

Engineered Arresting Systems Corporation
Aero Safety & Technology – Emergency Arresting Systems
www.zodiacaerospace.com

Spencer M. Hoos – President and CEO

Creating a Disney Land of Manufacturing

For more than 50 years, Engineered Arresting Systems Corporation (ESCO), the cornerstone of Zodiac's Emergency Arresting Systems Division (EASD), has led the world in the production of aircraft arresting systems, controlling and harnessing energy for safe emergency aircraft landings.

In 2003 ESCO was purchased by Zodiac Aerospace a \$ 2.4 billion integrated aerospace company based in France. At that time Spencer was working for a different division of Zodiac, the former president of ESCO decided to resign and Spencer was asked to take over and run ESCO.

Spencer was raised in NJ and had joined General Electric right out of Rutgers University with an electrical engineering degree. He worked for GE for thirteen years. Spencer had many assignments during his tenure with GE, working in the large steam turbine business in Schenectady NY, then in the apparatus service business North Bergen, NJ and Farmington, NM. He worked on six separate assignments in three different locations during his first three years, a wonderful learning opportunity.

The training at GE was critical to Spencer's career. Spencer emphasizes that it's all about people, about managing, about driving change, and performance improvement. Focus on the bottom line; focus on your employees and your strategy. Spencer admits to not realizing how much he was learning at GE, not when he was going through the process. However it became immediately evident when he came out of GE and saw how other companies were being managed,

what a difference. GE has always been a leader and has been managed very well. Spencer recalls that as a young engineer moving into management at GE required taking on various assignments, moving up and taking on more responsibility. He was pushed to make a difference and was thrown in to a very competitive environment and had to compete with many smart aggressive people, which gave Spencer a tremendous education.

When taking on his assignment at ESCO he asked the person that hired him, what he wanted him to do? The answer was *you know what to do, just do it*. Spencer's objective was to grow sales and the bottom line and how you do that is not one year or two years, it is forever. Keep your employees motivated and moving in the same direction. The challenge is to motivate people to change which is necessary in growing the business.

Spencer wanted to embrace lean manufacturing and had a relationship with the Delaware Valley Industrial Resource Center, (DVIRC). You need to lead from the front. DVIRC was invited in and the first fifty people who were mostly management of ESCO went through six months of training and team building. Spencer believes that you should have fun at work and set up a celebration day for the teams. The various teams that were part of the program gave humorous presentations. Although costly, the company was shut down for the day for the celebration with food and prizes. The team Spencer was on identified savings of \$ 400,000.00, just one example of the success of the program that worked out better than anticipated.

You must have management driving change. The folks on the shop floor will do whatever you want. You have to communicate and recognize people for their hard work and effort. On the top of Spencer's office door is a sign "Recognize Someone Today", this is the cornerstone of his management style. Spencer believes in developing teams of employees to focus on key issues of innovation or ideas to be more efficient. He has had great success with this approach and it gets

employees involved and motivates them. Spencer wants to create a *Disney Land of Manufacturing*, a fun wonderful place to work and thrive.

ESCO is heavily into strategic planning. Out of the strategic planning they develop a mission, goals, tactics and actions with a primary goal to grow the business to \$ 300 million in revenue. They know what they have to do to get there. Everything they do is based upon this plan. These goals are developed at the division level and then brought down to the business level. They are analyzed and reviewed yearly. Specific action items are identified and reviewed regularly. They drive the day to day business. It's not easy, but a goal to work toward, improving performance, it never ends, you can always do better.

ESCO has developed twelve behaviors to incorporate into this plan:

1. Show Common courtesy to others
2. Be creative
3. Have a sense of urgency
4. Act with integrity
5. Take personal responsibility
6. Have a positive attitude
7. Display enthusiasm in all that we do
8. Promote team work
9. Be willing to help others
10. Continue to have a desire to learn
11. Be flexible
12. Always be willing to suggest improvements

Spencer trusts everyone; if you can't be trusted you are asked to leave. He believes strongly in pleasing employees, rewarding them and recognizing them to motivate them. Employee's are nominated for *Employee of the Month* and rewarded. He has a very high ratio of perfect attendance, with nearly 50% of his employees achieving this goal last year.

ESCO does a significant amount of volunteer work, working with the community. Spencer strongly believes in this concept as a part of creating a positive work environment.

Spencer states that one of the most difficult decisions he has to make is when an employee is not performing and it is time for them to go.

Spencer believes strongly in continuing education. He has had three employees finish the executive MBA program at Villanova University, another ten employees are taking courses towards a bachelor or MBA degree, they also work with Gloucester Community College where employees are encouraged to take classes after work.

Spencer's legacy is one where he wants to see the people working with him get ahead and has recommended key employees to other companies, because it was a good opportunity for them, even though he would lose a good employee. He sees his job of not only running ESCO and growing the business but developing future business leaders and executives.

In giving advice to young people in business, Spencer believes the number one issue is to not stop your education, don't stop learning. If you think you can stop learning you are making a major mistake. Find a company that gives you a variety of assignments. He reflects upon his variety of assignments and hard work as a young engineer at GE and the value and positive impact this had on his current career.

As a CEO his door is always open to employees, this was not the case with past management at ESCO. In summation Spencer is about people, making them successful which in turn have made him successful as a CEO.

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