

FrieslandCampina and Ashridge Business School
EFMD Excellence in Practice Awards 2014

Developing Talent for 2020



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EFMD Excellence in Practice Awards 2014

Executive Summary

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- The Challenge
- The Commitment
- The L&D Initiative
- The Impact

THIS IS AN AMBITIOUS and strategically important initiative at FrieslandCampina, the world's largest global dairy co-operative. In the fast-tracking of participating high potential leaders, the organisation is building its international leadership capability and stimulating the significant culture change envisioned in the route2020 strategy. Through the creation of a talent pipeline which is highly capable and internationally mobile, the organisation is stronger, more innovative, responsive and future proofed.

The development initiative brings to life new ways of working which are non-hierarchical, networked and empowering. This is critical to the delivery of FrieslandCampina's climate-neutral growth ambitions and in the preparation of the fast approaching 2015 European Milk quota abolishment.

Recognising the need to move quickly, there is an impressively high volume of 270 future leaders (300 by end 2014) who since 2011 - in just 2.5 years - have participated in this highly experiential and deeply personal process.

During a structured 18-24month process, multiple workplace initiatives seamlessly interweave with catalytic Leadership Events that both mirror and stimulate the spirit of the new cultural energy and set the scene for on-going learning, deep-rooted personal growth and change.

Describing the initiative, Ashridge Client Director

Lindsey Masson explains: // This process reflects the essence of the new FrieslandCampina culture through all that it does and in its fundamental design principles. It takes future leaders on a true discovery journey: discovering themselves, discovering FrieslandCampina, customers, consumers, stakeholders. It offers catalytic experiences to bring the outside in, create possibilities and expand global mindsets. It generates a sense of personal responsibility, shifting assumptions about what is and what is not possible at both a very personal and organisational level. //

Cees 't Hart, CEO FrieslandCampina explains:

// We have set out to enable the talent we have in our organisation to **be the change we seek**. This process is an accelerator of change in order to achieve our ambition even faster. We're changing the way we work with each other, creating unshakeable leadership capability and securing our long term future - for us, for our member farmers and for our customers. //

// **What could be described as a talent development process does not do justice to an initiative which contributes to culture change across FrieslandCampina, touches hearts and minds and is ensuring the delivery of our strategy //**

