



## Stanford eCorner

### Building Five Cultures in One Organization

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Video URL: <http://ecorner.stanford.edu/videos/1859/Building-Five-Cultures-in-One-Organization>

After discussing his five archetypal organizational cultures, Andy Friere, Co-founder and CEO of Axialent, clarifies that while ultimately an organization wants to have each of the five cultural archetypes, the way to achieve this balance is to develop one archetype at a time over a period of years. The five cultural archetypes that Friere describes include: 1) Achievement, 2) Innovation, 3) One team, 4) People-first or 5) Customer-focused.



#### Transcript

I was looking at sort of your paradigm here of five different cultures that a company can adopt. In reality, and I can only speak from my experience; I worked for a number of global companies. You don't really find, again, in my experience, the customer-centric culture versus achievement. Most companies, I think, especially when they grow and they transcend their founders, they find themselves in a kind of mish-mash and confusion of: for some areas of the company, achievement is important. For others, if you ask the senior management, they'll say that they are a people-centered culture. And people in the boiler room, they're worried about losing their jobs. They don't even see that there is a culture. They just see that they're going to be fired two weeks from now if they don't perform. So you know, when consulting with, especially with medium sized and larger companies, how do you even approach the notion that there should be one prevailing culture in the entire organization versus what I think really happens in everyday life? I'd like to make a distinction: companies, successful, high performance companies tend to have these five at the same time in different places. But they can only strengthen one at a time.

So the distinction is: you can go to an organization that is highly innovative and highly focused on the client, and it's really good in most of these things. In fact, the companies that have very strong culture are normally good in many of these at the same time in different areas. R &D, they're really about innovation. But then the sales force is really about achievement. And so you see that happening. But when they want to improve, they can do it one at a time. So they cannot say, "Well now, let's strengthen the five of them at the same time." There's a concept of--I don't know whether you read the book "The Goal" by Goldratt. He says, "There's only one weakest link in a chain. It doesn't matter if you strengthen any part of the chain that is not the weakest link. It's not going to make the chain stronger.

The only thing that is going to make this chain stronger is strengthening the weakest link." And normally, when you see an organization, you see one thing that is the bottom link for strengthening the culture, and you just really need to go to that. I remember once, when we were just starting Axialent, we hired this expert guru in London, who leads our London office, of culture. She came and said, "Do you have a culture of accountability?" "Yes, of course," I said. "Andy, how much are you expected to sell next quarter?" I said, "Well, we have a budget for this year of \$15 million and.." "No, you. How much are you expected to sell next quarter?" I said, "Well, I don't know." "Well, that's a problem. You don't have a culture of accountability." And we realized that that was the thing that we needed to work on. And we worked on it for two years. And then we sat down and we said, "We're now pretty good at measuring thing. Now, what's our next thing?" "Well, we're not listening to our clients enough. Let's become really client focused." So I agree with you, but the distinction is, one thing is the end game of strengthening all of them, and the other thing is the way to get there, which is really working on them one at a time.

If you start trying to do two or three things at the same time, that's going to be a difficult message for people to understand.