

SOLUTIONS

Magnificent Leadership

How one CEO's quest for learning inspired organizational change.

The Company

WD-40 Company



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Telephone WD-40 Company on any given day and 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 just calling you've had a magnificent experience. That's 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's a global consumer products company that sells a number of brands, which WD-40 calls its "fortresses." To continue to stand the test of time, those brands must be protected, nurtured, and grown to deliver above expected performance at extremely good value in more than 160 countries worldwide. WD-40 set a lofty four-year goal to double its revenues from US\$150 million to \$300 million—an achievable goal.

Aggressive growth, however, often requires a culture change. President and chief executive officer Garry O. Ridge knew that to achieve that goal WD-40's employees 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 that 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 master's program in executive leadership, which began in 1999 and is cosponsored by the University and The Ken Blanchard Companies.

The Blanchard MSEL program met Ridge's requirements, which made his decision easy. Ridge learned about The

Ken Blanchard Companies' Situational Leadership II Model, 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 Situational Leadership II process helps leaders learn to partner with their employees by encouraging them to set goals, talk with employees about their performance, and ask how employees 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.

Horrific change for the better

Seeing the potential of SLII, Ridge 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: to ensure that WD-40 is an organization that has a free mental attitude toward learning. Ridge says that SLII stops finger-pointing and provides a common language and an

awareness of the different levels of competence that are 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.

Implementing such a change, Ridge admits, was horrific—in a positive way, he quickly adds. WD-40 had been an excellent company for 43 years, but it had been the same for those 43 years. This wasn't going to be a small change. 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 percent increase in sales and a 47 percent 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 employees 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 WD-40 leader or potential leader 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 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 coursework, and includes a cohort-learning environment. Typical candidates for the MSEL program have five or more years of professional experience 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."

Vision. The vision needs to be clearly and easily understood and consistently communicated. It should be a place employees believe they can reach, and the result of getting there should be better than a company's current position. Without a clear vision no one goes anywhere.

Values. These are both personal and organizational for alignment; they're also hierarchical. It's a platform that empowers employees to make decisions.

Planning. Planning and executing are a core part of management. However, just planning and executing without review of the execution will get you caught in the typhoon zone.

Typhoon zone. This is a situation in which workers do more and more of what doesn't work, destroying the business. Avoid it by flowing through The Leadership Cycle.

Execution. The learning moment is created when you review the planning and execute to avoid the typhoon zone.

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

Learning moment. From the review, you 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 your company better. A learning moment culture is rigorous as well as respectful.

Learning. Learning is the final outcome. A learning organization is one that renews itself on a daily basis. You beat the competition and make yourself more competent by embracing the learning moment, which creates the learning culture. With the right products, the right people who are passionate, and The Leadership Cycle—which creates a culture in which passion is enhanced—you have a *magnificent* organization that is applauded by profits.

The Leadership Cycle

Products-People-Passion



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