



Why Culture Matters

A thriving, high-performance culture is critical to business success. Learn why from CEOs across several industries who made culture a key strategy to drive many business goals.



HEIDRICK & STRUGGLES

Change culture, drive results.

Every culture needs a strategy. What's yours?



Mike Marino
President and CEO

Times have changed. When we first began working on culture with clients nearly 40 years ago, we spent a lot of time educating skeptical leaders about what culture is, how it affects the organization for better or worse, and how it can be shaped to improve spirit and performance. There has been a significant evolution. The soft stuff has become the hard stuff. CEOs know that culture has a big impact in enabling business strategy to succeed. Some even say that it is not just a differentiator, but THE differentiator.

The impact of culture on performance can be measured and is significant. Companies with a strong culture built on a foundation of a clear purpose and aligned values outperform other firms by a large margin on several key indicators, including revenue growth, employment growth, employee engagement, stock price growth, and jobs growth.



Dr. Larry Senn
Chairman

Today's most successful companies create high-performance cultures as a key strategy to address urgent and complex business challenges, including organizational restructuring, changes in top leadership, new business models, M&A, turnaround strategies, large-scale infrastructure changes or technology-driven change initiatives.

Being intentional and strategic about driving the culture you want and need requires changing the behaviors and mindset of your leaders, teams, and the organization. Done poorly, it can end up being yet another failed improvement program. It all begins with choosing the right culture-shaping partner.

As the culture-shaping division of Heidrick & Struggles International, Inc., the premier provider of executive search, culture shaping, and leadership consulting services worldwide, Senn Delaney is uniquely qualified to guide your culture transformation. We hope you find value in these case studies that demonstrate why culture matters and makes a difference to our clients on many levels.

To learn even more about how culture drives performance, visit:

www.sennnelaney.com/culturedrivesperformance/



Creating a high-performance culture to drive results is within sight

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“We have seen improvement on every front. We are now in the top five percent in the nation on associate satisfaction. In clinical quality, almost every one of our quality scores is in the top quartile. We have gone from a BBB bond rating to a A+ bond rating with Standard & Poors and Moody’s. Our customer satisfaction – our patient satisfaction scores – also are achieving top quartile.”

— Gary Shorb, former CEO, Methodist Le Bonheur Healthcare

Methodist Le Bonheur Healthcare

‘Power of One’ culture improves performance, quality, patient satisfaction

Methodist Le Bonheur Healthcare is an integrated, not-for-profit, faith-based healthcare system located in Memphis, Tennessee. An eight-hospital system with \$1.6 billion in revenue and 12,500 associates, it is very committed to its mission. In the spirit of continuous improvement, Methodist began partnering with Senn Delaney in 2010 to drive a “Power of One” culture throughout the healthcare system.

Goals of the Power of One culture

“It was a number of years ago that we really decided that the vision for the organization needed to be one that created a healthcare system that was one of the best in the country,” said then CEO Gary Shorb.

“We knew that the missing ingredient was our culture; that we really had to address that.” Years of trying to follow management guru Jim Collins’ roadmap of disciplined people, disciplined thought, disciplined action, did not bring about the change that was needed, he said. “You can have all the best talent, the best plans and you can have the best strategy, objectives and goals. But without the culture piece being absolutely right, we were not going to achieve the kind of results we needed to achieve. It is the magic that makes everything else work.” Goals for the culture work included:

- gain national recognition in *U.S. News and World Report*
- achieve outstanding financial results
- achieve top quartile scores in clinical quality and patient satisfaction
- improve employee engagement scores
- create a system mindset so that decisions are made for the greater good
- create a consistent, patient-centred experience across all hospitals and systems

- improve leadership teamwork and interaction across all hospitals and systems

Results from the culture-shaping work

The Power of One serves as the touchstone for Methodist Le Bonheur’s patient and family-centred culture of compassion. At the heart of Power of One are the MLH values: Service, Quality, Integrity, Teamwork and Innovation. The values are continually reinforced to help people understand how to work together to serve patients, their families, and the community.

Shorb said the results have been outstanding: “We have seen improvement on every front. We are now in the top five percent in the nation on associate satisfaction. In clinical quality, almost every one of our quality scores is in the top quartile. We have gone from a BBB bond rating to a A+ bond rating with Standard & Poors and Moody’s. Our customer satisfaction – our patient satisfaction scores – also are achieving top quartile.”

He adds: “One of our goals was to be listed in the *US News and World Report* as an outstanding hospital. And we are the best in the region on the adult side. And Le Bonheur is listed as one of the top children’s hospitals nationally. And we are top five percent in the Morehead Associate Feedback Survey.”

The Power of One culture has also enabled the healthcare system to create a consistent patient experience from hospital to hospital and across its corporate functions by building on an already strong foundation to take performance to an even higher level.

