



Driving Strategy and  
Performance Through  
Leadership and Culture Building



## Driving Strategy and Performance through Leadership and Culture Building

How do you integrate eight separate, and very different country organizations, each with their own P&L, cultures and country leadership teams into a unified regional entity?

The why is easy. To generate operational, marketing, financing and supply chain efficiencies to gain competitive advantage in one of the fastest growing agriculture equipment markets in the world, APAC. The challenge was not lack of industry expertise or local market knowledge. The challenge was cultural. How to integrate eight very different national and business cultures (Russia, Turkey, Kazakhstan, India, Australia, China, SEA, Japan) into a unified APAC Region.

Think of this as a massive merger and integration opportunity, with culture clash thrown in, times eight! And historical merger and integration statistics are not good.

**\$3.7 Tn**

global value of  
M&A deals in  
2019

**70%**

of integrations  
fail to deliver  
sustainable value

**Culture Clash**

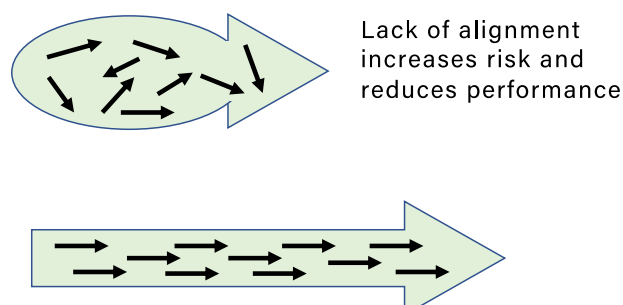
a significant factor  
in integration failures

Studies over the past several decades on the success of mergers and integrations often cite incompatible cultures as a key reason so many fail to deliver sustainable value.

### Leadership Alignment, Culture and Strategy Execution

While country cultures may be very different, even within the same global company, the principles of corporate culture are the same, they are just operationalized differently. For example, one of the core principles of corporate culture is “*organizations are a shadow of their leaders*”. In other words, the behaviors, attitudes and work practices of the senior leaders tend to be mirrored far down into the organization.

Unless the new APAC senior team adopted a shared set of leadership behaviors, cultural values and operating principles, lack of alignment at the top would undermine any efforts to create an effective regional organization. Lack of alignment would quickly manifest itself in infighting over limited budgets, lack of information and resource sharing, and poor teamwork on APAC-wide product development and marketing projects.



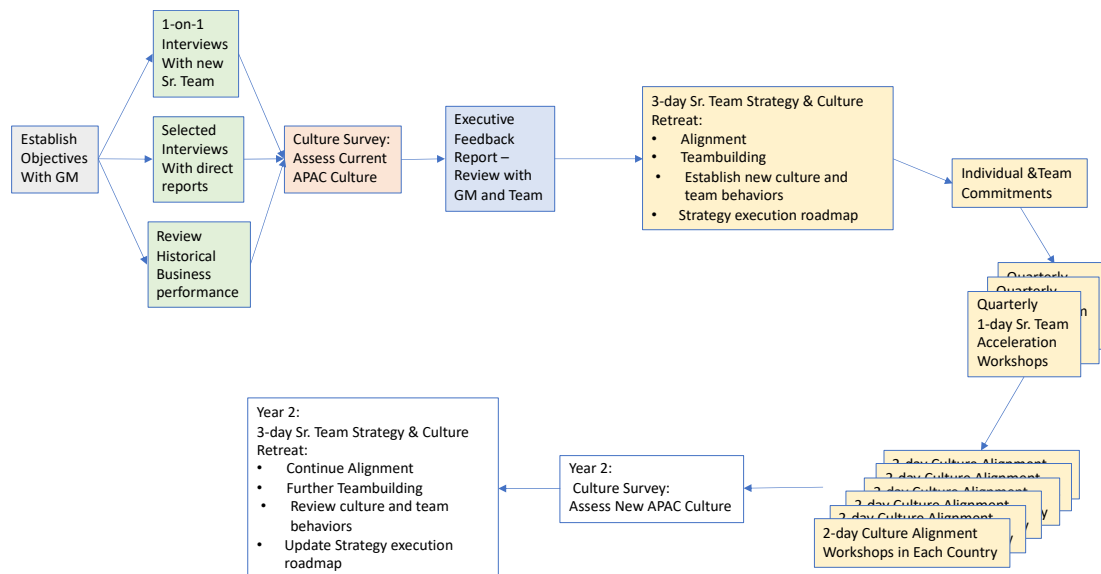
In order to build a high performance APAC region, the new General Manager had to assemble the right people from across the region for senior leadership positions and build them into a team. Then he needed to focus this new leadership team on driving APAC performance, and not their individual country or functional objectives.

A second fundamental principle is that culture is a business issue, not an HR issue. Drawing up a new organization chart and establishing job descriptions does not automatically create an effective organization. Along with new roles and responsibilities, a new culture must be developed that supports delivery of the business strategy and at the same time engages all employees.