Willem der Lee

Corporate Director of Talent

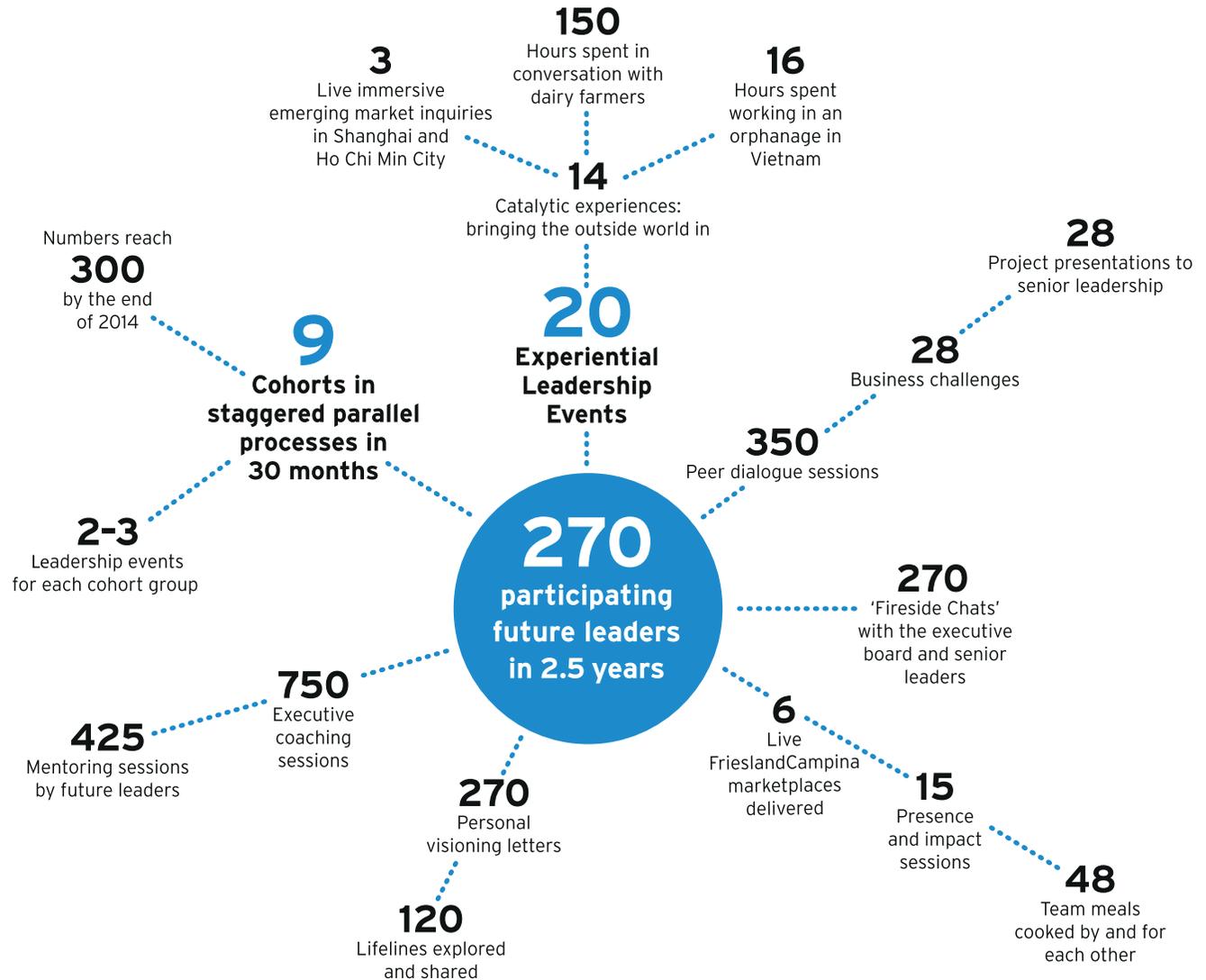


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Intense, immersive, experiential

From the 1st session in Huizen, I could tell this is a life-changing experience. It still is. This is the highest impact development I have ever attended.

Participant



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Cees 't Hart CEO
Initiative champion

Section One: The Challenge

// When it comes to milk, so much has yet to be discovered and developed.

FrieslandCampina's ambition is to create the most successful, professional and attractive dairy company for its member dairy farmers, employees, customers and consumers and for society. The world market's growing demand for healthy, sustainably produced food offers FrieslandCampina opportunities. // **Cees 't Hart** | CEO FrieslandCampina

The plan for growth

FrieslandCampina was created by the 2009 merger of FrieslandFoods and Campina. This was viewed with excitement and positivity. A co-created strategy development process confirmed FrieslandCampina's aligned ambition to create the most successful, professional and attractive dairy company for its member dairy farmers, employees, customers and consumers and for society by providing people around the world with essential nutrients from dairy products during every phase of their lives.

In the route2020 strategy, there are three key elements: growth, value creation and CSR. What uniquely defines the growth targets are the climate-neutral aspirations throughout the entire chain - from grass to glass. Maximising the value of milk in established and emerging markets is vital, as is working closely with, and understanding, dairy farmers and chain partners across the globe.

Looming as both a threat and an opportunity - if it can be capitalised - is a powerful external change. The European Union's milk quota, which currently restricts farmers' milk production quantities to avoid surpluses, is to be abolished

in 2015. As FrieslandCampina will then be obliged to take **all** the milk member farmers produce, it needs to have plans in place to valorize this additional milk in an optimal way.

Finding these profitable new ways to utilise milk - in a home market already saturated with it in its purest form - and growing markets is a pressing leadership challenge requiring innovation new thinking and responsiveness.

