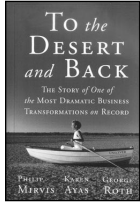




“STAGING” A COMEBACK AT UNILEVER

BY JANICE MOLLOY



To the Desert and Back

by Philip Mirvis, Karen Ayas, and George Roth

Over the past couple of years, some brave souls in the business world have started to talk about the link between personal growth and organizational change. The belief is that, because we create our organizations, unless we change how we think, act, and interact with each other, we'll have a hard time instituting true, lasting shifts in business as usual. But while this approach may sound valid on the surface to some of us—or unthinkably sentimental to others—we haven't had many examples of it in action to mull over, discuss, dissect, and even to emulate. Now we do.

In *To the Desert and Back: The Story of One of the Most Dramatic Business Transformations on Record* (Jossey-Bass, 2003), authors Philip Mirvis, Karen Ayas, and George Roth tell the story of how a visionary leader and his unconventional management team engaged the hearts and minds of a workforce to dramatically turn around the fortunes of a business unit in distress. By carefully staging a series of memorable events, including the trip to the desert referenced in the title, this innovative leadership group challenged, inspired, and united the organization to achieve outcomes that had previously been unimaginable. Through its success, the company ultimately influenced the management practices of its parent company, a \$66 billion global conglomerate, and serves as a model to all of us seeking to revitalize our organizations and achieve sustainable growth.

A Dramatic Turnaround

In the spring of 1995, Unilever Vlees Group Nederland (UVGN), a Dutch division of global food, home, and personal care products giant Unilever, was in dire straits. For the previous four years, the company had experienced declining volumes, shrinking margins, and higher costs. The competition was making inroads into the firm's longstanding markets. To maintain profitability, UVGN had repeatedly raised prices on its food products, even as quality problems rose. Unless the unit quickly orchestrated a major turnaround, the parent company planned to put it up for sale.

Enter the new chairman, Louis “Tex” Gunning, a Unilever veteran. From the beginning, Gunning perceived the need to engage every worker's intellect and emotions in revitalizing UVGN. Early in his tenure, he decided that they needed to experience for themselves the results of their current way of doing business. One morning, the entire company—1,400 workers in all—boarded buses and traveled to a secret destination, which turned out to be a warehouse packed full of defective products. Amid the stench of rotting food, people calculated the lost money and wasted effort that the pallets of spoiled sausage and leaky soup cans represented.

Most workers were shocked by the extent of the company's quality shortfalls. Because the business continued to be profitable, at least on paper, they hadn't realized the depth of its problems. The field trip dramatized how far the organization needed to go in order to remain competitive, setting the stage for a major shift in corporate culture and a stunningly rapid turnaround.

Individual and Collective Learning

The warehouse visit was just the first in a series of landmark events that punctuated the company's journey from corporate dog to corporate racehorse. After stabilizing the business, UVGN's managers realized that, for the company to be successful over the longer term, employees would need to develop new skills and a renewed sense of confidence. As a first step, trainers introduced some personal development tools, including the concepts from Stephen Covey's best-selling book, *The Seven Habits of Highly Successful People* (Simon & Schuster, 1989).

But to face the challenges ahead, people also needed to fundamentally change how they worked together. To facilitate that process, leaders designed a “learning conference,” in which all UVGN employees gathered to hear about the current state of the business and plans for the future, to explore their roles in achieving challenging objectives, and to learn how to learn together. As with the warehouse visit, planners designed the event to have a strong sensory and emotional impact, with a mixture of entertainment, group discussions, experiential learning activities, and a culminating party. Top executives and line workers talked together about their personal aspirations, expectations, and concerns. The learning conference became an annual event and played an important role in bringing the company together, establishing the link between individual and organizational growth, giving workers the confidence to achieve stretch goals, and underscoring the company's commitment to a new way of doing work.

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In 1997, UVGN merged with the larger and more prominent Van den Bergh Nederland (VdBN). To the surprise of business observers, Gunning was made chairman of the merged organization. Over time, building on many of the techniques piloted in UVGN, members of the merged organization learned how to work together to broaden their understanding of current reality, plan for the future, and move into action.

