

Culture eats strategy for breakfast: How to grow your business with culture as the foundation

Louise Watson - Natixis Investment Managers
2025



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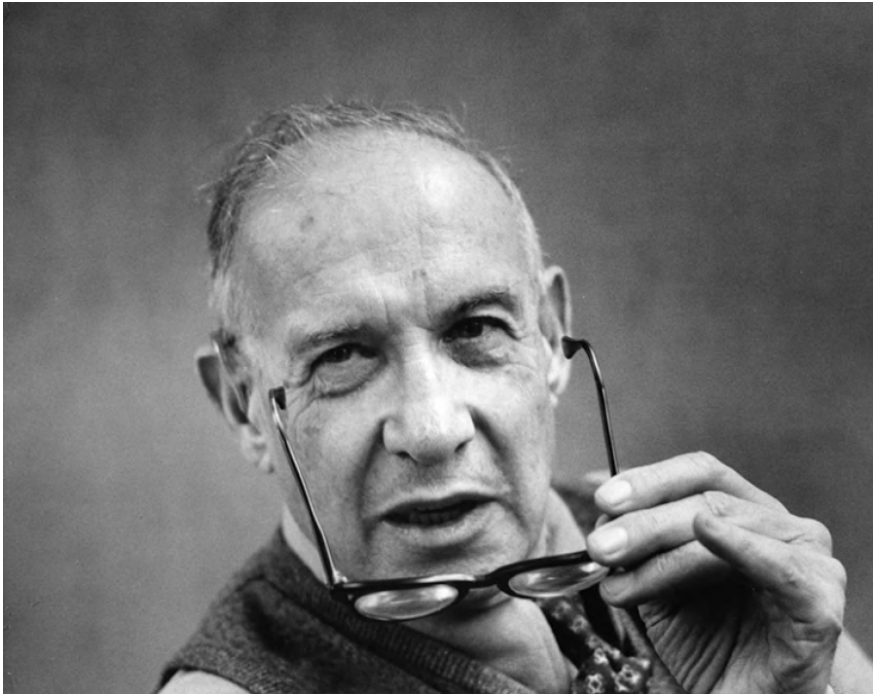
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Peter Drucker

The father of modern management



“Culture eats
strategy for
breakfast.”

RADelaide in the 80s and 90s

Does anyone recognise all these photos?



Poll #1: Who has documented their corporate culture?

- Yes, we have all aspects of our culture documented
- Yes, we have company values documented
- No, we 'Just Do It'
- No, but documenting it is on the To Do List
- No, I'm not interested

What defines company culture

It's the human factor!

- Beliefs/ values
- Behaviours
- Mindset
- The employee experience
- Everyone's responsibility

“The way we
do things
around here”

2018: Crash course in bad culture

9NEWS

Banking royal commission: The financial sector's descent to the fourth circle of hell

AMP scandal shows the cover-up is often worse than the crime

Banking royal commission: Fees for the dead and cash bribes — the greatest shocks (so far)

The Guardian

Banking royal commission: CBA agrees it is the 'gold medallist' at fees for no service

FINANCIAL REVIEW

How a royal commission sank a 175-year-old financial giant

THE AUSTRALIAN

It's unfathomable ANZ's board, CEO didn't deal with issue of charging fees to dead customers

