



Guttman Insights

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Robert Francis Gordon is CEO of SunRice, one of the largest rice food companies in the world and one of Australia's leading branded food exporters. SunRice is headquartered in Sydney, Australia; has 2,100 employees; conducts business in 60 companies; offers 30 brands; and operates 9 businesses.

What do you see as the biggest challenges in running a global business in a very competitive segment?

Understanding the ultimate consumer better than anyone else, interpreting their needs and delivering on them—they're the key challenges. Added to that is being fastidious in meeting quality, convenience, and taste requirements, fulfilling whatever benefit the consumer is looking for, and doing all this quicker than your competitors. Agility is a challenge and a virtue!

One of the challenges I didn't hear you express is price sensitivity. How come?

We are a premium brand everywhere we operate. We're not a price player, but a price premium player. That said, we need to be a very lean business. We operate with a very low headcount compared to our competitors, and we have great amounts of autonomy at relatively junior levels. This keeps costs low.

I always think of rice as "food for the masses."

That's true, but we target a very specific segment of the rice market. We sell branded, value-added, and often processed goods to discerning consumers around the world.

In this issue, SunRice CEO Rob Gordon discusses adding value and high-performance leadership to all things rice. Howard M. Guttman adds fresh insight into the much-ballyhooed first 100 days. And GDS's Associate Senior Consultant Mark Smith opens his notebook to discuss the leadership-culture connection. All this in a five-minute read!

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Leader's Corner: Rob Gordon – The Rice Is Right at SunRice

Our play is not about feeding the world, but about meeting the discerning needs of the increasingly affluent middle and upper class, who really care about the quality and provenance of the food they are eating.

How do you “understand the ultimate consumer” when your business operates across many different countries and cultures?

We have senior people in each region in which we operate. They interface with local suppliers, and we carefully segment our markets, conduct market research, and talk to individual consumers. For example, the Australian market segments in different ways. There is the traditional Caucasian consumer, who doesn't eat much rice and isn't especially informed about it. There is the Asian consumer, who is far more discerning. But to say “Asian” is to gloss over a myriad of different cultural and taste requirements, which is why we have researchers studying Filipino, Korean, Japanese, Chinese, and Thai families. We have people who live with these families for a few days, go shopping and eat with them, and study the decisions they make when they purchase rice.

Isn't rice the ultimate commodity?

In the minds of most Asians, rice is far from a commodity. People in this area consume so much of it that they can detect the most minor quality differentiation between one product and another. They can talk at length about new-season rice, the amount of broken grain in rice, the texture, aroma, and color, as well as taste. Compared to the average Caucasian, they have a different vocabulary when they talk about rice.

How do you establish brand presence in the rice category?

We sell black rice, red rice, blends, short-, medium-, and long-grain rice, and fragrant rice. One of the things we do is to position ourselves as experts and educate the market, offering advice on how to create interesting meals. In the '70s and '80s, there was a certain cachet about understanding wines. This has now broadened to food, including rice: understanding the provenance of a particular rice, what rice goes best with a meal, how to cook it properly, etc. We provide ideas, recipes, and solutions in many areas. For example, we have a Website in Japanese that gives recipes, and we have one in Arabic for the Middle-Eastern consumer.

When did you assume leadership of SunRice, and when did you undertake the high-performance journey?

We held our first alignment session within the first six months after I arrived. It didn't get traction. It was very much my need to break down the entrenched silos, which is how the business operated over many years. I forced the issue. In retrospect, it was too early. There wasn't a perceived need among the members of my executive team to act as a coherent group, and my Board was skeptical.

What changed to cause you to say, “Yes, let's restart the high-performance journey?”

Seven out of nine people left the senior team, and new members came aboard. When I recruited, I looked for people who were from multinational organizations and who possessed an entrepreneurial spirit. I sought people who wanted to work horizontally and collaboratively and who wanted to make a difference.

When did you restart the alignment process—and what prompted you to do so?

