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Top-level Support and a Clear Focus: Launching the UBS Leadership Institute

Anyone who has ever doubted the difference commitment from the top can make in powering an education and development effort need only consider the launch of the UBS Leadership Institute. Not only was it efficient—discussions began in February 2002 and the Institute's first products were delivered in August—it was strategically aligned, comprehensive in scope and immediately effective.

The launch of its Leadership Institute earned UBS top honors in the fifth annual Corporate University Xchange Excellence Awards in the new category of Successfully Launching a New Corporate University. By combining top-level teamwork and a clear focus, the Institute design team created a systematic approach for giving UBS' senior leaders the skills and experience they need to take the company into the future.

Rationale: Aligning the Top 600

"From its inception, the Leadership Institute wasn't viewed as an educational platform per se—it was viewed as a competitive weapon," said Robert Mann, global head of group learning and development and deputy head of group human resources, UBS, Stamford, Conn. "Our mission is to support the company's vision to become recognized as the best global financial services company in the world."

Historically, UBS grew through acquisitions that resulted in a handful of business groups, each with its own culture. But in early 2002 the firm's leadership initiated a shift in strategy. The "new" UBS would build on an integrated business model powered by organic growth. This shift in focus, however, required a new approach to leadership development. The company's top executives—UBS Chairman Marcel Ospel, Chief Executive Officer Peter Wuffli and the rest of the Group Executive Board (GEB)—challenged Mann's team to create the framework that would align senior leaders with the new strategy and provide them with the tools to achieve the company's vision.

"When we looked at the implications in terms of development and learning, and specifically in terms of leadership development, we decided that this was an opportunity to create a leadership institute that would focus on the needs of the company's top 600 leaders," Mann said.

Concentrating on this defined target clientele enabled the design team to leverage the existing Key Talent Management process and create a suite of interlinking, complementary programs, processes and products that would lead to seamless role transitions for managers and a strong, deep bench of talent across the firm. As the linchpin for this process, the

Leadership Institute would operate virtually from both the firm's global headquarters in Zurich and its U.S. headquarters in Connecticut, in line with the company's nimble culture and proven virtual global teamwork and networking processes. In addition, everything would be done with an eye to the company's vision and measurements of its effectiveness would also be a requirement as is fitting for the deployment of a corporate-wide strategic initiative.

Preparation: Top-level Teamwork and Cross-group Collaboration

Although the Institute would be positioned within, and funded by, UBS Corporate Center because of its role in driving enterprise learning and development initiatives, approval would have to come from both the GEB and the Group Management Board (GMB). Therefore, its success would hinge on buy-in from across the firm.

To maintain top-level involvement, Mann regularly briefed the GEB and the Corporate Center CEO on the design team's progress. That communication fueled a quick turnaround from concept to implementation both because the executives bought into the plans as they were formed and because their commitment and involvement ensured full and eager participation from whomever could help move the launch along. As a result, the team was able to quickly mobilize a full array of company resources, from the Human Capital Performance Department to the IT, Branding and Communications departments.

Ensuring the engagement and commitment of the learning and development professionals within each of the business groups also was vital to the launch. Given that each group had its own solutions and processes, Mann's team recognized the need to leverage commonalities across the groups so that senior leaders would have comparable skills by the time they entered the Leadership Institute.

"Each group has its successful solutions. The challenge is to meld those with the Leadership Institute's global intent across the business groups while not diluting in any way the excellence they've established," said Mark Mula, managing director, UBS Leadership Institute, Stamford. "You have to coordinate and partner your way to a common agreement," Mann added.

Three key areas of organizational capability were identified as the focus for strengthening leadership skills:

- client focus
- fostering entrepreneurial leadership
- partnering for organic growth

In working with the business groups, the team grounded the planning of content in the three key areas; client focus, fostering entrepreneurial leadership, and partnering for organic growth, in the idea of a leadership pipeline. As practiced at UBS, senior leaders experience a series of systematic development interventions both as part of their current positions and at key transition points throughout their careers (see Figure 1. UBS Leadership Pipeline). To accomplish this, the team created new programs and recasted existing programs and practices to better align them with the company's strategy of organic growth.

