Fast Fish Eat Slow Fish: Business Transformation at Autogrill

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Abstract

(a) **Situation faced**: Autogrill Belgium, part of the world's largest provider of catering services to travellers, drifted into a worrisome position in 2006. The company had just gone through a merger, was experiencing financial difficulties, and appeared unable to respond adequately to a changing market context.

(b) **Action taken**: The case addresses Autogrill's approach to aligning its staff with the company's vision and strategy, and increasing internal communication and cooperation between functions and departments using a business process perspective as part of a holistic approach to business transformation that led to organisational survival in adverse conditions.

(c) **Results achieved**: The main outcomes of the business transformation were the establishment of an internal customer orientation, increased decision-making speed and the organisational resilience required to thrive under adverse market conditions.

(d) **Lessons learned**: The Autogrill case study provides a valuable example of and insights into how business transformation can be managed successfully. The story triggers critical thinking about major pitfalls and success factors and how the business process perspective can add value to a holistic approach to business transformation.

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1 Introduction

Autogrill Belgium, part of the world's largest provider of catering services to travellers, drifted into a worrisome position in 2006. The company had just gone through a merger, was experiencing financial difficulties, and appeared unable to respond adequately to a changing market context. This case follows Chief Operating Officer (COO) Mario Orinx and Chief Sales and Operations Officer (CSOO) Stan Monheim over a period of 8 years as they led the company through an enterprise-wide business transformation that expanded from Belgium to the Netherlands and France. The story touches upon Autogrill's approach to aligning its staff with the company's vision and strategy and increasing internal communication and cooperation between functions and departments using a business process perspective as part of a holistic approach to business transformation that led to organisational survival.

In early 2014, Orinx and Monheim were still guiding the region through an organizational transformation, as they had been since 2008, helping the company increase its internal customer orientation, decision-making speed and resilience. They had started their transformation journey in Belgium, expanded to the Netherlands, and then went on to France. The transformation was far from over, but the approach they had adopted seemed to be working so well, that they were intent on promoting it throughout the rest of Autogrill, as their approach had caught the attention of Autogrill's headquarters in Milan.

Monheim and Orinx agree that they have come a long way since they first took charge of Autogrill Belgium. Autogrill Belgium was in tight financial spot, and the way the company was run and how it managed its employees were miles away from the current situation. In hindsight, they say that, if they had not changed the company's way of working, it would have been bankrupt or acquired by a competing company by now. Today, the company is in calmer waters, and Monheim and Orinx are contemplating how to explain and pitch their business transformation approach to their colleagues in the company's headquarters. This case focuses on that business transformation approach and its implications in the period between 2006 and 2014.

2 Situation Faced

Autogrill, with corporate headquarters in Milan, Italy, is the world's leading provider of catering services for travellers. Operating mainly through concessions along motorways and in airports, the company offers a wide selection of products and concepts, including proprietary brands like Ciao, Bistro and Beaudevin and third-party brands like Starbucks and Burger King. Its 55,000 employees offer food and beverage services to 900 million customers each year, bringing in revenues of 4.3€ billion in 2015.

The company began in 1977, when Italian state-owned conglomerate IRI acquired and merged three Italian restaurant groups. Autogrill was privatized in

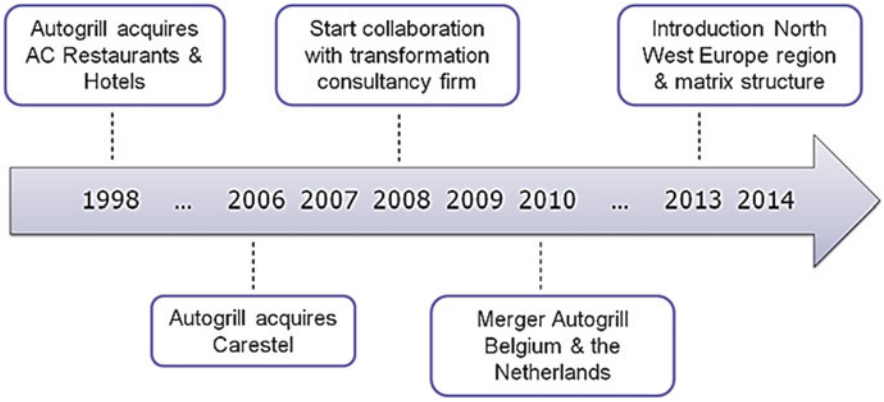


Fig. 1 Timeline for Autogrill's history in Belgium

1995 and listed on the Milan stock exchange 2 years later, marking the start of enormous expansion, including takeovers in North America, South America, Africa, the Middle East and Asia, as well as in France, Belgium, the Netherlands and the rest of Europe. Autogrill first entered the Belgian market in 1998. Figure 1 provides a timeline for Autogrill's history in Belgium.

