

THE ABILITY TO EXECUTE GLOBALLY

- A FAST TRACK TO A GLOBAL MINDSET

Point of departure

DEA and 17 different organisations – private companies, research institutions and business organisations – have exchanged ideas and debated how to develop a global mindset in Danish companies.

Our desk research shows that a global mindset is related to a high cognitive ability, openness and understanding of cultural diversity, and that it may be a philosophy of life. The literature states that it takes several years to develop this mindset. We do not disclaim this, but we found it too complex as a starting point for many company managers to work with a global mindset in their organisation. This is why we decided to develop a definition of a Global Mindset that is more closely related to practical execution.

Our work has been used as a launch pad for the creation of the **speedometer for global execution**.

The speedometer is meant as a guideline on how to develop a global mindset in Danish companies, i.e. companies who have begun exporting, but are still not truly global in their corporate strategy. By using some of the tools suggested in the speedometer, managers can work more systematically and tangibly with creating a corporate global mindset.

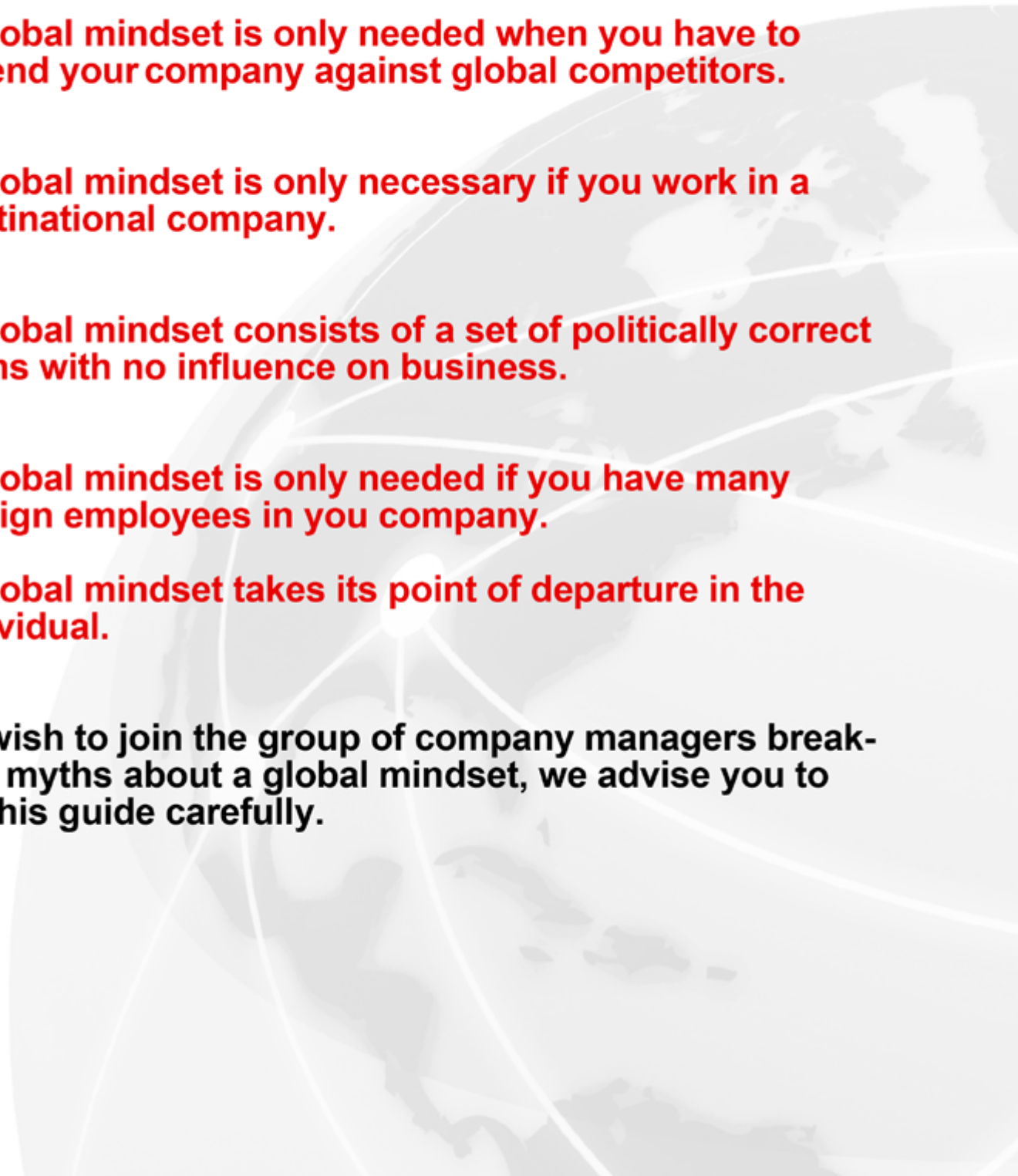
Why we need this guide

A global mindset as a corporate mindset is the tool for companies to better respond to the megatrends such as global market possibilities, the global talent pool and the global supply chain. The traditional solutions for creating a global mindset in companies and organisations take up to 5 to 10 years to implement. But the Danish share of the world's GDP has decreased with 20 pct since the 1990s so we do not have that kind of time!

This guide has one goal:

To give guidance on how to develop a global mindset in Danish companies in 24 months. We go from a cognitive, intellectual ability to an organisational ability – the ability to execute globally.

Breaking the global mindset myths

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- #1** A global mindset is only needed when you have to defend your company against global competitors.
 - #2** A global mindset is only necessary if you work in a multinational company.
 - #3** A global mindset consists of a set of politically correct terms with no influence on business.
 - #4** A global mindset is only needed if you have many foreign employees in you company.
 - #5** A global mindset takes its point of departure in the individual.

If you wish to join the group of company managers breaking the myths about a global mindset, we advise you to study this guide carefully.

Do not confuse a tool with a goal

To join the myth breakers, you must take three vows:



Make global mindset the tool for growth in the company rather than a goal in itself.

A global mindset is not a company goal, a global mindset is a tool to make your business grow, to create innovation and to have sustainable talent development



