









EXCEL WITH RED BULL

A High-Performance Organization (HPO) Journey

This Quick Insight examines how Red Bull Netherlands successfully managed its rapid growth by utilizing the High-Performance Organization (HPO) framework. The article explores the challenges tied to unchecked expansion and underscores the critical role of quality management, transparency, and investment in employees. It also introduces the concept of continuous self-evaluation as a means to maintain organizational focus and optimization. Through the case study of Red Bull Netherlands, the article emphasizes the importance of a balanced growth strategy that takes into account not just financial metrics but also long-term objectives, organizational culture, and social responsibility. This Quick Insight is essential reading for business leaders, managers, and policymakers interested in leveraging the HPO framework to achieve controlled and sustainable growth.

This is the management summary of the article: de Waal, A., and Schreurs, M. (2017), "HPO geeft Red Bull vleugels [HPO Gives Red Bull Wings]", *Holland Management Review*, No. 174, pp. 27-35.

KEY TAKEAWAYS

-  **Strategic HPO Framework:** Controlling unchecked growth is pivotal, making it essential to implement a robust framework like the High Performance Organization (HPO) framework. This framework helps identify and strengthen the organization's internal weaknesses so that controlled growth can take place.
-  **Management Quality:** It is critical for management to possess decisiveness, integrity, and action orientation. Managers should continuously seek personal growth and lead the organization with a results-driven approach while at the same time fostering creativity.
-  **Transparency and Action Orientation:** Promote open communication within the organization. This means not just promoting top-down communication but also ensuring horizontal and bottom-up communication and setting up continuous feedback and adjustment mechanisms.
-  **Invest in Employees:** Recognize the added value of employees by giving them responsibility quite soon, offering training, and cultivating a culture of personal growth. Also, ensure clear avenues for promotion within the organization.
-  **Continuous Self-evaluation:** Regularly reevaluate the organization's growth strategy. This involves questioning current successes, and setting future objectives and required steps to achieve these goals. This helps maintain focus and to continuously optimize the organization.
-  **The Red Bull Netherlands case underscores the importance of a balanced growth approach, considering not just current financial performance and short-term objectives, but also long-term strategy and results, organizational culture, employee development, and social responsibility.**



Striving for Top Performance

Organizations often aim for growth, but rapid success can lead to challenges. The intriguing case of Red Bull Netherlands demonstrates how an organization can strengthen itself using the High Performance Organization (HPO) framework to manage out-of-control spiraling growth.

The Red Bull Story

Red Bull was developed in the 1980s by Dietrich Mateschitz, inspired by the Asian energy drink Krating Daeng. Starting with 1 million cans sold in 1987, the company soared to an annual sale of over 6.1 billion cans worldwide. Based in Austria, the organization has remained privately owned since its inception so it could fulfill its long-term vision: "Red Bull is a functional beverage company, aiming to consistently build its brand, and committed to investing in it."

Challenges of Growth in the Netherlands

Red Bull Netherlands, based in Amsterdam and part of Red Bull GmbH, comprised 90 permanent employees and approximately 200 students. Despite its success with its iconic energy drink, the rapid growth of the organization started causing issues in 2008. The company was at risk of "overextending" itself by focusing too heavily on can sales and not sufficiently on future growth and the organization's professionalization necessary to guide that growth.

New Growth Path with HPO

To address these challenges, Red Bull Netherlands' management decided to employ the HPO framework to fortify its internal operations. By implementing the five factors of the HPO framework, areas needing change and reinforcement became clear. With this successful approach, Red Bull Netherlands not only managed its growth effectively but also accelerated its organizational growth pace.

Red Bull's Vision and Values

The Red Bull manifesto includes the vision 'Giving wings to people and ideas' and values: 'Winged, Making the Impossible Possible, and Yeeeh or Neeeh'. These are complemented by employee-created behavioral guidelines and are used consistently in communications.



Additionally, Red Bull encourages its employees to push their professional boundaries and seek personal growth. Supporting this, the Red Bull Academy was established, elevating both management and employees to higher standards of excellence.

