To the Desert and Back

The Story of One of the Most Dramatic Business Transformations on Record
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Preview: The View from the Desert

Our little caravan grew self-conscious, and fell dead quiet, afraid and ashamed to flaunt its smallness in the presence of the stupendous hills.

—T. E. Lawrence, Seven Pillars of Wisdom

Camel caravans carrying two hundred riders converge from six directions in the desert. This is Wadi Rum, the Valley of the Moon—ancient passageway of East–West traders and scene of Lawrence of Arabia’s most haunting memories. It is a broad, dry valley, a scrubby desertscape, punctuated with alleyways formed by towering red sandstone mountains, natural rock bridges, and rose-colored sand dunes. Though many have tried, no one has described it more lyrically than Lawrence:

The crags were capped in nests of domes, less hotly red than the body of the hill; rather grey and shallow. They gave the finishing semblance of Byzantine architecture to this irresistible place: this processional way greater than imagination. The Arab armies would have been lost in the length and breadth of it, and within the walls a squadron of aeroplanes could have wheeled in formation.

The caravans gathering in this desert do not transport Arab armies or nomad tribes who still live in this unforgettable land. Astride the camels are tribes of modern-day traders, assembled here for a leadership retreat. They are Dutch businesspeople—180 of them plus assorted consultants, event support staff, and guides.
While in this desert, like thousands of traders and tourists before them, they will explore its vast beauty and make the journey to Petra, some seventy-five kilometers to the northwest. They also have come to this place to survey a landscape of their own making.

For the next three days, they will explore their business and personal histories, their triumphs and failures, their individual and team relationships, and trek forward through their visions for the future of their company. Nestled in niches in rocky cliffs, walking or riding in Jeeps through the rosy sand, crouching around fires in the desert night, they will laugh, cry, reminisce quietly, argue, and shout in anger.

They are here to translate their experience from the last five years into a vision for the next five. They are here to reinvent themselves—again.

**Capitalism and Contemplation**

The scene in the desert of Wadi Rum is but one in a five-year drama played out in the Dutch food business of Unilever, the giant Anglo-Dutch foods and home and personal care products business. With products from tea and ice cream to shampoo and toothpaste, Unilever owns some of the world’s best-known brands—Lipton, Hellmann’s, Ragu, Rama, Magnum, Bertolli, Knorr, Bird’s Eye, Slim-Fast, Dove, Ponds, Signal, Close-up, Surf, and Omo, to name just a few. It employs more than 265,000 workers in more than five hundred companies in ninety countries worldwide and does business in another seventy. Its foods business is the world’s largest after Nestlé.

When the story opens in 1995, the setting is Oss, in the southern part of Holland. There, Unilever’s Dutch meat, sauce, and soup business is in deep trouble, foundering financially and staring down ever-shrinking markets. Workers and management alike are mired in a deadening culture: the job in the factory is to mind your own business; in the corner office, to make the numbers no matter what. Little thought to product quality. Less thought to shareholder value. No thought to growing the business. South Holland is twenty years behind the times. The factories, probably forty.
What unfolds in the five-year trip from Oss to Wadi Rum is the transformation of that business—and eventually of Unilever itself. As in many stories of reinvention, the plotline is simple: the old ways buried, a new organization born. What makes Unilever’s to-the-desert-and-back story stand out? First, this business’s efforts to change and grow succeed—dramatically, more than once. Second, they are done on a massive scale—this story reaches from outlying factories all the way to HQ, it involves thousands of workers and nearly two hundred team leaders, it galvanizes both mindsets and “heartsets,” changing both the business and personal lives of all the players. And there is more.

The Story Behind the Story

The basic story describes how a workforce and its leaders created growth, energized a market, and brought new spirit to a traditional and tired organization. It sounds like hundreds of so-called business biographies that have come before, but it is not.

