



Guttman Insights

September 2014



Ronen Zohar is CEO of U.S.-based Sabra Dipping Company, LLC, a leading spread and dip company known for its line of refrigerated products, including hummus, salsa, and guacamole. It operates in four countries and employs 700 people. Sabra was founded in 2007 as a 50-50 joint venture between PepsiCo and Israeli-based food manufacturer, Strauss.

You will be resigning from your position, which you have held since 2007. Why?

I want to return to Israel to rejoin the rest of my family. I've been away a long time!

What's the obligation of a departing CEO to his or her organization?

It depends on the company situation. At Sabra, we have been growing between 20 and 30 percent a year. In seven years, we went from \$50 million in revenue to a half-billion dollars in 2014. My responsibility is to ensure that there is a clear path for maintaining the growth momentum well into the future—and that we have the right capabilities in place to continue along that path. But, more important than the bottom line, is that I leave behind the right values and culture. These are what make us who we are—and articulating and embedding those values is the unique responsibility of a CEO.

What are Sabra's unique values?

Trust, openness, and a focus on high-performance are our cornerstone values, which, by the way, we've translated into specific behaviors.

What are the most important actions you've taken to ensure that your legacy will remain in place after you've departed?

We have in place a 10-year strategy to guide the next generation of decision makers. Regarding values, during the past six months I have spent a major amount of time visiting every Sabra site to meet with each employee to explain the "why" behind our values and behaviors and to ensure that everyone understands their importance. Strategy will change. Values will not.

In this issue, Sabra CEO Ronen Zohar reflects on building the Sabra brand and his legacy, given his impending retirement from the company. Howard Guttman weighs in on the question, "Am I Relevant?" And Jim Bennett discusses turning around an underperforming senior-level team. All this in a five-minute read.

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Leader's Corner: How Sabra Spreads High Performance

Succession planning: What have you done to green your successor?

10 months ago, we decided who was going to replace me. We brought on board a talented Israeli executive, Shalit Shoval, and named her chief marketing officer. We wanted to make sure that she had a deep understanding of our customer base, both in the U.S. and internationally. I've worked very closely with her to ensure that she has a thorough grasp of the entire business and, most importantly, the values that guide it.

Is creating a high-performance organization part of your exit strategy?

Yes. As part of the transition, we've held several alignment sessions with my successor and the senior team. The high-performance approach, which reflects our values, is a crucial factor in our growth and success, and will continue to be after I leave.

When did you first begin the journey to the high-performance model?

We began in either 2008 or 2009. In order to make high-performance part of the organization's DNA, you need to make sure that you drill down the approach, step-by-step, throughout the organization. We started with the leadership team and branched out from there. Sometimes you have to make the tough decision to change players. Some executives are just not comfortable with the requirements of a high-performance culture and are not coachable.

Did you go beyond the top team in building a high-performance culture?

We involved every manager in the company in alignment sessions and developing the capabilities to lead effectively in the new environment.

Did having a high-performance culture in place help increase your confidence that you are leaving Sabra in good hands?

The high-performance approach enables everyone to work faster, to have an opportunity to have greater input into decisions, and to play a bigger role. People understand that success isn't dependent on whether or not I leave the company. It's dependent on leveraging—and putting into action—the brainpower of everyone in the organization. That's what the high-performance model is all about. And it's why I'm confident that Sabra is in good hands.

What have you done to ensure that the high-performance culture and values "stick"?

I have to make sure that it's not all about me. You have to get managers at every level committed and believing that, "Yes, this is the way we want to play the game and live our life in our company." To do this, you have to go beyond the small team at the top to engage the broader organization.

How did you take a substance like hummus, which was alien to the American palette, and make it a household spread?

You start with the need. The world needed a much healthier alternative to dips and spreads. Hummus was around for a long time, but it wasn't very tasty. The challenge was to go to market with a quality, uniquely tasty product to satisfy the need. Then you had to change perception. Hummus had a reputation for looking ugly and lacking taste. "What the heck are chickpeas, or garbanzo beans, anyway? I don't want to try that!" The trick was to get people to try the product.

How? Did you just give away hummus?