The HPO Framework

Over a span of ten years, the HPO framework was developed by analyzing 290 academic and management publications focused on high performance and excellence. This analysis identified specific characteristics associated with high performance.

These characteristics were then evaluated through a global HPO survey, completed by 3,200 respondents from 1,475 organizations. Statistical analysis revealed 35 characteristics directly related to organizational performance, grouped into five HPO factors:

management quality, openness and action orientation, continuous improvement and renewal, long-term orientation, and employee quality.

Organizations scoring higher than their peers on these factors perform better, both financially and non-financially.



THE 5 STRANDS OF SUCCESS



MANAGEMENT
QUALITY



CONTINUOUS
IMPROVEMENT



LONG-TERM
ORIENTATION



EMPLOYEE
QUALITY



OPENNESS & ACTION
ORIENTATION

1. **Management Quality (MQ):** In an HPO, management promotes trust and fairness. They are reliable, live with integrity, demonstrate commitment, enthusiasm, and respect, and make decisions in a decisive, action-oriented style. Management holds people accountable for their performance by ensuring clear accountability for results.
2. **Openness and Action-Oriented (OAO):** HPOs have an open culture where management values employee opinions and involves them in key organizational processes. Mistakes are seen as learning opportunities. There's a strong focus on dialogue, knowledge exchange, and learning to generate new performance-enhancing ideas.



3. **Long-Term Orientation (LTO):** An HPO focuses on long-term commitment to all stakeholders, including suppliers and customers. It prioritizes internal candidates for vacancies, encouraging employees to become leaders, and offers a secure workplace.
4. **Continuous Improvement and Renewal (CI):** An HPO constantly refreshes its strategies, improves, simplifies, and aligns its processes. It also innovates its products and services, creating a competitive edge.
5. **Employee Quality (EQ):** An HPO comprises a diverse management team and workforce with flexible work practices. Employees are trained to be resilient and flexible, held accountable for their performance, and encouraged to develop their skills.

Application of the HPO Framework at Red Bull Netherlands

Red Bull Netherlands examined each HPO factor while drafting its new long-term plan. For each factor, the current state of the organization was evaluated. This highlighted areas needing reinforcement for each specific factor, which were translated into targeted improvement actions incorporated into the long-term strategy.

High Management Quality at Red Bull

Red Bull's management was characterized by its results-driven and robust action-oriented approach. As the organization grew, a shift in management style and attitude became essential. A management program had been implemented to train managers in personal and team leadership, coaching, interviewing, and providing positive feedback. Senior managers aimed to strike a balance between ownership and fostering creativity and ambition among younger managers. Regular self-evaluation had been employed for necessary adjustments.



Promotion of Transparency and Proactivity

Red Bull shifted its focus from short-term achievements, like the number of cans sold, to long-term objectives during reflection sessions. These sessions served as platforms for dialogue and knowledge sharing, with substantial feedback allowing for timely course corrections.

Pursuit of Continuous Improvement and Innovation

To maintain peak performance, Red Bull consistently refined its products, services, and processes. The company aimed to better align all its processes and leveraged insights from quarterly meetings for continuous improvement.

Sustainability and Social Responsibility

As the organization matured, Red Bull Netherlands emphasized corporate social responsibility and environmental considerations. Through production and transportation optimization, Red Bull sought to meet ambitious environmental targets and minimize energy consumption. Initiatives include can recycling and cleanup campaigns after events. Additionally, the 'Wings for Life World Run' is organized by Red Bull annually in May across 32 countries to support spinal cord injury research.

Growth and Advancement at Red Bull

Despite a streamlined management structure, Red Bull offers both vertical and horizontal advancement opportunities, including international roles. About 28% of their flexible student workforce transitions to permanent roles, with 50% of the management team emerging from within the company.

Employee Development

Red Bull places a premium on employee quality, fostering creativity towards personal and organizational goals. Trust was granted to all employees, irrespective of age or experience, empowering them with significant responsibilities early in their careers. New hires underwent an onboarding program in their first three months to swiftly identify strengths, which were then integrated into development plans. Various training sessions were also provided to further hone their skills.