Identifying the challenges and impact required

With this backdrop, the Senior Leadership strategy for meeting growth targets, achieving sustainability ambitions and maximising opportunities identified the need to:

1 Fundamentally change the organisation's culture to strengthen performance and innovation. To embrace collaboration, empowerment, personal responsibility, global thinking and less-hierarchical, networked ways of working.



FrieslandCampina nl

**Campina and
Friesland Foods merger
in 2009**

**The world's second largest
dairy co-operative**

21,000 employees

€11.4 bn revenue

Offices in 28 countries

**Selling to 100
countries worldwide**

**19,000
member dairy farmers**

- **Discovering the context in which we operate and which holds the key to future success and growth**
- **Awakening all to our responsibility for working in harmony with the environment and meeting the needs of people across the globe**

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Key Stakeholders for the initiative are:

CEO

Executive Board

Senior Management

Departmental Line Managers

Global HR Managers

2 Develop strong, internationally mobile leadership capability. With much of its leadership in the Netherlands, it is critical that there is a sustainable global workforce willing to work across its many international bases.

3 Developing a truly global mindset - which brings the outside in, understands international marketplaces, cultural differences and needs of the key stakeholders.

Development from within

Talent development has to play a critical role here, both in stimulating the culture change and developing the talent pool - fast.

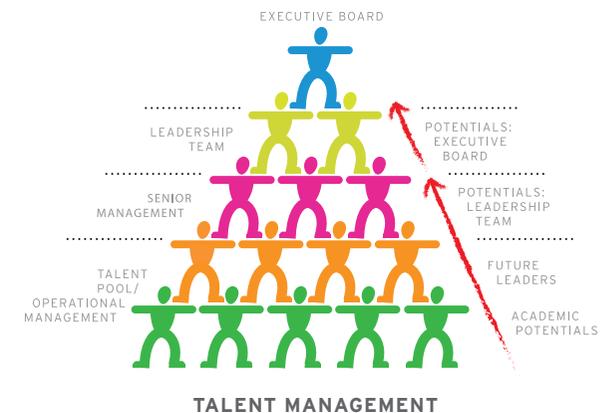
Of the need **Willem der Lee, Corporate Director of Talent describes:** // We needed to *enable* our future leaders to be the change we seek. To enable them to take the lead in shifting the culture of, and growing, our organisation. To understand global forces and take senior leadership positions around the world. Developing our talent pipeline swiftly was a priority. //

As **Corporate Director Human Resources, Jaap de Vries** has developing human potential and growing talent from within the organisation high on his agenda: // It was clear that FrieslandCampina required an intervention which worked at *both* organisation and executive development level. //



Developing within

The target:
 achieving 75% of
 the succession
 plan with internal
 candidates.



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Section Two: The Commitment

2010
October

Partnership with Ashridge Business School

Corporate Human Resources invited an international pool of top business schools to submit proposals.

Patricia Snel explains why FrieslandCampina chose Ashridge:



“Ashridge understood that this initiative was as much about organisation development as it was talent. Expertise in culture change and transfer of learning, as well as the more traditional Business School offering, was important. Ashridge’s response focused on creating processes and experiences - learning and reflection, not teaching - and paradoxically for a fast track programme, a slowing down in order to really enable growing, learning and change.”

2011
February

Co-design and inquiry

An extensive inquiry process involved design meetings and interviews between Ashridge and key stakeholders.

Developing:

- In-depth understanding of changes needed
- Line-manager support/engagement
- Design ideas linked directly to route2020
- Programme and learning objectives.

