Guttman
Insights

Martin Radvan is president of the Wm. Wrigley Jr. Company, a leader in impulse gum and confections. Its world-famous brands include Extra, Orbit, Doublemint, 5, Skittles, Starburst, Altoids, and Life Savers. Wrigley has operations in 40 countries, distributes in 180 countries, has 18,000 associates globally, and generates just under $7 billion in annual revenue. It is a subsidiary of Mars, Incorporated.

When was Wrigley acquired by Mars?

The acquisition was concluded toward the end of 2008. I came on board into Wrigley's life as a segment of Mars, Incorporated, as president, on July 1, 2011. I succeeded a long-standing Wrigley associate, and, hence, I was the first person from Mars to lead Wrigley.

What was your appraisal of the situation as you looked at the post-acquisition situation?

Any acquisition is, at best, an arranged marriage. Initially, there was something of a standoff between some of the folks on both sides of the acquisition, and then things started to gel. Because Wrigley had delivered extremely strong financial results during the first two and a half years following the acquisition, the feeling I wanted to instill was "Let's honor the past but move on." Unlike many acquisitions, the result was not a mass departure of the talent in the acquired company. In fact, some three years in, 80% or so of the top 120 leaders had been Wrigley associates at the time of the deal—and associate engagement was very strong. The Leadership Team had made some important progress and during 2010 started to set out a clear vision for the segment and a new strategy. But, to my mind, the full potential of this had yet to be realized.

In this issue, Wrigley CEO Martin Radvan discusses what he and his team have done to build post-acquisition value and accelerate the company's performance. Howard M. Guttman casts about for the lessons learned from highly *un*successful executives. And Josh Rosenthal discusses the challenges of turning around an underperforming sales team with a standoffish leader. All this in a five-minute read.

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Meeting Post-Acquisition Challenges at Wrigley

What do you mean by potential not being realized?

To put it simply, as I looked at the leaders at the global, regional, and national level, I found great performers who were too often operating in geographic or functional silos under the banner of pursuing functional excellence. At the Leadership Team level, individuals had identified a number of the challenges and opportunities, but they had yet to be addressed as a collective team agenda for change. From what I had seen previously, I knew there was a real opportunity for high-performing teams to be transformational.

What homework did you do prior to and just after you assumed responsibility as president?

First, I had been part of the Mars President's Group for the three years after the acquisition, and I had a fairly good knowledge of the situation, including getting to know my predecessor. Also, I talked to the key stakeholders—the Wrigley Leadership Team, the Mars President's Group, the owners, since Mars is privately held, and our outside consultant, Howard Guttman. I probed their perceptions and expectations and sought their advice. I also had some previous experience with acquisitions and knew what worked and didn't.

Were there any surprises?

The good news is that it was pretty much as I expected. I've had experience coming in to lead other businesses, and I concluded that I'd use a similar approach. My aim was to first immerse myself in the business as soon as possible. I introduced myself to my new Leadership Team and immediately tried to build trust.

Trust building isn't always easy in such a situation. How did you do it?

The short answer is full disclosure. In the very first session with the Leadership Team, I let it all hang out, warts and all—what I'm good at and where I fall short. Then, I tried to shut up and listen. I set a 100-day target for getting to see and absorb as much of the business as I could, talk to as many people as possible, and then come back with a review that I would share, first with the Leadership Team.

I then planned to work together with the team to develop an action plan and cascade this to others in the organization.

How did you approach the review with your team?

I divided the discussion into looking at what's working, what's developing, what's broken, and what's possible. There was a strong consensus among members of the Leadership Team about what we needed to do, what our burning platform was. So in many ways my arrival and this process acted as a catalyst, enabling the segment to get quicker to where it needed to be

What was the "burning platform"?

Quite simply: get more people to chew more gum! The gum category was shrinking in many developed markets. The overall growth of the business was mainly being delivered by expansion in emerging markets. While we were successfully winning share in Western Europe and North America, the overall category was falling faster than we could increase share.

M&As are known for being derailed by cultural issues. Did you see any signs of cultural disconnects at Wrigley?

In many ways this has been a model acquisition. Key talent was retained, engagement was high, new opportunities were being opened for associates, and there was a tremendous financial performance. But there were some clear cultural opportunities. There was not a great deal of learning and sharing going on across the globe. The front-end demand and back-end supply sides of the business weren't well connected. We needed to change some fundamental behaviors.

Can you give us an example of what had to change?

Wrigley's had some cornerstone values such as trust, dignity, and respect that 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 you do not agree with him or her.

What role did the high-performance approach play in acclerating culture change?

