

## Global Shared Services at McDonald's Corporation

*A Culture of Developing Leaders*



As the world's leading foodservice retailer serving nearly 70 million customers every day in more than 100 countries, McDonald's recognizes the importance of having good people in place in order to deliver an exceptional customer experience.

McDonald's has a rich history of developing leaders. Founder, Ray Kroc, once said, "As long as you're green, you're growing." McDonald's demonstrates their support of this philosophy and commitment to their people by providing opportunity, nurturing talent, developing leaders and rewarding achievement. This is evident in McDonald's long tradition of promoting from within. McDonald's website states that nearly 50% of corporate restaurant managers and 60% of owner operators started out as crew at a McDonald's restaurant.

For some, McDonald's represents a first job—a place to develop fundamental skills that can help employees achieve success in future life pursuits. For others, McDonald's represents a pathway to a long-term career that provides rewarding opportunities to grow, contribute and advance over many years. McDonald's Values state their belief that a team of well-trained individuals with diverse backgrounds and experiences, working together in an environment that fosters respect and drives high levels of engagement, is essential to their continued success.

### GLOBAL SHARED SERVICES

*McDonalds Corporation*

#### *Context*

- 70 million customers daily in over 100 countries
- 50% of corporate restaurant managers & 60% of owner operators started out as crew at a McDonald's restaurant
- IT organization was decentralized in structure but needed to function as a cohesive team to drive common global solutions



### LEADERSHIP TEAM IMPACT

- Created a culture of openness, support, trust and high-performance
- Empowered team members talk openly about their opportunities and gain support using a common language
- Achieved their five-year strategic plan in only three years
- Set in place the GSS 2020 Strategy to continue their momentum toward their vision to be a world-class shared services organization

## THE CHALLENGE

McDonald's Shared Services team began their partnership with the Leadership Circle in 2008. At that time, Shared Services was part of McDonald's IT group. The IT organization was decentralized in structure but needed to function as a cohesive team to drive common global solutions. The CIO recognized the importance of developing teamwork and alignment across IT leaders and engaged Leadership Circle to lead this effort. After the IT Leadership Team had gone through the Leadership Circle process, the CIO asked each of the officers including Kelvin McLaurin, then VP of Shared Services, to engage their teams in the program.

Soon after the Leadership Circle was introduced, the Shared Services organization evolved into Global Shared Services (GSS) and became the first truly global function at McDonald's. McLaurin recalls, "We needed to build a diverse, global team with leaders that could expand beyond their current capabilities." He understood the importance of establishing leadership effectiveness as a priority early on with the team he was building and leveraged the Leadership Circle to make this a reality.

In 2012, McLaurin transitioned to a role leading McDonald's Finance Transformation. Debbie Ballard, who had been a member of the GSS Leadership Team since 2005, then took on leadership of the GSS organization. Having experienced the value of The Leadership Circle, she was already a supporter of the program and its benefits. Ballard explains, "The Leadership Circle process has helped me professionally and personally. It enables me to step back and see why I'm behaving the way I'm behaving. It has helped me grow as a leader and to model the things that I'm asking my leadership team to do." Thus, GSS continued their focus on leadership development and further engrained the Leadership Circle program into its culture

## THE SOLUTION

When the Leadership Circle was introduced in 2008, the Shared Services Leadership Team was skeptical. Introducing an exercise which required not only getting feedback about individual strengths and opportunities, but then sharing publicly with their fellow leadership team members was not going to be easy. The team committed to participate in the Leadership Circle, knowing that the first session would be hard, but trusting that the outcomes would make it worthwhile.

Despite the initial hesitation, the Global Shared Services (GSS) organization has become the group that applies the Leadership Circle most holistically and consistently. While other groups at McDonald's leverage this program, GSS is unique in that they continue to use public feedback with each team member talking about their strengths and weaknesses in front of the group. McLaurin explains, "The Leadership Circle has become the common language across the GSS Leadership Team to onboard and develop our leaders." As new members join the leadership team, either from GSS or a support partner, they are expected to participate in the Leadership Circle. In addition, GSS also engages their high-potential managers in the process. In 2014, GSS added the Leadership Circle Pulse Survey to hone in on opportunity areas and ensure more frequent feedback to drive development in those specific areas.

McLaurin, who now leads Finance Transformation, brought the Leadership Circle practice to his new team as well. The Finance Transformation Leadership Team engaged in the process for the first time in September 2014. In addition to the individual focus, the Finance Transformation team also incorporated an assessment about the competencies and development opportunities of the team overall.

# THE RESULT

The Leadership Circle has helped GSS to become a true shared leadership team and build a culture of openness, support, trust and high-performance. Ballard explains, “It is part of our DNA, part of who we are. We’ve now done multiple offsite meetings with our leadership team focusing on individual and collective effectiveness. As a result, we’ve forged a cohesive, high-performing leadership culture in GSS.”

Team members are empowered to seek each other out to talk openly about their opportunities and gain support using a common language. Each leader’s candor paired with their support for one another enables GSS to drive business results in their organization at an accelerated pace. Instead of ignoring underlying issues, which could hinder progress, the team can bring them to the surface and talk through them.

Because the team respects the Leadership Circle process and one another, gaining awareness of each other’s strengths and opportunities creates an environment of trust and support. Ballard describes, “People are afraid at first - afraid of publicly getting up and showing people their development opportunities, but then they see that this is a supportive environment. It’s not to discourage or embarrass you but to help you become a better leader.”

The culture that the Leadership Circle has helped to create in GSS is a key contributor to the success of their organization. They achieved their five-year strategic plan in only three years, and then set in place the GSS 2020 Strategy to continue their momentum toward their vision to be a world-class shared services organization. Both McLaurin and Ballard continue to be strong advocates for the Leadership Circle process, driving application in their organizations and sharing their experiences with others in the McDonald’s System.