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Joe Rondone / HP staff

Whirlpool Corp. Chairman and CEO Jeff Fettig speaks during the Economic Club of Southwestern Michigan's final session of the season in the Mendel Center at Lake Michigan College. Fettig said that in business, turbulence and the unexpected are the new normal.

The Tempest

Whirlpool CEO says rough sailing is corporate reality

By **JULIE SWIDWA**
HP Staff Writer

BENTON TOWNSHIP — Jeff Fettig believes that in business, turbulence is the new reality.

“Most of us grew up in a time when you planned your business, forecast the future, deployed your model and it was fairly predictable.”

Now, Fettig said, successful

businesses have to face turbulence, volatility and unpredictability and react to them quickly, adjusting in months, weeks and sometimes, days.

Speaking to the Economic Club of Southwestern Michigan at the Lake Michigan College Mendel Center Tuesday, Whirlpool Corp.'s Chairman and CEO shared his knowledge of a changing manufacturing world, international consumer demands and

the economic needs in the local community.

Fettig joined Whirlpool in 1981 as an operations associate and worked his way through the company, holding a number of managerial positions in operations, sales, planning and product development before being pegged in 1989 for the first of several executive positions. He has led the world's biggest major home appliance maker since

2004, navigating the company through tough economic times.

Fettig displayed a drawing on a projection screen, which showed a man looking through a large telescope while other people approach a sign that offers a view: “End of Crisis, \$5,” Fettig said, “Unfortunately I've been using this chart for five years.”

He reviewed the company's

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history, from its humble beginnings as Upton Machine Co., a small machine shop in Benton Harbor with a patent for a washing machine, to Whirlpool Corp., the world's biggest home appliance maker. Revenue grew from zero in 1911 to an expected \$19 billion this year.

"It wasn't a straight line history," Fettig said. "There were incredible challenges. But one thing Whirlpool became very good at very early on was building a washing machine. We're in eight of every 10 homes in America, so we still have two to go."

The company was hit hard between 2006 and 2012, when demand dropped 28 percent, material costs increased \$1.5 billion and market prices dropped by \$3 billion.

"In 2005, if anyone had told me any one of these three things might have happened I'd have said that could kill the company," Fettig said. "We had to change almost everything we do. We had to put our efforts into what we can control, and do it quickly."

Since 2008, the company has faced a global financial crisis, recessions in the U.S. and Europe and a volatile global marketplace.

One thing that didn't change, he said, is the company's core values of respect, integrity, diversity with inclusion, teamwork and a spirit of winning.

"We've had to figure out how to compete with companies that don't have the same values and ethics as we do."

That involved cutting costs, closing facilities, and deciding where to compete, and how.

"The worst thing we could do is not invest for the future in our products, our people and innovation."

That included a commitment in 2009 to invest \$1.5 billion in the U.S., including a new office complex in downtown Benton Harbor that will be the company's North America headquarters. A new plant in Cleveland, Tenn., became the first new appliance factory built in the U.S. in 25 years. Soon, Whirlpool will open the Refrigeration Product Development Center on Riverview Drive in Benton Harbor.

The company has a lot going for it locally in terms of attracting the best work force possible, Fettig said. He listed Lake Michigan, a diverse economy, broad educational offerings, outstanding medical care, proximity to a \$500 billion market in Chicago, and other strong companies, small medium and large, as some of the area's assets.

"Companies don't make communities, but our ability to attract great people is what's going to make our company successful," Fettig said. "I'm proud of our 102 years here, I'm excited about our business and I'm excited about the direction this community is going."

Asked by an audience member to list his personal pearls of leadership, Fettig said he has three: A good leader is a catalyst for positive change; leadership is earned, not given, and you have to earn it every day; and to be a leader, you've got to have followers or you're not going to be a very good leader.

Fettig lends his leadership in other venues besides Whirlpool. He is lead director of the Dow Chemical Co. board of directors, serves on the Board of Governors for Boys & Girls Clubs of America and is chairman of the Midwest Region of Boys & Girls Clubs of America.

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