

Client Spotlight



**"We live
under the sink,
in the garage,
and in the toolboxes
of the world."
—WD-40**

WD-40 Company

Background

If you telephone WD-40 Company on any given day a friendly recording, guaranteed to put a smile on your face, greets you with enthusiasm. You haven't bought the product yet or spoken to a single person, but by simply calling you have already had a magnificent experience. This is just one of the ways the "new" WD-40 has captured magnificence and successfully integrated fun into its culture.

For 43 years WD-40 sold only one product. Today, it is a global consumer products company that sells a number of brands—which WD-40 calls their "fortresses" that stand the test of time, must be protected, nurtured, and grown—that deliver above expected performance at extremely good value in more than 160 countries worldwide. Two years ago WD-40 set a lofty four-year goal to double its revenues from \$150 million to \$300 million. It is well on its way. However, aggressive growth often requires the need for a culture change. President and chief executive officer Garry O. Ridge knew that to achieve this goal WD-40's people needed to have a work environment that promotes what he calls "free mental attitude"—turning issues into learning opportunities. He knew that The Ken Blanchard Companies could help make this change possible.

In his personal quest for growth, Ridge had researched various executive programs that would teach him new skills and reconfirm what he thought he already knew. He came across the University of San Diego's new master's program in executive leadership, which is cosponsored by the University and The Ken Blanchard Companies. The MSEL program is unique because it provides the elements of an MBA with a strong emphasis on leadership that is linked to core areas such as

- ▶ Finance
- ▶ Marketing
- ▶ Accounting
- ▶ Team building
- ▶ Change

Business Issue

How to meet aggressive growth goals, change the corporate culture, and maintain magnificence.

Solution

Situational Leadership® II

Results

Increase in sales and earnings, increased employee commitment, and a framework to strengthen leadership bench strength.

The Blanchard MSEL program met Ridge's requirements, which made his decision easy. Ridge learned about The Ken Blanchard Companies' Situational Leadership® II Model (SLII®) and he knew he had found the solution to his culture change worries. Through the process, Ridge gained exposure to the power of SLII® and it also led him to the creation of a new business model for WD-40.

During his two-years in the MSEL program, Ridge saw the powerful potential of applying SLII® at WD-40 and how it could add value to the company. The Leadership Cycle, which considers the elements of products, people, and passion, is the model for how to lead at the new WD-40. Ridge's Leadership Cycle incorporates the concepts of SLII®.

The WD-40 Leadership Cycle

Vision—The vision needs to be clearly and easily understood and consistently communicated. It should be a place we feel we can get to and the result of getting there should be better than where we are now.

Without a clear vision no one goes anywhere.

Values—These are both personal and organizational for alignment and are hierarchical. It is a platform that empowers people to make decisions.

Planning—Planning and executing have always been a core part of management. However, if we just plan and execute, plan and execute, without review of the execution, we get caught in the typhoon zone.

Typhoon Zone—This is where we end up doing more and more of what does not work and we destroy the business. We avoid it by flowing through The Leadership Cycle.

Execution—By reviewing the planning and execution to avoid the typhoon zone, we create the learning moment.

Review—What did we set out to do? What actually happened? Why did it happen? What are we going to do next time?

Learning Moment—From the review we discover the learning moment—a point of realization—that can be positive or negative but never bad! A learning moment culture allows “mistakes” based on the value that the mistake is a learning moment from which a positive outcome can make us a better company—a learning moment culture is rigorous as well as respectful.

Learning—Learning is the final outcome. A learning organization is one that is renewing itself on a daily basis. We beat the competition and make ourselves more competent by embracing the learning moment, which creates the learning culture. With the right products, the right people that are passionate, and The Leadership cycle (which creates a culture where passion is enhanced), you have a MAGNIFICENT organization that is applauded by profits.



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The WD-40 Company's Formula for Magnificence

- ▶ Have a healthy discomfort for the status quo (make each thing we do better, be willing to let go of yesterday and embrace tomorrow).
- ▶ See the learning moments (the positive outcomes of our actions and experiences)
- ▶ Believe in yourself (magnificence builds self esteem).
- ▶ Never give up (we have a choice, a choice to go on or give up).
- ▶ Take one day at a time (Live in today, life is a series of one-day events).
- ▶ Aim for simplicity (don't get caught up in the thick of things; don't take yourself too seriously; lighten up!)

The Situational Leadership® II process helps leaders learn to partner with their people by encouraging them to set goals, talk with them about their performance, and ask how they would like to be recognized for their accomplishments or redirected when necessary. The result is an organization in which management and employees work together to identify challenges, achieve excellence, and manage change productively. SLII® provides guidelines for navigating through WD-40's Leadership Cycle with every task and person.