Shorb added that there is noticeable improvement on the executive team in strategic alignment, annual planning, and budgeting, broader system thinking, a climate of trust and engagement, and sharing of best practices. “I am really proud that we now have the evidence that’s demonstrating that this journey is working and working extremely well.”



“People ask me all the time what is USAA’s secret sauce? I keep telling them that a big piece of it is the culture of this company, and it has given us a huge business advantage. You can see the improvement in customer satisfaction. You can see the business results and how we outperformed a lot of our competitors over the past three to four years. We’ve always done well, but it’s especially coming through now because of the strengthening of our culture.”

— Gen. Joe Robles, former CEO, USAA

USAA

A client-focused culture and higher purpose breeds success

A financial services company serving military members and their families, USAA has a long, successful history and an enviable customer service reputation. When Gen. Joe Robles took over as president and CEO in December 2007, he wanted to take the company to even higher levels of excellence to fulfill its mission.

Goals of the culture shaping

Senn Delaney was engaged to enhance the culture. There was a need to shift the strategy from siloed lines of business individually serving members to an entire enterprise serving the members with a committed focus on the culture of going above and beyond—and doing the right thing because it is the right thing to do.

A set of six cultural objectives called ‘My Commitment to Service’ was established to engage, align and focus individuals on USAA’s mission, customers, and fellow employees. In addition, a set of ‘Going Above’ concepts was integrated as a shared language and definition of what the USAA culture should be.

Results from the culture-shaping work

Then CEO Robles attributed a big part of USAA’s success to the passionate commitment of leaders and frontline employees to USAA’s six ‘My Commitment to Service’ cultural pillars and to working from a higher purpose of serving military families.

The culture has created a distinct competitive advantage that has helped USAA not only survive the economic downturn, but thrive and grow.

“People ask me all the time what is USAA’s secret sauce? I keep telling them that a big piece of it is the culture of this company, and it has given us a huge business advantage.” He adds: “You can see the improvement in customer

satisfaction. You can see the business results and how we outperformed a lot of our competitors over the past three to four years. We’ve always done well, but it’s especially coming through now because of the strengthening of our culture.”

Under Robles’ leadership, USAA grew members by 53% revenue by 45%, net worth by 68%, and increased assets owned and managed by 59%—all during one of the worst US economic downturns in recent history.

During that same period, which included some of the costliest catastrophe years in USAA history, the company returned \$7.3 billion to members and customers through dividends, distributions, bank rebates, and rewards, and remained among just a handful of companies to earn the highest possible ratings for financial strength from Moody’s, A.M. Best and Standard & Poor’s.

USAA consistently receives outstanding awards and ratings for member service, employee well-being, and financial strength. It has been the number one or two company in America in customer satisfaction for several years.

Under Robles’ tenure, USAA has ranked No. 1 for customer service, satisfaction or advocacy by *Bloomberg Businessweek*, *MSN Money*, and the American Association of Individual Investors, among others.

It has also received number one place-to-work rankings from *Computerworld* magazine, *G.I. Jobs* magazine, *Military Spouse* magazine, as well as many other workplace accolades from such publications as *FORTUNE*, *Latina Style*, and *Diversity/Careers*.

When Robles retired in early 2015, he looked back on his 20 years at the helm, writing a poignant parting column on LinkedIn where he is a top influencer. He stated: “If I’ve had a guiding principle in my career, it is this: Take care of your people, and they will take of your customers. I hope I’ve fulfilled that leadership mandate.”



“Our growth rate is the strongest it’s been in several years and it’s all organic, or internal, growth. That can only happen if everyone on the team is working to be at their best. Thanks to the work we’ve been doing to shape a more positive, collaborative and accountable corporate culture, I think we’re in a better position to tackle future challenges than ever before.”

— Phil Wenger, Chief Executive Officer, Fulton Financial Corporation

Fulton Financial Corporation

Ending the blame game to restore accountability and high performance

For both individuals and organizations, it’s much easier to be successful when things are going well. In profitable, high-performing companies, employees seem happier, more optimistic, more energized, more willing to collaborate. There is a higher level of trust and accountability. People tend to see solutions instead of problems, and seem more willing to go above and beyond to contribute new and bold ideas. But when times get tough, sliding financial results can paint a sobering picture. Cracks begin to surface, and these cracks show up in behaviors. At first slowly, and then very quickly, the symptoms point to an unhealthy culture: productivity declines, creativity and innovation stall, top talent heads for the exit.

One organization that turned to culture change in such a situation was Fulton Financial Corporation. Now a regional financial holding company with nearly 35,000 employees and \$16.9 billion in assets under management, it was founded in Lancaster, Pennsylvania, by local merchants and farmers as Fulton National Bank in 1882. Today Fulton provides a variety of financial services through subsidiary banks in Pennsylvania and four other US states.

When the 2008–09 recession hit, Fulton was among the many financial services companies fighting to survive. Instead of working together to overcome challenges with agility and collaboration, leaders began playing the role of victims. Unhealthy behaviors of blame, lack of accountability, and resistance to change led the CEO Phil Wenger to determine that a culture shift was needed to enable a return to high performance to create a lasting, brighter future.

