

A PUBLICATION OF KOCH COMPANIES

Discovery

Volume 26 | Number 1 | April 2020



**Transformative times call
for transformative people.**



Once again, I want to commend you for all that you are accomplishing during these uncertain and challenging times. The fact that we remain committed to providing the essential products and services that people value and rely on is exemplary. This important work is more vital than ever, and I thank each of you for what you are doing to fulfill our Vision of benefitting others.

In keeping with our Guiding Principles, we are doing our utmost to promote your health and safety during this COVID-19 pandemic. That is why we are taking additional precautions in all our workplaces to create a safe and secure environment. As you know, we are following the CDC guidelines, practicing social distancing, installing additional sanitizing stations and working to ensure our facilities are carefully cleaned. Our IT teams have leveraged cloud-based technologies to enable streamlined, secure remote work capabilities. We have also coordinated with insurance providers to extend benefits and alleviate any costs associated with COVID-19 testing.

You can be proud of the fact that Georgia-Pacific is working tirelessly to produce much-needed bath tissue, paper towels and hand sanitizer. Phillips-Medisize is ensuring the supply chain for its pharmaceutical and medical device customers remains uninterrupted.

Molex is providing parts for life-saving ventilators. Flint Hills Resources is supplying the resin used to make COVID testing kits. John Zink Hamworthy Combustion is using its 3D printers to help make face shields for frontline care providers. More than 85 percent of COVID-19 tests in the United States are directed to labs using Infor's healthcare IT platforms. Several of our sites have donated products ranging from vital protective gear to ingredients for hand sanitizer. And, the Stand Together community is working with the Family Independence Initiative to launch [#GiveTogetherNow](#), an online effort that helps those families hit hardest by the coronavirus crisis to get immediate cash assistance.

I am especially impressed with the innovations of our frontline employees that are enabling us to do an even better job of being safe, effective and compliant. In addition, you are finding new ways to add value for our customers that will be used in the years to come.

At INVISTA, for instance, an augmented reality technology deploys a smartphone as the computing device. This has become a vital tool used about 200 times per week. Working in cooperation with Mira Labs, INVISTA employees at seven sites are using this hands-free, wearable technology to communicate interactively with remote subject matter experts. This eliminates the need for travel (difficult today, and always expensive and time consuming) by enabling real-time learning and problem solving.

You are also doing a great job of using the many other technology-driven tools we have added since 2010. It's exciting to see employees using virtual technology to enable contractors to help complete important site work, even when quarantined miles away, and customers who are providing us with real-time inventory data that helps us serve them more efficiently. Many of our plant employees are now able to safely and efficiently control processes while working remotely — something employees a decade ago could only dream about.

As you will see from the stories in this issue of *Discovery*, technology-driven transformations all across Koch have better equipped us for dealing with this unprecedented challenge.

You deserve praise for your contributions and innovations — today and every day — but especially now. I want you to know how proud I am of what you are accomplishing during these difficult times.

A handwritten signature in black ink that reads "Charles Koch". The signature is fluid and cursive.

Charles Koch, chairman and CEO, Koch Industries, Inc.



STAY HOME

THE NEW myHR


It's not coming soon. It's here now. (Thank goodness.)

KOCHmyHR.com

When government officials around the world began issuing bans and shutdown orders in response to the coronavirus pandemic, Koch was able to identify employees affected by those orders in record time, thanks to a new technology platform called myHR.

“This new tool couldn’t have come at a better time,” said Koch Industries’ president and COO, Dave Robertson. “It has helped make our compliance and EHS teams more effective during this crisis, and is the leading edge of a real transformation for Koch HR.”

For the first time in Koch’s 80-year history, the company is equipped with an HR database that includes every employee working for every Koch company in every location. That’s a total of 130,000 employees in more than 70 countries.



“When we began working on this idea three years ago,” said Walt Malone, vice president of human resources for Koch Industries, “we knew it would be a big improvement, but we had no idea it would become so valuable so soon.”

