



## Culture eats strategy for breakfast: How to grow your business with culture as the foundation

Louise Watson - Natixis Investment Managers  
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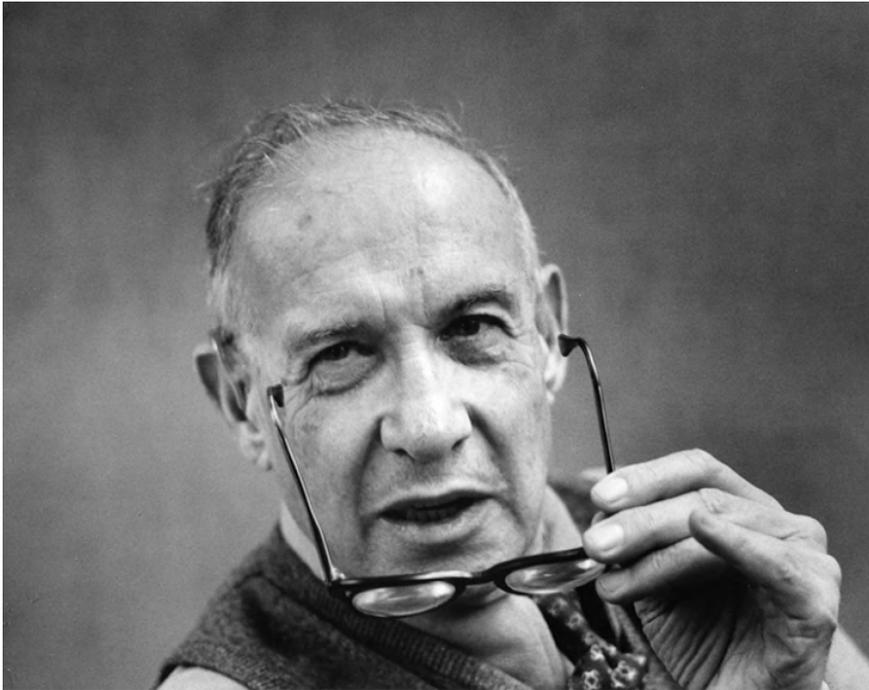
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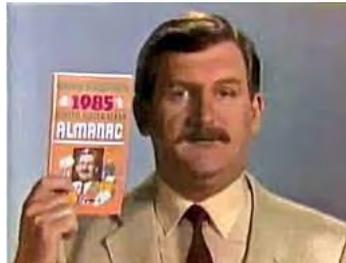
Peter Drucker  
The father of modern management



“Culture eats  
strategy for  
breakfast.”

# RADelaide in the 80s and 90s

Does anyone recognise all these photos?



## Poll #1: Who has documented their corporate culture?

- Yes, we have all aspects of our culture documented
- Yes, we have company values documented
- No, we 'Just Do It'
- No, but documenting it is on the To Do List
- No, I'm not interested

## What defines company culture

It's the human factor!

- Beliefs/ values
- Behaviours
- Mindset
- The employee experience
- Everyone's responsibility

“The way we  
do things  
around here”

## 2018: Crash course in bad culture

**ABC NEWS**

**Banking royal commission: The financial sector's descent to the fourth circle of hell**

**AMP scandal shows the cover-up is often worse than the crime**

**Banking royal commission: Fees for the dead and cash bribes – the greatest shocks (so far)**

**The Guardian**

**Banking royal commission: CBA agrees it is the 'gold medallist' at fees for no service**

**FINANCIAL REVIEW**

**How a royal commission sank a 175-year-old financial giant**

**THE AUSTRALIAN** 

**It's unfathomable ANZ's board, CEO didn't deal with issue of charging fees to dead customers**

# Why culture eats strategy for breakfast!



## Cumulative Return of 100 Best | 1998-2020

The 100 Best Companies to Work For<sup>®</sup> have outperformed the market by a factor of 3.23