In Belgium's travellers' catering services market, two companies had dominated: AC Restaurants and Hotels, a company that started out as part of the Albert Heijn Dutch supermarket chain in 1963 as a continuation of The American Lunchroom; and Carestel, which was founded in 1977 by the Van Milders family with restaurants along motorways and in airports and which quickly became the biggest motorway catering group in Belgium.

In 1998, Autogrill acquired AC Restaurants and Hotels, establishing a solid market share in Belgium's motorway catering services market. Eight years later, in 2006, Autogrill took over Carestel too, becoming the largest provider of catering services to travellers along motorways in Belgium and establishing a foothold in the Brussels Airport catering business. This action merged two companies that had been the two largest competitors in the Belgian travel catering market.

Acquiring Carestel meant merging two fierce competitors and taking over a company that had been dangling on the edge of bankruptcy for 2 years. Once Carestel became the biggest motorway catering group in Belgium, the Van Milders family decided to expand internationally and go public, but it soon became clear that the company wasn't financially prepared for its expansions in France, the UK and Scandinavia. To save the company, management decided to sell most of its business units. When Autogrill acquired Carestel in 2006, Carestel had refocused on its core business of food and beverage along motorways and at airports, and had managed to save itself financially.

Things did not go well after the 2006 merger, especially with the former Carestel and AC Restaurants management teams. After following their own strategies for decades, they had a difficult time communicating, let alone collaborating. Autogrill

Belgium's CEO engaged a transformation consultancy organization, which invited Autogrill's management team to a 2-day workshop on strategy and communication.

The workshop, held in 2008, started out in a defensive mood. As soon as the small group of directors from marketing, finance, operations and other departments walked in, the consultants started firing questions at them. Did they have a vision for the company? How many employees were aware of this vision?

The directors' first reaction was to dismiss the question: "Of course we have a vision like every other company. We even have framed vision statements on the walls of every restaurant and shop we own, so obviously all of our employees are aware of it!"

But the consultants' questions kept on coming and became more complex: What was the added value of their products for their customers? Who were the customers they were targeting, and how often did they communicate with them? How were they dealing with the changing market? Opinions differed, sometimes widely, especially between the former AC Restaurants and Carestel employees. Some of the questions were left unanswered.

The workshop ended in silence, as the participants paused to understand what had just happened. There was a rapidly growing awareness that something needed to change fundamentally in order to create strategic clarity and achieve alignment between departments and hierarchical layers.

The workshop acted as a wake-up call for Autogrill's management team in Belgium. For the past 2 years—(between 2006 and 2008)—they had done their work as usual, operating in a near-monopoly environment and once in a while opening new sites or introducing new concepts that they thought would appeal to their customers.

But outside the company, things had been changing:

- The need for restaurants near motorways was declining, as cars could drive much greater distances than before, and the current models had air conditioning and the amenities to store and cool food and drinks.
- Petrol stations and shops were becoming competitors, selling food and beverages and offering a range of products to motorway travellers that was broader and cheaper than Autogrill's.
- Customer preferences were changing, as people were increasingly interested in particular concepts or brands that Autogrill could only sell under licensing agreements, which meant sharing margins with the brand owner.
- Changing customer preferences were also reflected in the lifecycles of catering concepts. In the old days, catering concepts would last 20 years; now the lifecycle was down to about 5 years.
- Economic circumstances like rising prices for raw materials and energy were pushing Autogrill Belgium into an increasingly difficult financial situation, with declining margins and decreasing returns on investments.

The workshop made clear that Autogrill was having trouble getting everyone on board in order to work through these turbulent times, and they had some homework

to do: The consultants suggested that they create a dream image of their 'to be' company and then perform a gap analysis with the 'as is': What should Autogrill look like? To what extent did that image differ from the company they knew today?

