

CEO Profile



Thomas “Tom” Crawford
Chairman, Crawford & Co.
Atlanta, GA

A Leader, a Captain, and a Gentleman

From April 12, 2003 until February 23, 2004, Tom Crawford lived his fantasy as “Cap’n Tom.” Literally sailing off into the sunset one spring day, he and his wife, Chris, began a nautical journey that would take them on an adventure of a lifetime. It was “the great loop” – a total of 6125 miles that began in Amelia Island, FL and ended there 10 months later.

The trip included an ocean, the Intercoastal Waterway, the Great Lakes, countless rivers - not to mention 92 locks – all aboard a 53 ft. Carver named “CrawDads.” Even more astounding, Tom and Chris were not alone in this grand adventure. They shared it with dozens of friends and family members in ports and harbors all along the way. They also recorded the entire trip on the web, at www.crawfordcruise.com.

Clearly, Tom’s great adventure was one he had dreamed of for many years - and one he’ll never forget. It’s also a good bet that he’ll add to it in the years ahead.

But before speculating too much about his future, there’s much more to learn about “Captain Tom,” starting at the beginning.

His heritage: a solid foundation

Tom was born in Roanoke, VA in 1943. Contrary to what you might think, his dad wasn’t a riverboat captain, but rather a railroad man - a steam locomotive engineer on the Norfolk & Western Railroad.

“Besides my mother and father, there were five of us,” Tom said, “four boys and a girl. We were a tight-knit family, and my father was a typical, tough railroad man. We didn’t have a lot of money, but we had a good life.”

“I always respected my father and we had a special relationship. Not long before he died of cancer at age 61, he put his arms around me and said,

‘I’m scared and I want you to know I love you.’ I always knew that he did, but he never actually said it to me before. Personally, I learned from that. I made sure that when my children came along, I didn’t wait to tell them. For me, love of family is a very important part of life.”

“As for my mother, she raised 5 children in what I’d call an all-American household: a 2-story house with 1 bathroom. Her work included doing the wash on Mondays and the ironing on Tuesdays. She also prepared dinner every day when my father came home from work and we always ate together as a family.”

“Both my mother and my father instilled discipline, good manners, and a sense of responsibility in all of us. If we came home with a problem note from the teacher, for example, it wouldn’t have been the teacher who was in trouble,” Tom explained.

Early lessons in life: a strong work ethic and more

Growing up in Roanoke, Tom was more focused on basketball and cars than school. “I would say that higher education was not my first priority,” he said with a smile. Nevertheless, Tom demonstrated a strong work ethic very early – one that certainly came from his parents. His first job was a clerk in a hardware store. With his earnings, he bought his first car at age 18, a 1950 Dodge for \$100.

From there he worked summers for a heavy construction company and for the next 4-5 years, Tom worked around Virginia putting up power lines. Along the way, he learned to operate bulldozers and drive tractor trailers, all a part of paying for his college education.

However, these were not the skills that would define Tom’s future. Instead, it was his early leadership skills that emerged and that stood out among his peers. It was at this point that he was promoted to a supervisory role while still attending night school. This was when he realized that the people he

worked with had similar characteristics, regardless of their background. The construction crews were made up of men with 6th & 7th grade educations to college MBA graduates. All reflected love of family, a desire to do good work and loyalty to friendships.

But things were about to change even more. With encouragement from one of his brothers, Tom decided to leave his job in construction. It was a decision that would alter his future forever. Tom was hired as a clerk at Allstate Insurance Company in Roanoke in 1965 and, Tom said proudly, “I was the first male clerk in the underwriting department.”

He continued to work hard and attended night school, paying his own way. He also joined the Army reserve and later, added “drill sergeant” to his resume.

The next phase – a family and a career

In 1967, Tom began his family and he was promoted to an Underwriter at Allstate, his first college level position in the insurance business.

Barely a year later came more recognition of Tom’s leadership abilities. He received the American Spirit of Honor Award for ethical leadership – presented by the private sector and the U.S. Army. He was also selected for Allstate’s Executive Development Program.

This program allowed Tom to rotate through all departments, over a 4 year period, to learn everything there was to learn about the company, firsthand. He worked as an agent in a Sears store, an adjuster in the field, service department, and as a comptroller. All this was part of developing a general manager.

Over the next few years, the company moved Tom from Roanoke to Atlanta, Atlanta to Houston, and Houston to Chicago. Each time his responsibilities increased and he continued to distinguish himself at Allstate, where he developed and installed, nationwide, a system that saved Allstate millions of dollars over the years. In 1975 he initiated a program that saved the company \$150 million in one year. This was an extremely significant contribution to the bottom-line - and he was only 33.