- 100 Best
- Russell 1000
- Russell 3000



greatplacetowork.com | ©2021 Great Place to Work<sup>®</sup> All Rights Reserved

Source: FTSE Russell

Source: www.greatplacetowork.com/

# How does culture deliver results?

## INSPIRED EMPLOYEES...

Get meaning and inspiration from their company's mission

Are inspired by the leaders in their company

## ENGAGED EMPLOYEES...

Are part of an extraordinary team

Have autonomy to do their jobs

Learn and grow every day

Make a difference and have an impact

## SATISFIED EMPLOYEES...

Have a safe work environment

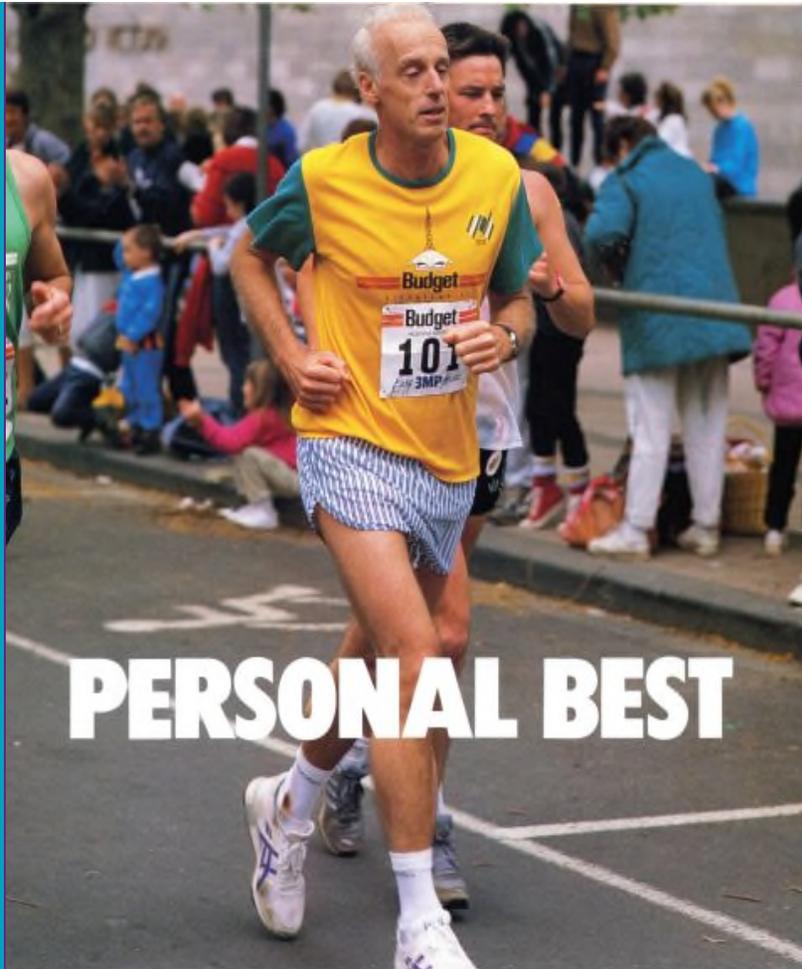
Have the tools, training, and resources to do their jobs well

Can get their jobs done efficiently, without excess bureaucracy

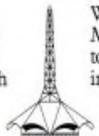
Are valued and rewarded fairly

“Inspired employees produce more than twice as much as ‘satisfied’ employees.”

Source: Bain and Company



"Congratulations to everyone who finished the 1988 Budget Melbourne Marathon. And particularly to those who achieved a personal best. To reach those goals is worth all the pain of preparation. Believe me, I know!"



Budget  
MELBOURNE MARATHON

"We'll be proudly sponsoring the Marathon again next year. So I hope to see you all at the starting line in '89—ready to drive your bodies even further."

*Bob Ansett*

© 1988 BUDGET

CULTURE  
CASE



## The larger-than-life Bob Ansett

The start of my education on the importance of culture

- Believed great team relationships essential
- Treated employees like family
- Knew everyone, remembered everything
- Celebrated success

*“Happy staff,  
happy customers,  
key to success”*

NATIXIS  
INVESTMENT MANAGERS

Great cultures are essential parts of great businesses

People are your most important asset

- Draw on experts
- Apply locally
- Deepen engagement
- Build trust

### CULTURE CASE



# The power of culture in a crisis

**Market Fallout**  
The hours not sold on Wall Street in the week opened in a record number of panic-selling transactions, but a number of powerful forces helped.