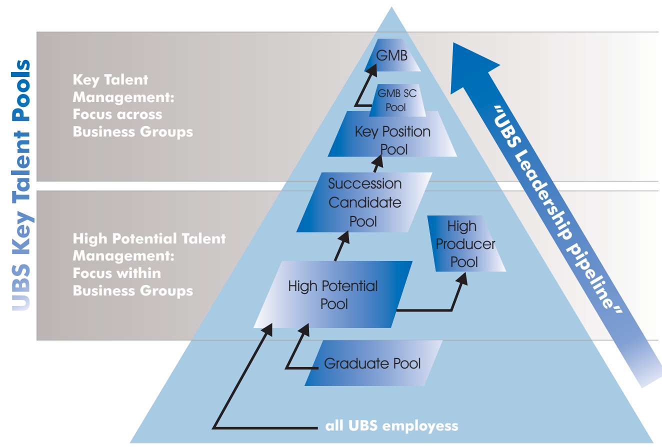


Figure 1. UBS Leadership Pipeline

For example, the existing Global Leadership Experience (GLE) was transformed from a stand-alone leadership development program to three programs delivered around the globe several times each year. At least five group executive members participate in each program as teachers, sponsors and advisors, and the board nominates participants. Each program lasts about three and a half days and is designed to provide leadership development opportunities in a business context with an emphasis on delivery of specific business results.

The final proposal for the Leadership Institute, approved by the GEB and GMB, included: four elements the GLE family of programs, an Annual Strategic Forum, GEB-GMB Mentoring, and a Senior Leadership Conference. All of these programs were designed with flexibility in mind. "Because we are focused on business initiatives and business priorities that necessarily and appropriately change, sometimes quickly, we have to design everything with the capacity to change and be deployed quickly," said Mike Sweeney, Managing Director of the Leadership Institute in Zurich. "So you don't design either programs or the institute itself the way you might for a classic education function."

At the same time, the strategic intent of the content can't be sacrificed. "So while we designed the institute to be incredibly flexible and able to change on the proverbial dime," said Mann, "all of the programs and all of the intentions continue to hone in on building the three organizational capabilities."

Deployment: Getting the Message Out

The launch of the Leadership Institute was announced via a personal note to each member of the GMB from Wuffli and Mann. In addition, the Leadership Institute team partnered with Corporate Communications to author an article for the UBS employee website and with the HR Communications Department to produce a series of videos. These documented the creation of the Leadership Institute, creation of the company's Vision and Values statements and the company's evolution as a leading financial firm. Client and shareholder awareness was raised through external articles and a profile in the Annual Review 2002.

In addition, the Leadership Institute leveraged the company's technology platform by unveiling a new website on UBS' intranet and launching the eBoardRoom, an online virtual forum for GEB and GMB members.

Much of the focus of the launch was centered on the Annual Strategic Forum held in September 2002. In addition to aligning senior leaders' development with the integrated business model and organic growth strategy, the Leadership Institute also had a mandate from Ospel, Wuffli and the rest of the GEB to help drive UBS toward a common corporate identity. The forum, with its theme "Creating Our Future," was the catalyst for that effort. Over three intense days, the newly expanded group executive and managing boards worked to create a roadmap for applying an integrated business model and forging the beginnings of a common UBS identity. After the forum, the momentum of the work continued through a series of follow-up programs to generate understanding and gain buy-in among a wider audience of UBS leaders.