Among the goals of the culture program

Wenger wanted to create a lot more accountability and overcome clear resistance to change. “It would have been a whole lot better if we had done it about seven years earlier. But, it just was absolutely necessary at that point in time for our survival.

We wanted to improve in every area. We were an organization that accepted mediocrity, and in a lot of cases, accepted less than mediocrity. We were victims and were having a really difficult time understanding what needed to change for us to be successful again.”

Results from creating The Fulton Experience culture

Senn Delaney helped Wenger and the senior team to simplify the organization values from 12 to six and add a change value that has enabled a mindset shift to one of always being ready to change. A higher purpose was established and communicated to guide the organization for years to come. Key culture concepts of The Fulton Experience, the values and the purpose, are being embedded into the organization’s DNA and integrated into all learning programs and a recognition program.

The culture work has created more accountability and vitality, and helped restore Fulton Financial to growth and positive performance. Wenger said the organization feels much different. “People are energized. They understand what accountability means and what it can do to drive success.”

He believes that that culture is also enabling improvements in performance. “Most of the numbers that we measure ourselves by are moving in a positive direction. Before this process, our valuation was underperforming compared to our peers’ average; now we’re performing better than average.

“Our growth rate is the strongest it’s been in several years and it’s all organic, or internal, growth. That can only happen through everyone’s efforts if everyone on the team is working to be at their best. No one really has any idea what the future holds. But we do know it’s useless to play the victim. Thanks to the work we’ve been doing to shape a more positive, collaborative, and accountable corporate culture, I think we’re in a better position to tackle future challenges than ever before.”



“The culture has been one of the hallmark strengths of First Horizon and First Tennessee, and I think our team was able to maintain that strength in a period of significant change. Our core companies have done very well. They’ve been strong and getting stronger. That shows up in our customer satisfaction data, both our internal and our external surveying, and it shows up in the anecdotes that we get, the experiences around the organization.”

— Bryan Jordan, chairman, president and CEO, First Horizon National Corporation

First Horizon National Corp.

Rebuilding the ‘Firstpower’ culture to become adaptable to major change

Within months of becoming president and chief executive officer of First Horizon National Corporation, Bryan Jordan faced a massive challenge that would test his leadership and the company’s stability. The economic crisis struck the financial services industry with a fury. Change happens at a typically sedate pace in financial institutions. But the industry faced dramatic change seemingly overnight.

Before the crisis struck, First Horizon had expanded well beyond its regional Tennessee banking and capital markets roots to a \$38-billion financial services company with more than 13,000 full-time staff and national mortgage lending and commercial real estate businesses.

Jordan had to lead an aggressive turnaround with deep cuts, a near complete turnover of executive management, and the sale of First Horizon’s national mortgage company and other businesses. He quickly shifted the company’s emphasis from expansion to refocus on its core businesses of regional banking and capital markets. He also moved swiftly to reshape the culture, knowing it would play a strong role in the company’s future success.

Goals of the culture transformation

Jordan’s strategic focus was on creating long-term earning power by improving profitability, productivity, and efficiency, optimising its business mix, and investing in core businesses and talent. He engaged Senn Delaney to help shift the culture to respond to the rapidly changing environment.

“We had a very strong culture, but your greatest strength can also be a weakness if it’s not aligned to the changing circumstances,” noted Jordan. “We believed that we needed to deal with the cultural aspects in order to create the business model and the momentum that we wanted.”

His goals were clear: “We wanted to take that great culture and make the modifications that would allow it to be flexible for the future. It was more about increasing communication and candor, breaking down the historical hierarchical rigidity that had been built in over time, allowing the organization to push down decision making, creating accountability, and creating communication about direction and decisions that allowed us overall to be a lot more adaptable to a rapidly changing environment.”

Results from the culture-shaping work

By shifting the long-established “Firstpower” culture, a more flexible, nimble, and accountable organization emerged. First Horizon returned to profitability and improved performance. Other results included:

- won 13 Greenwich Excellence Awards for customer satisfaction
- had one of the highest customer retention rates of any bank in the country with 95% retention of target households in Consumer Market Performance Indicator Report October 2013
- First Tennessee ranked among the best in South Central region in 2013 J.D. Power and Associates’ Retail Banking Satisfaction Study
- rated best bank to work for in the country in 2013-14 by American Banker

“I think our team was able to maintain that strength in a period of significant change,” said Jordan. “Our core companies have done very well. They’ve been strong and getting stronger. That shows up in our customer satisfaction data, both our internal and our external surveying, and it shows up in the anecdotes that we get; the experiences around the organization.”



“If you look at the way our culture is today, it’s significantly different than it was six or seven years ago. It’s been a real turnaround financially. In fact, our financial performance is probably the best it’s ever been compared to our peers, probably at least in the last 20 years. Embracing those concepts and seeing my team aligned and working together for one set of results and having a will to win, of succeeding and not just settling for good enough, but always going for excellence, has been terrific and very rewarding.”

