

“Accountability, Action & Change in the Automotive Industry”

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Five years ago on a busy day at the office, the CFO of KAR Auction Services, Eric Loughmiller, walked into my office and said he had a gift for me. This is not a usual thing for Eric to do, so it piqued my interest.

He said he had just read a book and he thought that I might like it. It was Sheryl Sandburg’s new book, *Lean In*. I have a love of reading and even was an English major in undergrad, but I don’t have a ton of time to read, so I keep books on my bedside and read two or three on my next vacation. And that’s what I did: I read the book on my next vacation and was riveted. In fact, I read some portions of the book twice.

While I don’t agree with every single thing in the book, there were many things that spoke to me. It gave words and a voice to many of the things I have experienced throughout my career. If you haven’t read the book—the first few chapters focus on the balancing act of parenting and work/life balance. The remainder of the book addresses how women can take charge of their own careers.

That is what I call accountability and that is what I am going to speak to today.

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Since the release of *Lean In*, the demand for diversity in the workplace is growing louder each day. Companies that stay the status quo are really putting their reputations at stake. Not only that, but investors on Wall Street are demanding that Board slates have diversity and women on their Boards. And if they don’t, they’re not voting for them.

We’ve seen a lot since we leaned in five years ago. Bill Cosby, Harvey Weinstein, #metoo, Matt Lauer, the infamous Google memo, the Times Up campaign, and the accusations against Steve Wynn. In fact—I could spend the next 30 minutes just talking about everything that has happened and unfolded over the last five years. Obviously *creating* actual change is a lot harder than just *calling* for change.

It may take years but I am of the view that, male or female, you have to start with yourself to effect change.

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First, let’s talk some numbers. Only 6% of the CEOs for Fortune 500 companies are women—despite the fact that it has been shown that companies have a 37% average

increase in return on equity when they have strong women leaders. And one in four of the Russell 3000 companies still did not have a single female on their Board in 2017.

But what does it mean to be a woman in automotive? In Canada—about 22% of women working at a dealership are women—despite the fact that the workforce is 49% women. In motor vehicle manufacturing, it's about 18%.

So, I'll pause here a moment and say—while these numbers aren't that great, Canada is still doing better than the US. In the US, women make up about 19% of US dealership employees—and most of them are support staff, according to the NADA.

For the women who do make careers in automotive—we see a few trends emerge. In a recent survey of women in automotive, 57%—more than half—reported experiencing some sort of gender bias in the workplace.

I am incredibly lucky to have never been a victim of overt sexual harassment in the workplace. But as I dug deeper into those survey results, I did relate to some of the more subtle forms of inequity.

How many of you have ever been told you were too aggressive? 68% of automotive women have reported being called that—and not in a flattering kind of way. I personally take it as a compliment when someone calls me aggressive—I take it to mean assertive. But for many it can be used as a substitute word for the b-word.

How many of you have been excluded from business, networking or social events because the guys wanted to just be wanted to be with the guys? Golfing, sports games, bars, strip clubs? According to the survey, 57% of automotive women have been excluded from a social event because of their gender.

Some people say don't sweat the small stuff—but it's hard not to sweat the subtle stuff. Subtle gender bias is not like having “a Harvey Weinstein incident” that makes the headlines—but it does wear women down on a daily basis.

Some may argue that this subtle bias is evidence of social progress. But it has proved to be more stressful to women because of its higher frequency as compared to overt instances of discrimination. And it's much harder to prove either in court or to your boss without sounding like you are being too sensitive or a whiner.

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Given all of this background, my point today—if you walk away with nothing else—is that you don't need to be in a position of power to make opportunity for yourself.

Each one of us in this room—every woman and, yes, every man—has it in us to make opportunity.

But that doesn't mean opportunity will be handed to you. For most of us—we have to be tenacious. We have to hustle, we have to have fire in the belly—and we have to make opportunity.

I want to talk today about how we make opportunity, and how I've done that in my own career.

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At TradeRev, we have four core values: Fun, Honest, Accountable and Brave. We call it FHAB for short. These values have gotten us where we are today and they will lead us into the future.

