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LEADERSHIP & BUSINESS PODCAST

EPISODE 6: NICOLAS BOËL – ADAPTING YOUR LEADERSHIP STYLE

Ken White

From the College of William & Mary in Williamsburg, Virginia. This is Leadership & Business. The weekly podcast that brings you the latest and best thinking from today's business leaders from all across the world. We share the strategies and tactics that can make you a more effective leader, communicator, and professional. I'm your host, Ken White. Thanks for listening. Well, this week, we feature a conversation with Nicolas Boël, chairman of the board for Solvay, the Belgian chemical and plastics company that was founded in 1863 by Boël's ancestors. Today, Solvay employs over 26,000 people in 52 countries. The organization is headquartered in Brussels. Solvay America is based in Houston. Boël brings a unique perspective to leadership and business, and he discusses that in our podcast today. He was educated in Belgium, then earned his MBA in the United States at William & Mary. He's worked in North America and in Europe and he talks about the differences in leadership on those two continents and he also leads a family-owned business. And he'll share the unique elements of working with relatives, globalization, building company culture, and working with family. All covered in our conversation with the chairman of the board of Solvay, Nicolas Boël.

Ken White

Thank you for taking the time. You just came from a class of MBAs. I know you're all talked out, and then we ask you to sit down and talk a little bit more.

Nicolas Boël

I had a little bit of water, so it's okay.

Ken White

Thanks. You have a unique background in that you've led in North America and in Europe. What are some of the differences, as you see, between those two areas and leading in those two parts of the world?

Nicolas Boël

I think it goes directly to the different culture, the business culture in the country. Europe is traditional. Once you earn the trust, you can do anything you want, but you've got to earn

the trust. And especially if you work in a family business, you have to prove that you have earned the right to be there. It's a little bit like in the Army when before becoming an officer, you are led by all the noncommissioned officers, and they are going to see if you have what it takes one day to lead them. The US is an optimistic country. The feeling where whatever happens, whatever incident, whatever problems, it will be overcome. And so there is a really nature of optimism. Europe, there is more gravitas, I would say, but at the same time, a capability of once they sign on in Europe on a project, then they can move all the mountains.

Ken White

Interesting. How do you go about earning that trust?

Nicolas Boël

It's example. It is by walking the walk and demonstrating that what you're saying, you're saying it, and you're living it in everything. We had one example, which is when I took over a steel plant in northern France in a difficult area of post-industrialization, and it was one of the major employers in town. We had two deaths in the plant just before my arrival. And when I arrived, I found it was a 900 workers' plant, really a trauma in the whole plant. And I decided to use with my management team to use safety as a game changer for the company and the culture building and results. So the first thing we did, which they had a wonderful, what we call the cirque, which is the places where the management and customers were going to have lunch. And actually, in France, they had a wonderful wine center. And I remember. And I like wine. Remember, my first decision. I think it was on my second day of arrival, was saying if you're on a shop floor, you're caught with alcohol, you're fired. Why can management do it? And so we cut off the alcohol and that was a symbol. And then we went leading by walking around, explaining, talking, and not passing next to something without not acting. So you see something, you say it, and the feeling in the plant was, gee, that's his new idea, let's go with him. But when there's going to be a difficult decision, we'll see what happens. And that happened when we had a bridge moving a product A from bay A to bay B. And if that bridge didn't work, the plant stopped, and we had a major incident on the crane, and we could make it run in an unsafe mode. And I remember we said, well, is it safe? No. What does it mean? It's not safe? Well, there's a risk that the crane falls and drops. It was 25 tons of steel on the floor. And then we said, how long do we need for the repair to go on? And it was, if I remember, three weeks. And we shut down the crane, and we restarted it in four days because naturally, like all the engineers, once you're faced with a situation, and there's no way around it, suddenly creativity comes out. And that day, the unions, the workforce, and everybody said, well, he really means it. And that meant that that day on, it was accepted as, and I think that's a perfect example of saying that leadership is really example.

Ken White

That's a major investment, though you had to make in time and in money. That's a major investment to build that trust.

Nicolas Boël

Absolutely. But it is in a company. We're asking a lot of things. There's change that's becoming faster and faster. Decisions have to be made, restructuring changes. People have to learn new skills. There's a pace of change that is really increasing. And if you do not have a project, communication, and belief, and trust from the people who are going to implement it, it becomes almost impossible. And so it was always in my beliefs, and that's something that I learned at William & Mary when I was here. But I believe that in the model, the business model today, whether you're an entrepreneur with two people on the payroll or you're multinational with 25000 those key drivers are always the same.

Ken White

What's causing the pace to be so fast today?

Nicolas Boël

Technology is changing a lot of things, and I think we live in the world where because of the globalization, ideas can come out much faster, can be implemented much faster, and disseminated much faster, which means that you have less time to react and you have to identify. We go through at our board and always ask, trying to ask once a year at least in our strategy meeting for each business, what could happen in a market that could kill the product or the business. And once you do that exercise, you come out stronger, but it sometimes mean that you have decisions of portfolio change, product drops because suddenly something happens in the market that you hadn't expected, but at the same time if you miss it, it's a whole company that goes down the drain.