We restarted the process last November. The new players who joined the executive team saw great benefit from working more interdependently, rather than functioning in silos. As our business developed and changed dramatically, the team began to see significant business opportunities for doing things together. The change to a horizontal, high-performance way of working was driven both by the executive team's desire to work more collaboratively and the business need to leverage capabilities throughout SunRice.

How did you go about formally shifting to a high-performance way of working?

In terms of the senior team, we first did a data collection, followed by skills development—I felt that we needed to have a common language and set of skills to resolve issues— and then conducted an alignment session. At its most basic level, the shift to high performance is a cultural one. It takes commitment, time, and the ongoing attention of the senior management team for it to become natural and “the way we do business around here.”

We're not there yet, but we are well on the way.

What about the tier below the leadership team?

The next tier down had observed all the previous infighting among members of the leadership team. They were not impressed! Misalignment at the top is much more obvious to the next tiers than most senior teams ever realize. Those below the executive team were looking for the senior team to lead collaboratively, demonstrate how best to work across functions, and deal with conflict in a depersonalized way. They also were looking to be coached for success because some of the infighting that had long existed in the organization spilled over to them.

What was the imperative for the leadership team vis-à-vis its direct reports?

If we were going to shift organization culture, the members of the senior team had to role-model the right behaviors: how to work as a cross-functional team, how to depersonalize conflict, and how to start coaching their respective teams for success.

Did you introduce the next tier to the high-performance model?

Once the executive team was skilled up and aligned, we next developed the skills of those reporting to the executive team and briefed them on the principles of alignment and high performance. This next level was enormously energized. They heard the commitments made by the senior team and were encouraged by what they heard. Their feedback was overwhelmingly positive. Their sentiment was, "This is the initiative we needed; it will unlock the organization." Members of the executive team then went off to work with their direct reports to role-model best practices and collaborate on implementation.

In what ways, if at all, has your leadership behavior changed?

I spend much less time resolving content issues and more time facilitating the process and allowing others to step up. One interesting change came from members of the executive team. They pushed to run our monthly meeting and rotate the chair. I had always chaired these meetings and jealously guarded the role because there were always things I wanted to accomplish. As a consequence, it was always "my meeting." So I've stepped back and said, "Okay, there are certain things I need from each meeting, but I'm happy to have the chair for the month coordinate the agenda and lead the meeting." The change has significantly raised the level of engagement and accountability for results, and it has freed me to think about strategic issues.

What's on your unfinished high-performance agenda?

I want to continue to step out of day-to-day activity. Going forward, I want to do a temperature check on the senior team—we're having a follow-up alignment session in April—to make sure that everyone on the team is living up to their commitments. I also want to do some "skills tuning," so people are better at giving and receiving feedback and addressing issues in a more depersonalized way. I also want to continue the high-performance momentum down through the organization. Everyone needs to live it.

How did you manage up to your initially reluctant Board?

It's the old question about asking forgiveness versus permission. I shared with the Board that I wanted the organization to be more collaborative. Who could argue with that? I discussed with the Board the desire of the members of the new senior team for greater collaboration. We shared a survey of the team, which highlighted the need for change. We also had a change in Board leadership.

The new chair believes in the importance of engagement and collaboration. Board members now see the need for change, and I've been updating them on our progress.

What's your biggest "lesson learned" from your experience at SunRice?

Make sure that you have a large enough core group of real players before undertaking the high-performance initiative. Stay the course. It's too easy to get distracted by the everyday pressures of the business. CEOs have the responsibility for ensuring that the business is both well directed and well run. As a CEO, you're in charge of the game and of making the very best use of the resources you are leading. 🍌



The First 100 Days Redux

by Howard M. Guttman

What they say about first impressions is true: You don't get a second chance to make them. It's one reason why many high-performance leaders that I know pay careful attention to their debut, either in a new organization or in a significantly new role in their current organization. During the past several years, we've conducted quite a few interviews in "Leader's Corner" with senior executives who had assumed new leadership responsibility, including Rob Gordon, whose interview appears in this issue. Here are five insights that I gleaned from a number of high-performing leaders that we interviewed, who had just arrived on their respective scenes:

1. Know the landscape.

However tempting it might be to jump into the fray and go into immediate action, the high-performance leaders that we interviewed prefer a more deliberative approach. They prefer to ask, listen, and learn before they leap. When John Cowles assumed the top job at FXI, he first met with his Board, then met once a week with his top team. He also conducted five Town Hall meetings with employees, visited all 17 plants, the company's top 10 customers, and its top three vendors.

