



AggMan of the Year 2006

From safety, environmental, and operational issues to acquisitions and asset swaps, Nye knows aggregates inside and out.

In the aggregates industry, successful leaders — from plant superintendents to corporate executives — must wear many hats. An increasingly complex series of factors ranging from the ability to acquire and permit new reserves to keeping employees safe and highly productive can make all the difference between success and failure in a typically low-margin business such as aggregates.

Like most indispensable leaders, C. Howard “Ward” Nye, president and COO of Martin Marietta Materials, Inc., understands those various roles and executes them all with style and grace, as well as genuine appreciation of both the industry and the people who work in it. In recognition of those skills and his contributions to the aggregates industry, the staff of *Aggregates Manager* is pleased to recognize Ward Nye as the AggMan of the Year for 2006.

“Ward has shown a tremendous personal commitment to the betterment of the aggregates industry throughout his career,” says Stephen P. Zelnak, chairman and CEO of Martin Marietta Materials, Inc. “His involvement in NSSGA activities and his impact on industry issues have been exceptional.”

“Ward Nye was one of the first industry executives with whom I had the privilege to meet upon my joining the National Stone, Sand & Gravel Association (NSSGA) nearly 10 years ago,” adds Joy Wilson, NSSGA president and CEO.

“His observations on the challenges of the industry and the association’s capacity to bring member expertise, intellect, and clout to the solutions convinced me that this was a strategic leader who thought long term.”

Early experience

Like many people in the aggregates industry, Nye came to the business following in his father’s footsteps. However, in his case, those footsteps traveled through law school and a stint in trial courts before entering full time into the construction materials industry.

‘Ward has shown a tremendous personal commitment to the betterment of the aggregates industry.’ — Stephen P. Zelnak, chairman and CEO, Martin Marietta Materials, Inc.

“I grew up around the industry,” Nye says. “It has been something I’ve literally known all my life.” Before Nye was born, his father, an attorney with a background in engineering, was hired as legal counsel for The Nello L. Teer Co., a Durham, N.C.-based contracting and construction materials company.

After graduating with a bachelor’s degree from Duke University and getting his law degree from Wake Forest University, Nye returned to the Raleigh-Durham area. He says that the number of Wake Forest law graduates sitting on the bench in that part of the nation was indicative of Wake Forest’s strong trial

advocacy programs and was very appealing to a 22-year-old budding trial lawyer.

However, like his father, Nye’s legal background and familiarity with construction materials made him attractive to companies within the aggregates industry. By the time he had completed his education, the former Pittsburgh-based Koppers Co. had bought out Nello L. Teer and was in a rapid expansion period. That meant that it needed legal counsel to assist it throughout a series of acquisitions and growth initiatives.

“Among other things, Koppers was

looking to open greenfield sites throughout North Carolina and the southeastern United States in particular,” Nye says. “Because of the timing, I did a lot of land use work for them almost out of the chute. In the process of doing that, we permitted probably half a dozen quarries in a span of three or four years.”

Nye says that he became immersed with the people running those businesses. “You get to know the line management, the executive management, and the quarry operators very well,” he adds. “Quite frankly, it was something I really took to. I enjoyed the people.”

: Ward Nye

Legal eagle

For six years, Nye worked almost exclusively on permitting new sites as an outside attorney working for Koppers and its successors. And, as the industry boom continued, so did the consolidation trend. During the late '80s, Koppers was purchased by British-owned Beazer PLC. Not long after, Beazer itself was acquired by Hanson PLC.

"Shortly after Hanson had acquired Beazer, Hanson opted to put their headquarters for their eastern United States building materials business in the Research Triangle Park area of North Carolina," Nye recalls.

During the summer of 1993, a Hanson executive approached Nye and asked him if he would consider becoming an in-house attorney for the company. "It seemed to me that it would be an intriguing thing to do at the time," he says. "I thought that it would be a particularly instructive opportunity for a few years, but I still viewed myself as a lawyer and believed I would return to private practice at some point in time."

A few months later, he began working for Hanson, and one of his early responsibilities was to determine what fell under the auspices of the division's legal department. A role initially focused on litigation, land use, and insurance work quickly expanded to include environmental, safety, and human resources issues as well.