Results: Leader Engagement and Improved Corporate Performance

Although it has just been a matter of months since the launch, the success of the Institute can be seen in the continued enthusiasm for and commitment to the Institute by UBS' top executives. For instance, Ospel and Wuffli regularly speak at the GLE events, while senior leaders actively seek to participate as teachers and role models. "We now have the offices of business group CEOs calling us on a regular basis because the CEOs want to get the dates on their calendars and avoid scheduling conflicts," said Randy Chase, executive director of the Leadership Institute. "Many of our senior leaders serving as faculty have told us that one of the highlights of these events is gaining insights and perspectives from participating leaders from other parts of the firm." "The learning is definitely two-way, as both faculty and participants benefit from candid exchange," Sweeney added.

The success of the launch can also be seen in the expansion of the mentoring program. The program initially consisted of the ten members of the GEB serving as mentors to the 50 members of the GMB, but it was deemed so successful that it has since been cascaded to the next level of leadership. Many more leaders are now reaping the benefits of a cross-business group mentoring relationship.

The growth of the UBS Leadership Institute mandate is another indicator of success. Despite difficult economic times, the scope and number of its offerings has increased by more than 300 percent since the launch. And perhaps even more telling is the improved stock performance of the firm. While the more than 30 percent rise since the launch can't be credited entirely to the Leadership Institute, its contribution is undoubtedly significant.

The successful launch of the Institute has required intense dedication on the part of the Institute's management team over the past several months; but in turn, it has brought them tremendous satisfaction. "I didn't anticipate the level of success that we have had," said Mann. "It suggests that the demand for this kind of approach to leadership development is huge, and I would suggest that demand isn't unique to UBS. I think that there is learning here for other organizations."

Harley-Davidson University:
e-Learning Delivers Full Throttle

The Harley-Davidson Motor Company has worked with its dealers to provide technical training since 1917, but it wasn't until 1991 that the Milwaukee-based company formed a corporate university to oversee all of the technical, retail and management training needs of its dealer network. The Motor Company has more than 1,300 independently owned dealerships worldwide, representing approximately 22,000 employees. Harley-Davidson University (HDU) was the manifestation of its renewed commitment to providing these dealers with all of the support they needed to be successful.

Harley-Davidson dealers are independent by nature. Many of the dealerships are long-time family-owned operations that have become the local gathering places for motorcycle enthusiasts of all ages. At the same time, the Harley-Davidson brand -- fulfilling the dream of the open road -- embodies a sense of belonging among dealers and customers alike. Not surprisingly, with such loyalty, the dealers had always been receptive to training. With the creation of HDU, the company strengthened this predisposition by creating a sense of ownership among the dealers for their learning.

"Whenever we launch a program, whether a large initiative or a stand-alone course, we almost always bring in dealers and their employees to help in the development," said Benny Suggs, director of HDU, Milwaukee. "This ensures that the course is relevant and builds credibility and ownership." That involvement has been effective. Since 1993 the number of dealers and employees taking HDU classes has increased more than 18 percent a year.

Dealerships are not required to use HDU's training services but most do. The company subsidizes a percentage of tuition costs, and the dealers pick up the rest. Despite the expense, the dealers recognize that training has a direct effect on their bottom line. One study examining the affect of HDU training on dealer performance found that for every employee a dealer sent to General Merchandising training, sales to the dealership increased by an average of $88,000 over a three-year period.

The company started offering distance learning courses in 1982. After completing video and workbook courses, students would fill in multiple-choice Scantron sheets and mail them to the company for processing. With the creation of HDU, use of distance learning grew. Many of HDU's training courses were well-suited to this process; from the dealers' perspective, the distance format saved them the costs associated with sending employees to Milwaukee for classroom training.

However, the process wasn't perfect. For instance, students had to wait about three weeks on average to receive test results. And the administrative costs for HDU were significant. In 2000, alone, HDU scanned and mailed back the results of more than 96,000 tests. Other challenges included students ordering the wrong materials, course materials and tests being sometimes misplaced at the dealerships, and dealers being unsure if they had the most recent version of the course.

Given these issues, in 1997 HDU began to seriously explore how it could reduce operational inefficiencies by leveraging an e-learning platform.

