic for all of our paraprofessionals who take care of these pets, because people that joined Banfield that really joined the veterinary industry, it's a calling. It is a calling. This is a purpose to make a better world for pets. And when we can really make sure that we're taking care of all of our associates, keeping them safe, keeping them working, allowing them to realize their purpose, it actually makes not only a better world for pets, but a better family dynamic with pets and their people.

John Kerkorian:

You know, there's no question that health and wellness has been a focus of for our firm, particularly during the pandemic, and I'm sure for businesses across the spectrum. Can you talk about that, and how health and wellness, and how that fits into your company's strategic direction?

Brian Garish:

Yes, absolutely. When I think about the strategic direction of Banfield, I've been referring to it as the intersection of pet health and societal well-being. We are so focused on big issues in society, how do those issues in society impact our industry impact our people, and what's our responsibility for really being a beacon for how a company ought to behave? More specifically, when I think about my priorities, the number one priority has always been culture. You can have the greatest strategic direction, but strategy without empathy is a wasted idea. And if you don't take care of your people, it doesn't really matter. It's about doing something bigger and serving a bigger purpose.

Brian Garish:

So when I think about culture, we've prioritized, the way we bring the culture to life is through our inclusion and diversity journey. We've been spending years on inclusion and diversity, and we have diversity resource groups. Specifically during this time with the social injustice that's been happening, as well, is how do you create psychologically safe spaces for people to have conversations, and then for

people to join these conversations that may not be part of that group, if you will, but they're able to join, and be an ally, and learn, and understand? That ultimately drives us to activism about taking action. And again, being that beacon for how a company ought to behave means you have to have your associates and your people aligned on this vision and truly activating it.

Brian Garish:

Then, another way we bring our culture together then is through health and well-being. Specific to your question, that is an absolute cornerstone of our business. We define health and well-being five ways for all of our employees and associates. That is, first it's about healthy mind. Next is healthy body. Next, healthy finances. Then healthy career and healthy community. Those five dimensions of health and well-being are what we focus in on at Banfield and how do we take care of our people? And specifically during COVID and sheltering in place, there's been a lot of issues around mental health and not being able to see our friends and families to the same degree. So, we have lots of resources for people to be able to talk to a psychologist, and counselors, and different resources so they can work on having a healthy mind.

Brian Garish:

Also in the veterinary profession, mental health and suicide is a big issue. It's also a big issue in this country. We have a program that's called ASK: assess, support, and know that really talks about the importance of mental health and de-stigmatizing that it's okay to talk about these issues. It's really important that we have tools and resources for all of our associates to stay focused on their own personal health and well-being during this time specifically.

John Kerkorian:

Kenny, you're in touch with CEOs every single day across the entire spectrum of businesses in this country. What are you seeing when you talk to them about the issues Brian just addressed?

Kenny Beck:

A lot of concern. A lot of a of concern. You know, the work from home, there's no differentiation anymore. Originally, it was are we going to get productivity? Then it went from there to people working many more hours. And now, there's concern about burnout. And so, there's a lot of discussion about, well, how do we help? What do we do for our employees? It's across the spectrum.

John Kerkorian:

Yeah, it's interesting. The health and well-being, diversity, inclusion, equity, those things, maybe not because of the pandemic, but we can see just how integral they are to everything we do as a business. They're not separate initiatives, it's fused into everything that we do now. And so, we talk about silver linings related to the pandemic, maybe these areas are another one of those.

Kenny Beck:

It's definitely they're all interrelated, if you think about it. And in fact, every company should be looking at diversity and inclusion, or I guess a better term, social justice, making equal opportunity available. Right? And why? I mean, not only is it the right thing to do, but it's in the enlightened self interest with every company. You know? First of all, CEOs should be leaders in this area. We should be leading the

charge. We have an opportunity, as Brian does. Brian says a phenomenal example, right? He's able to have an impact on what, was is Brian, 19,000 employees?

Brian Garish:

Yes.

Kenny Beck:

So, you have an impact there and which also fans out to the entire community. If we can get every company to do that, not only would we have an impact across the country, but you're making people's lives better.

John Kerkorian:

Brian, can you talk a little bit about specific initiatives or specific efforts that you've done at Banfield in the area of diversity and inclusion?