—Tom Voss, former chairman, president and CEO, Ameren

Ameren

Restoring high performance and winning in key categories

At a time when it faced numerous challenges, including rising customer expectations, increased government regulation, and a poor safety record, St. Louis-based electricity and natural gas utility Ameren also found itself with a culture headed in the wrong direction.

The unhealthy culture was marked by a lack of alignment and engagement among the company’s senior leaders. To then-CEO Tom Voss, the leaders lacked the “will to win.” They were texting during meetings, making decisions in hallways rather than during meetings, and settling for good enough instead of striving for performance excellence.

There was an absence of coaching and a general lack of a sense of accountability. This became particularly apparent when Ameren company leaders were quick to look everywhere but inside for the source of the problem when they faced financial setbacks in 2007. The result was a financially vulnerable company that was having difficulty meeting consumer expectations and was suffering from one of the worst safety records in its industry.

Goals of the culture transformation

Voss and Ameren’s executive leadership recognized the need to reshape the company’s culture. Senn Delaney was engaged to guide the culture-shaping program that Ameren called “Project Unfreeze” in order to enable short and long-term business strategies as it navigated an increasingly dynamic business environment, rapidly advancing technologies, fluctuating market forces, increased regulatory mandates, and evolving customer expectations.

Voss and Ameren’s executive leadership set clear goals: “We defined winning in four categories. Certainly we wanted to have continuous improvement in safety. We want to have

a top tier of customer satisfaction. We want to have a top-tier performance in employee engagement, and we want to have a top-tier performance in total shareholder return.”

Voss understood the importance of approaching that cultural transformation from the top down. “It can’t succeed unless the senior people are totally behind it and show the rest of the workforce they’re totally behind it,” he said.

“We started at the very top; went through our top management. We went through everybody,” Voss said. “We went through all our union workers, right down to all the clerks. Everybody in the company received this Project Unfreeze training and it’s now very much a part of Ameren.”

Results of the culture transformation

According to Voss, the culture work has been a big factor in helping Ameren achieve goals of top-tier performance in safety, total return on shareholder value, customer satisfaction, employee engagement, and operational excellence. “If you look at the way our culture is today, it’s significantly different than it was six or seven years ago,” says Voss, who retired from Ameren and its board of directors in July, 2014.

“Ameren is now performing at a very high level, within the top quartile of our industry and certainly within the top half in shareholder return. We actually passed that. We were always in the bottom half. So, it’s been a real turnaround financially. In fact, our financial performance is the best it’s ever been compared to our peers, probably at least in the last 20 years.”

It’s a company where everyone from senior management through the entire workforce is engaged in achieving goals aligned around safety, diversity, open communications, and top financial performance. The will to win is alive and strong once again.

“We have increased by 100% the value of our market capitalization, the total value of the equity investors in our company, and we’ve delivered total shareholder returns over that nine-year period of 161% compared to 147% for the median of our peer group and about 69% for the S&P 500. You can’t get those kinds of financial results without the teammates across the company pulling together in a healthy way that’s focused on high performance.”

— Thomas E. Skains, chairman, president and CEO, Piedmont Natural Gas



Piedmont Natural Gas

Creating the Piedmont Pride culture of high performance for continued success

As it looked to stimulate growth in a slow-recovering economy, increase productivity, lower the cost of delivering great customer service, and improve overall performance, leaders at Charlotte, N.C.–based Piedmont Natural Gas recognized that company culture was the key to achieving those goals.

The natural gas provider for more than one million residential and business customers in North Carolina, South Carolina and Tennessee, the utility has been in operation for more than 50 years with a long history of excellent performance.

To successfully position the company to address the business and market changes it faced, Thomas E. Skains, Piedmont’s chairman, president and CEO, engaged Senn Delaney to shift the company’s culture to a healthy, high performance “Piedmont Pride” culture built around the principles at the heart of the company’s values.

Goals of the culture transformation

As one of his key strategies, Skains decided to focus on the cultural health of the utility and create a high-performance culture to improve performance.

He wanted to shift the culture from a command-and-control style of corporate culture and bring down functional silos, improve communications, overcome resistance to change and create a company better prepared to be successful in a rapidly changing market environment.

“We needed a place where we could grow and develop our employees to thrive in an organizational culture for the long term.”

Senn Delaney guided Skains and the senior team to create the Piedmont Pride culture, which is built on the values of

integrity, respect, excellence, stewardship, and health. The company instilled the Piedmont Pride culture program from the top down, starting with Skains and the executive management team. Then, over the next few years, it embedded the culture through the entire organization.