Phase I: Laying the Groundwork

Given the universal acceptance of the value of training internally and among the dealer network, the launch of an e-learning initiative required only that HDU make the business case that e-learning helped it fulfill its mission to meet the dealers' training needs in the best way possible. "We knew that we just had to communicate properly, develop the program properly and roll it out properly, so that everyone would see its validity and their return on investment," said Suggs. "Whenever we present a training initiative in an honest fashion, they routinely embrace it, which was the case for e-learning."

HDU first presented e-learning as a future direction at the 1997 Dealer Operations Training (DOT) event. It then revisited the topic at successive annual DOTs to gradually build awareness and support among the dealers. In the meantime, HDU began formulating what e-learning should look like at HDU.

One of the biggest challenges facing the HDU team was the range of infrastructure and employee computing capabilities among the dealerships. Some had sophisticated IT capabilities, with DSL or high-speed cable internet connections;

others accessed the internet via 2800 Baud modems and aging PCs that weren't capable of handling the robust technology offerings. User capability also fell across a wide spectrum, from advanced users to the more resistant.

"Many of the technicians in the field had never used a computer," said Carrie Kane, project manager for e-learning, HDU, Milwaukee. "At the same time, we knew the program would also have to hold the interest of more proficient users."

HDU began a validation process with potential vendors. Requirements included ease of use as well as a system that could grow with HDU's e-learning needs. Customization capabilities were also necessary. Ultimately, HDU chose to work with Docent.

As HDU developed its e-learning model, Suggs put together a business case for the program and presented it to senior leadership in 2000. "We were asking for a significant capital expense, so we needed senior leadership to be involved in the strategy and our return on investment decision," Suggs said. "They asked us good questions, and by the end of the year, gave their unanimous support to fund e-learning. We've had their full support ever since."

Phase II: Drawing in Dealers

Once the initiative was funded, HDU began building its e-learning capability in earnest. E-learning would be rolled out first to the 650 dealers in the United States. The goal was to create a system that 97 percent of them could access the day it went online. HDU always pilots training programs with a dealership audience before offering them to the entire network to ensure their relevancy and ease of use. With e-learning, the organization went a step further. Dealer employees were brought in to beta test various versions of the program in HDU's computer labs so that HDU development staff could see the employees' reactions for themselves.

"We noted when they would scratch their heads, when they had questions, and then literally took that feedback and incorporated it into the next iteration," said Kane,

Testing was also done at dealership locations, leading to such decisions as using Flash animation but not streaming video technology because some locations didn't have the bandwidth. Dealers who took part in testing were encouraged to share their experience to continue to build awareness among their peers. Their success stories would prove to be a catalyst for quick adoption of the program later on.

Dealers continued to hear about e-learning through other channels as well. The Dealer Advisory Council, a group of dealer principals, was included in all phases of development and helped to generate support among dealers. HDU made a major announcement about the leadership's decision to fund e-learning at the DOT event in January 2001. More details about the upcoming launch were shared during the 2001 Summer Meeting. In addition, each dealer principal was asked to select a Dealer Training Administrator (DTA) to be the onsite expert for implementation. All DTAs received training and support materials from HDU to boost their learning curve and reduce launch time.

HDU Online went live in August 2001. Given the buzz that had been brewing among dealers, acceptance was immediate. Within weeks, virtually every dealer had reviewed the users' training embedded in the HDU Online website. In year one, more students took courses through HDU Online than had ever taken paper-based distance courses in the years before. From June 2002 to June 2003, the second year of HDU Online, 164,477 online tests were given -- 71 percent more than the number of paper-based tests delivered in 2000. And in 2003, nearly every person in the dealer network -- 21,654 students -- took at least one e-learning course.

Other measurements also support the dealers' acceptance of HDU's work. In 2002, on the company's Dealer Satisfaction Index, 86 percent said they were "highly satisfied" with the value they received from HDU. And of the 1,800-plus attendees of the 2002 DOT event, 97 percent reported being "highly satisfied."