Brian Garish:

Yes. If I start back about what's my why with respect to this, it really kind of goes where I started my career. Just briefly, my career path has been very untraditional, I would say. I started sweeping floors, mopping bathrooms, cashiering, you name it, whatever they told me to do, I did that when I was 16 years old. Eventually, I worked my way up and became a store manager. I dropped out of college initially and ended up going back to school and finished my degree. But that experience I had as a 16, 18, 20-year-old, not sure what I was going to do, taught me three big lessons. The first lesson, which is the most important to your question, is inclusion is a growth strategy. I remember when my voice was heard and when our store's voice was heard, when our opinions asked and our opinions mattered. Then the other two quick lessons that I learned was the power of people development, mentorship, someone who took me under their wing and gave me the opportunity to thrive and grow my career. Then the final lesson was culture matters. No matter your position, you control culture.

Brian Garish:

I share those because as a leader today, I always reflect back on where I came from. I never forget where I came from. As a result, that inclusion as a growth strategy, when I felt included and when our store felt included, I remember how that made me or our employees feel. But I also remember when I was excluded and how that made us feel. And then going back to that culture matters, that's always been my top priority at Banfield.

Brian Garish:

When I think about our journey, we created these diversity resource groups, we created our inclusion and diversity journey years ago. Why? Because of where I came from. I also remember that the strategic direction of any company really ought to come from or be validated through those closest to your consumer and your clients. In this case, having over 19,000 associates in over a thousand hospitals across the US, I believe in listening at scale. Listening at scale is how can I stay connected to our associates to understand what's working for them, what's not working for them, what are the pain points, what's getting in their way of having a meaningful career, what's getting in the way of them taking care of even more pets, and what's getting in the way of them connecting with our clients in a

more meaningful and a much more emotionally connected way? Then also, having that same rigor around listening to clients.

Brian Garish:

I just share that, because it's so important that we really stay connected to those that are closest. Because if you want to really use inclusion as a growth strategy, you've got to stay connected in a two-way dialogue with your people. What concerns me is during this time of social injustice and what's happened this year are so many companies are trying to go down this journey of how important equity inclusion and diversity is. But it's not going to stick if you truly don't live the values and you don't walk the talk. And so for us at Banfield, it's been about on this journey for the last few years, but creating diversity resource groups that are being led by our associates that creates the psychological safe space for them to have conversations and invite all types of people to be part of the conversation, which ultimately says what's on our minds, what's important to us, and then how do we take action.

Brian Garish:

Specifically for myself, I am the champion, the executive sponsor of women of Banfield. When I think about our senior leaders at Banfield, they're all part of an organization and a diversity resource group. It's not about just having this, it's about walking the talk and being visible, supporting it, championing it, and activating on this, as well.

Kenny Beck:

And by the way, diversity of thought is a really important thing for companies. I mean, you make better decisions that way. There's an array of benefits for doing this, not only that it's the right thing to do. I mean, that's the most important one.

Brian Garish:

Absolutely. There's tremendous benefits from it. What's the best thing about it is when our executives are on these committees and they're on these teams, but they don't come in as the executive, they come in as a participant. When people are truly authentic, you can break down that barrier and that hierarchy so quick, because it's about being authentic and it's about really just listening, and understanding, and being part of this. When you can do that, the ideas, they come all over the place. What happens then as an executive, you're in a position where you can truly impact the organization and move this forward. That's how we've been able to do this over the last few years.

Brian Garish:

Now, we still have a long way to go, but I'm so excited that we're just not talking about it, we're actually walking the talk and truly taking action.

Kenny Beck:

And John, I think you know, but Brian is on the CEO Connection's Social Justice Task Force. We have 25 mid-market CEOs working together to develop programs to help mid-market companies diversify their workforce, diversify their boards, diversify their C-suites, diversify their supply chains, and we're developing programs around all of these different situations. So, kind of cool.

John Kerkorian:

Yeah. Yeah, it really is kind of cool. Again, getting back to that time we first met, Brian, where it was very early on in the pandemic and the shutdown and no one knew what was coming down the road. And just the getting people together in that forum, and sharing concerns and ideas, and well, we tried this, or we did that. Boy, I mean, I took away some great stuff for our firm just based on those conversations that we had at the very outset of all this, so it is terrific.