After a few weeks, the team reconvened to agree upon and show their commitment to a vision "to be seen as the market leader in multi-brand food and beverage operations by offering an 'A-star' experience for people on the move" and the key areas on which to work toward it. This was the start of what would grow to become an enterprise-wide transformation programme aimed at changing Autogrill's way of working, engaging, and making decisions. The consultants would be there to help along the way.

But first Orinx and Monheim had to ensure that the rest of Autogrill's managers would embrace the new vision so they could execute the vision as a unified team.

3 Action Taken

"Getting everyone involved in how we saw Autogrill's future was not easy," Orinx explained.

> Our whole culture was like a restaurant's kitchen: Every kitchen has a chef, and he or she is called 'chef' for a reason. People were not used to asking questions of their supervisors. You simply did what you were told to do. For example, when we needed a new marketing plan, the marketing department devised one based solely on their own ideas and expertise. When it was finished, they just forwarded the plan to the operational managers, who were left to figure out how to perform their new tasks.

Autogrill's lower management echelons weren't used to being involved in strategic issues, as they focused primarily on carrying out the work that was given to them, but Orinx and Monheim were convinced that involving them in discussions about implementing the company's vision was indispensable to getting everyone on board and motivated to turn the company around. The company organized several workshops for its top and middle management to discuss the company's vision and make sense of it from their points of view: Why was transformation necessary? How would they be involved? How would their unit be impacted? What was in it for them?

The 10–20% of the workforce that these managers represented was then expected to cascade the vision down through the organization. To help them do so, the company offered 2-day coaching sessions in which managers were trained on coaching employees, critically reviewing their management style, adapting to the maturity of employees, and providing continuous feedback. They were also urged to visit the restaurants and shops themselves and to talk to the staff who performed the customer-contact work and observe for themselves how things were done. They were stimulated to engage with every other staff member in the company, regardless of their roles or functions.

Monheim and Orinx hosted breakfast meetings to engage with their managers. There was no formal agenda: They listened, asked questions, ensured that everyone

understood what was going to happen, and invited everyone to express their concerns without holding back. The attendees were expected to replicate these meetings to get their own people involved and even received a scenario with detailed instructions for preparing for and hosting such meetings.

The intended effect of these initiatives was to quicken decision-making across the organization and to improve directors' and managers' understanding of the company's strategy so they could align their decisions with it and to help everyone see the decisions positively by understanding them in light of Autogrill's vision.

A significant challenge was how to move the employees from habitually following their old routines to making time to attend workshops and focus on change. As Monheim explained,

> Long-term change should be driven by the employees, but a company has to support this expectation by providing training and a context in which employees can focus on change. The trick is to bring people together at an external location where they can forget about their day-to-day jobs for the duration of the training session. And a leader has to push the short-term change to bring people together; after that, the momentum for change can come from the people themselves.

3.1 Internal Customers

As Orinx explained,

> Involving our managers in strategic and high-level discussions and decision-making wasn't the only thing that we needed to achieve. People simply weren't used to talking, let alone collaborating, with colleagues from other departments. More often than not, you would have to rework an assignment because your colleague would deliver something completely different from what you had expected them to deliver.

To overcome this issue and make people more aware of for whom they were working, the concept of internal customers was introduced such that every manager was an internal supplier of products or services to an internal-customer colleague. All of the tasks that a manager performed were framed from this perspective.

To facilitate this process, a framework was provided that consisted of nine elements of a customer-supplier relationship. The nine elements are relate to; no action is involved. Formulating answers to nine questions, or asking your customers questions regarding these nine elements structures the managers' thinking (and that of his or her internal customers) into nine key elements, shown in Fig. 2.

These 9-elements framework served as a guide for managers to get a clear and holistic view of aspects of the project that were important in achieving a sound customer-supplier relationship. Among other questions, managers had to ask themselves who their customers were and what expected from them, what they could deliver, how they were going to communicate with their customers, and how much time they were going to spend on the assignment.

Element 1: Market.
For whom do you work? To whom do you deliver added value? What do you need to know about your clients in order to deliver the promise of added value? Note that there is a difference between customers outside the organisation (external) and inside the organisation (internal).

Element 2: Product.
What 'pure' product or service do you offer to your customers? What are the advantages of this product for your customer? How do you organise the preparation, project management, quality management and care of your product?