Phase III: Building on Success

"We had anticipated that the return on investment of implementing e-learning would take about four years, but we've seen that return in about two and a half years. We feel pretty good about that," Suggs said.

The monetary savings from implementing e-learning have been huge for HDU. For example, the Electrical Diagnostics course was offered online for the first time in fall 2002. A year later, 321 students had taken the class. The cost avoidance to the dealer network was over $1 million in travel expenses, lost billable time and tuition costs. For HDU, online enrollment and testing has meant a $178,000 reduction in annual administrative costs alone.

The other benefits being realized are also powerful. Among them:

- Version control is automatic: The online course is always the latest version.
- Feedback on tests is instant: As soon as students pass a test, they learn which questions they answered correctly and which they missed.
- Online testing complements classroom courses: Student ability can be formally evaluated before classroom training sessions with assessments, enabling instructors to better tai lor their curriculum to the students' need. In addition, pre requisite online classes ensure that students are better prepared for the physical classroom.
- The enrollment system is "smart": Students cannot enroll in courses without taking the required prerequisites. The system tells them what the prerequisites are and identifies the available classes.

Although implementing e-learning paid off much quicker than HDU anticipated, quick acceptance by the dealer network wasn't a huge surprise. The launch strategy, working with the Motor Company leadership and bringing the dealers into the process to create ownership and ensure the integrity of the program, is typical for HDU. Most of the training programs are driven by new product development. HDU is always part of the company-wide launch team for a new product, ensuring that the training aspects are considered from the start. "When the new products for 2004 were presented at the 2003 Summer Dealers Meeting in July, we were ready," Suggs said. "By midnight the night before, all of the training was online."

Underscoring the need for training is the increased sophistication of the Motor Company's customers. "Many of them are buying their second and third Harleys. They look at a brand new Harley and the service provided very critically. They are very, very demanding, and we love that. One of the best things we have going for us as a company is the wonderful loyalty the brand has around the world," Suggs said.

HDU is now working with its international businesses to roll out HDU Online to their dealers. "We have rolled out the French version, and later in 2004, we expect to have the Spanish, German and Italian versions up as well," Kane said.

This year, HDU also hopes to introduce an online training planner to help dealers develop specific annual training plans. In addition, the organization is exploring how to leverage local support, such as community colleges, as potential training partners. "If we can help the dealers develop a training plan for each employee, I think we can make a huge difference," Suggs said.

As always, HDU's focus is simple: do whatever it takes to make the dealers successful. By ensuring that all of its services are tied to its dealers' bottom line, HDU clearly demonstrates that it knows how to build a "customer-driven" product.

> The Harley-Davidson Motor Company won top honors in the fifth annual Corporate University Xchange Excellence Awards in the e-Learning category.

Who's Watching Who?

Customer Education at Nielsen Media

Nielsen Media Research (NMR) is the world's leading provider of television audience measurement and related services. Nielsen U, an online learning center accessed through a NMR client service internet portal, is the one place for clients to go to choose a learning event to best meet their needs. Nielsen U is a client-driven solution that promotes the value of the investment that the company continues to make in training. Aligning client needs with NMR's training investments is the most important goal for Nielsen U. Offerings include instructional sessions on utilizing NMR's proprietary software programs, methodological research and statistical analysis training, and guidelines to understanding custom research reports. Seminar topics include research findings, changes in research methodology, or any pertinent information that is compelling to their client base. This learning enables NMR clients to make programming and advertising decisions that drive significant amounts of money spent in the television industry each year.

