

Leading Across Boundaries: Adventures in the “White Spaces” at General Mills

2008 Pfeiffer Annual: Leadership Development
December, 2007
By Kevin D. Wilde

Some would say it was a match made in heaven. She was America’s sweetheart; he was a steady, trusted partner of families around the world. Betty Crocker and the Dough Boy seemed like the perfect pair, and when General Mills merged with Pillsbury in 2001, everyone welcomed the merger. However, bringing together two companies of equal size in this way presented some unique leadership and integration challenges. What could Pillsbury teach General Mills about marketing Cheerios, for example? Or how could a company that’s a staple on the cereal and baking aisles make a transition to marketing the Progresso Soup brand?

That first post-merger year was a lot like a first year of marriage. The collective leadership focused on bringing together these two equal partners by thorough restructuring and other typical integration efforts. At the one year anniversary of the merger, in 2002, the company conducted the first all-employee survey to assess progress. In creating the survey, a senior leadership team identified nine critical capabilities and cultural areas as indicators of success of the new enterprise. When the results were in, both external benchmarking metrics and historical General Mills data were used to compare results.

While results showed that the new company was performing at well above benchmark/external norms in eight of the critical areas, when it came to cross-boundary teamwork, the results were low. Further, the cross-boundary items fared poorly when compared to external benchmarks and historical General Mills scores.

Mandate for Cross-Boundary Teamwork:

2002 Organization Climate vs. Benchmarks

Above 5-30%

- Goal Clarity
- Diversity
- Commitment
- Development
- Empowerment
- Performance Mgmt
- Leadership
- Innovation

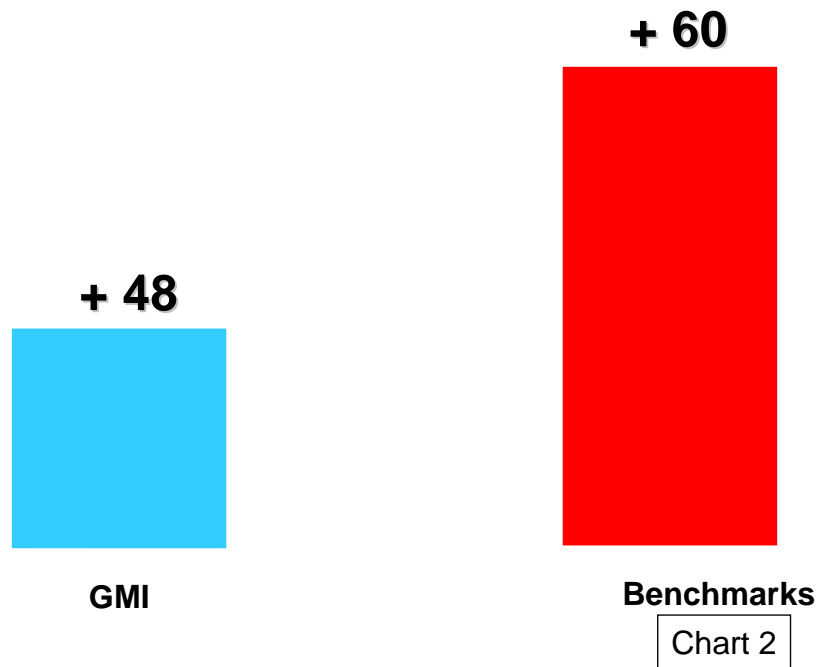
Below

- Cross-Boundary Teamwork

Chart 1

The survey posed questions such as, “Is cross-divisional teamwork given recognition?” Less than half of employees responded positively. In fact, compared to the external benchmark of 60%, the company fell far below average; internal historic scores were also much higher. The leadership team considered these results as a clear message to address this critical area and began consideration on how to make connections stronger throughout the organization.

Cross-divisional teamwork given recognition



There was a temptation at that point to conclude that scoring well on 8 out of 9 cultural dimensions isn't bad. However, the leadership team recognized that General Mills didn't just merge with the Pillsbury brands – it also brought into the new organization the Pillsbury employees and their sense of consumers, their ability to innovate, and their understanding of their brands. Much of the value of the merger was in getting the people who understood refrigerated dough working our refrigerated yogurt business, or the people who understood the Progresso Brand and the adult consumer dealing with the adult brands in cereal. It was important for leaders to connect those people to those businesses and brands.

