

Case Study: Frontline

Media Distribution Company Refocuses their Culture

March 2012

Industry:

Media, distribution and supply chain management

of Employees: 130

Revenue:

£400m

Country:

UK

Website:

<http://www.frontline.ltd.uk>

Consultant:

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THE SITUATION

Frontline Ltd is the UK's leading magazine sales and distribution company owned by four publishers, Bauer Media, H Bauer, Immediate Media and Haymarket Media. The business provides sales and logistics services to the publishers of over 160 magazines. Frontline delivers around 400 million magazines titles to 55,000 retailers across the UK every year. The business employs 130 staff.

For the last decade, Frontline had undergone significant change, including several managing directors – each with their unique mission and vision. This was also a time of great change in the publishing industry, with increasing usage of the internet for media consumption, which triggered the company and its publisher owners to re-think their size and shape. As a result, Frontline reduced their workforce by approximately one third, and also had employees transfer into Frontline from the publishing companies.

In 2010, Frank Straetmans was recruited from the industry into Frontline, to take the role of Managing Director. He recognised a couple of key issues. Because of the downsizing and series of changes, the organisation was tired, potentially cynical and ultimately not running at its optimum efficiency. Additionally, over the years, the company had become more focused on the increasing power of the big retailers, since they have the largest share of sales in the market. This had moved the focus away from the objectives of the publishers/owners who perceived their needs were not being considered enough in the management of the supply chain.

THE PROCESS

Quite early into the tenure of the new MD, the Executive Team went through a strategic visioning process. They talked about the industry; the marketplace; changing customer and consumer needs; and dialogued about the culture, values and behaviours needed to create change within the Frontline business.

“The Frontline Executive Team really understands the importance of culture and the need to provide clarity of the desired state to the organisation. They agreed that the cultural transformation toolkit would provide a clear framework and tracking mechanism, as well as a robust platform for planning and communication with the business,” shared Tess Cope, the consultant who facilitated the assessment.

The Executive Team was eager to shift the organisation to the vision and culture they desired, and in 2010, they conducted their first Cultural Values Assessment.

Their first survey revealed that they were operating with 25% entropy. This means that 25% of the values selected were potentially limiting, which is a high level of perceived dysfunction. Given the significant level of change and reshaping that had taken place in the business, it is not surprisingly the value of *cost reduction* was their number one value. Most of the limiting values were at Level 3, indicating issues around systems, processes and performance.

The Executive Team also invited the publishers to participate in a Customer Survey. The participation was disappointingly low suggesting that the publishers were disenfranchised and confirmed that Frontline needed to focus more on their relationship with the publishers.

The Executive Team took the following actions as a result of the first values assessment:

- They reviewed the feedback from employees (quantitative & qualitative) in regards to their core values, vision and mission and created this values statement: *Creating value for our publishers...Through a can do attitude...And working as One team.* This addressed the need to focus more on the publishers and emphasised their positive value of *teamwork* represented in both their Current Culture and Desired Culture values. It also addressed the need for positivity and a proactive approach in their culture.
- They held a company meeting to share the vision, mission and revised values – whilst also broadcasting the results of the cultural survey. This transparency and clarity demonstrated a new and different approach.
- Frontline conducted follow-up workshops with their line managers to fully engage them in the revised values. Line managers were asked to provide proposed behaviours linked to the new– these values & behaviours were then utilised to provide 90 degree feedback for all managers, including the Executive Team. This helped to establish

individual ownership of the new values and consequent behavioural change, where appropriate.

