

Executive Summary - Large Organization Transformation - Julie McAlindon

[Episode Replay](#) - Sept 14, 2023 10 am ET

[Executive Roundtable for Materials Growth](#)

Hosted by: [Growth Arc Advisors LLC](#)

Summary

Julie McAlindon's career has been driven by her desire to leave a positive impact and achieve success through teamwork. Starting in sales, she quickly developed an interest in marketing and transitioned into various commercial roles in the specialty chemicals and plastics sectors. McAlindon's career then progressed to taking on P&L responsibilities, where she focused on driving growth, improving profitability, and addressing complex challenges. This combination of skills and experience led her to enterprise leadership roles, overseeing commercial and innovation capabilities, as well as transformational efforts and eventually broader functional areas. McAlindon's leadership abilities were recognized when she was appointed as the Vice President of Sales and Marketing at Eastman, where she successfully led a commercial transformation. Her track record of success has resulted in her being continuously tapped for transformation leadership.

Julie believes that the chemical industry is essential for improving the quality of life and enabling innovation and technology. However, she acknowledges that the industry has had a negative reputation in the past. She believes that the industry is now on the verge of a transformative change driven by the need for sustainability. McAlindon is excited about the potential for new solutions and sees many companies, including Eastman, embarking upon this journey. She points out that greater awareness of climate change and consumer mindset shifts are converging to drive the industry towards sustainable practices. McAlindon sees the future challenge for companies is to generate sustainable solutions at scale that are economically viable.

Case Study - Transforming Eastman Commercial Processes

To illustrate the scope of a large-scale transformation, Julie described the work that was done to transform the Eastman Commercial team. As she joined Eastman they were getting ready to embark on a commercial transformation. The project objective was to increasing the organization's focus on winning with customers by elevate the expectations of the sales teams. implementing a global scale launch of a CRM platform and implementing five new processes: Opportunity Management, Account Management, Territory Management, Customer Interactions, and Sales Forecasting. The overall effect of these efforts was to create a self-reinforcing ecosystem to drive behavior change.

Changing salespeople's behavior can be a significant challenge in a key change project. The project asked salespeople to become more transparent and document their actions, which they were initially resistant to. Salespeople were used to managing their opportunities and calls on their own, but now had to input this information into a public platform. In order to drive this behavioral change, both the salespeople and their leaders had to undergo training on new ways of coaching, management, and goal-setting. Additionally, the implementation of KPIs and metrics allowed for tracking and measuring the team's performance and provided salespeople each with a personal dashboard to track their performance and sales incentive awards. This transparency created competition and motivation among the salespeople. McAlindon points out that the successful adoption of the CRM platform was also due to the collective engagement of the entire organization, with leaders and other departments using the system to communicate with the sales team. Ultimately, the challenge of changing salespeople's behavior required a comprehensive approach that focused on both the system and the individuals, their capabilities, and the processes, with the use of metrics and incentives to create a self-reinforcing ecosystem of behavioral change.

Design took about 9 months to fully develop the system and ensure that it was directly connected to supporting the five sales processes. Throughout this journey, change management was implemented, with communication and training content being developed and shared to prepare individuals for the launch. The launch itself was done globally, with three sales summits held over the course of two months to ensure everyone was trained on both the processes and the system. It took another six months to drive adoption and stability of the platform, and within the first 12 months of adoption, the company saw a significant performance change, doubling their new business closes. This outcome demonstrated the great adoption and success of the project.

What is Large Transformation?

For McAlindon, transformation is not simply implementing a digital tool or improving a process; that is more aligned with continuous improvement. True transformation involves shifting an entire ecosystem of people, processes, and tools. It requires a holistic approach that considers all aspects of an organization, including talent, culture, decision-making processes, roles and structures, analytics, metrics, and rewards. It aims to create a self-reinforcing system that motivates and rewards individuals for their actions. This kind of transformation requires engagement and participation from multiple layers of an organization to ensure its sustainability. Sustaining change is often the most challenging aspect, regardless of the scale of the transformation, which is why having a well-designed ecosystem with self-reinforcing elements is crucial to keeping the transformation going.