Another early indication of misconnections surfaced as part of a meeting. A few months prior to the all-employee survey, a small pre-conference survey was administered to the combined sales teams of heritage Pillsbury and heritage General Mills employees. One survey item asked, “do you know how to get your job done?” The Pillsbury employees and General Mills sales employees gave dramatically different responses to that question. These results were the first clue to realize in the sales world connections were not happening. If these cross-boundary connections couldn't be made, the company would not only get reduced value out of the merger, but down the road, the high scores in the other dimensions such as commitment and performance capabilities would most likely decline. Thus began our leadership adventures in the white spaces.

White Spaces: The GE Perspective

I'd learned about the importance of strong, informal organization connections during my earlier days at another General – General Electric. I served as program manager for executive courses at GE's training center, Crotonville. The CEO at the time, Jack Welch, would visit the center to participate in training the GE executives. I had the good fortune to hear him speak to each class and often found a few minutes to chat one-on-one as we would debrief class sessions.

On one particular day, Jack talked about the notion that organizations are imperfect – no matter how you draw the charts. As much as you try to get roles and responsibilities correct, and as much as you try to do everything to make the functions and the units work well, there's still white space. The white space is the gap between organization chart drawings of formal responsibilities. Leadership authority and actions inside the lines and boxes are clear, but we all know much of organization dynamics play-out with informal space when authority isn't clear. Welch had coined a somewhat awkward term, "boundarylessness," and he promoted the notion that if you're going to be a good leader, you have to lead in the white space.

At that point, I realized that, through my career at GE, I was doing a lot of good work in the box that I saw as my job, but I wasn't doing as much outside my formal role. In other words, if you're just doing your job, you're probably not doing the full job. In my case, by only paying attention to my learning champion charter, I missed adding value as I witnessed parts of the organization which weren't working well together.

This perspective was helpful as the challenge to build greater cross-boundary teamwork at the new General Mills organization became clear. The vastness between the Pillsbury brands and employees and the General Mills brands and employees was the white space the leadership of the new organization needed to address.

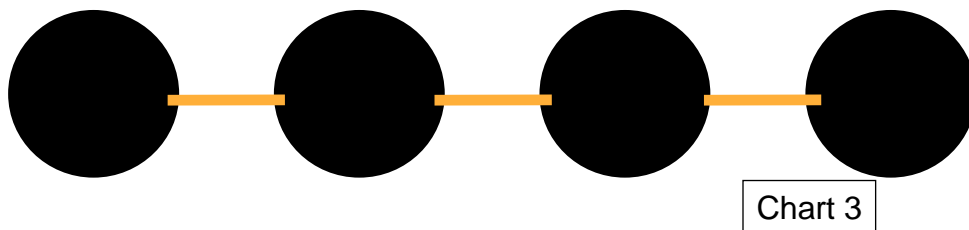
Connecting the Dots: Traversing the White Spaces

Coming back to the General Mills story, it was the fall of 2002, and the senior leadership team was reviewing the climate survey results. The group immediately understood the significance of the cross-boundary score and saw the potential impact to the organization of a lack of cross-boundary teamwork. Senior leadership commissioned a team to identify meaningful ways to address this challenge. The team returned a few weeks later with recommendations in four areas to better "connect the dots" in the white spaces of the new company. These four keys were:

- *Engaging and enabling leaders*
- *Communicating with and reaching employees*
- *Aligning the Human Resources systems*
- *Enabling cross-boundary learning*

Connecting the Dots

- Leadership Engagement and Enablement
- Communication Reach
- Align the HR Systems
- Enable Learning Across Boundaries



1.) Engaging and Enabling Leaders

Actions toward improving cross-boundary teamwork began at the very next all-employee meeting. As the chairman shared his views of the progress so far in creating the new General Mills, he segued into the recently-completed employee survey. The many positive results of the survey, such as goal clarity, employee commitment, and innovation, were highlighted first. He went on to say, “however, I’m concerned about cross-boundary teamwork and I’m asking for all of you to help us to improve.” This CEO call-to-action let the company know that he valued this area and expected improvement.

Soon after the employee meeting, the CEO repeated his message for the top level officers as we launched a leadership training program of the merged cultures. Top of the agenda was cross-boundary teamwork. As each class engaged the topic, a candid dialogue would ensue. In one session, one leader said, *“the term cross-boundary doesn’t mean anything. It doesn’t stand alone. If we’re going to do something about this, we’ve got to connect it with a real business situation, a business result, or a performance goal. If we can marry the two concepts, we think we can move forward.”* That insight triggered a reframing of the cross-boundary teamwork mission to deliver specific business objectives.

