Changing Culture at the Top
Cross-Divisional Cooperation: Thinking and Leading from the Perspective of the Enterprise

Situation
- The $4 billion construction materials company had been driving its growth through acquisition
- The company's divisions competed in local markets, allowing for a decentralized approach
- The CEO decided he wanted to change to a more centralized structure in order to increase efficiency and reduce costs. As a result, the CEO needed:
    o A next generation of senior executives who would feel comfortable working in partnership with their peers from other divisions
    o A team of executives who could balance a sense of what was best for the enterprise, with what was best for their own division
    o A process for retaining the superior talent we had developed
    o A way to accelerate the process of developing our next generation of leaders due to recent retirements of several senior executives and natural attrition

Intervention
- As a result, a leadership development process was created that included:
    o An organizational assessment
    o Individual assessments and coaching
    o An executive education program
    o Follow-up coaching
- The executive education design
    o During the 3-day workshop the participants went through a series of experiences that built trust, gave them a deeper understanding of group dynamics and gave them an opportunity to get to know each other
    o On the third day, participants were divided into action learning project teams. Each team was given a strategically important project that required cross-divisional cooperation. Projects included:
        - Looking at a product that cut across all 7 divisions to explore ways they could increase efficiency and reduce redundancies.
        - Improving the way they gather intelligence about division common competitors, as well as potential strategies for reacting to the most likely competitor moves
        - Improving customer satisfaction – what customers want, how to measure it, how to monitor it and how to build better customer responsiveness into their system
        - Identifying best practices in the divisions and developing a process for sharing them across divisions

Outcomes
- Recommendations made by project teams were well received by the Executive Committee and later implemented, significantly changing the firm's systems and processes
- 6 months after the program, 89% of the participants reported observing increased cross-divisional cooperation **in other participant's day-to-day behaviors** (outside of the classroom) as a result of the process