

When John Lennon wrote the song “We Can Work It Out” in the 1960’s, he could have been writing about Peter Browning. When events whirl around him, Browning can make bold decisions with an acute awareness of how those decisions affect others. He is the consummate change-maker, and colleagues say Browning’s change-making skills have made him an effective manager and board director. Where others ruffle feathers, Browning makes them float.

“Peter has an ability to navigate and manage change, whether it’s the turnaround of a business or changes in leadership,” says Dona D. Young, CEO of The Phoenix Cos. Inc. She sits with Browning on the board of both Phoenix and Wachovia Corp. “During a major change, it’s important to be empathetic to what’s going on and the impact it can have on the organization and its people.”

It was just this “we can work it out” attitude that prompted Continental Can executives to call on Browning to turn around its troubled White Cap division back in 1984. Only 43 years old, Browning had just successfully turned around Continental’s ailing paper cup and plate division. Management now wanted him to do the same with White Cap. Within two years, White Cap’s units sales were expected to rise more than 5% and costs were down as much as 8%.

Browning’s success at White Cap prompted Harvard Business School to use it as a case study for class discussions. And it led to a call from a search firm two years later to turn around National Gypsum Co., which was hurting from asbestos court claims and a softening economy. Twenty days after he took over as chairman and CEO, the company filed for bankruptcy, and he spent the next three years taking it through the process.

From there, he went on to Sonoco Products Co., where he was named president in 1996 and CEO in 1998. He was the first non-family member to run this successful 100-year old global packaging

company, and he remained there until his retirement in 2000.

Browning currently sits on six corporate boards and uses his well honed skills as a change-maker to smooth the transition in the succession process, a process in which he has been involved — and has often led — at nearly every company on whose board he sits.

Case in point: When, at an informal breakfast meeting a few years ago, Lowe’s CEO Robert Tillman announced plans to leave the company well before he turned 65, the directors were surprised. Tillman had led Lowe’s dramatic transformation from small stores in the Southeast that primarily served builders

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DONA D. YOUNG • CEO • THE PHOENIX COS. INC.

to a national retail chain. And both Tillman and the company were performing particularly well.

“I remember making the comment to him, ‘Things are going extraordinarily well here. We’re right at our peak. We’d like to keep you here till you’re 125,’” Browning says.

The board had the delicate task of finding candidates and installing them in places where their performance could be assessed without alerting the markets to the fact that Tillman was leaving. Eventually, it turned to the company’s 41-year old CFO, Robert Niblock, who had been with the company 10 years.

Claudine Malone, president and CEO of Financial & Management Consulting,

Inc., a consulting firm, and a member of the Lowe’s board, says Browning oversaw the entire transition, working with management to assure that it would be seamless. “Peter really thought all of that through,” Malone says. “And he worked with management to help determine the timing of everything, how much Bob would participate, how much Robert Niblock would participate. Peter worked with both of them as a sounding board, because you only have one CEO on deck at a time.”

Browning himself calls that transition process “carefully rehearsed spontaneity.”

Choosing an heir at Charlotte-based Nucor Corp., America’s largest steel producer, was not as easy. Browning led the succession process there, too, which resulted in Dan DiMicco’s taking over as CEO in September 2000. But initially, DiMicco was not the obvious choice. Because of Nucor’s unique culture, where some 23 division heads reported directly to the CEO, it was hard to find a candidate senior enough to have displayed CEO-type leadership skills.

It didn’t help that as then-CEO David Aycock was slated to retire, the company was replacing its “insider” board members with more independent directors. Nearly two thirds of the board at that point was new.

The company had just gone through great turmoil. There had been a boardroom coup in January of 1999, in which the company’s longtime chairman, Ken Iverson, was forced into retirement. In June 1999, his successor, John Correnti, was voted out of power. Aycock, 68, had retired as president of the company in 1991 but was still on its board. Amid the upheaval, he was named chairman, CEO and president.

