

How to Lead & Steer a Global Team to Success



An M&A project
that looked like a
dream career,
but turned
into arduousness

A case study written by Daniela Fehring

High Performance Through Heart Coherence

*To all leaders, who dare to employ
their brain-wisdom,
their heart-excellence,
their gut-instinct
to invite their organisations, teams, and communities
to co-create
a benevolent and inclusive global work environment
in which everyone thrives.*

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The Case Part 1: The Career Step of My Dreams!

I have a track record with a global player in Germany that spans 20 years. We employ 400,000 people worldwide, make a total revenue of 80 billion euro, and manage 400 plants, subsidiaries and offices around the globe.

Currently I lead a passenger cars division. I oversee all our plants in Germany and am responsible for sales and marketing throughout the EU. Having managed this position successfully for 3 years, I feel equipped to take on more responsibility. In fact, it's time to move on as I want to make it to the top.

Having raised this topic in every discussion with my mentor, the BU leader for mobility, I was quite hopeful when he invited me to another 1:1 meeting.

"You might get the chance you are dreaming of, Susanne", he started. "I have come across a promising M&A project in Asia which fits my growth strategy. If you want to be CEO of the acquisition, and you are successful at managing and growing it, you will have the opportunity to take over my position. I will move on to the board."

He introduced me to the project: "I was recently approached by a very trusted supplier from Taiwan with whom I have developed a close relationship over the past 5 years. He wants to retire but can't find a suitable successor. His only daughter does not want to take over. He believes that becoming more global is the only chance to survive in the competitive market and therefore asked me whether our company might be interested in buying him out. Several highlights caught my attention:

- a) The potential for growth looks very promising as the supplier runs a small factory in Taipei, and a big one in Zhuhai, Southern China. That could give us the opportunity we have been looking for for some years now to tap into China's huge mass market where no global player has been able to compete successfully so far.*
- b) The supplier has a long history with a sound reputation of reliability, high quality and on-time delivery, all of which counts for a lot in Asia.*
- c) The company is financially sound."*

The only flaw my mentor Peter detected was the Taipei management team: none of them had global exposure, none of them spoke English. Their leadership approach was traditional Taiwanese style: Hierarchical and functional line management. Once a manager joined a meeting, Peter was not able to get a single answer from any of the lower functions.

When Peter introduced the M&A idea to the Board, they approved the acquisition of a 100% stake, subject to the following objectives:

- a) Keep the brand name*
- b) Retain the Taiwan and Zhuhai teams as they are the key to*
- c) Enter the Chinese mass market*
- d) Don't risk our global player's other sites nor its prices in China.*

They appointed Peter as lead negotiator. That's when he called me and asked: "Would you want to become the CEO of this acquisition?"

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Taipei 101. Personal picture

What an exciting opportunity! I knew nothing about Asia, had never been involved in an M&A, and I didn't like functional structures – I preferred to work in a matrix organization – but I also had no doubt that I would be more than capable of making it succeed.

Working closely with my mentor, I would be shown the ropes of being a BU leader and learn more about the expectations of the Board members and their "rules of the game", maybe even have access to a board member.... Since my personal goal was to become a BU leader as quickly as possible, this was definitely my call!

As the commitment involved moving to Asia, I had to discuss it first with my spouse and my two kids aged 14 and 12. Peter gave me time until the following Monday.

To my huge relief, my husband and kids were excited to move to such a faraway place as Taipei, so I was able to give Peter the green light albeit with one additional request: I wanted to have four high performers working with me. He agreed, but would they be willing to join me?

Your first reflections and reactions

How would you describe Susanne? What seems to be important to her?

What could cause "moments of tension" and challenges ahead in her position as CEO of the acquisition?

What sort of people and capabilities would you look out for when putting together the acquisition team?

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The Case Part 2: A Good Start!

I focused my entire life on this acquisition. It had to be a success and I needed some very clever, extremely ambitious and target driven people to make it happen!

In my large network there were some high achievers that I felt looked very promising. They had just the right expertise for this task, and I had worked with them on earlier projects, so there was mutual trust. There was only one unknown quantity, and I approached him first as he covered a topic in which I lacked experience.

