
Pierre Frankel in Moscow (A) : Unfreezing Change Case Study Analysis

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Introduction

The following is analysis of case about Pierre Frankel's (a newly assigned deputy managing director) efforts on turning around H-IT's poorly performing subsidiary in Russia. Throughout this case, conflicts and uncommon situations he faced during introducing new ways of working and applying changes in organisation are to be reviewed.

H-IT in Russia

H-IT was a worldwide provider of technology and services with all subsidiaries involved in sales and customer services.

Expected progress from H-IT's Russian subsidiary is to become a profitable and growing organisation in one year period so Executives expecting progress towards corporate goals by assigning Pierre Frankel as deputy of MD Sergei Lebedev.

Pierre Frankel & Business in Russia

Pierre Frankel was assigned as the new deputy managing director of H-IT's subsidiary in Russia. Pierre had degrees on economics and business management. Prior to this new assignment, he had served in different positions at H-IT. He was promoted to Vice President of Business operations and later had strategic roles within company.

Pierre had created business plan for Russia turnaround which influenced top management and resulted him to get a critical role to save underperforming subsidiary. He was a hardworking person with a new assignment to carve the path to success in Russia which was blocked by inter-personal relationships and paternalistic business environment.

A good listener, methodologist and hardworking person committed to get improving results on what he was working on but he was known as an outsider for 450 employees in the organisation plus MD Sergei Lebedev's efforts to alienate him. His first 3 months in Russia were extremely challenging. Symbolic behaviours plug hard time while getting familiar with employees' who looked like open-minded people at first. Resistance for change was unbelievable. Employee's were showing passive resistance to everything.

The problem with HT-IT Russia was starting with manager directory Lebedev and going through all the organisation in terms of business understanding, indeed which Russia (after fall of USSR) can take credit for.

Pierre needed someone native Russian to help him to break the chains of organisation. Someone who is familiar with Russian tactics, daily business routines, someone who can guess the next step Sergei Lebedev can take.

As he built good relationship with HR Head, Nadia Abramova and convinced her that he needed someone native to help him about affairs and business within organisation. This stands as a good idea but has a huge risk of failure coming from new employee's probable collaboration with Lebedev.

So new hire should have certain characteristics as a native Russian educated with Central European business understanding, someone who had background on working with global companies.

Sergei Lebedev

Sergei Lebedev was an ex Soviet secret service employee. He had autocratic management style, controlling all information from Russia organisation. He was fluent in English, had good communication skills and most importantly a man with network in country. Following USSR fall, to do business in new Russia, a good network was mandatory and Lebedev was filling this gap. However, his management style with absolute power was preventing information flow so negative performance was becoming unsolvable. As a result he became irreplaceable.

Pierre was promoted to deputy of Russia subsidiary to break this blackbox created around subsidiary by Lebedev.

Conclusion

Case is a problem case focusing on Pierre Frankel's efforts on turning subsidiary around, opposing Sergei Lebedev and challenging business conditions in Russia.

Pierre pushed hard to get things in Russia turn around in 3 months. He tried to secure internal connections, apply sales funnel best practices, identify people who are eager to learn and grow but couldn't crack into Russian state of mind. Hiring a native ally can be useful but still requires to play the game with local rules. It is a tough assignment. One way to achieve could be keeping company values but take Russian way of working granted.