

Cultural transformation

Life in the discomfort zone –
why cultural transformation
needs to hurt if it's going to work



Teamspirit

A decade ago, at the height of the credit crunch, industry commentators described the culture of the financial services sector as a “culture of self-interest” with Fred “The Shred” Goodwin as its iconic anti-hero, even sometimes comic villain.

Today, the media and consumers still retain a degree of wariness about where the true interests of the banks, insurers and investment houses lie. However it is generally accepted that the industry is at least trying to create a new kind of cultural harmony with society and the communities it serves.

The young FinTechs in particular see themselves as the champions of a radically different covenant between themselves and their customers. They talk of transparency and openness, value, experience and engagement. For many FinTechs it's their culture, in terms of their unique ideas, beliefs and behaviours, symbols, rituals and a shared understanding of what is good and what is bad, that defines them as brands as much as their products and services.

They realise that, just as culture caused the downfall of some of the big brands, it is also key to ensuring people now trust them, tell stories about them and forgive their foibles in the future.



According to a research study by one of our sister agencies, Chime Insight & Engagement, culturally remarkable brands across all industry categories demonstrate ten key attributes:

- 1. They know why they exist**
Like **PayPal**, they are clear on their place in the world and what the world would be missing if they weren't in it.
- 2. They represent the future of their category**
Making tomorrow look friendly and fun is in **Samsung's** cultural DNA.
- 3. They stay true to themselves**
They may adapt to the zeitgeist as **Weetabix** has always done, but they don't keep changing their story.
- 4. They look after their people**
The **John Lewis** partnership principle is a proxy for how they treat their customers.
- 5. They stick to their principles**
Refusing to take the easy option and keeping the covenant between themselves and their customers, as **Nationwide** has always done.






- 6. They create happiness**
Delivering simple, enjoyable experiences that solve people's problems. **Cadbury's** Joy is a classic example.
- 7. They are generous and genuine**
Giving people a warm welcome and making everyday gestures of kindness, as **Pets at Home** do with their in-store experience.
- 8. They love their customers**
People love brands like **Aldi** which make them feel among friends.
- 9. They are competitive**
People love brands with a winning spirit, which want to be the best and set themselves high standards, as **Amazon** does.
- 10. They right wrongs**
Virgin is famous for challenging conventions, rewriting rules and slaying customers' dragons for them.

From the people and the products to the packaging and promotions, everything about the best-loved brands embodies and communicates their cultural remarkability. It makes stakeholders a part of it. It creates an active, productive and purposeful relationship.

And it is the word 'relationship' that's key here. Instead of thinking, "how can we have a better relationship with people?" culturally remarkable brands look at how they can help people have a better relationship with them. Instead of thinking about how they can position and promote their products in a way that will best appeal to customers, they consider the problems that people are facing and the pain-points in the experiences they are having today. They don't get people to tell stories about their brand. They help people tell stories about themselves - the customer as the hero and the brand as the facilitator.

But where does this leave the brands who need to transform, rather than maintain their culture? This is a task akin to, in the words of Martin Sorrell "changing the engines on a plane while it is still flying". As uncertainty is the mother of inertia, many brands would rather not embark on a journey with an unknown destination and take an "if it ain't broke" approach to everything from employee engagement to innovation and process design.



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As a result, they become locked into a cultural comfort zone from which it is hard to escape, looking back fondly at the good old days, tinkering with legacy IT platforms, making incremental improvements to products and listening to customers but not really hearing them. To quote Martin Sorrell again, "opportunities become threats if you ignore them" and some financial services brands are sleep-walking into oblivion if they see transformation as a risk not worth taking.

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At the same time, the FinTechs, founded on the promise of a fresh, more purpose-led culture and business practices, need to be mindful that even the best of intentions can go astray when faced with investor pressures of profit and growth. They face the challenge of creating a future-proof and resilient culture, that will still be fit for purpose when they are ten times the size; the visionary original founder has been replaced by a tough commercial operator: investors are asking awkward questions and a smart new competitor has come on the scene.

How to get started

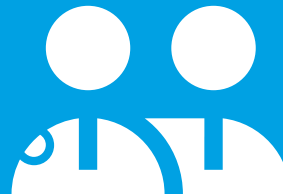


Give people a jolly good listening to

Listening isn't passive, it's active and it doesn't just happen without dedicated events, channels, events and opportunities to hear the voices of your employees and customers.

Embrace the dissenters

They are the ones who can make the most useful contribution, by stress-testing ideas. It's not about creating a collaborative culture in which people feel they have no choice but to agree. See above for the point on listening.



Test and learn your cultural transformation

The most innovative companies have a “permanent beta” approach to their product development, with crowd-sourced ideation and feedback and a persistently iterative approach. This can equally apply to culture.



Face the elephants

Is there something about the company you don't like to talk about? The diversity record, tax strategies or exec bonuses? Or perhaps something external, such as the rise of a particular competitor or regulatory issues? For true cultural transformation, all the cards need to be on the table.

Be comfortable with ambiguity

We can never know everything, but with curiosity and transparency there's always something new to learn.



In the immortal words of the Nike campaign, the first step in a cultural transformation strategy is **Just Do It**. It's not about trying to improve what you already have. Real transformation means sacrifice. It is risky and scary, involving loss, destruction and disruption. It's not just about deciding what you'll be in the future, but letting go of the past. Even if things worked before, you have to stop doing them.

Some people will be unhappy, others will be scared; but good ideas are often frightening because they are unfamiliar and transformation is always as much about managing emotions and intangibles as it is about structures and processes. But even if you don't have a clear goal, the goal changes or the journey isn't as planned, by taking the first step, you'll have at least moved forward.



Teamspirit believes in transforming the world of finance for the better. For all types of challenge from campaigning to internal culture change, we use our extensive financial services expertise and creative collaboration to turn the complex into the compelling. The result is deeper, more meaningful relationships between brands and their audiences.

If you'd like to talk further about your transformation ambition contact us on **0207 360 7878** or email **hello@teamspirit.uk.com**