And as I prepared for this presentation, I realized those values were what I needed to succeed in my life and my career. So let's talk about each one as a sort of a roadmap for seizing opportunity—starting with B, for Brave.

What do you think of when you think of being brave? Do you think about taking risks? Do you think about speaking truth to power?

At TradeRev, we have a saying—being brave leads to innovation. That's the reward—innovation, a better way of doing things, a better future, a better product—a new opportunity. But you only have reward if you're willing to first take a risk.

There are times when being brave and taking that risk—making opportunity—will go against what the people around you are telling you to do.

I've been there, and it is *not* easy. I had that happen to me early in my career.

For the first 10 years of my career, I worked in private practice as an M&A and corporate lawyer. And then I had an opportunity to join a company called ADESA that had just gone public. I talked to my father about it. He spent his whole career—40 years—at the same law firm, never left. And I said, what do you think—should I go in-house? And he said, that's a horrible decision—you don't know what's going to happen—why put your career at risk? I ended up, obviously, taking that opportunity. I accepted the job offer, much against his advice.

That was a pivotal moment in my life and career. I wouldn't be standing here today if I hadn't done that, even in the face of someone I respect immensely.

Being brave is not a one-time deal. It has to become a mindset. And not every risk is the same.

I had to be brave two years ago when KAR CEO Jim Hallett challenged me to take on running Corporate Communications for KAR, in addition to Legal. I had no experience in this. We had no Corporate Communications department—so I had to come up with an org

chart. I had to hire people and come up with what they were going to do. I had to talk to other people in the business and determine how this was going to impact their current jobs. I took that on, and it really got me outside of my comfort zone.

And getting outside my comfort zone is what prepared me to be comfortable when, a year later, Jim challenged me to be KAR's executive liaison to TradeRev. I did that, again, pushing boundaries—all new. And then when we bought the rest of TradeRev, I assumed the role of President.

Push yourself—I urge you to push yourself and try new things, even if you don't think you can do it, you could and you can.

For you, brave might look a little different. Maybe it's actually speaking up and asking for what you want. The raise, the special assignment, the promotion—we have to be brave and say what we want—and why we deserve it. When it comes to compensation negotiations—women only negotiate 30% of the time, whereas men negotiate half the time.

Whatever it is—being brave is the first step toward making opportunity.

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Working our way up FHAB—next is Accountable.

Accountability, for me, is multi-faceted. There's the example of Mary Barra—we can't have a women in automotive speech without talking about her. Shortly after she took over the helm at GM, the company faced a global crisis over a defective ignition switch. Eventually, the faulty switch was implicated in at least 124 deaths and led to 2.6 million vehicle recalls.

Afterwards, Mary told employees, "I never want to put this behind us. I want to put this painful experience permanently in our collective memories."

That's accountability. She boldly faced what they had done wrong—the good, the bad and the ugly—and instead of trying to sweep it under the rug, she accepted it and said let's not let this ever happen again.

That's the side of accountability we are all familiar with. But there is a less glamorous side. It's the side that demands you dig deep, and get to know this wonderful industry—know the language, talk the talk, walk the walk, and everything in between. And for every person in this room, women and men alike—in this industry, faking it won't get you invited into the inner circle. You have to do the hard work, and you have to learn the industry.

When KAR was owned by private equity—a decision was made to sell the rest of their shares in secondary offerings. A secondary offering is simply an offering of shares that takes place after an IPO. We did six of those in a 12 month period of time. If you ask an investment banker—doing just one of those is like doing a marathon in two hours. And we

did six of those in one year. We were the only company at the time that successfully had six separate stock offerings in a 12 month period—and we saw our stock price increase with each offering.

At the time, I was the only in-house lawyer working on this—in addition to managing the Legal department. I was accountable to our Board, and to our management team. I didn't see a lot of my family during this period, and I didn't have much of a personal life—I made a lot of sacrifices. There are only 24 hours in a day, and the work had to get done.

Opportunity comes to those who make it—and that means making the tough decisions and doing the hard work.

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You can't spell FHAB without H, right? At least, not where I come from. And that H is for Honest.

So look—honest is also two-pronged. There's the personal relationship aspect. At TradeRev, we like to say that being honest cultivates relationships.