Powerful Shared Experiences

The practice of orchestrating powerful shared experiences to help unify and inspire people reached its pinnacle during the years after the merger. For instance, shortly after the transition, a management conference was held in a churchlike building. On a screen above a dimly lit stage was the image of God's hand reaching out to give life to Adam, adapted from Michelangelo's mural on the ceiling of the Sistine Chapel. According to the authors, "The symbolism was spellbinding. People are not alone; they are connected to the divine and to one another." The event helped managers from the two companies to emotionally connect with one another and finally gel as a team.

Other retreats occurred in equally dramatic settings: the ruins of a medieval monastery, the Scottish highlands, a clipper ship, the Sinai desert. In each gathering, organizers paid intricate attention to the journey, presentation, lighting, imagery, sequence of activities, and so on, drawing on principles of design, folklore, performing arts, and spiritual traditions to script an unforgettable, life-altering experience for the participants. For example, at a time when the company needed to develop a collective leadership agenda, the 180 team leaders traveled to Scotland, where they began the three-day event as members of four separate "clans": the McSoups, McMeats, McSauces, and McSpreads. The retreat culminated with a challenging two-hour

climb to the top of the famed Corrain on the Isle of Skye, where the group finally came together, to raucous cheers, as the united McVan den Bergh community.

On a smaller scale, some teams simply picked apples together in the local countryside, using the experience to reflect on how they worked together in the factory. At the other extreme, the company created transformative events for its customers, inviting up to 60,000 retailers and their dates to what they called the "Big Night," which featured entertainers, video presentations, discussions, songs, and refreshments. The collective effect of all of these activities was to connect people to each other and to the company in exciting new ways.

To the Next Level

Throughout its transformation, VdBN employed an eclectic range of tools and practices to help workers build skills for jointly addressing business issues. Many of the events included Outward Bound-type experiences, in which people challenged themselves physically and learned to rely on others. In "fishbowl meetings," teams sat in a circle and debriefed their interpersonal dynamics, while an outer circle of people observed and learned from the process. Employees from the top of the organization to the bottom wrote and shared their "emotional lifelines," practicing listening skills and forging a base of trust and respect in the process. And an exercise called "believers vs. cynics" explored debate, problem solving, conflict resolution, dialogue, and community as different ways to resolve conflict.

For some, these activities and the new corporate culture felt cultish and alienating. But most people wholeheartedly embraced the change and thrived in their expanded roles. They assumed all sorts of new tasks and responsibilities. They worked together more productively than before. They developed creative approaches to ongoing challenges. As one factory worker put it, "I am motivated to

work faster and better. I can act on my own initiative and get quick feedback. We produce more with fewer people. . . . I get satisfaction from what I do."

The business results of this process are incontrovertible. From 1998 to the present, VdBN experienced a renaissance: a plethora of new products, the revitalization of old ones, heightened brand awareness, a focus on new distribution channels and markets, a commitment to experimentation, and a fine-tuning of strategy. Business units achieved double-digit growth, and factories dramatically improved efficiencies. The organization had truly created a lasting legacy of growth.

Tex Gunning left VdBN in 2000 in a dramatic passing-of-the-torch ceremony that took place in Petra, Jordan, during a leadership retreat in that region. Under the new chairman, some of the leading-edge practices were eliminated. But the core of the corporate culture remained intact. As Gunning is quoted as saying, "Once people have felt the freedom and they begin to lead, you can never take that feeling away." Certain activities have filtered up to Unilever as a whole, including team-building exercises, stretch goals that require new knowledge to accomplish, learning gatherings and Big Night events, and leadership retreats to exotic locales such as Costa Rica, Iceland, and Croatia.

To the Desert and Back does not purport to offer a set recipe for success. What it does do is show how the work of change must start in the heart and soul, mind and body of every member of the organization. This approach is not gratuitous, touchy-feely, or "soft"—rather, it is an integral part of any management toolbox, merger process, or corporate restructuring or overhaul. For unless people believe they are part of creating a new future, they will remain hopelessly mired in the practices of the past. ■

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