



Strategy & Change Leaders

2008 - 9

**northern
rock**

01. Background

Northern Rock was the first of the UK financial services to face nationalisation as a result of the financial crisis.

During a period of intense public scrutiny Northern Rock was taken into temporary public ownership 22 February 2008. A business plan was developed that was designed to support the Government's stated objectives of protecting taxpayers, maintaining wider financial stability and protecting consumers. The plan was built on four strategic priorities:

- Repayment of the loan facilities provided by the Government;
- Alignment of the organisation and operations of Northern Rock;
- Building a standalone funding and capital position; and
- Strengthening the risk and control environment.

Against this backdrop, Augmentum Consulting was retained to build the transition team whose remit would be to turn the organisation around.

02. Our Engagement

Augmentum was engaged to find a number of senior strategy and change leaders, to head the strategy, organisation design and transformation execution teams.

The potential for Northern Rock is considerable; it has the opportunity to be a pioneer in re- shaping an entire industry sector. In order to achieve this level of ambition it needs to recruit a number of world class professionals who share the vision that the new leadership team bring whilst embracing the challenges en route.

03. Search Principles

For executives working in the strategy and change world, Northern Rock had one of the most compelling stories and offered one of the greatest career challenges imaginable. Candidates, however, found the proposition fascinating as it gave the opportunity to be part of a unique financial services turnaround, the like of which may only be seen once in a generation. They also saw the potential for significant career development as a result of the exposure attached to such a public turnaround.

One of the key challenges for Augmentum was the necessity to find candidates willing to relocate to the North East, considering that the majority of executives were based out of London.

For the majority of the roles knowledge of the retail financial services industry was highly desirable, if not a prerequisite. There were, however, examples such as the Head of Organisational Design role where we explored other industries and specific firms who had gone through a similar scale of transformation.

04. Outcome

Our work resulted in the hire of 9 executives into the transition team. The roles encompassed heads of strategy and planning, organisational architecture and operational execution functions. These were critical roles with a huge degree of influence on the successful outcome of the Northern Rock transformation.