

SPECIAL FEATURE TO THE NATIONAL POST

BEST MANAGED

A JOINT VENTURE WITH CANADA'S 50 BEST MANAGED COMPANIES PROGRAM

Corporate culture built on happiness

D.L.G.L. Ltd., a Quebec-based HR information systems company, recently turned down a "very good offer" to become part of a bigger, strategic player.

This was not a decision taken lightly, particularly since typically this type of firm would either go public or be sold. But 28 years in, D.L.G.L. has built a solid reputation on taking the road less travelled. So, once again, says Jacques Guénette, president and co-founder, "we are going to try and do things differently."

The decision was taken by the operational committee, given the seal of approval by Mr. Guénette and enthusiastically received by D.L.G.L.'s nearly 100 employees.

Instead, the company will continue to be run by and for the employees, led by an operational committee made up of employees with 20 years-plus invested in the corporation.

"The culture is strong and shared by everyone," Mr. Guénette says.

And so, the future will feature more of the same, where employee happiness is paramount and where management is focused on building employee value.

"We see no reason why people cannot be happy at work. And they can't be happy at work if they don't have a balanced life with time for family and friends. We try to make that happen," Mr. Guénette says.

“We see no reason why people can't be happy at work

That means seven-hour work days, vacations, allowing employees to manage their time and walking away from contracts that don't make sense for the team.

"Everybody talks about creating shareholder value, but we've flipped that notion to the idea of creating value for the employee," Mr. Guénette says. "We want to create value for the employee because we believe valued employees will, in turn, build value for the customer."

It's a simple concept, and one Mr. Guénette feels should be obvious. However, he notes, "There is a lot of lip service being given to the idea that employees are the most precious asset. Everybody says that but very few people live by it," Mr. Guénette says. "Very often, the top execs are compensated based on sales growth or share price [and] they will give lip service to their employees, but that's all they are going to give."

Since its launch in 1980,

the focus for D.L.G.L. has been to be the best, not the biggest. That philosophy saw the company make the transition from offering ERP solutions to a more specific focus on HR, payroll and pension software — everything that has to do with managing the relationship between the employee and employer.

At the time, new technologies entered the marketplace and Mr. Guénette, along with co-founder Claude Lalonde, "felt tools would allow us to develop good systems that companies needed to manage their employees, especially in the larger corporations where some of our clients have 80 collective labour agreements."

D.L.G.L.'s clients are largely unionized businesses across industries with a minimum of 1,000 employees. In fact, D.L.G.L.'s clients, which include such corporate giants such as Canadian Pacific, ChevronTexaco, Mouvement Desjardins, University Health Network, CBC, Forzani Group and Inco, employ about 600,000 people across Canada and the United States.

These companies have extremely complex systems, Mr. Guénette says. "The SAP and Oracles of the world essentially tell businesses, 'We know what the best business practices are, so why don't you do what the software says?' Well, that doesn't work for our clients."

Enter D.L.G.L., which has eschewed a one-size-fits-all solution. "We fully expect each client to be specific, completely different," Mr. Guénette says. "We are prepared to adapt our software [V.I.P.] to make it work for each client. That's what we deliver. We tailor V.I.P. to each one of our clients across North America and maintain it on an ongoing basis."

This approach is one of D.L.G.L.'s key differentiators and helps set it apart in the marketplace. In fact, the company spends 50% of its research and development budget on the tools to manage this diversity.

At this stage in the company's evolution, it holds fast to its goal of being the best, not necessarily the biggest. "We are close to 100 employees right now and if we could stay that way forever, that would be fine," Mr. Guénette says. The philosophy: No growth for the sake of growing for D.L.G.L.

"We want to be big enough to afford the R&D that will keep us ahead of the competition. There is growth but it's a consequence of the rest; it's not the ultimate goal. We sign on two to four new clients each year and we enjoy 100% success in delivering to those clients," Mr. Guénette says. "When you want to be the best, you don't need every client. You are not after volume. You can afford to walk away from the things



Jacques Guénette, president of D.L.G.L. Ltd., has found a successful formula by maintaining a client base that his staff can properly accommodate — even if it means turning down customers.

that don't make sense. That's a much saner environment for everyone and that means we can do the best job possible for our clients. It's a circle."

Having chosen the path of slow and steady growth, and to keep its own staffing numbers low, D.L.G.L. prides itself on hiring when presented with good candidates rather than on need. "In that sense, we are over-staffed," Mr. Guénette says. "Because of the reputation we've built as a good place to work, we get a lot of CVs. Once in a while there is an extraordinary CV, and we will act on it and hire that

individual rather than waiting until we are overworked. We are always ahead of the game in terms of finding top talent. Being a platinum member with the Best Managed program allows us to attract excellent people."

D.L.G.L. became involved with the Best Managed program in 2000 and, in addition to gaining the attention and interest of potential talent, it has also gained greater credibility in the marketplace.

"We are a well-kept secret," Mr. Guénette says. "We are very small but our clients are very large corporations. And

large corporations prefer to do business with large corporations — it's natural. Anything that enhances our reputation and gives us awareness in the marketplace is precious. The Best Managed program gives us a lot of credibility with decision makers at these large corporations. It confirms that we know what we are doing by people who are respected across all industries."

"Mid-sized firms often find themselves competing for business against larger companies who hold a scale and price advantage," notes Rick Lunny, executive vice-president, CIBC

Retail Markets. "As part of the 50 Best program, we see many firms find success by targeting a specific client profile and delivering greater value in that area than their larger competitors, establishing a long-term client relationship that is rewarding for both parties."

To find out how the Best Managed program can help your private company, visit www.canadas50best.com.

And to get up close and personal with Best Managed companies, stay tuned to this page for upcoming profiles of past winners, their best practices and lessons learned.