By the late '90s, Hanson underwent a major shift in its business strategy. As part of that evolution, Hanson transformed itself from being an industrial conglomerate into a company that was



Photos courtesy of Martin Marietta Materials, Inc.

In 2006, Ward Nye was named president and chief operating officer for Martin Marietta Materials.

At Hanson Aggregates East, Nye had operating responsibility for more than 150 operations in 12 states.

focused on the building materials industry. Through a series of de-mergers, the company spun off business units such as Jacuzzi, Tommy Armour Golf, Farberware, Imperial Tobacco, Peabody Coal, and Millennium Chemicals into separately traded public companies.

Corporate development

Following a series of divestitures, Hanson positioned itself to increase its world-wide presence in the construction materials market. "Hanson was a focused building materials company with a lot of cash on the balance sheet," Nye says. "The stated aim at that point was to grow that business substantially, but responsibly. Hanson wanted to deploy a series of people, not just in North America but around the world, in corporate development — or mergers and acquisitions."

With his legal background and permitting experience, Nye once again found himself seeking out new operations for a company, this time Hanson. "I continued to do a good bit of legal work and continued to oversee the environmental and safety aspects," Nye says, "but my role (as vice president of business development) from 1997 until 2000 was primarily dedicated to growing the business by identifying companies that would be interested in selling."

Typically, that involved meeting with interested parties, entering into confidentiality agreements, letters of intent, going through the due diligence process, entering into either asset purchase agreements or stock purchase agreements, and working to close the transactions, he says.

"In many respects, the biggest phase of that growth initiative culminated with Hanson's acquisition of Pioneer," Nye says. That acquisition, one of the largest during a decade of intense consolidation, gave Hanson the size and

scope that it sought. It also precipitated a new role for Nye.

Management material

From 2000 until 2003, Nye served as president of Hanson Aggregates East, one of three Hanson divisions that were each operated as somewhat independent entities. There, he had operating responsibility for more than 150 operations in 12 states and fiscal responsibility for the division's annual revenue of more than \$500 million.

By 2003, however, Hanson determined that it should collapse the three separate divisions, East, Central, and West, into a single consolidated aggregates business unit in order to better manage its overhead, implement best practices, and streamline its overall U.S. business.

***'Ward has served the industry by responding every time he has been asked, providing good counsel to numerous programs.'* — Charles E. Hawkins III, CAE, NSSGA executive vice president and COO**

Through the unification of the three business units, Nye pulled up stakes from his long-time home of North Carolina and moved to Dallas to serve as executive vice president of Hanson Aggregates.

Throughout his 13-year tenure at Hanson, Nye says that he felt the company achieved a significant number of accomplishments. "First and foremost, we had a safety record that continued to improve year after year," he says. "That was awfully important. The fact is that you've got a moral obligation to make sure people are going home at the end of their day safely. It's simply the right thing to do. Aside from it being a moral imperative, it's good business."

"I was proud of what we were able to do as a team, and most importantly,

sustain relative to the safety program and operational side of the business," he adds. "It's always interesting in any environment, operationally or from an ESH (environmental, safety, and health) perspective, to see what type of difference you can make early on when putting in a process improvement. You go in, analyze, make some wholesale changes here or surgical there, and typically see some improvement. But, to sustain improvement and grow it from its new benchmark is the true test."

Nye says he's also proud of the way the Hanson organization grew its business in a responsible manner. "When I look back on that time, I'm very pleased about the way the corporation matured and grew in a fiscally responsible manner," he says. "If you're not always mindful of what you do on the cost and

spend side of the business, it's very difficult to be successful."

Although he ran Hanson Aggregates East during a recession, good business practices allowed the company to do well despite the economically difficult time period.

Last, but not least, one of the highlights of his employment with Hanson was the quality of people he worked with. "I would say that Hanson has some very good people," Nye says. "It's an organization I have great regard for."

Industry involvement

Throughout his career, Nye has been active with state and national groups. From serving on the board of the North Carolina Aggregates Association to chairing NSSGA's Council of Counsel, he gives generously of his time with pertinent industry groups.

"Ward has served the industry by responding every time he has been asked, providing good counsel to numerous programs," says NSSGA Executive Vice President and COO Charles E. Hawkins III, CAE.

