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Change culture success stories

Tom Petro came on board as CEO at the Fox Chase Bank of Hatboro, Penn. just under a year ago. He's fixed a lot of banks in his time, and he's been working hard to be the change agent that will get Fox Chase back on track.

The first thing he did at the 137-year-old institution was create a "guiding coalition." "In my first five days I met with different department heads, supervisors—many people throughout the organization," he recalls. "Within three days I had to lay off some people who were poison to the company—people who it was clear to me would not change their stripes."

The bank was in trouble because it pursued a risky business strategy, one that it didn't have sufficient expertise for. Things were so bad before Petro arrived that regulators slapped Fox Chase with a cease-and-desist order to stop unsafe banking practices.

Fox Chase, which was formerly a retail bank, shifted to commercial banking. However, no one on staff had done commercial loans. Petro and his coalition looked for people with the right skills sets for the new direction the bank was taking, and hired five key c-level executives. "Because the guiding coalition was involved, the introduction of new talent at that level didn't create enormous strife," says Petro.

The new team was in place by November 2005, and before long Fox Chase had launched three new business lines, a suite of electronic products, commercial loans and cash management products to support businesses.

Petro is relying on a variety of measurement tools to track the turnaround's success. He can see vast improvements on some

fronts already. "Every business has a metabolism. When I arrived ours was dreadfully slow—lots of plaque and clogged arteries. The challenge has increased the metabolism; we're working together," says Petro. "We were at a standstill, starting uphill, we had to crank it up, and I as the leader had to lead the charge. The bike is now cresting the hill. The energy is good." In a year or two, Petro expects the financials to look just as promising.

Change can be rewarding. Atwell-Hicks, a private land development company in Brighton, Mich., developed an employee suggestion/feedback program to encourage staff to become more involved with company governance and to brainstorm solutions to improve the firm and stimulate growth. The program generated more than 900 suggestions and ideas, realized \$2-3 million in savings and efficiencies, and distributed over \$150,000 in program bonuses to staff.

For Robert Cannon, president of consulting firm Cannon Advantage in Burton, Ohio, Roadway Express is a favorite success story. "They were a real military, command-and-control-type organization, but they've moved to a participatory culture," says Cannon. The employees were "empowered" and initiated a variety of changes on their own. Truck drivers were empowered to ask for more freight from their contacts, rather than relying solely on the sales force, for example. The results, says Cannon, were "savings of more than \$4 million—and that's just one area."