



## BARRETT VALUES CENTRE

# UNILEVER BRAZIL

## Revenues Rise with Culture Management

### THE SITUATION

Unilever Brazil has an incredible legacy, built over eighty years. However, in 2004-05, after decades of strong growth, revenues slowed and the business was in need of renewal.

Kees Kruythoff, the newly appointed Chairman, along with the Unilever Brazil Board, launched a transformational effort to reignite growth. They recognised a need to not only address strategic challenges and manage operations, but to address the organisational culture as well. They started to dream about what “greater than great” would look like. They asked themselves, “What would the legacy be for leading the business forward?” Accelerating growth was important, of course, but they also wanted to know how to bring “the heart” into the dream. They had five big thoughts:

1. Accelerate growth
2. Profit out of scale
3. Build sustainable transformation in society
4. Identify capabilities needed to build the business
5. Take a “merged rivers” approach – like the two Amazonian rivers that merge after 7 km of running side by side, cultural transformation and operations (Strategy, Key Performance Indicators etc) had to be managed in an integrated fashion - not either or, or even side by side, but together, simultaneously.

**Industry:**  
Consumer Goods

**# of Employees:**  
10001+ Employees

**Revenue:**  
3 billion Euro

**Country:**  
Brazil

### THE INITIAL FINDINGS

Rob Mallick, CTT Consultant, was brought in to guide Unilever Brazil in their cultural transformation. The initial Cultural Values Assessment indicated that the culture was in very poor shape and would not support or enable emergent ambitions.

The findings:

- The Cultural Entropy® score/dysfunction score of 37%.
- Only two matching values between the Current Culture and the Desired Culture. This is a reflection of the disparity between what people experience in their existing culture and what they want to experience.
- Out of the top ten values selected in the Current Culture, an overwhelming six values were potentially limiting - including *bureaucracy*, *short-term focus*, *long hours*, and *caution*.
- The Cultural Entropy score was over 30% for the three most senior levels of leadership.

## THE STRATEGY

The way to tap into the potential of the organisation was through personal sharing, listening, and open dialogue. Rob Mallick shares more:

*“Margaret Wheatley [writer and management consultant, specialising in organisational behaviour] talks about fields. I can’t touch it but I know what it is. What we’re doing is creating a field through making things truly personal. At the heart, we’re encouraging personal meaning. We’re reframing safety from something that people need to the idea that being vulnerable is something that people need. This is where growth happens. One of my favourite quotes, I’m not sure who it’s attributed to, is ‘To make meaning is human. To choose the meaning we make is to be leaders.’”*

## THE PROCESS

**“Merging Rivers”** – managing culture and Key Performance Indicators (KPIs)

- Maintain disciplined attention for 36 months.
- Apply Integral thinking; All Quadrants discipline in an intense six months.
- Settle on rituals: regular, consistent practices based on key espoused values, e.g. Quarterly Board and Executive Leadership Team Journeys. Identify where the organisation is on the Journey. Reconnect with team. Reconnect with Self.
- Craft integrative questions and formats, e.g., “How will we increase our resilience in anticipation of the difficulties we will inevitably experience in meeting our business targets?”

**Facilitate cultural transformation**

- Conduct Cultural Values Assessment every six months.
- Understand that the concept of a linear process can be outdated and ineffective. Truly dynamic work with cultures is very much in the moment and allows for emotional human dynamics.
- Practice role modelling: both leaders and consultants need to embrace the concepts and facilitate the process.

**Leaders consciously create culture**

- Make it deeply personal, e.g. Personal plans, checking to see if people feel good.
- Reframe needs, e.g. The desire for safety: teach about the need for vulnerability.
- Go deeply into crucible moments; reframe upsets as setups, make meaning.

## OUTCOMES

As the transformation advanced, the benefits were becoming evident:

- Revenue grew by 3% to 7% and into the double digits by the second quarter. Revenue growth was also driven by increases in market share, not price.
- The Cultural Entropy score, the degree of unproductive focus, fell from 37% to 19%, on schedule to achieve the target rate of 10%. The Cultural Entropy score in the top team fell from 31% to 8%.
- From a culture characterised by *caution, short-term focus, internal competition, and consensus*, people now experience business with *long term perspective, shared vision, teamwork*, and a strong orientation toward *customer satisfaction* and the *development of leaders*.

## WHERE TO FROM HERE

Unilever Brazil is in the middle of a profound transformation. Reducing entropy for one's self is tough enough. Facilitating the reduction of entropy for thousands of people is a big task! And like all transformations, it is a day-by-day proposition. As the junior managers in one department like to say, their job is to "catch entropy by the tail": Well said!