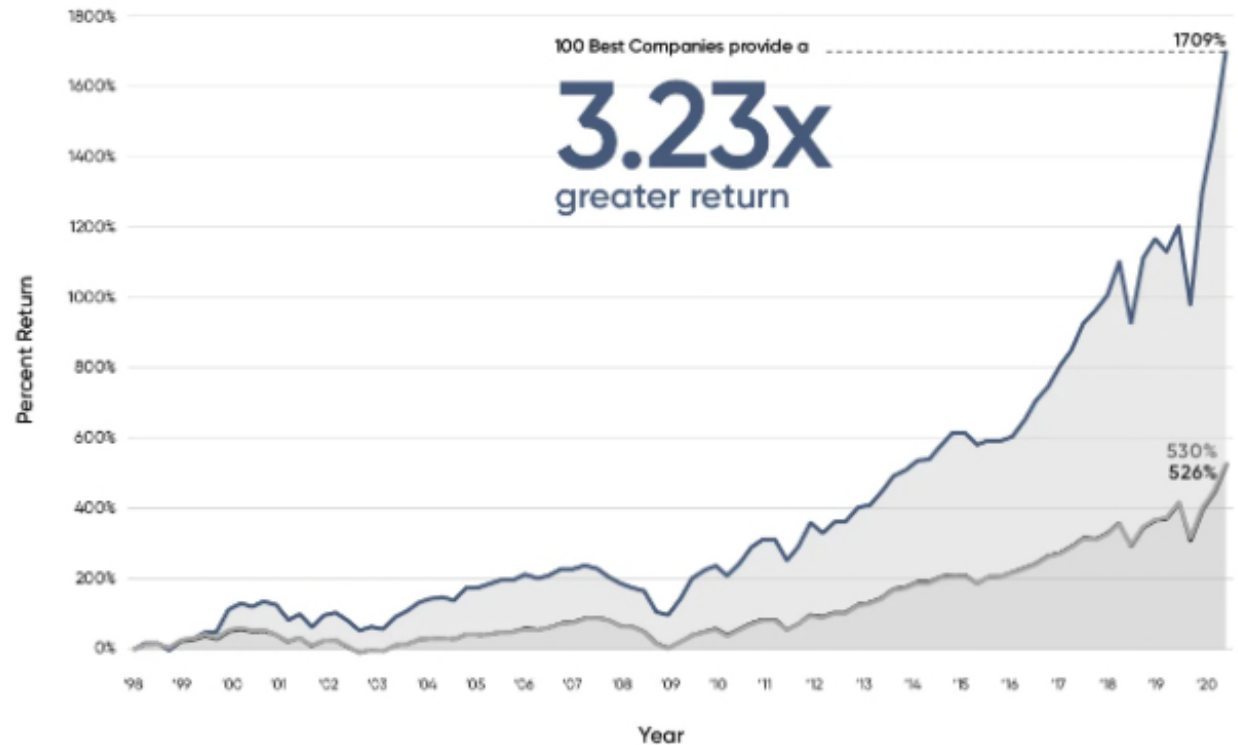
Why culture eats strategy for breakfast!



Cumulative Return of 100 Best | 1998-2020

The 100 Best Companies to Work For[®] have outperformed the market by a factor of 3.23

- 100 Best
- Russell 1000
- Russell 3000



greatplacetowork.com | ©2021 Great Place to Work[®] All Rights Reserved

Source: FTSE Russell

Source: www.greatplacetowork.com/

How does culture deliver results?

INSPIRED EMPLOYEES...

Get meaning and inspiration from their company's mission

Are inspired by the leaders in their company

ENGAGED EMPLOYEES...

Are part of an extraordinary team

Have autonomy to do their jobs

Learn and grow every day

Make a difference and have an impact

SATISFIED EMPLOYEES...

Have a safe work environment

Have the tools, training, and resources to do their jobs well

Can get their jobs done efficiently, without excess bureaucracy

Are valued and rewarded fairly

“Inspired employees produce more than twice as much as ‘satisfied’ employees.”

Source: Bain and Company

The larger-than-life Bob Ansett

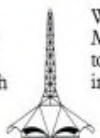
The start of my education on the importance of culture

- Believed great team relationships essential
- Treated employees like family
- Knew everyone, remembered everything
- Celebrated success

*“Happy staff,
happy customers,
key to success”*



“Congratulations to everyone who finished the 1988 Budget Melbourne Marathon. And particularly to those who achieved a personal best. To reach those goals is worth all the pain of preparation. Believe me, I know!”



Budget
MELBOURNE MARATHON

We'll be proudly sponsoring the Marathon again next year. So I hope to see you all at the starting line in '89—ready to drive your bodies even further.”

