

FRONTLINE LEARNING

A World of Magnificent Maniacs: Learning at WD-40

by **Garry O. Ridge**

In May 2002, Marcia Conner spoke with Garry Ridge, president and chief executive of WD-40, about the learning culture he has created. The following story emerged from their conversation.

Six years ago, WD-40 was a \$116 million company. That's not bad. But even though we were very successful and had made a lot of money, we had reached a point where we would stagnate unless something changed. Six years ago, WD-40 was a single-product company that was very, very focused on doing one thing. It had done that one thing magnificently for 43 years, and that was to build a brand around WD-40, a product that has become an icon around the world.

This year, we will be a \$230 million company, and we've got some of the highest profitability ratios in the industry right now. What happened? As we added a number of new cleaning and maintenance products to our line, we also created a culture of learning within our company—a culture in which employees see themselves as learning maniacs, and mistakes are known instead as learning moments.



Once upon a time, decision making at WD-40 went pretty much in a straight line. People could easily pass the monkey off onto someone else's back. I certainly wanted to change that environment when I became president and CEO. The only way I could see doing that was for people to become more comfortable making mistakes. Those were a very challenging first couple of years because, of course, most people are afraid to make mistakes.



A learning moment is the moment you recognize either a positive or a negative outcome of an action. And you recognize it in a public forum. By calling it a learning moment, you take away the fear of saying, "I made a mistake." What you do at WD-40 is say, "Hey, I just had a learning moment." Under your breath you might really be saying, "You know, I made a mistake. But I'm okay. I can share, and I know I'm going to get rewarded for sharing this."

If you give me the capital, I can set up the best warehouse, the best distribution system, the best whatever, but it's the people that work here that make us magnificent. It was my firm belief that for us to unlock the value of the company, we had to have maniacs performing their personal magnificence on a daily basis. That's the philosophy behind it all. To become a multiproduct company, we had to create an environment in which the leaders are at the bottom of the organization and the rest of the employees are at the top.

I knew we had accumulated a lot of knowledge over the years, but we'd never made it accessible to the masses of people in the organization. Our task was to take silos of knowledge and turn them into fields of learning. My goal was to create an environment in which, freely and with rewards, people would be happy to share their learning.

First we had to make sure all the right people were on the bus. We spent some time looking at who was already on board so that we could figure out where our competency gaps might be. Not only did we want to know who else we might need to hire, but also we wanted to identify our training needs.

Then we took a look at our products. We have a strong brand with WD-40. It's a brand that's very well accepted in the consumer's mind. This one product is bought over and over again, and it generates sales, revenues, and profits. We realized that we could always acquire more products, so we moved on to examine the third stage: the leadership cycle.

When we talk about our leadership cycle, we're really talking about our vision: "What would success look like?" "Where do we want to go?" "How well do we communicate with our people?" "How could we make things better than they are today?" We had to be very clear and concise because we weren't looking for some overly complicated vision statement. What we came up with is that we wanted to move from being a "brand fortress" to being a

"fortress of brands." And in order to do this, we drew up a set of values that support this concept.

Value 1: Increase the value our fortress delivers. To incorporate this idea, we had to start letting people make decisions on their own. We needed to create an environment in which people could make decisions that increase the value of our fortress, the value of the brand to the consumer, without fear and within the context of doing good business. An example: Nancy in the mailroom can now make a decision on almost anything as long as it jibes with our values. If a customer asks for a replacement cap for a can of WD-40, she doesn't have to ask anybody—she can send the cap, no problem, because it's clear that doing so will increase the value our fortress delivers to customers.

Value 2: Make it better than it is today. This one was my way of communicating a healthy discomfort with the status quo. We were successful, but employees had never been asked to do anything differently. If you get to the top and don't start to resurrect the company, it can stall and die.

Value 3: Own it and act on it. This one is about taking action. Our employees had learned they didn't have to be accountable because the old leadership would take responsibility. I wanted employees to have their own sense of responsibility.

Value 4: Our actions reflect our commitment. I think this one is my favorite. So many people today make a commitment and then do not act to deliver on it. For example, let's say you told me we'd talk at 12:30 today. But then you went off at noon for lunch with a friend. It might look like your action is not in line with your commitment. And if you forget to call me, there is a problem. But what if you're in a phone booth at the restaurant calling me at 12:30? In that case, your action does reflect your commitment. We wanted to push out any sense of disconnect between our actions and our commitments.

Value 5: Drive faster, more profitable growth. Some people asked why this value isn't number one. It's because if we do the other four, the fifth one will happen automatically.

Just this year, we added one more value: "The perfect transaction." We put this at number two in our list. This one is about making a commitment to meet the expectations of all parties involved in a transaction. That could be a transaction between WD-40 and consumers, customers, or shareholders, or it could be transactions between people in our organization. For example, we delivered 98 percent of our product on time and in full to our customers. That's a perfect transaction. When two people sit down and each of them says, "Here is my expectation of the outcome," it's possible to meet those expectations. And there are no opportunities for finger-pointing.