**The Crash of '87**  
**Stocks Plunge 508 Amid Panicky Selling**

**The Big Crash**  
S&P 500 in 12 months (1987-1988)

**Percentage Decline Is Far Steeper Than '29; Bond Prices Surge**

**The Market Debate Rouses Worst Fears Of Little Investors**

**THE WALL STREET JOURNAL**

**Covid-19 Vaccine: What You Need to Know When You Get the Shot**

**Bedlam on Wall St.**  
The New York Times

**NEW YORK POST**  
**CRASH**

**DAILY NEWS**

STOCKS PLUNGE 508 POINTS, A DROP OF 22.6%; \$1 MILLION VOLUME NEARLY DOUBLES RECORD

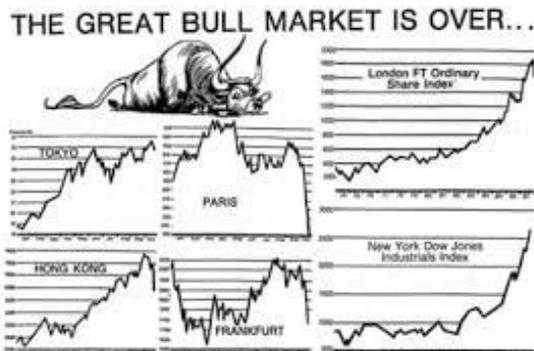
**BROOKLYN DAILY EAGLE**

**WALL ST. IN PANIC AS STOCKS CRASH**

Attempt Made to Kill Italy's Crown Prince

Hollywood Film Destroys Filmmaker Worth Millions

High Duty Group Gave \$700,000 to Cause Drive



**LLP eGDS to Open in Launchpad**

Symbol	Value	Net Chg	%Chg	P/E	Div Yld	Ext FY2	Div Yld	Yield
13 American	25,096.79	-111.43	-0.4%	18.16	18.16	34.77	3.17	-7.74%
10 S&P 500	2795.68	-109.49	-3.9%	20.14	17.11	15.31	1.89	-8.36%
11 ASIA JAPAN	14,311.05	-114.85	-0.8%	60.88	21.77	18.84	1.68	-11.25%
16 S&P/TSX Comp	15,517.49	-136.08	-0.9%	17.04	15.55	15.25	3.02	-4.54%
10 S&P/IBOV BPC	4,113.18	-108.08	-2.6%	17.11	14.42	14.27	2.16	-4.54%
10 BUVESPIA	53679.11	-2008.48	-3.7%	19.51	12.31	10.08	3.40	-10.45%
13 EMER	3224.74	-41.44	-1.3%	15.28	13.33	12.02	3.81	-1.5%
18 FTSE 100	7048.70	-97.04	-1.4%	15.74	12.67	11.70	4.49	-6.09%
13 CAC 40	2,123.86	-72.32	-3.4%	16.02	15.00	14.48	3.77	-8.16%
18 DAX	11,800.45	-114.85	-1.0%	13.44	15.53	11.21	3.37	-10.16%
10 FTSE 25	9454.89	-156.88	-1.7%	13.29	11.81	10.92	4.27	-10.09%
10 FTSE 100	10,446.50	-170.17	-1.6%	13.23	10.67	9.37	4.13	-11.09%
10 CMC 2000	1,965.39	-76.02	-3.8%	16.59	15.29	14.05	4.33	-9.1%
10 S&P 500	6753.06	-137.82	-2.0%	25.38	15.31	13.87	5.42	-6.2%
10 HANG SENG	22,970.86	-915.48	-4.0%	16.83	15.99	14.24	1.88	-3.53%
10 HANG SENG	25,260.83	-1,022.28	-4.0%	9.64	10.47	9.43	3.56	-11.4%
10 CSI 300	3,124.11	-127.82	-4.1%	13.57	10.68	9.26	2.56	-10.06%
10 S&P/ASX 200	5,881.74	-108.08	-1.8%	16.19	14.81	14.15	6.48	-8.17%

**THE WALL STREET JOURNAL**

**Mounting Fears Shake World Markets As Banking Giants Rush to Raise Capital**

Morgan Stanley in Talks With Wachovia, Others

**THE WALL STREET JOURNAL**

**Goldman, Morgan Scrap Wall Street Model, Become Banks in Bid to Ride Out Crisis**

Lawmakers Battle Over Rescue Plan

**THE WALL STREET JOURNAL**

**Lehman Faces Mounting Pressures**

What's News

Korean Dictator's Health Is Questioned

**THE WALL STREET JOURNAL**

**TERRORISTS DESTROY WORLD TRADE CENTER, HIT PENTAGON IN RAID WITH HILJACKED JETS**

What's News

House of Horror: Foster Alters American Lives

Culture: shoulder to shoulder



## Poll #2: Who has been through a merger or acquisition?

- Yes, I have acquired and integrated another business
- Yes, I have been acquired by another business
- Yes, I've been part of a merger
- Yes, multiple
- No