Element 3: External Communication.
How do you want to communicate with your customers? How often do you want to communicate with them? What 'spark' do you want your customers to feel when they use your products?

Element 4: Process.
An organisation can be divided into six main processes or functional departments: identification, development, launch, sales, delivery and care. In which activities or processes are you involved? About which processes do you want to be informed?

Element 5: Internal Communication.
Internal communication is talking to peers or experts who are working within the same scope. This communication takes place in policy, operational and managerial meetings. Whom would you like to have as your peers? When do you want to meet them? How often? What do you want to talk about?

Element 6: Resource Allocation.
How do you want to distribute your time over the processes or activities for which you are responsible (as defined by the Process element)? For which activities will your resources create the most value?

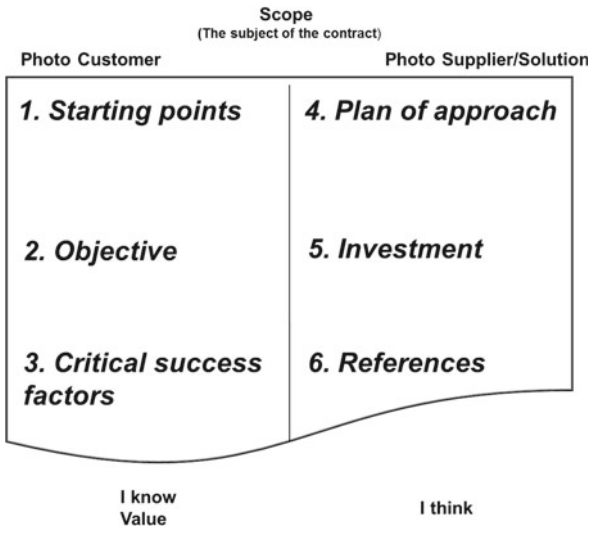
Element 7: KPIs.
How do you want to measure your success? Do you talk about achieving your goals and why you achieved them? Which KPIs are important in your company?

Element 8: Suppliers.
Suppliers can help you deliver added value. Who are your suppliers? Whose input do you need in order to deliver the promise? What do you expect from your suppliers? How do you want to communicate with them? How often?

Element 9: Me/Team.
Do you fit within the company's vision? Do you have a positive attitude toward your colleagues, your job, the organisation? What is your strongest competence? What is your biggest accomplishment? What do you want to learn?

Fig. 2 The 9-elements framework, developed by ViCre, the transformation consultant firm that guided Autogrill's transformation process

To help identify their internal customers, managers were introduced to the company's value chains to see where their own roles were situated and who would use their output in the next step of the value chain. Once the managers had a version of the 9-element framework adapted to their individual situation, they drafted an agreement called 'the 6 points' with each of their internal customers that specified what and how they would deliver to their internal customers. Figure 3 summarizes the 6-points framework.



By drafting agreements with your (internal or external) customers, you show commitment and set expectations. You promise something, and you agree to keep your promises. The left side of the 6 points framework deals with understanding the customer (the 'photo' of the customer), and the right side deals with the solution (the 'photo' of the supplier or the solution).

First, you must understand your customer, as only then can the customer understand you. An agreement contains the following points:

- Starting points: What is the customer's present situation?
- Objective: What is the objective, the goal, the desired result?
- Critical success factors: What are the minimum demands for both parties to ensure a successful result? These conditions are necessary but not sufficient.
- Plan of approach (solution): Who is going to do what? When will it be delivered?
- Investment/Budget: What purpose does the investment serve and how much resources are needed?
- References: Has the supplier executed a similar project with successful results?

Fig. 3 The 6 points, developed and implemented by ViCre, the transformation consulting firm that guided Autogrill's transformation process

3.2 The 9 s and 6 s

The 6-points agreement serves as a personal business plan for every manager and aids them in delivering the promise, that is, delivering the service or product to their internal customers as they agreed in their 6-point agreement. The agreement was made official only when they had discussed and agreed upon it with their internal customers.

For example, unlike the past, when Marketing would use its own expertise and ideas to generate the marketing plan, they first sit down with all of their internal customers (e.g., the CSOO and colleagues from operations) to devise a marketing plan based on their combined input, supplemented by input from site landlords and feedback received through social media channels. Autogrill's increased focus on internal customers also impacted its relationship with external customers. For example, the concession contract with Brussels Airport was renewed partly because of a new way of engaging with the landlord.

