

Case Studies



Lloyd Ward

In 1999 Lloyd Ward became chief executive officer (CEO) of the Maytag Corporation, the third largest U.S. manufacturer of dishwashers, washing machines, and other home appliances. His appointment made him one of the first African American executives to lead a large U.S. company.

A Challenging Start

Maytag's corporate headquarters in Newton, Iowa, are quite different from the rural community near Detroit, Michigan, where Ward grew up. The Ward family's tiny three-room house lacked running water. Lloyd shared one of the rooms with his two brothers. His father held a day job as a postman and a night job as a movie house janitor. On Sunday he served as a Baptist preacher.

Ward's parents never had the chance to finish school, but they instilled a strong love of learning in all their children. Ward earned a basketball scholarship to Michigan State University and graduated with a degree in engineering. In 1970 Ward took a job at Procter & Gamble, becoming one of only eight African American engineers in a department of about 1,200 employees. Ward has experienced prejudice in the workplace. On an assignment overseeing construction of a plant in Albany, Georgia, white workers under his supervision at first refused to follow his instructions. Ward won most of them over by working hard and demonstrating his expertise. Together they finished the job under budget.

Hoping to move up the corporate ladder, in 1988 Ward moved to PepsiCo in Dallas, Texas. There he headed one of the company's major snack food divisions. Ward started a program to get more African American high school students into college. He and other employees tutored struggling students. Those who improved their test scores received a trip to a Georgia amusement park in the corporate jet. The marketing skills Ward demonstrated attracted Maytag's attention.

A Whole New Image

In 1995 Ward left a lucrative marketing career at PepsiCo to head the Maytag Corporation's appliance division. For three years he worked closely with Maytag's CEO, Leonard Hadley, to change the appliance division's stodgy image and attract consumers' attention. His aim was to get consumers to buy washing machines and other household appliances



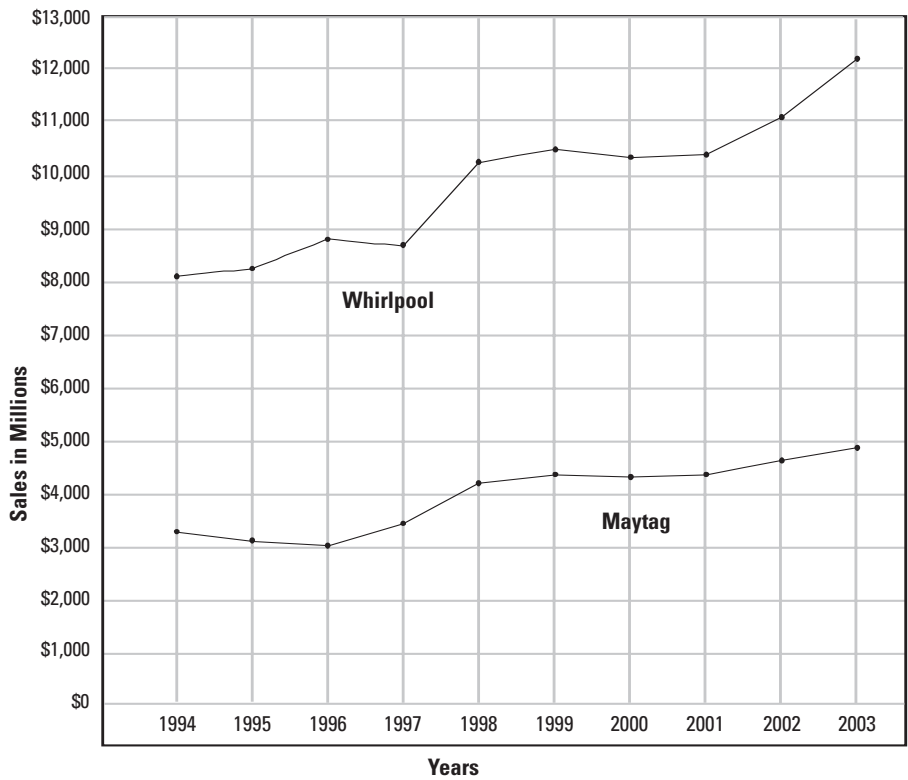
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because they seemed better than the ones they presently owned, not just because their old appliances broke down.

Ward found innovative ways to launch Maytag's new Neptune washer. A gift of 200 water-efficient Neptunes to a drought-ridden Kansas town led to positive media coverage that was free. The new washer was unveiled at New York's Lincoln Center, instead of in a company showroom in Iowa. Strong sales helped Maytag convince Sears to give its new machine a prominent place on their showroom floors.

Neptune's success helped boost Maytag's share of the appliance market, increase profits, and edge closer to Whirlpool, the nation's top-selling maker of home appliances. Ward's leadership has helped Maytag become an industry leader with a bold new image, a lively marketing strategy, and a variety of new products on the drawing board.

When Maytag's CEO talks to high school students, he gives them lessons learned from his own climb to success. "Learn to love adversity," he advises. "Perform—good intentions are not enough. Just because you can't see how to get some place doesn't mean you don't set the goal."



This graph shows sales of Maytag and Whirlpool products for the years 1994–2003.

Source: Hoover's Company Profile

Thinking About the Case Study

- Which company had a more uneven growth pattern? Between which years did Whirlpool's sales rise most sharply?

- How has the trend in Maytag sales changed since 1995 when Ward became head of the appliance division? Approximately how much more dollar volume did Maytag need to generate to overtake Whirlpool in 2003?

- Drawing Conclusions** How does Ward expect his company to benefit from a change in the way consumers purchase home appliances?

- Drawing Inferences** How do you think Ward's own experience is reflected in the advice he gives to young people?

Free Enterprise Activity

Select media ads (television, Internet, or print) for competing brands of washing machines, ovens, or other household appliances. Create an evaluation sheet and analyze the ads for presentation, content, and audience appeal. Determine the target audience for the advertisement. Compare your findings and decide which company you think has more effective advertising.