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## The Business Model Built for This Moment

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In 2008, Bob Chapman — CEO of Barry-Wehmiller, a 125-year-old St. Louis manufacturing company — faced a question most leaders eventually face. The financial crisis had just wiped out 30 percent of the company’s orders overnight. The board had an answer: layoffs.

Chapman refused. But not before asking a different question.

Not “what do the numbers require?” but — “what would a caring family do if the family was stressed?”

Everyone pitches in. No one gets left behind.

What followed was a company-wide furlough — every employee, including Chapman himself, took four weeks of unpaid leave. In plants where some could afford more time off, people voluntarily traded with colleagues who couldn’t. No one was told to. They simply did. Barry-Wehmiller didn’t just survive the recession. In 2010, it delivered the best financial year in the company’s history.

Chapman later reflected: *“It’s better that we should all suffer a little, than any of us should have*

*to suffer a lot.”*

That is not a sentiment. That is a business model.

## **What Costco Knows That Most Retailers Don't**

Costco operates in one of the most disrupted, cost-pressured industries on earth. Automation is transforming retail. The pressure to cut labor costs is relentless. Most competitors have followed that logic.

Costco hasn't.

They pay well above industry averages. They provide health benefits to eligible part-time employees. And they have built one of the strongest promote-from-within cultures in retail. Costco's operational excellence — its purchasing power, membership model, supply chain, and real estate strategy — is formidable. What is often overlooked is that their people practices reinforce those advantages rather than undermine them.

The numbers tell the story:

- Annual employee turnover at Costco: **~6%**
- Retail industry average: **60–70%**
- One-year employee retention rate: **93%**
- Customer membership renewal rate: **90%+**
- Third-largest retailer in the world

Same industry. Same external pressures. Same AI disruption bearing down on every competitor. **Completely different internal philosophy. Completely different results.**

## **The YOU and ME Paradigm**

What Barry-Wehmiller and Costco are actually doing has a name.

It is the **YOU and ME** paradigm.

Most organizations — particularly under pressure — operate from the **YOU or ME** model. Someone wins. Someone loses. Resources are scarce. Trust is conditional. In a downturn, that logic accelerates: protect the numbers, manage the optics, let the culture take care of itself later.

The **YOU and ME** paradigm starts from a different premise entirely: unless it works for all the constituencies — employees, customers, investors, and the community — it doesn't really work. Not sustainably. Not over time.

This is not idealism. It is organizational physics.

When people experience that the organization genuinely stands for their wellbeing — not as a benefit package, but as a structural commitment — they stop operating from self-protection and start operating from contribution. They trade furlough days voluntarily. They stay. They show up

differently in every interaction with every customer. And customers feel it. They renew. They return. They tell people.

None of this is soft. All of it is demanding. And in a climate of uncertainty, it is precisely what determines whether your organization contracts or expands.

## **The Opportunity Inside the Disruption**

Every organization eventually faces its version of Bob Chapman's moment. The question is not whether disruption will come. The question is what business model will be waiting when it does. One that asks, "Who do we sacrifice?" Or one that asks, "How do we move forward together?" The answer to that question is being built long before the crisis arrives.

Disruption does not create an organization's character. It reveals it. And right now, when most organizations are contracting, there may be no more powerful moment to choose a different direction.

The disruption is real. And so is the possibility of building something that holds — not despite the pressure, but because of what you choose to stand for inside it.

*Mark Kamin & Associates has spent over forty years helping leaders and organizations generate extraordinary performance in any conditions. We would love to talk with you.*

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