The program brought Tom recognition in the industry and he was sought after by several major insurance companies. He accepted the position of

Director of Personal Lines Underwriting at CNA, where he served for over 6 years as an officer in Underwriting and Corporate Services.

A new adventure begins as an entrepreneur

This was also a turning point in Tom's life. Realizing that he had a passion for entrepreneurship, he decided to build something of his own. He created a plan to sell shares of stock in a new insurance company, at \$2 per share. It took a lot of shares to build the amount of capital he needed, but Tom's determination and credibility were up to the task.

"I sold a million shares to some really good people, including top independent agents in the insurance industry and some of the best known business leaders and families in the South. As a result, I started Southern Heritage Insurance Co. in Decatur, GA in 1984."

As part of this process, several professionals helped Tom to become an entrepreneur. A year later the company expanded into other states using the same approach to raise capital. "I didn't realize it at the time, but this really was a big deal. Southern Heritage was the first personal lines, publicly held insurance company to be started in the country since 1950!" Tom exclaimed.

Seven years after its inception, a publicly-owned conglomerate named GEICO came along and made one of two offers to buy the company. The stockholders accepted the offer; Tom stayed and ran Southern Heritage for five more years.

More challenges and opportunities

By that time it was 1996. Tom was getting ready to start another company when Prudential called. "They offered me a challenge," he said, "a turn-around situation which I found impossible to resist." With that, Tom became President, CEO and Chairman of Prudential Property and Casualty Company (PRUPAC). He was also newly married to Chris, who in her own right was a successful insurance agency owner.

PRUPAC performed well and Tom was offered the position of president of Retail Distribution in Prudential Financial. Again, a strong performance was accomplished. Tom advised the company a year before Prudential went public, that he would retire 1 year after the process of demutualization was accomplished.

“At this point,” Tom explained, “I was ready for the biggest change of all – to get lost and just not work for a while.” It was then that his great loop adventure went from dream to reality.

In February, 2004, after disembarking from CrawDads, Tom began thinking about a completely new venture. This time it would be a consulting enterprise called Bodie Group, Inc. “I wanted to establish a coaching business to teach senior managers how to build a business and a leadership team. The name came from my father – ‘Bodie’ was his nickname,” Tom explained.

However, yet another call would intervene in Tom’s well-laid plans. This call was from Crawford & Co., a global enterprise the same name as Tom’s but totally unrelated to him. It was a terrific opportunity to restart and reenergize an organization and it was much too appealing for Tom to decline. He stepped in as President and CEO in September 2004. The company was ideal for Tom; it had a rich history, it was in Atlanta and it needed stable leadership.

Leading at Crawford

When Tom took over the reins at Crawford & Company in 2004, he was the 5th CEO in six years. Some people thought no one would be successful. But Tom’s very first message was “Judge the leadership team by what you can touch, not just by what we say.”

He immediately set a plan in motion and promised all employees these three things:

- 1) Communication: “While I’m CEO, communication will be our hallmark, especially with the people doing the work”.
- 2) Frequent surveys: “We’ll not only ask for your input, we’ll give you our response and tell you what our actions will be.” (To date four surveys have been completed and the response rate has gone from 50% to 82%).
- 3) Better pay: “We’ll beat the average pay for our industry, and pay better than average for top performance.

Over the next several months, he traveled extensively to meet most of the people in the company. “My aim was to earn credibility with them. I told them that they can hold us accountable as leaders to do what we say,” Tom said.

“I also told every manager that they had to allow people to touch them, in the sense that every person at the entry level should know who they are. My vision is that at the entry level, people will know that we care and that they’re important to us and to the business.” Remember, Tom Crawford started his career as an entry level clerk!

A leadership philosophy that never fails

It’s clear that Tom Crawford has a track record for building successful companies and turning around those that aren’t. He’s been extremely successful in these situations. So, what’s his secret?

“My belief is that - whatever is the attitude of your people – they, in fact, are the face of the company. I know some companies that just don’t get it. The focus is strictly short-term, drive for the bottom-line and people come second. Contrary to that idea, I believe you focus on the long-term by inspiring people, then building the team and systems through training and education, with input from the people.”

“If you want to reduce turnover which is extremely costly in any business, you need to invest in people; show them you care; and listen to them. I don’t make a decision without asking for the input of the people who are impacted or who are closest to the customer. People who actually touch the systems and the customers are far better than I am at knowing what should or should not be done.”

“I’ve found when you do this, people respond more positively because they had a role in it. For me, this philosophy has never failed and I really do believe that people are a company’s greatest asset.”

