



BARRETT VALUES CENTRE

CRU INTERNATIONAL

Market Analysis Company Dramatically Reduces the Cultural Entropy® score in a Changing Market

THE SITUATION

CRU is a privately held research, analysis and consultancy business which serves the global metals, mining and fertilizer industries. Just before the failure of Lehman Brothers and the subsequent Global Financial Crisis, the business appointed a new CEO, Nick Morgan.

The business faced a number of challenges – over and above the impact of the financial crisis – including low profit growth, a paper-based portfolio, a silo culture (silo by commodity and by business function) and production inefficiencies.

Whilst the customer base was becoming more and more multi-commodity, CRU struggled to achieve the sort of cross company collaboration required to meet this need. The possible upsides of cross commodity collaboration and the upsides of collaborating across analysis, consultancy and events were not being realised.

The new CEO sought first to deal with the short term by reducing costs where appropriate and then developing a clear strategy for the business going forward.

This meant getting the Executive Team to work together on the strategic plan, including a digital and technology strategy, and creating a more coherent approach to the management of the business and to communication across the business.

Traditionally, the ‘management’ role at CRU was seen as unimportant, almost an administrative role to be performed when time permitted.

These important issues led to the management team working with Tess (O’Kane) Cope to conduct CRU’s first Cultural Values Assessment.

THE PROCESS

Tess, an external consultant, worked very closely with the CEO and the Head of HR to conduct the values assessment and plan follow-up action. This section highlights their course of action to reduce the

Industry:
Media, Mining Sector

of Employees:
215

Country:
Global company with offices in London, Beijing, Santiago, Mumbai and Pittsburgh.

Website:
www.crugroup.com

Consultant:
Tess (O’Kane) Cope
The Transformation Agency
+ 44 0787 6330 723
tess@thetransformationagency.com

Cultural Entropy score and create greater alignment within CRU International to accomplish their goals, become more relevant, responsive and profitable in today's marketplace.

- The survey was sent to all staff around the globe and included two qualitative questions (free response questions) which provided a rich depth to the feedback – conducting the survey was a surprise in of itself, as it sent the message that the Executive Team felt that the culture of the organisation was an important element of facilitating the vision and strategy, and as such they were going to measure and track it over time;
- In response to the survey feedback, the Executive Team spent time to create a set of organisational values, in the context of the vision and strategy, and discussed what behaviours were needed to create the change;
- The Executive Team and HR were not actually surprised by the survey results and the potentially limiting values that were selected, but were surprised with the level of the Cultural Entropy score, at 30%;
- One of the key components of the desired culture espoused by the Exec Team, was around transparency and they therefore took the opportunity to lead by example on this by presenting the survey results at an all company meeting (which were introduced on a quarterly frequency), together with a draft of the proposed follow up/action plan;
- In addition to receiving and broadcasting the initial feedback, the Exec Team set up a focus group to get more detailed views on several of those key potentially limiting values.
- Following the company meeting, the CEO also took the opportunity to 'be the change' he wanted to see more of (digital), by initiating a weekly blog. After the company meeting, he shared more information and reflections on the values assessment and invited feedback, input and suggestions, and particularly around the suggested values & behaviour – this generated a lot of interest and direct interaction with the CEO, which was welcomed;
- Soon after the first survey, the Exec Team kicked off a series of leadership & management development programs, which were underpinned with mentoring. 20% of all employees had attended one of the programmes above, thereby developing a common language and framework for people management;
- The Executive Team were set up as mentors to delegates in each of those programs – this helped to open communication channels between managers and the senior team and also across functional and geographical boundaries (vertically & horizontally);
- A people strategy was developed and introduced for the first time in CRU's history;
- CRU values & behaviours have informed the leadership & management development agenda, have been embedded into the company handbook and induction materials, have been featured in all of the company meetings, and are incorporated into the appraisal & recruitment process via the HR Team;
- A second values survey was conducted and has demonstrated significant improvements.

OUTCOMES

There's more clarity at CRU International about where they're going and why they're going there, as well as significantly increased transparency around how they are doing against target/budget, etc. Additionally, and importantly, CRU is in the process of implementing a cohesive digital strategy supported by appropriate technology platforms and high caliber IT expertise.

The Executive Team's investment of time to listen to, involve and engage their staff has facilitated a significant shift in the Cultural Entropy score, as well as a positive improvement in the perception and

importance of people management & culture. People can be more open with their views, frustrations and concerns because they know they will be listened to, and the Executive team have proactively asked for this on a regular basis, on the condition that it is supported with constructive recommendations. It's a significantly different organisation. The most notable results include the following:

- Double digit increase in revenue each year.
- Double digit profit increase each year.
- Operational efficiency has increased to virtually eliminate the incidence of late publication.
- Dramatic increase in awareness & understanding of how the business is performing.
- Voluntary staff turnover has been reduced by 30%.
- The rate of people transfers across business units has moved from a low point of 0.5% (i.e. it hardly ever happened) to 4%.
- The Cultural Entropy score has dropped from 30% to 19%.
- CRU has transitioned from having 5 of the top 10 values chosen as being potentially limiting, to only one.

“The values survey has been a powerful means of validating that the changes the management team sought are being acknowledged by employees. It has helped create a more open atmosphere for discussion of the things we need to change.” -Dave Price, HR Manager