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The Change Agent: How Mike Lawrie Transforms Cultures — and Companies

A Conversation with the CEO of DXC Technology

MIKE LAWRIE
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, DXC TECHNOLOGY

Mike Lawrie had his work cut out for him when he took the reins at Computer Sciences Corp. (CSC) in 2012. The company was facing a $4 billion loss, its moribund stock had fallen to $23 a share, and it clearly needed a new direction.

Lawrie came in and immediately made dramatic changes: He replaced 90 percent of his executive staff and spun off the company's massive federal contracting division, among other notable moves. The stock responded accordingly, and the technology giant saw its shares rise to $62 only three years later.

Lawrie's work as a turnaround leader comes as no surprise. He led dramatic changes at IBM, eventually becoming senior vice president responsible for worldwide sales and distribution. He later worked at financial services software company Misys, instituting an innovative global strategy.

Last year, he led a CSC merger with the services business of Hewlett-Packard Enterprise Company to create a global IT services company. More recently, CSC rebranded as DXC Technology. Now chairman, president and CEO of DXC Technology, **Lawrie recently spoke with Jason Hancock and Gus Zangrilli from Spencer Stuart about the importance of culture, why his company rebranded and how competition is always lurking.**

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Spencer Stuart: Your company has made a dramatic turnaround since you took over at CSC in 2012. What are some of the notable changes you made to lead this transformation?

Mike Lawrie: For starters, we needed to adjust our overall strategies. To use one example, on my first day, I told people we were going to cross sell. Unfortunately, we had nothing to cross sell at the time. But I thought that was a crucial step for us to take. And now we can do that — we can help customers support their transformation program, and we can drive out the inefficiencies. That's just one of the things we've done.

But looking at the bigger picture, we needed to have the right assets to execute our strategy correctly. That's not exactly a surprise, right? You need to have the proper businesses in your portfolio. So we had to unload assets that weren't relevant to where we wanted to go. In the end, we divested seven businesses and acquired eight that felt necessary to help us achieve our long-term goals.

We also took a long look at our financial models, because clearly they need to be aligned to our long-term strategy. And we needed to make sure investors understood our goals and had confidence in our direction.

How did you address the culture? That undoubtedly had to change, as well.

When you're making changes of this magnitude, you definitely need the right culture and the right team in place alongside you. You've got to have people who are fully in, who believe both intellectually and emotionally in your strategy. Frankly, when I started, the CSC team didn't have emotional or intellectual buy-in. So we made some changes to bring people in who were onboard with the direction.

We also had to address the prevailing culture — and when I say culture, I'm referring to the operation model, compensation and the ways people were promoted. All of the unwritten things. But there was very little alignment across the company on these issues. Every business could do what it wanted to do. So taken separately it looked successful, but as a whole we were going bankrupt. Individual motivations and decisions that weren't linked to overall strategy were driving the company into the ground.

So here's what we did: we tested the strategy and brought in investment bankers to manage assets. We also brought in a global search firm to assess and, in some cases, upgrade my new team. So we had an infusion of fresh ideas, which brought enthusiasm and a new direction.

Culture can be kind of an intangible thing — how do you go about investing in and building a new culture? Does it come from the top down, or is there a more organic way to go about it?

It is intangible, but there are concrete ways to do it. You need to have the right people who believe in themselves and their ability to win. Then once you have the right people, you have to mold them and make sure there's a common mission, a common vision. Everyone needs to be on the same page.

We surveyed people about culture — we asked, "What is the culture? What do you want it to be?" And we found there was a huge disconnect between management and employees about the culture. So we worked to address that, and I think we have. But I also think leaders shape culture and it has to come from the top down. It doesn't just happen — you have to listen and engage. We're in a customer-centric culture, but if leaders don't call on customers then how can you have a customer-centric culture?

CSC recently changed its name to DXC. Tell us why you did this, and what are some of the implications of this change?

We did this rebranding for several different reasons. One, both HP and CSC brands felt sort of tired and this brings a new energy. But more importantly, we're signaling that this is about the future. This is about being a leader in the industry. This is entirely new. And this is one of the biggest cultural shifts that we have to make in the company, to think as a leader in this industry. That's a subtle but important shift, and our model supports that way of thinking and leading as we go forward.

You're in a field that's constantly changing — being disrupted, if you will. What do you see as the biggest threats?

There's a great deal of competition — we see it on all sides, from Accenture to IBM to some strong firms based in India. We need to keep an eye on our competition and factor it into our operations, but we also need to be sure that we're not fixating on it. In the end, we can only do what we can do, so we need to keep perspective and realize that it's just another data point to keep us nimble.

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About Spencer Stuart

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