

W.L. Gore & Associates, Inc.: Quality's Different Drummer

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Associates at the company's Elkton, MD-based sealants division say the extraordinary things you've heard about this manufacturer are true. Just don't expect a look at the plant - unless you're good enough to be hired.

Some companies go by the book and do great things. Others write their own book and also do great things. W.L. Gore & Associates, Inc., is among the latter.

Gore associates Rob Hayward, Tom Coors and John McMillan (from left) at the company's Elkton, MD, facility.

In its 43-year existence, for example, the Newark, DE-based manufacturer of industrial sealants, Gore-Tex fabric, medical products and electronic products, has been named to "The 100 Best Companies to Work For in America" list, not once, but six times. As a manufacturer, the company has been hailed as both a provider of quality products and solutions, and a world-class example of how to treat customers. It is routinely ranked first among its customers in these areas. Perhaps not surprisingly, it's also secretive about what it does, or, rather, how it does what it does. Plant tours are rare, for example, and photos of the manufacturing operation are not allowed. The privately held \$1.4 billion company operates 44 facilities employing 6,000 workers worldwide, nearly 4,000 of which are in the U.S. It is ranked in the top 200 of the Forbes top 500 privately held companies for 2001.

One of the many interesting aspects of W. L. Gore & Associates is its humble beginning. As a research chemist with DuPont in Wilmington, DE, W.L. "Bill" Gore had developed a strong interest in the company's versatile chemical compound polytetrafluoroethylene (PTFE). Specifically, he wanted to use it to insulate ribbon cables for the fledgling computer industry. Unable to interest DuPont in his idea, Gore left the company after 17 years to pursue it on his own. In 1958, with his wife Vieve by his side, Bill Gore set up shop for himself - in the basement of his home in Newark, DE.

"I don't think Bill left DuPont with a clear vision of what his company would look like," says John McMillan, a Gore associate (as all Gore employees are called) who is a business leader in the company's Elkton, MD-based sealant division. "I think the vision upfront was simply, 'Let's make ribbon cable. We can take wire and put PTFE around it, and we'll have a good conductor,' and it went from there."

Bill Gore had no business experience, but made up for it with his in-depth knowledge of PTFE. The original form of Teflon, PTFE had been used since the end of World War II mostly to make machined parts for industrial applications. Though Teflon would gain fame as a cookware coating in the early 1960s, Gore correctly surmised that the strong, chemically resistant and flexible compound would also work well for ribbon cable.

Within 10 years of the company's founding, Gore wire and cables were key components aboard NASA spacecraft. PTFE would soon find its way into hundreds of

other products.

Bill Gore was fortunate to have also gained a reputation as an innovator. He took a dim view of standard corporate procedures, preferring an informal team approach to problem-solving. According to McMillan, this helped him "attract extraordinary people who saw what was going on and got excited about it." Their excitement, he suggests, had much to do simply with the prospect of working with Bill Gore. "I think people were betting on him," says McMillan. "My sense is that many felt he was extraordinary, and the more time they could spend with him, the better off they'd be."

Gore would have likely shrugged off any such accolade. But it's clear he was extraordinary in his ability to bring new, useful products to market, and to do so in a non-traditional manner. Much has been written about the unique work environment Gore chose for his company, a non-hierarchical, "lattice" organization that is essentially a loose network of highly focused, team-oriented professionals.

Employees do not have titles or job descriptions. All are known as associates, and all are judged on their ability to work with the team to which they can contribute the most. Conversely, they're also encouraged to move around the organization. No one gives commands. There are no bosses, only "sponsors" who help acclimate new hires. Leadership within the company comes with its own definition: One can only lead others when they agree to follow. These parameters exist for all employees at all levels in all of the company's locations. This might sound like a dose of impractical and/or impossible work theory, but it has worked well for W.L. Gore & Associates pretty much from the start.

It has been suggested that Bill Gore was inspired by the Theory Y management philosophy described in the 1960 book *The Human Side of Enterprise*, by Douglas McGregor. The book promotes work environments that foster imagination and creativity - a core Gore belief - rather than basing them on control and punishment. It also promotes the concept of what is now called empowerment, a process familiar to Bill Gore from his experience as a team researcher at DuPont.

"He was in small groups working on PTFE and other fluoropolymers," says McMillan. "And he saw that as long as there was a small, focused team, there was collaboration and a collective goal. He also saw that as a project left R&D and went into the production mode, that sense of purpose and direction left."

McMillan says Gore was passionate about keeping the size of teams in his new company small, ensuring that everyone understood the goals and that everyone was involved in the entire process. Bill Gore also said the company philosophy would remain uncomplicated and appealing: to make money and have fun, says McMillan.

For a number of years after its founding, the operation stayed small.

