NAVIGATING CHANGE TO STAY AHEAD

Lessons learned from Jellyfish Pictures, Unilever and Aviva

	Jellyfish Pictures	Unilever	Aviva
The challenge	Like many others, the pandemic forced Jellyfish to shut its offices and switch to remote working almost overnight. This required a new way of working for a creative organisation dependent on face-to-face interaction and the use of cutting-edge professional technology.	A strategic analysis of Unilever's portfolio in 2020 found the company was underperforming its potential. The business's projected medium-term growth was likely to be below its peers – and shareholders' expectations.	In mid-2020, Aviva's company's performance was being held back, many observers felt, by a bloated corporate portfolio.
The change they made	Jellyfish had to find a way of enabling employees to work remotely with the same level of speed, close interaction and, crucially, technical processing power.	The company felt its existing corporate structure was too often leading to parts of the business having the wrong incentives in place. It was decided that a full global overhaul was necessary.	Under new CEO Amanda Blanc's leadership, and with a refreshed approach to governance, Aviva refocused its operations and concentrated on its core businesses in Canada, Ireland and the UK.
Why they were ready to change	Prior to the pandemic, Jellyfish had begun exploring working as a virtual studio, seeing the business benefits of remote work. As lockdown looked inevitable in March 2020, the executive and ownership teams expedited the rollout, first testing remote work for key individuals and then sending 50 staff home at a time.	Unilever sets its strategy on an annual basis. In dialogue with shareholders, the board and executive team decide the strategic direction and then seek shareholder feedback. The company also has a three-year financial plan, which is updated annually according to internal and market developments.	The provision of high-quality information to Aviva's group and subsidiary boards was essential in driving the divestment strategy. The corporate governance team had already been focusing on improving how it used and shared data, and ensuring leadership is sufficiently challenged by independent non-executive directors.
Making the change work	The company's chief technology officer oversaw the introduction of a virtual production line, using new and previously untested technologies. Jellyfish also developed a compression codec, which enabled video to be sent over domestic broadband connections. Now fully remote, staff are encouraged to work on their own terms.	At the start of 2022, Unilever announced the introduction of five global business groups to replace the previous system, whereby operations were run separately in each country. The groups are beauty and wellbeing, personal care, home care, nutrition and ice cream. The systems, technology and processes in each group are supported by Unilever Business Operations.	The restructuring process saw the sale of Aviva's businesses in France, Poland, Italy, Turkey, Singapore, Hong Kong, Indonesia and Vietnam, among others. In total, the divestments generated around £7.5bn for the company.
The outcome	The switch to virtual production has been a resounding success: Jellyfish found that output increased, with staff choosing to work rather than use their time commuting. The company also sees the benefits of being able to recruit talent worldwide, without the limitations of fixed office locations.	The five business groups came into effect as scheduled on 1 July 2022. Despite rising inflation and weakening consumer demand in many major markets, Unilever expects sales growth of above 6.5% per year in the months ahead and margin improvements in 2023 and 2024. Following the reorganisation, Unilever announced plans for a €3bn share buyback programme to be carried out in 2022 and 2023.	Aviva used the cash to reduce debt, invest in long-term growth and return cash to shareholders. It announced a £1bn share buyback in August 2021 and returned a further £3.75bn to investors via a share consolidation scheme. The goal of the streamlined business is to make strategic decisions in a more efficient and agile way.
In their own words	"What we have built and implemented has set a solid platform for our future success. It is fair to say what we managed to do in five months during the pandemic might have taken five years to achieve had we been working in normal circumstances." David Patton, CEO.	"We have made the most significant strategic change in Unilever's history: we have gone from a geographically managed business to an organisation with five global business groups, where end-to-end strategic and performance accountability essentially sits with five people." Vikram Kumaraswamy, Executive Vice President, Corporate Development.	"We have spent a lot of time simplifying governance – we were a massive global organisation, with lots of international boards and different regulations to comply with. The framework built around that was no longer fit for purpose. Now we have enabled quicker, more agile decision-making." Kate Graham, Director, Governance.