



Raymond A. Mason School of Business

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LEADERSHIP & BUSINESS PODCAST

EPISODE 179: NAVDEEP GUPTA – DOING GOOD & WELL: DICK'S

Female Speaker

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Ken White

Welcome to Leadership & Business, the podcast that brings you the latest and best thinking from today's business leaders from across the world. Sharing strategies, information, and insight to help you become a more effective leader, communicator, and professional. I'm your host, Ken White. Thanks for listening. We all know that companies and employees expect businesses to do more than make money. Today, people expect organizations to contribute to society to make a difference, and we've seen how those efforts lead to a number of positive outcomes. When looking for role models in the doing good and doing well arena, one company jumps out, DICK'S Sporting Goods. America's largest sporting goods retailer goes to great lengths to support young athletes. In fact, since 2014, DICK'S and the DICK'S Foundation have committed over \$150,000,000 to youth sports. Navdeep Gupta is the CFO at DICK'S. He earned his MBA at William & Mary and was here last month for Alumni Reunion Weekend. He sat down with us to talk about DICK'S Sporting Goods, its special culture, and its commitment to today's young athletes. Here's our conversation with Navdeep Gupta, CFO, DICK'S Sporting Goods.

Ken White

Navdeep, welcome. It's so great to have you on campus. Thanks for joining us.

Navdeep Gupta

Oh, Ken, I appreciate that. This has been a great weekend so far, and I'm looking forward to this conversation.

Ken White

How long has it been since you've been on campus? Has it been a while?

Navdeep Gupta

I would say it's been 20 years since I graduated.

Ken White

Right.

Navdeep Gupta

Got a chance to make a brief visit in 2009, actually. Luckily, my mom was visiting from India, and we wanted to bring her down and show her the school. And at that time, the MBA program had just moved into this new facility. So I did take her to the old one, just the Blow Hall, and just to be able to show the small rooms and the few meeting rooms that we had. And she got a chance to actually see my class. And when I told her that I was coming down to the college and she remembered all of that. And it's fun to be able to connect that way with your parents and to be able to talk about the things that you have been through.

Ken White

Absolutely. And then this weekend, getting to see some of your classmates.

Navdeep Gupta

Oh, it's been great. I haven't seen most of the folks that, so we keep in touch, but it's been more through text or phone conversation. And I'm really looking forward to the happy hour now.

Ken White

Yeah, we stand between you and your class reunion happy hour. Yeah. But your job at DICK'S. CFO, that's pretty self-explanatory. But how do you describe your job to others?

Navdeep Gupta

I think so the biggest part of my job is balancing the financial expectation of the company with the strategic intention that we have. When you think about it, right? No company is able to do what it does without having a clear idea of what differentiates them. And to me, the focus that I drive within the finance team is our role is to be the fiduciary champions, which as a finance person, you have to be the fiduciary champions. So the three big things that I talk to my team about is one being the fiduciary champion. Two, taking care of your teammates. They come to the company every day with a dream that they want to accomplish. And so we call ourselves that we are in the dreams business, making our athletes dreams come alive. When that high school athlete walks on the field with a baseball bat, they have a dream that they want to be able to hit that last winning home run. Our team members walk into our offices with a dream of their own, and our goal is to

be able to help achieve their dreams. And then, the third thing we talk about is how do you facilitate and enable the long-term growth aspirations of the company and do them through financial analysis, providing insights, and being proactive decision support makers.

Ken White

DICK'S is known for having a pretty cool culture and a place where people enjoy working. How did it get there?

Navdeep Gupta

I think we call ourselves the fortunate ones, right? You love the product. As soon as you walk into the store, we say sometimes, I've heard the phrase that you walk into a Disneyland. It's like that. You can touch and feel every product, you can reminisce, and you can actually think what could you be doing on the field with those equipment? And to me, that's what I enjoy the most. So in terms of the big focus for us always has been that how do we create a company where the culture is about sports, it's about having fun, but it's also doing the right things by the community, doing the right things for the long-term growth aspirations of the company. So we call ourselves the growth company that is always looking to continue to differentiate ourselves and continue to grow, and the culture emanates from that. And the other thing that I just talked about is the fact that at the leadership level, there is a clear focus on being a humble leader. We have this award called as Left Tackle award. It's given not to the leader who accomplished the best in terms of their own department or their own personal effort. It is rewarded to an individual who did the best thing in enabling the company achieve its goal. It's a very unique award, and to me, that speaks a lot about the type of culture that we have both at the leadership level and within the company overall.

Ken White

And you talk about doing the right thing, working hard, and having fun. That is sports. That's what every coach has been teaching players and kids from the get-go. So it makes sense.