Bernhard was only three years from retirement, but he was famous throughout the company for turning around any production site, however difficult. He had worked in Turkey, Russia, Brazil, and 15 years ago had opened the first plant for us in China. I met a man with strong and direct opinions. I didn't find him easy to persuade, not least because he had faced a whole host of obstacles those 15 years ago in China. But I don't give up easily, especially on a man with such a wealth of experience in production, and somehow I managed to ultimately get him to agree: "Why not add another adventure at the end of my career?"

Then I reached out to Marcel. I met him five years ago in Paris, where he was responsible for integrating the local IT system into the global network. After completing the integration of our US sites, he was now in Shanghai, responsible for decoupling the China system from the global system for safety reasons. I was able to catch him on the phone. And he agreed! Great, he would make an excellent expert for the complex issue of integrating Taipei into the global system, and Zhuhai into the China system. At 30, he would be the youngest member of my team.

Next, I approached Lukas, 41 years old and a very experienced salesman who had built up the EU sales network with me three years ago. Just before the Ukraine war, he had opened the Russian market for us. The war forced him to return to Germany, where he was working on a small project – and was fairly unhappy, I had heard. So at this stage I hoped he would find my offer very attractive! His experience would be a perfect fit for our efforts to develop first Taiwan and later China. And guess what: He was more than willing to join my team!

When a close and trusted colleague mentioned that business figures tended to be tweaked more frequently in Asia than in Germany, I knew I needed a strong finance partner. My current counterpart in HQ Finance was Karin, aged 42. Just like me, she had been with the company for 20 years. I had come to trust her as someone who knew how to keep a secret and how to be a pain in the ass if she needed information! She had once given me access to her incredible global network to solve a delicate issue. Would she be willing to move to Taipei to support us with all her expertise? When I invited her to become the acquisition's CFO, she said: "That's incredible! You are offering me the job I have been wanting for quite some time. I am especially interested in Asia as I have worked closely with Singapore, Kuala Lumpur, Suzhou and Beijing over the past years on solving some complex challenges. Yes, I want to join your team! Tell me when to pack. My husband is also ready for more global exposure."

Lucky me! I had global experience, profound industry expertise and four high performers at my side. Three of them I knew to be great team players who would fully support the growth of the teams in Taipei and Zhuhai. Now I felt completely confident that we would make the acquisition a success.

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Still, I thought it would be a good idea to invite an external China expert to join our team. Which did indeed prove to be a great idea! Dave was a source of knowledge, humorously sharing his views about us and them. Due to our global exposure, we were able to challenge a lot of his insights and compare market styles. Having learned the importance of investing time in relationships, we drew up a plan of whom to meet for coffee, lunch or dinner when in Taipei. The retiring owner and his daughter, who would manage the Taiwan team for the first 2 years, were highest on our list of people to spend time with.

Due diligence started immediately and confirmed my choice of the four team members. They didn't settle for superficial answers but dived deep for the hidden information. Being experts, they knew what to look for, what questions to ask. Peter was pleasantly surprised at how well I had chosen my team. Together with him, two of our lawyers and an auditing firm, we collected all the relevant data in Taipei.

The only bitter pill we had to swallow was that legally we were not allowed to visit the Zhuhai plant before closing the acquisition. So we invited the Zhuhai plant leader to Taipei. Bernhard interviewed him several times but was not satisfied with the result. "I can't get through to the guy", he told us. "Mr. Liu's friendliness is like a rubber wall. I can't read his face nor judge his aims nor his interests. My gut tells me some of the information is not correct, but I can't tie it down to a specific topic. I've tried to identify someone in our China organization who can find out more about Zhuhai, but without success."

Lukas and Karin immediately called their contacts to uncover more details about Zhuhai but the plant seemed to be cut off from any public access. It was like a fortress, which meant we had to work with the information given by Mr. Liu. He told Bernhard that the production processes in Zhuhai were pretty simple and basic, about 10 years behind the Taipei plant. However, might this not be right approach given that it operated in the very local – and very cheap – market in China? Something for me to consider.

Your first reflections and reactions

What do you think might become risky challenges for Susanne if not dealt with soon?

How would you take care of them if you were in Susanne's position?

How can Susanne make more use of the different personalities in her team? What would be tasks or projects outside their specific roles where they could add value?