The staff's increasing awareness of the variety of internal customers with whom they were engaging helped them to 'connect the dots' for end-to-end customer value creation and motivated them to take charge of their parts in the process, creasing the atmosphere of bottom-up empowerment and improvement that Monheim and Orinx had hoped for when they started their transformation journey. For example, some employees set up an internal message board on which anyone could post a request for help on any kind of task, and people from all over the organization responded and offered their help.

Once a month, each manager discussed his or her 6-point agreements with his or her supervisor, a natural opportunity to review the manager's objectives and tasks, verify their alignment with the company's strategy, and discuss how he would contribute to the strategy.

At the end of 2014, the challenge for Autogrill was to determine how to make the 9-element and 6-point frameworks work for all employees—even waiters and kitchen personnel. While Autogrill's management was grappling with this issue, the 9 s and 6 s became a standard management frame for all who had been exposed to it. Orinx and Monheim made sure to carry the torch by consistently using the framework and its terminology in management meetings and whenever projects were proposed or re-viewed.

3.3 Managing 100 Years of Experience

Frank Vandillewijn, Autogrill's Continuous Improvement Manager, explained how the company's core business pro-cesses lacked disciplined design and careful execution, fundamental problem:

> Now we were all sailing in the same boat, heading in one direction, which was a very important achievement. But we were still launching new products without in-depth market research and opening new establishments from scratch, acting on our gut feelings rather

than involving knowledge from previous efforts. It was striking that a company that owned restaurants that were over 100 years old didn't feel and act like a company that had over 100 years of experience.

New product-market combinations were introduced in ad hoc ways, and new stores were opened without using carefully conceived, standardised scenarios. There was process documentation, but it was simply not used. As a result, products and concepts that might have been good in their own right were targeted at the wrong customers or introduced in the wrong places. What's more, there had been little knowledge management at Autogrill over the years.

To help establish best practices and knowledge-sharing, the company introduced a system of micro-communities that focused on fixing these broken business capabilities. Each community consisted of a mix of profiles who worked together to improve a set of business processes. Monheim and Orinx kicked off the work of each micro-community by inviting a selection of staff members to join them for a 'vision creation' workshop. Then the micro-community selected a few smaller business process redesign projects to promote business process orientation. It was important for Autogrill to have these small success stories at the start to get people accustomed to a new way of working that emphasized process discipline and knowledge-sharing, but as the community and the organization became more proficient at improving business processes, more complex process redesign projects could be tackled.

Annual employee surveys helped to identify effective interventions. The use of employee surveys was not new at Autogrill, but there had never been a standard practice for using the survey results effectively. In an attempt to make better use of the surveys, the company sent a team of HR and operations managers to an off-site location for 2 days to come up with a process for following up and acting on the survey results. This process was institutionalized to inform the yearly planning for process cultivation and redesign projects.

"Mapping and improving processes still scares people," Frank Vandillewijn said. "This has improved over the past 2 years, but people still have trouble seeing the long-term benefits. It's something that takes a lot of time and effort to get people accustomed to, so we have to keep investing time and money in it."

3.4 The Master Plan

Year after year, the management team agreed on an objective or target state for the next year's transformation (Table 1), which was then translated into the support initiatives that comprised a maturity growth master plan. The plan included five types of projects that together enabled the organization to mature in a progressive and balanced way over time: vision creation projects, vision focus projects, knowledge management projects, personal contribution projects, and progress management projects.

Table 1 Transformation initiatives timeline

	Vision creation	Vision focus	Knowledge management	Personal contribution	Progress management	Objective
2008	0	0, 1	2	1	0	Vision alignment board of directors
2009	0	0, 1, 2	0	1, 2	0	One language, one method
2010		1, 2, 3	1	1, 2	0	Vision implementation
2011	0, 1	0, 1, 2, 3	0, 1	0, 1, 2	0	Collaboration HQ and operations
2012	0, 1	0, 1, 2, 3, 4	0, 1, 2	0, 1, 2, 3	0	Focus on cash flow
2013	0, 1	0, 1, 2, 3	0, 1, 2	0, 1	0, 1	Integration BeNeFra
2014	0, 1	0, 1, 2, 3, 4	0, 1, 2	0, 2, 2	0, 1, 2	Integration NW and corporate

