

reference project

global new governance and turnaround

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The challenge that it started with

The client, a globally operating chemical company, was facing the challenge of declining margins and growth in a market where their competitors were outperforming them in terms of profitability and growth. The client had a rather complex and diverse portfolio of production sites, products and regional service units. The product portfolio needed streamlining and a clear strategy was required to align the client's resources, priorities and actions.

We were asked to support a change process where we had to deal with the contradicting dynamics of managing growth in the new markets and managing hard cuts in the mature markets and global headquarters. Our challenge was to implement a new global governance structure that allowed for more empowerment and freedom in the emerging markets, emphasized global governance in the headquarter and an effective support structure in the global functions. The cultural challenge was to work on the behavioural aspect of leadership, establishment of new roles and responsibilities and strategic alignment concurrently.

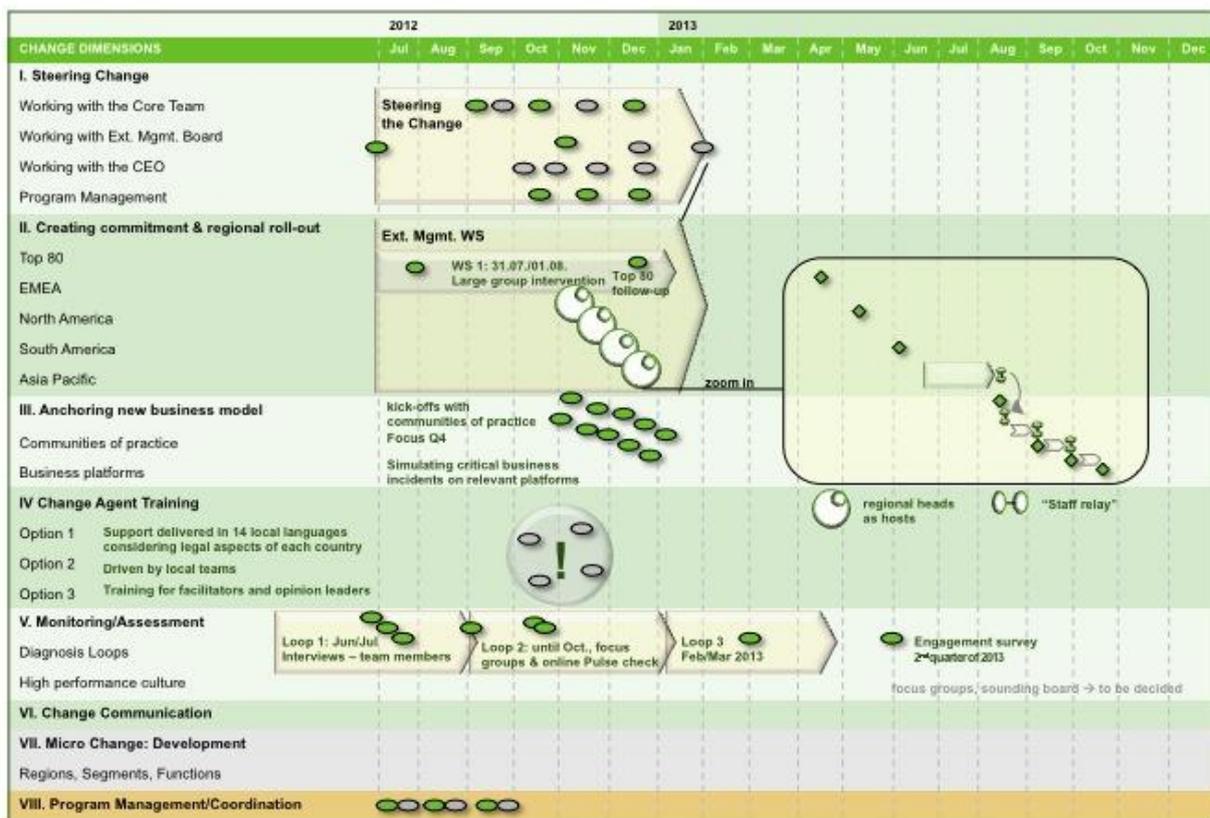
Since there was a necessity for quick implementation steps in the mapping and design of the target processes as well as a new value based management concept we cooperated with Booz & Co.

and A.T. Kearney in those two fields.

Our challenge was to support the alignment process of the board and the global top hundred leaders to create a strong and committed network of change agents and leaders. Therefore we orchestrated a number of board workshops with global large group interventions and regional implementation workshops in Asia Pacific, South-America, NAFTA and EMEA.

Our contribution to the process was to create clarity around the new roles and responsibilities of the board, new regional roles and to create RACI Charts on a top level as a cornerstone for the further operationalization. We created a common understanding of the functional and dysfunctional leadership and decision patterns with regards to the new target culture and governance structure. As a part of this process we created a change diagnosis and resolved major conflicts with regards to the new roles and the shift in power structure.

As a description of how we worked with the board, global opinion leaders, regional heads, core team and local general managers as change agents you will find an overview of the change architecture of the mobilisation phase here.



The gearbox between concept and implementation

In the first dimension steering the change we focused on the alignment of the different streams and stakeholder groups in the program.

In the second stream creating commitment and regional roll out we were facing the challenge that we had to take into account very different dynamics within the regional management teams (1). Some teams were facing radical changes and staff layoffs while other regions were setting up new regional management teams and recruiting key players from the market to support growth. The knowledge transfer in this perceived loose-win situation was quite challenging since the transfer of best practices into the growth regions was one of the key success factors for the

program. In order to create a common basis of key messages and yet allow regional adaptations according to their specific needs we created and agreed a design blueprint (2) that we then tailored together with the regional management teams (3). For the process it was important to show active ownership and leadership from the regional management team and to address the hot topics of the new setup.

From an external staff perspective we were facing the challenge to pass on the insights of the regional discussions and adaptations into the next region quickly. We managed this using the “relay staff principle” where one of us passed over the baton by co-facilitating a region before he took over the lead of the next region (4).



Behind the scenes

One of the challenges was that we had a rather short time frame for rolling out the new governance structure into the regions and to guarantee consistency of the key messages and cornerstones of the new model. This we guaranteed through an intensive alignment process with the regional management teams on the one side and one external staff member that was involved in all the discussions before and knew about all the hot topics and sensitive issues. We passed this knowledge on like in a relay and added a second staff member

for the facilitation who could specifically focus on the intercultural challenges and specific needs of the regional teams. In Asia Pacific for instance we staffed a Chinese consultant to cover the intercultural issues and to connect to the local group in Shanghai and adapt the design blueprint to the Asian circumstances.

Looking back we consider this relay principle as one of the key success factors. You find an overview of sequence in the following picture.