The Talent Pool

● Those selected for the talent pool are to experience Fast Track Leadership Development

● A clear process ensures only those with the most leadership potential and international mobility capability are selected

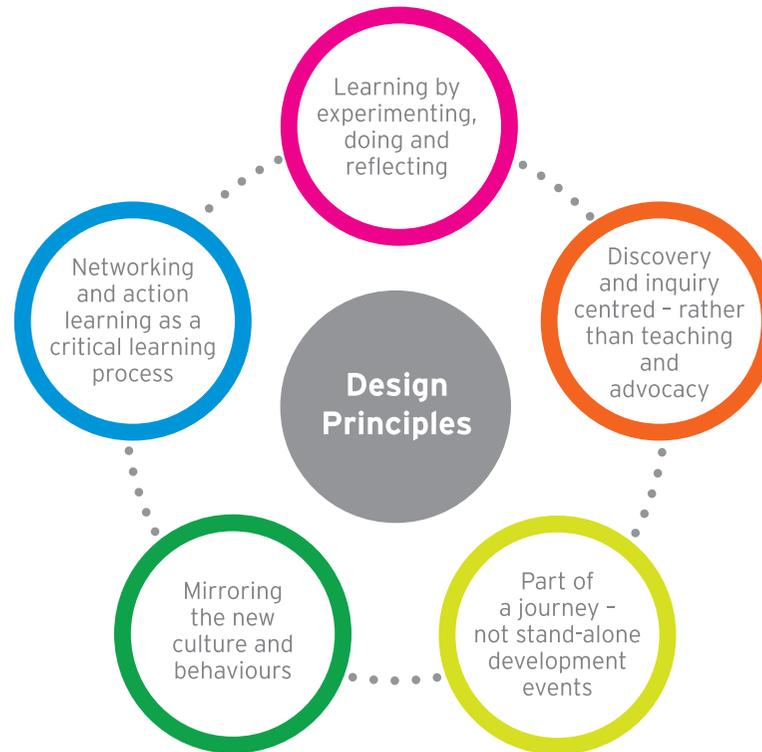
● Participants are aware that this represents a significant investment their potential

2011
February

The L&D objectives are established to support the strategy and culture change goals



2011
March



At this stage, the initiative design principles are agreed

2011
May

Stakeholder involvement and engagement

Executive board, senior leadership and line management support is critical.

Gaining this:

- Senior leaders/line managers are formally introduced to the programme to via webex briefings
- Senior leaders are involved in numerous ways in the process (page 16)
- Business challenges are sponsored by senior management
- Global HR understand the direct links to talent management/succession planning