As part of the leadership training, all participants received a 360 survey with specific behavior items to profile their own cross-boundary behavior and impact. Through this personal feedback and one-on-one executive coaching, leaders began to embrace the challenge of better teamwork. Momentum built as we cascaded the leadership program to all officers, directors, and high potential managers in the company, and we used insuring programs to reinforce ownership. One of the other GE lessons I brought to General Mills was the importance of leveraging internal talent for teaching. This powerful concept of “leaders teaching leaders” was applied to the cross-boundary section of each program. The strongest cross-boundary officers became core faculty for the director training; the best directors taught the managers. At each session, the inside faculty provided credibility and commitment to the topic of cross-boundary leadership, and the two-way conversations deepened our insight on what need to be done.

In addition to the new leadership program, a cross-boundary module was added to the standard manager training curriculum of the General Mills Institute. The Institute offers a series of training programs based on career stages. The new module ensured that the message of cross-boundary leadership was heard in all new manager programs, experienced manager classes, and high potential training events. The entire approach was aimed at connecting leaders to the cause, keeping it ongoing, and digging deeper to find out what leaders needed to do to build the connections in this new company. All these development events served as a platform to engage all the leaders, but the work would be incomplete without reaching the whole company.

2.) Communicating with and reaching employees

The leadership training also pointed out the need for new tools to reach the broader employee population. The response was a series of communications projects to connect employees. Stories of cross-boundary efforts were highlighted through a new internal website and e-mail offering called “Champions Daily.” For example, one story highlighted how the yogurt team connected with Pillsbury groups to share best practices and common areas of interest to improve business results.

Another effort at increased communication was to address the inconsistency of regular employee meetings. All of our officers and directors were asked to start holding quarterly meetings within their divisions, and in those meetings, always to bring a cross-boundary guest. When sales had a quarterly sales meeting, for example, in addition to the sales topic, they might have someone there from the supply chain to talk about the connection of sales to the supply chain. This process helped to knit the company together. Finally, at the annual employee meetings, the CEO would bring this topic up again to reinforce his view of the importance of improvement.

3.) Aligning the Human Resources systems

If you’ve been in the development field for some time, you know it’s possible to drive an improvement initiative only stall out because of an existing HR system that is a barrier to your initiative. At General Mills, the leadership team took a hard look at performance management and talent management to evaluate whether these things were friendly to the cross-boundary cause or getting in the way. The first action for better HR system alignment happened in the following year as leaders set annual performance objectives together. They were asked to

identify their critical internal cross-boundary partners and compare and coordinate objectives before finalizing them. This process had never been done before, and it became an important link to creating a performance management system that would work well across boundaries. The second action involved rewards and recognition. New categories of cross-business teamwork were created and applied at the division and corporate levels. Numerous examples were highlighted as teamwork resulted in unique accomplishments. Leaders were reinforcing the new behaviors and the organization responded.

The third action involved career pathing. A team was commissioned to create more systematic human resource plans to move people across functional boundaries. For example, great sales leaders were moved into high profile marketing roles, and great engineering executives were placed into operations positions. While this practice may be common for other companies, it was not common at General Mills. Traditional career movement only happened within the bounds of a function, which subtly reinforced narrow-minded perspectives. By moving the best talent around, leaders in all functions could build important new connections. Over time, the HR systems of talent management and performance management became facilitators of cross-boundary teamwork.

4.) Enabling cross-boundary learning

Finally, in training and development, a new learning program was launched – titled Brand Champions – which helped connect the dots in a critical “white space” area. It became clear over time that there were two ways of building brands in the new company divisions: The old General Mills way or the old Pillsbury way. Very little was blended or shared. The new development program would encourage a common platform and extend beyond two ways of marketing to add the best external thinking. Over 1,000 leaders around the world were trained. In addition to presenting a blended approach to the content, we consciously mingled the divisions together in the classroom. Rather than training in-tact marketing teams, we created classes where people from across the groups would learn together and establish ongoing relationships across the divisional boundaries. The Brand Champions learning became a great place to connect the white spaces by connecting individuals.

The efforts continued to leverage all four change levers: leadership development, communication, HR system alignment, and learning. So how did the business respond to these efforts?

Business Impact

A visit to the grocery store reveals the pay-off of the General Mills cross-boundary efforts. Consumers began to notice a promotion called Dinner Made Easy, where three different General Mills product divisions would promote each other’s products. Consumers don’t fill their shopping carts based on our division organization structure. They think about hungry families and getting dinner on the table. The new promotion of “Dinner Made Easy” combined efforts of multiple internal divisions to reflect the consumer task of putting a meal together. So, Betty Crocker suggested a pasta salad with Green Giant vegetables and Pillsbury dinner rolls. As a result of these three divisions combining forces, the promotion resulted in a significant increase

in sales with over 2 million cross-purchases. Beyond the impressive business results, Dinner Made Easy taught lessons about cross-boundary work. Its success continued with similar efforts throughout the company.

