

WD-40 CASE STUDY

**“You’re only as young as the new things you do,
the number of ‘l_rsts’ in your days and weeks.”**

A few years back, Roy Spence, perhaps the most interested (and interesting) advertising executive I’ve ever met, published a book called *The 10 Essential Hugs of Life*, a funny and moving take on success. Among his wise and folksy pieces of advice (“Hug your failures,” “Hug yourself”) is a call to “Hug your l_rsts” – to seek out new sources of inspiration, to visit a lab whose work you don’t really understand, to attend a conference you shouldn’t be at, to rub shoulder with folks from different walks of life. “When you’re a kid,” he says, “every day is full of l_rsts, full of new experiences. As you get older, your l_rsts become fewer and fewer. If you want to stay young, you have to work to keep trying new things.”

Spence cites as one of his inspirations management guru Jim Collins, who, as a young Stanford professor, sought advice and counsel from none other than his learned colleague John Gardner. What did Spence learn from Collins (and, indirectly, from Gardner)? “You’re only as young as the new things you do,” he writes, “the number of ‘l_rsts’ in your days and weeks.”

Garry Ridge, president and CEO of WD-40 Company, has built an entire organizational culture, and a style of individual leadership, around devising deeply held answers to John Gardner’s (and Roy Spence’s) deeply felt challenges. WD-40 may seem like a prosaic setting in which to wrestle with profound issues of leadership and learning, but Ridge and his colleagues have made some extraordinary commitments to maintain their zest for discovery, to stay interested in new ideas about products and purpose even as they work to make the company and its brands more interesting to the outside world.

**RIDGE’S COMPANY WAS SO SUCCESSFUL, YET SO LIMITED
IN ITS PROSPECTS, THAT IT WAS PAYING OUT ALMOST 100%
OF ITS EARNINGS AS DIVIDENDS TO SHAREHOLDERS.**



The results speak for themselves. When Ridge took over back in 1997, WD-40 Company was a one-trick pony whose flagship product was iconic, beloved, even, a symbol of the do-it-yourself American spirit, but hardly the basis of a dynamic, exciting company. The multipurpose lubricant inside those famous blue-and-yellow cans was developed in 1953 to prevent corrosion on the metal skin of the Atlas nuclear missile. The company went public in 1973, and by the early 1990s WD-40's flagship offering was used in four of five American households and at virtually every mine, factory, and construction site in the country.

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Ridge set out to enrich the company's product portfolio, deepen its connections to customers, and broaden its identity. Its business was not water displacement or multipurpose lubrication, he told anyone who would listen. It was to “create positive lasting memories and solve problems in the workshops, factories, and homes of the world.” The company's products didn't just keep things clean or free of rust, he insisted. Their job was to rid the world of “squeaks, smells, and dirt” – and thus make life a little more pleasant, and work a little less messy. “Our products make heroes of people!” he exclaims. “If you have a squeaky engine, it's driving your family crazy, you solve that and everybody loves you. We're problem solvers and memory creators. And there are still many problems in many places we have yet to solve.”

WHEN RIDGE BECAME CEO, 20% OF THE COMPANY'S REVENUES WERE FROM OUTSIDE U.S. NOW IT IS 65%.

BEFORE RIDGE

20%

OF REVENUE WAS
FROM OUTSIDE U.S.



WITH RIDGE

65%

OF REVENUE NOW
FROM OUTSIDE U.S.

This lofty sense of strategic purpose, along with colorful packaging and clever marketing, catapulted the company into a second era of growth and prosperity, and turned it into a global passion brand. There are now WD-40 fan clubs in nearly every major country, homeowners and factory technicians who meet in person and online to share stories and swap ideas.

There's no question that Garry Ridge has made WD-40 Company much more interesting than when he took over. But he did it by demanding that he and his colleagues became much more interested in what was possible for the company, its products, and the brand. Ridge overhauled the culture, redefined the work of its leaders, even embraced a whole new language, to put a premium on learning, experimenting, improvising – transforming a stale, insular business into something agile and open-minded.

