Transitioning from competition to cooperation—The ultimate change management challenge:

A case study

Introduction/Business Situation

In 2010, three corporate cultures merged into one when Pierre Foods, Advance Food Company and Advance Brands came together to form AdvancePierre. The company makes and distributes handheld convenience products including packaged sandwiches and fully cooked chicken, beef and pork products to a variety of vendors including school, retail, vending and convenience store channels.

When the team of 12 company leaders came together, they quickly recognized the need to create common values and a meaningful, united identity for employees coming from three different corporate cultures. AdvancePierre's company leaders asked ArchPoint to facilitate the OGSM process to get the different branches of the company on the same page and working in the same direction.

Additionally, the company needed help in creating and delivering consistent messaging to more than 4,000 employees in five states.

Turning competitors into partners

"This was pure change management work," said ArchPoint CEO Richard Spoon. "We had to give the players tools to get the cultures to come together. These companies have competed against each other fairly aggressively over the years. Getting them to shift from, 'These are my competitors,' to, 'These are my partners,' is a challenge."

AdvancePierre's newly created senior management team, comprised of seven executives from Pierre, four from Advance and one newcomer from outside the company, brought ArchPoint in to facilitate OGSM for the new company. Prior to the merge, the Pierre team had been working on its own OGSM process, but the concept was new to the other five members of the leadership team. The first challenge was for the entire leadership team to embrace OGSM without feeling forced.

"Some of us had prior experience with ArchPoint and appreciated their ability to put our unique business needs ahead of a pre-packaged consulting solution," said Paul Telenson, the company's senior vice-president of human resources. "In my 10 years experience with ArchPoint, I've learned that they figure out what you need and create it rather than referring to an off-the-shelf-model."

ArchPoint's challenge for AdvancePierre, according to Telenson, has been that many of the new company's employees have had a tendency to revert back to the ways things were done at their previous company. This led to three different ways, in many instances to approach the same task—which in turn led to problems and conflict. The management team realized they had a challenge, but also an opportunity.

Defining the culture

"We have a very unique opportunity to define the culture of AdvancePierre," said Telenson. "In an established company, we couldn't change the culture. However, other than individual company heritages, this is all new. That opportunity creates a very exciting environment—and a chance to get something done."

The first task at hand was to define roles for the new organization. ArchPoint's team initiated RACI (Responsible, Accountable, Consulted, Informed) and OGSM (Objectives, Goals, Strategies, Measures). ArchPoint Partner, Renee Camplese said one of the biggest

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steps of the engagement, along with defining roles, was giving the players a common language around goals and strategy.

"ArchPoint helped bring the executive team together for the first time," Telenson said. "By 'together,' I mean that they began to see some common values and focused on the OGSM process."

The merge and subsequent RACI/OGSM work required many AdvancePierre directors to take on completely new roles and move on from their comfort zone. Camplese said there was tremendous relief once roles were defined. Simply put, ArchPoint helped AdvancePierre define their individual roles, process hand-offs and accountabilities in their daily jobs and team building. ArchPoint-facilitated meetings led the management team to difficult realizations about where pressures lie in the organization that's taking shape.

"RACI made it very clear who the accountable person was," Camplese said. "They knew where the buck stopped. Once MBOs (Management by Objectives) were linked to delivering specific initiatives in the OGSM, it was clearly in their best interest to embrace their new roles quickly."

Creating a bonus plan structure that directly linked to the new company's objectives was effective, according to Telenson. "That's pretty powerful stuff—when people can see how they're connected," he said.

Once the company's goals were established, the feedback from AdvancePierre was a blend of relief, excitement and appreciation tinged with some concern as to whether people would actually live to the agreed-upon roles and accountabilities. ArchPoint then worked with AdvancePierre to facilitate the creation of a cultural statement called, "Taking a Stand."

Empowering human resources

ArchPoint assisted and trained AdvancePierre's human resources team to become business partners in the company. Human resources representatives were invited to and began attending staff meetings in the different branches.

"They have become a resource for the people—change leaders in the organization, seeking input, listening for rumors and being a resource employees turn to," said Camplese. "The functional leaders have embraced the involvement of human resources. They could have grudgingly invited human resources to their meetings, but they have seemed to really appreciate the department's new role and willingness to be involved."

Leading AdvancePierre's human resource team to embrace their roles as change leaders was critical. Of course, some managers sought input from the organization and were more active in leading the change than others. On the other hand, some human resource managers working in plants did not believe a lot of change would take place for hourly workers, and consequently, wanted to downplay any potential change that was going to occur (to benefits, etc).

"The impact that the merger had on salaried versus hourly employees was unique," Camplese said. "The looming 'synergy savings' was a big morale killer for the salaried people in shared resource functions like accounting, customer service, trade spend and finance. They had a big fear of losing their jobs, which was not as big a concern for hourly people."

To alleviate fear and improve morale, ArchPoint worked with the company's leaders and human resources team to develop a communications plan to lead the rest of the company to embrace the new objectives and culture. The communications plan includes sending

monthly messages to all employees, and uses posters at each facility as reminders of the company's value statement and new culture.

The plan ensures that the employees receive at least a monthly communication, and a quarterly message from the CEO— via town hall meetings, video or email depending on the content. The content moves through the phases of integration—from announcement, through change management/getting everyone in the boat, to expectations on behaviors and productivity, to updates on the integration and personnel impact. It ensures that all internal and external stakeholders are informed of key events and milestones.

"Most people come to work wanting to do a good job. What we're giving them through the OGSM process are specific areas to focus on. Without that, it's easier to focus on the negative. A common set of values helps them to get through the daily frustrations of the job," Telenson said.

"We've given them very good tools to help solve problems around focus, prioritization and culture," Spoon said. Using RACI combined with OGSM clarified their roles to help deliver the new, combined strategy.

"We're delighted we're engaged in this," Telenson said. "I just know it works. We had it working at Pierre and now at AdvancePierre, we have it working again."