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## **KOCH INDUSTRIES, INC. CHAIRMAN AND CEO WRITES BUSINESS BOOK**

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### ***The Science of Success Released to a Global Audience***

**Wichita, Kan.** – In a compelling new business book, **Charles G. Koch**, chairman and chief executive officer of **Koch Industries, Inc.**, describes his Market-Based Management<sup>®</sup> philosophy, which he credits for his company's 2,100-fold growth since 1961 to a company with \$90 billion in revenues in 2006, a presence in nearly 60 countries and about 80,000 employees. *Forbes* calls Koch Industries the "world's largest private company."

**THE SCIENCE OF SUCCESS: How Market-Based Management Built the World's Largest Private Company** ([www.kochscienceofsuccess.com](http://www.kochscienceofsuccess.com)) provides unique insight into this extraordinary corporate success story. Since the book's release in March by John Wiley & Sons Inc., it has ranked among the top 100 business books sold on Amazon.com.

Active in refining and chemicals, process equipment and technologies, fibers and polymers, commodity and financial trading, and forest and consumer products, Wichita-based Koch Industries has completed acquisitions worth about \$29 billion since 2003.

Market-Based Management was born from Mr. Koch's hands-on experience and life-long study of economics, natural science, philosophy, psychology, political theory and history. MBM, the resulting business philosophy, is that bridge between theory and practice. It transforms theory into successful practice by developing derivative theories and experimental applications to develop new tools for confronting ongoing business challenges.

*The Science of Success* explains and teaches how businesses can achieve long-term growth and success by applying proven principles and an appreciation of the science of human behavior. Drawing on Koch's experience, including successes and failures, *The Science of Success* describes the five dimensions through which MBM is implemented:

- **Vision**—Determining where and how the organization can create the greatest long-term value.
- **Virtue and Talents**—Ensuring that people with the right values, skills and capabilities are hired, retained and developed.
- **Knowledge Processes**—Creating, acquiring, sharing and applying relevant knowledge and efficiently measuring and tracking profitability.
- **Decision Rights**—Ensuring that the right people are in the right roles with the right authorities to make decisions and holding them accountable.
- **Incentives**—Rewarding people according to the value they create for the organization.

When these dimensions are applied in an integrated, disciplined and mutually reinforcing manner, they can foster a culture of continuous transformation and create long-term value for customers and societies.

In a March 7 *Wall Street Journal* review, Mark Skousen wrote, “For years, many businesses and business schools have tried to develop ways that create ‘long-term value,’ just as MBM does, by utilizing concepts such as internal profit centers, local autonomy, economic value added and comparative advantage. Clearly, Mr. Koch doesn’t have a monopoly on these ideas. But he is far ahead of the curve in his unrelenting and systematic application of them.”

The book has also been reviewed on Forbes.com, the *Wichita Eagle*, the *Washington Times*, and in numerous daily newspapers and Web sites. The book’s dust jacket includes comments from business notables T. Boone Pickens, William Harrison, former chairman and CEO of JPMorgan Chase & Co., Rob Walton, chairman of Wal-Mart, and Richard L. Sharp, chairman of CarMax.

*The Science of Success* is ultimately about a never-ending process of learning and improvement as well as a how-to approach for driving constructive change within a company. Koch continues to aggressively improve and apply this philosophy within his firm to encourage innovations that create value for society.

**About the Author:**

**Charles G. Koch** is chairman and chief executive officer of Koch Industries, Inc., a position he has held since 1967. Koch Industries owns a diverse group of companies involved in areas from refining and ranching to chemicals and consumer products. Since 1961, the company has grown about 2,100-fold, more than 17 times the S&P 500 assuming the same reinvestment of dividends. Familiar Koch company brands include STAINMASTER® carpet, LYCRA® spandex, Quilted Northern® tissue, and Dixie® cups. Mr. Koch received his bachelor’s degree in general engineering and two master’s degrees—in nuclear and chemical engineering—from the Massachusetts Institute of Technology.

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