

## Executive Alignment Initiative Accelerates Strategy Execution at Kimberly-Clark



"Ultimately, the BTS simulation created an exciting communication platform that allowed me to quickly align KimberlyClark's senior team around enterprise value creation."

– Thomas J. Falk,  
CEO,  
Kimberly-Clark

Kimberly-Clark approached [BTS](#) to develop a [business simulation](#) for their annual off-site. Each year, the off-site is attended by the top 100 leaders and focuses on issues most pressing in the organization. In this case, the company needed to align executives around the company's strategy and accelerate shareholder value creation. Specifically, the Chief Executive Officer (CEO) and Chief Strategy Officer (CSO) wanted to deepen executive understanding of the company from an investor perspective. Their objective: for the senior leadership of the organization to view the investor as a customer and take actions accordingly to drive total shareholder return (TSR).

### Rising to the Challenge: A Rapid, Highly Customized Development

Beginning with interviews of the senior executives, BTS designed and developed a customized board simulation with a dynamically competitive market in 60 days. The simulation was structured around Kimberly-Clark's two main businesses and focused on the enterprise capabilities necessary for growth.

Due to the senior level of the audience, the complexity of the desired learning objectives and the time allotted for the experience, BTS designed the solution using a board simulation combined with the power of a PC-based market model. The [board simulation](#) served as a planning tool for participants to allocate people and money across different innovation opportunities, branding, and go-to-market strategies while also developing enterprise capabilities.

### A Comprehensive Solution Drives Executive Alignment

Over the course of 1.5 days, a total of 10 hours, participants were required to manage income statements for each of the businesses, as well as capital allocation and cash flow for the enterprise as a whole. Competing teams made multiple revisions to their financial forecasts based on their decisions and resource allocations, and were forced to adjust their strategies based on marketplace dynamics and unexpected events.

"The primary purpose of the conference was to engage our leaders in KimberlyClark's strategic direction and increase their understanding of shareholder value creation. We asked BTS to create a customized, sophisticated simulation experience that brought our key business challenges to life. The simulation BTS created exceeded our expectations."

- Thomas J. Falk,  
CEO,  
Kimberly-Clark

#### Key issues addressed in the simulation included:

- Understanding how value is created for shareholders by:
  - Growing the business profitably through
    - Innovation and brand strength
    - Sound portfolio choices
  - Allocating capital appropriately by
    - Delivering returns on capital spending and acquisitions
    - Recognizing the role of working capital
  - Delivering consistently against commitments through
    - Greater certainty in top- and bottom-line forecasts
    - Consistent and competitive returns versus other alternative investment options
  - Generating returns exceeding the cost of capital
- Appreciating competition for investors in capital markets

#### Simulated Experience Delivers Lasting Impact

Through the business simulation experience, the 100 participating executives competed in teams to generate the highest TSR over two simulated years. After each simulation period, debriefs focused on drawing links between the decisions made and the impact of those decisions on TSR. In the end, the BTS simulation enabled all 100 leaders, gathered in a single room, to experience the company's challenges and drivers for future success. The result: remarkable enthusiasm, aligning leaders around the future direction of the company.

Through the innovative solution, the CEO and CSO were able to educate the company's top 100 executives about the importance of returning value to the shareholders. The senior leadership of the company was able to clearly identify the levers available to succeed in the marketplace and manage the company more effectively. The leadership also developed a better understanding of how their daily decision-making drives value for the organization and accelerates shareholder returns.

#### About BTS

BTS focuses on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For 30 years, we've been designing fun, powerful experiences™ that have profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success. It's strategy made personal.

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