- In addition to providing proposed behaviours, this group of managers were also asked to identify any blockages in the business that would delay successful implementation of the vision, mission and values. Because so many of the issues were at Level 3 (related to systems and processes), these managers very quickly identified circa 30 operational blockages.
- The 'operational issues' were presented to the Executive Team by the managers with recommendations, and the Executive Team delegated project teams to work on the list. They wanted to "get real" about these operational issues, with energy and attention directed towards how to deal with them. As a result, there were an amazing amount of quick wins which released energy and trust. In addition to the manager workshops mentioned above, The Executive Team created a range of different initiatives to work with their culture, for which they created a brand identity – The Transform Program.
- *Identify 'road blocks' & address them quickly*– these were mainly issues relating to systems, processes, decision-making and cross-functional work geared towards addressing the value of *silos mentality* in the current culture. Managers from this group were selected to be part of an ongoing Project Steering Group to facilitate cross-functional working beyond this initial phase, and on key business projects. This has been received very positively.
- *Launch new KPI's* – these were developed to foster a "publisher as a customer" mindset, determined by what the publisher saw as a success.
- *Back to Basics* – this initiative was established to create an emphasis on getting product to market as efficiently and effectively as possible and was also linked to the publishers' objectives. It ensured that teams were working together to achieve these objectives.
- *Equip our people* – this included the launch of a new learning & development plan, leadership development and manager workshops.
- *New Values & Behaviours to be incorporated into people processes* – the key processes of recruitment, induction and appraisal have been updated with the new values & behaviours.
- *Frontline Focus* – This involved setting up "Top Cat" informal briefings for the whole business to focus on publisher specific topics such as new launches or promotional incentive plans.
- *Frontline Mojo* - To address the lack of energy and buzz in the business, a social committee called "Frontline Mojo" was created to host social activities both during and after the work day to strengthen relationships and goodwill. This has

been extended to involvement in charities chosen by employees.

- *Communication Platforms* – a range of initiatives around communication have been launched, including “*no email Mondays*”. encouraging people to get up and talk to each other; a *dashboard on KPI'S* is available to all and strategically placed around the building e.g. by photocopiers; regular *team meetings* instigated for field based staff; and continued use of “*Canteen Forums*”, where the whole business is briefed monthly on performance and any important issues.

THE SECOND CULTURAL ASSESSMENT

- Frontline conducted their second values assessment in 2011 and saw significant changes. Entropy dropped from 25% to 19%.
- The matches in values between their Current Culture and their Desired Culture has increased from three value matches in 2010 to seven value matches in 2011.
- The second cultural assessment indicated that there had been significant progress with the reduction in the degree of potentially limiting values and notable increased consciousness of Level 5 values.
- Qualitative feedback was set up as part of both surveys. In this second survey, a few localised issues were raised, which were investigated thoroughly through face to face interviews – again demonstrating that the Executive Team are listening and want feedback.
- In addition, a Cultural Survey Initiative team (CSI) was introduced to dig underneath the vast quantity of qualitative data to uncover a number of focus areas. This group surfaced a few issues that were so entrenched and had been festering for some time. Collecting the data in this way was found to provide a reasonable channel for the issues to be expressed and handled appropriately.

OUTCOMES

In a market place that has been in overall decline in the last three years, one of the key business measures for Frontline is market share. In the period up to December 2011, Frontline has achieved a market share gain and demonstrated its ability to outperform competitors – a significant success on behalf of the publisher owners.

Another Frontline KPI is operational effectiveness, a metric focused on getting product on sale at retail outlets in line with the published on sale date. This is quite a challenge when distributing around 40 million copies of magazines per month to 55,000 retailers throughout the UK. Between 2009 and December 2011, there has been a 88%

improvement in this critical KPI – *“this is one of the most striking examples of progress, demonstrating teamwork and an ability to think the impossible – a target originally thought too ridiculous to even express”*, says Mark Churchill, the Supply chain Director

In addition to the business metrics above, there's an energy and buzz back in the Frontline business. The culture is moving quickly. The element of feeling weary and tired from change has evaporated. The publishers are very happy with the changes and are enjoying the emerging relationship.

This buzz is evident in some of the metrics around people. In the last year, 45% of all vacancies have been filled internally (creating a significant cost saving in recruitment), and 25% of vacancies have been filled through the “recommend a friend” initiative, a testament to the fact that Frontline employees believe they have a great place to work.

Greg Hayden, Head of Information Services comments *“There's no question that this process has been worthwhile. In addition to the significant progress in our business metrics, there's a whole new level of dialogue going on in the organisation. Concerns are being aired and addressed quickly”*.

FRONTLINE 2011