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The Case Part 3: Culture Eats Strategy for Breakfast!¹

Before commencing due diligence, Dave had suggested performing a Culture Check as well. From Peter we already knew about the hierarchical management style and line functions, so we focused on the management style of Zhuhai and the cooperation between Taiwan and Zhuhai. To our great surprise, there was no communication between Zhuhai and Taipei other than between the plant leader and the Taiwan management team. No cross-functional exchange, and entirely separate admin systems. That was something I definitely wanted to change. Marcel was already working on a plan that kept both IT systems separate, but still delivered the hard facts about Zhuhai's progress as none of us would be based in Zhuhai permanently.

After another meeting with the plant manager of Zhuhai, Bernhard exploded. "I can't bear to meet Mr. Zhang again! He reminds me of the most intolerable managers I met 15 years ago on the mainland. If this is still how the Chinese manage plants, I am the wrong guy!" Marcel jumped in to assist, but he was also dumbfounded by what he heard. His young Shanghai counterparts were all quite Western in their approach to working. I tried to find a way to access the plant in Zhuhai to find out more but the lawyers barred me. I was told I would risk the whole deal by visiting the plant at the moment.

At least Lukas came up with some good news! His suggestions for improving marketing and sales looked like the easiest part of all! Karin told me that integrating the finance functions would be a huge task. Overall, the integration into the global business structure would be a challenge, which meant that I would be able to make a difference and prove my ability to the Board!

The findings of our due diligence marked the start of negotiations. As we were still doing our old jobs, we kept our flights to Taipei as short as possible but always found time for personal meetings to further cement an atmosphere of openness and trust. I and my team agreed to use the constant message of "You stay the same. We will integrate some of the systems into our global functions, but the local business and production will stay local."

Our meetings with the daughter Tiantian and the owner, Mr. Wang, were very fruitful, evolving into an increasingly open exchange about almost everything. Meeting with the other Taiwanese managers and the plant leader was more tiring due to language issues. If they couldn't find anybody in their team to translate, we often drank a cup of tea, smiled at each other, and left after 5 minutes. We finally employed a translator but having to split one person between the five of us didn't really work well. Almost without noticing, we gradually reduced the number of meetings. Towards the end, we still had a coffee break from time to time with Tiantian and Mr. Wang, but with nobody else.

¹ "Culture eats strategy for breakfast" is often quoted as being from Peter Drucker. In fact, he said: "Culture—no matter how defined—is singularly persistent." Nevertheless, I go with the wrong citation as the (business) culture of a country, region and organization can in fact be stronger than any strategy, however smart it may be. Culture is like a software, a specific program that embeds itself into the people in a nation, an organisation. They don't question their values, they practise them. Culture dictates the "game rules", and that's why the norms in Taiwan, China, Germany, the US or UK differ. The same goes for the organizations within one nation: they nurture, expect, reinforce and reward different values, structures, procedures and rules that don't feel natural for other firms.

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Our China consultant Dave had taken note of this when Peter and I met with him again to plan the first 100 days of the integration phase. He worried that the situation might potentially backfire, and when he learned that we could productively use the time between signing and closing, he proposed a culture team-building event two weeks after the signing in Taipei. We would put across our core message "You stay as you are." And Dave would take ownership of all other activities aimed at reassuring everyone that we were all singing from the same choir sheet.

And that's what we did! The workshop started really fruitfully with an elaborate Asian dinner with numerous Chinese rituals, karaoke and a tombola hosted by my team. We celebrated the signing with all the BU decision makers, the Taipei management and the Zhuhai plant leader. Dave facilitated in English and Chinese, supported by younger Taiwanese colleagues who spoke enough English to enable conversation at each table.

The next day started with a warm welcome by Peter, followed by introduction games to get to know each other and deepen our understanding of cultural differences. They were really fun and worked well with all of us. That was a great and reassuring start!

Then it was time for my official opening speech. I failed to notice that the atmosphere turned colder, nor did I understand why, but suddenly the Taiwanese faces became stern. Directly after my speech Frank, representing the Board in Germany, took over to introduce our company, its global activities and how Taipei and Zhuhai would fit into the bigger picture.

Then – I was dumbfounded – Frank started to talk about the integration plan. I wanted to jump up and interfere. How could HE talk about integration at this precious moment? Firstly, we had only signed the acquisition contract, but the officials hadn't yet given their consent for the closing. Secondly, it was OUR responsibility not his. But I didn't dare. If we Germans were seen suddenly to be having an open debate, it would leave a bad impression on the Taiwan side. I looked helplessly at Peter, and only then started to notice that the older Taiwanese managers were discussing intently with their translators and their voices were getting louder and louder. Dave came to my table: "Can we take a break of at least 15 minutes? Tiantian has asked for a separate discussion to clarify and appease the situation. I will stay with them, find out what's going on, and then inform you and your team."