Make the global mindset a tool for creating a tailor made global vision for your company.

A global mindset is not a generic one-size-fits-all strategy, but can be used as inspiration to create the future growth strategy for your company.



Be explicit about your company values to achieve the global mindset.

You do not necessarily need to give up your old, Scandinavian company values to be global. But you need to create company values where the abstract gets visible, and maybe even tangible, in order to attract global talent.

The speedometer for global execution

The speedometer consists of four main gears to speed up the development of a global mindset in your organisation.

The overview of the four gears is intended to serve as a guide for your strategy in the coming 24 months. This page can also be torn out and put up on a wall or whiteboard, for instance. Should you require further inspiration, please consult the detailed description of the four gears on the following pages.

The four gears for speeding up the process

Company set-up and markets

- Decide how to be present in new markets
- Make international experience an employment requirement

Implementation

- Introduce standards reflecting the globalisation process
- Create the right environment for employees to engage across nationalities.

Preparation and strategy

- Define why you want to have a global mindset
- Make managers accountable for the strategy

Investment and growth strategy

- Consider diversity at management level
- Evaluate the results of the past 24 months





Tear out and put on your wall

Preparation and strategy, months 1-6

Be aware of opportunities and limitations

In a stressed daily life of running a business, sometimes it is hard to find the time to make a detailed analysis of global possibilities; nevertheless, it is very important, and you must:

- 🌐 Screen the global market for the most suitable regions (purchasing power, laws and regulations, geography etc).
- 🌐 Define your own company limitations. How global can you become with current resources?
- 🌐 Define and be explicit about company values, especially the values you do not want to compromise when going global.

If you need a pit stop

Contact the Danish Trade Council to get advice on the different relevant markets and to get business contacts.

It's all about strategy

Your employees must understand why globalisation is necessary for the business and not just a hype, so you must:

- 🌐 Define where you want to be in 24 months, and why globalisation is a tool for reaching company goals.
- 🌐 Formulate a strategy with concrete milestones for the global interests and areas of development – how to achieve a global business understanding, the right competencies in the company and cultural diversity, and how to distribute.
- 🌐 Make sure that the strategy reflects your business mission.

