

CHAPTER
ONE

Embrace the Culture

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A DISTINGUISHING CHARACTERISTIC OF GREAT COMPANIES IS almost always a unique culture that may evolve over time but that remains true to the people who continually get the job done. At John Deere, understanding the corporate culture is to understand how the company that started out making single-furrow farm plows in the Midwest 168 years ago has managed to grow into a global company with diverse products and services recognized by customers and admirers as a symbol of reliability, trust, and value.

At its heart, John Deere's culture is rooted in the land and is reflected in employees through the values of those who work the land, resulting in a dominant theme of *how* business is done, which begins with the company's top leadership and runs throughout. At John Deere, *how* the job gets done is more important than simply getting it done. Whether it involves designing, manufacturing, selling, serving top of the line agricultural, forestry, or construction equipment, or lawn and turf care equipment, or processing a credit application, John Deere employees know that the primary litmus test for decision making and action should be based on such factors

as telling the truth, treating others with fairness, and standing behind the company's products and services.

This do-it-right philosophy began with company founder John Deere and has endured through the years, even though generations of employees have come and gone, because of a variety of factors, most notably a strong foundation, continuity in leadership, and Midwestern heritage. The *how* is based upon four basic tenets of doing business that are applied in every division at every level in all decision making: quality, innovation, integrity, and commitment—values that company founder John Deere lived by and instilled into the company from the day in 1837 that the 33-year-old first started selling his steel, self-scouring plow to solve a customer need for better equipment.

THE RIGHT PRODUCT AT THE RIGHT TIME

A native of Vermont, John Deere had migrated in 1836 to Grand Detour, Illinois, a frontier settlement in the northwestern portion of the state. An accomplished blacksmith, Deere, whose business in Vermont had been struggling, was seeking new business opportunity in the developing region. Deere's blacksmith shop grew as he crafted a range of products from hayforks to horseshoes and metal parts for wagons and stagecoaches. He was curiously intrigued, however, by what area farmers told him about their problems tilling the

dense, rich Midwestern soil. The dirt caked on farmers' cast-iron plows, making the work day slow, laborious, and often unprofitable because so much time had to be spent cleaning mud from plows.

Deere talked to farmers and researched the problem by studying what plows were available in the marketplace. Dozens of companies were selling thousands of plows at the time, but most were made in the Northeast, where understanding of problems plaguing the Midwest farmer was limited. The plows were all essentially the same. John Deere determined that the best means to get through the sticky Midwest soil was a plow that scoured the land, letting dirt slide off it. In 1837, he took a broken steel sawmill blade, curved it, and designed the self-scouring steel plow, dramatically improving farm efficiency.

Over the next several years, Deere's blacksmith business evolved into primarily an agricultural equipment manufacturing trade as word of his plows spread among area farmers. It did not happen fast. Deere sold just 10 plows in 1839, 40 in 1840, and 75 in 1841, while other plow manufacturers in the United States were selling thousands during the same period, dwarfing his tiny operation. But Deere's ingenuity, craftsmanship, and attention to detail brought him growing attention and customers in his region. For while the plow was the right product at the right time and earned him a permanent place in American agricultural history, Deere's greatest contribution to today's John Deere may be the values he instilled into the company

from the start and backed up until his death in 1886 in Moline, Illinois.

Known as “an intense and thorough” man, John Deere was a product of his times, part of the developing, rough, American frontier, and his charismatic personality was colored by a gruff, sometimes undiplomatic manner. But he was consistent in the tenets of business he preached throughout his 22 years at the helm of the company, insisting it never stray from the four core values he believed mattered most: quality, innovation, integrity, and commitment. And he personified the very values he spoke of, subscribing to a theory that if he could better himself, it was his responsibility to bring others along with him, and as a result he treated his employees and customers fairly. Deere was also a staunch abolitionist before and during the Civil War, speaking out publicly without fear of damage to his business because of his desire to end slavery.

CONTINUITY OF LEADERSHIP

A primary reason John Deere’s influence remains strong today among 46,000 employees in the company bearing his name is that even though it was 168 years ago when he invented the self-scouring plow, only seven other chief executive officers have served the company (see Appendix A) since he retired in 1859 to make way for his son, Charles Deere. One would expect John Deere to have had a minimum of 15 leaders, or perhaps as many as 25, during its two-

century span of business. Remarkably, the total number is only eight over the entire John Deere corporate history, including five members of the Deere family.

