

Rubber & Plastics News®

The Rubber Industry's International Newspaper

Pitstick guides Gates through pandemic

By Andrew Schunk
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DENVER—The core values at Gates Corp.—accountability, collaboration, tenacity, curiosity and dedication—are embodied in Tom Pitstick.

But the senior vice president of strategic planning and chief marketing officer at Gates has another trait in spades, one that has proven to be crucial during the pandemic: crystal clear communication skills.

And the leadership he showed while helping guide Denver-based Gates through the coronavirus-dominated year is one of the key reasons Pitstick was selected as *Rubber & Plastics News'* 2020 Rubber Industry Executive of the Year.

Much of Pitstick's life has been about bridging gaps, whether that has meant establishing crucial lines of communication with Gates' 14,000 employees or melding the blue collar, hardworking values of the Midwest, where he was born, with the entrepreneurial and technological spirit of the Silicon Valley, where he attended college.

Fittingly, Pitstick has settled in the geographic middle, choosing the Mile High City with the Rocky Mountains as its backdrop, where he works at the Gates Corp. headquarters. Pitstick began at Gates in 2016, coming from the much larger Eaton Corp., where he worked for five years between Cleveland and Milwaukee as senior vice president of global marketing, electrical sector.

"I think part of it was getting back to engineering," Pitstick said of what drew him to the power transmission and fluid transfer product manufacturer four years ago. "Gates is smaller, relatively speaking, when compared to a company like Eaton. But I have also worked at 15 startups. It's a little bit of a 'Goldilocks' moment in the sense that Gates is just right, right between the Eatons and the startups."

While Gates' revenues are around \$3 billion per year, Eaton's are north of \$20 billion.

"Gates is in that nice middle ground. It feels a bit like a family business," Pitstick said. "It's small enough to know a lot of people and big enough to have an impact. But you can still 'steer the ship.'"

His position at Gates mirrors the



"middle ground" as well, as it straddles engineering and marketing in the research and development space. He started at Gates as senior vice president of innovation, before a restructuring added global marketing, product line management, and corporate development and strategy to his job description.

"What is exciting about Gates and others in (the) rubber industry is that the material science we deploy is underappreciated," he said. "Whether they are for hoses or belts or tires, or anything in between—there is a lot of science that goes into what we do. The elastomer world is really unique. People think it's a black art. But there is a ton of material science being deployed every day."

Fast forward to early 2020, when Pitstick found himself at the forefront of a company-wide response to the pandemic. He adopted a sharp focus on local, state, federal and international regulations, and on the safety of Gates' employees.

In many ways, it was his measured leadership when the stakes were highest that prompted colleagues to nominate Pitstick as the *RPN* Executive of the Year.

"Over the past unprecedented year, Tom has been instrumental in navigating the company's COVID-19 response, managing crisis communications and providing steadfast leadership to Gates employees and stakeholders, making

him an excellent candidate for consideration for this year's Executive of the Year Award," the nomination states. "The plan prioritized employees' health and safety across the globe, worked with local government and public health agencies to adhere to changing requirements, and took concrete steps to minimize disruptions to the company's logistics and manufacturing operations and worldwide customer base."

Learning to lead

Pitstick was born in a suburb of Chicago, and spent time as a child on a rural, central Illinois farm where his father, one of 12 children, grew up.

"My dad was the first member of our family to go to college, after he fell off a tractor and broke his back," Pitstick said. "This pushed him toward going to college. But we all had a very hands-on, fix-it mentality—the notion that if you're not going to do it right, then don't do it at all. The expectation was always to do a good job."

The Pitsticks truly were a renaissance family plugged into the heart of the Midwest, installing and fixing their own electric and plumbing lines, and building whatever was required at the homestead.

"I wanted to be a fighter pilot when I was growing up ... my friend's dad was a pilot," he said. "I was the kid who took things apart and put them back together, and not

always correctly. I was very mechanical and was interested early on in aerospace.”