Nielsen U is a value-added subscription, with a nominal fee for one-year's admission to all available learning events. By offering a web-based training service, NMR has eliminated many of the costs and inconveniences associated with travel for training, both for students and instructors. The design of learning events on Nielsen U is targeted to different levels of a student's industry expertise. A newly hired analyst can start on fundamental courses with others that are at the same level, whereas more advanced users will learn in more complex classroom scenarios. Prerequisite tutorials ensure that learners are on the same level prior to entering a classroom, either physically or virtually. Because of the multiple types of learning events, students have flexibility in their curriculum choices and can learn specific functions of NMR software systems on an as needed basis when they are required to perform particular analyses of Nielsen data. Prior to Nielsen U, clients would attend full day sessions to learn the functionality of a software product. With access to Nielsen U, they can now take courses on a schedule that is more convenient for their workday. This flexibility allows for less interruption to the client's schedule and results in a higher retention rate of Nielsen U's learners.

Converting the training function to a revenue producing entity was not designed to yield large profits for Nielsen Media, but rather to acknowledge both internally and externally that training for Nielsen Media Research software and industry knowledge has value and should be recognized as such.

Tell us more about your customer education initiatives by emailing research@corpu.com

Planting the Seeds of Innovation in the field of corporate learning

Authors: Elaine Dundon, MBA, and Alex Pattakos, Ph.D.

Innovation is one of the buzzwords of our time. While we are surrounded in our everyday lives by many examples of technological innovation, it is "innovative thinking" and "innovation output" in all areas of organization life that are needed now -- more than ever before. Technology has, indeed, had a profound impact on how organizations in all industries and sectors compete in the global marketplace, forcing some to reduce prices just to survive, and others to look for non-traditional sources of revenue. These reactions, coupled with increasing pressures to hold or increase bottom-line profits, have forced all organizations to look for more efficient ways to allocate smaller and smaller operating budgets. Leaders have responded to these pressures by embracing the new corporate mantra: "innovation". And it is incumbent upon those responsible for corporate learning to make sure that this innovation mantra becomes (and remains) more than simply a buzzword.

Although we encourage our staff to look for innovative solutions, many of us aren't sure how to develop the environment and support mechanisms/systems needed to ensure that the concepts of innovation and innovative thinking truly become ingrained in all aspects of organization life.

Innovation Fundamentals

In response to this need for guidelines on innovation leadership, we developed a disciplined, integrated, and practical approach to encouraging innovation. We start with understanding what our clients mean when they use the word innovation.

Know what you want to communicate when you use the word innovation. We have heard many leaders and managers use the words creativity and innovation interchangeably. Creativity is part of innovation, but innovation is much more than creativity per se. Innovation, we have found, is the integration of three core skill areas: Creative thinking (the ability to discover new connections and ideas); Strategic thinking (the ability to choose the "best ideas", i.e., the ones that will add the most value and are aligned with the strategy of the team or overall organization); and Transformational thinking (the ability to engage others within the team or organization to support and implement new ideas). Figure 2 depicts these three competency areas in the form of a triangle.

Figure 2. Innovation Triangle

Know who you want to involve. Many leaders refer only to certain teams or departments, such as the R&D or marketing department, when they use the word innovation. We hear many comments like: "My job doesn't allow me to be innovative" or "They don't expect me to come up with any new ideas." Innovation can no longer just operate at the edges of the organization; on the contrary, it must operate throughout the organization. If you need new ideas in every part of your organization, then everyone in the organization should be involved.

Know what type of ideas you want. Do you want ideas that capitalize upon the hidden potential of what already exists within your portfolio or do you want only ideas for new products, services, processes, and programs? Also, determine the scale of the ideas you want to obtain. Do you want ideas that are revolutionary in their potential effect (that is, ideas that represent large-scale changes that might fundamentally change or disrupt the direction of the entire organization and even the industry) or do you want any type of new idea that adds value, such as incremental or evolutionary ideas (i.e., ideas that represent significant improvements to what is already being done)? We have seen many examples of leaders who ask for radical innovation but only support incremental innovation, leading to employee confusion and dissatisfaction.