In another grocery store aisle, a cross-boundary team from the cereal business and the yogurt business promoted each other's products using the Trix Rabbit. While both divisions shared the rabbit icon, this was the first time they collaborated with an innovative on-air, multi-product promotion. When a Trix cereal and yogurt commercial aired in conjunction with in-store promotions, both divisions saw significant increase in sales. Just as importantly, household penetration – that metric of how many households have General Mills products in their refrigerators or on their shelves – increased. In other words, the Trix rabbit was invited into more American households as a result of this cross-boundary teamwork.

The final example of cross-boundary teamwork involves a different boundary – a national one. The Canadian division reexamined the Hamburger Helper brand and realized much of their marketing efforts missed their core consumer. Through the Brand Champion class in Canada, the division redesigned their brand architecture. The resulting promotion was called “In the Heartland;” through it, the Canadian team reached out to consumers in places where they spend leisure and volunteer time. The sales results were impressive. After seeing the success of the Canadian promotion, the corresponding U.S. team adopted a similar promotional strategy and saw significant increase in sales with key retailers. The most interesting part of this story is that the U.S. team had the humility to adapt the breakthrough work of another group rather than creating their own solution. The In the Heartland promotion bridged the white space of geographic boundaries.

Improving Trends in Cross-Boundary Teamwork

One year after launching the cross-boundary teamwork initiatives, the leadership team approached the next employee survey with apprehension. Would employees see the cross-boundary building efforts as meaningful? Were the dots starting to connect? Responses to this category were encouraging, increasing from 48% to 65% positive. In other words, about two-thirds of employees recognized the progress on cross-boundary teamwork.

Cross-divisional teamwork given recognition

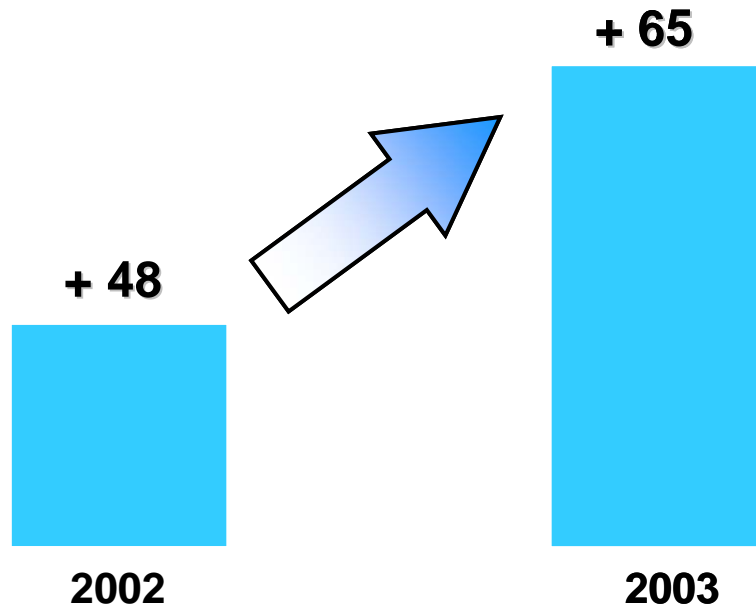


Chart 4

The survey probed deeper into different aspects of cross-boundary teamwork. We found it valuable to compare the results of groups with greater rates of improvement to others with lower rates of improvement. We followed up with a case study approach to provide best practice ideas. The case study findings were broadly shared to keep the momentum going and demonstrate the best practice learning dimension of cross-boundary improvement. The senior leadership team was pleased to see the progress in employee perception, the impact on business results, and the positive momentum that was taking hold in the new company.

Key Principles

Stepping back, seven themes emerged as the lessons learned. I offer these to anyone considering leadership improvement in the white spaces:

Listen to what your employees are telling you. After that first employee climate survey, it would have been easy to rest on our laurels. We could have decided that getting eight of nine integration items done well was fine. Instead, through listening to our employees, we understood the importance cross-boundary teamwork for business success.

Don't ignore the white spaces. It's so tempting to just stay within comfort zones, silos, borders, and organization chart boxes. But even though the white space dynamics are a little

uncomfortable, there is huge value in tackling this area. Don't ignore or be afraid of the uncharted territory.