For example, when former alliance

Family man

On the personal front, Ward Nye has been married to his wife, Laura, for 18 years. Like her husband, Laura has a law degree and worked as an assistant district attorney before becoming a full-time mother to the couple's three children: 15-year-old Liza, 11-year-old Ellie, and 9-year-old James.

Nye reviews corporate information with Anne H. Lloyd, chief financial officer and treasurer of Martin Marietta Materials, Inc.

chair Don Williamson was preparing to retire from both Rogers Group and active NSSGA duties, association leadership approached Nye and asked him if he would be willing to chair the NSSGA alliance team. Through his work on the MSHA-NSSGA Alliance, Nye has helped drive initiatives to further the alliance's goals of reducing accidents and fatalities throughout the industry.

"NSSGA relies on Ward's sound judgment and wisdom in a vast array of issues ranging from risk management to worker safety and health to defending the industry's interests in federal court," Wilson notes.

"I certainly hope to continue in that and other pertinent roles," Nye says. "In particular, there are certain things I'd like to see accomplished with this alliance as far as the way communications work and seeing some of these (accident and fatality) numbers come down."

Nye is also a board member at the American Road and Transportation Builders Association and participates in the group's government affairs efforts in Washington, D.C. "ARTBA does a fine job of understanding what's going on in Congress, where the drivers are, who you need to talk to, when you need to talk to them, and the messages that need to be delivered," Nye says.

Executive duties

This summer, after 13 years with Hanson, Nye became Martin Marietta Materials, Inc.'s president and COO. With large portions of Martin Marietta's business located in both Texas and North Carolina — markets that Nye knows very well — the fit was a good one.

"Due to physical proximity to where I was throughout a lot of my career, I know the Martin Marietta business and footprint relatively well; at least as well as an outsider — at the time — could know the business," Nye says. "I've also known Steve Zelnak and a number of members of his management team for



the better part of 15 years and have had a very good relationship with them. Thus, to be a part of this group was enormously appealing."

Since moving back to North Carolina and becoming part of that business, Nye says that he's even more appreciative of the company's long-term planning strategy and assets, including both operations and people.

"These are outstanding people and, importantly, the organization has fostered a culture that is open, supportive, and superb. When those attributes are combined with assets that are well positioned for a long-term and very strong future, it's a powerful combination."

He's also developed an appreciation for being in the company's home office where decisions are made in a streamlined, efficient manner. "From an organizational perspective, I'm now in the corporate headquarters," Nye notes. "It is certainly a place where decisions can be and are made very quickly and very seamlessly. It's very efficient."

Industry evolution

As Nye looks toward both the future of the industry and his future at Martin Marietta, he notes that two factors continue to influence how the industry operates: consolidation and technology.

"You have to look at the way the industry has clearly consolidated over the last 10 years," Nye says. "That said, the price to be involved in that process just continues to go up and up and up. Nonetheless, I think people in the investment community and elsewhere are coming to realize how enormously valuable permitted, quality reserves, that are strategically located, truly are."

While the economic impact of regulatory issues and permitting difficulties may continue to drive consolidation, he

says that he doesn't expect the industry to wholly be dominated by a handful of companies like smaller geographical nations such as the United Kingdom. However, he notes that an interesting development to monitor is how businesses that have not traditionally been core aggregates companies continue to want to be involved in the industry.

And, as some large companies continue to become larger, Nye says that the entrepreneurial spirit inherent in many family-owned businesses is likely to continue to keep a mix of small businesses active throughout the industry.

In terms of automation, Nye says that he believes the technology revolution is still in its early stages. "What I'm stunned by is how much I think technology could continue to change the industry during the next 10 years," Nye says.

"It's (technology) put machinery in places where you had to have human beings in the past. At times, it's taking people out of harm's way," he adds. "This is not a dangerous industry per se, but it is one where you have to exercise care in what you do. I think automation is going to be a big help to the industry and the people who work in the mines, but it will also drive a step change in productivity."

Whatever changes influence the future of the industry, Ward Nye, AggMan of the Year for 2006, is likely to navigate them well. With a clear understanding of the variety of factors that determine the difference between success and failure, Nye will continue to be one of the aggregates industry's outstanding leaders.

As NSSGA's Wilson says, "Ward truly fits the description of an 'indispensable man.'" **AM**