

Client Story

Creating an exceptional Executive Team and post-merger strategy

In 2000 Aviva became one of the major forces in the UK insurance industry following a merger with a major competitor. Harthill were the partners of choice to the CEO, Patrick Snowball. From 2000 to 2004, the company enjoyed a dramatic year-on-year increase in profitability, from £296M to £832M.

The relationship continues today.



Creating an exceptional Executive Team and a post-merger strategy to be proud of



The success of the deal depended upon capturing the significant top-line and cost saving opportunities that existed. The new team, comprising management and financial accountants, actuaries, M&A executives and business strategists, clearly had a lot on its plate.

On the one hand, it was responsible for ensuring that everyday business could carry on as usual by establishing a common ledger and integrating the financial systems from three separate entities, setting up systems to register the policies being written and ensuring the business could keep track of its income and risks at a time of change. On the other, it was charged with capturing the benefits of rationalisations throughout the company as well as within the finance function. And all this as a new team with a new leader.

“Most mergers fail - I knew if I were to lead this one successfully, I would need to choose my partners wisely. Harthill actively enabled me to develop a highly effective leadership team and culture at NUI.”

Patrick Snowball, CEO

The new Finance Director was familiar with Harthill Director David Rooke’s work and asked him if he would help establish a team that could accomplish what was needed. David’s initial recommendation was that a smaller group of the senior management team work together to agree on detailed issues to be tackled.

Four immediate areas needed addressing:

- coming to terms as a team with the challenge
- learning to hold constructive yet challenging dialogue
- fostering principles and behaviours to enable the team to deliver results and stay ahead of the game
- forge strong relationships with each other and across the organisation.

First stages of a development programme

In 2000 programme of quarterly two day off-site meetings was agreed to work both on strategic progress and team cohesion. Forming the bedrock of Harthill's work with the client, these meetings interweave a clear focus on real work issues facing the team with practical learning of new behaviours supported by essential theoretical explorations where this facilitated the process. For instance, David led inquiries into the more effective ways of communicating, the key dimensions of an exceptional team, the resolution of 'competing commitments' and into the theory of complex adaptive systems and how this affects working effectiveness. Between these 'set piece' events, senior managers were provided with expert coaching and mentoring. David formed a very strong working relationship with the internal Management and Organisational Development team nurturing a genuine partnership where ideas and goals are shared and skills mutually explored and improved.

“the expected financial benefits of the merger were being realised...”

By 2002, the Executive had established a crystal clear role as both 'defenders of value' via their regulatory, governance and accounting activities and also as 'creators of value' regularly sought out as respected sources of support during planning, performance assessment and decision-making. Rationalisation was well underway and the expected financial benefits of the merger were being realised.

At this point the evident cohesion of the team met its first major test. The Finance Director was offered, and accepted, a promotion within the parent group of companies. The team needed to appoint, and accept, a new leader rapidly and without being diverted away from their strategic agenda. A leader was appointed from within the team and, while his style was significantly different from that of his predecessor, the team continued seamlessly on its path. Now, the finance function was becoming recognised as one of the most effective operating units within the entire group. New members joining the team from outside commented upon the ease of communication and accomplishment of tasks. The parent group had begun to view it as a key resource and regularly recruited staff for senior positions across its operations.

“Strategic conversations grew to be both powerful and effective...”

David continued his work with the team under the new leader, exploring issues and challenges as they arose. He worked to develop further the team’s communication skills so that they evolved the ability to resolve the toughest issues whilst maintaining group cohesion. Strategic conversations grew to be both powerful and effective, creating visions that had the power to excite and motivate yet were backed by potent action plans that have actually delivered. The team has improved further its alignment with the business by nominating business partners with each of the business’s divisions and has proved itself adept at balancing the demands of the divisions with its functional responsibilities. It has even modified its style to moderate a perceived ‘macho’ culture; now three of the five members of the senior leadership team are female. By 2005, the team had established itself as not only a great place to work and develop but was also recognised as a powerhouse within the group and a major reason for the success of the merger in 2000. From 2000 to 2004, the company delivered higher than predicted post-merger savings and enjoyed a dramatic year-on-year increase in profitability, from £296M to £832M.

The 2007 Leadership Survey measured ‘Leadership that excites people to exceptional performance’ and showed improvement in all 15 measures, with two-thirds at or above target level. Our work continues in partnership with the Management and Organisational Development team.



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