**[Culture Eats Strategy](http://www.consultingpeople.co.uk/viewpoints/culture-eats-strategy.html)**

"And the fact is culture eats strategy for lunch . . . You can have a good strategy in place, but if you don't have the culture and the enabling systems that allow you to successfully implement that strategy . . . the culture of the organisation will defeat the strategy."

Extracts from an interview with Dick Clark, new CEO Merck

Merck admits it suffered from a culture of arrogance, particularly in its research arm and, with few blockbuster drugs in the pipeline, its business prospects have been dimming over the past five years. Earnings have either fallen or remained flat over that time, often disappointing Wall Street.

If I didn't actually step outside of Merck and look back in, I don't think anybody in this company would've had the same intensity for change," Mr Clark says.

The first step is a radical shift in culture, he says, from a change in the way employees work together to instilling greater accountability in every corner of the group.

He believes "metrics" should have been in place at least five years ago to watch for "early warning signals" in the business.

We disappointed 'The Street' several times with our numbers and nothing happened to the commercial model. We didn't change how we were organised, or change leadership.

From FT 27th March 2006 Business Life, the Monday interview

Sits remarkably well with the Business Transformation Cycle practice and philosophy.