



KONE Americas

Strategic success in a down economy
by transforming the leadership culture



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For 100 years, KONE has been a global leader in the elevator and escalator industry. With urban environments growing briskly in recent decades, the company's expertise offers tremendous potential for growth.

In 2007 in the Americas, concerns over internal matters typically overruled customer needs. Safety incidents were occurring too often and operational discipline was lax and inconsistent. But what most alarmed new CEO Vance Tang was the level of comfort with this performance within the organization. He expected more from KONE – and he viewed leadership development and culture change, ultimately focused on the customer, as the best way to get there.

Faculty from CCL's Organizational Leadership practice worked with KONE in a developmental process called *Transforming Your Organization*, collaborating with the KONE senior leadership team in designing each step. The senior leadership team members did not delegate leadership development. Rather, they started with themselves. According to Tang, "We had to appreciate that we had to change ourselves first in order to change the culture. CCL helped us talk to each other. We spent time on feedback, trust and dialogue. Now we can openly challenge each other and achieve better outcomes because we can all be on the same page and work much faster."

Then came the next step: engaging the top 100 KONE Americas leaders in a two-day event dedicated to strategic direction and, just as significantly, the changes in mindset and leadership needed to enact the strategy. Tang began by laying out the vision of getting from No. 4 to becoming THE industry leader. The senior leadership team members then did something remarkable. They engaged in dialogue among themselves while onstage in front of everyone. They talked about how they were changing personally and as a leadership team facing big changes. They explored the leadership style necessary for achieving their new vision and plotted concrete steps to reach it.

CCL's work with KONE remains in progress – and continues to deliver results. Customer satisfaction has tripled and employee engagement has reached world class levels. Safety incidents dropped over 70 percent. Market share and

Objectives

- Achieve industry leadership
- Drive organizational performance through people leadership
- Set the ambition to be different, to be better, to be great; aim for excellence
- Need to be more strategic and less operational
- Collaboration on customer-focused processes across functions and regions
- Get the benefits of different perspectives to generate new ideas for the business
- Win with the best talent and the best leaders; attract and develop talent

profits rose significantly despite the global recession. In another sign of progress, the senior leadership team chartered four strategy teams focused on leadership profitable growth, environmental excellence, and financial excellence, with membership straddling functions and levels in the organization. According to Chuck Moore, KONE's senior vice president of human resources, "An eagerness to think about strategy is permeating the culture. People all over are weighing in. The goal is to let the best ideas win."

Transforming Your Organization "is not a step-by-step plan. It's not an HR program. It's a more complicated journey of shared leadership. We had to learn how to collaborate and be interdependent in order to make this journey," says Moore.



Results:

- Customer satisfaction tripled
- Employee engagement reached world-class levels
- Safety incidents dropped over 70 percent
- Market share and profits rose significantly
- Senior leadership team chartered four strategy teams focused on leadership, profitable growth, environmental excellence and financial excellence

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– Vance Tang, CEO, KONE Americas



About CCL

The Center for Creative Leadership (CCL®) is a top-ranked, global provider of executive education that unlocks individual and organizational potential through its exclusive focus on leadership development and research. Founded in 1970 as a nonprofit, educational institution, CCL helps clients worldwide cultivate creative leadership – the capacity to achieve more than imagined by thinking and acting beyond boundaries – through an array of programs, products and other services. Ranked among the world’s top providers of executive education by *BusinessWeek* and the *Financial Times*, CCL is headquartered in Greensboro, NC, with locations in Colorado Springs, CO; San Diego, CA; Brussels, Belgium; Moscow, Russia; Singapore; Pune, India; and Addis Ababa, Ethiopia. Its work is supported by more than 450 faculty members and staff.

CCL – Americas

One Leadership Place
PO Box 26300
Greensboro, NC • 27438-6300
p: +1 336 545 2810
f: +1 336 282 3284
e-mail: info@ccl.org

CCL – Europe, Middle East, Africa

Avenue de Tervueren 270
Tervurenlaan • B-1150
Brussels, Belgium
p: +32 (0)2 679 09 10
f: +32 (0)2 673 63 06
e-mail: ccl.europe@ccl.org

CCL – Asia-Pacific

238A Thomson Road #16-06/08
Novena Square Tower A
Singapore • 307684
p: +65 6854 6000
f: +65 6854 6001
e-mail: cclasia@ccl.org

CCL – Russia

CCL LLC
8th Marta Street 10
Building 14
Moscow Russia • 127083
p: +7 495 662 31 39
f: +7 495 662 31 39
e-mail: ccl.cis@ccl.org

Other campus locations:

Colorado – 850 Leader Way, Colorado Springs, Colorado, 80905, USA, p: +1 719 633 3891

California – 8910 University Center Lane, Tenth Floor, San Diego, California, 92122-1029, USA, p: +1 858 638 8000

Africa – Unity University, Sub-City: Bole, Kebele: 11, House No: 632, PO Box 6722, Addis Ababa, Ethiopia, p: +251 913204547

India – 238 Regus Connaught Place, Level 2, Kumar Connaught Place, Bund Garden Road, Pune - 411 001, India,
p:+91 20 4014 7709/10

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