Results of the culture transformation

Skains cites the Piedmont Pride culture as the most important factor in achieving stellar financial results, improving customer satisfaction, employee health and safety, and in providing a Thriving work environment that engages workers and attracts the best talent. The culture work helped Piedmont achieve several results:

- increased by 100% value its market capitalization — the total value of the equity investors in the company
- delivered total shareholder returns over a nine-year period of 161% compared to 147% for the median of its peer group and about 69% for the S&P 500
- fostered a culture of safety that has led to a better safety record: Piedmont saw a significant drop in its Occupational Health and Safety Administration recordable employee injury rate, from 3.8 in 2010 to 2.0 in 2012, the lowest in its history
- improved employee engagement: workforce commitment indicator in 97th percentile of national businesses and industry

“You can’t get those kinds of financial results without the teammates across the company pulling together in a healthy way that’s focused on high performance,” Skains said. “This is an intentional strategy that we’ve had with a lot of dedication and commitment and resources focused on the health of our organization. We support our entire program with the alignment of a lot of systems and processes.”

“Certainly, the success today has been driven by the culture that we’ve been working on and everything that we’ve been able to accomplish because we have developed a culture that is formulating around the kinds of things we want to do. A big difference today versus back then is that folks didn’t think we couldn’t win. You don’t hear that anymore. People know that we are out there to compete, we are out there to win, we are out there to be faster and better than everybody else.”

— Robert Flexon, CEO, Dynegy



Dynegy

Restoring a faltering company to an energy generation powerhouse

As great companies rise and fall on the price of oil and gas in today’s volatile marketplace, one company in Houston, Dynegy, is growing rapidly following its bankruptcy in 2011. At its peak, Dynegy was a Houston energy juggernaut with investors holding the company in high regard. By 2011, it faced many financial and leadership challenges, including an overleveraged balance sheet and changes in leadership and governance. The company underwent a series of restructurings, and in late 2011 sought bankruptcy protection.

When Robert Flexon took the helm as CEO in 2011, he saw opportunity in the chaos. Restructuring and re-direction presented an ideal opportunity to work on the culture to restore a belief in winning and rebuild trust and agility. Just two days after the company emerged from bankruptcy court, Flexon unveiled the cultural overhaul, and it became an important pillar of its successful turnaround strategy.

“I recognized we had to do financial restructuring—that was imminent. Operationally, we had to restructure the company as well; drive reliability of the assets, also get the right people in the right spots to run the organization in the right way. And third but most importantly was the cultural restructuring that had to take place. We were just not going to be successful with the other two elements of restructuring, or it would be fleeting if the culture wasn’t changed with it,” says Flexon.

Goals of the culture reset

The investment in the culture was a fundamental move to build and unite a strong team to lead the organization and develop a clear strategy; while at the same time inject a renewed spirit of inspiration and winning to foster a powerful executive shadow. A key goal was to create a spirit of collaboration that focused all of Dynegy employees on the unifying concept of ‘one team, one goal’.

Results of the culture transformation

Flexon attributes its dramatic comeback story to a turnaround strategy that utilized a culture restart to create the fuel needed to propel it back to an agile, fast-growing company with people energized by the ‘one team, one goal’ strategy.

The company’s purpose of Energizing You, Powering Our Communities, and its values of safety, responsibility, integrity, collaboration, and agility serve as an anchor, aligned with the company’s strategy and structure, and is enabling the desired outcomes that are moving the company forward successfully to a secure and stable future.

Dynegy has reestablished itself as an energy powerhouse with revenues of \$5.5 billion. It reported full year and fourth quarter earnings for 2015 of \$850 million in consolidated Adjusted EBITDA, a \$503-million increase over 2014. After several acquisitions that grew the company three-fold in size and footprint in three years, it now operates power generating facilities in eight states in the Midwest, the Northeast, and the West Coast.

In December of 2015, Dynegy received the Platts Global Energy Awards’ Strategic Deal of the Year Award in recognition of its simultaneous acquisitions of EquiPower Resources and Duke’s Midwest generation assets and retail business. Platts noted the transactions transformed the company and shot Dynegy from the eighth- to third-largest independent power generator in the U.S. In August 2016, Dynegy received the Top Ranking customer satisfaction in Ohio according to J.D. Power’s 2016 Retail Electric Provider Residential Customer Satisfaction Study.

“Dynegy probably would not exist today if we hadn’t done these new acquisitions; if we didn’t have the agility to do those kinds of things. It really gets back to culture just really energizes an organization,” says Flexon.



“2011 was our best year. We achieved our fifth consecutive year of core category sales and EBITDA growth and delivered on all of our financial targets. The acquisition of Findus in Italy has been transformational and I am proud of the management team’s ability to integrate a large-scale business. We are Europe’s leading ‘pure-play’ branded frozen food business, with all three businesses delivering net sales growth.”

— Martin Glenn, former CEO, Iglo Group

Iglo Group

Creating a competitive, collaborative culture to enable growth

Having acquired the Italian Findus business at the end of 2010, Iglo Group (formerly Iglo Foods Group), had become a truly European business operating in 11 countries. It was poised to realize the goal of being the market-leading frozen foods business in Europe.

