

## Emerging Diversity and Inclusion: Fonterra Co-operative Group Ltd



A platform to allow employees to come up with disruptive business models is helping Fonterra Co-operate Group Ltd harness the diversity, ingenuity and talent of its people.

Fonterra is a global dairy nutrition company owned by 10,500 farmers and their families, employing 22,000 people around the world. It's New Zealand's largest company and is responsible for 25 per cent of the country's exports.

Director Talent & Development Janette Rosanowski says Fonterra believes diverse skills, backgrounds, varying experience levels and thinking is key to innovating for the future. "What better than to nurture this from our already existing group of talented employees."

The company launched a pilot for Disrupt, an internal programme that provides a platform for employees from its markets around the globe to come up with disruptive business models to engage with the ever-changing demands from consumers and customers, in March 2016.

Disrupt allows Fonterra staff the opportunity to submit an idea to be selected in a global Hackathon. The finalists from the Hackathon proceed to a 12-week accelerator process and potentially land a new day job if their concept is implemented within the business.

Fonterra CEO Theo Spiering inspired the concept and a core team of three NZ-based staff was formed to bring the idea to life. The 2016 programme was launched in three markets - New Zealand, Australia and China. Workshops introduced 700 participants to the disruption and change happening across the world and also how to apply a different way of thinking -

the lean start-up methodology. This was designed not only to inspire their thinking for the programme, but also to take back to their day-to-day roles.

From there, more than 110 ideas were submitted and participants went through a 28-day programme supported by start-up mentors to develop their final ideas for submission to the Hackathon. Eleven teams originating from all three markets were brought to China for the first hackathon. The top five teams were brought into a three-month acceleration secondment where they worked fulltime with external acceleration partners to develop business models.

In 2017, Fonterra took learnings from the pilot programme and Disrupt went global. Fonterra staff across all the company's markets had the chance to participate - this drew in submissions from 16 different countries across the Americas, Middle East, China, North Asia, Sri Lanka, South East Asia and Oceania. The programme was streamlined from the 2016 pilot, focussing on global strategic areas for our business and simplifying the process so more people would participate.

"We know disruptive ideas can come from anywhere and from anyone so we engaged our people on the magnification of synergies diversity brings to developing the best teams. We had around 1,400 employees participate in the programme from 16 countries and 21 sites, with teams made up cross-market and cross-functionally," says Janette. Some teams met for the first time at the Hackathon in Kuala Lumpur.

CEO Theo Spierings has been the driving force behind Disrupt, coming up with the idea in 2015. The programme was launched at the International Management Forum - a forum where approximately 200 of the key senior leaders across the globe come together annually. There, the leaders were taken through "mini Disrupt" where they were provided with a quick-fire start-up methodology 101 and were required to ideate in cross-functional and cross-market teams.

Theo Spierings drives support for the programme in communications to the entire co-op. His management team and their market leads engage with their respective businesses and teams to encourage and drive participation via communications and by participating in the workshops, Hackathon and Demo Day events.

"In just 13 months Disrupt has become a dynamic aspirational and entrepreneurial platform in Fonterra that embraces diversity to generate results," says Komal Mistry, General Manager Fonterra Ventures.

"Fonterra's management have been hugely impressed with the quality of ideas submitted through Disrupt - quality that comes from bringing together diverse groups of people with different backgrounds and world views who can challenge each other and collectively think outside the box to solve complex problems."

Commercially, two ideas have gained investment to continue and in only six months of operating in-market, have generated new revenue streams.

"Since we've gone global this year, the diversity across the teams has led to an even greater level of innovative thinking. I'm excited to see what new businesses we can bring to market through this process," Theo Spierings says.

Staff have been able to meet new people and work with colleagues from other markets while learning a completely different way of thinking and working.

"It's a wonderful experience for you to get out of your day-to-day routine and come up with out-of-the-box ideas to create more value for our farmers. Learning about the lean start-up mindset and the build-measure-learn way of working has been very helpful." - Kefei Bu, who was the GM of Marketing Innovation and Sales Development for China Foodservice before becoming project lead for one of the two Disrupt 2016 ventures that gained investment for implementation with the business.

"To have the opportunity to be here in Kuala Lumpur, mix with colleagues from all over the world, pitch to Theo and other senior leaders, and now go through to the next phase makes us even more determined to turn our idea into a viable business." - Scott Hurdley, based in Singapore, is part of the Supply Connects team that is through to the Acceleration phase of the programme for Disrupt 2017.