



Succession Planning

Stan Sewitch

WD-40

- Sixty years old in September
- \$365M annual revenue
- Public on NASDAQ
- Employees in 14 countries
- Products sold in 187 countries
- 358 employees worldwide



The Can with Thousands of Uses



WD-40[®] Specialist[®] Product Line



RUST RELEASE
PENETRANT SPRAY

+ PENETRANT



RUST REMOVER
SOAK

+ RUST SOAK



LONG-TERM
CORROSION INHIBITOR

+ CORROSION INHIBITOR



★ NEW ★
DIRT & DUST
RESISTANT DRY LUBE
PTFE SPRAY

+ DRY LUBE







3-IN-ONE



“This job is perpetual in nature.”

--Kim Jon Nguyen
Landscape Supervisor
Palisades Apartments
1968



The Key Elements

- Strategic Organizational Design and Development
- Talent Development
- Keep All Options Open
- Because \$&%#! Happens

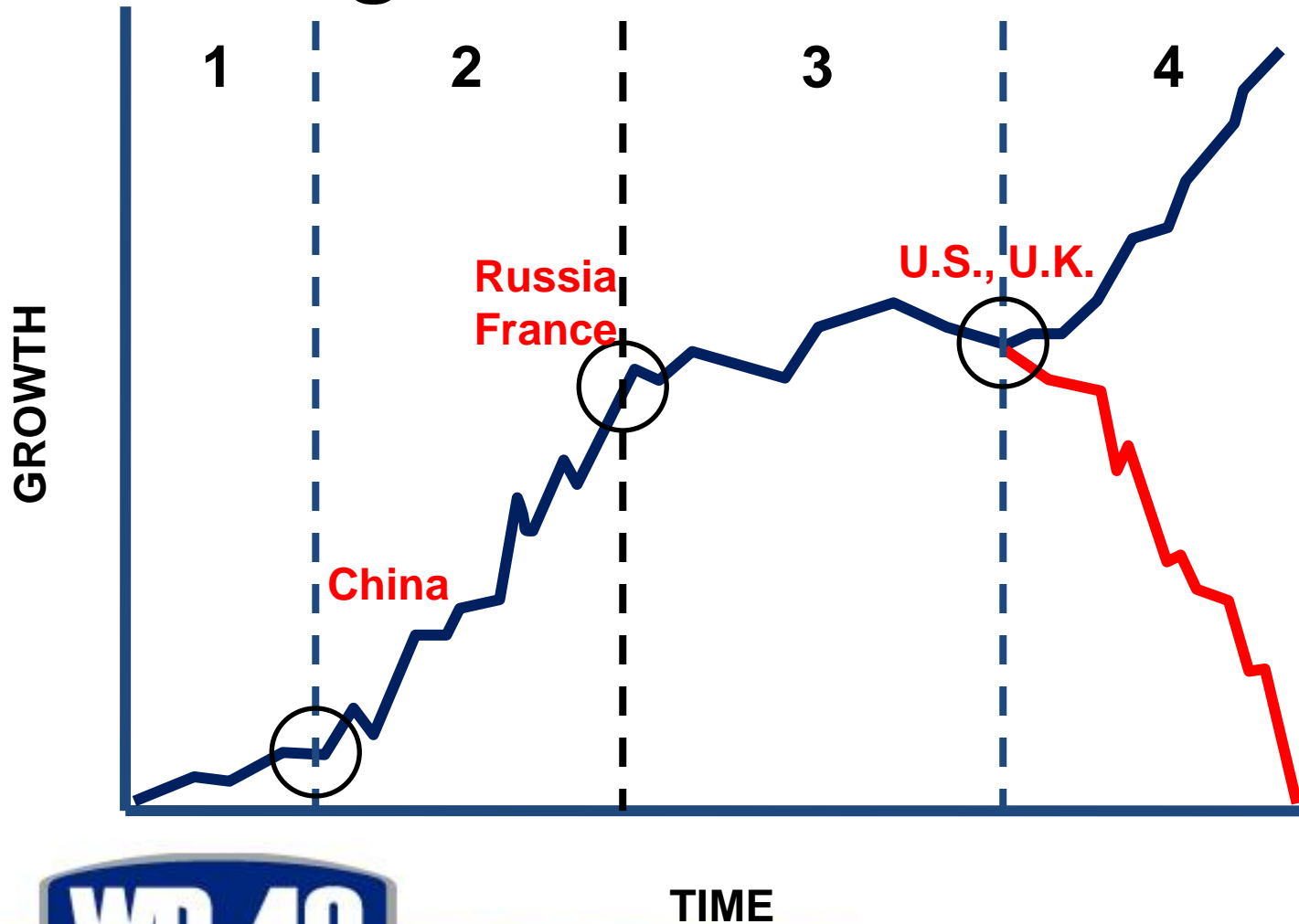


Strategic Org Design and Development

- Where are we now?
- What will we look like in ten years?
- Form follows function: Examples include HR, Innovation, Bike Co.



Organizational Phases



Talent Development Principles

1. Hire for aptitude, curiosity, character and motivation (more important than skills, knowledge and ability)
2. Hire people who are not yet fully competent in the role, if possible and the business can afford it
3. Invest in people who demonstrate that they are willing to invest in themselves



ORG DEVELOPMENT STRATEGY ONE:

TALENT DEVELOPMENT BIAS



ORG DEVELOPMENT STRATEGY TWO:

LABOR COST RATIO REDUCTION



