Iglo Foods Group is the market-leading frozen foods business in Europe, operating in 11 countries across Europe. It acquired the Italian Findus business, making the Iglo Foods Group a truly European business. With a relatively new executive team and an ambitious plan to create a centralised product and marketing function, Iglo Foods Group had a clear need to create a common culture, based on performance and collaboration, as a platform for results and top-line performance.

Chief Operating Officer Tania Howarth reflects on the successful focus on creating the PACE culture as a key tool to enable and accelerate its growth strategy that resulted in record financial performance in 2011.
Iglo Group: Creating a competitive and collaborative PACE culture to enable results and growth

Iglo Group (formerly Iglo Foods Group) is the market-leading frozen foods business in Europe, operating in 11 countries across Europe. It acquired the Italian Findus business at the end of 2010, making Iglo a truly European business. With a relatively new executive team and an ambitious plan to create a centralised product and marketing function, Iglo Group had a clear need to create a common culture, based on performance and collaboration, across the group.

Senn Delaney was engaged to help create a high-performance culture throughout the company to support the ambitions of aggressive top-line growth and improved synergies and productivity.

Among the top business challenges that had to be addressed:

- The matrix organisation needed a common language and values to enable the sharing of ideas, leveraging best practices and making decisions across the enterprise.
- There was an expanded leadership team and new members needed to be aligned around the common Iglo culture.
- Iglo had multiple legacy cultures in the organisation, especially at the top, that had to be integrated.
- The Findus acquisition needed to be integrated with the Iglo business.

Future inorganic growth needed a cultural platform to be able to integrate new acquisitions.

Results desired from the culture shift:

- create a distinctive, high-performance culture throughout the organisation that supports the growth strategy
- foster a culture of outward competitiveness and inward collaboration to enable achievement of business goals and effective operation in the matrix
- connect people with the compelling purpose of the business
- capture the spirit of the organisation and inspire everyone
- create an environment of teamwork, focus and decisiveness not just at times of crisis but during usual business operations
- create a positive energy to enable top-line growth

Within a year, the company grew at a rapid pace to become a European sector leader. CEO Glenn credits the creation of a clear, unifying purpose and the work to define and bring its core PACE values to life throughout the organisation. This created a culture that has been a key enabler for success. Iglo is now well positioned for future organic and inorganic growth. The culture work contributed to several positive results:

- PACE values fostered better decision making and sharing of ideas, enabling Findus acquisition to be quickly integrated
- Iglo experienced record financial performance in 2011
- company increased employee engagement
- Iglo achieved market share growth in all but one of its markets

“2011 was our best year yet. We achieved our fifth consecutive year of core category sales and EBITDA growth and delivered on all of our financial targets,” Glenn told investors. “The acquisition of Findus in Italy has been transformational and I am proud of the management team’s ability to integrate a large-scale business. We are Europe’s leading ‘pure-play’ branded frozen food business, with all three businesses delivering net sales growth.”

— Martin Glenn, chief executive, Iglo Group
Chief Operating Officer Tanya Howarth reflects on the culture-shaping journey and results

Iglo Group Chief Operating Officer Tania Howarth joined Iglo in 2007 and successfully led the separation from Unilever and the creation of a standalone integrated SAP platform. She previously worked for some of the most prestigious branded goods companies including Coca-Cola, where she was CIO for Europe, the Middle East and Africa, PepsiCo where she was CIO for the Walkers Snackfood business, Sun Microsystems ICI and PriceWaterhouseCoopers.

She sees the PACE culture as a key tool to enable and accelerate the growth strategy that resulted in record financial performance in 2011. Howarth discussed the culture and lessons learned during a recent Webinar on “why culture matters to business performance.” Here are some highlights of the Iglo culture change story she shared during the discussion.

Building a new culture for resilience and ability to manage through difficult times

We are the largest branded frozen food company in Europe. We trade under three brands across Europe: BirdsEye in the UK, Findus in Italy, and Iglo in the rest of the European market. We have revenues of $1.6 billion and just over 3,000 people across the whole business.

We’re actually owned by a private equity company, Permira, which bought the business from Unilever at the end of 2006. At that time, the first few years of the business were really best characterised by three big challenges that we had. The first thing we had to do was to stabilise the business. It had been declining for a number of years. The business had suffered from underinvestment, and we needed to affect a clear turnaround in both growth and profitability. Secondly, we had a very challenging separation to pull the businesses in each country out of Unilever’s back office and systems infrastructure. Thirdly, we had a massive people agenda in trying to establish the right management for the job in hand.