If you need a pit stop

Contact The Confederation of Danish Industry to get advice on global strategy formulation.



Walk the talk

Make the board of managers accountable for explaining and executing the strategy., if the managers do not take responsibility, no one will. You can:

- 🌐 Arrange a boot camp for the whole management group to visualise the opportunities for managers in relation to the globalisation process. Focus on the incentives and rewards, but also that it is the only way forward.
- 🌐 Be specific about what will change: What does it mean to work in a global team? What does it mean in regards to the way we work together? What are the expectations towards existing employees and new/foreign employees?

If you need a pit stop

Contact the DEA Talent School or the five regional start-up Consultant Agencies (Vaeksthusene) to get advice from managers who have been through the same process.

Make your company globally visible

Global competition is fierce, therefore you need to make your company visible and to devote the time necessary, for instance:

- 🌐 Take part in international fairs.
- 🌐 Exchange showcases on an internet platform.
- 🌐 Join global networks and benchmark with relevant players on the different markets.
- 🌐 Embrace the new social media to be part of global networks.
- 🌐 Create a showcase pilot with local partner(s) and communicate extensively about it.

If you need a pit stop

Contact the Danish Trade Council or local embassies to get advice on international networks/platforms

Said by the participants in the
DEA Thinking Box

*The only way forward for Haldor
Topsøe is to be even stronger at
the international market. Working
with our new strategy we really try
to visualise this for our employees,
so they understand that becoming
more global is the only way for the
company to grow.*

Jesper Lemmich, Haldor Topsøe

If you are a small company operating locally, globalisation starts by internationalisation. As a first step you can do market research in similar countries with similar demographics and cost levels. See if you can find similar decision and payment structures and – if you can – focus your efforts on such countries.

Søren Isaksen, NKT

Company set-up and markets, months 6-12

Create incentives for a global mindset

You need to visualise in the entire organisation that if the company does not become global, it will lose market share; and visualise the managers responsible for the process. You can:

- 🌐 Attach management and talent development to the globalisation strategy, e.g. by providing training in language, culture, international business understanding and distance management.
- 🌐 Stimulate mobility, stationing and job rotation, e.g. by organising study tours and providing bonuses to managers and talents willing to work abroad for a while.
- 🌐 Make stationary obligatory for managers.

If you need a pit stop

Contact the DEA Talent School to get advice on talent development.

Which local markets and how

You need to define your competitive strategy and how it should be reflected in your company set-up. You must:

- 🌐 Decide how you should be present in the markets you have chosen.
- 🌐 Define and allocate the right competencies.
- 🌐 Discuss development needs and ambitions with all employees.
- 🌐 Create a local webpage for each of the markets that you decide on. Make sure that the webpage addresses the special needs of customers in this market/culture. Language is important here to meet the potential customers.

If you need a pit stop

Contact the Danish Trade Council and/or local embassies to get advice on cultural understanding.



A diverse composition of employees

If you wish to make your company attractive for international experts, your company must reflect that international experience is highly appreciated. You can:

- 🌐 Make international experience an employment requirement.
- 🌐 Encourage the employees to engage in international networks and activities.
- 🌐 Employ people from the markets you wish to enter.
- 🌐 Decide on corporate language and hire people according to that decision.
- 🌐 Carry out employer branding at the right universities. Get advice on which ones are the right universities, since the right places for employer branding often differ from what you might think as a Dane.
- 🌐 Dedicate an experienced colleague for knowledge transfer and mentoring of global talents and train them continuously in the company's values and methodology (1 full-time person/year).

If you need a pit stop

Contact international recruitment offices or get advice on international talent or local universities.

Said by the participants in the DEA Thinking Box

International mobility is a very important aspect in the process of creating a global mindset. In order to support the organisational strategy, companies must make intelligent choices among the many forms of mobility: expatriation from HQ to local subsidiaries or vice versa (i.e. inpatriation), short-term assignments etc.

Henrik Holt Larsen, CBS

For modern families with two careers, long-term assignments can be difficult, but in Chr. Hansen, we found it successful to station our employees for a shorter period of a couple of months. This an excellent way to get international experience, especially for our younger talents.