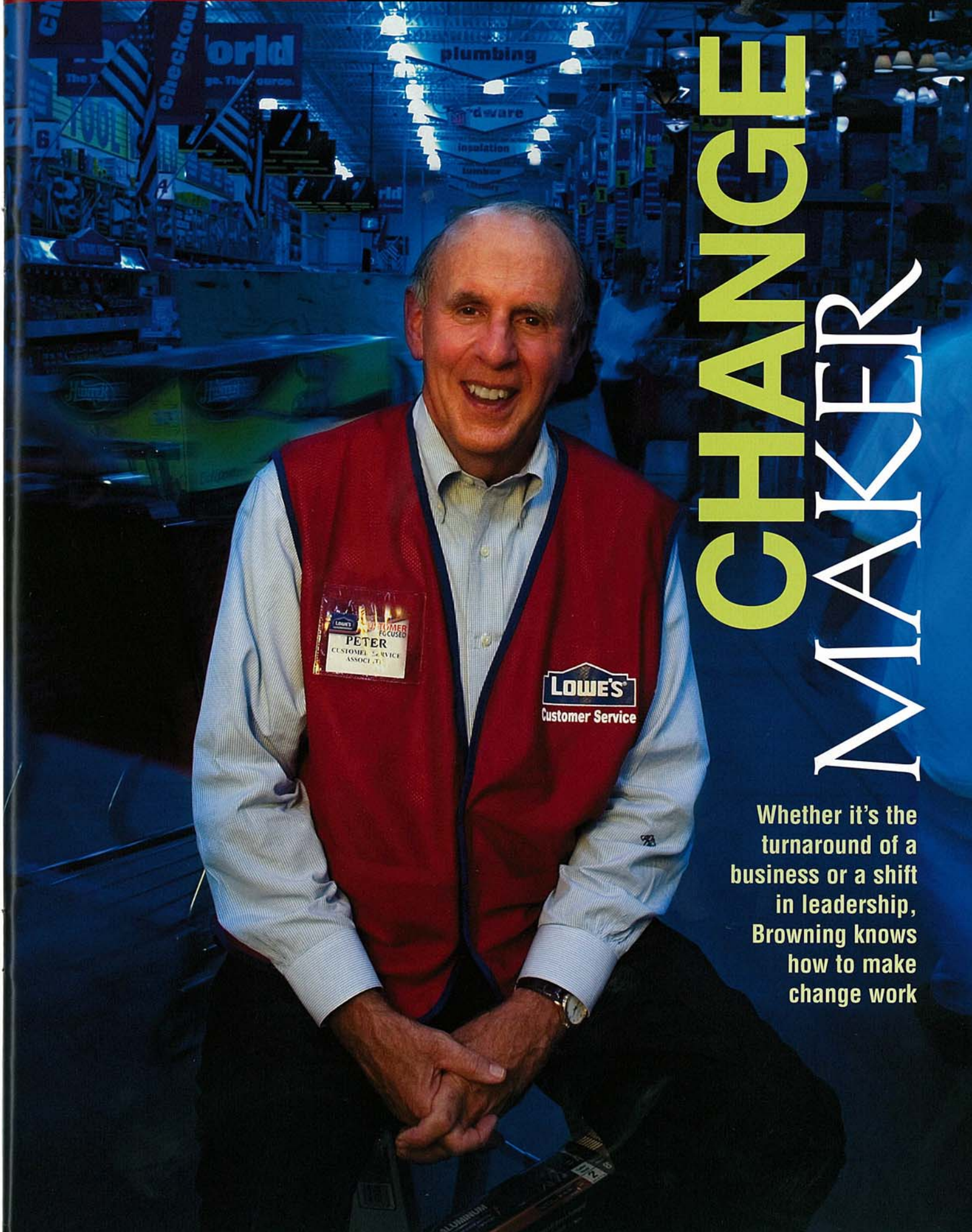
As the board looked for his successor, there were four or five candidates.

Browning and Aycock created management and leadership opportunities for them all so that their performance could be tested.

“Peter worked very closely with the former CEO in creating these positions so that we would have a succession pool to choose from,” says Dr. Victoria Haynes,

PETER C. BROWNING

Outstanding Director for managing change at Lowe's and Nucor



CHANGE MAKER

Whether it's the turnaround of a business or a shift in leadership, Browning knows how to make change work

BORN: Boston, Mass., on Sept. 2, 1941

EDUCATION: B.A, History, Colgate University; M.B.A., University of Chicago

CAREER HISTORY: Dean, McColl Graduate School of Business at Queens University of Charlotte; president/CEO, Sonoco Products; chairman/CEO National Gypsum; executive vice president, Continental Can Co.; president, Bondware and White Cap divisions, Continental Can

FAMILY : Married to Kathy for 30 years; four children, three grandchildren

HOMETOWN: Raised in Allentown, Pa.; now lives in Charlotte, N.C., with a second home in Georgetown, S.C.