His parents later left the suburbs of Chicago for the sun-baked valleys of Southern California, where Pitstick ultimately attended Stanford University after undergraduate work at the University of Notre Dame. Pitstick received advanced business and engineering degrees as a Cardinal and an undergraduate degree in engineering as a Golden Domer.

“My education and career choices kind of mirrored my values,” he said. “I kind of took the best of the Midwest and the best of Southern California and found Denver (and Gates), a nice intersection between the ‘get your hands dirty’ of the Midwest and West Coast entrepreneurialism, with their tech and their awareness of the importance of the environment.

“I think that creates an opportunity, if you add those values together—there is a magic to be had there, keeping the roots of the entrepreneurial spirit but staying true to innovation.”

Prior to his work with the larger corporations later in his career, Pitstick cut his teeth on the rigors of startup companies, where an intense focus is required and the survival instinct is very real.

“If you don’t get it right, it doesn’t work out,” he said. “I had some amazing experiences in the Silicon Valley, though, with people thinking differently. This has become a part of my thought process for my career. Big and stable companies have lots of resources, but cannot move as quickly. Smaller companies are very agile, with few resources. In the Silicon Valley, the failure rate of startups is a badge of honor; in other parts of the world this is not the case.”

Learning from those “failures” has benefited the 2020 Executive of the Year, however.

“As a startup, you are not diversified enough to be able to make it if things go wrong financially,” Pitstick said. “Larger companies have a specific, designed outcome, but you do not need to get it all right.

“I really enjoyed the entrepreneurship and the tech, but I missed the resources of larger companies. I was able to find the best of both worlds at Gates.”

Part of the allure at Gates, Pitstick said, is the materials construction and innovation surrounding the processes to make the power transmission and fluid transfer products, such as ethylene elastomer products.

“Their benefits are environmental, but there are also performance advantages,” he said. “We have innovated the material—and the process around it.”

Pitstick cited a kind of performance triangle between advanced materials and product constructions (the mixture of materials, reinforcements and fabrics) and the



2020 Executive of the Year Tom Pitstick, second from left, has championed the use of the Gates Industrial Corporation Foundation to support non-profits in local communities.

processes used to make the products.

“The way we’re looking at innovation is that all three are required to really have a significant impact on new product performance,” he said. “You might need the new material to enable some new performance, but maybe the existing processes don’t work with that material so you need to innovate the process, too.”

Besides his father, Pitstick said he has taken professional inspiration and leadership traits from Albert Einstein, Robert Oppenheimer and Gen. Leslie Richard Groves Jr., all of whom were essential to the work on the Manhattan Project, the development of the first atomic bombs in Oak Ridge, Tenn.; Los Alamos, N.M.; and Hanford, Wash.

“These were the engineers who pushed the frontiers of science,” he said. “There was sheer excellence in the way they approached their problems. And these were immigrants, whose stories were essential to the story of America and entrepreneurialism.”

Stepping up, staying informed

When a situation is complex and constantly changing like the current pandemic, the message and communications should be simple, especially in a company with thousands of employees like Gates, Pitstick said.

“Any time you can make things more basic, that is important,” he said. “Communication is key. With a startup company, it’s real easy to communicate with a

few people—not so with a larger company. So we overcommunicated any time we saw something.”

And that goes for all forms of correspondence—from email, to weekly leadership meetings, to Zoom calls. In total, Pitstick spearheaded more than 100 communications with employees, internal and external stakeholders, customers and suppliers.

“At the onset of the pandemic, Tom demonstrated effective leadership, coordinating Gates’ worldwide senior leadership teams in a series of weekly global pulse calls with more than 250 leaders representing more than 100 Gates facilities in 30 countries around the globe,” his colleagues noted in the nomination letter. “Moreover, Tom oversaw successful multi-channel communications efforts to Gates’ customers and partners across the web, social platforms, media engagements and customer and supplier letters.”

And while no one at Gates has been through a pandemic before, the 109-year-old company certainly has with the 1918 Spanish flu.