Note: the numbers indicate which layers of the organization were involved: 0 = COO and CSOO; 1 = board of directors; 2 = managers; 3 = restaurant managers; 4 = restaurant personnel

1. Vision Creation Projects

   The purpose of vision creation was to introduce mechanisms that helped management create focus and ensure strategic targets were set accordingly. These projects included organizing sessions with the heads of the region and board of directors.
2. Vision Focus Projects

   Initiatives in the vision focus category sought to create buy-in to the vision and pursuing targets with the employees. Management breakfast meetings fell into this category. Over time, vision focus initiatives were cascaded down through the organization so an increasing number of employees were exposed to the vision and became oriented toward its execution.
3. Knowledge Management Projects

   Initiatives to increase business process orientation and internal customer orientation were catalogued under knowledge management.
4. Personal Contribution Projects

   Personal contribution initiatives introduced routines that helped individual employees commit to vision execution by, for example, discussing the 6-point agreements with their supervisors.
5. Progress Management Projects

   Progress management projects introduced mechanisms that exposed and allowed employees to discuss the transformation's progress, to exchange experiences and best practices among the department managers, and to address commonly occurring hurdles collaboratively.

All of the initiatives in the master plan were tracked monthly to ensure follow-up, continuity and balance in the transformation approach. Over the years, as more employees across Belgium, the Netherlands and France were exposed to the new ways of working, consultancy guidance intensified.

4 Results Achieved

> They used to say that big fish eat small fish, but now I would rather say that fast fish eat slow fish, and we were steadily becoming one of those faster fish. We were gradually evolving from a rusty and static organization to an adaptable company that wasn't afraid of the changes yet to come.—Stan Monheim

Throughout the long transformation effort, yearly objectives had been set (Table 1) and consistently met. In the initial years, Monheim and Orinx focused the company's objectives largely on its internal functioning in the belief that doing so would lead to survival first and better performance in the long term.

Orinx and Monheim successfully merged Autogrill Belgium with Autogrill in the Netherlands in 2010. Thanks to the new way of working, employees knew how to deal with change and what was expected of them in the merger. Orinx and Monheim were in the process of establishing a North West Europe Region organization that spanned operations in Belgium, the Netherlands and France. Business development, finance and IT were centralized at the corporate level and reported directly to headquarters. The creation of North West Europe was a pilot project to see whether and how Autogrill could improve bottom-line results and returns on investments by mutualizing costs and investments on a regional basis.

In principle, this next step would not cause any major upheaval in how the transformation was supported, as Orinx and Monheim had introduced a transformation maturity framework in 2008 that, in their view, could support this next stage of the transformation perfectly.

Although the creation of the North West Europe region made financial sense, with several departments now reporting directly to headquarters, the regional managers faced another cultural challenge: Their new bosses were not familiar with the 9 s and the 6 s, which by that time had become a standard engagement routine in the region.

Perhaps the biggest achievement was the transformation of a financially unstable, old-fashioned regional organization into a stable, change-ready and flexible body that was ready to realize growth, adopt structural changes and withstand external market shocks. Some of Autogrill's regional financial results had improved over the years. For example, Autogrill in the Netherlands regained positive store cash flows after years of financial distress, and in Belgium, the company had reinforced its financial position, in part because of a licensing contract with Starbucks, a new partner.

Therefore, Orinx and Monheim felt that headquarters could benefit from replicating the approach across the group, which would also solve the communication

issue that had emerged from the centralization of certain functions. Orinx and Monheim were convinced of the value of their transformation approach and decided to convince the Milan headquarters to subscribe to the new way of working. It was the right time to tell the tale of the last 8 years. Several former North West Europe managers who then held positions at headquarters joined in the meeting with the company's top management as a sign of their support for the proposal.

5 Lessons Learned

Business transformation has been described as the orchestrated redesign of a corporation's genetic architecture (Gouillart and Kelly 1995). It is a way of systematically altering the basic elements that make up an organisation's DNA, that is, its structure, processes, strategy and so on. It is also a term that is hyped in management practice as companies experience ever-increasing turbulence as a result of global economic shifts, changes in governmental regulations, mergers, competitive threats, performance crises, and more. Therefore, we believe that the ability to conduct a successful business transformation has become a condition for business continuity and long-term success.