MOST MEMORABLE SUMMER JOB: Laborer in the quarry of a cement plant

BEST VACATION IN PAST FIVE YEARS: Sea kayaking 600 miles above the Arctic Circle, off the Norway coast; seeing Antarctica; visiting Bolivia and Peru, including Lake Titicaca and Machu Picchu

WON'T LEAVE HOME WITHOUT: A book

BEST BOOK READ OVER LAST YEAR: *The Peloponnesian War*, by Donald Kagan

FAVORITE MOVIE SEEN OVER LAST YEAR: *The Bourne Supremacy*

FAVORITE QUOTATION: "Great things are done when men and mountains meet."
—William Blake

FAVORITE COMPOSER: Mendelssohn (particularly Viola Concerto in E Minor)

IF I COULD HAVE DINNER WITH A FAMOUS AMERICAN, IT WOULD BE: Benjamin Franklin — "I admire his down-to-earth forthright intelligence, insight and practical wisdom."

CURRENT CORPORATE BOARDS: Acuity Brands, Inc., EnPro Industries, Inc.; Lowe's Companies, Inc.; Nucor Corp.; The Phoenix Companies, Inc.; and Wachovia Corp.



who sat on Nucor's board with Browning.

DiMicco, who came up through the ranks and headed up the Nucor-Yamato Steel Company joint division, was ultimately chosen, but because of his inexperience, Browning was made non-executive chairman to help smooth the transition.

DiMicco took over during the economic downturn, a time when the steel industry was floundering and scores of steel companies were going belly-up. Not only did the company survive, but it remained profitable and is now outperforming the rest of the sector. Nucor reported record earnings and sales for

the second quarter of 2004 as well as for the first half of the year.

Consolidated net earnings for the first half of 2004 were \$364.7 million (\$4.59 per diluted share), compared with \$26.2 million (\$0.33 per diluted share) in the first half of 2003.

Browning certainly helped to work it out. As non-executive chairman, he took on many of DiMicco's corporate governance responsibilities, enabling DiMicco to focus on running the business.

DiMicco says Browning made friends in management by respecting Nucor's unique egalitarian culture, which pays

employees base salaries that are about 10% below the national median but doles out lucrative bonuses for good performance. DiMicco shares his secretarial staff with four other executives and often answers his own phone.

"When a company has a unique culture, that culture is at risk when you have people who are totally unfamiliar with it," DiMicco says. "Peter made sure we maintained that culture."

Jerry J. Jasinowski, president of the National Association of Manufacturers and a member of The Phoenix Cos. board, says Browning smoothed the CEO transition at Phoenix as well when Young was elevated to that role in January 2003 after the company's former CEO, Bob Fiondella, suffered a heart attack. "Peter is especially good at managing change because of his deep operating experience, his familiarity with a variety of industries and circumstances and his delicate people skills," Jasinowski says. "He can bring to bear strong operating recommendations without getting people in the company all upset."

As the old saw goes, those who can, do; those who can't, teach. Browning turns that maxim upside down. After retiring from Sonoco in 2000, he began applying his change management skills to his newest venture: Dean of the McColl Graduate School of Business at Queens University in Charlotte, North Carolina. At McColl Browning is working to transform what was once a sleepy little school into the region's preeminent institution for business education

If there is one criticism that some might throw at Browning, it's that he sits on too many boards. Six, to be exact: Lowe's, Nucor, Phoenix, Wachovia, Acuity Brands and EnPro Industries. In his defense, Browning points out that all of the companies except Phoenix and Acuity Brands are based in Charlotte, where he lives, making it easy for him to attend meetings. In fact, he says he retired from the board of Sykes Enterprises because it was based in Florida.

"I don't miss any board meetings, and four of them are right here in town," he says. "I handle it." O