Adjustment and Departure

The responsibility endowed on employees presupposed that they were both willing and able to shoulder it. If not, individuals usually indicate this themselves. "If no alternative role suited them, departures were managed respectfully. Due to organizational transparency, reasons for exits were openly shared. Given that a significant portion of the workforce is young and ambitious, there is a fairly consistent turnover. Red Bull facilitated this with extensive international opportunities. Moreover, many individuals often ventured into entrepreneurship, reflecting the entrepreneurial spirit encouraged by Red Bull.

Conclusion


Red Bull Netherlands implemented the HPO framework to tie its growth with an ever-present ambition for professionalism. The HPO framework remains a priority for Red Bull Netherlands due to the power of repetition and sustained focus on set objectives. Key questions are continuously raised: When we double our business, how many users will we have? How many cans will they consume weekly, monthly, or annually? How do you correlate growth with the organization's core purpose? How can you keep inspiring employees? What organizational needs arise? Which areas need bolstering? Clear challenges arise related to distribution, organizational structure, and the HPO factors which require reinforcement. This approach ensures the organization's controlled and accelerated growth.





ARE YOU READY TO TRANSFORM YOUR ORGANIZATION INTO AN HPO?

It all starts with insight, obtained through an **HPO diagnosis**. This diagnosis shows you how your organization—or even just a specific department—scores on the success factors of High Performance Organizations. You will receive development points/improvement themes that can be tackled by managers and employees together. The HPO diagnosis acts as a mirror, in which you honestly look at your organization (or part of it) and yourself: how far are we on the path to becoming an HPO? It helps you identify the 'hard nuts to crack': the focus areas that need to be addressed to realize your strategy and become an HPO. You determine your current level (the starting point) and use this as a basis to measure the effectiveness of the HPO transition. It also strengthens the 'sense of unity' within your organization: by identifying and addressing shared, supported improvement themes.

Achieving or maintaining the status of an HPO comes with a range of financial and strategic benefits for everyone involved: the organization, the customers, and the employees.

 **Customer Focus:** An HPO is invaluable to its customers. The primary goal is to boost customer value and satisfaction.

 **Employee Engagement:** Aiming for high performance re-energizes your team. It leads to increased job satisfaction as HPOs concentrate on what genuinely drives organizational success. It's not a new project; it's a new mindset and approach to work.

 **Adaptability:** An HPO is designed to evolve. It thrives in our ever-changing, competitive world, making your organization more resilient and future-proof. This is achieved through ongoing adjustments, learning, and improvements.

Our Offer

- ✓ Customized **HPO Diagnoses**
- ✓ Interactive **Lectures and Workshops** on the HPO Framework
- ✓ Comprehensive Interviews, **Articles**, **Books**, and Networking Opportunities
- ✓ Guidance in Implementation Led by our **HPO Experts**



Why choose the HPO Center?



Experience & Credibility

With over 15 years of practical experience combined with rigorous scientific research, the HPO Center is at the global forefront of organizational improvement advice.



Global Knowledge Center

Based in the Netherlands, the HPO Center collaborates with partners, including in emerging markets, with the aim of fulfilling its mission to improve organizations worldwide.



Unmatched Expertise

HPO doesn't stop at diagnosing organizations. We also explore, investigate, and delve deeply into related topics such as High Performance Leadership, Silo-busting, Futurizing, Social Value Creation, and High Performance Business Ecosystems—evidence of our commitment to continually expand the HPO universe.



More than Just an Organization

With a passion for inspiring, stimulating, and networking, the HPO Center is not just an organization; it's a movement. Through scientific and professional publications (all freely available at hpocenter.com and www.hpocenter.nl), books, seminars, and roundtables, we continually disseminate the knowledge of the HPO Framework and unite professionals interested in continuous improvement and excellence.

Considering an HPO transformation?

The HPO Center is ready to support and guide you on your journey toward high performance. Contact us today for an inspiring conversation or to experience an HPO workshop. Together, we'll redefine your performance.



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