Thus, John Deere's continuity of leadership has allowed the company's vision to remain connected to founding values over the duration of time. Because while each of John Deere's eight chief officers tackled broad, independent initiatives deemed best for the company at the time, all took or are taking the principles instilled by the founder from the moment they accepted the charge, and passed or are passing them along to generation after generation of Deere employees. The leaders were and are focused on John Deere's values instead of grasping at a variety of passing, outside business trends, and they built and are building on strengths and weaknesses of their predecessors in building block fashion. As a result, the John Deere culture has been additive over time, the core values remaining as the anchor.

I believe all of our present strengths have been built on the foundation of achievement, integrity, and momentum that we have inherited from our predecessors.

—Robert A. Hanson, John Deere CEO, 1982–1989

John Deere's college-educated son, Charles Deere, took over leadership of the agricultural equipment maker in 1859 at the age of 21, bringing to the company a more formal approach than his father to business development and growth. Charles Deere ran the company for 49 years, leading John

Deere to tremendous growth during his tenure, including an increase in sales from \$200,000 to \$3 million. Under his leadership the company underwent such changes as formal incorporation in the name of Deere & Company from its previous trade name of Moline Plow Manufactory to the opening of the company's first branch houses (Deere, Mansur & Co. opened in Kansas City, Missouri, in 1869 to sell products within a certain geographic area), resulting in organizational decentralization that strongly impacts the way John Deere is run today.

The five branches Charles Deere had established by 1889 from Kansas City to San Francisco were set up as entities separate from Deere & Company but were under the umbrella of its name and products. Each of the branches, with different owners partnering with Deere and entrepreneurial incentive, developed individual means of selling product and working with customers. But each also worked closely with Deere & Company in Moline in regard to product development and sharing information from the field with company headquarters.

Still today, Charles Deere's influence remains strong in the company since John Deere employees around the world are empowered to make decisions to get the job done through a decentralized system and culture that honors the abilities of employees—as long as they adhere to the spirit of long-standing core values. In other words, they are accountable and are expected to communicate actions and results, but if they are striving to meet set objectives and to follow the laid out

tenets of *how*, they can get the job done by making swift, effective decisions at the source of the problem or action.

When Charles Deere died in 1907, he was succeeded by his son-in-law, William Butterworth (married to Katherine Deere). A lawyer by training, Butterworth was a conservative businessman who stressed loyalty, trust, and service to John Deere employees and it was during his tenure that the company consolidated into its modern corporate form, including the centralization of accounting and financial planning. In essence, he created an umbrella for John Deere best described as a hub and spoke system of manufacturing and distribution. It was also under Butterworth that John Deere made the important move into the tractor manufacturing business in 1918 when the company purchased the Waterloo Boy tractor company, a shifting moment in corporate history.

When Butterworth retired in 1928 to head the U.S. Chamber of Commerce, he turned over leadership of the company to John Deere's great-grandson, Charles Deere Wiman. Under Wiman's leadership, the size of the company increased from \$64 million to \$340 million as he emphasized efficient production and engineering and John Deere's reliable two-cylinder tractor became a staple of the American farm. Perhaps most importantly, when the nation suffered under the Great Depression and World War II during his leadership, Wiman's ability to recognize and reward the integrity of individuals led John Deere to compassionate acts during the difficult times.

THE MODERN DAY FATHER OF THE COMPANY

William (Bill) Hewitt, the last member of the Deere family to run the company, is arguably the modern day father of the company due to his unprecedented foresight in blending design, style, and global reflections with John Deere's rural, Midwestern heritage. This combination of refined sophistication and farm toughness was a catalyst in elevating John Deere to preeminent status as a global brand, beginning in the 1960s and an originating point for today's cultural movement toward urban toughness. The son-in-law of Charles Deere Wiman, Hewitt had a taste for art, fine wine, and design and began integrating elements of this taste into John Deere and its products early in his 27-year tenure, which began in 1955.