John Kerkorian:

Brian, again, I don't want to dwell on the pandemic, but it has to have changed how the company has delivered its services, right? I mean, can you talk about that a little bit?

Brian Garish:

Yeah, it has. Forced us, like almost every company now, to amplify or accelerate your digital transformation. When I think about what's the center of our business, it's always been pets. That's what we do. We're here to make a better world for pets. We've also brought to the center our associate or employee. I've talked about that as well. It's now about bringing in our client and consumer and having that same model of importance. When I think about veterinary medicine, specifically depending on what the state, but people, especially early on, weren't wanting to come into buildings and we weren't sure how this all was happening. We've moved to a much more digital way, so people would drop off their pets curbside right outside the buildings, we'd go out and pick up their pets for them. Some of our locations are inside of a PetSmart, so they still were able to come in, but you weren't bringing people inside exam rooms any longer.

Brian Garish:

It's really amplified how we spend time on the digital aspect, making sure that our website is updated, where people can schedule appointments online, they can check in and check out in a much more seamless manner versus the way it was previous, which was a typical transaction. You're having to sign everything, you're having to have to be in rooms, you have to be physically be on site. It's really amplified our ability to listen to the client and give them a digital option.

Brian Garish:

Now, the next phase, I would argue that was the easier part, because as consumer behavior changes, you have to meet it right away. Now the real test is how do we truly continue to listen to the consumer and client and understand how do we progress, make this progress over the next few years? Because just because these tools and resources are there and clients are using it now, we have to stay ahead of the game and completely innovate as well in the future.

John Kerkorian:

We are talking the day after the election and the outcome is still very much in doubt as we sit here. Putting that aside, and that's a question for both of you, what do you see middle-market companies really having to wrestle with or address in the next year?

Kenny Beck:

I think first and foremost, we went through stages, right? When COVID started and the shutdown started, it was just everybody turned inward. It was all about protecting the company, protecting cash, doing what you had to do to survive. The next phase was identifying opportunities. What are the

opportunities going forward? And now some companies are getting ready to take advantage. You know, it's like what Winston Churchill said, "Never let a good crisis go to waste." Right? So now, we're kind of looking at different opportunities. The real issue is we don't know what's coming. Not that you ever do, but in this case, this is a unique situation with COVID. We don't know how much longer this is going to last. We don't know about the third wave. Basically, it's three different types of plans. It's planning for opening soon, planning for opening not so soon, and planning for the worst case scenario. That's what we're seeing overall. Brian, what do you think?

Brian Garish:

Yeah. Well, I would build on what you said in terms of everything you said is absolutely accurate. I think the next phase that we're thinking about in addition to that is how do we progress our organization in terms of a branding standpoint that meets the consumer's expectation now? This year should not be lost on any of us around that social injustice and these conversations that we've had. If you peel that onion back even further, there's a lot that consumers are expecting from brands, from companies. So many companies have maybe not stepped up to the same degree in which consumers expected, whether it's in terms of what we're seeing from the economy, whether that's in terms of what we're seeing from unemployment. I think this is an opportunity now for companies to really lean in to having the right conversations with all of their people and putting culture at the front is going to develop incredible loyalty with their own people. That's not going to be lost on consumers.

Brian Garish:

This is an opportunity now for us as organizations to really rebrand what does it mean to be a company and what does it mean to really connect in authentic ways, not just with your people, but all the people that are consuming these products as well. We're seeing that and a massive shift right now, on this next generation and the cultural demographic shift that's happening in this country, we're seeing what people are expecting now from leaders and brands that it's changing, and we have an opportunity to be out in front of that.

Kenny Beck:

And by the way, it's also redesigning how you deliver, and what you're delivering, and how it's all interrelated with the brand. Yeah, there's a lot that we can take away from this situation.

John Kerkorian:

Well guys, thank you. I really appreciate your time. Fascinating conversation. More to follow for me. I look forward to chatting with you both again soon.

Kenny Beck:

Absolutely. Thank you, John.

Brian Garish:

Thanks, John.

John Wright:



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Thanks again to John Kerkorian and his guests, Brian Garish and Kenny Beck. Make sure to visit our website, [www.ballardspahr.com](http://www.ballardspahr.com), where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple podcasts, Google Play, Spotify, or your favorite podcast platform.

John Wright:

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