“In crazy times like this, the executives and floor folks alike are all learning together,” he said. “It doesn’t matter who you are, none of us have been through this before. Core philosophies are important.”

Though specific procedures from 1918 may not have been practical for the coronavirus pandemic, Pitstick said the global nature of the company today has been a guiding asset.

"I called it an advantage, having 100-plus locations in China, India and throughout Europe and the Americas," he said. "We watched the progression of the virus from mainland China and implemented what they learned there. But news from local health authorities didn't flow perfectly. We were implementing procedures in China, Japan, Singapore and Taiwan, all while the U.S. was behind, wondering what this was."

An outbreak that occurred in South Korea affected three Gates employees, and Pitstick used the situation to help shape the company's tracing and quarantine policies elsewhere.

Pitstick and Gates implemented social distancing in factories, reconfigured work spaces and break room spaces, closed gym facilities and staggered start

times. The company put up copious signage and reminders to stay home if an employee felt sick.

Early on, the company instituted temperature checks for all employees.

"We still do it three times a day at our headquarters now," he said.

Pitstick said he was guided by four principles with his pandemic determinations, most importantly ensuring the safety of employees; going above and beyond the call of duty with adherence to regulations; making a concerted effort to maintain customer support; and promoting the idea that everything done as a collective, with a team-oriented philosophy, makes the group stronger.

"More gets done, policies are emboldened, the team buys in and solutions are found, from the production floor in pre-

venting the virus to the engineers making the innovations to the executives making the big calls as a chaotic market fluctuates," Pitstick said.

Juggling the myriad government bodies and their regulations across 30 countries required a team of lawyers and quick implementation from Pitstick.

"We have different regulations in two counties—12 miles apart—in Denver alone," Pitstick said. "Our lawyers did a great job of keeping track of regulations. And sometimes, many times, the statements from politicians and the actual regulations were at odds, so it made it very important to read the details of every regulatory order. Often times Gates already was ahead of the game in terms of implementing protocols, learning from policies that worked—and those that did

Steady leadership brings clarity to Gates' global staff

By Andrew Schunk
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Rubber & Plastics News Executive of the Year Tom Pitstick literally is known the world over—at least within the global Gates Corp. community—for his leadership during this difficult and chaotic past year.

From China to Singapore, to the plains of Kansas and the foothills of the Rockies where Pitstick is based in Denver, the senior vice president of strategic planning and chief marketing officer for the manufacturer of power transmission belts and fluid power products made his mark when the stakes were highest.

"With Tom's strong leadership and guidance, Gates Greater China is the first country back to 'normal' from COVID-19," said Janey Zhang, human resources director for Gates Great China, based in Suzhou. "Tom demonstrates excellent change management leadership corresponding to facing an uncertain environment, communicating to address concerns from employees and stakeholders, and putting preventive procedures and measures in place to help Gates protect our employees and continue to serve our customers."

Teng Seng Khoo, president of Gates East Asia and India based in Singapore, congratulated Pitstick on his "well-deserved award."

"Tom's leadership in keeping our global leaders connected and informed has made a marked difference in helping us manage through this pandemic," Khoo said.

Pitstick said he keeps clear and honest communication—what he calls "overcommunication"—with all levels of Gates employees at the forefront of his management style. The past year, he noted, proved challenging in juggling the changing and dizzying regulatory missives that different cities, counties, states and countries implemented throughout the pandemic.

He cited the Greater Denver region as an example of why "reading the regulatory fine print" is crucial, as there are different regulations between counties there—counties that are only 20 minutes from each other.

"Tom has done an outstanding job of reinforcing the importance of continued communications for the Gates Corp.," said Teri Porter, human resource director for the Gates facility in Iola, Kan. "During these pandemic times, Tom has taken the lead for Gates, which has allowed us all to remain informed as to the changing environment and to make the best decisions to support all our sites globally."

Another Gates worker with the technology development department in Denver said Pitstick continues to demonstrate "optimism, diplomacy and

empathy," invaluable, measured virtues at a time when patience has worn thin and emotions are frayed for many.