It was during the Hewitt period that John Deere began a transformation in the eyes of customers into a more contemporary, exuberant brand that stood above others, not only in quality, but also in style. Additionally, Hewitt had a warm appreciation of Deere leaders and employees who had served before him and often quoted past stories of conservative wisdom and leadership to fellow workers as a means of making a point and reinforcing the values-based culture while adding a flavor of global confidence and tastes. By the time he retired in 1982 (serving an appointment as U.S. ambassador to Jamaica and then moving to the Napa Valley), John Deere was the world's leading manufacturer of farm equipment, and its products stood out among competitors for value, style, and longevity.

VALUES ARE THE STRENGTH FOR SURVIVING TOUGH TIMES

The first non-family member to become chief executive at John Deere was Robert A. (Bob) Hanson, who took over after Bill Hewitt in 1982, 145 years after John Deere had founded the company. Times could not have been tougher, as the American farming boom in the decade of the 1970s gave way to a painful economic recession in the early 1980s—coinciding with Hanson’s tenure. As good as the 1970s had been for agriculture companies, when advances in production had led to record yields, which had combined with increased export demand to create the perfect supply and demand scenario, the 1980s were equally bad. In 1980, for instance, one year after U.S. agricultural equipment sales were at an all-time high, President Jimmy Carter imposed an embargo on grain sales to the Soviet Union, reducing demand and sending prices on a downward spiral. Farmers could no longer pay for equipment purchased during the expansion, and prices for farm land and commodities dropped considerably. Farm equipment manufacturers suffered greatly. John Deere lost \$229 million in 1986—its first loss in 53 years—and another \$190 million in 1987. A native of Moline and a former boxer, Hanson’s fighting spirit and leadership helped the company emerge from the recession in better shape than its competitors did. John Deere continued investing in product and actually increased sales by more than \$2.5 billion during Hanson’s tenure.

In fact, as difficult as the 1980s were for John Deere, history shows the period to be an important time in the

company's evolving business history, since many necessary business reforms were put in place that would be useful later. Additionally, hiring was essentially frozen for almost a decade and thousands were laid off. At the peak of America's roaring farm days in 1979, for example, John Deere had had 65,000 employees, but that number dropped by more than half 15 years later (31,500). The upside is that John Deere's culture remained strong at its 150-year anniversary because the employees who had remained during the contraction were among the most experienced and ingrained in John Deere's values-based culture. A sort of selective reduction resulted as the stronger employees—the ones most understanding and committed to the John Deere way—had survived the downsizing, reinforcing the company-wide adherence to quality, innovation, integrity, and commitment.

John Deere's "Genuine Value" program helped the company emerge from the difficult recession as a more lean and diversified manufacturer. The program was led by Hans Becherer, who was president of Deere in 1987 and later took charge as chairman and CEO in 1989. Becherer used Genuine Value as the platform to cut costs across the board, reduce high inventories, and strengthen operating units as decentralized businesses supported by corporate staff departments so that individual businesses could grow, thrive, and profit independently.

The commitment to our values has earned the respect of our customers in the past, and guarantees the success of our business in the future.

—Hans W. Becherer

The son of German immigrants, Becherer grew up in Detroit, graduated from Harvard Business School, did post-graduate work at Munich University while serving in the Air Force in West Germany, and married Michelle, a native of France, in 1959. He joined John Deere in 1966 because of its commitment to his own values and because the company was embarking on global expansion. But when he announced to Harvard classmates that he was moving after graduation to the Midwest to work for a tractor maker, many snickered. It was his lowest-paying offer, and he was by all accounts a city boy with little knowledge about the farms and fields of America.

“I wanted to join a company that was embarking on international growth, one where I could make a difference, and one that was unusual and different,” Becherer said. “It was the right decision, because I can’t ever remember somebody at John Deere asking me to do something in the name of the company that I did not feel was right.”

Becherer led John Deere to almost double sales and to earn \$1 billion in profits for the first time ever by pushing the company to diversify through worldwide expansion and product growth, in addition to achieving key reforms following farming’s severe contraction during the 1980s. But as Becherer’s planned retirement in 2000 neared, the agricultural industry was entering another recession. Direction of leadership at John Deere was critical considering the volatility of the times in American business. Speculation about his successor was widespread inside the company and outside, since for probably the first time in the company’s history, the impending direction of leadership was not obvious. John

Deere had several well-qualified insiders capable of leading the company into the new century of business, but none was clearly earmarked to continue the short line of John Deere leadership that had begun with its founder in 1837.