Decisions

“Good judgment comes from experience.
Experience comes from bad judgment.”

-- Will Rogers



ORG DEVELOPMENT STRATEGY THREE:

INCREASE DELEGATION OF AUTHORITY



Leadership Development

- Theory 10%
- Modeling 20%
- Experience 70%



Leadership Theory and Modeling

- Leadership Laboratory
 - 12 course curriculum for Lab 1.0
 - 4 course curriculum for Lab 2.0
- Leaders Coaching Leaders
- Leadership Academy
- Food 4 Thought
- Mentoring



Leadership Theory and Modeling

- MSEL Program at USD
- A Culture of Learning
- Take the Work Seriously, Not Ourselves
- The Global Tribal Council
- The Maniac Pledge



The Maniac Pledge

“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.”



WD-40 Workforce Planning Model

- Demographic modeling, matched to growth by region
- Identification of key leadership and functional “holes”
- Development and recruitment strategies to match timing of requirements
- Conscious plans for both, through Global Tribal Council



Long-term workforce and leadership planning

Calculation Assumptions for Macro-planning

Revenue Growth Rate **20.00%** (average annual increase in sales, all sources, assuming \$365M in FY13)

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sales (\$ Millions)	\$ 420	\$ 504	\$ 604	\$ 725	\$ 870	\$ 1,044	\$ 1,253	\$ 1,504	\$ 1,805

Rev per EE Ratio **6.00%** (Annual efficiency rate of improvement in labor ratio)

