LEADERSHIP IN PRACTICE
A Worthwhile Investment

Ferguson Enterprises has a long tradition of growing leaders from within. That investment has paid off. Today, the $11 billion company is ranked as the largest wholesale distributor of residential and commercial plumbing supplies and pipes, valves, and fittings in the United States. Employing more than 19,000 people, Ferguson serves customers across the U. S., Puerto Rico, the Caribbean, and Mexico through a distribution network of 1,350 locations.

In 2005, CEO Frank Roach attended the Advanced Management Program (AMP) at Harvard Business School (HBS) Executive Education. Impressed with the power of that learning experience, he has made AMP a core component of Ferguson’s leadership development program and has sent 12 more executives to date.

The group’s collective learning and shared perspective have led to better strategy and greater performance—during and after the economic downturn—and have set the stage for long-term growth.

ABOUT THE ADVANCED MANAGEMENT PROGRAM (AMP)

AMP is the world’s leading general management offering for senior executives who are responsible for driving innovation and corporate performance. Designed to transform proven leaders into global executives ready for the highest roles, AMP encourages self-assessment and reflection, enhances your capacity to think strategically and lead effectively, and helps you formulate a proactive, competitive strategy for future success.
EXPANDING HORIZONS FOR HOME-GROWN LEADERS

In general, our leaders are home grown, so we want our team to get outside of our space and our culture to gain a broader understanding of what’s happening in business around the world. Executive education helps people move beyond their comfort zone. It provides the opportunity to take a close look at best-in-class companies and identify best practices that we can adapt. Ferguson used to participate in a number of executive education programs at different institutions. Over time, we’ve narrowed our focus to HBS Executive Education programs because they offer something unique.

Q. In what ways have you applied what you learned in AMP?

I developed the attitude that whatever the economy is doing—whether it’s up, down, or stable—we need to think about what we should be doing differently. One quote from AMP really stuck with me: “Fear the status quo more than you fear change.” Specifically, I learned how important it is to protect emerging businesses for the future—and how to do it. During the economic downturn, we were cutting costs like everyone else, but we had also started getting into e-commerce. It was very tempting to say, “We can’t do this now.” But instead, we carefully incubated that initiative, and it’s now 15 percent of what we do. Through these efforts and others, we used the downturn to become a better, more efficient company. As a result, over the past four years we’ve had the best productivity and performance ratios in our 60-year history.

At AMP, we also discussed doing business in different countries and explored differences in priorities, cultures, and...
ethical frameworks. This helped me better understand the perspectives of my European colleagues. I’ve advised them to attend the program, too, so they can better understand us.

**Q. How do you select the executives that Ferguson will sponsor for AMP?**

We identify executives who are currently making a difference and who are going to be part of the senior leadership team in the future. They’ve either just taken a new position or are preparing to do so. Our goal is to get them out of the Ferguson world and provide them with a new perspective in a learning environment that only HBS can provide. At first, executives always experience some trepidation about leaving family, friends, and work for so long, but those of us who have attended the program know that things will keep working just fine in our absence.

**Q. What do executives do differently when they return from AMP?**

Everyone, including me, comes back thinking and acting very differently in ways that are helping us to grow as a company. Participants are impatient to apply the approaches that great leaders are using in other businesses.

When people come back full of ideas, I want them to settle in and decompress. I tell them, “Don’t talk to me for eight weeks.” Then, I ask them to tell us about their experience and show us how their big takeaways translate into what we need to be doing in the future. We also discuss how they are personally different—how their experience has changed the way they see the world, their responsibilities, and their leadership potential.

Everyone benefits from, and is deeply affected by, the diversity experienced at AMP. Because of HBS, we’re a more diverse organization than we were 10 years ago—in thought as well as background and experience.

**Q. Will you continue to send executives to AMP?**

We now send two people a year and will continue to do so. Each person goes alone because it’s important that they isolate themselves from work issues, get outside the company culture, and be completely immersed in AMP. It’s an exciting and invigorating time for everyone.

HBS is now playing a major role in our senior leadership development, and is helping us to grow, perform, and improve in all our disciplines. We’ve learned that we compete very well on a global stage, but we also hope to take what we learn at HBS and use it to become a disruptive force in our industry.

“The quality of the faculty was amazing—and they were so much more accessible than I’d experienced in other programs.”
Changing With the Times—and Changing Yourself

Scott Russell
Senior Vice President of Sourcing
Advanced Management Program 2013

Scott Russell credits the Advanced Management Program (AMP) with expanding his ability to think outside the box—and across the globe—as he strives to meet the changing needs of Ferguson’s customers. In addition, Russell says he is now a profoundly different person—more confident, focused on others, and motivated to keep learning.