Walt Malone is KII’s vice president of human resources.

FELT UNEASE

In November 2016, the leaders of several Koch businesses concluded that the company needed to make a major investment in better technology platforms. Topping their list of priorities was new HR technology.

“When our business leaders looked across Koch, they realized we lacked connectivity because many of our companies — especially recent acquisitions — had different HR systems,” Malone said. “We couldn’t share knowledge easily, which meant people missed out on opportunities for better roles.”

The inability to leverage Koch’s resources was also causing redundancies and inefficiencies in the HR capability, “all because we didn’t have ready access to the information we needed,” Malone said. “It was a wasteful situation.”

VISION OF SOMETHING BETTER

To solve those problems, the company began investigating a much more integrated approach. “We wanted to implement a truly global solution,” said Steve Feilmeier, Koch Industries’ CFO, “something to help our HR team think like one capability instead of a fragmented, decentralized collection of capabilities.”

Leaders also agreed there was a need for stronger data security. Farther down the priority list, but still worth pursuing, were better training and development tools, elimination of duplicate systems and less reliance on paper records.

“On top of all that, we needed a scalable solution,” Malone said, “something that can work everywhere and anywhere.”

With those short- and long-range goals in mind, the search for a new system began.

DELIVERABLES

What the HR team wanted was a system that better served our key constituents: Koch businesses, employees, supervisors, candidates and the HR capability itself.

Ideally, the new system should help businesses integrate acquisitions faster, provide better insight into our talent and open roles, and allow greater access to employees and supervisors so they can make informed decisions.

Employees should be able to view important data — such as paycheck information — on mobile devices and have more transparent ways of tracking career opportunities with Koch anywhere in the world.

Supervisors needed easier access to employee information, better workflow and learning tools, and improved analytics to support their decision making.

For HR, the goal was a single system that could advance the transformation of the HR capability through better insight into talent and how to best deliver services to the businesses in a more strategic, scalable, and efficient way.

Delivering all these things would require a transformation of the way Koch HR operated.

OUR OWN BACKYARD

Thanks to Koch’s [majority investment in Infor](#) in 2017, the transformation team soon realized that the best option for achieving Koch’s HR goals might just be in-house.

Infor is a tech provider known for creating streamlined, easy-to-use enterprisewide solutions. It had a great track record and numerous happy customers. But just to make sure it could provide the right solution for HR, Koch brought in a knowledgeable third party — the consulting firm Deloitte — to verify Infor’s potential.

Deloitte not only saw great things in what Infor could do for Koch, but they also saw opportunities to leverage Infor’s capabilities at Deloitte. Although developing that potential took a bit longer than some had expected, by December 2, 2019, Koch was ready to implement the first phase of Infor’s global HR technology.

ONLY THE BEGINNING

When myHR went live last December, several key foundational pieces were put into place: the myHR portal (Koch’s user interface); Infor Global HR (software which makes a variety of self-service transactions possible); Infor Go (a mobile app); Get HR Help (case management and knowledge); Birst Reporting (a reporting tool); and a series of scorecards and analytics for spotting trends.

The transformation of Koch HR involved more than just new technology. Three new HR Service Centers were opened to support the global enterprise in Katowice, Poland; Bangalore, India; and Shanghai, China.

In addition, myHR content is now being provided in the eight core languages spoken by more than 90% of Koch employees globally: English, French, German, Japanese, Korean, Mandarin/Simplified Chinese, Polish and Spanish.

“All of this — and that’s quite a list — was just the first phase of our three-phase plan,” Malone said. “We wanted to start by building a foundational structure where all our employee information could be in one system.” Now that Koch has that foundation, Malone says, “we can accelerate the design and use of our leveraged capabilities (such as Talent Solutions, Compliance and Total Rewards), and strengthen the capability of our HR business partners.”

IS IT WORKING?

