




Kicking the Oil Habit




Sus-tain-a-ble



1. Able to be maintained.
2. Exploiting natural resources without destroying the ecological balance of a particular area.

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Root Word: Sus-tain



1. To give courage or strength to.
2. To uphold as true, right.

Source: Webster's New World Dictionary

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IRMCO




- ✿ Privately held since 1914
- ✿ Fourth Generation
- ✿ Loyola - Family Bus. Award - Multiple Winner
- ✿ No Debt
- ✿ Supply over 30 countries
- ✿ Industry Leader in New Technology
 - Replaced 11+ million gallons of oil and conventional lubricants
 - Best of class in every chosen category

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Kicking the Oil Habit

Why?
How?
The Business Case.



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Why?

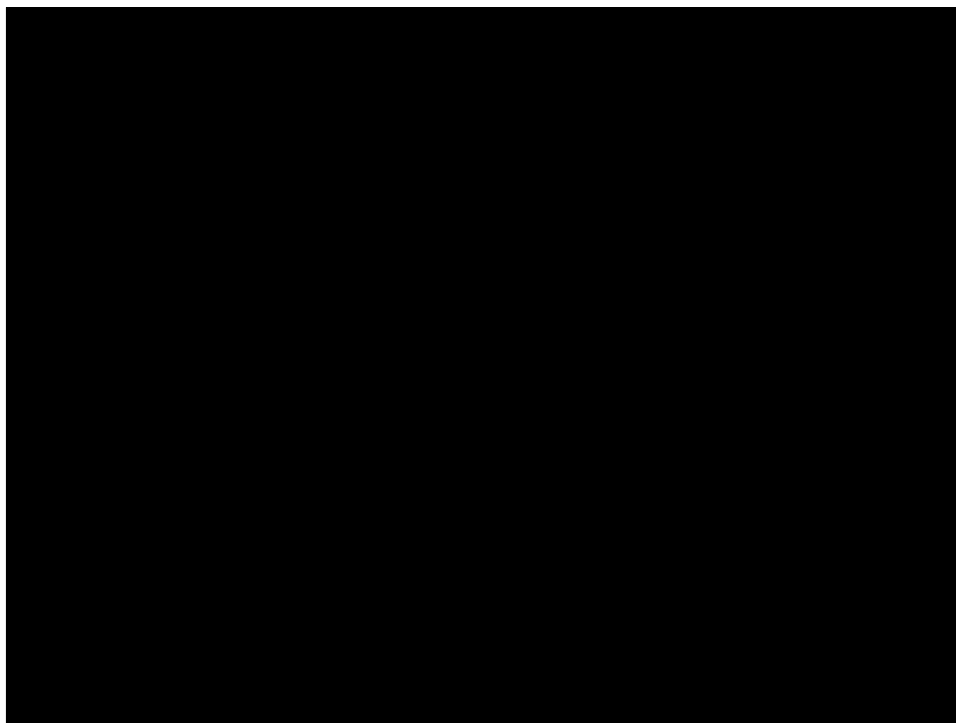
A Big Part Was *Inspiration*



Cuyahoga River Fire - 1969



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Crisis

- ✿ 1979 - Lost Oil Supply
- ✿ Regained supply – but lost margins
- ✿ EPA got teeth
- ✿ Managers started going to jail
- ✿ IRMCO President was dieing of cancer

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www.natcap.org

Natural Capitalism



CREATING THE NEXT INDUSTRIAL REVOLUTION

"Regaly important...*Natural Capitalism* ought to be on the nightstand of every CEO"
— Thomas Petzinger Jr., former "Front Lines" columnist, *Wall Street Journal*

PAUL HAWKEN AMORY LOVINS L. HUNTER LOVINS

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How?

Had To Make Economic Sense



Fish Guys



New oil-free technology isn't just better for the environment, it's better for business.

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Automotive Press Shop Realities

Economics trump
any
environmental benefits

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Automotive Press Shop Realities

- ☀ Not enough.....
 - competent staff
 - time to look at new technology
 - incentive to look at total cost
 - money available for capital improvement

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Hire/Fire The Right Tier 1 Customer

- ✿ If new domestics
 - open and flexible regarding new ideas
 - total cost - not price focused
 - good communication and loyalty
- ✿ If not
 - slow to change
 - “spec” not results focused
 - most are using 50 year old technology

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Tier 1 Nuances

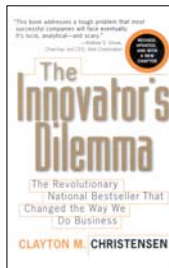
- ✿ Ones with most to gain are usually the slowest to move
 - engineers “frozen” – afraid to make a decision/mistake
 - Less willing to share information
 - Unwilling or unable to ask for flexibility from the OEM

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Disruptive Technology

“There had to be a reason why good managers consistently made wrong decisions with disruptive technological change”

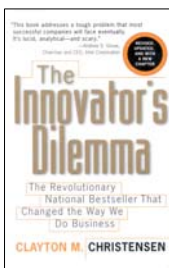


Clayton M. Christensen – *The innovators Dilemma*



Disruptive Technology

“The reason is that **good management** itself was the root cause. Managers played the game the way it was supposed to played”

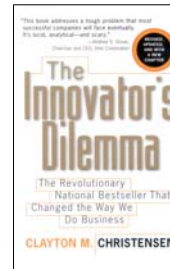


Clayton M. Christensen – *The innovators Dilemma*



Disruptive Technology

- ✿ Plan to learn rather than to implement
 - “A market that does not exist cannot be analyzed”
- ✿ Consider:
 - First mover advantages
 - Proposals that customers reject
 - Lower profit products
 - Underperforming products
 - Insignificant markets



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BHAG

Big Hairy Audacious Goal

“Drive out 10 times more Total Cost than anyone else in our business”

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Change the Rules of the Game



* Mass Customization

- Bundled Application Hardware
- Guaranteed Cost Savings
- Guest Engineering
- “Pay as Pressed” Fixed Cost per Final Assembly

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