I was asked a few years ago to mentor a woman at KAR who was relatively early in her career. At the time, I thought—I don't have time for this, I don't even know her. But I accepted it, and I did it rather begrudgingly.

We set up monthly lunches, and sometimes they got moved around but we always had them. I was accountable to my mentee and what I mean by that is—I always had the monthly lunch with her, *and* I gave her my full attention when we met.

I also was open, honest and vulnerable with her. I shared real issues with her and she shared with me. We were complete opposites. I am white; she's African American. I have three kids and a husband of 23 years; she had no kids and was going through a painful divorce. She is young and I am, well, older. And despite all of that—we bonded.

She decided to move to a different city to start fresh and was planning to leave KAR, but I strongly urged her to stay in the auto industry and I helped her find a job within ADESA.

She moved three weeks ago, and on the day she left, she left a note on my desk that truly moved me. I'll only share the beginning and end of the letter, but you can get a sense of how our relationship grew through our monthly lunches and our commitment to being honest and open—and really blossomed into something powerful.

The letter started, "Becca, Greetings Friend. I can't express to you how much I treasure our time together. I don't take it lightly. I believe you and I were connected intentionally by a power above our own."

She then ended the letter, “Know that I am your friend for always. I love you and I hope you always feel blessed.”

I strongly encourage you to mentor someone. You may not think you have the time—but *make* it. I helped shape her career—but she shaped my life even more.

There’s also the other side to being honest that goes hand-in-glove with being brave. Sometimes, there are hard truths that must be spoken. And you might be the only one in the room willing to speak them.

That’s part of being a leader. And if that’s who you want to be—then you can’t be afraid to challenge the status quo or conventional wisdom to ensure your company becomes and stays the market leader.

I have to admit—this isn’t something I struggle with. If there’s one thing I’m known for, it’s for always speaking up and speaking my mind. And I have to be. For many years, I was the only woman in our senior leadership team and our Board meetings.

If I wanted to be respected—if I wanted to be valued—I had to be direct, I had to speak up, I had to know what I was talking about and I had to be honest.

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We’ve made it to F, for Fun. You might say, fun is what holds it all together. It’s why we do what we do.

Research shows women are often held to a double standard. If we’re too nice, we’re viewed as pushovers or light weights. But when we do voice our opinions, and when we stand up for ourselves, and when we don’t let others interrupt us—we are aggressive, or maybe we’re accused of being difficult to work with.

Eliminating that double standard is not easy. But one way I’ve found to combat it is through fun and humor. You don’t need to be the life of the party, the funny girl or the clown. But letting loose, and being authentically you—letting people see how much you love what you do—that will *always* work in your favor.

Think about it. Who would you rather work with? Who would you rather work *for*? All things being equal, most of us would pick fun.

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So in closing—a few weeks back, I saw a post by actress Kristen Bell on Instagram. She was wearing a sweater with the phrase “*when there are nine*” embroidered on it. This is a reference to Justice Ruth Bader Ginsberg, one of the nine justices on the US Supreme Court. Sometimes people ask her, “Ruth, when will there be enough women on the Court?” And her answer is always, “when there are nine.”

This is a powerful, show-stopping idea. Can you imagine if there were nine women on the US Supreme Court? There were nine men for hundreds of years—nobody blinked an eye.

Now, I don't know if that would be the right thing to do. I think a diverse group of people with different perspectives is the best way to go—and I always say, hire the best candidate, no matter what their gender. But the way I interpret what Justice Ginsberg is saying is that it means we're in an environment where we support each other, male or female.

You don't need to be in a position of power to make opportunity. You don't need to be a Supreme Court Justice. Each of you have the ability to approach your career with the FHAB values.

Think about it. And take a look around you. If each one of us lived these values, how would this industry be different? How would your career change? What kind of opportunities could you seize?

So, let me challenge you as I leave the stage.

Be generous in your opportunity making. Don't hoard it. Be a mentor. Speak up. Work hard, and have some fun while you're doing it.

The fastest way we can help change our industry is by making it more inclusive and more welcoming—to women and men alike.

Thank you.