“Describing how we achieved double-digit growth is not easy,” says a commercial manager from one of the business units involved:

It is about paradoxes: planning and luck, teams and individuals, great ideas and small steps, far-reaching ambition and everyday realism, being bold and being humble, through chaos and organization. Maybe we can say it was “passion for winning.”

Growth and transformation, paradox and passion: standard vocabulary for business success stories throughout the United States, Europe, and Asia. And much of the action here looks at first like a set piece of twenty-first-century business and culture change: restructuring, asset sales, staff reductions, stretch targets, staff training, team building, new types of management meetings, and on and on.

It is the story behind the story that makes this one compelling. It is the way all the plans, visions, intentions, and actions are combined and integrated into a top-to-bottom, wall-to-wall transformation that
grabs our attention and helps produce the successful conclusion. In the end, growth becomes the core purpose of the business, in the face of mature, seemingly no-growth markets. And growth, in business and personal terms, becomes the standard by which all employees—from the director’s offices to the factory floor—judge themselves.

The most dramatic transformation on record? Surely not because of the size of the business (one part of a global company) or even the growth in sales (unexpected as it was). Indeed, this sounds like hype to the Dutch who are sensitive to showiness. We’ve billed it as such because of the human drama of changed lives and horizons and because of the conscious effort that was made to dramatize events in the company and transform everyday business into theater.

**Sneak Preview**

Also, this is an inside story—told in large part by the people who took part in it, from all quarters of the company, in their own words, on the record. We were present for most of it and later did exhaustive research to help create the “learning history” that institutionalized this business story for this company. In our retelling here, we try to help you understand the heart and soul beneath this company’s setbacks and achievements.

In Part I: Turnaround, Unilever sends a turnaround king and a hard-bitten factory manager to its moribund, backwater meat, sauce, and soup business in South Holland to shake things up or shut it down. What’s really wrong here? What can be done to grab the attention of the cynical, unionized workers and complacent old-line management? After waking it up and tearing it apart, how can new leaders possibly put this losing business back together again, never mind make it grow?

Part II: Takeover shifts the scene from Oss to Rotterdam, home of Unilever’s Dutch HQ and its larger, more successful foods and spreads business, now targeted for a merger with the backwater business from the South. The merger scene and its aftermath have all the earmarks of a classic culture clash—plenty of resistance and de-
nial, creative and not-so-creative tension, winners and losers, rejoicing and pain. Now the action is very, very visible to the Unilever brass, who see young up-and-comers instigate what amounts to a revolution in one of the units. That’s not all. Disruption, ambiguity, and anxiety reign. Many wonder, Whose side are you on? What can possibly rise from this chaos? And how will we find fresh purpose and spirit?

These questions are partly answered in Part III: Transforming the Organization. Here the theme of developing people and teams takes the spotlight. We see how a huge, innovative leadership structure for the company takes form—180 leaders in all! They now have the brief not only to run the business from day to day but also to take a key role in developing people’s mindsets and heartsets for moving it forward on its path to growth. Not without resistance and pain, they begin to appreciate the value of revealing their emotions and personal aspirations to their cohorts at work, and they learn new ways to think and talk about the business, their teams, and themselves. Lurking in the shadows surrounding the advances made by all this team building are the cynics, the skeptics, and the fearful. What does all this talk about connecting and community really mean? Why the travel to visit faraway places and the all-company gatherings to play games? Why should we go along this time, when so many failed innovations have gone before? And isn’t it all rather cultlike, anyway, with special language, team flags, and folderol?

Part III takes the people development, team training, and community-building thread of the story to about mid-1999. In Part IV: Transforming the Business, we start with a bit of a flashback to describe in more depth how the different operating units began to reshape themselves, expand their offerings, and change long-standing work practices and traditional relationships with their employees and markets.

Here is where the business nitty-gritty of the drama unfolds. How will one unit develop new products, enter new markets, and exploit new channels to grow by 13 percent in 1999? How will another—after years of decline—stabilize volumes, increase market share, grow several of its brands, and dramatically redefine its relationships with