Becherer instituted an informal contest among his leading replacement contenders, assigning each a different leadership position to assess their skills in various environments. Among these high potentials was Robert W. (Bob) Lane, who was promoted first to chief financial officer (CFO) in 1997 and then to senior vice president of Europe, the Middle East, and Africa in 1998.

Working closely with the board of directors, but ultimately making the final decision, Becherer chose Lane as his replacement as chairman and chief executive officer. This decision was made, Becherer said, primarily because he knew that Bob Lane deeply lived and practiced the values preached as core to the success of John Deere. Lane was named CEO in May 2000 and chairman of the board in August 2000, moves Becherer said he considered among his most important acts at Deere because it provided continuity of values-based leadership at the company.

Many corporations, Becherer said, use the wrong criteria when forming a leadership succession plan, but he and the Deere & Company board of directors wanted a person who would sustain the company's values and culture while seeking new opportunities to improve the business. In making his decision, Becherer never got personally close to any candidates so friendship would not be a factor in the decision.

"I enjoyed them all," he said, "and would have had friendships with them, but I never let myself get personally

close because to get the right leader, it can't be a personal choice. A lot of companies fail in this . . . it's easy to fail. Bob Lane's qualities of leadership were a great fit to continue the legacy of John Deere."

Once the decision had been made, Becherer worked closely with Lane to ensure the smooth transition that had become part of John Deere's leadership history. Lane was named president of the company and moved into the office next to the chairman's so they could prepare for the change. One incident is remembered as symbolic of how John Deere leadership has cordially handled transition in the top job, adopting ideas of the new leader while maintaining the core values of generations. Hans Becherer, despite his personal objection, agreed to change the dress code at John Deere's world headquarters from "business attire" to "smart dress"—a term Lane used to describe an environment in which employees dress in business casual at the office on days when specific meetings don't dictate otherwise.

Becherer is a business formalist and was not fond of the American corporate movement toward casual dress in the late 1990s. Lane, however, believed the change was important for John Deere to better reflect changing corporate times and to help with company recruitment. He did not, however, believe the change should occur with the changing of the leadership so it would not appear to company employees that it had anything to do with Lane's personal preference. Despite his own preference for more formal business attire, Becherer announced the "smart dress" change while he was still in office to help his successor's transition to office.

"There has always," Becherer said, "been this sort of

ethos handoff from one [leader] to the other. This company is bigger than all of us. We just want to effectively pass it from one generation to the next.”

A PATH TO THE FUTURE

Born in Washington, D.C., on November 14, 1949, Lane had graduated with high honors from Wheaton College in Wheaton, Illinois, in 1972 before earning an MBA degree from the University of Chicago in 1974 and then entering banking at First National Bank of Chicago. A rower in high school and a member of the varsity swim team in college, Lane met his wife, Patty, at Wheaton. They married, and were transferred to West Germany by the bank in the late 1970s.

Despite the fact that he had once competed in a collegiate swim meet at Augustana College of Rock Island, Illinois (which adjoins Moline and is one of the Quad Cities), Lane was not familiar with John Deere until he was a senior in college. Ironically, his wife is from Moline and one of his first John Deere experiences was while visiting her home, when he was driven around as a tourist and was shown the company headquarters on an area sightseeing trip. But his first real experiences came as a banker. John Deere was a customer of his through the First National Bank of Chicago and it was through this relationship that he began to learn the values of the company and the strength of its brand. The owner of a large John Deere dealership, in fact, remembers a young Bob Lane calling on him years ago, hoping to get his business. Jerry Swanson, owner of Stribling Equipment, a con-

struction equipment dealer based in the South, said Lane flew down to Jackson, Mississippi, asked for his business, and promised to deliver quality and service worthy of John Deere.

In West Germany, Lane was on a leadership track with the Chicago-based bank and enjoyed finance but was intrigued enough when the opportunity came to interview with John Deere that he agreed to a meeting. Bob and Patty Lane drove from Chicago to Moline for an interview at John Deere in November 1981. They received tickets to hear the Chicago Symphony—it was Bob’s birthday—and went on a Friday night, before making the three-hour drive west to Moline for an early Saturday morning interview. The performance, he remembered, was world class. John Deere, he thought on the drive to Moline the next day, represented the same thing. Lane believed the uniqueness of John Deere made the opening a rare, global opportunity.