"Throughout the entire 1960s, the company size was 100 associates," says associate Tom Coons, a sealants distribution specialist. "So by its own nature, it was a small group of people, all very focused. After the invention of expanded PTFE, however, the company took off and we really began to spell out this culture."

Expanded PTFE

If PTFE was the key to the formation of W.L. Gore & Associates, expanded PTFE was the key to its growth. In 1969, Bill's son Bob Gore, now chairman of the board, discovered a way to expand PTFE literally by stretching it. His goal, simply enough,

was to get more mileage out of the material (which Gore purchases from DuPont and others) for the company's cable and gasket products. His experiments had involved heating a strand of the material, followed by careful, limited stretching, which would always break the sample. Out of frustration, he discovered that if he stretched the heated sample rapidly rather than in small increments, the material grew like taffy without breaking. They soon learned, he says, that "when you expand PTFE, it acquires a new set of attributes. Our enterprise has been built around finding unique ways to apply those attributes to applications where they will have value. The whole game at Gore," he says, "is expanded PTFE."

The dramatic discovery led to a host of new products, including the company's well-known Gore-Tex fabric, as well as pump packing, pump diaphragms and Gore-Tex form-in-place and sheet gaskets. For sealant products, the advantages of expanded PTFE were the same as the non-expanded version - chemical resistance and flexibility - but better in the sense that creep, the tendency for the material to flow, which causes bolt-load loss and leakage, was greatly reduced. According to Gore associate and product specialist Rob Haywood, this allowed the development of sealant products that offered plant personnel a high-quality, less costly option to OEM-supplied die-cut gaskets.

Expanded PTFE gasketing material also arrived at a time when industry was looking to replace untold thousands of gaskets made of asbestos due to health reasons. The new material was a quality substitute and "helped this company be seen more as a true player in the gasket market," says Haywood, especially when Gore decided to also make traditional-style die-cut gaskets from expanded PTFE. "PTFE is safe," says Haywood, "it's FDA-acceptable and virtually inert. Furthermore," he says, "when you expand it, you mimic a strong, fibrous network," which was the appeal of asbestos, he says.

Progress, Gore style

Because "product integrity is almost a religion" at the company, says McMillan, exhaustive field and laboratory tests are required before any product goes to market. This means product development times can range from a few months to years, he says.

Company culture also limits the size of individual teams, which helps keep alive Bill Gore's original vision of running an enterprise composed of small business units. As Gore businesses grow, new business units are created and new facilities are constructed if needed. It's another way to ensure that no single group, regardless of profits, can dominate. The policy also helps keep associates focused.

"What we don't want to do is advance the technology just for the sake of science," says McMillan. "If we want to keep making money, we've got to produce successful products."

Within the unique Gore environment, it's a requirement that associates learn how to work with others, not only in their division but elsewhere in the company. Bill Gore believed this aspect of his lattice concept actually could be found in any successful organization, "underlying the facade of authoritarian hierarchy." His plan was to legitimize this underground process by which he felt the real work gets done. "Most of us delight in going around the formal procedures," he said, "and doing things the easy way." Or, as a Gore associate was quoted in the second book edition of *The 100 Best Companies to Work For in America*, "Why go to someone with a title when

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you can go to someone with an answer?"

Not everyone gets the hang of this method right away. "For those of us who came to Gore after many years in a hierarchical corporation, it's a transition that a lot of people have trouble with or choose not to make," says associate Jay Wallace, a marketing specialist who was hired by Gore after 21 years running a business unit of Scott Paper in Philadelphia. "It is harder here, but it's also more rewarding."

Wallace says one of the keys to thriving at Gore is to "forget a lot of the ways that worked in the past, learn new ways of working with people, and realize that, even though you may have done great things somewhere else, here you have to demonstrate your abilities."

To aid assimilation, the company maintains a preferred list of new-hire traits.

"Creativity" is at the top, followed by "drive," "good judgement," "flexibility" and others. "Specialized skills" is halfway down. Not wanted, says McMillan, are "those who follow orders and to whom traditional trappings of success are important."

As a top-ranked company, W.L. Gore & Associates not only receives thousands more job requests than it can fill, its associates are regularly solicited to work elsewhere.

"They have plenty of chances to go to something else," says McMillan.

But many return, he says, a process McMillan has heard described as "getting a masters in 'Gore appreciation.'" He adds that it can be hard for the many who are accepted at Gore fresh from college "to appreciate the unique nature of this place until they leave." On the other hand, he says, seasoned hires often do need to abandon most traditional work concepts to flourish.

"Someone who is accustomed to snapping their fingers and having people respond will be frustrated," says McMillan. "I snap my fingers and nobody will do anything. My job is to acquire followership, articulate a goal and get there ... and hope the rest of the people think that makes sense."

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