Jesper Allentoft, Chr. Hansen

You do not have to be a large company to employ foreign talents. For instance I know a Danish IT company with 100 employees representing 20 different nationalities.

Julie K. Carton, Work Forward

Implementation, months 12-18

Decide on your company structure and standards

For the global strategy to become a way of working in the company, the structure of the company must reflect the global vision of your company. You must:

- 🌐 Create general rules on how to work in an international team, and communicate clearly on:
 - meeting culture (be on time etc),
 - decision making processes, and,
 - language (spoken and used in written material)

- 🌐 Introduce new key performance indicators (KPI) reflecting the globalisation process, such as working in multicultural teams or with multicultural business partners, job rotation, cultural training etc.

- 🌐 Be explicit about working processes, HR processes and product standards.

If you need a pit stop

Contact HR researchers or the DEA Talent School to get advice on restructuring and processes.



Be explicit about the need for the employees to engage across nationalities

A way to help your employees broaden their minds is to be explicit about and create the right environment for employees to engage across nationalities. You can:

- 🌐 Make sure to have a virtual working platform.
- 🌐 Make sure to have the right information and communication technology to make it possible for employees to work with international suppliers, agents, divisions, etc.
- 🌐 Have a yearly 'global day' where you engage the employees and business partners in discussing the way forward and the barriers for a more global company.
- 🌐 Make international teams obligatory. It could be working with international colleagues or with international business partners.
- 🌐 Create a 'once per month lunch' where the international employees can meet with their Danish colleagues.
- 🌐 Implement matrix governance to really involve the local managers.

If you need a pit stop

Contact the DEA Talent School to get advice on initiatives to make the need for global input visible.

Said by the participants in the DEA Thinking Box

Novozymes is a company growing bigger and becoming more global. To ensure that we work smart and efficient in a more globalized company, standardization and alignment are key elements. All our management teams have members from different regions, and if we want to be able to execute globally it is of major importance that the tools, the services from staff functions, the politics etc. are aligned as much as possible. We are no longer reinventing the wheel in different regions.

Trine Brahm, Novozymes





Everywhere in the world, when you enter a Novo office, you will recognise it as one of our offices – we talk about the Novo way, and I think we would never compromise on that. Are we then truly global? I do not know, but I think it is the best way for this company to work globally.

Bo Wesley, Novo Nordisk

Investment and growth strategy, months 18-24

Evaluate the results of the past 24 months

It is now time to evaluate the past 24 months: Are you ready to grow further, should you scale down etc. You can:


-  Use experience from existing markets to enter new markets, e.g. by doing market research in look-alike countries having similar demographics and cost-levels. Evaluate to see if you can find similar decision and structures, and focus your efforts on such countries.
-  Spread best practices from the 24 months to a wider part of the company.
-  Try to be independent of the old corporate strategy, but remember the company history.
-  Create a new growth strategy, e.g. outsourcing, upscaling or downscaling.

If you need a pit stop

Go through the guide "The speedometer for global execution" once more.

Time to consider a diverse management

Promoting or hiring people who place high value on global experience sends strong signals regarding the importance of a global mindset. You can:

-  Make the board of directors or management team as diverse and international as possible, reflecting the global markets of the company.

If you need a pit stop

Contact the DEA Talent School to get advice on diversity at management level.



JEA
ADVANCING KNOWLEDGE

ADVANCING KNOWLEDGE

JEA

Said by the participants in the DEA Thinking Box

Creating a global mindset is really about exploring and leveraging your employees' 'diversity of thought'. Management must take the lead on this and demonstrate how a global mindset improves innovation, productivity and employee satisfaction.

Charlotte Mark,
Microsoft Development Center
Copenhagen

In order to expose local talents to managers at top level, you need to constantly promote that the management value the opinions of the employees.

Wicky Skareløkke, Danfoss

You have to be able to embrace a global mindset and cultural diversity in order to successfully globalise your business.

Kenneth Mikkelsen, Controverse

The guide 'The ability to execute globally - a fast track to a global mindset' has been made with input from DEA's 4th Thinking Box. The members of the Thinking Box met three times during the period September-December 2012 debating a global mindset in Danish companies and organisations.

DEA alone is responsible for the content of this guide.

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