Lane and his family moved from West Germany to Moline, and he went to work in the finance department of the construction and equipment division in 1982. “I knew,” said Lane, “that John Deere had all the attributes of the best in the world at what it does. I loved my job (in banking), but felt this was a stronger horse, a world-class company. So I came to this small town to be more global.”

With their three children, the Lanes were soon transferred to Denver, Colorado, for five years. After that, they lived in the Moline area until they were sent back to West Germany, this time with John Deere. Lane’s career took a decided turn toward a faster track overseas, though he did not consider for many years that a top position was in his future at John Deere. Lane served as president and chief operating

officer (COO) of John Deere Credit, as chief financial officer of Deere & Company, and as senior vice president and president of worldwide agricultural equipment, and had led operations around the world before being told by Becherer he would succeed the chairman and CEO in 2000.

John Lawson worked at the company for more than 40 years before retiring as a senior vice president in 2001. He remembers that Bob Lane was not among those first thought to be in line for succession to the top job. “Bob came out of the woodwork. But he definitely had the right core values to lead this great company.”

Lane also had an important familial heritage with agriculture, though no one knew it at the time. It relates to Bob Lane’s distant relative John Lane, a third cousin, five times removed. Historians now believe it was John Lane who actually invented the first steel plow in the 1800s. Deere & Company has stated for years that John Deere was not the first maker of a steel plow but was the first to make the steel plow commercially successful. Also, Lane’s plow was much different from Deere’s.

Born in 1793, John Lane was a blacksmith on the north edge of town in Homer Township, Illinois. In the early 1830s, farmers kept asking Lane if he could improve on the old wooden plows they had brought from the eastern United States during their migration to the Midwest. Lane experimented in his shop with flexible steel he had obtained from a sawmill from old, worn out saw blades. An acquaintance of Lane’s mounted the steel on a wooden frame, and a farmer in Homer Township used the plow, pulling it through the

thick Illinois sod with from five to eight oxen. Lane began a plow manufacturing business, moving it to nearby Lockport.

In the 1850s he formed a partnership and advertised “Lane’s Cast Steel Plows” for sale. Lane did not patent his invention, however, and was said to be willing to share his work with “friends of the soil.” John Deere was more successful commercially with the steel plow, obtaining a patent for his unique design while creating a company that is today the world’s leading manufacturer of agricultural equipment—headed by Lane’s distant cousin. Bob Lane finds humor in the story, and has joked that he came back to claim his family’s invention, which is commemorated with a marker placed at the northeast corner of Gougar Road and 7th Street in Homer Township, Illinois, which reads: “In memory of John Lane who made the first steel plow in 1833 on this farm.”

Lane muses that his family was not as enterprising as the Deere family and is thankful the patent rests with John Deere, who launched a company that has for 168 years served millions of customers around the world. He knows his challenge is to fortify John Deere’s unmatched and integral heritage among employees, while adding new layers that will strengthen the business for the future. When welcoming guests into his office on the second floor of John Deere’s Moline, Illinois, headquarters, Lane immediately ushers them into the company’s boardroom for a short lesson in history before settling down to business. He stands in the middle of the room, pointing toward an oil painting of the founder, John Deere, and tells about how he founded the company on its core principles.

The wall is covered with portraits of each of John Deere's retired leaders, and Lane pauses at each, noting what the company accomplished during his tenure and making it apparent how each made a sort of ethos handoff to the next. John Deere, he said, is tethered to its past, but constantly striving to go forward. Only by understanding what was previously accomplished and how it was done can one determine needs for the future.

When Lane took over, some things were well established in John Deere's past. The company always had great products. It had already expanded far beyond its original North American territory. And its core values were still intact. Sure, products must always be improved, plenty of areas remained that were ripe for expansion, and values should never be taken for granted. But for a company to move forward and to be firmly established as a great, enduring company, it must continue to improve on its strengths, while striving to add new layers on top of its foundation.

So Lane launched a new initiative after taking office, intended to become the signature of this era of leadership, building on the strengths of those before him. Continuing to be mindful of *how* it is done, John Deere's mission under Lane became squarely focused on building a business as great as the company's products.

