BUILDING INNOVATIVE AND CUSTOMER CENTRIC LEADERS

Owens Corning & UNC Executive Development
Developing Leaders Extra

Owens Corning recently celebrated 75 years as a leader in the field of fiberglass technology. Founded in 1938, Owens Corning is recognized today as one of the top manufacturers of building and composite material systems in the world, with over 15,000 employees operating across 26 countries.

A cornerstone of Owens Corning’s success has been its commitment to technical expertise and excellence in all of its product categories. Over the last decade, however, the intense focus on technological leadership has, in some ways, limited the company’s ability to innovate and commercialize new products. The executive team and key senior leaders in the organization identified two critical challenges:

1. The company’s approach to driving growth was often misdirected. Rather than innovating to meet a market need, the company would create innovative technologies and then try to find customers who might be interested in the new product features.
2. Owens Corning general managers lacked the strategic marketing skills required to anticipate and address customers’ needs.

Chief Executive Officer Mike Thaman laid out a new vision for Owens Corning: to become a “global company where market-leading businesses are built” and enlisted his HR leadership team to help transform the organization from a company that was focused inwardly to one that is more innovative and customer-centered.

To address this challenge, the team outlined a four phase approach:

Phase 1: Clarify Leadership Expectations
The first step was to clarify what was expected of senior leaders at Owens Corning. Job descriptions were created for key leadership roles across the business. While this may not sound transformational, it was critical to re-establish role expectations and responsibilities given the company’s long history and deeply embedded processes and practices. The CEO rewrote the general manager job description to specifically emphasize market and customer intimacy, strategy development and execution, and enterprise leadership.

Phase 2: Build New Leadership Capabilities
The second step was to help leaders develop the skills required for success. After evaluating several executive education options, Owens Corning selected the UNC Kenan-Flagler Business School as their strategic partner because of their expertise in strategic marketing, pricing and commercializing innovation; and their willingness to customize program content to meet Owens Corning’s needs.

“That’s where relying on experts comes in, because a deep expert can, in my opinion, teach managers to be innovative. We cover tools, techniques, and frameworks that managers can take from the programs and apply at work on Monday morning and start thinking differently about everything that they do.”
Professor Sridhar Balasubramanian

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By Aqsa Javed
Owens Corning initially collaborated with UNC Executive Development to build two development programs.

1. **Foundations for Building Market-Leading Businesses** is a weeklong MBA “crash course.” It starts with an explanation of the 10 questions every business case must answer and provides instruction on marketing and strategy concepts, as well as techniques and tools that can be used to create and evaluate a business opportunity. To build common language and capability across the business, the Foundations program has been delivered throughout the U.S., Europe, and Asia to senior and midlevel managers.

2. **Market Driven Innovation Boot Camp** is a program created for leaders in the process of developing a business proposal for a new product or enhancements to a current product. During the week long process, intact teams deeply explore many of the concepts introduced during the Foundations program and apply lessons learned to their product or business case. After creating a business proposal, they present it to another team also participating in the Boot Camp, solicit feedback, and decide whether to pursue the business opportunity.

The Foundations Program and the Innovation Boot Camp created a baseline of knowledge and capability for Owens Corning. During this time, Owens Corning also worked with UNC Executive to create a more comprehensive development program, namely the Business Leadership Council (BLC). Overtime the Business Leadership Council workshop replaced the Foundations Program and the Innovation Boot camps.

3. **Business Leadership Council** is an invitation-only program for key senior leaders from across the business. Each BLC program is sponsored by the CEO and the Senior Vice President of Organization & Administration, Dan Smith. During the program both executives observe and actively engage with participants and provide them with coaching and constructive real-time feedback.

“The BLC agenda provides solid theory and practical case studies in critical areas like: customer, finance, innovation, decision making, strategy, marketing, and leadership. This holistic approach facilitated greater insight to “the big picture.”

*Luis Martins, VP Operations*

BLC includes four, two-day sessions delivered over a two-year period. UNC Executive Development delivers the first three of these sessions and Root, a management consulting company specializing in employee engagement, delivers the fourth. The sessions include the following subjects:

- Developing a Winning Aspiration: topics include the context of external environment and innovation and business performance. Questions such as “How do Owens Corning executives and board members leverage external information in making decisions regarding core and growth platforms?” are answered and discussed.
- Where to Play: How to Win: areas include market segmentation and strategic marketing and solid theory and practical case studies are used to assist with learning.
- Building Capability Governance/Systems/Metrics: questions include how to use new found financial competence in decision-making and how to most effectively leverage internal financial partners. Other topics covered include strategic negotiation and building price strategy.
- Leading Your Teams, Leading Your Company: topics include how to be an effective enterprise leader. This last stage focuses on self-assessment, real life examples from Owens Corning and development planning.

