

CEO

T O D A Y

Super Musk

*Risk, Reward
and the
Celebrity CEO*

Maldivian Daze

*Exploring
Huvafen Fushi*

Power

Resides in Your Ideas

Kevin Nolan, President & CEO of GE Appliances

Power *Resides in* Your Ideas *& the Value You Create to Users*

Kevin Nolan
President & CEO of GE Appliances

“Over the last five years, we’ve embraced a transformative new mindset; promoting a winning mentality, pursuing zero distance with our owners, and empowering every employee to become an entrepreneur.”

Q GE Appliances has undergone an impressive business transformation over the past five years. Can you tell us all about it?

I like to refer to GE Appliances as a 100-year-old start-up. Five years ago, when we joined the Haier SmartHome organization, we were a solid business with a lot of potential. We were a good business with stagnant growth, slow decision making and a risk-averse culture. I knew the potential and with our new ownership, that potential has been unleashed. Over the last five years, we’ve embraced a transformative new mindset; promoting a winning mentality, pursuing zero distance with our owners, and empowering every employee to become an entrepreneur.

We call our transformation The GEA Way. As part of our transformation, we have transitioned our core business philosophy from a conventional company-centric hierarchy centred on who reports to whom in the org chart to an unconventional





customer-centric model. We've done this by removing organizational barriers, blowing up bureaucracy, eliminating top-down decision making and growing closer to our users by enabling them to be the real and only boss. Our owners are driving our business because when we listen to them, we create products that they want and need. We know those products will be successful because we know our owners better than anyone. It's a concept we call 'zero distance'.

The result is a multitude of exploding, independent microenterprises within the business. These microenterprises aren't led by me - they're led by our employees who are closest to the work who guide their decision-making based upon the wants and needs of the market. And the switch to these smaller, more nimble businesses within the larger organization is paying off big! We've accelerated the transition from ideas to execution from two years to only three months.

As a result, we've entered new product lines and released more new products to market. We are the fastest-growing appliances company in the US, we are investing in the country more than ever to support current and future growth, we are working every day to achieve zero distance to our owners, and we are creating the most nimble organization in the industry.

Q What role have you played in this?

The transformation started with redefining our roles. We all have only one boss, and that is not me - it's our owners. This means learning to get out of the way and relinquishing the top-down control by letting those closest to the owners and customers make decisions that they believe will allow their microenterprises to win.

I might carry the title of CEO, but the traditional corporate titles we still carry don't really reflect the work we do. As a CEO, I'm not the decision-maker who centralizes all the processes and leads from the top of the org chart. I am one more entrepreneur among the many we have

in the company. I look at my role as more of an organizational architect and business coach.

We eliminated the org charts, which are the visual representation of bureaucracy and old-fashioned management. Power resides in your ideas and the value you create to users and not the level you have in the HR systems.

People may think that relinquishing that top-down controls means you're not a hands-on leader. Nothing could be further from the truth. The leaders at GEA are not hiding behind closed doors in their offices. Our team, even with the challenges of the pandemic, is constantly engaging with employees in meaningful ways. We're dropping by people's offices and walking the plants because that's how you find out what's really going in the business and personal issues that may be affecting employees. This gives us a chance to discuss solutions and listen – we're always listening because that's how you learn.

Q What's your ideal company culture? Does the culture at GE Appliances match this?

I think the ideal company culture is creating a place where every employee feels valued and

feels like they can come to work every day and be their true and authentic selves. Diversity feeds creativity and innovation, which is good for business. I also feel like it's really important to align people with their passions – that's when all of us feel empowered and inspired.

At GE Appliances, that's the journey we're on. I like to say we come together to make "good things, for life." We're creators, thinkers and makers who believe that anything is possible and that there's always a better way. We're a company powered by our people, made stronger through our diversity — allowing us to grow closer than ever before to our owners, anticipate their needs and enhance their lives.

That's what the GEA Way is all about- it's about these three commitments: we come together, we always look for a better way, and we create possibilities. These are the reasons why we come to work every day.

Q What do you think sets GE Appliances apart from your competitors?

I believe what sets us apart from our competitors is two things – our history of industry-first innovation and our commitment to American manufacturing.

From innovating the first line of heating and cooking products in 1907 to designing a first-of-its-kind digital cooking experience with our "Best of CES" Next Gen Kitchen Hub in 2020, we've long been known for turning great ideas into inventions that make life easier. Consistently recognized for our industry-leading innovations for the home, we strive to anticipate our owners' needs and develop the solutions that enhance people's lives and create experiences for our owners. Through our new organizational structure, we've been able to get those new products to market faster than our competitors. From the world's first self-cleaning oven to now offering more connected appliances than any other appliance company, I think GE Appliances has an unparalleled track record of providing innovative products that people can trust. We're really honoured to have our products in more than half of all US homes. Our goal, of course, is to have our products in every US home.