In 2010, we acquired Findus Italy, which was a significant business in its own right. It really established us as the leading European frozen food business. Findus was a third of the size of the new business.

In the early years, the business felt difficult. The management team was very ambitious. Our investor was very ambitious. It felt like we were changing everything all of the time. We characterised the challenge as one of needing resilience and being able to manage through difficult changes. From 2010 onwards we became very keen to build a different culture to address some of the business challenges we knew that we had.

Reorganising, change of top leaders, multiple legacy cultures, lack of clear culture alignment

At the beginning of 2010, it was quite clear to us what our cultural challenge in the Iglo Group was and how it manifested itself. We were absolutely convinced as an organisation that we had some significant competitive advantage in our pan-European scale. We felt that we should organise ourselves around those functions that were best centralised with an effective matrix, such as manufacturing distribution, procurement, IT, HR, et cetera. We also felt, more controversially, that we should organise centrally around R&D and our core product categories.

We also believed that we would be able to really leverage our results by focusing the organisation on a few big things instead of promoting a lot of products and product change across the business.

Another challenge was that we had, in a very short period of time, changed a significant number of the leadership team, in the executive leadership team, and then at the next level down. Of the seven executive team members, only two of us were actually from the original business back in 2007.

We found that there was a legacy of multiple cultures within the organisation. In the executive team, for instance, there were leaders with strong convictions about what the ‘right’ culture should be in Iglo, all of which were different. This had the impact of creating some confusion in the organisation as to what we felt was really important about the Iglo culture. If you then add to the mix the fact that well over half of the employee base had grown up within the big, multinational Unilever culture, then it makes for a very diverse perspective, especially since people no longer have the infrastructure of big company systems, processes, and mentality around them.

One thing we noticed was that whilst we had a number of challenges, including making sure that we could get sustainable top-line growth, we had been really...
successful whenever there was a big call to action — some burning platform or a project that we had to organise around. Our challenge was finding a way in which we could embed that way of working so that it was business as usual.

Creating one distinct Iglo culture, connected to purpose

Our clear intention was to replace the legacy cultures and create a very distinctive Iglo culture, a high-performance culture that we could embed across the group that would actually support the growth strategy that we were very wedded to and needed to achieve.

We needed to be much more competitive externally, and internally, we needed to much more collaborative in order to support that matrix that was so fundamental to our focus in the organisation and the way we used our resources.

I want to pause just briefly on that word collaboration because it’s often used. It’s often a word that different people interpret differently. For us, it has some really strong messaging attached to it. We needed to have what I term an edgy collaboration building. It was all about getting very quickly to the right results in a fact-based way. It was about making sure that the whole organisation was focused on the objective, and it was about making sure that we lost all of the politics of the turf issues. We wanted to make collaboration work in a way that left people feeling inspired, energized and positive. This was one of our big challenges behind the focus on our PACE culture.

People needed to feel very connected to the purpose of the business. We knew that we had a lot of pride in the brands. We had a lot of people in the organisation who were very happy to be working for our business, both producing and consuming, in many cases, the products themselves. But we lost our way a little bit with a vision and a purpose for the business, which we needed to put back. Most of all, we needed to capture the spirit of our ambition and what we were about and make sure that we inspired every single person in the business to do their best and deliver the best performance.

In the early days we did have a strategy and ways of working. We needed to reinvigorate that strategy in the structure and processes, triggered by the Findus acquisition and the scale of the business that we’d become. Most importantly, we needed ensure that the culture was fit for purpose for further growth.

Focusing on culture as a platform for results and competitive advantage

We definitely see culture as a competitive advantage. As you might expect, being a private equity-owned business, what matters is the results that we generate. So, focusing on culture was always about results, and it was always about gaining an advantage over the competition. We genuinely believe at all times that culture was actually a very key enabler to getting those better results.

Anybody could have copied our business strategy. It was good strategy, but there’s nothing unique about it. We fundamentally believe that an average strategy brilliantly executed is always going be much more effective than a brilliant strategy poorly executed. That is exactly what we set out to do, and to use the cultural change as a platform to do that for us.

Defining the future state of the PACE culture

We noticed that in the absence of clarity, people make up their own definition of what is important, and even fill the void of cultural norm with their own version of what that should be. And so job one for us was to develop what we term the strategic framework.

We did have a strategy, and we certainly felt that we had a very clear ambition. We started working on this framework, which briefly described and articulated why we were in business, what our purpose was, what we wanted to achieve, and how we wanted to achieve it — mainly the values and the norms in which we would behave and work together. The senior team quickly realised we had to spend a lot of quality time together to specifically define what that strategic framework was and what it meant, and then communicate the message effectively to engage the rest of the organisation and understand it more clearly.