Similarly, when Martin Radvan became president of Wm. Wrigley Jr. Company, he didn't make many assumptions about the organization that he was about to lead, even though he had served on the President's Group of the parent company, Mars Incorporated, for three years after the acquisition. He first talked with key stakeholders: the Wrigley Leadership Team, the Mars President's Group, the owners, and the outside consultant—me.

Such meetings go beyond glad-handing, get-to-know-you sessions. They are carefully structured opportunities, as Radvan put it, "to probe the perceptions of key people, seek advice, and build trust."

Here's how FXI's Cowles described the initial meetings held during his first 100 days:

To get to know them [stakeholders] personally, I ask who they are, what they have accomplished, and where do they want to go. I ask: "What drives you? What makes you happy? What do you do outside work? Tell me about your family." These are more revealing as to what motivates the individual. Once I understand more about the person, we then talk about what the person's group does and where he or she wants to take it. Next, I share my background and how I like to operate so we all can be successful together. My aim is to reach a common understanding about how best to communicate and work together.

"High-performance leaders—especially freshly minted ones coming into a new organization—live in a fishbowl."

Among other things, such meetings provide insight into organization dynamics and the decision-making ecology: How aligned is the organization? How "evolved" are the players, and which ones need to be involved in key decisions? How wide is the implementation circle?

(That circle includes not only those with formal decision-making responsibility, but informal networks and influences whose opinions matter down through the influence chain.) What's the level of confidence in decision-making capability down through the organization? Where are the potential roadblocks?

There is an art to defusing first-meeting anxiety, especially with direct reports. "I didn't ask them what they were doing right and wrong," explained Bob Gamgort, CEO of Pinnacle Foods, "but rather what was working and not working in the company. I started the conversation by saying, 'If you were looking at the company like a case study...'" Then, when the conversation moved to what they were doing and what role they were playing, they spoke quite openly."

2. Timing is everything

In some situations, it makes sense to begin the high-performance journey soon after landing in a new leadership position. Pressing issues might make delay an unaffordable luxury. The mere presence of a new leader can, in some situations, be a catalytic agent for change. Those around the new leader may want to demonstrate their alignment with his or her strategy, values, and commitment to high-performance leadership. Better to trigger the process early on, during the “honeymoon period,” than risk waiting for status quoism to settle in and block progress.

When Catherine Burzik took over as president of Applied Biosystems, she faced a number of challenges. Top-line revenue had been flat; R&D productivity was low; and there was little teamwork and accountability at the senior level. She felt she had to build a high-performing team and organization culture and do so quickly:

I realized that we needed to change the culture, to decentralize decision making and share accountability for results. Initially, I tried to drive horizontal—as opposed to hierarchical—behavior myself; to be a leader, coach role model, teacher, etc. And the team tried to follow my lead. But there was a real sense of urgency. I knew I had to accelerate the process, and that required professional help.

But in some situations patience trumps speed. As Rob Gordon mentions in his column in this issue, when he took over the top leadership position at SunRice, he moved quickly to build a high-performance leadership team. Unfortunately, his team was just not ready. He temporarily suspended the process, repopulated his team with players who could play at the high-performance level, and then restarted the process. His patience the second time around was rewarded with success.

Some new leaders are as concerned with how to sequence their high-performance journey as they are with the speed issue. Do you first align the senior team, or do you provide a baseline of capabilities before heading into alignment sessions? While we typically recommend beginning the process by aligning the senior leadership team, there are situational exceptions. For example, William Higgins, president of Ricola’s U.S. business, decided to use a “phased approach” to drive up performance, given the company’s “Stage 2 culture.” As he described it:

First, we developed the listening, assertiveness, and conflict management skills of our senior executives. We then cascaded these to everyone else. This gave us a common language, a sense of safety when disagreements arose, and a baseline of skills to move ahead. Next, we aligned the senior team and then continued the process right down to all levels of the organization. Every team has the foundation and skills training to perform as a “Stage 4,” high-performance entity.

