

# Synlait Milk Limited

## ISSUE:

Synlait responded to the challenge of being a business that grows staff numbers at least 20% per year whilst creating an engaged organisational culture with sustainable growth business performance.

## SOLUTION:

From the governance board and through the executive of the company a clear focus is on leadership development, behaviour and performance at all levels across the organisation. A multi-faceted leadership framework titled the 'Perform & Grow' framework was designed, composed and implemented. Alongside a suite of interventions, the Blanchard® SLII® Experience for leading situationally, and First-time Manager being central programmes within this framework.

## RESULTS:

Engagement increased 47 percentile points over three years and tracking, injury data down 34% and 60% across functions, 67% decrease in customer complaints, 40% higher output in plant, 17% productivity increase in another, staff turnover decreased 5%, - \$3.7m cost saving, 80% of staff having regular meetings with their managers, company profit increased 88%, share price increased 100%.

Founded in 2008, Synlait Milk is a B2B-focused dairy company producing high-specification ingredients and nutritional products for global customers. Listed on NZX and ASX, Synlait has a market capitalisation of approximately \$2b. A fast-paced growth company, Synlait employs almost 700 people currently, and on the rise, in Canterbury, Auckland, Waikato and Manawatu. Employee numbers have grown at least 20% annually. Environment, people and enterprise form their sustainable value chain, which starts on farm and is leveraged throughout the business. Synlait adds value at every step of production and reward their 200 contract dairy farmers with premium payouts for meeting best practice dairy farming.

Synlait's engagement programme, including training and tools in Blanchard's SLII® Experience (for being a situational leader), and First-time Manager, brings engagement to the forefront as a key business metric, part of their Balanced Scorecard (BSC) and measured quarterly to ensure that it carries the same importance as other key business data. Ownership of engagement sits with every Team Leader, with HR providing the framework and support as required. The primary tool for engagement is their Performance process, Perform & Grow, which brings together the international best practice leadership models that Synlait use.

The challenges of being a business that grows staff numbers at least 20% per year include:

- Bringing the high levels of new staff into the business and engaging them in what Synlait does
- The roles of existing staff changing and being refined all the time and the team and workgroups structures regularly in a state of change to meet the growing business needs
- Most staff coming from outside dairy industry with many making a career change, which requires significant work to help them understand the context in which Synlait operates
- Many Managers and Team Leaders being new to management or operating at higher levels than they have previously
- Many processes and systems are often in catch-up mode to match the growth and meet the new requirements of a larger business

Fast growth also means frequently changing priorities so there is a big risk of staff not understanding what is expected of them, what their role is, and what they should be working on.

Synlait's core performance appraisal system, known as Perform & Grow (P&G), was redesigned, based on the feedback from an all-staff survey and a user group. There was an increased emphasis on the need to complete this process. Perform & Grow is based on a coaching approach, and is underpinned by Synlait's foundational leadership tools, Blanchard's SLII® and Gallup's Q12 and Strengths. It includes goal setting, career goals, development planning and drives regular ongoing conversations. All managers received training on P&G. Staff are surveyed annually for feedback on this tool.

The results are being continuously tracked, however the company is pleased to note that for a start engagement increased 47 percentile points over three years, injury data is down 34% and 60% across functions, 67% decrease in customer complaints, 40% higher output in one plant, 17% productivity increase in another, staff turnover decreased 5%, - \$3.7m cost saving, 80% of staff having regular meetings with their managers, and *the applause* - company profit increased 88%, share price increased 100%!



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