When it comes to culture change, you have to eat your own dog food! Which means: change starts with you and your team. Following the first 100-day-review process, we focused on changing the behavior of the Leadership Team. We began by going through an introduction of high-performance concepts and values and moved on to an alignment of the senior team, which then led us to developing our OGSMs [objectives, goals, strategies, and measures]. We used the high-performing teams process to develop the OGSMs. As a result, we had a plan that we had developed as a team, made explicit choices on and were committed to deliver. We then rolled out the process to the next tier of 120 people. This approach became the engine for accelerating movement toward a high-performing, horizontal culture and organization.

Could you say more about the "OGSMs"?

You know the saying that you can have great plans but taking action is a bit harder. OGSMs are a simple tool that enables you to move from vision to action. It forces you to be very selective about what you will be doing —to coalesce resources around a few important challenges, set priorities, be specific, and measure outcomes. As a result of going through the OGSM process, we developed seven strategies and everyone down through the organization knew their role in implementation.

**I assume you cascaded the team alignment process below your Leadership Team?**

Absolutely, the next two tiers below the Leadership Team went through the alignment process. There's an increase in candor, people are unafraid to share what they learned from their successes—and failures—and decision-making speed has increased significantly.

What's the biggest takeaway from your experience for other senior leaders?

Embrace alignment as part of your business process. Team alignment is not an initiative or program but a way for you to lead and manage your business. And once you've committed to move ahead, be sure to do what you say you'll do. Remember: the rest of the organization is watching.

Great Business Teams Now an Audio Book

Howard Guttman's book, *Great Business Teams: Cracking the Code for Standout Performance*, is now available in an unabridged audio version from audible.com, an Amazon company. To order, click here.
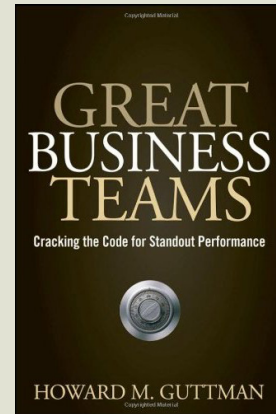
7 Ways to Become an Unsuccessful Leader

by Howard M. Guttman

In 2000, the average tenure of a CEO was approximately 10 years. By 2011, it had declined to 8.4 years, according to a Conference Board report. And a recent article in *Forbes* found that 40 percent of new executives don't last 18 months in the job.

A generation ago, it was comparatively easy to run a major corporation.But today's executives stand on a slippery slope, where all the old management truisms are up for grabs. Even winning has to be reinvented.

Given the turbulence, it's not unusual for leaders to veer off course and derail. Some sage—was it Otto Von Bismarck?—once said that, "Only the fool learns from his mistakes. The wise man learns from the mistakes of others." In the spirit of learning from others, let's take a look at seven ways in which many executives bring about their own lack of success.

1. Avoid feedback. Several years ago, we had a client who was convinced he had a winning formula. For years, his company had been growing by double digits. The leader strutted around like an all-knowing Oz. Ask for feedback? Forgetaboutit! Then the economic tsunami hit. Fresh thinking was required, but his team dared not step up to the challenge. As the company began to spiral downward, his team just stood by and watched.

> "Show me an organization that has widespread underground behavior . . . and I'll show you a top team that is the prime offender."

This executive could have benefited from feedback and input from those around him. But, believing that he was the smartest guy in the room, he refused to solicit others' opinions. We eventually made the distasteful decision to terminate the assignment, rather than watch this leader become another executive-casualty statistic.

2. Stick to the status quo. In today's environment, sharp turns and S-curves abound. The game keeps changing. It's easy to be seduced by the status quo, especially when a company is superb at what it does. But the corporate landscape is littered with examples of great companies that "stuck to their knitting" with serious consequences. How many of us still walk around with a Walkman or purchase books from a bricks-and-mortar bookseller? In the new paradigm, "disruptive innovation," to use Clayton Christensen's term, is a competitive virtue. You could never accuse Steve Jobs of being stuck in the status quo. As Walter Isaacson points out, rather than resting on the success of the iPod, Jobs proceeded to cannibalize iPod sales by creating the the iPhone. As he put it, "If we don't cannibalize ourselves, someone else will." ("The Real Leadership Lessons of Steve Jobs," *Harvard Business Review*, April 2012, pp. 96-97)

3. Hold onto technical prowess. Not only must organizations become more agile; so too must their leaders. This can be a significant personal challenge. Most upwardly mobile managers have been rewarded for their superior operational and technical

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accomplishments, along with the leadership skills to motivate others. But, the higher they climb, the less need they have for these skills and the more important it is to think strategically. Success hinges on the ability to look ahead: to anticipate those S-curves and potential problems, see clearly where the next round of of competitive advantage lies, analyze future threats and opportunities—and then act. Those leaders who retreat to their technical comfort zone and remain tactical risk getting swept away.

