Old habits
die hard
In 2008, Maersk Tankers had displayed impressive results for at least a decade. Its fleet of vessels had more than tripled, and the company had become one of the largest tanker operators in the world. But after the financial crisis, Maersk Tankers was facing difficult market conditions. Steps were taken to cut costs and improve the top line, and still the financial performance was less than satisfying. As a response, Maersk Tankers defined its ambitious five-year strategy, Taking Lead, in 2014.

It’s one thing to define a successful strategy. Turning that strategy into a reality is a different story. One that actually has a great deal to do with storytelling. “The graveyard is full of commercial projects that died and never happened”. Christian Ingerslev is the CCO at Maersk Tankers, and responsible for driving the commercial branch of Taking Lead. He continues: “Not because there’s something wrong with the solutions, but because you haven’t managed to get people on board”. His colleague, Lene Reitzel, who is the VP of HR ads: “You have to envision a better common future instead of just pushing out solutions, otherwise your project simply won’t fly”. An important aspect of the Taking Lead strategy has to do with working with data in a much more structured manner. “In this industry, experience has a lot to say. And while experience is a good thing, it’s very difficult to discuss in an objective way”, Lene says. In the future, leaders at Maersk Tankers will be responsible for transforming data into insights; making them accessible and integrating them into the team’s daily work. Basically, the team was asked to do three new things; gather information from the market, transform it into an accessible market view and measure performance every day. Christian comments, “people haven’t done it before, it’s difficult and nobody else is doing it. But this is exactly why we believe we can take lead in the industry. We can change! The others are most welcome to stick to business as usual”, he ads jokingly. But how do you get people to actually do it? How do you engage the organisation, and how do you turn solutions into concrete decisions about what you have to start and stop doing? Lene and Christian realised that they would need a much more structured approach to make Taking Lead in the commercial function something much more than high-flying ambitions on PowerPoint slides. Together, they decided to apply the Value Realisation methodology.

**Closing the Value Gap**

Value Realisation focuses on helping companies realise the full potential of the intended benefits of any kind of large-scale initiative to close the value gap often found between good intentions and reality. As a foundation for most large-scale initiatives, there’s a solid business case, but in the Value Realisation method you also develop a so-called benefit case. In it you state the key success criteria and how you can prove that you have accomplished them. Together with a core story, the benefit case sets the direction for the project and constitutes the centre of gravity for the change project.

**Getting the Core Story Right**

When asked what is most important, Lene and Christian agree that it’s to get the core story right. You have to address what the problem is in order for people to understand the solution. “Most strategic initiatives begin with the management team sitting →
Lene Reitzel.
Vice President of HR at Maersk Tankers.
Before joining Maersk Tankers in 2013, Lene was Senior Director of HR in Maersk Drilling for 12 years. Just like Christian, she played the flute, but is less secretive about it, and she has been the coach of a soccer team for seven years without knowing much about the sport - at least by her own account.

Christian Ingerslev.
Chief Commercial Officer.
Christian has been the Chief Commercial Officer at Maersk Tankers since 2014. He has been part of the Maersk Group for 18 years, and joined Maersk Tankers in 2007. He is a die hard James Bond fan and claims to watch at least one of his hero's adventures every week. Oh, and we promised not to mention that he played the flute for four years.
inside a room, and then they come out a while later with Moses’ tablets, and everyone just blinks, saying excuse me, but why do they look like this?, Christian says. And the management team knows that you have to bring the organisation on board. It’s in the books, it’s just damn hard to actually do it. You cannot expect the organisation to take a quantum leap and get to where the management team has been for months.

Often, strategies are communicated in headlines or as key performance indicators. While this makes perfect sense to the people that have been involved, it rarely does the trick of engaging on a broader scale. Drafting a solid core story that is relevant to the entire organisation is indeed an altogether different story. “What we didn’t have was a problem statement”, Lene says. “Rather it was a formulation of opportunities. It was an aspiration for the team that could be felt and experienced”. And the core story at Maersk Tankers is still evolving. Christian is not even sure he has nailed it yet, because it changes as we learn more.