One of the key benefits of myHR is the way it enables self-service. Statistics compiled during the past five months reveal that employees are certainly taking advantage of those options. Since December:

- About 70,000 employees (more than half of Koch’s global population) have logged in to myHR.
- At least 20,000 of those logins were from mobile devices.
- More than 220,000 transactions have been completed using the new system (at least 65,000 of them compensation related).
- Knowledge sharing has increased: myHR online articles have been reviewed about 137,000 times.
- HR Solutions has conducted approximately 18,000 chats, helping resolve issues more quickly than ever.



“ myHR delivers the foundation for us to advance our investment in human capital, enabling Koch to respond quickly to changes in the workforce — including gig workers, freelancers, contractors and traditional employees. ”



Cara Channault-Reid, COO for Koch Global Services, believes the time it took for Infor to develop — and Koch to implement — myHR was well worth the wait.

“What we are seeing is that our employees, regardless of their role, were fully prepared to embrace this new world of self-service,” Malone said.

He also notes that employees are updating their personal information in the system. Supervisors are initiating compensation changes, submitting transfers and better managing non-employees. And Koch’s HR teams are now better positioned to strategically support their businesses.

“I don’t want to suggest that myHR is a silver bullet for every HR issue,” Malone cautions. “We’re not promising perfection here. But it is true that we’re already seeing a huge improvement in many areas. And as we roll out the next phases in our plan, things should only get better.”

WHAT’S NEXT?

By the end of this year, Malone expects to see implementation of additional functions focused on talent acquisition, “so we can do a better job of communicating openings and opportunities, and then acquiring, developing, placing, rewarding and retaining the best talent.”

After that, sometime in 2021 or beyond, even more advanced digital technologies are possible.

“We’re investigating things such as new learning and development platforms, advanced predictive analytics and maybe even artificial intelligence and virtual training assistance.

“None of that would be possible if we hadn’t established a great foundation for Koch with myHR.”

THE TRANSFORMATION IMPERATIVE

KII chairman and CEO Charles Koch has made it clear that every Koch business and capability needs to rethink how to deliver value in a better way. “Change is not a choice,” he says. “It’s a matter of survival.”

Koch HR’s transformation is not the only example in the company. Koch’s legal and communications capabilities, and Koch Engineered Solutions — among many others — are already undergoing major changes. Malone is proud to lead one of the groups who are doing the same.

“Implementing the new HR Operating Model and new system has been a long and often challenging process,” he admits, “but we’re doing the right things for the right reason in the right way.

“When you look at myHR as part of our overall strategy, we believe that employees will be better off, the company will perform better and our customers will benefit more because of this change.

“We want to make it easier for every employee to self-actualize by doing a better job of matching their capabilities with our opportunities,” Malone said.

“We also want supervisors to have more efficient tools for processing role changes, movement of talent, visibility of enterprise talent or spotting trends that might become an issue.”

Although Malone is proud of what human resources has accomplished, he’s also aware of the complexities involved in “getting it right” for 130,000 employees. And he’s careful not to assume that any tool can do all the work. “This is as much about changing how we work as it is about technology.

“As employees and supervisors, we still need to have conversations and share knowledge in person. A tool like myHR can never replace thoughtful actions and personal interaction, but it can improve and facilitate communication.

“Bottom line, a change like this is all about mutual benefit. And that starts by making things better for every employee.”



ALL IN. ALL TOGETHER.

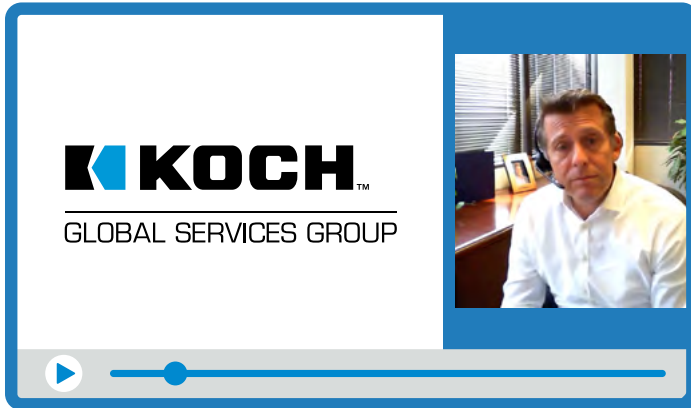
With all the challenges and disruptions affecting us these days, it would be easy to overlook a significant — and positive — change that happened April 1: the introduction of Koch Global Services Group.