### The APAC Road to Success

Taking the new APAC region from \$1.4 billion to \$5 billion revenue in 4 years was a tall order, but the market was ready. Now it was time to build the team and establish a new culture, which was called, "The APAC Way".

Below is a schematic of the methodology used:



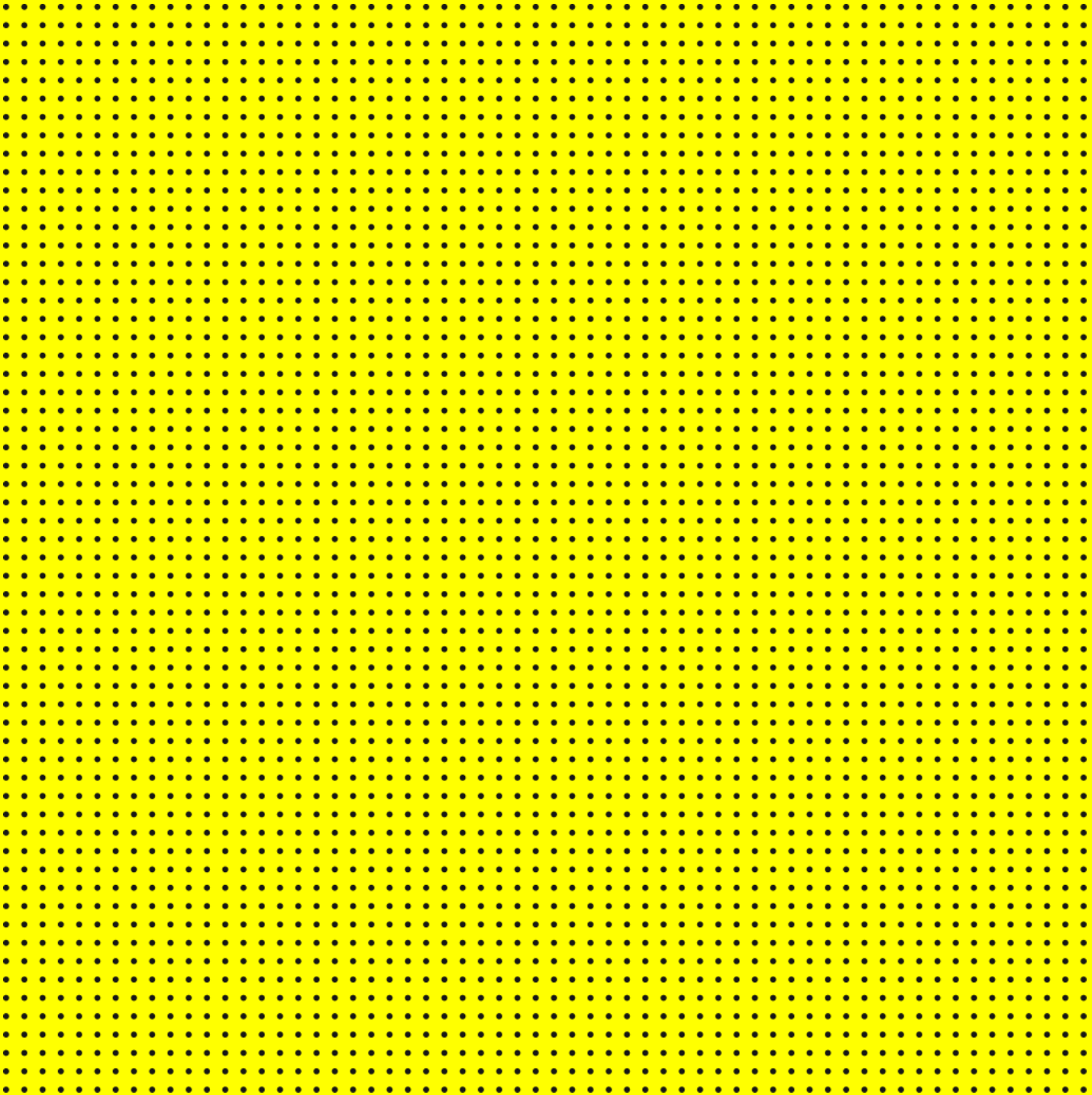
Effective culture change encompasses new leadership behaviors, proactive leadership of the new culture, constant communications, measuring culture progress, and the ability to link the new culture to business outcomes. Workshops must be coupled with shifts in internal policies and work process to reinforce the new behaviors. In the case of APAC, we kept the culture change on track using a Strategy Execution Roadmap which the senior team and each country used to deliver both a new culture and new strategic objectives.

*"This unique culture shaping, strategy alignment and execution methodology helped us deliver significant top line and bottom line performance"*

*~ Stefano Pampalone, COO, APAC Region*

At the end of the second year as a new region, APAC delivered 50% of the total global profit for the company and was well on its way to reaching its goal of a \$5 billion region.





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