Navdeep Gupta

Oh absolutely. I feel like sports at the young age matters so much right now in this community I feel. Whether it is learning how to win, learning how to cope with the loss, learning how to interact with the team, playing on being a part of a team, sometimes you are the leader of that team, and sometimes you have to listen to others, listening to coach at the same time deciding at the right game time on what you are going to do because everything is not known. And those are such core fundamental aspects that a kid is learning. Whatever sports that they are pursuing. I feel those are the things that continue to define them into their adulthood and beyond. All of us can remember that moment

when we were young. We were part of the team. You struggled, and somehow one fine day that, you suddenly got good, and you still to this day talk about that day. And to me, those are very unique things that you're able to bring it to life for some of our athletes. That's great.

Ken White

It's interesting on our podcast series, many CEOs and leaders like yourselves so many of them played sports, and they talk about those lessons. It's the same lesson. It's the same goals. It's all teamwork and how it translates beautifully into business and into leadership. It seems like you're right smack dab in the middle of it at DICK'S.

Navdeep Gupta

That's what we love about what we do.

Ken White

Yeah. So what amazes me, and I know a lot of others about DICK'S sporting goods, is what you do for others. You have your purpose playbook. Can you tell us about that?

Navdeep Gupta

Yeah, no. So purpose playbook deals with the big topics like everybody talks about the ESG topics, right? The environmental, the social, and the governance aspect and we have been doing a really clear focus job at this topics for a very long period of time. And I'll talk a little bit more about some of the other topics besides ESG that we are passionate about. But if you think just core on the remaining on the ESG piece itself, there is a clear goal in terms of the pay parity. We employ over 40,000 individuals, and we look at the parity at the right level as well as at the right experience level. We look at the male versus female pay parity ratio, and these are all disclosed in our ESG playbook. We have given out a goal in terms of the greenhouse gas emission reduction that we have for 2030 and how are we making continuing progress about it. This year we are launching another goal where we have committed that we'll be buying \$300 million of product from diversified suppliers. Where you can go to DICK'S Sporting Goods and find Nike. You can go to DICK'S Sporting Goods, find all of the large brands. But then what we want to be also to be able to do is to provide avenues for the diversified suppliers that are out there, the small businesses, giving them an opportunity to be able to showcase their product that they are passionate about in our stores. So we have committed that in next few years, we'll be buying almost \$300 million of product from these suppliers to be able to provide them an opportunity within our stores. The area that the company is also very passionate about is our youth. As our chairman says, youth are the most precious resource that we have in this country and in this world. And the more you can enable them to be successful, the more successful our company and our community is going to be. Those are the three big areas that I would say we spend a lot of time talking about.

Ken White

And how are those areas targeted? How was the selection made? Mostly internal with some external input. How did you come to that?

Navdeep Gupta

It was a combination of both internal and external. We have a very involved board as well, so board has a very strong say into what we are doing, how we are thinking about it. We have a very diverse board as well, so we have Larry Fitzgerald, the famous NFL player, who brings a very diverse, different perspective to the board. And then you have a very diverse board. So that has been a big focus. That making sure that the board represents the community that we are part of, from the sporting goods industry to technology, to retail, to female leaders that are all part of the composition of the board. And then it translates within the company itself. We are a controlled company, and so our focus is much more on what is the right thing to do for the business, for the community that we are partnering with. And those are the big areas through which we came up with what has gone into our purpose playbook.

Ken White

We'll continue our conversation with Navdeep Gupta in just a minute. Our podcast is brought to you by the William & Mary School of Business. If your organization is interested in retaining your best people, consider enrolling them in one of our MBA programs for working professionals. William & Mary's online MBA, part-time MBA, and executive MBA programs are designed for the professional who works full time, so both the employee and the organization benefit. Show your employees you care by investing in their growth. Check out the MBA program at William & Mary at wm.edu. Now back to our conversation with the CFO of DICK'S Sporting Goods, Navdeep Gupta.

Ken White

You talk about the focus on youth. Is that where the foundation, the sports, matter? Is that the tie-in?

Navdeep Gupta

Yeah. So the foundation is called DICK'S Sporting Goods Foundation. It's been in place for about over ten years there, and we have given over \$80 million of funds to the communities that we are partnering with. And there are three big areas. So one, the company itself funds this Sports Matter Foundation. The other is through the products that we sell within our stores. We contribute a portion of that proceeds from received directly from the athletes to this foundation which the company matches. So this is kind of the funding mechanism, and there are three big areas where we look to provide the funding through the funds that have been raised. First and foremost is access to sport. Today is getting impacted more and more. More and more states are cutting the budgets that are

available for these type of activities, especially the sports activity. And so, our hope is to be able to bridge some of that gap. Kids today don't have access to sporting goods equipment. They don't have access to funds to be able to pay the registration fees to be able to participate in these activities. So that's one area that the foundation works very closely with the communities to be able to provide funding. The other is there are not many facilities that are available to be able to go and play safely. And so, we partner with communities to be able to enable that. And then the last is just being able to create our own unique experiences for some of these athletes that we are able to provide. The example is the school that we are partnering in the McKeesport area, and fund that type of activity as well.

Ken White

Yeah, tell us more about that. McKeesport is an area in Pittsburgh, not far from downtown Pittsburgh and corporate headquarters. But you're partnering with the school there. Tell us what you're doing.

Navdeep Gupta

Yeah, so the genesis of that came about like sports really important for youth. The other thing that is really important for youth is also the education. And we know that there are inequities in the educational opportunities that we have today in our society. And we said we can't change everything, but there are small steps that we can take or we can where we can make a difference. And so, this was our pilot project two years ago. The company made a large donation of \$30 million to be able to do the Sports Matter Foundation, to be able to start to go on this journey. And then, we did a lot of research to see which community could we partner, and luckily we found in the McKeesport area an opportunity where we could partner with the city to be able to create what we are calling as the Twin River School. So this will be a school where we will be partnering with the city as well as the education institution that already existed there and see what we can create. And the whole vision there is to be able to provide not just the education but much more holistic education part of the community. So like, if the parents need a place to a laundry facility so that will be on the school. If you need opportunities to be able to find meals, also there'll be available at the school. So this is still evolving. It's very early, it's about call it a year old where we are working very closely with the community, and we're excited about what we'll be able to do there.

Ken White

I'm sure people are listening and saying wow, that's so much. Is it worth it? Why does DICK'S do all of this?

Navdeep Gupta

Well, I think so. The question is, if not us, then who? We cannot continue to look to others to lead in this space. We feel we have a legitimate right to make a difference in this world, and we feel like even if few kids or even if one kid is positively impacted by this type of an effort, we believe it will be worth it. To me personally, it's very enriching as I think about my own self because there was somebody that took a little bit of effort on their part to be able to provide these type of opportunities that I've been fortunate to. That's exactly the way we look at it that we need to give back to the communities that we are part of, and these are just testament to some of the things that, as a company, we feel really passionate about.

Ken White

I'm guessing it positively affects hiring and retention.

Navdeep Gupta

Oh, it absolutely affects positively those aspects as well as and it affects both of the CSE, even the corporate center that we have in Pittsburgh office, but it actually affects even our stores. So we have 800 stores that are in different communities and where we are able to provide grants to local communities, local teams to be able to fund them. It actually allows the store team members to become more relevant to the communities that they are part of as well. So it's a win-win all across.

Ken White

Do you see this becoming, I don't want to say important, but required for companies to do this sort of work?

Navdeep Gupta

I would say anything that becomes required becomes a check-the-box type of an activity. So I prefer that this should come what is natural to the company they should. And to me, the way I look at it is every leader should be requiring of themselves to be a meaningful member of the society and the community that they are part of, and to me, it's a calling versus somebody else should be pushing you to do these types of activities.

Ken White

Right. And it can affect the bottom line?

Navdeep Gupta

Oh absolutely. I think there are people sometimes refer to bottom line very narrowly as to say this is the earnings. This is the EPS. But I think so if you look back and say, is my business more profitable? Does it have the longevity that I desire out of it through these

activities? Your what I call as the overall lifetime value of that type of an investment is much bigger than what you actually see directly on the piano.

Ken White

Will we see more organizations play a bigger role? It's not just about profit, it's not just about employees, but we need to make a difference in the world. Are you seeing that?

Navdeep Gupta

Absolutely. I feel like to me, sometimes you sit back and reflect on it and say, who do you look to within this community or in the society today as the leaders of the world, and you are left wanting. To me, that's been one of the gaping holes right now in the society. Is you don't have leaders that you can look up and say that these are the true leaders that are going to make a difference. And in that type of a situation, to me, it is requiring upon the leaders of today and tomorrow to be able to say, can I be that role model? Even in a small way? Not in a huge way, you're not the world leader, but in your small way, in the small community that I'm in, can I make a little bit of a difference? And to me, that's kind of a calling for all of us.

Ken White

That's our conversation with Navdeep Gupta. And that's it for this episode of Leadership & Business. Our podcast is brought to you by the William & Mary School of Business, home of the MBA program, offered in four formats the full-time, the part-time, the online, and the executive MBA. If you're looking for a truly transformational experience, check out the William & Mary MBA program at wm.edu. Thanks to our guest, Navdeep Gupta. And thanks to you for joining us. I'm Ken White. Wishing you a safe, happy, and productive week ahead.

Female Speaker

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