Half an hour later Dave reported to us that the Taiwanese were irritated by me and Frank as neither of us had mentioned "us" and "we" at any time. All they had heard was how great the global player was, not a single word about Taipei and its contribution. And when Frank was talking about the integration, it became bluntly clear that Taiwan was to become 100% German in style. No more "you stay the same". The Taiwanese managers felt betrayed. All my reassuring words of the last 6 months were proving to be one big lie.

Dave felt the only chance to save the situation was to give them the stage to voice their upset. He said: "As long as they are willing to discuss with us, they want to cooperate. That's a good sign. But you have to listen to them patiently. No interruptions. No superficial replies. Instead, ask for another break to have a discussion within the German team, and only then come up with an answer. They want to be taken dead seriously."

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If you ever thought Asians were always calm, polite, reserved, and peaceful, you would have been surprised by the uproar that followed! I was deeply affected by their emotional and point-blank remarks. They blamed me for lying to them, only thinking about my interests and endangering the whole integration. I had a hard time holding back. I would have loved to voice my thoughts about their too traditional and local style. None of the managers had made any progress in English so far, and we had invested quite heavily.



The Chiang Kai-shek Memorial Hall in Taipei. Personal picture

Your first reflections and reactions

What's your first "gut reaction" to the whole situation? What would you do in Susanne's position?

Why does the Taiwan and Zhuhai management clash with the German team, especially Susanne?

What efforts by Susanne and her team would be enormously fruitful both now and after this team building workshop?

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The Case Part 4: Close to Apoplexy!

After this mighty uproar, I felt like I was sitting in front of a delicate, but broken Ming vase. I had been called a liar. This word resounded endlessly in my head like a scratched record. Could this situation ever be resolved? Were all my efforts to no avail? Because so many thoughts were spinning around my head, I asked the Taiwanese team for a 2 hour's break for reflection with my team. We agreed to meet again at 3pm.

When I opened the team meeting, Karin confronted Dave: "You told us the Taiwanese would sing from the same choir sheet as ourselves again if we allowed them to let off steam. Now the whole venture seems at risk! How could you give us such bad advice! What a mess!" That's when Bernhard lost his temper: "This outcome has been simmering for a long time. There is enormous mistrust between us. In fact, I can't take their "politeness" any longer. They beat about the bush; they keep facts from us. I would strongly advocate taking a very close look at the risks we are taking here! We need to question the whole "adventure" of integrating this enterprise! But at the same time, Susanne, you need to seriously examine your leadership style, too! How come you rarely ask for my experience or opinion about anything? Your ambitiousness is eating up the team and probably jeopardizing the project. You look neither right nor left. Instead, you charge through the whole procedure, hell bent on efficiency. It's all about you, not us." Lukas added: "That's exactly how I feel! Why am I accepted when you want me to deliver data to you, but you never involve me in any of your decisions?" Marcel said: "You, Peter and Dave work like a secret society keeping all the information to yourselves. You never ask for my feedback on our integration process or collaboration issues. Not even in such a precarious situation. Yes, you're the boss, but I didn't expect us to adopt an almost Taiwanese style of hierarchy!"

"What.....?" I was speechless. Rage and disappointment rose in me. I felt the blood rush to my head. It felt like a blow to the heart! That was what sitting in a glasshouse felt like! Not just the Taiwanese; even my own team were stabbing me in the back.

That's when David calmly intervened and talked about "heart coherence" for the first time. I felt even more irritated. I accept that we have to spend time with Asians to build relationships and trust, but what did the heart have to do with this situation? My heart is for my family and friends whereas in business it is brains and speed that count. But Dave kept going on about it. So I asked him: "What is heart coherence, and why should I care about it at this time when we have real issues at hand that need fast and factual solutions?"