GETTING THE TEAM ON BOARD

Another equally important aspect of rolling out Taking Lead was to set the right team, prepare them well and get them involved. All solutions have been developed by internal people, and many of Maersk Tanker’s most talented people have been involved in the strategy process to ensure that the solutions are relevant and realisable. “To have the right team is crucial in order to move forward. They have to be motivated and able to do the job, and a high level of trust is important. We have spent a lot of time on discussions to get everyone engaged and aligned, and it has turned out to be time well spent,” Lene says.

An important part of the Value Realisation method is to focus on handing over the strategic initiative to the organisation, getting them involved. This requires that the benefit case is translated into concrete contributions from the receiving organisation, which they understand and believe they are able to deliver. “We have invested a lot in involving the next level. Instead of educating everyone, we have trained the segment leads and prepared them to drive change in their teams. It’s much more credible and efficient that way”, Lene believes, “and the change competencies stay in the organisation”. Maersk Tankers is moving. “We’re in a good place”, says Lene. “Even though people may feel that they haven’t mastered this yet, they are hungry to learn more about the opportunities available through leveraging data because they have seen how exciting it looks on the other side of this obstacle”. A lot of people have worked hard to rise above and beyond, and management has made an effort to make sure that people have time to work with this. For Christian, Lene and the team at Maersk Tankers, the next phase includes doing more of the same. In a world that is often defined by short-term goals, tenacity is key when you want things to change on a deeper level. Even though people might be sceptical, or perhaps impatient about the outcome, Lene and Christian agree that you have to be stubborn and keep your eyes on the goal. In that sense, they have become each other’s greatest allies. Christian concludes, “I have learnt that things take time, and if you want to drive change, you have to mean it. Really mean it. Old habits die hard, and change is not the flavour of the month”.

― Christian

“Most strategic initiatives begin with the management team sitting inside a room, and then they come out a while later with Moses’ tablets, and everyone just blinks, saying excuse me, but why do they look like this?”
Value Realisation at a glance

For an organisation to change, people in it need to change their behaviour, and this is not something that we generally like to do. Actually, most people try to avoid it because it requires extra effort, or perhaps we simply forget our good intentions. We have developed the Value Realisation methodology to help organisations drive structured transformation processes because companies often fail short when it comes to realising the full potential of the forecasted financial benefits of strategic initiatives. Closing this value gap is an ongoing challenge for many business executives.

Value Realisation is a simple, but disciplined approach that applies well-known concepts, deep understanding of the business, unbeatable enthusiasm and the ability to support the receiving organisation in driving its own transformation. It’s about having a relentless focus on the benefits you want to realise, it’s about enabling leaders to become change ambassadors and it’s about gaining a deep understanding of the reality of those affected by the change process.

If people understand why transformation is needed, they are much more likely to change their ways of working. Therefore, a core story is developed.

It’s a narrative that aims to establish an aligned view on the qualitative case for change across project stakeholders.

If it’s good, it has the potential to connect people, to heal wounds, to move to action and to drive change. From the core story, a benefit case is developed. It envisions the tangible benefits for various stakeholders in an easily understandable way. The benefit case serves as the centre of gravity for the project.

A Value Realisation project typically involves five phases. The first two phases, Set Direction and Develop Solutions, are a part of most strategy processes, and so is the last: Implementation. What is often greatly underestimated are phases 3 and 4 in the Value Realisation approach: Hand-over to the Receiving Organisation and Implement in the Receiving Organisation. This involves engaging the leadership in the receiving organisation early, and it entails a strong involvement of the receiving organisation(s) in translating the benefits from the benefit case to their reality. This is perhaps the most important element in making the strategic initiative a success, as these are the people who need to do something differently every day.

“I see it as my role to look at the capability of the organisation – the requirements for Christian and his team to succeed – in this case, related to delivering on the Taking Lead strategy. I had a pretty clear vision of how Christian’s organisation needed to work differently, what kind of culture we wanted, what processes and performance management structure we had to put in place, but I realised early on that we didn’t have the needed change management capability to actually do it”.

— Lene