During the early years, we spent a lot of time, effort, and money on a nationwide campaign to give away million of samples of hummus. We went to high-traffic areas and just gave the product away. The typical reaction was, "Wow! That's pretty good." We didn't necessarily make an immediate sale, but we began to change mind-sets.

It was a long-term effort to gently coax people to try the product, so when they came across hummus in the supermarket, they would reach for it. And they did!

What is the one agenda item for Sabra that remains unfinished?

Sustainability. We need to find a way to address the environmental issues and make sure we are supporting the environment: everything from how and where to grow the ingredients for our products to determining the most environmentally friendly way to produce them. We also need greater workforce diversity, especially at the top levels of Sabra. Women are underrepresented.

What accomplishment are you most proud of?

Building a foundation and the trust that will allow us to become a \$2 billion company.

What's the greatest leadership lesson you learned during your very successful journey at Sabra?

Allow yourself to dream realistically big. When we started, we dreamed of becoming a \$50 million company. Then we asked, "Now, how do we reach the half-billion dollar mark in five years or less." Two years later, our dream is to become a \$2 billion company. We kept allowing ourselves to dream bigger and bigger. If you allow yourself to dream, you'll find a way to accomplish it. Don't get stuck. Keep the dream moving.

What's on your career bucket list? What's your next dream?

I'd like to have a similar experience to the one I've had at Sabra, but do it in a different country. Growing a small company in a different culture is very challenging and a lot of fun. I look forward to it. 🌍



Are You “Relevant?”

by Howard M. Guttman

When Satya Nadella was appointed as successor to Microsoft’s CEO Steve Ballmer, he told the Wall Street Journal that, “What drives me every morning and what keeps me up every night is one thing: This business is not about longevity; it’s about relevance.”

Remaining relevant in today’s hyper-kinetic environment is a tough challenge for both business organizations and those who lead them. Relevance for business organizations is a relatively straightforward concept. It entails remaining at least one step ahead of the new and evolving needs of customers and the marketplace.

The devil, of course, lies in how “relevance” is executed. That’s no cakewalk! Do we have in place the right strategy, structure, financial heft, culture, capabilities, ways of interacting and working—and is everyone aligned with these? Relevance in business is won or lost by being smart about these factors, which, taken together, ultimately determine whether or not an organization is a high-performance one, remains competitive, and continues to be relevant to those it serves.

How Relevant Am I?

Remaining relevant as an individual can be just as daunting as it is for organizations. Take the extreme case of senior leaders on the cusp of retirement. I’ve seen quite a few experience relevance fright. How do you maintain relevance—and self-worth—in whatever next act awaits?

I talked recently with the powerful, very successful CEO of a major corporation who had decided to retire from her organization after a stellar career. With all the heavy burdens of running a global enterprise came the perks: jet plane, limousines, an army of assistants, subordinates who hang on every word, journalists, and Wall Street analysts—you get the picture.

What happens when the perks go away and days are no longer no longer occupied with power meetings and grappling with strategic decisions? Without careful preparation and planning, it’s easy to feel isolated and irrelevant when the door to the corner office closes.

This executive, who was as tough as they come, felt vulnerable and wary, as though she were about to enter a twilight zone of uncertainty. It’s not surprising: Retirement is a high-wire moment for relevance.

One way to minimize relevance fright is to do some soul searching. I advised the executive to begin the process by thinking about 10 cornerstone areas and asked her to paint alternative scenarios for each:

- **Power**
- **Influence**
- **Income**
- **Prestige**
- **Social good**
- **Love/Family life**
- **Personal development**
- **Well-being/Spirituality**
- **Health/Physical fitness**
- **Arts/Leisure**

“If you’re not in motion, you’re not relevant.”

I asked her to select one or two areas that she felt most passionate about. These would drive the other areas—an “independent variable,” in sociology speak. I then suggested that she paint more detailed pictures about what life would be like if she focused her energy over the next several years living those “dreams.” As we went through the process of refinement and decision making, retirement fright gradually gave way to excitement. She realized that there was life and meaning after her career at the top.

If you're reading this column and are in mid-career, you may be thinking, "This doesn't apply to me." Think again. When it comes to remaining relevant, whether in your current situation or a new one you might be considering, don't kid yourself. It's later than you think. It's always "about relevance," as Nadella asserts. Postpone thinking about it and you press the "pause" button on personal growth.