“I also see leaders – CEOs and others – who think ‘I know what’s best.’ They don’t seem to recognize that all people have abilities. It’s our job as leaders to bring it out.”

“I think it’s a lack of humility with some leaders. No one ever had to teach me to respect other people. It came with my upbringing and my experience. It also goes back to my days in construction. Those were good people who loved their families and worked hard.”

“You know,” Tom continued, “values aren’t just defined by a certain level of education; it also comes from family and principles. Basically I believe people want to do a good job and it’s a leader’s job to pull the values together around them.”

Reflection on lifelong learning

Thinking about his life so far, Tom was contemplative. “Candidly, I regret that I never completed my undergraduate degree. Part of my drive to succeed is to offset the fact that I gave up that opportunity. But I also believe that its experience and relationships, not just a degree, that make you successful.”

“That being said, I’m certainly a strong advocate of education and I’ve spent much of my life supporting education for my employees, as well as my family. All of my children have undergraduate degrees and my wife, Chris, has her MB in Marketing.”

As a life-long learner himself, and certainly as a high achiever, Tom has earned almost every license in the financial services industry. He also attended Rutgers’ MBA International Business Residency at Cambridge University and the University Association of Corporate Directors College.

“One of my fondest memories is sitting in the audience at UGA when my daughter was graduating among the top 10 students in her class. I was so proud I wanted to jump up and shout ‘That’s my daughter!’”

“That memory rushed vividly back to me when – as the President at Prudential - I was asked to deliver the commencement address at Rutgers in 1998. While I typically don’t believe in writing out my speeches, I began to have second thoughts when I realized there were over 10,000 people in the audience. Dr. George Benson, who had extended the invitation to me, also got a little anxious when I told him I didn’t have a written speech.”

“Then I told him that I didn’t have an academic robe either. Without missing a beat, Dr. Benson took off his robe, gave it to me and got another one for him. Later, when we were on stage and I had been introduced and was standing at the podium, I gave him an even bigger scare. The first thing I did was tell the 2000+ graduating seniors to stand up in their chairs and find their parents and family members among that huge sea of an audience.”

“I wanted them to connect with their families, just like I had wanted to connect with my daughter at her graduation. Those relationships are the most important in life and provide the balance and support for everything else.”

“When everyone was back in their seats and had calmed down, I went on to talk about family values, love of family, and balance of life. The family will be there – companies may not! I talked with them about not holding back and going for success. After the ceremony, I shook hands with each of the students. Then, amazingly, many of their fathers came up to me and said, ‘This has changed me forever and I regret that I didn’t spend enough time with my children.’ ”

What a powerful lesson from a man who worried about not having finished his undergraduate degree!

From concerns to legacy

“In today’s business world, one of the things I see is a lack of patience in investing in people. It’s missing. There needs to be more connectivity – leaders and their people. I believe that I’m proof that the investment works!”

“For me, the investment in ‘the human factor’ has been an absolutely unbeatable formula for success. Making everyone an ambassador of and for the business is like having 10,000 people singing in unison.”

“However, what I’ve described regarding turnaround situations and success takes a minimum of three years to accomplish, i.e., to build the right kind of culture and environment. Unfortunately, stockholders and Wall Street aren’t very patient. It’s actually rather frightening for American business – what’s happening with private equity firms taking over companies. It creates real problems for a good CEO in terms of trying to build for long-term success.”

“Contrary to what some may think, though, CEOs are not different people. What I think about when I’ve driving home isn’t any different from other managers or leaders. I want to make decisions to create a bright and lasting future. Sometimes, that means downsizing and cutting jobs. But I do it with tears in my eyes knowing that some people will be hurt but also that more people will have a brighter future.”

In terms of a legacy, Tom clearly has established one wherever he's been. One example comes from his current leadership role at Crawford & Co. He was nominated by his direct reports and subsequently was chosen to receive the top honor at the 2006 Turknett Leadership Character Awards in the CEO category.

He's also a man who loves to spend time with his family, including his daughter's three little boys and his son's 2 year old daughter – who according to Tom – are being taught the same discipline, manners, and values he was.

And then there's the love of all things “railroad and trains” – including a large collection and display in his basement at his home on Lake Lanier and the train in his garden...not to mention the rather large one that's perched above his credenza in his skyline-facing private office. Add that to his continuing love of boating and cruising with Chris.

Sharing his love of family and friends as well as his leadership skills and beliefs, teaching others how to do what he's learned to do so successfully – that's the living legacy of Tom Crawford.

Truth is, we all need more of the example Tom sets as leader, a captain, and a gentleman, don't we?

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