KGS is the new name for the shared services teams that have been known by at least a dozen acronyms over the years, including KBS (for Koch Business Solutions, formed in 2001).

“This is about what’s next — about helping to further transformation for all of Koch,” said Richard Swan, president of KBS since 2013. During a global Teams meeting with coworkers on April 1, Swan emphasized the need for KGS employees to be “All In,” and “All Together.”

“All In,’ means that we not only understand our Vision and strategies but are fully committed to implementing them. The ‘All Together’ reminds us we must become a global team with no more silos, working as one organization together with our preferred partners, whoever or wherever they may be.” (Swan notes that the colors of all Koch companies were used for the banner “All In. All Together.”)

[KGS’s Vision](#) calls for innovating and transforming the consumer experience by using technology and other solutions in ways that enable Koch companies to create value. By working all together, KGS’s goal is to provide a global shared services and business solutions capability that can help eliminate waste and create value worth billions of dollars.



Richard Swan announcing Koch Global Services Group on April 1st.

WHAT SERVICES DOES KGS PROVIDE?

- IT Infrastructure, Security and Leveraged Applications
- Global Help Desk
- Data & Analytics, Process Automation
- Payroll, Benefits, Recruiting and Relocation
- Facilities & Real Estate
- Global Finance Services (such as Record to Report)

A HISTORY OF TRANSFORMATION

“Twenty years ago,” Swan noted, “there were less than 200 employees in this capability, with a more limited scope of services offered, and all of them based in Wichita. They served an organization that was less than one-sixth the size of today’s Koch Industries.”

Twelve years ago, KBS launched an effort to bring together the infrastructure teams for FHR, KII Human Resources and the newly acquired INVISTA and Georgia-Pacific teams. In 2013, the year Koch acquired Molex, KBS began establishing sites in Europe and Asia.

“Today,” Swan said, “we have 1,800 employees in 20 countries supporting a global workforce of 130,000 employees in more than 70 countries. All these acquisitions — including Guardian and, most recently,

Infor — have forced us to evolve our capabilities in ways that benefit a bigger and much more complex organization.”

And that, Swan says, is the essence of KGS’s existence. “We are a collection of shared service capabilities partnering with and serving Koch companies to create superior value.”

ACID TEST

Swan believes the COVID-19 pandemic has highlighted the importance of preparation and transformation.

“The fact that so many of our office-based employees have been able to work remotely is because we were prepared before this crisis hit,” Swan said.

“With the support of the Koch companies we had already rolled out Office 365 collaboration tools, which helped forge a path for future software and cloud strategies. Last December [see page 3] we helped launch a new, global platform for our HR team to use in supporting employees. It’s easy now to see the value of establishing operations outside the U.S. that can help ensure our ability to provide support functions without interruption.”

Through the success of projects like these, “and our commitment to learning through mistakes and failures along the way,” Swan is proud of how KGS has continually transformed and improved. “That’s never going to stop.”

Swan believes KGS is now at a tipping point. “We have more employees outside the U.S. than within.” That’s why the launch of Koch Global Services, with its new approach and new commitment to service, is more than just a name change.

“It’s a way of bringing focus to who we are as a global organization. It simplifies the way our customers can engage with their shared service provider. It also enables KGS employees to more easily connect with how they’re expected to work.

“KGS and ‘All In. All Together.’ better represents who we are and who we are striving to be.”



2019 YEAR IN REVIEW

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DISCOVERY | APRIL 2020 | VOLUME 26 | NUMBER 1

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