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Cross-Sector Collaboration

With vehicles and equipment made for commerce, agriculture, and construction within one dynamic organisation, CNH Industrial recognises the value of working together to create scale and synergy.

Images by Estelle Judah Photography

In 2013, a global merger between Fiat Industrial S.p.A. and CNH Global N.V. resulted in the formation of CNH Industrial, combining the groups' commercial vehicle, construction equipment, and agricultural equipment arms to create one of the world's largest and most diverse capital and industrial goods companies.

To head up this newly established business across Australia and New Zealand (ANZ), the organisation appointed Matthew King as Executive Managing Director, taking into account his nearly 40 years of experience, predominantly in agriculture.

Matthew had started working for New Holland, part of the then Fiat-controlled CNH group, in 2007. Over the years, he established his value within CNH and learned the lay of the land, but he couldn't imagine the scale of the task ahead of him when he was appointed to his current position.

"The greatest challenge was trying to bring three separate businesses together as one entity to try to take advantage of the inherent synergies within the larger corporation. It's a strength of ours to have under one single roof such a strong portfolio of brands that are similar in terms of their

respective economic cycles, profit margins, and capital requirements. We're basically the only capital equipment company in Australia that is involved in agriculture, construction, and commercial vehicles, so we can offer a one-stop solution to customers that, for example, need both an off-road truck and a wheel loader or any other product across our broad portfolio.

"A key challenge for us was how to utilise that strength to the advantage of our company, our employees, our dealers, and our customers; how can they benefit from that new type of organisation? And then, as you know, when you bring businesses together, each business has its own culture—so, trying to marry those together and find some way of merging those cultures without destroying the DNA of that business that made it so successful."

In order to create cohesion across the organisation, Matthew strives to remain visible within the business and involved in its development. "My life at the moment is one week at the Sydney office, which is the home of our agriculture and construction brands, and then I spend a week in Dandenong on the commercial vehicles side. I try to ensure that people see that although I'm heading up the organisation, I'm

not distant, I'm approachable, and I'm part of the business.

"We also put together an overarching management group that has taken people from all parts of the business so that when we discuss how to move the business forward, we're bringing in ideas and listening to how it's going to impact on our manufacturing facility, how it's going to impact on commercial vehicles, how it's going to impact on the agricultural business, or our after-sales business.

"Taking all of that into account and bringing those people together is a challenge because we've got to get them to think about not only how to grow in their own part of the business, but the total business. I say that because while you may be doing well in your own area, what you're doing may impact on another part of the business negatively. So unless we all understand what everyone is doing, you can't go out with the right kind of marketing strategies or the tactics that are going to develop the business overall!"

According to Matthew, the ANZ arm of CNH Industrial has a vision to be the primary choice of those who build, carry, and feed Australia and New Zealand. "The words 'build', 'carry', and 'feed' are significant because 'build' relates to our construction business, 'carry' relates



to our commercial vehicle business, and 'feed' relates to agriculture.

"Underpinning that vision, we have four values. One of them is 'customer first'; everything we do should be directed at making the customer experience a positive one when they're dealing with any part of our business.

"Another one is 'lead by example'; we have a very strong view in our organisation that our senior leaders not only have to set the direction but they have to show that they deliver on what they say they're going to do. We need people to be hands on.

"The next value is delivering on what we promise; so if we say we're

going to do something, we do what we say and deliver on it. That's not only to customers, but it's also to our staff, our parent company, and our senior executives as well. At the end of the day, our business is to grow shareholder value; we're here to develop a business that's going to give a return to those people who are willing to invest in our organisation. And they do that for a reason: they believe in us, but they also expect a return.

"And our last value is continual improvement, which everybody should do. We're always looking at ways of doing things more effectively and efficiently that will benefit the business. It's not just taking costs out of the business; it's about finding the right balance

and looking at ways of doing things better."

CNH Industrial has a fairly flat structure, which helps eliminate hierarchy and improves the company's speed to action. "There's really only one other person between myself and the CEO of the organisation; that's Stefano Pampalone, the COO of the APAC region. We are structured as a lean regional organisation; hence, getting the information about where the company is headed, from a global strategic perspective down to the country level, is very easy because it's very quick. There are not a lot of barriers to change, so there is no noise or confusion created.

"It's a matrix organisation, but the beauty about it is that it allows us to react quickly because we can identify an issue, hold discussion at a very high level, make a decision on what direction we'll go, and implement it."

In showing staff that they're valued within the business, CNH Industrial starts from the top and keeps within the spirit of its core value of leading by example. "In ANZ, for instance, we've made sure that the leadership attributes of our senior people are the right ones through an initiative supported by our local and regional HR leaders. We started with our senior people and we went through a 360-degree self-assessment from myself down. We had to answer a number of questions about how you believe you manage people, how you believe you've made decisions, and how you believe you've led people. Then the same questionnaire was given to your direct reports and your peers, so you get their opinion of how they see you.

"So that was the first step: confirming that we had the right leadership attributes so we could develop our leaders to lead the organisation. Then we took a group of talented people—people within the business whom we saw as having growth opportunities in the future of our organisation—and

"We have a very strong view in our organisation that our senior leaders not only have to set the direction but they have to show that they deliver on what they say they're going to do."

- Matthew King



asked them to think about how we can make the most of the CNH Industrial organisation; how can we tap the full potential of the organisation? And then they had to present to both the local and regional [APAC] senior executives with a view to ultimately implementing these ideas."

CNH Industrial adopts a collaborative approach to basically every aspect of its operations. This extends externally, as the company's strategic partners are

primarily its dealers. "We work very closely with our dealers, since we have interaction with them from people visiting them on a daily basis in a number of parts of our business. We have forums with our dealers where we sit with them and say, 'What are the issues? How do we correct those issues? How do we improve the business?'"

"In terms of key suppliers, we interact with them on a regular basis. Take for instance, WWL

[Wallenius Wilhelmsen Logistics], a key shipping company of ours, whom we work very closely with. They're a global strategic partner to the point where they actually have an office inside our operations; when we redesigned our facilities, we gave them office space so they could put three or four people within our business and we could interact on a daily basis."

Matthew sees a bright and exciting future for CNH Industrial. "We've only just touched a small part of the opportunities for this new organisation. I think CNH Industrial across Australia and New Zealand has many opportunities for growth from a business perspective, from a share perspective, and in terms of developing our people.

"I can't see any negatives moving forward within CNH Industrial; I only see positives with a bright future and many challenging but successful years ahead." •

"We have forums with our dealers where we sit with them and say, 'What are the issues? How do we correct those issues? How do we improve the business?' So we interact with our dealers quite frequently."

- Matthew King

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