Q. What business challenges prompted your company to seek executive education?
We need executives who are focused on the future. To stay relevant to our customers, we must make sure our leaders can evolve our business so that we continue to provide the right solutions and meet diverse customer needs during the buying process.

Q. Did the Advanced Management Program meet your expectations?
AMP was unbelievable—the greatest eight weeks of my life. Not many companies give you the opportunity to truly get away and focus on yourself. I didn’t respond to any emails or phone calls from the office. That was a directive from our CEO that meant, “We’re investing in you, allowing you to dig deep, look inside, and grow exponentially.”

Q. How did your fellow AMP participants contribute to your learning?
I had a tremendous living group. We became very, very close and have worked hard to stay in contact. You can’t share such an intense experience and then let those people slip away. Three members of my living group have become part of my personal board. It’s vital that we stay connected and use our knowledge and experience to help change each other. The living group is a huge asset for me.

Q. How did your AMP experience affect you as a person and as a leader?
AMP was transformational—a real confidence builder. For example, I’m now more willing to make structural changes and move personnel around. AMP also helped me think outside the box; I am exploring new customer and vendor segmentation that will help us focus and improve our strategy.

In addition, those eight weeks really changed me as a person. I came back ready to make changes, not only in myself, but also in the amount of time I spend with my family. I want to make a difference in the lives of other people. The AMP program is just the start. I realize now that you have to keep learning, studying, reading, and improving yourself.

Q. What is the advantage of sending multiple executives from your company to AMP?
Having the AMP experience in common has helped the company tremendously. The 12 of us who attended AMP are now in sync. Our discussions are different. We think more strategically and talk about where we need to be five years from now, and how we need to change the business to get there. That’s worth a lot more than the price of admission.

Q. What advice would you give to others who are considering AMP?
I highly recommend AMP for every senior executive. If you invest the time to learn, spend time with professors, and spend time with your classmates, the program will return that investment many times over.

“AMP was unbelievable—the greatest eight weeks of my life.”
The AMP peer I’m closest to is a chief financial officer for a Moscow-based firm. We jogged along the river several times a week. You’d think we’d have little in common, but I learned a great deal from our conversations. I keep in touch with the majority of my living group, reaching out to them almost daily for advice. I look forward to maintaining these special friendships for a long time—and continuing to learn from each other.

Q. What other aspects of your AMP experience stand out?

The faculty and teaching styles varied—and all were outstanding. One-on-one meetings with professors helped to shape my thinking about our business challenges. I found it very instructive to talk with someone outside my company and my industry about how they would approach a given situation.

In class, one professor asked, “Can your value proposition be duplicated? If someone can replicate what you do, then it’s really not a value proposition.” That really stuck with me. I walked away thinking that we have to continue to extend our lead and do things in ways that are not so easily duplicated. For everything we do today, I ask myself: Can someone else do this and do it better?

Q. A number of your colleagues have gone through AMP. What impact has that made on your organization?

To create a truly special company over the next 20 years, we’re going to have to do things differently. Our executive team has designed a strategy for our future called “pillars of change.” It lays out how we will evolve a world-class customer experience and an efficient business model. Many of the ideas have come from AMP.

Q. How has attending AMP affected you and your career?

Getting away from the business after being in roughly the same job for 20 years was extremely helpful. AMP has transformed me personally and professionally. About two and a half months after completing the program, I was asked to take on a new role at our headquarters. I believe that was part of my boss’s goal in sending me to HBS—to prepare me for new challenges. I’m not sure I would have taken on the new role without having attended AMP. It’s a unique, once-in-a-lifetime experience most people don’t get to have. I feel honored—and I’d do it all over again.

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CHIP DEVINE
Vice President of Multi-Channel
Business Services
Advanced Management Program 2011

Presented with the opportunity to attend the Advanced Management Program (AMP), Chip Devine at first hesitated, reluctant to spend eight weeks away from work and family. In the end, his curiosity and desire for broader business knowledge won out. Returning to the office after the program, Devine was surprised to be offered a new position, but was ready for the challenge—thanks to AMP.

Q. What are the benefits of the AMP living experience?

At AMP, I was the only person from my company. Living in a group of eight peers, with only three other executives from the United States, was a great experience. It was like finding seven new brothers and sisters. I came back with new ways to approach my role and new techniques for communicating within my company.

Q. What are the benefits of the AMP living experience most people don’t get to have.

I feel honored—and I’d do it all over again.