He replied with a faint smile: "That's exactly why the heart matters most right now. The issues your team just voiced resemble those I heard at the last meeting in Taiwan. They are quite fearful of you and the whole rush. They appreciate your business drive and result orientation but felt they were not being given a single minute to speak up." "That's not fair", I responded. "Every time I'm there, I have a cup of tea with the managers. I would be more than happy to hear their feedback. But as they don't say anything, I leave after 5 minutes. And why didn't Tiantian or her father speak up at our lunches?" "The time you spend with them is too short for delicate feedback", Dave replied. "That's not enough time for Asians to speak up. You have a strong focus on speedy results, which everyone appreciates, and is maybe the reason why you have frequent decision meetings between just yourself and Peter, and sometimes myself. But the acquisition process will suffer badly if the team and Taiwan feel excluded. Let's solve the emotions and tensions now, before the signing, not later. It's time to listen to your team and later Taiwan, and your heart is key to this!"

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I still felt overrun by my team and was not really willing to accept the fool's role, but I certainly didn't want the acquisition to fail. It was key to me and my career. Hence I asked Dave: "OK Dave, what do I do? Sorry guys: how can WE work this out?" Dave answered: "We have two issues to settle. One is the emotions, even aggressions, that are running high. I would like to set up a workshop for tomorrow to talk about anger, frustration, annoyance, and how we can build up tension tolerance both within the team and with the Taiwanese. But for now, I would like to focus your attention on a topic that is often neglected in the result-oriented West..."

He went on: "Would you ever build relationships with friends with a clear vision and strategy as well as a detailed roadmap in mind? Probably not. You would listen to your heart, you would look for common interests, fun, laughter. It's not your bright brain that tells you: "This is the right partner! I checked him/her out." It's your heart that beats, it's your gut that speaks. That's one aspect of heart coherence. But there's more in this concept, so let's dive a bit deeper!"

"Have you ever heard your heart speak during the last few weeks? And did you take time to listen to it? Or the heart of a team member, Tiantian, or other managers? I guess not. You were way too busy with facts and figures, numbers, and plans. But your heart has ears², so let's see how we can make use of them!"

"Sensing your own and others' hearts requires daily training. A "quick and dirty" once is enough approach will not do it. Hearing and sensing the heart in others", Dave added, "is especially relevant in Asian cultures. Expressing negative feelings or criticism is not the thing done here. Good "heart detectors" are approachable and benevolent. They invest time to deepen relationships, to foster openness and trust. In fact, their greatest ability is to listen closely and to sense deeply. That might also be important for your team right now."

My team did indeed look less tense and so we dived deeper into the topic:

- *How could I and we become better listeners, both to our own and the hearts of others?*
- *What is compassion, and could it really help me / us to navigate all the challenges ahead?*
- *Why should we dance to the same beat at meetings? To achieve what?*

When I voiced my biggest worry – that I might have to throw my business acumen, result orientation and focus on target achievement overboard in order to become a heart coherent leader – the team made me take a look at my bossy side. I have to admit I do love to be in the driver's seat. I like to take decisions – even under pressure and at short notice. It comes naturally. It is what has brought me forward and enabled me to win this acquisition.

But the team also confronted me with the fact that I happily accept the influence of superiors, such as Peter, but tend to neglect the stances and perspectives of my team members. One reason being time pressure. If others are slowing down the decision process, I become very impatient and direct! "That is a feeble excuse", said Bernhard. "You don't see or treat us as equals, but rather as factfinders and diligent implementors of your decisions. You let us do the hard work, but you don't let us lead."

He was right. I liked to work with teams, but only as their leader. I have probably always been too ambitious to make an inclusive team player. I had my doubts as to whether I could change that attitude rapidly. But the discussion gave me an inkling of how to solve our current conflict.

² This information can be found in [Dr. Friedl's entertaining book](#) on page 221 – in the German version. The book in English can be found [here](#).

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I informed Bernhard, Lukas, Marcel and Karin that from now on 70% of the meetings formerly between Peter and myself would in future be team meetings. That would ensure that we were all on the same page when it came to procedures and that Bernhard, Lukas, Marcel and Karin would have a say in more decisions.

My suggestion calmed the atmosphere, so we started to discuss how to proceed with the Taiwanese and the Zhuhai plant manager. How could we make use of heart coherence in the forthcoming meeting with the Taiwanese? Could we even move together to the same heartbeat?

How Could This Story Proceed?

Imagine you are being asked to write the storyboard to bring this movie to an end.

What could happen in the upcoming meeting?

Would Susanne be able to adapt, and if yes, in what way?

How would her teammates behave, how would the Taiwanese react?

If you send me your plot to info@danielafehring.com, I will send the end of my story to you as well as an analysis of each chapter's challenges and potential solutions.