

A Virtual Strategy Process for Alfa Laval

How Ashridge partnered with long-standing client Alfa Laval on their strategy development process and brought about added value and innovation through its expertise in virtual working processes

Alfa Laval's bi-annual Top Management Conference (TMC), for some 120 senior leaders, is an event which considers the future strategic direction of the company and focuses on the most pressing business initiatives. The meeting in May 2009 was no exception: the prevailing economic crisis was adding an unprecedented sense of urgency and importance to its strategic drive for "Prime Performance" – the focal business initiative for the conference. In preparation for the conference, 30 of the 120 leaders attending the TMC were chosen – for their expertise and diversity - to participate in the Ashridge-Alfa Laval **Virtual Strategy Development Process** between November 2008 and March 2009.

"Prime Performance is about optimising the performance of our processes with a focus on TIME and QUALITY" – Lars Renström, CEO Alfa Laval.

An urgent remit

Alfa Laval initially approached Ashridge – a long-term development partner - in September 2008 to design, with them, a development programme that would be centred around finding solutions and creative project plans for the implementation of a number of critical Prime Performance business issues, in a time-frame of just four months from

inception to completion. Göran Mathiasson, Senior VP – Head of Operations, explained that strategic planning and implementation for future success is *"...best when generated using the talents of 30 top players,"* so the process needed to engage and motivate the best brains of the organisation - which employs 11,800 people across 55 countries, including the USA, Europe, India, China and Korea. The remit also demanded efficiency in terms of use of senior leaders' time and Alfa Laval's budget. Taking all these factors into account, it was agreed that a Virtual Strategy Development Process should be embarked upon.



Ashridge programme director Mike Malmgren explains the background to Alfa Laval's enlistment of Ashridge support for this process: *"Alfa Laval has been a client of Ashridge for many years and we know each other well. The virtual strategy development process is just one of several initiatives over the years that display the same value adding elements. Firstly, the speed with which we can mobilise resources and develop innovative solutions, and secondly, the focus on activities that deliver tangible business benefits."*

Face to face launch for a virtual process

A launch workshop was held at Ashridge between 29 – 30 November 2008, attended by the 30 MDs and VPs and four Executive board members. The meeting introduced the five current business issues identified from research conducted by Swedish consulting company KunskapsPartner - that were to be addressed during later virtual team sessions. Participants were able to benefit from dialogue with three 'world experts' Ashridge brought together: Professor Peter Hines from Cardiff Business School (LEAN process), Patrik Jansson, Vice President and Head of Supply Chain for SonyEricsson (highlighting issues surrounding the move from industry worst to industry leader by

SonyEricsson), and a former HR director of Toyota Italy who's perspective on the people dimension in Toyota's operational excellence culture was much appreciated.

On the second day, individuals were assigned to 5 project groups that were each charged with delivering a short introduction to a specific business issue and potential approach. Their peers and the Ashridge faculty assigned to each project group provided feedback.

Virtual Project Teams

Beginning with a Virtual Team Coaching Session in December, each project team, together with their Ashridge facilitator, 'met', via WebEx virtual meeting technology, five or six times during a four month period. They focused on developing business solutions they would present to the Virtual Conference, before taking the solutions – which addressed a number of concerns derived from the Prime Performance agenda - forward to the TMC in May 2009.

The virtual sessions involved all of the participants working individually in front of a computer, each equipped with a headset. Even though there were only six individuals in the virtual teams, breakout rooms were also utilised within WebEx. This allows more focused work on specific aspects, generates a change in group dynamics as a result, encourages a range of different activities and allows a change in pace (all key aspects for maximising the potential to retain information and encourage deeper learning).

The Ashridge design team felt it was imperative that each Alfa Laval project team understood that whilst the five issues being considered may have seemed disparate at first, they appreciated the connectivity between them. Therefore there were cross-project team meetings, during which each group was represented by an individual who was responsible for

demonstrating how their own project team's insights could be connected to other projects. Both the interdependency and the problematic clashes were examined during these meetings and the Senior Vice President responsible for the Prime Performance initiative was also present to provide an additional eye for the 'bigger picture'. The team representative then provided feedback to the rest of their project team on how their proposed solution(s) fitted with the organisational strategy of Alfa Laval, and whether potential clashes could be removed or reduced.

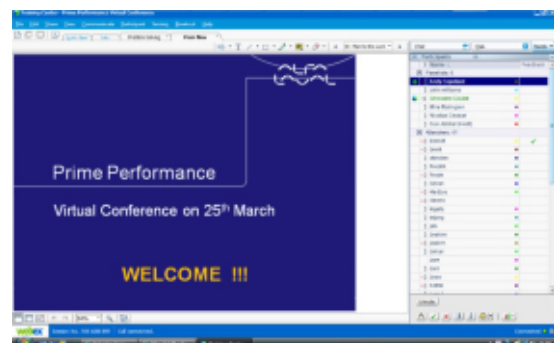
Ashridge's virtual leadership expert Ghislaine Caulat explains the Ashridge approach:



"Over the years Ashridge has developed, through an Action Research process, highly interactive and flexible virtual learning approaches that enable people not only to work on the task at hand and exchange contents but more importantly to concentrate on the relationships at play, to work with emerging conflicts, to develop trust and engage people's hearts in the virtual space. This approach, which is proving to be different from the existing virtual learning methods, became a critical success factor in this virtual strategy process. It enabled the teams to really think strategically, and learn together through a sharper awareness of virtual teams' dynamics and a better understanding of the specific psychological aspects of virtual work."

A Virtual Conference

The conference was attended by 45 people and comprised many of the elements of a traditional conference : a CEO opening address, a scheduled agenda with group presentations, breaks for coffee, interactive feedback processes



etc. Less traditional was the fact that the conference was completely virtual and ran for 4 hours, again using WebEx.

The attendees, which included all the project teams plus 8 board members and Alfa Laval's CEO, together with Ashridge facilitators, all had an opportunity to preview the Project Plan Presentations submitted by each team. The discipline required was exceptional – it demanded the highest level of focused concentration and structure, every minute of time was maximised and there needed to be a high level of clarity around each agenda item's objectives and format.

The presentations were followed by break-out work in smaller groups to discuss the project plans, using the WebEx platform. The break-out session was given focus around the following points:

- Identifying the main issues, critical elements and implications arising from across all projects
- Identifying the 5 most critical success factors
- Discussing the next steps for implementation, both short and long term

Outputs and Learning

As a result of the **Virtual Strategy Development Process**, the participants involved were in a position, after just 4 months focused work, to present their strategy implementation plans back to their 90 colleagues (senior leaders at Alfa Laval) at their annual Top Management Conference in May 2009.

A business-critical set of clearly defined and agreed project implementation plans had been agreed and the changes would be championed by members of the senior team who were by now highly developed experts in the key issues. In addition, all participants had now acquired highly developed skills in working virtually, leading virtually, and delivering on business-critical projects via a virtual environment: skills that will stay rooted within Alfa Laval.

The acid test is, as ever, would they do it again? Indications are highly positive, as when asked to assess the programme's effectiveness, participants rated both the outputs and the process highly.

Asked if this form of virtual team working is a way they would like to work on future projects, 80% said "definitely" and a further 20% answered "possibly".

The virtual strategy process saved:

95 tonnes CO₂ in terms of carbon footprint which were the result of at least 95 European and International return flights NOT being made.

Direct costs between €60,000 – €65,000 in flight and accommodation costs

The time spent NOT travelling equates to more than 0.6 FTE'S (full-time equivalent).