Bob Ansett

© 1988 BUDGET

Great cultures are essential parts of great businesses

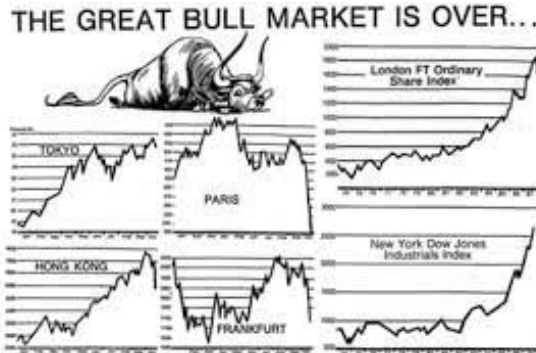
People are your most important asset

- Draw on experts
- Apply locally
- Deepen engagement
- Build trust

CULTURE CASE



The power of culture in a crisis



| Index | Value | Change | %Chg | P/E | Div Yld | Div Payout | Div Yield |
|-----------------|-----------|-----------|--------|-------|---------|------------|-----------|
| 13 American | 25,000.00 | -1,111.00 | -4.4% | 18.16 | 18.16 | 18.16 | 3.17 |
| 14 S&P 500 | 2,700.00 | -100.00 | -3.7% | 20.14 | 17.11 | 15.31 | 1.89 |
| 15 NASDAQ | 2,421.00 | -116.00 | -4.7% | 20.14 | 17.11 | 15.31 | 1.89 |
| 16 S&P/TSX Comp | 15,117.00 | -1,100.00 | -7.3% | 17.00 | 15.00 | 15.00 | 3.02 |
| 17 S&P/IBOV IPC | 40,136.00 | -1,000.00 | -2.5% | 17.11 | 18.43 | 18.43 | 3.16 |
| 18 Bovespa | 30,000.00 | -1,000.00 | -3.3% | 17.11 | 18.43 | 18.43 | 3.16 |
| 19 DAX | 3,224.74 | -100.00 | -3.1% | 15.28 | 13.33 | 12.62 | 8.81 |
| 20 FTSE 100 | 7,046.70 | -100.00 | -1.4% | 15.74 | 12.67 | 11.70 | 4.49 |
| 21 CAC 40 | 3,133.00 | -100.00 | -3.2% | 16.02 | 15.00 | 14.48 | 3.37 |
| 22 HANG | 11,500.00 | -1,000.00 | -8.7% | 13.44 | 15.53 | 11.21 | 3.37 |
| 23 IBEX 35 | 9,034.00 | -1,000.00 | -11.0% | 13.29 | 11.81 | 10.92 | 8.27 |
| 24 FTSE MIB | 10,446.00 | -1,000.00 | -9.6% | 13.23 | 10.67 | 9.37 | 4.13 |
| 25 CMC STOFOR | 1,500.00 | -100.00 | -6.7% | 15.29 | 15.29 | 14.04 | 9.33 |
| 26 S&P/ASX 200 | 6,753.00 | -100.00 | -1.5% | 20.38 | 15.31 | 13.07 | 8.42 |
| 27 Nikkei | 22,500.00 | -1,000.00 | -4.4% | 16.03 | 15.00 | 14.34 | 1.88 |
| 28 HANG | 22,500.00 | -1,000.00 | -4.4% | 16.03 | 15.00 | 14.34 | 1.88 |
| 29 CCI 200 | 3,124.11 | -100.00 | -3.2% | 13.07 | 10.68 | 9.26 | 3.56 |
| 30 S&P/ASX 200 | 6,753.00 | -100.00 | -1.5% | 16.19 | 14.81 | 14.16 | 8.40 |



Culture: shoulder to shoulder



Poll #2: Who has been through a merger or acquisition?

- Yes, I have acquired and integrated another business
- Yes, I have been acquired by another business
- Yes, I've been part of a merger
- Yes, multiple
- No

Poll #3: Was it a positive or negative experience?

- Positive
- Negative

Strong culture built through M&A

CULTURE
CASE JPMorganChase

HAMBRECHT & QUIST
Investment Banking for the New Economy

CHASE 


Washington
Mutual

J.P.Morgan

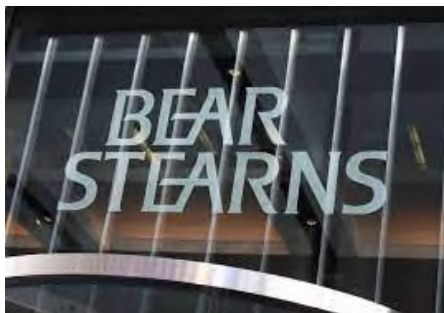
THE
Chemical National Bank
NEW YORK
ESTABLISHED 1824

Chase H&Q

JPMORGAN CHASE & CO.

BANK ONE

J.P.Morgan CAZENOVE



Natixis IM Australia M&A



Be welcoming, be collaborative

Culture through M&A



An investment team with zero departures

And an 18-year+ track record

CULTURE
CASE



LOOMIS | SAYLES

“Michael Jordan - arguably the best player ever that played basketball - I really think that if you paid him a dollar or a billion dollars, he would play the game the same way because he only knew one way of playing.”



Aziz Hamzaogullari

Founder, CIO and Portfolio Manager
Loomis Sayles Growth Equity Strategies



NAVIGATING THE NOISE
PODCAST



Elements of great company culture

and how to achieve it

| Culture builders | Practical tips for building positive culture |
|------------------------|--|
| ✓ Credibility | Be yourself Be honest, open and transparent |
| ✓ Respect | Show people respect to earn respect in return |
| ✓ Fairness | It's not just about pay! Find other ways to reward and recognise Avoid office politics and favoritism |
| ✓ Pride & Belonging | Embrace diversity and individualism Celebrate employee achievements Celebrate team wins |
| ✓ Effective leadership | Aligns your words and actions Demonstrate competency, honesty and approachability Show genuine interest in employees as people |
| ✓ Values | Lead with shared values, not policies and procedures |
| ✓ Innovation | Ask your team how to do things better |

What have I learned?

- Be your authentic self
- Be transparent, honest, and upfront
- Build genuine relationships
- Keep your eyes on the prize
- Recruit cultural cheerleaders
- Celebrate success



Radical praise: Learn from the best



Be the school of fish