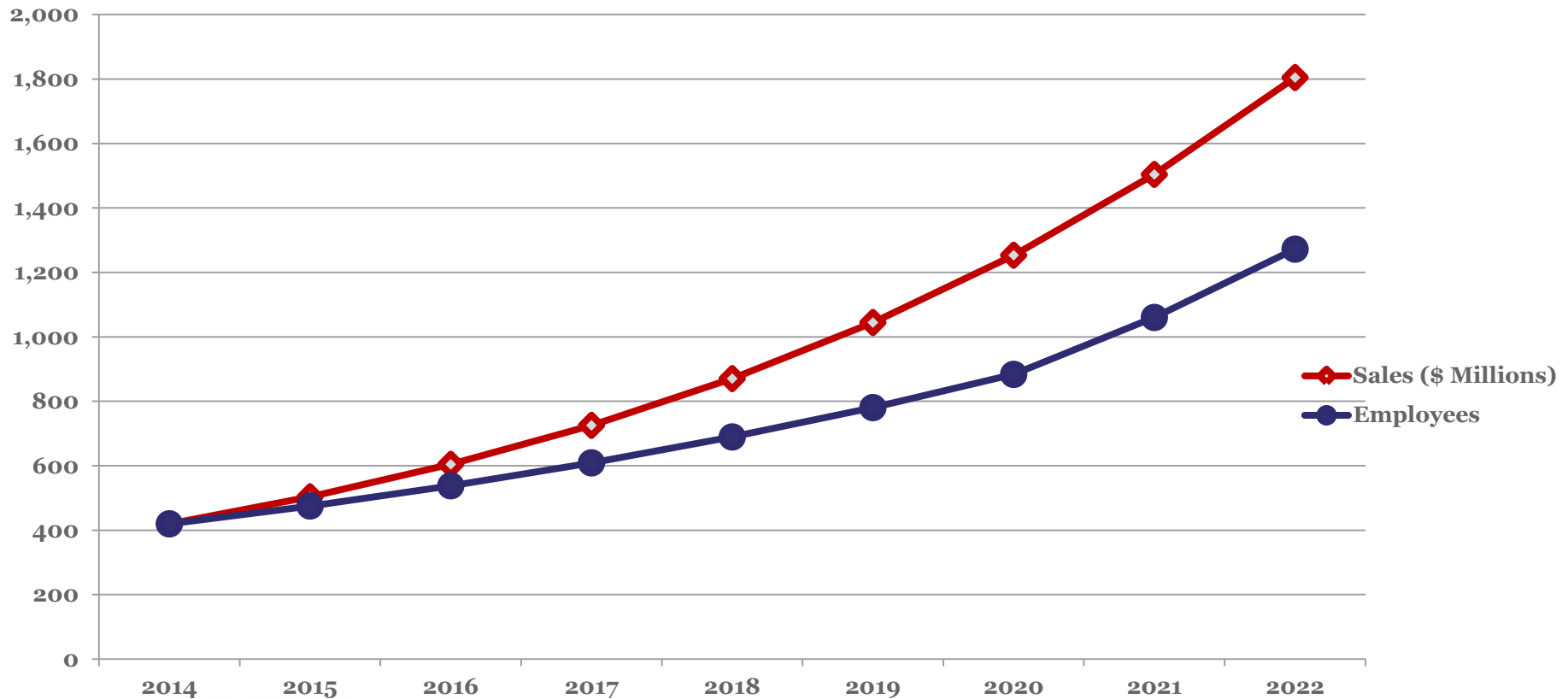
Rev Ratio	1	1.06	1.12	1.19	1.26	1.34	1.42	1.50	1.59
Employees	420	475	538	609	689	780	884	1060	1272
Turnover	29	33	38	43	48	55	62	74	89
7%									
Total Hires	91	89	100	114	129	146	165	251	301

Current

Employee Pop **358** As of 02.25.13



Long-term workforce and leadership planning



Talent Acquisition

We need continual recruitment at all levels in the company, by everyone

A developing talent pool or “pipeline” of candidates as Rachelle calls it, is essential to achieving sustainable company growth

These candidates are both internal and external



The Key Questions for Career Advancement

- “Where do I go from here?”
- “How do I get there? What do I have to do?”
- “What does ‘there’ pay?”
- “What are the chances that I can be promoted? What are the conditions?”
- “How long will it take to be promoted?”
- “What if I’m not able to demonstrate the ability to succeed with greater demands?”

Career Planning Ingredients

1. Job descriptions: accurate, behavioral, defined eligibility and success, recognizable differences of the progression
2. Career progressions for professional job families
3. Salary grades and comp guidelines to illustrate remuneration advancement
4. People who have shown they will invest in their own future



Transparency Accelerates Talent

- The more people know about the business, how decisions are made, what the results are, the bad news as well as the good, how much people can earn for similar positions, why policies exist, the way the company really makes profit...etc....the more capable they will be to contribute, make better decisions and trust in leadership.



Succession Planning is Worthless

By itself

Because nothing turns out the way you plan

But it helps to look ahead and ask, “what if” ...

Because how you respond to the reality you get

Depends on the options you’ve created along
the way