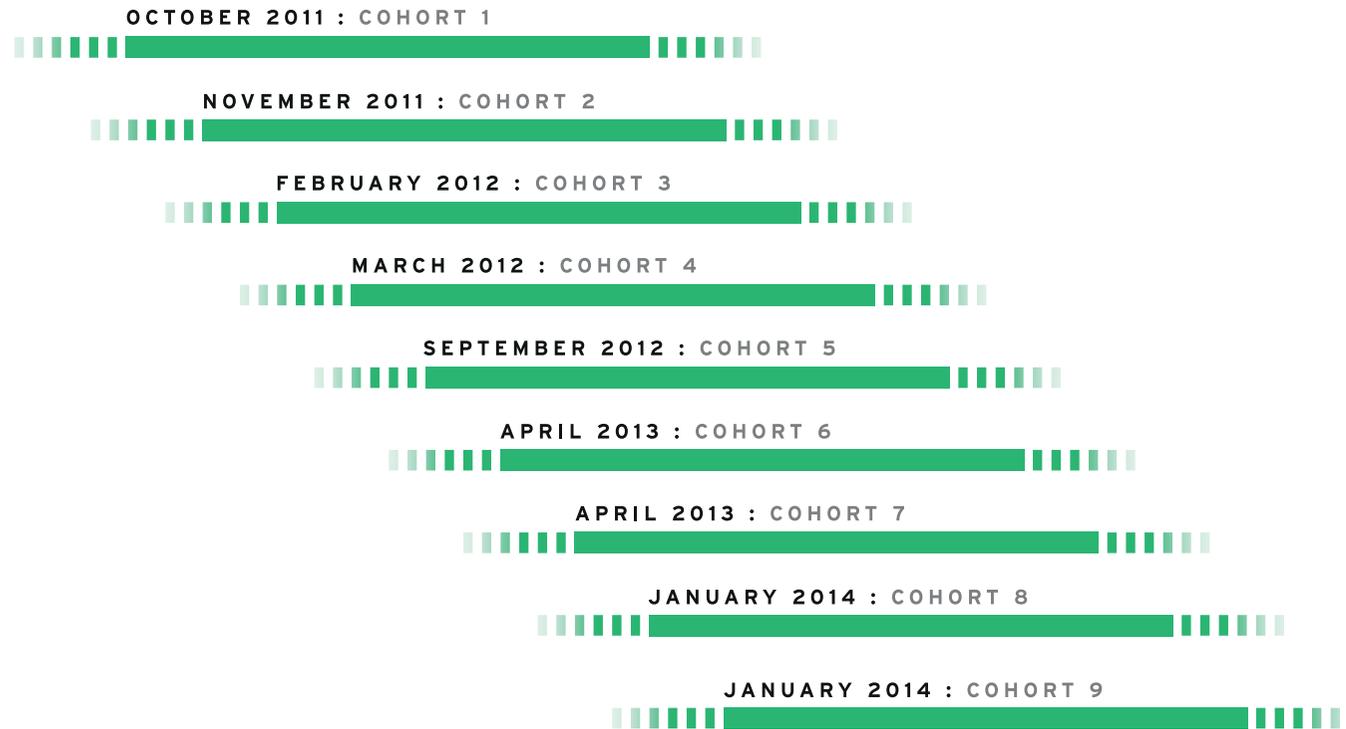
2011
August

First kick off virtual meeting for line managers. These secure their understanding of the process and their role in supporting participants, goal-setting, facilitating job moves and department visits, and the feedback process.



Timeline

There is an on-going process with cohorts starting the programme on a rolling basis.



Cohort groups:

- Blend business groups, functions, genders, geographies

Participants are typically:

- Operational managers
- 2-10 years' experience
- 51-64% female

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Section Three: The L&D Initiative

A development process, not a programme

The initiative is an 18-24 month journey that starts and ends with a profound, highly reflective level of self-awareness work, and which takes future leaders on a ride of catalytic experiences, new learning and development opportunities.

The process seamlessly weaves the development of human potential with experiences of the international nature of FrieslandCampina's business, involving customers and stakeholders.

- Anchoring the process are the programmatic Leadership Events - 2 or 3 depending cohort group.
- Beyond these, and by no means 'bit' players, are the series of structured multiple workplace interventions, groundwork and development opportunities.



The Leadership Events

Greater than the sum of its parts

Reflecting on why and how the initiative creates change, Lindsey Masson comments:

“The foundation underpinning every element is the personal self-awareness, growth and discovery focus during and in-between the LEs. This work creates a responsive base onto which all the new learning and experiences are able to stick. This changes people at a deep and long-lasting level, and allows us to achieve impact greater than the sum of its parts.”

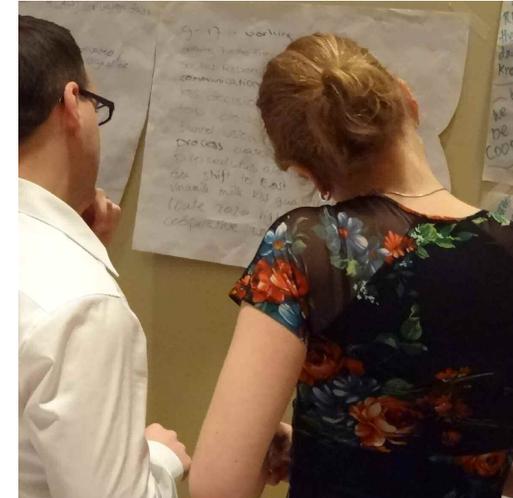
The Leadership Events deliver on two levels. Firstly, they are a place for people to learn/un-learn, share personal reflections, build relationships, deepen self-awareness and value the differences in others. They are a time to explore “What am I learning about myself and the business?” and for concepts such as Appreciative Inquiry and Action Learning to be internalised. Through this, participants begin living the everyday changes in behaviour that lead to culture change and create a ripple effect throughout the organisation.