4. Don't grow a strong, talented team. We laid out the case for high-performance, horizontal teams in *Great Business Teams: Cracking the Code for Standout Performance*. Enough said, except to add that as leaders face the three "Cs"—ever-growing change, complexity, and competition—they need to increase their bandwidth. Those that leverage the brainpower of their teams and free up team members to gather strategic customer and market intelligence and then make decisions are likely to have greater staying power.

5. Role-model dysfunctionality. Top management teams have great gravitational pull on their organizations. They are the ultimate cue givers. Managers and employees down the line are not moved by the rhetoric of mission statements and rah-rah pronouncements. They absorb the values tacitly expressed by the senior team's behavior. Show me an organization that has widespread underground behavior, thinking, triangulation, conflict avoidance, and the like, and I'll show you a top team that is the prime offender. Role-model horizontal, high-performance behavior and "they"—and success—will follow.

6. Don't hold people accountable One of the deadliest causes of leadership failure is unwillingness to hold people accountable for results. It's easy to let people off the hook and play "let's get along." But this creates a culture of avoidance and even failure. In the high-performance, horizontal model, the ladder of accountability begins begins at the bottom rung, where individuals are accountable for their own performance, then proceeds to individuals being accountable for direct reports, for peers, for their leader's success, and finally for the success of their organization. At each rung, there is high value placed on "we want to win." There is built-in accountability, which creates a culture of success.

7. Don't bother building strong interpersonal relationships In today's global and matrixed enterprises, the "soft" skills matter as much as "hard" competencies, such as financial acumen, planning, and decision making. Much of a leader's success hinges on the ability to produce results through people over whom he or she has no direct authority. It takes strong interpersonal skills to do so, and this, in turn, requires strong influencing skills—the ability to turn your agenda into "theirs" by gaining the commitment of others rather than forcing compliance. We're not talking here about teddy bears and lollipops. It takes a great shrewdness or, in today's parlance, high E.Q., to size up key colleagues and then determine the best strategy for ensuring success. How else can today's leaders marshal organizational support to get things done?

Leaders who are in danger of becoming unsuccessful need to act fast. Engage a trusted advisor, whether from inside or outside the company. Consider gathering a circle of support consisting of colleagues who are at stake for your success. Make sure they ask you the tough questions: How was your situation created? What role did you play? What could you have done differently? How will you incorporate the lessons learned into a plan the future?

Speaker's Corner

From a Consultant's Notebook:

Josh Rosenthal

Here are the field notes from an intervention led by Guttman Associate Senior Consultant Dr. Josh Rosenthal.

Presenting Situation

The sales team for a major new bet-the-farm product in a multibillion dollar global pharmaceutical company located in the northeastern United States was underperforming. … Team environment highly toxic … lack of trust, backstabbing, "gotcha games" became a team sport … little collaboration. … Team leader, with 20-plus years of experience, previously highly regarded. … His newly formed team was selected from the best-and-brightest talent inside and outside the company.

Charter for GDS

Align the team and coach the leader. Team leader concerned about his performance, along with that of his team.
Leader realized that he was not showing up powerfully. … Believed toxic team environment harmful to his reputation. … Felt exposed, decided to play it safe, became tentative, lacked authenticity. … Also realized that his team of talented individual players was in serious trouble. Asked for help. …

Process

First, met with leader to get his point of view around his team and understand why he was not showing up as a high-performance leader, who he wanted to become, how he chose to play. … Asked: Help me understand how you want to be viewed by your team and to what degree you're willing to take a risk becoming an authentic leader? What's getting in your way? What has caused you to move from a powerful to a cautious leader— and what has been the impact on your team? Would you commit to showing up more powerfully?

Interviewed his boss. … Collected data from the team, followed by an alignment session.

Outcomes

In less than 12 months, team rose to become the number-one revenue producer for the new product in the United States . … Team moved away from lack of transparency, trust, and energy for driving business … Post-alignment, team more trusting of one another and leader, willing to give honest feedback to one another, engage others, set up protocols for holding one another accountable, driven to win for the team and region. Team leader reinjected himself into team. … By just showing up as fully engaged in the alignment session, the leader sent a signal to his team that he was changing his ways … more authentic, more powerful, more willing to listen and become actively involved. … This led team members to follow suit, become more authentic, engaged, "we"-focused. The leader became more congruent and decided to play as a high performer— he put aside his anxiety about doing the right things and just did them. Boss thrilled. "We got our old guy back."

Key Insights

Leaders can't lead effectively unless they're true to themselves. Personal values and behaviors must jibe with business ones. Internal alignment is essential—emotionally, psychologically, behaviorally. So is creating a high-performance team environment. Best way to lead in a challenging environment is to be firmly centered, have a clear action plan, and live the plan. A leader's willingness to work through adversity gives teams permission to do the same.