

# Cultural Intervention – A critical Element of Profitable Business Growth

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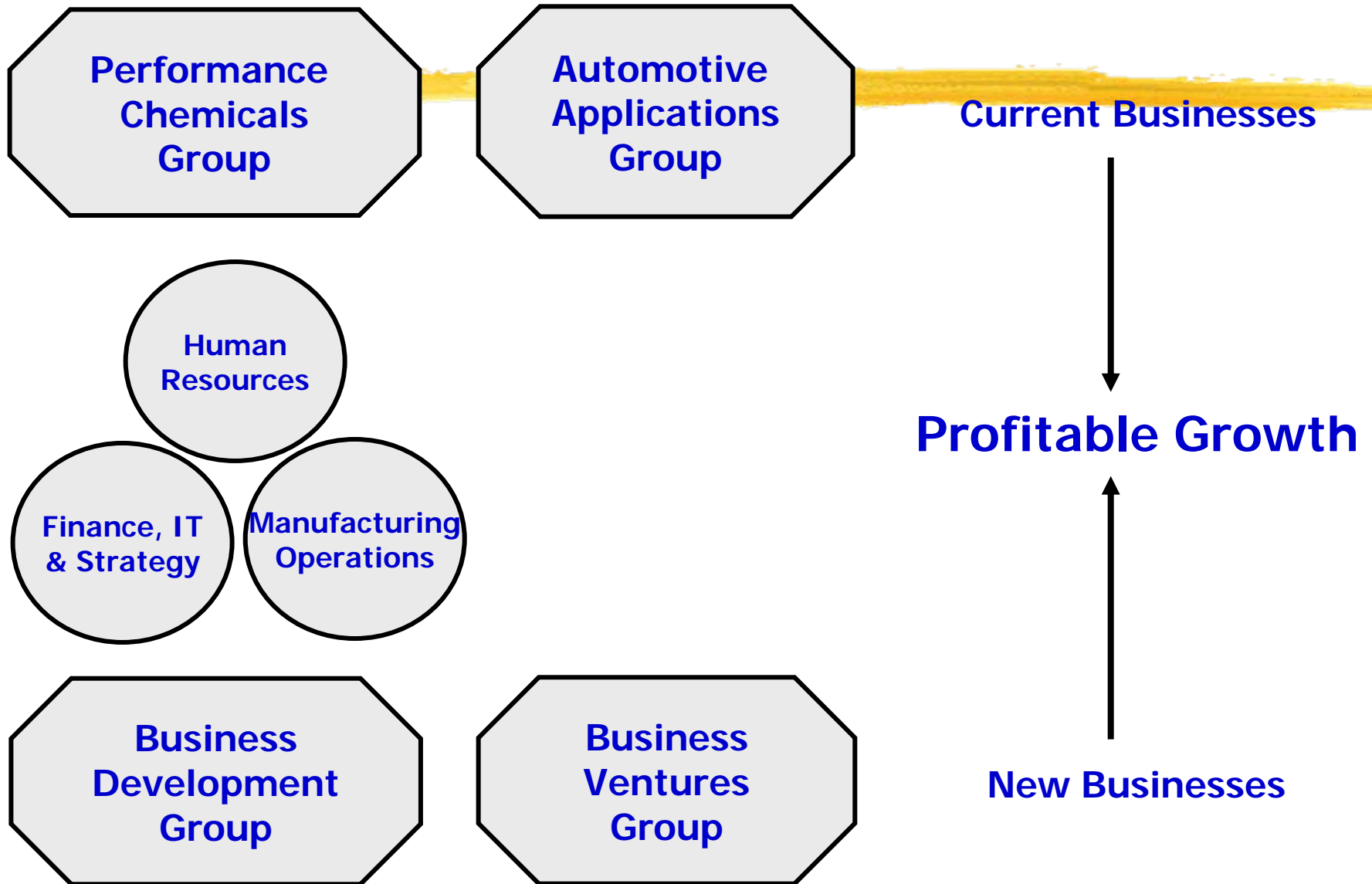
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## Impetus for profitable growth at Specialty Chemicals - impact of Mead and Westvaco merger in 2002...



- Steady revenue growth from mid-1970s from \$20 MM leveled at ~\$350 MM from 1995 to 2003.
- To be a meaningful part of MeadWestvaco - needed to contribute more.
- Many of our current markets did not have the market potential for the kind of growth needed.
- \$1 billion symbolized the need for aggressive, rather than incremental growth - the need to think differently.
- Growth created personal development opportunities for employees leading to career growth.

# Transforming to a new organizational structure ...



Applied traditional business pathways...



Vision ⇒

Strategy ⇒

Outcomes ⇒

Action Plans ⇒

But, knew that we were missing a key element...

# Cultural Intervention to create Organizational Momentum...



$$P = M V$$

$$\text{Organizational Momentum} = \text{People} \times \text{Culture}$$

## Enlisted the help of Michael Herbert & Focus NA (Sinclair Group)...



- Create a workplace culture that aligned with the Business Vision and Strategy and met the velocity of the Implementation Plan
- Lead with Presence and Inspiration
- Evolve the leadership away from Command & Control
- Build organizational trust and teamwork
- Practice “advancing the game”
- Implement industrially practical solutions

## Application throughout Division and at multiple levels...



- Division-wide implementation
  - 2 Business units
  - 5 Functional departments
  - 4 Location-specific organizations
- All exempt employees and union leadership – from management board, senior leadership team to line workers
- 2 Joint Venture start-ups
- Senior leadership team participation at each session

# Cultural Intervention through Building Trust and Teamwork...



- Fostered deeper conversations based on positive intent and inquiry
- Built trust - enhancing alignment and learning
- Focused organization on commitment and collaboration to gain team synergies
- Shifted accountability to “advancing the game” from “win at all costs”

# Cultural Intervention to maximize Organizational Momentum...

Organizational  
Momentum = People x Culture

- Division revenue increased \$500+ MM
- Weathered \$100 MM in increased manufacturing input costs
- Best work practices applied across all locations – capital savings & manufacturing efficiency enhancements significant
- Focus on maximizing profitability of Division's business portfolio, not solely on success of individual silos