Secondly, as a vehicle for major catalytic experiences they bring the outside in - a strategic pillar at FrieslandCampina - to shake-up assumptions about customers, how the market works and about what is possible at FrieslandCampina.

In doing so they serve to change mind-sets and expand understanding. They trigger deep learning and growing, as well as building important relationships with FrieslandCampina stakeholders and broadening the global network.

“Emerging markets are a key focus area of our strategy. A powerful way to challenge assumptions about customers and how a market works is to immerse oneself in someone else’s world. It enables managers to re-think, see their products in a new context, and understand cultural differences, dietary preferences and trends.”

Jaap de Vries, Corporate Director HR



The Catalytic Experiences : Bringing the Outside In

B2C Market Inquiry:



Who are FrieslandCampina's competitors?



What sense do we make of how and where the consumer could or does buy our products?



How different is it to our own experience of being a B2C customer?



What sense do you make of the market?



What are you struck by?



What therefore might be some of the challenges in the market?



What are you learning about your role as future leaders?

/// In taking people out of their everyday world, there is a fresh sense of curiosity and possibility stimulated. /// **Cees 't Hart**, CEO

Exposure to emerging markets

In the second Leadership Event, future leaders are propelled into emerging markets in Asia. They immerse themselves in experiencing life first-hand, meeting potential customers, researching competitors and their products, talking to consumers.

The experience breathes life into the business in the form of new ideas and excitement around ways in which the business can grow in the market.

Lindsey Masson describes:

/// It's too easy to develop pre-conceived ideas about a market's potential, based on own experiences. The exposure to an emerging market, placing people right in the heart of it, alters everything, providing an immediate reality check. ///



The Catalytic Experiences: Bringing the Outside In

A humbling experience in Vietnam

In the FrieslandCampina portfolio, milk products for children are a key value driver and growth area.

In Vietnam, the teams spend a humbling and emotional day working with an orphanage - with children whose needs are among the greatest having been severely disfigured or disabled by the long term chemical impact of war, and dealt a further blow in being abandoned for this reason by their parents.

This experience is deeply moving. Each and every participant is compelled to look inside themselves and ask "What more can I do as an individual and as a leader at FrieslandCampina to ensure that the work I do, and the products we produce, meet needs beyond those immediate and local?" and "How can we ensure the needs of the world sit firmly at the heart of our organisation?"

It strengthens already deep-rooted beliefs in the goodness and nutritional value of dairy as an essential building-block for children's health, and the role FrieslandCampina plays in world health.



Co-learning with member farmers

In keeping with the principle of learning not teaching, dairy farmers - who are owners of the company - are a part of the Leadership Events. During farm visits participating future leaders:

- Experience working in the real heartland of their business
- Talk with farmers around the kitchen table, building invaluable stakeholder relationships and understanding.

This creates genuine co-learning with both parties better understanding their challenges, sharing views, hopes and concerns, and learning more about their respective roles.



Interweaved around leadership events

The multiple development activities surrounding the leadership events.

Evaluation and reflection

PLANNED INTERVENTION TO

Appointed executive coach and line manager work		Define development goals, reflect on 360 feedback, review progress, support development opportunities
Job rotation and short terms visits to other areas of the business		Develop global networks and deepen participants' understanding of the business
Peer-dialogue meetings which support, challenge and encourage the taking of action and learning		Set in motion the on-going process of action-learning and change in ways which are sustainable, and which strengthens cross-functional, cross-geographical working
'Fireside chats' with the Executive Board		Break-down the hierarchy and establish a precedent for open and honest adult-adult debate around new ideas, approaches and challenges
'Leadership Journey' presentations by senior leaders		Receive invaluable insights and seek advice on own development
Participant-owned strategic challenges on live business challenges at FrieslandCampina		Cement the experiences and learning from the Leadership Events firmly back into the business. Empower future leaders to develop their own solutions and work further with stakeholders. Bring the outside experiences in
Participating Academic Potentials work on personal development challenge projects		On-going personal growth and development

