



Behind the scenes at a smash-hit transformation

How Egremont Group helped photo-printing website Snapfish turn from struggler to high performer

What does truly world-class transformation look like? One of the most startling cases in recent years has been Egremont Group's turnaround of global photo-printing website Snapfish. The site once valued at \$300 million became a loss-making, low-morale and strategically lost enterprise. Snapfish drifted from owner to owner, becoming a byword for a business that couldn't quite decide what it wanted to be.

In December 2015, the website managed to bungle Christmas orders, gifts arriving late.

Then in 2016 a new chief executive arrived from retailer Walgreens, where he had worked with British consultancy Egremont Group on an enterprise-wide business transformation programme, focusing on performance improvement and cultural change.

He tasked the consultancy to help him effect a total company-wide transformation. Today, Snapfish is thriving. It is both profitable and growing sales. The result was so productive it was nominated for a Management Consultancy Association 2018 award for Change Management. In 2017, Egremont Group won the same award for its work with Walgreens. Customer metrics are through the roof, as is employee satisfaction and engagement.

The project offers a prime chance to look under the bonnet of a really effective transformation job. So what went on at Snapfish?

"I met Sean Connolly, the chief executive of Egremont Group, at a Mexican restaurant in 2016," recalls Snapfish chief executive Jasbir Patel. "We plotted a course for the turnaround. I said this project is about getting people to believe. It wasn't a technology transformation issue. It came down to trust, leadership and alignment."

The first task was to get Snapfish's management and staff to take a fresh look at their business model. It's a complex organisation, with 185 full-time staff, support staff in India, and a sales model selling photo-printing and gifts both direct to consumers and businesses, providing IT infrastructure for other retailers to offer similar services.

"Snapfish had grown so quickly they had no sense of core processes," recalls Mr Connolly. "We wanted to create an environment where people see reality with clean eyes. Then they see new possibilities." This ethos has a concrete methodology behind it. Egremont introduced the "string and paper operating model" exercise. Each department helps to map out physically the essential activities of the company with PostIt notes, paper and string, and connect links.

It demands employees think hard about the internal workings of their company. "It took four to six weeks elapsed time," says Mr Connolly. "Each group that came in modified it. At the end they said, 'Wow! That's how it works. And it's a mess! We could do this so much better'."

The next stage was reshaping the company from the ground up. Intense sessions thrashed out the ideal working model of the new Snapfish. The appetite of staff to contribute was phenomenal. There had been no lack of passion at Snapfish, merely an inability to articulate views in a co-ordinated manner. A project room surfaced every complaint, worry, ambition, idea and solution in an open manner.

The corporate culture received the harshest rethink. "We crowdsource," says Mr Connolly. "Rather than asking HR for an ideal list of behaviours, we ask the organisation. How can leadership inspire followership? And how do you create a workplace where people can be themselves?"

Egremont enabled me to lead the organisation through a significant transformation

Egremont Group studied the dynamics in meetings. Is the balance of voices right? Who said what? Are concerns listened to? Transparency is critical and it became imperative that staff learn they can challenge the agenda at meetings. "How we conduct meetings is one of the biggest pieces of work that continues to deliver for us," says Mr Patel. "With transparency it's OK to honestly disagree. We worked hard on that."

The global reach of Snapfish presented a major challenge. Mr Patel openly admits there was a lack of communication between the United States and divisions in Australia, New Zealand, the UK and continental Europe. Internal departments were siloed.

Egremont Group introduced practical ways to unite staff across borders and job descriptions. In came monthly operations reviews and regular governance meetings. Cross-functional sponsorship built links between key staff. "We now do video-calling," says Mr Patel. "We believe in face-to-face interaction." The 300 support staff in India, previously neglected, were consulted and included in the transformation process.

A well-positioned business is fit for the future. But how can leaders know what the future looks like? The project mapped out the knowables, unknowables and variables to create a picture of what Snapfish could look like in the year 2028. "This means you can ask where you fit in," says Mr Connolly. "And what do you need to do to get ready for that world?"

The results? The financial turnaround of Snapfish is remarkable. Sales were down double digits in 2015; in 2017 they rose double digits. The return on investment of the consulting work is 25:1.

Mr Patel is emphatic in his praise for Egremont Group: "The challenge was huge, not only declining sales and customers, but extremely low staff morale. Ultimately Snapfish had lost its way and identity. Egremont enabled me to lead the organisation through a significant

transformation. Egremont enabled Snapfish to discover its core identity and unify the organisation around it. The results we are now seeing show a clear turnaround."

Staff tell the same story. Today 95 per cent agree that the company is strongly aligned on vision and strategy. The workplace feedback site Glassdoor records some of the most telling insights. "CEO Jasbir Patel has revitalised Snapfish with values that put employees first," writes one long-term employee. "For the first time, our company truly respects ideal team players who are hungry, humble and emotionally intelligent... each of us has a clear understanding of how we as individuals contribute to achieving company goals."

The tools, processes and ideas put in place during the transformation process continue to deliver, long after the consultants have left the building. Mr Connolly and Mr Patel remain in close contact. "Unlike other major agencies that sometimes offer you a senior executive who wasn't on the project, Sean is always open to come back to the team to chat to us. You build a personal relationship with Egremont Group," says Mr Patel.

Can the same approach work with other organisations? Mr Connolly has worked on a long list of landmark transformations, including Seven Trent Water, where a single job expanded to a multi-year overhaul of the entire company due to the strength of results.

"We make your organisation capable of change," he says. "Then you don't need us. We are arguably cannibalising our future income, liberating organisations. Hopefully they'll like it and tell other people."

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