The case study provides a valuable example of and insights into how business transformation can be managed in practice. The story triggers critical thinking about major pitfalls and success factors and how a business process perspective can add value in a holistic approach to business transformation. The most important lesson here is that every aspect of the organisation must be incorporated into the transformation approach, so every element of Galbraith's Star Model should be paid attention to: strategy, structure, processes, people and rewards (Galbraith 1973). The case triggers questions related to whether the transformation approach is holistic, some aspects of transformation are missing and what the company should have done differently and why. To dive more deeply into the transformation approach, another question concerns why the approach worked. The following sections explain some of the lessons learned from this case, making use of existing BPM frameworks. Three elements and theories of leadership also come to mind as reasons for the transformation approach's having worked: leadership style, culture change and psychological contract theory.

5.1 BPM Reference Frameworks

First of all Autogrill had a burning platform, the transformation was led and supported by top management, and they actively involved employees in the transformation. These would be common success factors in any BPM initiative and is generally included in BPM reference frameworks such as the Rosemann and vom Brocke (2015) framework. For example, the 'leadership attention to process management' variable probes for the leadership's commitment to process management practices. After the acceptance that the organisation needed to be fixed, Autogrill's

leadership has shown true commitment towards the transformation, the approach and the process management practices that it entailed. Employee involvement, largely covered by the 'Culture' and 'People' dimensions in Rosemann and vom Brocke (2015), was included as a central element in the approach from the start, with initiatives such as the breakfast meetings and project teams around several process improvement trajectories. The more formal dimensions of the framework, such as process documentation and methods, were less present in the Autogrill approach.

Furthermore we can relate the success of the Autogrill approach to the BPM context framework by vom Brocke et al. (2016), which advocates a context-sensitive BPM implementation, instead of a one-size-fits-all. The transformation approach has been worked in such a way that it fitted the Autogrill environment as much as possible. That does not mean it has been without friction, as the case mentions, but still they managed to avoid fatal showstoppers. The tools that were used, have been adapted to a language and tone of voice that is recognisable and acceptable for Autogrill employees. Technical BPM lingo and concepts were purposely avoided, as the transformation leaders and consultants felt that this would risk being perceived as too engineering-like, too complex, or overhead, rather than useful improvement methodologies. Moreover, the approach has been adapted over time as it expanded to other geographical regions and lower tiers in the organisation.

5.2 Leadership Style

The leadership style exerted by Monheim and Orinx and why it was successful in leading and supporting the transformation is particularly interesting. We like to propose two frameworks here: Transformational Leadership (Avolio et al. 1991) and Instrumental Leadership (Antonakis and House 2002). In essence, Transformational Leadership is a process of building commitment to an organisation's vision and objectives and then empowering followers to accomplish those objectives. In contrast to focusing on where the organisation is today, transformational leaders look at where the organisation should be heading. A transformational leader does this by using four types of behaviour:

- Inspirational Motivation: devising and communicating a vision that is inspiring to followers.
  Example from the case: organising workshops to inform managers about the company's vision.
- Idealised Influence: acting as a role model for followers.
  Example from the case: Orinx and Monheim use the '9 and 6' language and tools for every project and every meeting.
- Individualised Consideration: attending to each follower's needs and actively coaching them. This also stimulates the individual contribution that each follower can make to the team or the company.

Example from the case: breakfast meetings with Monheim, and individual coaching sessions.

- Intellectual Stimulation: encouraging followers to be innovative and creative.
  Example from the case: involving managers in strategic and process workshops.

When looking at Transformational Leadership, the question remains: How can we incorporate this vision and leadership behaviour into the DNA of our organisation and make these things less dependent on particular people? And how do we not only clarify the vision but also translate it into a strategy and make sure people can reach that vision and the goals we set for them? This is where Instrumental Leadership comes in, which also consists of four types of behaviour:

- Strategy formulation and implementation: when leaders formulate an inspiring vision, like the Inspirational Motivation behaviour from the Transformational Leadership framework, they have to design a strategy to achieve this vision and implement it with specific objectives and policies for employees.
  Example from the case: using the '9 and 6' to align employee behaviour with the vision.
- Environmental monitoring: leaders also need to be able to scan the environment for opportunities and threats and incorporate them in the company's vision.
  Example from the case: changing customer preferences (threat) and a new licensing contract with Starbucks (opportunity).
- Path-goal facilitation and outcome monitoring: providing followers with the necessary resources and feedback to attain their goals.
  Example from the case: supervisors following up and giving feedback on the managers' 6 point agreements.