The Solution: Situational Leadership® II

Ridge saw the potential of SLII® and soon rolled it out to 25 percent of the organization—leaders in sales and marketing, finance, supply chains, IT, HR, and investor relations, which included 50–60 top-level leaders as well as individuals from London and Asia. By training a large number of people, Ridge added value to the company's learning objective-making sure that WD-40 is an organization that has a free mental attitude toward learning. SLII® is now the way of life for WD-40 leaders. Ridge says that SLII® stops finger pointing and provides a common language and awareness of the different levels of competence that is required for a learning organization.

Both SLII® and Ridge's Leadership Cycle allow him to measure the company's performance through increased brand awareness, consumer usage, and internal and external customer satisfaction.

Results

Implementing such a change, Ridge admits, was horrific—in a positive way, he quickly adds. WD-40 had already been an excellent company for 43 years, but it had been the “same” for those 43 years—this was not such a small change to take place. Yet with its new leadership models in place, WD-40 Company is magnificent! Ridge believes that “If you can't get the right people, you can't create the right business.” People want to be part of a winning organization, and the fact that there were tangible results—such as a 54% increase in sales and a 47% increase in earnings in just six months—was enough to keep everyone committed to the company goals and the culture change.

The programs launched at WD-40 Company have inspired more effective leaders and improved the working environment, thus allowing people to produce better results.

In addition, Ridge was so impressed by what he learned through the MSEL program that he created the WD-40 President's Path to Leadership scholarship program to ensure that WD-40 was developing future leaders. The program awards a full scholarship to a leader or potential leader from the company for a Master of Science in Executive Leadership degree from the University of San Diego, a fully accredited university and business school—a venue that requires participants to remain on the job. The first two participants graduated in June 2002, another in 2004, and applications are being accepted for the Class of 2005.

The WD-40 Company Values

- 1) Increase the value that our fortress (brand) delivers.
- 2) Perfect transactions—have a clear understanding of the expectations between the parties, internally and externally.
- 3) Make it better than it is today.
- 4) Own it and act on it.
- 5) Our actions reflect our commitment.
- 6) Drive faster, more profitable growth.

“Leadership is all about serving people in a way that gives them what they need to be effective. SLII® provides a frame of reference for both the teammate and coach so that each knows the role of the other. At WD-40 Company, we benefit daily by having a large group of people who’ve been through SLII® training, and further by having five people trained in the MSEL program at USD. As a result, we “speak” the same leadership language and have a shared understanding of ways to work together. SLII® and MSEL have had a profound impact on our organization.”

—Mike Irwin, Sr. Vice President / CFO, WD-40 Company, and University of San Diego MSEL Class of 2002

“One of the biggest challenges any organization faces is good communication. The genius of the MSEL program is that it focuses not only on what leaders say, but also on how leaders communicate. When a group of leaders are all speaking the same language the communication becomes easier, more effective, and more efficient. We are fortunate to have a CEO who embraces both SLII® and MSEL. Having similar training experiences allows us to keep each other honest. We can call each other when it becomes apparent that one of us is not ‘walking the talk.’ Most importantly, by going through the MSEL program and by using the SLII® Model, it forces us to look at the impact our actions have on others. When we pay attention, we greatly improve our effectiveness as a leader—in our organization, our personal lives, and our community.”

—Steve Schwab, Vice President, Sales, WD-40 Company, and University of San Diego MSEL Class of 2002

- The two-year program is offered to emerging and established leaders and combines the core elements of an MBA course with a unique mix of leadership courses. It develops interpersonal skills and offers personalized feedback, integrates real life experiences into course work, and includes a cohort-learning environment. Typical candidates for the MSEL program have five years of professional experience or more and are in leadership positions. Most candidates want to learn skills to boost their careers and create dynamic relationships with their work.
- When asked what advice he has for others who are seeking to grow and expand by facing new challenges, Ridge responds, “Leadership is what it is all about. Without people being motivated and committed to magnificence, you will have an average company. Leadership is about creating the environment that motivates people to reveal their magnificence every day. Situational Leadership® II and the MSEL program provide potential leaders with the framework to become practicing leaders.”
- With Garry Ridge’s Leadership Cycle and the Situational Leadership® II Model in place, WD-40 has created a culture in which people continuously discover and utilize their magnificence and will continue to drive the success of the organization.

Additional information on the Master of Science in Executive Leadership is available on the University of San Diego Web site <http://business.acusd.edu/mSEL/>



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