CONTINUITY OF THE WORKFORCE

Not only has John Deere experienced stability and low turnover in its executive ranks during its history, but the

company has been anchored by a workforce that has been one of the most reliable in the world among major corporations for its longevity and consistency. In 2000, production employees at John Deere had been with the company an average of 22 years, while the national industrial average for similar jobs was 9 years, and the industry average for farm equipment manufacturing and construction equipment manufacturing was 4.9 years and 10.4 years. Simply, despite both global expansion and more broad-based hiring, John Deere still retains employees far longer than most other American companies, as evidenced by half the workforce having 20 years or more with the company.

On production lines, whether in the tractor plant at Waterloo, Iowa, or John Deere Harvester Works, East Moline, Illinois, workers have for generations passed down company lore to one another, reflecting core values and an ongoing commitment to quality. New employees learned from older, more experienced employees through stories and workplace examples, just as parents teach children in homes. It's the same way in corporate offices, where walking the hallways of John Deere's headquarters facility in Moline, it quickly becomes evident that most everybody knows most everybody else, regardless of their employment level, since most have worked together for so many years. Many have been around so long they can recall many specifics about fellow employees' lives, even though they may not be the closest of friends.

So common are 30-year careers at John Deere that employees with less than 20 years' service often still refer to themselves as "newcomers." They feel the need to explain to outsiders why they joined the company in mid-career. And

when employees take early retirement, fellow employees sometimes don't understand why they would leave so soon. Mike Orr is a good example. He began work at the company in 1974 for then-chairman and CEO Bill Hewitt after briefly teaching in college and working at a bank.

Orr retired as senior vice president in 2003 after 29 years of service to devote more time to community and charitable causes. He had led the financial services division before retirement and had served four of John Deere's eight chief executives in his 29 years. Still, the company's culture geared toward longevity is so great that colleagues still ribbed him about taking *early* retirement when he departed.

"You read in the business press that long-term commitment is changing," Orr said. "At John Deere, long-term commitment is a reality, so even after 29 years, I was explaining to people why I was leaving so early. Some did not understand."

John Deere's service record among employees has meant that whenever spots needed to be filled at higher levels, plenty of experience has been on hand to choose from, enabling the company to frequently reward from within. This further fosters the culture that John Deere's workforce has always remained close to its founding principles since most managers developed through the same, long apprenticeship system. Additionally, the leadership-from-within style limited the necessity of hiring masses of newcomers at the top who might not understand the intricacies of the farm and equipment business.

"The agricultural business itself is so unique," Orr said. "It is one that the general population itself does not understand. It can also take years of experience to understand

Deere's customer and dealer base and the commitment the company has made to people over the years. There is a better chance of success in picking someone who has this frame of reference as opposed to bringing in someone who's been successful in another business. You can't assume they'll thrive in this unique business."

Because John Deere's workforce is aging due to contraction in the number of employees that resulted from hiring freezes during the difficult farming recession of the 1980s, most new hiring today is occurring at the college level in efforts of building a new generation of leaders. Mid-career hiring still occurs to meet changing needs, and these employees are given the same introduction to the John Deere way of conducting business as others.

One of the veterans responsible for developing the new generation of leaders is John Jenkins, the personable and hard-driving president of the Worldwide Commercial and Consumer Equipment division of John Deere. Jenkins leads a division that has a higher relative number of young and talented managers when compared to other divisions of the company because of the consumer nature of the product and the customer profile of those who buy the division's utility vehicles, all-terrain vehicles, and mowing equipment.

When Jenkins first left his position in corporate finance to lead an operating division, he became president of John Deere's Managed Health Care division. In his first operating position, he thought he would find volumes of compliance manuals on how to operate the business in line with corporate standards. There were none. Instead, management through the years focused on simple and clear messages of

how to do business as opposed to compiling thousands of pages of documents.

Jenkins agrees with Mike Orr's assessment that the John Deere way is something you learn through osmosis, by adhering to a core set of values.

It's changing with the times, of course. As John Deere expands to even more locations around the globe, there may be a need to document work through guides and manuals that convey the proper ways of conducting business. However, there is still an emphasis on limiting the bureaucracy, and the tradition of John Deere employees learning from one another is ongoing.

ALL IN THE FAMILY

Not only are John Deere employees linked by time spent together at the company, but many also come from multi-generational John Deere families. This has occurred because in many of the communities where John Deere operates, jobs with the company are among the best to be found due to general stability, respect, and comfortable retirement offered.