With a relatively new executive team and an ambitious plan of aggressive top-line growth and improved synergies and productivity, it needed to revamp its culture to realize these important goals.

Then CEO Martin Glenn engaged Senn Delaney to help create a high-performance culture throughout the company to support and enable these ambitions.

Goals of the culture shaping

“We felt we’d built a platform for growth and we wanted to accelerate,” said Glenn. “We realized that our biggest barrier was us; not the marketplace, not our competitors, but how we were operating; how we were behaving with each other. We needed to take a fresh look at trying to make a modern, progressive culture work for us across the European business.”

There were clear goals for the culture-shaping work. There was a matrix organization that needed a common language and values to enable idea sharing, leveraging best practices, and making decisions across the enterprise. An expanded leadership team, with new members, needed to be aligned around the common culture. Multiple legacy cultures, especially at the top, had to be integrated.

Other goals included:

- create a high-performance culture throughout the organization to enable a growth strategy
- foster a culture of outward competitiveness and

inward collaboration to enable achievement of business goals and effective operation in the matrix

- connect people with the compelling purpose of the business
- capture the spirit of the organization and inspire everyone
- create an environment of teamwork, focus, and decisiveness, not just at times of crisis but during usual business operations
- create a positive energy to enable top-line growth

Senn Delaney worked with Glenn and the executive leadership team to create a fresh set of values called PACE (Performance, Ambition, Collaboration and Energy), aligning the whole organization around these values and focusing the business on key areas that would make the most difference in achieving Iglo’s ambition.

Results of the culture shaping

Glenn credited the creation of a clear, unifying purpose, and the work to define and bring its core PACE values to life throughout the organization. This created a culture that has been a key enabler for success. Within a year, the company grew at a rapid pace to become a European sector leader.

Among other results:

- better decision making and sharing of ideas, enabling the Findus acquisition to be quickly integrated
- record financial performance in 2011
- increased employee engagement
- market share growth in almost every market
- named Food Manufacturing Company of the Year in 2012 by the Food Manufacturing Excellence Awards in recognition for all-around excellence, innovation and impressive business performance

“In the end, we are not doing things that are very different from our competitors. We’re investing, we’re transforming, and we’re cutting costs. But why are we successful so far while others are not? I think it’s about the soft issues. It’s about changing the mindset of the people. What made the difference was the ‘Good to Gold’ culture. This was the glue that enabled us to bring all these transformational elements together.”

— Dominique Leroy, CEO, Proximus



Proximus

Creating a growth mindset to make stalled telecom giant ‘Fit for Growth’

Rising competition in the European telecommunications industry is pressuring companies across the sector and forcing some players to question their business models in an effort to stay competitive and relevant to customers. A flagship company of the BEL 20 headquartered in Brussels, Proximus (formerly Belgacom), the majority state-owned telecommunications, IT, and media company, was at such a crossroads.

Proximus had become overly complex and slow. In addition, a period of leadership turmoil and market saturation resulted in nearly a decade of zero growth. Leaders were seeking ways to restore the telecommunications firm to profitability, regain lost market, simplify, and stay competitive and relevant to customers.

In January 2014, the Belgian government appointed Dominique Leroy for a six-year term as chief executive. She joined Proximus in 2012 as executive vice president of the Consumer Business Unit after a 24-year leadership career at Unilever. In her initial EVP role at Proximus, she sponsored the culture-shaping process that Senn Delaney was helping the company to create, and it began to take root at executive levels.

Goals of the culture transformation

As CEO, Leroy continued to engage and embed the culture transformation more deeply into the company. She knew it would be critical to help realize the goals of an ambitious strategic plan that aimed to transform the business by:

- enhancing customer experience through converging and streamlining mobile, fixed and IT solutions
- creating a more efficient organization
- simplifying at all levels
- standing out from the competition by creating one clear, differentiated commercial brand—Proximus

Getting there, however, required a culture shift because agility and a growth mindset were not part of the organization’s DNA.

Results from creating the Good to Gold culture

Leroy says the company’s ‘Good to Gold’ culture has been crucial in helping the company return to profitable growth even faster than envisioned. The culture-shaping process enabled leaders to define a common vision, purpose and strategy and communicate and align the company to it. Three key values—agility, collaboration, and accountability—became the guiding values for Proximus.

By instilling these values deeply into the company, Proximus began generating more openness and trust across the business, breaking down silos, and creating the ‘one company’ growth mindset necessary to meet its strategic goals and be more agile.

According to measurements of the culture since October 2013, there has been significant improvement on many levels, including a 13-point increase in strategic alignment and a 12-point increase in understanding of the direction (vision mission and goals). In addition, there was a 12-point increase in decisions being made for the greater good of the overall organization, a 9-point increase in greater openness to change, and an 8-point rise in the sense of creative innovation.