Relevance in Motion

In Ronen Zohar's Leader's Corner column in this issue, he says something worth remembering: "Allow yourself to dream realistically big....If you allow yourself to dream, you'll find a way to accomplish it." And then he adds, "Don't get stuck. Keep the dream moving."

That's what relevance is all about. It's about movement, self-challenge, recalibration, taking action, setting new challenges. Keeping the dream moving, not getting stuck, and being in action—it's a continuous relevance loop. If you're not in motion, you're not relevant.

In *Coach Yourself to Win*, I discussed in fair detail a self-coaching process designed to help individuals grow, both professionally and personally, through achieving personal change. The book outlines how to convert a "dream" to an intention and then to action. The ability to change behavior is at the heart of remaining relevant. Take a look at the 7-step process discussed in the book. Hopefully, you'll find it a useful guide.

In 2005, Steve Jobs delivered what has become a famous commencement address to the graduating class at Stanford. "...for the past 33 years," he told the students, "I have looked in the mirror every morning and asked myself: 'If today were the last day of my life, would I want to do what I am about to do today?'" And whenever the answer has been 'no' for too many days in a row, I know I need to change something."

While Jobs' question related to the importance of following your "heart," it also triggers an insight about relevance. Is what I'm doing for too many days in a row related to my dream or the intention that I set? If the answer is "no," then I need to make a change. It just may be that the first test for determining how relevant you truly are is not related to an organization or some other external factor, but to how relevant you are to yourself. 🍌

What's New?

Speaker's Corner

Howard M. Guttman
"Enhancing Working Relationships Among C-Level Executives"
CFO Conference
HSF Affiliates
Ojai Valley, CA
October 20, 2014



From a Consultant's Notebook

Jim Bennett

Here are field notes from an intervention led by Guttman Associate Senior Consultant Jim Bennett.

Presenting Situation

The consumer division of a global pharmaceutical company hit rough times. . . . Revenue and profits down for three years running. . . . Many iconic brands in decline. . . . no longer generating top- and bottom-line results. Three product-category teams, led by a senior marketing director and board, managing the brands. . . . Category teams segmented by area of therapeutic intervention.

The OTC category team, typical of the others, ill equipped to initiate a turnaround. . . . Hidden conflict rampant . . . silo thinking on the management board creating fragmented environment, with each functional area—Marketing, Sales, Finance, etc.—defending turf. Little enterprise accountability and high turnover.

Charter for Guttman

OTC senior marketing director leaving her position in 12 months . . . didn't want to leave a legacy of failure. Wanted bragging rights: "I'm the one that engineered the return to profitability." She realized she needed help. . . too long a history of not turning a profit, too much ingrained bad behavior by the category leadership team. Leader's business objective: Accelerate her and her team's ability to ratchet up performance. No time to waste.

Process

Initially joined the leader in an all-day meeting of her senior team as a "back-of-the-room" process coach to privately assess behavior of the team leader and team members. Leader realized that the team and invited guests created a difficult-to-manage meeting experience: too many people wandering in and out of the room . . . too many viewpoints . . . too much pontificating and talking past one another. Siloism and rivalry evident . . . a "we get along, so let's play along" mentality. . . no sense of a cohesive team. Decision made on the spot to take the team through an alignment experience.

Reached out to key team influencers prior to the overview and alignment sessions. . . used an integrated approach, combining behavior change through the alignment session and capability development, especially transferring active-listening skills. During the alignment, asked questions such as, "How do you want others to perceive you?" What team behaviors tend to derail you?"

Results

Financial turnaround quickly achieved. Within three months of the alignment and skill development sessions, financial objectives met for first time in three years. Questions asked during the alignment session showed the personal side of team members . . . lowered wariness. Team alignment session neutralized intramural competitiveness and created willingness to listen. Team members redefined what it means to be on a team, take an enterprise view, and work interdependently. Presidents of the other category teams took note.

Key Insights

Leading is not about pushing hard and checking the boxes recommended by some "excellence" management text. It's more subtle . . . must make it safe to "go there," into someone's turf . . . create a collaborative environment, build strong peer-to-peer relationships, and get people to listen to one another without silently censoring. ●