There is no hard-and-fast rule for when to begin the high-performance journey. And the “alignment first” approach to high-performance transformation might not always be ideal. Organization readiness is important. Yet, a high-performance leader flies ahead of the plane. At some point, he or she must trigger the process. Success depends on it. It’s all the more reason why getting to know the landscape early on is crucial.

3. Attend to Culture.

Culture is the pattern of norms, values, and beliefs that guide behavior. In many organizations, there is a chasm between rhetorical and operational values, and the latter are the ones that are put into practice. High-performance leaders know that the closer rhetorical and operational values are aligned, the healthier an organization is.

As the ultimate cultural carriers, they are also keenly aware of the pivotal role that they play in ensuring that rhetoric and reality are congruent.

One way in which they play this role is by clarifying the key organization’s cornerstone values—and doing so early on. When Martin Radvan became president of Wm. Wrigley Jr. Company, he immediately realized that “some clear cultural opportunities” had to be addressed. He elaborated:

Wrigley’s had some cornerstone values, such as trust, dignity, and respect, which were similar to those at Mars. I wanted to focus on these but be very explicit in behavioral terms about what these do and do not mean. For example, “respect” doesn’t mean lack of candor. Respecting someone means being comfortable telling that person that you do not agree with him or her.

Making explicit what values stand for in behavioral terms improves the probability of closely aligning rhetorical values and behavior, and of embedding high-performance ways of working from the outset of a new leader’s tenure.

High-performance leaders—especially freshly minted ones coming into a new organization—live in a fishbowl. Everyone is watching. Role-modeling high-performance behavior from day one becomes another important way to close the rhetorical values/behavior gap. As Radvan put it, “When it comes to culture change, you have to eat your own dog food, which means that change starts with you and your team.”

When we’re in a senior-team meeting, and we’re discussing a priority issue, I make sure that each person provides input and that we have a strong, interactive, fact-based, numbers-oriented discussion. And we don’t leave the room without answering the question: “Do you support the decision?” I know that everyone may not be in 100% agreement, but we must move forward as an aligned team.

4. Offer a compelling high-performance vision.

In *Great Business Teams* and elsewhere, I have written about the importance of creating a “burning platform” for change. Beyond that, as Gamgort pointed out, change requires providing everyone with both an idea of the benefits of making the change and incentives for leaving their comfort zone. He recommends starting with a common understanding of:

What “good” looks like. This provides a shared framework and gives everyone a clear picture of where you’re going and what you aspire to be as a company and a high-performance organization, supported by a common language. It allows you to evaluate yourself not only against the yardstick of “Are we better than we were yesterday?” but also of “Are we reaching our full potential as a high-performance organization?”

Once there is a shared understanding of the high-performance “good,” you can then detail the specifics. Moving a new leadership team and organization to a horizontal, high-performance model represents significant change in mind-sets, skill sets, and the ground rules for how business is conducted. Everyone needs to see and embrace the ground-zero implications.

5. Build trust.

In a previous *GI* column, I raised the question: Why should anyone choose to follow a leader?”

One reason: People trust that you can deliver on their need for growth, security, connectivity, importance, and the like. On a high-performance team, just as important as trusting the leader is that team members learn to trust one another. After all, much of the action is team-, not leader-directed.

Incoming high-performance leaders use the alignment process to build trust both ways. Case in point: Clarence Mak, who until his recent promotion served as general manager of Mars Chocolate, China. His leadership team was new and had worked together for less than a year. Even so, the team was siloed and conflict averse. Mak knew that the team's collective mind-set had to be shifted. The team was not initially comfortable with the move to a high-performance culture and way of operating. The concept of team members challenging one another—and the leader—was foreign. And, as Mak explained, "Younger team members at first felt uncomfortable, especially when it came to challenging older members of the team."

