

## Building Blocks for Higher Performance: Part 1 of 5

Welcome to the first part of a five-part series of articles based on the recent CorporateLeaders Executive Briefing in partnership with Raytheon Professional Services entitled 'Reignite Business Performance for Competitive Edge – Building blocks for Higher Performance'. The articles that follow summarise viewpoints and advice offered by the event's hosts CorporateLeaders and Raytheon Professional Services, and keynote speaker, Dr. Isaac Sheps, CEO of Carlsberg UK.

### Adapting to the Market

We may not be able to control the market, but we can certainly control how we react to its deviations. When it comes to corporate survival, the companies most fit are those most readily able to adapt. Businesses must have the capacity to make adjustments to their operations, products and/or services in response to market demands. For some companies, this may mean highlighting different benefits; for others, modifications to their existing portfolio may be needed; and for others, it may be necessary to develop an entirely new range of products or services all together.

Executives may grumble about unstable and/or fast-changing market conditions, but in order to achieve a competitive advantage, these complaints must swiftly give way to acceptance and accommodation. The market has its own rules and the only way to win is to adjust to the game being played. Companies that stubbornly hold on to legacy practices and structures soon find themselves being outperformed, outmanoeuvred and outsmarted by their hungry, more nimble competitors.

### The Carlsberg UK Case Dr. Isaac Sheps, CEO Carlsberg UK

"When I was appointed CEO in 2008, the first thing we conducted was a thorough assessment of where the company stood in terms of profitability and operability. We observed early on the symptoms of underperformance – declining sales, marginal profitability, suboptimal operating practices – but it was crucial for us also to take the time to identify and address root causes.

"After painstaking examination we determined that the top culprits were a general lack of engagement due to an ineffective management structure and an operating strategy that didn't address evolving market conditions. We thus determined that, from then on, in order to be able to manoeuvre successfully in a volatile market, we first needed to make our organisation more lissom, and next plainly define what success would look like in the highly charged environment in which we were operating."

### The Building Blocks for a Turnaround

#### Short Term:

- Look reality in the eye
- Create a sense of urgency

#### Long Term:

- Create a vision
- Design a strategy with a clearly defined objective, scope and set of advantages
- Appoint the right people

*Dr. Isaac Sheps*

*\* Dr. Sheps was appointed CEO of Carlsberg UK less than two years ago with a mandate to reignite its business. By designing and executing a meticulous strategy, the company has recorded success after success ever since. Under Sheps' leadership, Carlsberg UK has witnessed a successful turnaround in its activities. The brewery's 'Winning Strategy' has, in a year's time, resulted in an optimised organisational structure, lower cost base, the successful integration of new brands into its portfolio, market share growth from 13.3% to 14.4% and, perhaps most importantly, a revitalized company culture.*