In Julie's view, it is important to start with a clear objective and assess the gap between the current state and the desired state in order to determine whether continuous improvement or transformation is the most effective path forward. While continuous improvement is an important approach for making small, incremental changes, it may not always be suitable for every situation. In cases where a significant mindset or behavior shift is required, such as transforming a company from a diversified chemical company to an innovation-driven specialty chemical company, a more transformative approach is necessary. Remembering the importance of change management in transformational projects is crucial as it accounts for 50% of the overall transformation effort. While focusing on technical aspects such as behavioral changes, streamlined processes, and digital tools is important, bringing people along on the journey and convincing them of the benefits is essential for success.

One key challenge that Julie sees in complex projects is the danger of becoming too locked into commitments and timelines, and the importance of staying flexible and adaptable in achieving goals. While it is essential to drive outcomes and meet timelines, it is equally crucial to listen, learn, and adjust along the way. When the focus is solely on driving the timeline and delivering outcomes without considering critical issues or addressing failures, it can lead to overall project failure and stress on the team. She has learned that as a leader, one must have the courage to step up and reassess the situation, making necessary adjustments and setting realistic expectations to avoid failure.

Influence and Persuasion

Julie recommends persuading senior leadership by building their buy-in, support, and understanding of the change and its outcomes. This involves demonstrating the value proposition for the company and showing how the change will enable growth and cost efficiency. It is important to convince them that the change is necessary and can be consistently implemented across the organization. Specifics, such as potential improvements in working capital and inventory management, can help create a reason to believe in the transformation. Multiple conversations and addressing their questions patiently are necessary, along with helping them understand their role in the change. She also emphasizes the importance of engagement, ensuring that senior leaders are actively involved in the transformation process. This can be achieved by forming a champion team comprising division presidents, business presidents, and other key leaders who oversee and hold accountability for the effort. This allows senior leaders to see what is happening and have influence over the transformation. Additionally, Julie advises against being defensive or dismissive of feedback, even if it is critical. Instead, she suggests taking a step back, listening, and asking questions to better understand the concerns being raised. This helps build a shared understanding and ensures that any necessary adjustments or fixes can be made to address real concerns that could negatively impact outcomes. By following these strategies, Julie believes that respect and appreciation can be garnered from peers, creating an environment where senior leaders feel more comfortable speaking up and offering their support. It is important to note that these efforts require continual attention and should not be treated as a one-time occurrence. It takes time to sell the idea and gain their full support, but the effort is worth it.

When dealing with organizations who'll be impacted by a change, Julie believes that a key to garnering widespread support for an initiative is to craft individual value propositions for key stakeholder groups. A good value proposition should be tailored to their specific needs and interests. When considering stakeholders who have to change and adapt their work, the value proposition should highlight how it benefits them personally, such as saving time, improving credibility, and increasing effectiveness. Additionally, it should address any negative experiences or limitations that stakeholders may have, such as lacking digital tools, and offer solutions or improvements in those areas. Julie emphasizes that a thorough and critical analysis is necessary to understand the impact of the change on stakeholders and ensure their buy-in. This is why change management efforts make up 50% of the overall transformation project.

Julie believes that when handling dissent, it is important to pause and take the time to understand and discuss it. She emphasizes the need to remove personal biases and focus on the collective goals. Julie also mentions the importance of self-awareness and the ability to control instinctive reactions. She emphasizes the importance of listening and recognizing that everyone is working towards a common objective.

Changing Culture

In discussing culture change, Julie highlighted the complexities of effecting such change with an example of moving Eastman to a more business-led culture. This allowed for greater accountability and ownership of business outcomes. At Eastman, this involved, involved restructuring the company to align functional roles directly with the business. The organization also shifted its annual performance award structure to align the majority of the population with business performance. Additionally, decision-making was decentralized, allowing the business leaders to have decision rights. Culturally, this shift required significant change management efforts to help employees understand their new roles and priorities. Using systems, organizational, and incentive levers, Eastman rationally designed a transformation of culture. Levers included:

- Restructuring for accountability: the company restructured its organization by moving functional roles to directly align with the business and sit on the business leadership team. This ensured that individuals had ownership and accountability for the outcomes of the business.
- Financial incentives tied to business performance: The company changed its annual performance award structure to align the majority of the population to business performance. By connecting financial rewards to the success of the businesses, employees were motivated to contribute directly to their business's success.
- Empowering decision-making: Previously, decisions had to go through a hierarchical process, causing delays and missed opportunities. The company shifted decision-making rights to the business, allowing for faster and more efficient operations.
- Redefining excellence: The company recognized that not every function needed to strive for excellence. Depending on the strategy and market, some functions needed to be good and solid, but not necessarily excellent. This redefinition helped employees understand the focus on business outcomes rather than functional excellence.
- Alignment: Monthly and quarterly business routines and leadership meetings helped align goal-setting and performance management, ensuring a clear understanding of the new culture.

Julie also described how Eastman addresses cultural behaviors directly, relating a time when engagement survey's indicated company morale was low and employees felt undervalued and afraid to speak up. Leadership then focused on promoting the concept of psychological safety, which allows employees to feel comfortable speaking up and sharing their ideas. This was done through both grassroots communication efforts and a focus on leadership behavior. They emphasized the need for leaders to enable and coach rather than simply instructing, and for team members to have the freedom to speak up and contribute their insights. The goal was to create a more agile organization where employees' ideas and suggestions are valued and implemented, leading to increased efficiency and effectiveness. Over time, this steady drumbeat of promoting psychological safety has resulted in employees feeling more comfortable speaking up, being recognized for their contributions, and leaders feeling less stressed as they can rely on their team's collective wisdom. This shift in mindset and culture has been achieved through a series of waves, creating a noticeable difference in the organization over a year and a half or more.

Career Insights

Julie's emphasizes several career development principles from her experience as a transformational leader. These include adaptability, determination, and ambition. She emphasizes the importance of being open to taking on new challenges and roles, even if they may not be desired or expected. Through these experiences, she has learned valuable lessons that she otherwise would not have gained. McAlindon also emphasizes the need for determination, not giving up when faced with difficulties or setbacks. She believes in reflecting, learning, and finding alternate pathways to success. Additionally, she advises having ambition and an end goal, but also being flexible and open to unexpected opportunities that may arise along the journey. By combining these characteristics and approaches, McAlindon has achieved success in various roles and has gained a unique perspective and learning that enables her to take on new challenges.

To balance being both driven and adaptable, it is essential to reflect and analyze the reasons behind a new opportunity or challenge. Initially, there may be a negative reaction, feeling insulted or unsure about why one is being considered for a particular role. However, taking the time to think about what unique skills and experiences one can bring to the table, and how these align with the objectives of the organization, can help shift one's perspective.

About Julie McAlindon

Julie A. McAlindon is senior vice president, regions and chief supply chain officer for Eastman, overseeing supply chain, sourcing and procurement, and regional leadership. McAlindon also leads the transformation of Eastman by building business operating model capabilities across the company and serves as the executive sponsor for Equality, the Eastman resource group for LGBTQ+ team members and their allies. Prior to this role, she was chief procurement officer and vice president, transformation. McAlindon joined Eastman in 2016, bringing more than 25 years of marketing, sales and business leadership experience.

Before Eastman, McAlindon was with Avient Corporation (formerly PolyOne) as senior vice president, designed structures and solutions. Prior to that, she was vice president of marketing. In addition, she had a 20-year career with Dow and held a variety of leadership positions, including global corporate account director, home and personal care; global strategic marketing director, coating solutions; global business director, polypropylene; senior product director, LLDPE; and global marketing executive, performance fluids.

About Growth Arc Advisors LLC

After a 30 year career as an executive in the chemical industry, founder Kendall Justiniano started Growth Arc Advisors to help chemical business leaders implement the new thinking required for changing fundamentals. We're experienced industry operators who know the old playbooks, their gaps, and the new pages required.

The firm delivers customized engagements for Materials Executives in 3 key areas:

Commercial Effectiveness: increasing growth revenue through proven next-level commercial practices, including digital sales & marketing.

Strategy: helping clients navigate threats generated by sustainability, digital, and global demand shifts.

Innovation: accelerating return on innovation through focused investment.

[#RTExecSumm](#)