Assessing the Team or Organization's Capacity for Innovation

Our next step is to determine the current capacity for innovation of the team or organization. When assisting our clients in designing and implementing innovation plans, we encourage them to slow down and take the time to understand where the organization stands in terms of its capacity for cultivating and sustaining innovation, instead of rushing into the launch of a widespread innovation program that might not meet the needs of their employees and other key stakeholders. (This is always a difficult step, given today's focus on execution, operating on 24/7, and rushing to keep up with the latest move by a competitor.). We regularly employ the Seeds of Innovation Team and Organization Assessment (HRDQ 2000, 2003) to assess and establish a benchmark for use both to guide the development/implementation process and gauge progress in the organization's overall innovation effort.

Cultivating the Innovation Field

The assessment results help us determine where the organization is in terms of its capacity for innovation. From here, we design the strategies and action steps needed to implement an integrated innovation program across the organization. We rely upon our Innovation Field model (see Figure 3, next page), upon which the assessment tool is based, for this design purpose. This particular model, it should be noted, was developed by reverse engineering the key areas or attributes that successful innovative organizations possess and provides the strategic framework for designing the supporting tactical plan.

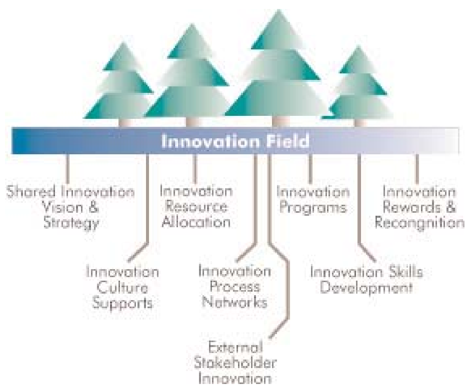


Figure 3. Innovation Field

Working with the innovation champions at our client organizations, we design action steps in support of the following 8 elements:

Element #1: *Shared Innovation Vision and Strategy*

The strategy for Element # 1 focuses on clearly articulating that innovation is a top priority for achieving the organization's overall vision and that all employees are expected to participate. Resistance to embracing innovation as a vision needs to be discussed and resolved. Action steps to support Element #1 include: (a) leaders communicating clearly that innovation will strengthen the organization and that everyone must participate; and (b) each department outlining how it will support the innovation objective in its annual plan. With a recent client in the health care industry, for example, we took the time to create a shared understanding of why the organization needed to change "the way we do things around here" and clearly articulated what the innovation objective meant for each employee. This effort laid the foundation for all future "innovation plan" communications. Without such a clear understanding of why they needed to change, the impact of future innovation plans would not have been maximized. Companies like Hewlett-Packard, 3M, and Accenture are notable cases where creating a Shared Innovation Vision and Strategy has been firmly rooted in the corporate soil. It is also important to underscore that corporate learning units should help to drive this kind of shared understanding of the organization's Innovation Vision and Strategy.

Element #2: *Innovation Culture Supports*

One of the biggest influences on innovation is the "culture", which either supports or hinders it. When we refer to culture, we are referring to the patterns of behavior, shared values, formal and informal power structures, style of communications, and the "way of doing things around here." It is unlikely that an organization will be effective at building its innovation capacity by just setting up a few new processes, or implementing training, or increasing funding, if it does not address the cultural milieu within which the remaining dimensions or elements of the Innovation Field will be implemented. The strategy for Element #2 focuses on identifying innovation as a core behavior and supporting new ideas by encouraging employees to challenge each other, ask questions and give positive feedback. Action steps to support Element #2 that we typically recommend include: (a) innovation leaders must constantly communicate and role model the desired innovation behaviors; and (b) employees should be encouraged to challenge "conventional wisdom" in order to find new ideas. For example, Molson Breweries, we have observed, recruits leaders who model the behaviors that build a culture for continuous innovation. Corporate learning units, as part of their role in creating an environment for continuous learning, must also seek to integrate those factors that will support an innovation culture.