“UNC and the Owens Corning leadership collaborate to leverage real case studies specific to the Owens Corning business strategy. By using real scenarios, Owens Corning program participants focus on relevant situations and strategic choices that accelerate the learning experience and impact on business results.”

*Horace McCormick, Program Director, UNC Executive Development*
Phase 3: Support The Change
The support provided to Owens Corning’s leaders has been a key element in their transformation. The active engagement and hands on involvement of the CEO and the SVP of Organization & Administration provide valuable feedback and mentoring to Owens Corning leaders before, during, and after the leadership development programs. Their role in the development process frames participants’ perspectives and opens lines of communication that extended far beyond the classroom experience. The UNC and Root faculty are also rich resources for Owens Corning leaders, providing additional advice, coaching, and consulting help to participants long after the programs end. Finally, and perhaps most important, the participant cohorts provide one another with tremendous support through facilitated calls, work assignments, and discussions between and after the programs. Their shared experiences have brought members of Owens Corning’s management team closer together and have generated spontaneous interaction and sharing of information and resources across the organization.

Phase 4 : Measure The Results
It is often difficult to determine the success of leadership development initiatives, but Owens Corning has strong evidence their efforts have substantially advanced their pursuit of being a “global company where market-leading businesses are built.”

A few examples include:

1. Chief Financial Officer Michael McMurray recently described the business plans presented by each business during the most recent strategic planning process as the best he has seen during his tenure. He credited their rigor and quality to the development efforts with the general managers and key finance leaders.
2. Owens Corning has launched significant game-changing innovations in each of its businesses, allowing them to secure their market share in key segments and improve pricing. For 2014, Owens Corning’s revenue from products launched within the past five years (2010-2014) reached more than $1.8 billion, or 35% of last year’s revenue.
3. The company has demonstrated it can evaluate and execute strategic decisions more quickly than in the past, including investing in new facilities, canceling projects, pursuing strategic partnerships, and making critical pricing decisions.
4. Owens Corning focuses closely on ensuring participant satisfaction. A high level of feedback and mentoring from the chairman/CEO and senior vice president of Organization and Administration was provided. The UNC and Root faculty had also given participants further advice and consulting help. Additionally, participants interacted with one another to assist each other through work assignments and discussions between sessions thus helping with networking, making connections and improving visibility within the organization.
5. 35 percent of participants were either promoted or moved into a new role after participating in the program and 77 percent have been retained.

It is clear to see that trained and developed business leaders is a top priority for Owens Corning as it has a significant impact on their businesses.

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“Only those organizations that push themselves to discover new and different ways of doing things that they already do...will ultimately survive in this new, globally competitive market.” Professor Sridhar Balasubramanian, UNC Kenan-Flagler
For over 60 years, UNC Executive Development has partnered with organizations to create customized executive development programs to answer their business challenges. As a part of the UNC Kenan-Flagler Business School, UNC Executive Development brings the school's experience, reputation, and noted faculty to these challenging and impactful programs.

In 2015 the Financial Times ranked UNC Executive Development No. 9 overall in the world and No. 3 in the United States for its customized executive development programs designed to help organizations address these challenges. UNC Executive Development also ranked highly in many individual categories:

- Value for money (No. 1)
- Aims achieved (No. 3)
- Facilities (No. 4)
- Preparation (No. 6)
- Faculty (No. 2)
- New skills and learning (No. 3)
- Program design (No. 4)
- Teaching methods/materials (No. 9)

For more information about UNC Executive Development, visit www.uncexec.com

Despite much discussion about the need for leadership development in corporate and public organizations, and the considerable industry that surrounds it, this is the first authoritative periodical focused entirely on this area.

Developing Leaders looks at the critical confluence between the provision of executive education and the real everyday needs of organizations to strengthen their management teams, their corporate performance, and their leadership.

The publication presents the latest thinking and most recent developments in both academic and commercial executive education provision worldwide, what it is achieving and which are the best models for success, sharing the experience and expertise of top leaders and world class educators.

Developing Leaders is published in both hardcopy and online “page turning” format. The quarterly magazine complements the IEDP website - the definitive resource for executive developers worldwide.