Ken White

Right.

Nicolas Boël

And if you're a family business company or if you are long-term oriented, and sometimes they are both. The notion of saying that to be able to maintain the future and keep the values and keep going on and passing on to the next generation implies also the transformation is essential to be able to reach that goal. So you need to balance an equilibrium and attention between continuous change and improvement but keeping the values that have led you there and will keep you on.

Ken White

What are the challenges of running, leading a family company versus private?

Nicolas Boël

I think one of the key challenge is to, one, align everybody and two is to clarify the role of everybody. If you think about if you take a mafia movie, there's always a big party for Christening.

Ken White

Right.

Nicolas Boël

And during the party, you see the host usually moving from a wonderful father, godfather, husband, to a ruthless killer, to a don who accepts and manages the community. And in a family business, it's the same thing. You meet at family, you meet at Sunday lunches and you never know if the uncle you're talking to is talking to you because he's your uncle, because he's a manager, the CEO of the company, or because he is a big investor in the company. And to be able to how would I call, clarify the role and the hat that he has on when he talks to you is essential because it allows you then to create the right governance and the right center, an organization for each separate role. Because if you are family, you are in the project, you are in the what we would say, the l'affection les sociétés, which is how do you build the affection in the company when you are in management, you are there for the results, for the strategy, for the company as a whole. And if you're investor, you're going to look at your value over time. And it's very essential that each of those roles have the right people to fill them in and that you know exactly how, in a family, to prevent conflict, what is expected, and how the rules of the game are going to be to select who is going to be where. So there is a very fundamental formal role in clarifying the criteria, the nomination process, and the role of responsibility of each part of those three organizations. And then next to that, you have the informal, the communication, which is the alignment, which is explaining to everybody the same thing and why are we doing this, why do we believe it is a good idea and that therefore there is no frustration. I believe that a family needs more time to accept change, and at the same time, because it is family, you create in a company a certain sense of emotion, emotional values. It's been there a long time, you've got the trust, and that can sometimes does lead to complacency. Oh, we will not know we can't do this because we can't do it, and sometimes difficult decisions that are not taken at that time lead to much more difficult subject afterwards. And so it means that for a company, a family company, your radar, in terms of strategy has to be open much earlier, I believe, than a normal other company. Because the time you need to induce change and to do it in a way which is in line with the traditional values of a family, which means no hurt, no surprise, means that sometimes you have got to start those decisions much earlier than others. So it means that if you are running a family business

you need to be much more, I would say maybe complete in your leadership role than if you're there managing a company and after five years you're going to move to another one.

Ken White

And pretty flexible, right? It's your uncle, as you said, one moment, and then a couple of minutes later, that same individual is either a direct report or an investor. So I imagine that takes quite a bit of flexibility or a certain type of personality.

Nicolas Boël

Once you understand the hat you have on when you're talking, then you eliminate a lot of sources of conflict because there is no miscommunication at that time. But it means also that you need to have very strict rules. So that, for example, if your nephew believes that he's the future CEO or he wants to play a role in a company, or he wants to play a role in any part in there, and you need to have a clear set of the criteria and of the decision process that's going to lead to select the best person. And one of the most important is, for example, on the management side or the board of directors is, to focus on a competence. You can have alignment representation in other circles but at the board, you want to make sure that the person who is around the table is the best one and he's not there because he's just family and that's where in our governance, the role of the external directors is so important because they guarantee the governance strict application.

Ken White

If a young person was to say to you I have this opportunity with my family company, with this private company, all else was equal, what kind of advice might you give them?

Nicolas Boël

Because of the legitimately issue, I think it is easy, easier to start outside of the family. We have some, I know some family companies who have that as rule, you can only work in the family company once you've been promoted twice outside. So go and do your experience outside, learn, get the toolbox, and then when you come on in, you have legitimately, and then you can start working, and you've seen a little bit of the outside world. If you start immediately in a family company, the risk is that you will not have the toolbox as filled as it could, and secondly, you are going to have to demonstrate all of your life that you were there because you're the best guy and not just because you have a family name. So if you're good, it's no problem but if you do not have the shoulders, it's difficult to live with.

Ken White

I bet. Now you spoke to MBA students earlier. They are aspiring leaders. Any advice for aspiring leader career advice or what they should be thinking or doing?

Nicolas Boël

What is really impressive to see is the amount of nationalities around the table. It's really getting global all around the place. And the success of a company is you have the numbers, you have the process, you have everything that makes a product or a company successful. But the key is how do you get people working together in a better way than your competitors? And that means it gets down to people management point.

Ken White

That's our conversation with the chairman of the board of Solvay, Nicolas Boël, and that's our podcast for this week. Leadership & Business is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education can help you and your organization by designing and delivering a customized leadership development program that specifically fits your needs. If you're interested in learning more about the opportunities at the Center for Corporate Education, check out our website at www.wmleadership.com. That's www.wmleadership.com. Thanks to our guest this week, Nicolas Boël, and thanks to you for joining us. I'm Ken White. Until next time, have a safe and productive week.