

## LESSONS IN ENTREPRENEURSHIP

# Breath of fresh air

Stuart Read and Robert Wiltbank look at a company that managed to grow yet still remain entrepreneurial

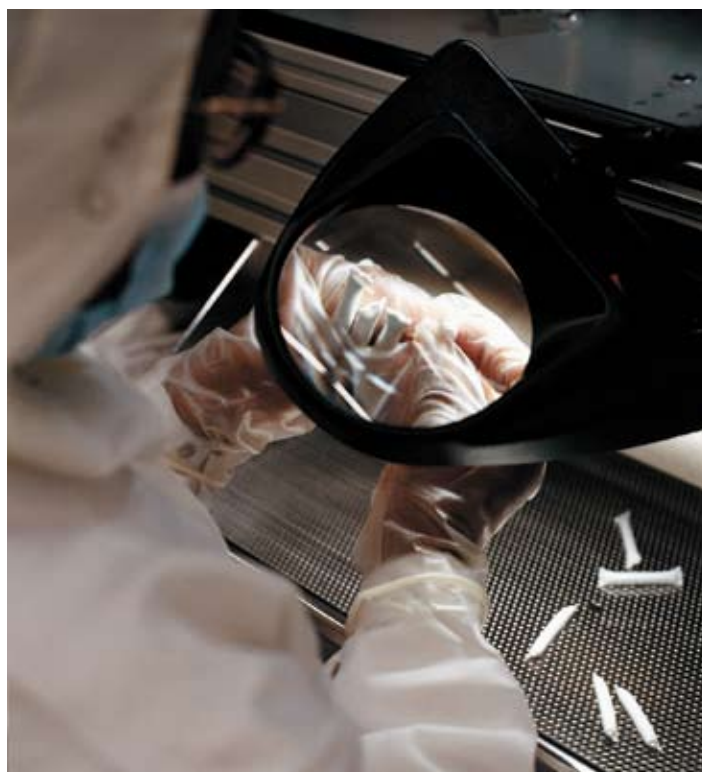
**A**dventurers from New York to Nepal have long appreciated Gore-Tex. The material's ability to keep the weather out while enabling perspiration to escape has spawned a wide range of functional and comfortable outerwear. And, as the firm that delivered this innovation, WL Gore & Associates, has now reached its 50th birthday, we celebrate by taking a closer look at how it has managed to stay entrepreneurial.

### NO CLIMATE FOR INNOVATION

WL "Bill" Gore began his career at DuPont in 1945 and joined a team finding applications for the novel polymer polytetrafluoroethylene – Teflon to the rest of us. Gore experimented with the material as a tough, heat-resistant coating for wiring, an application that he felt offered great potential given the likely rise of the computer. Convinced of its technical merits, he tried unsuccessfully to convince DuPont to make Teflon-coated cable. Frustrated, in 1958 he and his wife Vieve founded their own firm. Within ten years, WL Gore & Associates employed more than 200 people, and its cable had been used on a moon mission.

### FABRIC OF LIFE

Strong competition in the cable industry kept Bill and his son Bob focused on innovation. Continuing to work with Teflon, they figured out how to heat and stretch the material so it could be woven as



As well as Gore-Tex fabric, WL Gore & Associates have developed a host of innovative products

fabric, and Gore-Tex was born. But even before that, Bill had started carefully crafting his firm so that it could embrace innovation as his previous employer had not.

### THE COMMITTED ASSOCIATE

Employees of WL Gore are called Associates. In a non-hierarchical 'lattice' structure, Gore empowered all his employees with the same level of authority. Leaders could only emerge if other Associates committed to follow them, and Associates had the choice of which projects to work on.

The intent of the structure was to enable good new ideas to grow organically at the discretion of the team. And the teams also had the support of

Gore, as he let them do just about anything as long as it did not jeopardise the entire company.

### SMALLER SIZES

Gore quantified optimal team size and constructed his organisation accordingly. He felt that when a team at a manufacturing facility exceeded 150 people, two things happened. First, the team lost a sense of cooperation, shifting decision responsibility from "we" (the team) to "they" (some faceless bureaucrat). And accomplishment per person started to decrease in teams exceeding 150. So when manufacturing teams reached 200 people, Gore split the operation into two.

### PATENTLY SUCCESSFUL

The approach has worked. Today, WL Gore & Associates has created innovative products not only in areas we are familiar with, such as clothing and shoes, but also in many more, ranging from guitar strings to dental floss, and from spacesuits to sutures. Gore is one of the 200 largest private firms in the US, and in 2007, for the tenth straight year, the firm made *Fortune's* annual list of the 100 Best US Companies to Work For.

Today, with more than £1bn in annual sales, 2,000 patents and 8,000 employees worldwide, the company continues to defy the common expectation that large cannot also be entrepreneurial. ●

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