WD-40 PRODUCTS ARE FORMULATED IN 13 FACTORIES & AVAILABLE IN 176 COUNTRIES AND TERRITORIES AROUND THE WORLD.



13
Factories

176
Countries &
Territories

Ridge's most far-reaching move was to take a small group of executives, remove them from their day-to-day roles, and assign them to what he called Team Tomorrow. Their charter was to look far into the future (ten or fifteen years down the road) as well as to identify nearer-term trends (three to five years) and figure out what technologies the company would have to acquire, what tests it would have to run, what skills it would have to develop, in order to re-imagine its existing products and imagine whole new lines of business. These were senior executives with backgrounds in strategy, marketing, and finance. Membership changed over time, but Team Tomorrow lasted for ten years and gave rise to a series of products, brands, and business strategies that will shape WD-40's prospects for years to come.

WD-BIKE was just one of many ideas hatched by Team Tomorrow. The group also came up with the fast-growing WD-40 Specialist line, as well as a packaging breakthrough for the flagship WD-40 delivery system (the

so-called Smart Straw, which has been a huge hit with customers). “Our job was to wake up every day and think about new sources of revenue for the future,” says Graham Milner. “It would never have happened if we also had day-to-day responsibilities for the present.”

Garry Ridge disbanded Team Tomorrow in January 2012 after he concluded that responsibility for imagining the future could at last be folded back into the business. “People want to be part of things where they feel comfortable, where they get a natural sense of growth and satisfaction. We’re not just a company, we’re a tribe, a tribe that puts a premium on meaningful work – work that means something to us, our customers, and the world at large. Those are the conditions under which talented people do magnificent things.”

Ridge loves to invoke the language and spirit of a tribe to capture the sense of shared identity and mutual learning he aims to build. The central ritual of “tribal” life at the company is what Ridge calls the “learning moment” – a period of frustration, a burst of inspiration, a breakthrough of collaboration in which people stumble upon a problem, unearth an opportunity, or fail miserably at an initiative, and then communicate what they’ve learned without fear of reprisal.

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“Learning moments can be positive or negative, but they are never bad, so long as they are shared for the benefit of all,” he says. “I want people to be inquisitive, I want people to ask questions and take chances. My job is to create a company of learners. I like to ask my people and myself, ‘When’s the last time you did something for the first time?’”

BY END OF 2015, SHARES WERE APPROACHING \$100
A PIECE AND MARKET VALUE NEARING \$1.5 BILLION.

2015  = 1.5B

Ridge even insists that everyone at the company take the WD-40 Maniac Pledge, a solemn vow to become, in his words, a “learning maniac.” It 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 am responsible for asking. I have no right to be offended that I didn’t ‘get this sooner.’ If I am doing something others should know about, I am responsible for telling them.”

And on it goes, a formal statement of the mind-sets and attributes that transform leaders into learners – and what Ridge believes will allow him and his colleagues to keep transforming WD-40 Company.

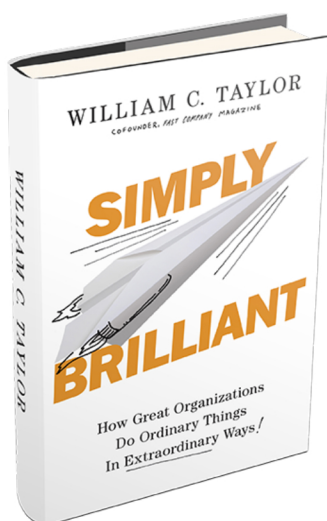
“One of my huge learning moments in life,” Garry Ridge says, “was getting comfortable with those three magic words ‘I don’t know.’ It’s great to hear people across the company, anywhere in the world, say, ‘I just had a learning moment’ and share it with other people. My dream is for this organization to be viewed as a leadership and learning laboratory for business.”

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—SETH GODIN, author of *Linchpin*



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