Spending that time up front defining and clarifying was really important for us. It not only helped with executive team alignment, but also subsequently in the shadow that we cast across the rest of the organisation. The PACE values were really an articulation of how we wanted to work and what we valued in the organisation. We used that as a backdrop to reward and recognise people for good performance. We used it as a backdrop for hiring, for developing leadership competency, and for promoting people within the organisation. PACE is now very much woven into the fabric of everything we do around the people agenda.

We spent time articulating what the PACE values meant, but also defining what they didn’t mean and what we didn’t want as behaviour. I think that this is as equally
important as defining behaviours you want to promote within the organisation.

**Embedding the PACE values**

Promoting PACE wasn’t a one-off event. Throughout 2011, we spent a lot of time reinforcing PACE through discussion and also we also brought in a much stronger feedback and coaching culture within the business. This allowed us to give each other feedback and help the rest of the people in organisation understand where they needed to maybe correct or do things differently.

Our first job was to establish that very clear direction and core PACE values for the rest of the business. Once we had done that, there were three key tracks of work we did to make the change happen and to embed the culture. The first one, and the most important clearly to start with, was to focus on leadership.

We talked about unfreezing old habits. That has nothing to do with being a frozen food company. It was about unfreezing old habits and old cultural norms and shifting to a shadow of leadership that really embodied the business culture and the performance we wanted. That started with the executive team, and it was a combination of group sessions and one-to-one coaching. It also went down to the next level in the organisation where we took each of our leadership teams through a leader-led unfreezing process with the help of Senn Delaney.

The second track of work was about engaging the rest of the organisation, and this took many different forms. We had a big launch conference, which really made the outside-in thinking clear and gave people a chance to experience the PACE values and the vision and really understand it by working with it. Following that was an organisation-wide deployment of the PACE and an experience to really help people internalise what PACE means and develop the inside-out thinking. The final piece was to embed the culture within the day-to-day practice in the business. This is what we termed the in-use application. There were a number of different elements to it. One was making sure that all of the people-related processes in the business were reflected in the PACE values.

We spent a lot of time coming up with a new employee recognition scheme called PACE setter, which has been really successful in articulating and embedding cultural changes, and making sure that we are always focusing the whole organisation’s attention on making our ‘Blue Chip’ priorities a real success.

**Results-driven approach**

The reason for doing all this work with PACE was to get better results. And we feel proud of the fact that at the end of 2011 we could really see a shift in our performance on a whole number of different levels. It was our best ever performance here in 2011. We got top-line growth everywhere in the business. We continued a very strong profit performance.

We regularly survey employees around levels of engagement. We do that every 18 months. We saw a significant step up in those engagement scores, particularly around alignment to the business objectives and pride in the organisation.

We’ve managed to successfully strengthen our new product development pipeline, which is fundamental to our growth ambition, with a very strong three-year view all hinged around the core product categories around which we focus the business. We managed to integrate the Italian business, which we acquired in 2010, in one year, where it had taken three years to do the rest of the business. That has been a very successful activity for all us. Findus is in really good shape and doing very well.

And with all of that, there was a really strong sense of renewed energy in the organisation. At the end of 2011, people were really excited and everybody shared in the ambition and vision of the business. We were proud of being the largest food business in Europe and we were proud of the competitive edge that we brought into the business. That played out really well in the way that we collaborated against the Blue Chips in the organisation.

Our CEO, Martin Glenn was very much at the forefront of leading this. He recognised the cultural transformation had really helped improve the operational effectiveness of the business. He said that the fact that we had invested in culture may well raise eyebrows in a private equity-owned business, especially since we had brought in an external organisation to help us do it. We think PACE has been a really big part of our success in the last 12 months.

**Reflections on the culture-shaping journey**

Summing up the experience of our journey, there are probably three things that I can see as key learning. The first one was the importance of getting absolute clarity in the early stages to make sure that we aligned our perspective against the vision and the values of the business. That was really key for us. The second thing for me was that it is very much an ongoing journey rather than a programme.

Finally, and I think most importantly, this absolutely has to come from the top down. It is a CEO-led change; it has to be. It takes courageous leadership from a CEO with the vision to say ‘this is the business I want to create’ and the commitment to make it happen through good times and bad times.

Learn more about why culture matters to business results and how you can shape your culture to drive spirit and performance. Visit www.senndelaney.com or contact us: London: 020 7647 6060; Los Angeles: 562 426 5400.