5.3 Culture Change

To discuss why Autogrill's 9 elements and 6 point agreements worked well to increase internal customer orientation, we focus on the cultural change framework and on the concept of psychological contract. For cultural change, we refer to the organisational culture model of Schein (1992) and later additions by Shook (2010). Autogrill's 6 point agreements may carry the risk of acting as a straitjacket instead of leading to a real change in culture (promoting networking in the organisation). Nevertheless, this can actually lead to culture change in the long run, according to Schein's and Shook's models of culture. According to Edgar Schein, an organisation's culture consists of three layers: basic assumptions, values and attitudes, and artefacts:

- Artefacts are the physical representations of a company's culture and consist mostly of signs and symbols. This layer can most easily be recognised by people outside the culture.

- Values and Attitudes contain the company values, attitudes and behavioural rules. This is what people usually talk about when describing their company's culture.
- Basic Assumptions—the core layer of organisational culture—are the unconscious beliefs and unspoken assumptions in a company that everyone accepts. This is the culture layer that we would want to ultimately change. The difficulty is that this layer is hard to observe and we don't have direct access to it.

Schein's original model suggests taking the difficult route of changing culture by influencing the basic assumptions that will, in their turn, influence the values, attitudes and artefacts. Recent work by Shook (2010) suggests starting by changing artefacts (behaviour and symbols) and values (the way people talk in and about the company culture) and be consistent in this until the basic assumptions change over time as well. For this to succeed, a lot of time, consistency and patience is required. The latter approach to changing culture is exactly the one Autogrill adopted by installing the language of the '9 and 6'. Instead of trying to directly influence people's basic assumptions about internal customer orientation, they installed physical representations of internal customer orientation—like the 6 point agreements—to change people's behaviour and, in the long run, influence basic assumptions.

5.4 Psychological Contract Theory

Another way to frame Autogrill's 6 point agreements is with psychological contract theory. A psychological contract is a mental representation of the unspoken mutual beliefs, perceptions, and informal obligations between an employer and an employee (Rousseau 1989). It contains beliefs regarding the exchange arrangement outside the formal written employment contract. This concept of a psychological contract can also be applied to the exchange relationship between employees. Psychological contract theory suggests that adherence to the contract, assuming the expectations match, results in better employee performance and satisfaction levels (Turnley et al. 2003). The strength of the 6 point agreement at Autogrill is that it has operationalised part of this psychological contract between employer and employees, as well as between employees, and made it explicit. In the pre-transformation phase, employees and supervisors did not seem to have a mutual understanding of the company vision and how it impacted their personal tasks and objectives. In fact, the psychological contract seemed missing or broken. In contrast, the transformation has resulted in clear communication and mutual agreement about expectations, restoring the psychological contract between employees. Moreover, instead of just assuming that employees would be internally customer-oriented, Autogrill made this explicit and traceable by installing the 6 point agreements.

5.5 Advocating a Business Transformation Approach

Finally, the case inspires to consider how transformation leaders can leverage their efforts by positioning their approach as a repeatable process. In the Autogrill case, it comes down to the regional management readying themselves to convince the corporate headquarters in Milan. Why would corporate Autogrill even need this approach? Would this approach work if corporate Autogrill's original situation was different from the one Belgium was in? Which results could they use to build their arguments on? How would you deal with a lack of hard numbers to support the approach? To what extent is the transformation approach repeatable? Was Autogrill successful in setting up a repeatable transformational routine—so that they're ready for future changes by being able to transform over and over? Or, did they merely go through a one-off business transformation?

Because they successfully imposed the introduction of the regional and matrix structure, one thing that corporate Autogrill is already aware of is the fact that North West Europe is now quick to adapt to change. To make a strong case to convince the stakeholders, they would also need financial results and measurements of specific transformational capabilities, which are harder to come by. However, hard numbers might not be needed after all, as long as there is strong belief in the approach within the organisation that is conveyed by a strong group of influencers.

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