Strong financials in 2014, 2015, and 2016 showed positive gains, a growing customer base, and good progress in structural cost reduction through simplification, bringing the Fit for Growth strategy in line with EBITDA growth objectives by a 2016 goal.

“Having a culture with the values of collaboration, agility, and accountability, together with a clear purpose, helps people to make the right tradeoffs on a collective basis,” said Leroy. “You really see the dynamics changing because the learning and growth becomes concrete, anchored in the success of the company.”



"We all think we have great cultures, particularly in children's hospitals, because we share the noble cause of making kids lives better. But when you really start to peel back the onion, you realize you may not have a consistent culture and a consistent way in which you run your organization. So, I really think that this is one of the most important things you can do is to really get on top of this."

— Peggy Troy, CEO, Children's Hospital of Wisconsin

Children's Hospital of Wisconsin

Being 'At our Best' to execute an integrated, patient-centered strategy

Healthcare organizations across the US continue to undergo transformative change in the movement toward healthcare reform solutions that achieve reduced costs, better outcomes, and improved patient experience. One of the major shifts is a push toward Population Health, a strategy of care coordination so care partners and services collaborate to best serve the patient and family.

Children's Hospital of Wisconsin, an independent healthcare system dedicated solely to the health and well-being of children, is one example of a system that is focused on achieving this goal.

When Peggy Troy became CEO, the healthcare system was in the midst of major transformational change that would involve and affect the entire organization and the way it delivers care to children. Structured as a functional business model enterprise with 13 different divisions, it was transitioning to an integrated delivery model, and implementing an electronic health record system that would serve as a catalyst to support this integrated care approach.

Troy understood that this major shift, as well as the sweeping changes impacting hospitals and healthcare systems, would also require culture change in order to implement its strategy and fulfill its vision that kids be the healthiest in the nation. Senn Delaney was engaged to create the 'At Our Best' culture to align and engage all areas of the healthcare system across all key teams and departments.

Goals of the culture transformation

The key goal was to foster an At Our Best culture that shifts people beyond the episodic care approach to a more all-encompassing Population Health strategy of serving children 'from cradle to college.'

"We were not very well integrated, particularly as you look at the child and the family as a centre of what we do. We find that our biggest opportunity and also our biggest challenge is really to integrate around them so that we can create pathways for our children to be successful over the time," Troy said. "We realized if we could integrate all the different pieces and parts of our organization, we would be able to achieve a very audacious goal."

Results of the culture transformation

Troy said the culture-shaping work has truly made a difference. An important key to success was creation of a clear purpose and a set of values and guiding behaviors to bring the culture to life across all services and departments.

"It makes us so much better in how we are able to first and foremost show up as an individual and live out our values as we are working with our families. We are looking at ourselves very differently as a system of care, as opposed to a bunch of discrete little units," said Troy.

An important part of the culture work involved building partnerships and increased collaboration and alignment with physicians. That approach has succeeded beyond Troy's expectations. "We included doctors from the start. We realize that the only way we are going to be at our best is if we have a very healthy working relationship between the provider community, the administration, and all the other employees. That was just key. And it set us up for success in ways that I would never have imagined. Their effectiveness in working with us is so much better than it was before."

"Business leaders around here tell me all the time that Children's Hospital is one of the crown jewels of our community because they know what we do is so important. We are really helping kids' lives to be better. And this culture work can only make that even better than we are today."

“Our focus on culture has kept our growth strategy achievable. I think the culture will survive the entire leadership team and be a governing factor for many years to come. It will help guide us through the upcoming talent crisis that we’re entering. We need to make sure we’re the best alternative that somebody has and not the last alternative.”

— Andy Hooper, Chief People Officer, Cafe Rio Mexican Grill



Cafe Rio Mexican Grill

The culture recipe: A winning ingredient for growth

When small companies grow rapidly, the culture can get lost in a sea of new people, processes, geographic expansion, aggressive growth targets, and the avalanche of changes needed to scale. The culture can become a boat anchor, dragging behind the desired direction and pulling people in the wrong direction. But when senior leaders make a conscious decision to keep the best of the cultural elements that brought the company success in the first place, great things can happen.

Cafe Rio Mexican Grill did just that. In 2011, Dave Gagnon, a former Burger King senior vice president of North America company operations and training, took over as CEO and COO. Andy Hooper, who had led the culture-shaping work at Burger King, joined Cafe Rio as chief people officer.

The organization had an outstanding culture, and was in its third year of nearly double-digit comparable sales growth. But to grow rapidly, the executive leadership team needed to formalize the culture to scale for national expansion. “What Cafe Rio had was great—but it was not codified. It was basically tribal knowledge transfer. The culture had been built on what a few key leaders had between their ears, but we wanted the culture to survive and thrive well beyond all of our tenure here,” says Hooper.

Among the goals of the culture program

Senn Delaney was engaged to help strategically shape the Cafe Rio culture, building on its legacy of high performance, operational strength and deeply embedded pride in going the extra mile to provide the freshest of ingredients at every restaurant.