- Evaluation is an integral part of the learning process. The peer-dialogue approach gives participants space and a structure within which to reflect on the learning and how they wish to influence it going forwards.
- The impact and effectiveness of the programme is measured at Kirkpatrick levels 1-2 with participant evaluation surveys, and at levels 3-4 via senior stakeholders' feedback, evidence from new initiatives and organisational changes, line manager reviews with participants, and in meetings between key stakeholders and Ashridge.

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Section Four:

The Impact

// People have have been cognitively, psychologically and emotionally stretched and supported. I have seen them emerge empowered, confident and courageous. It is a real catalyst for change. Our new generation of leaders are influencing how FrieslandCampina goes about its business on both a macro and micro level. // **Jaap de Vries Corporate Director HR**

The initiative's impact is directly linked the organisational and L&D goals, specifically:

- Stimulating personal leadership and sense of ownership
- Changing the culture from within
- Broadening the global outlook and bringing the outside in
- Creating a strong talent pipeline for international leadership

The findings of quantitative and qualitative evaluation show that participants have become more aware of their personal impact and influence and more adept at identifying and finding ways to tackle their own development needs. They are also becoming increasingly capable of applying their learning back at work in their day to day roles.

Talent Pipeline

The initiative has developed the sustainable leadership pipeline at FrieslandCampina in under 3 years, resulting in a cadre of talented individuals who not only have a global mindset but also understand that a career within FrieslandCampina involves being internationally mobile.

The stand out facts include:

- 30 months into the programme 47% of the future leaders have moved into new roles at FrieslandCampina.
- 50% of the future leaders have undertaken assignments or new jobs abroad. Examples include: a Brand Manager from Romania now in the Netherlands as International Marketing Manager; a supply chain professional from Nigeria now factory manager in Germany; a manager from Indonesia in the Netherlands working on a strategy project.
- Future leaders are being placed in pivotal positions and making vertical career moves - all designed to expand the scope of their responsibilities and continue the fast track to future leadership roles.
- Thirteen participating future leaders already having been propelled into the senior management.

// **What exceeded my expectations is the fact that I can be the change. I am happy to lead change at any level, including my own. I have taken many steps forward in personal development and visibility. I have learnt that I have a lot more power to change than I would have ever anticipated.** //

Maurits Oosterlaar
Participant



Personal leadership and ownership

The personal self-awareness work has had a profound impact on people and creates the desired ripple effect. The quality of their interaction and inquiry is almost unrecognisable from day 1. Self-esteem and confidence is positive - vital for leadership and followership - and impact and influence on others has increased exponentially.

Inge Wels, Ashridge faculty, describes the change she sees in participants:

“What emerges seems much milder in a way, more grounded - humble, even - with a solid foundation of confidence, energy and passion. It's a privilege to be part of.”

Changes experienced by line managers are captured during the webex review meetings with the design team:

- Increased personal awareness
- Different, successful ways of working
- Eagerness for next career steps
- Less task and more people-oriented leadership style
- Higher awareness of the 'big picture'
- High engagement with route2020
- Understanding what leadership means to them.

Strategic Challenges

The outcomes of the participants' strategic challenges are further evidence of the increased ability among participants to take a more strategic, global view and drive through change - and are a significant organisational benefit of the company.

For example: In one project, unexpected findings from research and focus groups in Saudi revealed that the desire for personal connectivity and expression were manifesting with women spending more time online than any other country and having a second mobile device - significantly, both without their husband's knowledge. This resulted in the identification of a brand new route to market for Infant Formula Milk in Saudi that takes the form of an online community-based website, chat-space, blog and direct-buying channel for mothers.