And what sets us apart is we're investing in an innovative supply chain that's leading the way when it comes to American manufacturing. In the last five years, we have invested more than one billion dollars to grow our US manufacturing and distribution network, creating more than 2,000 American jobs. I don't know what our competitors are claiming, but I



know our investment and growth are real, and the impact can be felt in the 46 states where our employees live and work.

We are bringing manufacturing back to the US, which means investing in workforce development, partnering with local non-profits, intentionally qualifying diverse suppliers, adding new assembly lines to build capacity and building appliances here in America that were previously manufactured abroad.

This is not a matter of press releases or empty sentences on a website - this is real work. This is what we are doing and will continue doing to create zero distance between us and the millions of US families we serve with our products. Our company is led by Americans, focused on serving our customers and users in America, generating employment in America, and investing as never before in America. That's what makes us different from the competition.

Q What's the most important business lesson the pandemic has taught you?

The most important lesson I learned during the pandemic is that we are on the right track with our business transformation.

As an essential business, it was our duty to ensure uninterrupted operations. While other companies decided to close for weeks to create thick playbooks, we worked as entrepreneurs to quickly develop several solutions to adapt our plants to meet and exceed CDC guidelines. We quickly found a better way, implementing solutions that were later copied by other companies. Our operations were only down for one week. The pandemic accelerated our employees really embracing this business transformation and buying in because they saw the process worked.

During the pandemic, people needed our appliances more than ever before to keep their food and medicine safe, clean and sanitize their homes, and provide meals for their families. We navigated through the ever-changing landscape with three guiding principles: protect the health



and safety of our employees, serve our customers and support the communities where we live and work. We came together as a company to keep the business running. When some of our manufacturing associates could not make it to the plants because of health concerns or family care issues, employees from all departments stepped up to work on the lines - assembling and delivering the products that Americans needed. All in all - our employees volunteered more than 150,000 hours on the assembly lines. That just doesn't happen in other companies. As a result, we were able to continue serving our customers by manufacturing more appliances last year than we've ever made in our company's history.

And finally, we continued supporting our communities. A lot of companies halted community support, but we knew in cities and towns across America, people were hurting. We created a program in 48 hours called GEA4Heroes where we donated thousands of appliances to first responders and healthcare workers who needed our appliances to keep their families safe. In addition to navigating a pandemic, our corporate headquarters is in Louisville, which became ground zero for the social justice movement in America. We aligned all of our corporate giving to support equity and education.

This is the GEA Way and these efforts helped us on our zero distance journey to grow even closer to our customers and our owners because we understood their needs and had the ability to respond - that's not something people forget, and the result was GE Appliances having the most successful year in our company's history.

Q What's your favourite thing about leading GE Appliances

First of all, let me say that I was not groomed to be a CEO and I didn't aspire to be one, but now that I've been entrusted with this responsibility, I'm committed to helping this business realize its full potential.

My favourite thing about my job and this company is that I really love the appliance





business. I do – I love everything about it. As CEO, I say sometimes I feel like my job is trying to manage the unmanageable, but at the end of the day, I'm an engineer and it's important for me personally to stay connected to that work. That's what fuels me and gets me excited. I am a creator and maker at heart. I've also been known to unload a refrigerator or two. You'll rarely see me in a suit. In between meetings, you'll find me walking the manufacturing lines, visiting our labs, or spending time at FirstBuild - our partnership with the University of Louisville that's a new way to think about and execute R&D. It's a world-class destination Maker Space and co-creation community that is changing the way products come to market. By letting a community influence the product from the very beginning, we can quickly deliver better products to market. Again, infusing zero distance into everything we do.

I love the whole creative process of coming up with an idea and bringing it to market. The thing that used to make me crazy as an engineer is that we'd come up with these ideas that I knew really had potential, but they would get killed in red tape, and we'd miss the opportunity window. Maybe that's why I am so passionate about this new GEA Way model. It's freeing up our people to create and seize opportunities. We are becoming the leading appliances company in the US, and we'll be the most successful business transformation in the country. It's amazing what people can do when we as CEOs

get out of the way and create space for people to do the jobs we hired them to do.

Q What is your vision for the future of the company and what are you currently working on?

When you talk about the future of our business, it's all about zero distance and growing closer every day to our customers and owners. We reinvent our future every day by listening to them about their wants and needs. I see us continuing to grow our US operations and diversifying our supply chain so we can be even more nimble and reactive to the market. That's a differentiator for us.

And as far as the bigger picture is concerned, the GEA Way means thinking bigger than just hardware and appliances. It's about software and exploring the ecosystems where our different products play. Those ecosystems provide opportunities for us to explore connections and interdependencies that open up a whole new world of business opportunities for us.

Finally, I believe in being a life-long learner. I challenge myself to learn something every day. We are working on becoming a continuous learning organization whose people follow their passions to work on the projects they want with the people they want. That's how we unleash the full potential of GE Appliances.

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