Use multiple levers. Change interventions have a better chance of succeeding when multiple levers are used. We used four levers to approach the cross-boundary issues. If we'd only approached this issue through HR systems, we would have profoundly limited our success. With four levers, we addressed the entire organization in multiple ways for a single mission – to improve cross-boundary teamwork.

Issues don't stand alone. Cross-boundary misconceptions linked to other business issues. These issues don't exist in a vacuum. Allowing weakness in this leadership and cultural capability area would affect other performance attributes over time and cried out for improvement.

Think from a customer's point of view. When we started thinking about hungry families or wholesome, heartland meals, we were able to see how improving our internal issue could benefit the customer. Internal resources rally well when aligned with external missions, such as serving the customer better.

Encourage a culture of humility. When a company has a real culture of humility where people are willing to openly exchange ideas, change is much easier than when people are possessive and siloed. Leadership and learning happens best when there is a hunger for a better way.

Don't declare success too soon. Just when we thought we were well on our way, we ran into a minor snag. Year three brought a climate resurvey with mixed results as we saw cross-boundary scores below the prior year improvements. What happened? We concluded that the level of employee expectations of great cross-boundary leadership went up; in fact, they needed to see more cross-boundary teamwork. After reaffirming the value of continued effort with our senior management team, we revisited the four change levers and added new energy and initiatives. The work paid off in year four's survey results as the scores rebounded and, in fact, set record highs. The lesson is to be ever-vigilant in your improvement efforts. There is a need for continual attention and innovation to make long-term culture gains.

Cross-divisional teamwork given recognition

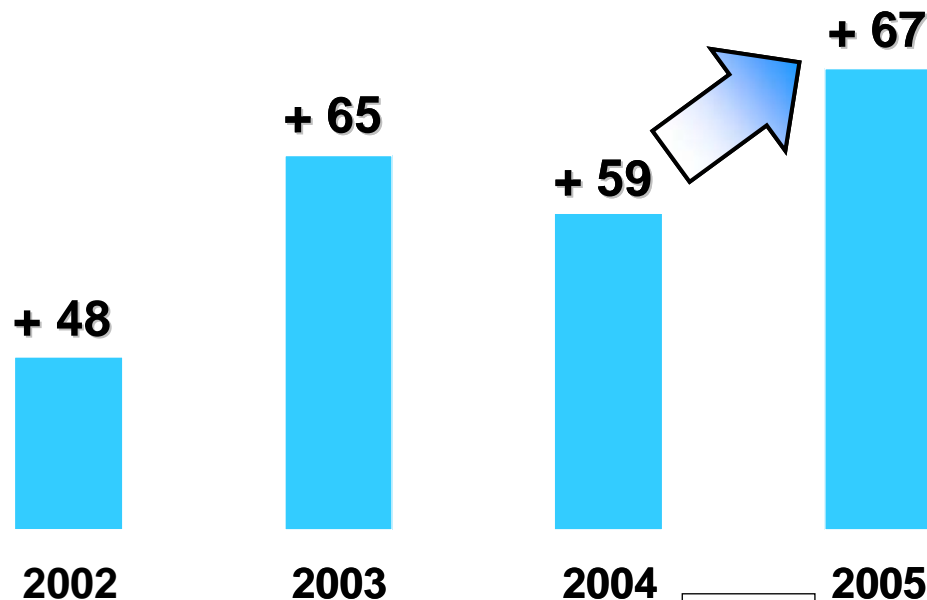


Chart 5

In the end, Betty and the Dough Boy have come through those first couple of years a more mature, more integrated team. They've learned to work together – sharing ideas, best practices, and talent across both organizations. It didn't happen overnight. It took senior leadership commitment, disciplined attention, and a great deal of energy over a period of time. Today, the new General Mills organization has a clear path toward a future of increasing cross-boundary teamwork and improved business results – and a greater willingness to take further adventures in the white spaces.

Kevin D. Wilde is Vice President, Organization Effectiveness and Chief Learning Officer at General Mills, Inc. As VP-CLO, his major responsibilities center around stewardship of core people and organization development systems, the General Mills Leadership Institute, and business consulting. His work has been recognized by Training Magazine's Top Five Companies for Training award, Chief Executive Magazine's Top 20 for leadership development and Chief Learning Officer Magazine's Gold Award for leading business change. Kevin is also a columnist for Talent Management magazine. Prior to joining General Mills, Kevin was a seventeen-year veteran of General Electric. He served in two high-growth divisions and also in two corporate roles managing global leadership development at the Crotonville Education Center and corporate WorkOut consulting.