## Poll #3: Was it a positive or negative experience?

- Positive
- Negative

# Strong culture built through M&A

CULTURE CASE JPMorganChase

HAMBRECHT & QUIST  
Investment Banking for the New Economy

CHASE 

  
Washington  
Mutual

J.P.Morgan

THE  
Chemical National Bank  
NEW YORK  
ESTABLISHED 1824

Chase H&Q

JPMORGAN CHASE & CO.

BANK ONE

J.P.Morgan CAZENOVE

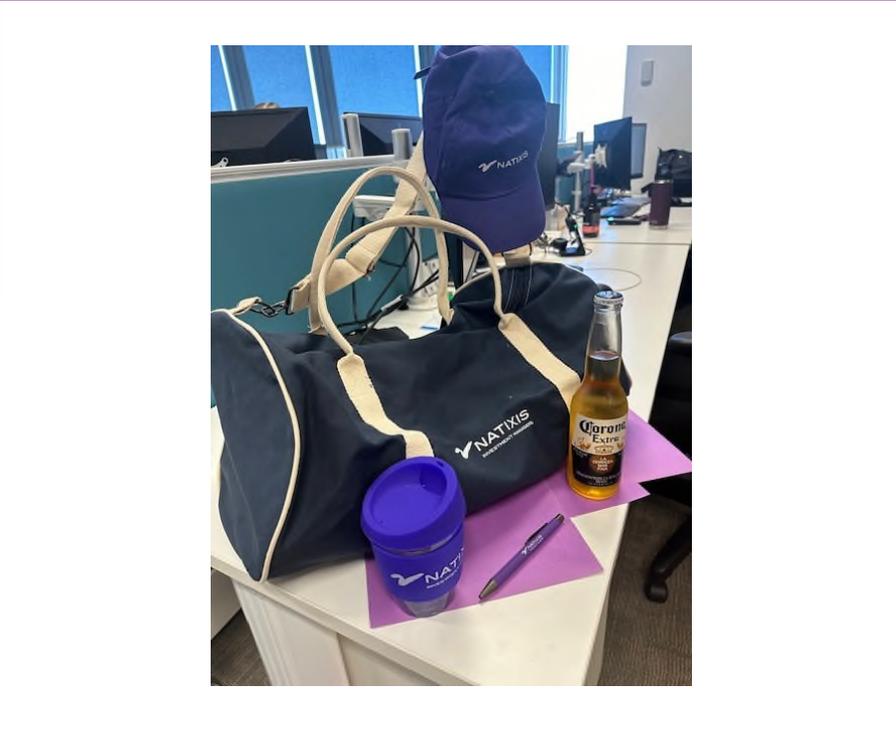


# Natixis IM Australia M&A



# Be welcoming, be collaborative

Culture through M&A



# An investment team with zero departures

And an 18-year+ track record

CULTURE  
CASE



LOOMIS | SAYLES

“Michael Jordan - arguably the best player ever that played basketball - I really think that if you paid him a dollar or a billion dollars, he would play the game the same way because he only knew one way of playing.”



**Aziz Hamzaogullari**

Founder, CIO and Portfolio Manager  
Loomis Sayles Growth Equity Strategies



NAVIGATING THE NOISE  
PODCAST



# Elements of great company culture

and how to achieve it

Culture builders	Practical tips for building positive culture
✓ Credibility	Be yourself Be honest, open and transparent
✓ Respect	Show people respect to earn respect in return
✓ Fairness	It's not just about pay! Find other ways to reward and recognise Avoid office politics and favoritism
✓ Pride & Belonging	Embrace diversity and individualism Celebrate employee achievements Celebrate team wins
✓ Effective leadership	Aligns your words and actions Demonstrate competency, honesty and approachability Show genuine interest in employees as people
✓ Values	Lead with shared values, not policies and procedures
✓ Innovation	Ask your team how to do things better

## What have I learned?

- Be your authentic self
- Be transparent, honest, and upfront
- Build genuine relationships
- Keep your eyes on the prize
- Recruit cultural cheerleaders
- Celebrate success



## Radical praise: Learn from the best



## Be the school of fish