Other examples include:

- Senior directors revisiting departmental strategies and giving customer-related targets higher profile as a result of a Customer Focus project
- Inspiring leaders throughout the business to take a new approach to overcome innovation bottlenecks across the business and driving forward R&D.



“The business challenges have been a real example of personal leadership. Participants have taken them to the next level. Instead of just answering the question they are actually challenging the question and looking at what kind of approaches would really benefit the organisation.”

Patricia Snel
Talent Manager



Culture change

The feedback and evaluation data shows that the initiative is supporting FrieslandCampina's vision of becoming a 'networked' organisation, embracing a culture which is empowering and optimises potential.

In creating multiple networks across the organisation, future leaders work in a more collaborative way. This breaks-down the silo mentality across the organisation and triggers the behavioural changes needed for the new culture.

Senior leadership ways of working are being influenced by those in the talent pipeline.

|| The process creates networks across the organisation. On a very practical level, getting things done in the business is made easier because of this. This in turn makes organisations more innovative and responsive. ||

Lindsey Masson Ashridge

Examples of these initiatives:

Generation Y

With generational differences widely researched and acknowledged, a new process around engaging with the top 70 on the topic of getting the best from generation Y has been instigated by participating future leaders.

Straight from 't Hart

CEO Cees 't Hart raised the challenge of continuing the engagement with participants after the process concluded. Future leaders initiated the TV format *Straight from 't Hart* show which is broadcast live on the intranet, and shows the CEO and other senior leaders discussing topics raised within the business via Yammer with the future leaders.

Follow up processes take outcomes into workgroups for action planning and ideas for addressing the challenges.

Through interventions such as the 1-1 'fireside chats' and senior leadership involvement in the Leadership Events, hierarchical relationships with those in the talent pool are being replaced with support, debate and discussion. New initiatives (see boxed area) from participating future leaders are being actively embraced by the Executive Board.

Broadening the global outlook and bringing the outside in

The catalytic experiences, emerging market work, projects and emphasis on global thinking have enabled future leaders to develop their understanding of the customer, shareholders, their teams, and what it takes to work successfully across boundaries to achieve the organisation's goals.

With so much focus on bringing the outside in, there is also a great awareness of the role that FrieslandCampina plays in the world, and of the needs of all its stakeholders.

Examples of impact:

1 In one of the emerging market experiences in Vietnam, having met with a local head teacher and ascertained that the region's largest school was using a competitor's milk product, the group used their initiative and time to secure a new customer with the school switching its allegiance to FrieslandCampina.

2 Inspired by the Orphanage work, future leaders proposed a new initiative for creating a network of CSR ambassadors who are responsible for driving sustainability and making it an integral part of the day to day work in their business units. This has been fully embraced by Cees 't Hart and is having a significant impact on FrieslandCampina's CSR programme.

|| Future leaders, for the first time for many, deeply feel their responsibility. They connect to their future role and its potential impact, and start working out for themselves how they must now develop and grow to meet the challenge. They also emerge greater advocates of the organisation, our values, members and products. ||

Willem der Lee

Corporate Director of Talent

Concluding remarks

// We're now witnessing a noticeable pull effect across the business. Having experienced the calibre of emerging participants we find departmental line-managers, keen to reap the benefits, are pro-actively seeking out new future leaders to join their teams. //

Lobke Smeels Global Talent Management

Emerging from all the inherent potential present in the talent pool are true leaders. Those who, having discovered the best of themselves, are able to get the best from others. Who understand their customers, consumers and markets - and question their own assumptions about these. Who feel personal responsibility for the organisation's challenges.

Who bring new initiatives and ideas for the business.

Who have developed new types of non-hierarchical, intrinsically adult-adult, relationships with senior leaders and global colleagues, and in turn are changing the organisation's leadership style...

And who are making the concept of a networked organisation real at FrieslandCampina ●