I think one of our core successes is that we've kept things simple. If someone asks, "What business are you in?" I answer,



“I’m in the squeak, smell, and dirt business.” They get it. If someone asks, “What sort of products do you think you will have in the future?” I say, “We’ll have products that live under the sinks, in the toolboxes, and in the garages of the world.” Very simple.

Simplicity is so important, but too many people get caught up in their egos. They’re trying to prove how smart they are that they complicate things. True leadership is about being as humble as you possibly can be, keeping it simple, being out in front, cheering your people on, and never letting go of the vision.

That’s an overview of the structure that helped us create a learning culture at WD-40. Now I should tell you about the nitty-gritty: specific programs that overtly support learning in our company.

First of all, we’ve started the Leadership Academy, a lunchtime forum in which we give people training on issues that not only help them do their jobs better but also are relevant to other aspects of their lives. The first Leadership Academy was on giving and receiving feedback. We’ve also done one on investing, and in another session we helped employees create personal profiles so they’d understand more about what makes them tick.

This week, our Leadership Academy focused on negotiations. A guest speaker came in for a one-hour session, and we gave employees a book to take home. They left with an overview of how negotiations work. It’s great to think of people going home and saying, “You know what I learned at work today?” I’m happy if someone saves \$200 on his or her next car because of this workshop. That person will have seen the intrinsic value of working at this company, of working in a learning organization.

We’ve also created a library in our lunchroom with lots of leadership and learning books. One of the women in our customer service department had the idea for it. Now you hear people talking in the lunchroom about what they’ve learned from this book or that.

I recently finished the master’s degree program in leadership at the University of San Diego. Afterwards, I created the President’s Path to Leadership so that key employees, people who would be most influential as leaders, could also study at an advanced level. At this point, four of our senior executives are either taking that course or about to graduate from the program. The company foots the bill for their study at the University of San Diego—an investment of \$40,000 per person.

Then there are what I call functional learning opportunities. Every two years, an outside consulting firm conducts an anonymous employee-opinion survey for us. The firm asks employees to rate the company on a number of factors, including communication and ethics. The first time we conducted the survey, employees gave the company an 80 percent approval rating. We just did the survey again, and approval went up to 83 percent. What we learned from this survey is that employees think we need to improve our IT training.

So we developed a program to improve our IT training. Within two years, we hope to have 80 percent of our employees earn an IT certificate that will demonstrate competency in various areas, depending on the job. For example, a receptionist might need to be an expert in areas regarding communication, such as the e-mail program and the phone system, but would probably need only a basic understanding of our sales-tracking system.

The plan is that we’ll identify which level of certification is required for every position in the company. Then, after everyone is certified, we’ll make sure that employees get re-accredited every



year or so by doing a certain amount of update training through our IT department.

All of this happens without a formal training department. We have only three people in our human resources department. Anybody can book training courses. That's how we developed our IT certificate program. If there's a need for training, the leader of an operating unit can come up with a program.

Everyone in this company takes the learning-maniac pledge, which is really just another way of getting people to communicate their commitment to our values. The pledge states: "I am responsible for taking action, asking questions, getting answers, and making decisions. I won't wait for someone to tell me. If I need to know, I'm responsible for asking. I have no right to be upset that I didn't get this sooner. And if I'm doing something that I shouldn't, that others should know about, I'm responsible for telling them."

We encouraged employees to recognize magnificence in one another through our Maniac Program, which ended last August. What is a maniac? A maniac is someone who goes out of the way to help a teammate within the company. Each employee was issued a checkbook filled with maniac bucks. You could hand out a maniac buck each time you saw someone do something for someone else or make a contribution to his or her part of the business. If you had 100 maniac bucks in your wallet at the end of the month, you could buy something from a catalog. And at the end of the year, we named a grand maniac from all the monthly winners. The grand maniac could pick from two prizes: a company car for a year or free groceries for a year.

My role is to get employees to play the best music they can. I sometimes say my job here is a bit like that of an orchestra conductor. I don't make any music—I just make sure people have the best violin, the best training, and the best seating to play the sweetest music they can. That's my job. Now, if they're not capable of magnificence, they've got to go somewhere else. They can choose whether they want to be magnificent or not.

About two years ago, I got an e-mail from one of the senior marketing guys attending a global brand managers' meeting in Scotland. He wrote, "You would have been so pleased today. Everyone opened their presentations with their learning moments

from the past year." I said to myself, "We have arrived." In the past, people would have been hiding those mistakes deep down in the bellies of their souls.

We had to get people cheerleading. We had to start rewarding people for telling us that they'd screwed up. Not that they'd screwed up in a negative way, but that they'd screwed up in a positive way, and that they'd learned something from it.

Even I had a learning moment yesterday, and though I was very irritated when I first found out about it, by the time I walked out of the office last night, I was smiling, saying to myself, "Aren't I glad that happened? Next time, I'm going to do that so much better."

Garry O. Ridge

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