Goals included:

- clarify the purpose, vision and values and bring them to life by driving consistent, expected behaviors

- align the executive team and build trust, rapport and effective communication across the senior leadership and company
- help leaders understand the power of the leadership shadow they cast, and the importance of being role models of desired behaviors

Results from shaping the culture

Cafe Rio has been at the forefront of strategically shaping a culture for the future that adapts a proud history to the realities of scale. The chain has grown from 44 locations in 2011 to 90+ restaurants, with a workforce of more than 3,500. The recipe is working. Over the past few years, Cafe Rio has won numerous awards, including being named by Sandelman and Associates as the number-one Mexican restaurant chain in the country for customer satisfaction for seven consecutive years.

The culture that makes Cafe Rio distinct from other quick-service restaurants is now deeply ingrained and a source of pride from the front lines to the executive team. “Cafe Rio’s culture is critical to the customer experience because it’s all about the way food is made and the people who make it,” says Hooper. “The culture-shaping process accelerated the senior team’s cohesiveness. It really built a lot of trust and dispelled the ‘outsider versus insider’ dynamic. We came together to celebrate what is uniquely Cafe Rio. I’m convinced that had we not taken the time to focus on nurturing the culture, our challenges would have evolved very differently.”

Hooper said the culture work and focus has made Cafe Rio’s growth strategy achievable. “I think the culture will survive the entire leadership team and be a governing factor for many years to come. It will help guide us through the upcoming talent crisis that we’re entering. We need to make sure we’re the best alternative that somebody has and not the last alternative.”



“The best thing we have seen is a significant improvement in performance in just about every area. Engagement from the employees between 2011 and 2012 for example improved by something like 25%. The reliability of the network has improved by 40%... Ultimately, getting judged to be Utility of the Year, I think is a reflection of everything we’ve done, and importantly, the commitment that the management team and the employees have put in.”

— Basil Scarsella CEO, UK Power Networks

UK Power Networks

Creating the UKPN Way culture and unifying merging electricity networks

When a company is formed from multiple acquisitions, creating a cohesive new culture is an important step in unifying employees and building a strong brand and reputation.

UK Power Networks is an example of such a company. It was formed in 2011 when Cheung Kong Group acquired three electricity networks in London, and in the southeast and east of England. UKPN delivers electricity to a quarter of Britain’s population—about 20 million people.

Chief Executive Officer Basil Scarsella was determined to create a first-class power distribution company as measured by reliability, customer service, cost efficiency, and safety.

Goals of the culture shaping

Scarsella engaged Senn Delaney to help shape the culture at across the company of 5,000 employees to realize these aspirations. Key goals were to become an employer of choice, a respected corporate citizen, and be sustainably cost efficient.

Results of the culture shaping

Since creating the UKPN Way culture, progress has been measured on several key goals. UK Power Networks dramatically improved reliability of power supplies, customer satisfaction, staff engagement and development, and achieved a strong financial performance.

Other measurable milestones goals that shifted positively:

- under the sustainably cost-efficient goal – indirect costs went down 19% in 2011
- under the respected corporate citizen goal – customer minutes lost went down 42% in 2011
- under the employer of choice goal – employee engagement improved by 25%

- under the improving customer satisfaction goal – consumer complaints plunged 76% from the previous year
- under the safety goal – there has been continual improvement in Ofgem ranking; with a 46% reduction in Zero Harm LTIs compared to 2010

“The best thing we have seen is a significant improvement in performance in just about every area. Engagement from the employees between 2011 and 2012 for example has improved by something like 25%. The reliability of the network has improved by 40%. Safety has improved. Ultimately, getting judged to be Utility of the Year, I think is a reflection of everything we’ve done, and importantly the commitment that the management team and the employees have put in,” said Scarsella.

UK Power Networks has become a respected corporate citizen and employer of choice. Among the awards it has earned:

- 2012 Utility of the Year
- 2013 Best Business Award for best customer focus
- 2014 gold award from Investors in People for the way it leads and develops its workforce to constantly improve service
- 2014/15 national annual award: voted by graduates among the Top 100 companies to work for in The Job Crowd
- 2014 Utility Star Awards for Customer Service, Team of the Year (operational), Team of the Year (customer facing), and joint winners for the Long Service Award

“Senn Delaney was best suited to deliver what we wanted to deliver and the results are there for everybody to see in that the performance of the organization has improved significantly,” said Scarsella.

About Senn Delaney

A Heidrick & Struggles company, Senn Delaney is widely recognized as the leading international authority and successful practitioner of culture shaping that enhances the spirit and performance of organizations. Founded in 1978, Senn Delaney was the first firm in the world to focus exclusively on transforming cultures. Senn Delaney's passion and singular focus on culture has resulted in a comprehensive, proven culture-shaping methodology that engages people and measurably impacts both the spirit and performance of organizations.

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