Concluded Mak, "It takes trust and getting people to see the benefit of changing their behavior." To build that trust, Mak took his team through an alignment session, provided coaching and skills to his team, and used team meetings as opportunities to practice the new high-performance behaviors. He paid careful attention and provided feedback, especially as the team dealt with contentious issues. He spent considerable time with each member of his team and cut back his travel schedule to build solid relationships and provide guidance. He role-modeled what it meant to accept feedback and made it easy for his team to ask for help. For any team member who held on to the story that, "The high-performance way is not part of the Chinese culture," Mak had a ready answer: "I'm Chinese, too—and it works for me!" Mak's new team quickly jelled. Trust is higher; the team works more interdependently; its members challenge and question one another; and they often leave their comfort zone.

Beyond the First 100 Days

As important as the first 100 days are, they are only the beginning. New leaders who successfully move from the "honeymoon" period to how business gets done don't treat the high-performance journey as stand-alone alignment and coaching-and-skills-development events. There's no separation between high-performance leadership and operating the business. As Gamgort put it, "High-performance is not a campaign. It's the way we run things." 🍌



From a Consultant's Notebook

Mark Smith

Here are the field notes from an intervention led by Guttman Associate Senior Consultant Mark Smith.

Presenting Situation

Results-oriented region manager of U.S. operations in a multinational chemical corporation promoted to region manager in Asia.... He believed he was sensitive to cultural differences, but several months into the new assignment, problems started....Had difficulty working effectively within the cultures of the countries he managed.... What worked for him in the past wasn't working now....His bold five-year vision and plan for the region failed to engage and energize his leadership team.... Chasm developed between him and them... Team members suspicious....Didn't want to engage around his vision.

Charter for Guttman

The leader sought help to build solid relationships with his team.... Aimed to develop greater cultural awareness and empathy across many different cultures.... Realized he needed help.... Wanted his leadership approach to connect better cross-culturally.

Process

- **First**, shared with leader a Robert House Project GLOBE study on leadership in different cultures....Premise: Beyond a few commonly held values—trustworthiness, honesty, and integrity—there are often large disparities among different cultures regarding leadership.... Example: Confucius teaches to be wary of bold visions, so in Asia, bold vision likely a trust buster.
- **Next**, conducted a cultural-awareness assessment of the leader.... The "aha": Leader discovered that what he valued as a leader was situationally dependent.
- **Third**, helped leader identify biggest opportunities....Noted each team member's background—where born and raised, their cultural contexts, etc.—and evaluated these against the Project GLOBE study....Clear that conveying a sense of empathy was key....Individual meetings with team arranged.... Agenda included the leader candidly admitting that he unintentionally might be a barrier to the relationship....

Talked about personal values and what team members valued most in a leader....Very powerful.

- **Fourth**, six months after the meetings, leader conducted 360-degree assessment to take the pulse of his team.

Results

Leader's behavior changed....More "other" focused.... Saw that a leader's ability to connect personally trumped technical proficiency...Learned that being empathetic to what team members valued in a leader was best way to build trust....Listened more for nuances.... Did more questioning.... Was more cautious about making bold pronouncements about his visionFocused more on engaging team on the steps that add up to a vision.... Leader and team more focused on evidence: "What will we see when we're successful; what evidence shows we're making progress?"....Less on declaring a vision....Team members impressed that they had a hand in defining their leader....Team more trusting....Felt leader now cared about their values....Team eager to assume greater responsibility and challenge ideas...More candid.... Also, team developed heightened empathy for one another and recognition of the importance of culture and cultural differences....Collaboration increased among team members....360-degree survey revealed team felt significant improvement in leader-team relationship.... Senior leaders noticed leader more empathetic and an effective team builder.

Key Insights

Today's leader must be a cross-cultural one....Beware of one-size-fits-all notions of leadership.... Past success as a leader in culturally familiar situations will not necessarily lead to success in a multicultural environment.... Empathy for those we lead will ultimately determine our impact as a leader. ●