"Tom is our front line for decisions and communication during the pandemic," said Carol Weber, director of the Gates Technology Center in Denver. "It's more than what he did to ensure we knew the business impacts, personnel support and global conditions; it is the way he continues to do it."

Another Gates employee who has known Pitstick since he began with the company in 2016 said his management of the global regulations and challenges, clear communications to the global Gates work force and ability to copy what has been successful in countries that are "ahead of the game" in their pandemic response, has translated to a positive bottom line for Gates.

"Tom has been a key leader in the Gates COVID Task Team in the last 10 months," said Mary O'Neill, senior vice president of lean manufacturing at Gates. "He has been diligent in keeping all the global challenges that we have been faced with in the forefront of the organization. His leadership in the development of the protocols to deal with the COVID virus has allowed our manufacturing sites, distribution centers and offices to continue to operate safely and provide products and services to our customers."



Gates Corp.'s Tom Pitstick rides a Big Wheel during a charity event.



While none of Gates Corp.'s employees have been through a pandemic before, the company itself has experience with the 1918 Spanish flu. Here, Gates employees practice safe protocols as they were known 102 years ago.

not—in other countries.

“Gates leaders around the world took on the challenge, realizing we are all in it together—and our geographic footprint helped us.”

Pitstick also championed a humanitarian response through the Gates Industrial Corporation Foundation, empowering Gates leaders across the globe to target charitable donations within their local communities. The foundation donated more than \$535,000 to 150 non-profits directly responding to the pandemic, with more than \$100,000 given in Gates’ hometown of Denver alone. The foundation also offered double matching for U.S. employee

donations to COVID-19-related organizations, totaling an additional \$34,000 made in charitable contributions.

“One of things we did when our heads were back above water was to ask, how can we use our resources to help? This was so global and pervasive,” Pitstick said. “So we left it up to individual sites to figure out how to deploy the funds, and we went region for region. Who are we in Denver to figure out what the team in Poland needs?”

As for supply problems, Pitstick said the company tends to manufacture for China in China, and for Europe in Europe.

“India was the one place where we did see a country-wide shutdown,” he said.

“But from a raw materials standpoint, we really did not see any problems. There were some late orders and others who were closed here and there, but alternate sources were found and we shifted capacity all around.”

Pitstick said that after the trough of the curve occurred in the second quarter, earnings have shown sequential improvement. Third-quarter net sales of \$712.2 million decreased 4.6 percent over the prior-year quarter net sales of \$746.6 million, according to Gates’ third quarter earnings report. Revenues have progressively strengthened, driven by improvement of sales into replacement channels, which outperformed those in OE channels, with the automotive replacement channel returning to solid growth in Europe, China and North America.

“We are generally seeing recovery trends in every geography and end market. It’s not totally back to normal, but it’s pretty darn close,” Pitstick said. “At one point I looked out my window here in Denver to see the cars, and you wondered for awhile where the neutron bomb went off. Now we are cautiously optimistic and excited about the prospect of a vaccine.”

Brighter horizons ahead

What do the next 100 years hold for Gates? One of the challenges falls directly on Pitstick’s shoulders.

“One of the biggest things is how fast can we get new stuff out there,” he said. “We have accelerated innovation, its cadence and its output. How do we get these things to market?”

Pitstick said the company eyes the autonomous and electric vehicle markets as a “content opportunity,” because the non-internal combustion engine vehicles likely will have lots of hoses, water pumps and belts.

“The question on EVs is not really if, but when,” Pitstick said. “We are excited about the opportunity relative to the broader vehicle market.”

Regardless of the era—whether 1918, 2020 or a future with a “new normal”—Pitstick said perseverance is critical.

“We began by making horse bridles, those turned into belts for cars and those became V-belts,” he said. “We will need to reinvent ourselves again. Companies who do not revitalize do not survive for 109 years.

“But we cannot rest on our laurels. We need to fail fast and learn quickly. Perseverance, resilience and grit—we want people working together as the entire production is more effective that way.”