Finding a John Deere employee whose father or mother worked at the company for 40 years is not uncommon. Neither is it uncommon to find employees whose grandfathers worked at the company. Others have brothers and sisters, cousins, and uncles working at John Deere. In these families, the John Deere lessons and lore have been passed down

as a way of life, understood long before new generations earned their first company paycheck.

Jim Collins is one John Deere employee who has been with the company for 40 years and is still going strong. Today, Collins runs the John Deere Foundation from offices in downtown Moline. His father retired from Deere after 37 years and his brother worked at the company for 39 years. The John Deere way was as much a part of his heritage as genealogical roots. “With that kind of legacy,” he said, “you almost have to do it the right way. You have to make sure you treat people right because it speaks not only for your employer, but also for your family.”

This is also the case for Vicki Graves, senior vice president and legal counsel for John Deere Health Care. The 20-year John Deere employee’s great-great-grandfather worked in John Deere’s “wood department” in the days when wood was a major component for its plows and implements. Her great-grandfather painted tractors at John Deere for 50 years. Her grandmother worked as a John Deere secretary for a few years in the 1920s, and her father retired from John Deere as a parts information manager after almost 40 years on the job. As a fifth generation employee, Graves appreciates that her family, like so many others, has been able to benefit from working at a company that would never expect an employee to compromise values. “We’ve had two blue collars, one pink collar, and two white collars,” she said. “Throughout the company and throughout the years, how we do business has been so defined and so recognized, it does not matter what division. It is practiced in health and insurance, just

like it is practiced in all of the divisions at John Deere facilities throughout the world. ”

THE BENEFITS OF BEING IN THE MIDDLE

Outside of the continuity in leadership and the workforce and the pass-along style of teaching and learning, the John Deere culture is rooted in a nonflashy, results-oriented approach to getting the job done. Shortcuts are frowned on and the prima donna is almost nonexistent, no matter the division or department. And due to the company’s decentralized nature, the culture is one where employees solve problems at the source and take competitive pride within each separate division of the company. John Deere employees are almost always conservative in decision making, taking risks resulting from reasonable calculation.

John Deere may be global in vision and nature, but like the land from which it was born and where it still lies, John Deere is mainstream, generally in the middle when it comes to the style and daily approach to business.

“We don’t always want to be the first or the last,” said retired John Deere senior executive John Lawson. “That’s kind of where Deere is positioned. We are not on the East Coast or the West Coast. We’re in the middle. We started as an agricultural company and 95 percent of our products are still rooted in the ground and earth. That tends to emulate itself in the people. There are not a lot of flashy people at Deere and [the nonflashy] tend to perpetuate

themselves. Yet the company remains a world leader by emphasizing not the superstar, but the accomplishments of many.”

Some employees bristle at the thought that John Deere is defined by its rural, Midwestern presence. They are quick to point out that the company today is far more global than regional. After all, approximately 40 percent of the John Deere workforce is outside the United States. Still, few dispute that despite John Deere’s strength and presence around the world, its culture has remained strong because one foot has remained firmly planted in the Midwestern soil.

The Quad Cities area is made up of four cities in two states along the Mississippi River, with many other smaller communities claiming to be part of the Quad Cities region. Moline, Illinois, is where Deere & Company has its world headquarters; Moline joins with Rock Island, Illinois, and Davenport and Bettendorf, Iowa, as the four core components of the Quad Cities. As late as the 1980s, the region was known as the farm implement capital of the world. Manufacturers of heavy equipment in the area at that time also included J.I. Case, International Harvester, and Caterpillar. All of those plants have now been closed; only Deere, now the leading employer in the region, remains. While not known as a cosmopolitan center, the Quad Cities are definitely based on Midwestern values and have an unassuming aura. The metropolitan area boasts almost 400,000 residents, but the cities maintain individual identities, creating at times a feeling of a smaller community. Almost everyone

at John Deere, from entry-level employees to the company chairman, shops at the Wal-Mart.

The people worship at the same churches and their children usually go to the same schools. It's not that there's anything magic about the Midwest, but for John Deere, remaining located in a small, rural-at-heart metropolitan area, the value system of loyalty and hard work without pretension continues at the heart of the company culture.

"The value system is self-fulfilling," said Jim Jenkins, Deere's senior vice president and general counsel and an employee of just four years. "People self-select and bring these values in and they get reinforced. We've got to grow, and John Deere is always striving for new people and new ideas, but we never want to move away from our value system that begins with our heritage. Bob Lane has made that a top priority, constantly talking about *how* we do business. That's the one thing at John Deere that is nonnegotiable."

There were at least two times in John Deere's history, however, when heavy consideration was given to moving John Deere's headquarters from Moline. Under a plan discussed first during the leadership of Charles Deere Wiman in the 1950s and again in the 1990s during the leadership of Hans Becherer, John Deere would maintain central operations in Moline, but move executive offices to either San Francisco, New York, or Chicago, allowing more opportunity for top company officials to communicate with fellow business leaders and perhaps to broaden the recruitment pool available.

John Lawson remembers being on a committee consid-

ering the move the second time around. The concept got little support, he said, because even though there were some disadvantages with Moline, the advantages were far greater. Work is 10 minutes away. The airport is 10 minutes away. The golf course is 10 minutes away. The cost of living is less than in Chicago. Farms surround the community. Manufacturing plants are not far away. The environment represents the very customers that John Deere serves.

“[The culture] would be much more difficult to maintain if we were headquartered in a big city,” said Sam Allen, who is president of Deere’s financial services and power systems businesses as well as in charge of the company’s worldwide human resources effort.

That statement is hard to argue against. For John Deere, being rooted in the Midwest has worked, because while the agriculture business as a whole has faced its economic ups and downs, two things besides product that have remained a constant at John Deere are the culture and commitment of its employees. If executives had been removed from the grounding spirit of the rural Midwest, it’s likely that in the long-term, they would have become removed from the key differentiator for John Deere, a connection to the land and to the people who work it. And even though John Deere now has operations around the world, the fact that the global headquarters remains in Moline means that employees from all parts of the world must travel there on an ongoing basis for training and seminars, further reinforcing John Deere’s commitment to its heritage.

ROOTED IN THE LAND

The unifying element of all the contributing factors of John Deere's thriving culture is the one that defines the many diverse products and services provided to customers: John Deere people, its products, and its mission are rooted in the land.

The company began serving farmers in 1837 and even though John Deere now operates multiple divisions, the agricultural division is still its largest. Other areas in products and services the company has expanded to over its history relate back to the lessons learned from experiences serving people who work the land, be it a farmer in California's Napa Valley or a housewife mowing her lawn in Connecticut.

This long-term tie to the land enables John Deere to maintain its focus when exploring growth, and it has provided a positive rub-off effect on employees and dealers who benefit from the of-the-soil spirit of customers, beginning with thousands of farmers from around the world. Former John Deere chairman and CEO Hans Becherer said global experiences taught him that most industries differ from country to country. Farming, however, is generally the same, whether it is in China, Sweden, Kenya, Canada, or the United States. People who work the soil anywhere share many values, and most have an affinity for John Deere because it stands for quality and longevity of doing business the right way.

"All farmers are salt of the earth kind of people,"

Becherer said. “The character of the company has been uplifted by the character of the customers. When a farmer gave you a handshake, it meant you had a deal. People who work the land share this integrity and loyalty.”

He remembers serving a summer internship, while still a graduate student, at the company’s Harvester Works in East Moline, which produces the company’s highest-end agricultural product, the combine. Becherer was trying to decide whether to work for John Deere upon graduation. He was talking one day after work to a John Deere janitor sweeping the factory floor. The janitor noted it was raining outside. “That’s great,” he said. “Rain helps the crops. That’s good for the farmer. And when the crops do well, we sell more combines.”

THE BENEFITS OF TEAMWORK

Whether they work on production lines in Waterloo or Dubuque, or in executive offices in Moline, having employees who understand the importance of pulling for the customer and who understand there are few prima donnas among 46,000 people paid to work at John Deere is the ultimate benefit of the company’s culture, according to Bob Lane.

He said John Deere is a company composed mostly of ordinarily talented people, including himself. “We do have a few geniuses, but most of us are not.”

What John Deere does have, he remarked, for the most part, is an unusual group of employees who are willing to

work together to make the company great. It is an undeniable secret to company success, Lane noted, that directly results from the strong John Deere culture that recognizes contributions of others at all levels.

“Our specialty,” Lane said, “is getting people to work together. That’s our leverage. Getting extraordinary results from ordinarily talented people is the essence of this company. When you get 46,000 people pulling together you can achieve remarkable results.”