

FINANCIAL SERVICES CREATING A GIANT CHALLENGER FROM A SLEEPING GIANT

A large financial services organisation had been through a difficult time in recent years both in terms of their business performance and their organisational spirit. The organisation was considered to be one of the exemplar Challenger businesses in its time. When it launched it effectively re-invented the industry. Up to this point the market sector had been characterised by a very traditional and staid relationship with Customers, this organisation revolutionised that with a more customer-friendly, agile, simple and human approach.

The business was immensely successful in changing the face of the market and the way in which customers thought about the offering. It grew rapidly in terms of the number of employees, the number of customers and the geographical reach. Inevitably, with this level of success, its competitors began to imitate what it did and through innovation, caught up with and eventually began to overtake it.

In effect, the success of this organisation carried with it the seeds of decay. The mass and size of the organisation began to outweigh the momentum with which it had originally been established. It became less clear about its difference in the market, more conservative in its attitude to risk and experimentation, less energetic and more stuck in the status quo. It had become a sleeping giant rather than the energetic Challenger that it had once been.

Over time, this organisation had become very familiar with cost cutting as a way of preserving profit margins. Whilst this created instability in the organisation it was not leading to business transformation, they had lost the capability to innovate in other ways. They needed to create a new purposeful instability for themselves and have the capability and belief to lead through the reaction this would cause in the organisation.

An analyst's report put the situation succinctly, stating that the organisation in question “.. seems to have lost its power” whilst its major competitor “...remains structurally better and more adaptive.”

It is easy to pin these claims on structural advantages but in our experience they are likely to be underpinned by a strong Challenger culture and leadership cadre.

Relume were chosen to help because of our experience of working with Challengers. The Challenger heritage that this organisation already had meant that we saw the task not to be about creating something new as much as reconnecting with what was already present buried within it. The leaders had to chip away the Establishment business mindsets, structures, processes and culture in order to rediscover and amplify the Challenger mindsets and behaviours present.

WAKING A SLEEPING GIANT - APPROACH

After a very short diagnostic interview process with the Leadership team we identified three priorities to focus on from the 8 Challenger credos we had already identified in other organisations. We facilitated an exploration of some underlying questions with the group with a view to:

- Facing into the current situation and finding some energy to break from the past
- Aligning what they were trying to cause in the next few years
- Creating some collective meaning
- Inspiring themselves so that they could in turn inspire others
- Increasing their capability to cause and then lead through uncertainty (encouraging improvisation, experimentation and innovation).

This was achieved through a series of small and large group workshops, individual meetings and coaching sessions.

The 3 priorities were:

1 FACING UP - BREAKING WITH THE PAST

- What is underneath the drop in performance?
- What are the brutal truths we have to face into?
- How will we respond to the paradoxes facing us?
- Which habits, norms and routines are keeping us stuck?
- How can we create a mindset of not knowing what is 'impossible'?

2 CLARITY OF PURPOSE - INSPIRING ONESELF AND OTHERS

- How can we create an iconic challenger business with a worldwide reputation?
- What are some of the conventions in our category that we want to challenge?
- Where is more courage required?
- What is our belief in ourselves?
- What are the conditions that will support our ambition?
- How will we create those conditions?

3 LEADING THROUGH UNCERTAINTY - BEING THE FACE ON THE DARTBOARD

- What do we need to learn about leading through uncertainty?
- How do we create a team that thrives in the tough times?
- What kind of relationships will withstand the transition in the business?
- How will this team model the aspired culture?
- How will this team unify the business?

RESULTS

In very brief terms, the work has resulted in:

- More skill in confronting the limitations in the current situation together
- Much stronger alignment behind a common goal and vision
- A commitment to action from the leadership team resulting in a number of critical strategic decisions being committed to which were previously being avoided.
- Renewed energy and belief that it is possible for them to regain the market share they have lost.
- A capability to lead through the instability that they were purposefully creating as a route to business transformation.

The work has created a more open and collaborative culture within the leadership team that is 'infecting' the rest of the organisation. They have created their own organisational meaning both as a group and individually. This has enabled a new set of conversations and relationships to be established. The energy is now focussed on what they need to do rather than defending or justifying their inaction. From the foundation of stronger more purposeful relationships, they have created many more opportunities, which in turn have begun to create better results. This virtuous circle has encouraged further commitment to the new approach from all those involved.

This collective experience has also enabled them to develop their individual action plans and to consider the things they needed to do differently to break the habits that were not serving the organisation. They have been able to take this energy for more aligned change out into their functions, creating further momentum as it has rippled through the organisation.

Whilst the process has been stimulating and enlightening it has not been easy. There have been real issues and disagreements to confront. Business transformation is an inherently unstable process and the leadership had to develop a capability to lead through it. There have been many practical examples where in order to commit to the agreed strategy they have then had to decide where to cut resources and where to over-commit them. All of these have had implications for the organisation as a whole and the individuals within it.

Part of the value in the work with Relume has been to help establish the conditions that allow authentic and productive conversations to take place. We have also created 'tools' which will survive long after our role in the organisation has finished.

Our goal is always to leave our Clients in a more resourceful state than before our interventions. We believe that it is only through self-sufficiency that client organisations will have the energy and capability to handle the myriad of possibilities that will arise in any change journey.

At the heart of our approach is a "strong challenge to habitual thinking" which enables organisations to break away from their immediate past and to change the status quo; we help them to become more conscious of their choices and to encourage them on this journey which requires a great deal of courage, energy and belief.