Element #3: *Innovation Resource Allocation*

In order to ensure that the organization has a culture of innovation, leaders must support their intentions with resources! Without adequate resources, the Innovation Field model cannot be fully and effectively implemented. By resources, we mean time, people, money, information, and other tangible supports. The strategy for Element #3 focuses on communicating that innovation resources are available for ideas that have merit. Action steps to support Element #3 include: (a) establishing a centralized fund to support unexpected ideas that might arise during the year or which may involve cross-functional team efforts; and (b) allocating time to investigate and develop ideas that might surface beyond the team or from outside of the organization. In our experience, oftentimes resources already exist that can be used to support innovation; they simply need to be recast for that explicit purpose. We have worked with many organizations (DuPont offers a case in point) where "seed" monies have been (re)allocated to support ongoing innovation efforts.

Element #4: *Innovation Process Networks*

One of the biggest challenges facing our clients -- in all industries and sectors -- is capitalizing on insights and ideas across the organization and, in effect, counteracting the "silo effect" that prevents the cultivation of innovation in a systemic way. An organization's competitive advantage depends on its ability to identify innovative ideas, share these ideas, and implement them quickly. Organizations need distinctly collaborative processes or networks for identifying, developing, and implementing innovative ideas across the organization. These processes should be fully integrated into the day-to-day operational processes that an organization uses, in order to reinforce a true culture of innovation. Our research and experience have shown that this element is one of the toughest challenges for most teams and organizations. The strategy for Element #4 focuses on establishing both formal and informal methods of identifying, sharing, approving, and implementing innovative ideas. Action steps for Element #4 that we have recommended include: (a) streamlining rules and regulations in order to move ideas quickly; and (b) working more collaboratively so that value can be added across "silos" or functional areas. Leveraging information technology, such as sophisticated idea capture systems and various Intranet platforms, are often viewed as solutions to Innovation Process Network challenges. Hallmark Cards, for example, has effectively used a state-of-the-art information technology platform for encouraging collaborative innovation and increasing its Innovation Process Network capabilities.

> "Great ideas also will come from knowing your business, your customers, and your competition."

Element #5: *Innovation Programs*

An innovation program is designed specifically to focus everyone's attention on improving and sustaining innovation and has a designated time frame for its start and finish. The strategy for Element #5 promotes the innovation culture by focusing the organization on specific innovation tasks. Action steps for Element #5 include: (a) sharing "who we are and what we do" across the organization, in order to identify specific innovation ideas that will impact the whole organization, not just a segment of it; and (b) holding an "Innovation Expo" to profile examples of innovation success stories across the organization. Bristol-Myers Squibb, for instance, has convened an "Innovation Summit" as a way to focus the organization's attention on innovation capacity-sharing and capacity-building. From a corporate learning perspective, implementing such Innovation Programs also opens up new ways to apply instructional and performance design principles in a working context and supports the mission of creating an environment for continuous learning.

Element #6: *Innovation Skills Development*

We have seen many leaders declare innovation as an objective but then fail to provide the necessary skill development tools to support it. Everyone in the organization has the capability to innovate, given the proper training and coaching. Through our experience with many organizations (different sizes, sectors, cultures, etc..), we have seen that innovative thinking can be taught and nurtured and, with practice, can be improved. The strategy for Element #6 focuses on developing innovation as a core competency for all employees, including "refreshing" senior employees' approach to innovation. Action steps for Element #6 that we have recommended include: (a) having an "innovation team" identify the core behaviors and metrics for innovation; and (b) establishing formal courses on innovation that build capacity for creative, strategic and transformational thinking, as well as highlight insights and examples of how others have innovated. To be sure, this is an area that is closely aligned with the mission of corporate learning units and it is therefore natural for such units to be the champions for innovation skills development throughout the organization. ADP, for example, has demonstrated its commitment to innovation skills development by adding innovation to its core curriculum for leadership development.

Element #7: *Innovation Rewards and Recognition*

The strategy for Element #7 focuses on clearly describing innovation as a specific objective in everyone's performance objectives. A common saying is that "you get what you ask for." In this particular area, it is important to set the expectations that all employees will be actively looking for new ideas as part of their job responsibilities. