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Letter from the CEO, 2023

There’s a saying that “the first million dollars is the hardest.” Not to be outdone, the late Texas oilman and financier T. Boone Pickens titled his 2008 autobiography, *The First Billion is the Hardest*. He clearly was trying to grab the readers’ attention with a cocky twist on a familiar phrase. Nonetheless, I have to admit, we never thought in our wildest dreams that we’d be understanding what Mr. Pickens is talking about. As a company entering our 52nd year, it took us the first 46 years to cross the billion dollar mark in annual revenue. Crossing the \$2 billion mark only took 4 years after that. And amazingly enough, it only took 1 more year to cross the \$3 billion mark, which we did in 2022. Let me reassure you, I'm not sharing this to exclaim our brilliance. Rather, as I reflect on the close of 2022 and the start of 2023, I'm blown away by how quickly we've developed as a company, and how far we have yet to go.

We had 46 years to figure out how to be a \$1 billion company.
 We had 4 years to figure out how to be a \$2 billion company.
 And we only had 1 year to figure out how to be a \$3 billion company.

This is remarkable, if not slightly terrifying (and yes, it would be concerning if we weren’t slightly terrified!). When I think about what it is that allows us to keep clearing these ever more challenging hurdles, I see a few areas we excel in.

Being Conditioned for Change

I’m absolutely convinced we couldn't be accomplishing what we are if there was a pervasive attitude that change is bad. Our principles of **entrepreneurial risk** and **adaptability & innovation** ensure that we see change as a good and welcome thing. Change isn't the exception, it’s the norm! This was ever present in 2022 as we continued to make quick changes to navigate a complex supply chain market, rapidly expand our warehouse infrastructure, and constantly deploy new technologies to our



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inward and outward facing platforms. Since we are poised to view change as a normal and expected occurrence, we are always ready to grow and evolve.

Pursuing Excellence, but Not Perfection

We didn't get everything right in 2022, no doubt about it. But I think we got more 'right' than we got 'wrong,' and that's the difference between pursuing excellence versus perfection. By leaning on the principles of **critical thinking** and **extreme ownership** we not only got a lot of work done, but we also found ways to make our work output more efficient, scalable, effective, and sometimes all three! And most importantly, we owned our outcomes for better or worse. The added complexity that comes with a growing company like ours means that we have no shortage of strain added to areas like customer solutions, content, business services, logistics, and many more. Did we do everything perfectly? No. Are we achieving results with more excellence than before? I think so!

Confronting our Brutal Facts

We have an appreciation that "what got us here, won't get us there." Or in the words of *Good to Great* author Jim Collins, "we must confront our brutal facts." This means trusting relationships that allow **radical candor** to discuss the realities we see. Within those moments of confrontation, we discover what we need to work on and draw from our principles of **grit**, **competition**, and **discipline** to see things through. If we've learned one thing from the last 3 years, it's that we have a track record of setting our sights on problems and solving them. As we take the pulse of the brutal facts of 2023, such as the challenges of recessionary headwinds, we'll continue to operate from that mindset that we're playing the long game and making investments for the long term.

It's no coincidence then that all of the above does come down to people. Without great people, it would be impossible, and not nearly as fun, to scale the company like we are right now. That leaves us with the **work ethic** that our employees



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demonstrate to make everything happen around here. Without their valuable contributions, we would not be the company we are today. I'm proud to report that nearly 300 of our employees earned promotions this year for a job well-done – congratulations! – and that we filled many significant leadership positions with internal candidates. As a young company, it's also meaningful to recognize that we have over 100 employees in the company that have been here 20 years or longer (not bad, considering we had about 200 employees total 20 years ago!), and over 100 employees hitting a major 'anniversary' milestone this year. What an incredible testament to our company culture!

I'm not sure if the first billion actually was the 'hardest' for us. It certainly took the longest! What I do know is that each year right now requires significant focus and effort to maintain the successful trajectory we're on. The rewards of growth certainly aren't without risks, challenges, and stress. I can't think of a group of people I'd rather be on this exciting and challenging journey with than those of you all across Clark Associates.

To our employees, thank you for all your efforts as we continue the journey!

L. Gene Clark

CEO, Clark Associates, Inc.

P.S. The **bold** words above are some of our company leadership principles that you can read more about [here](#)!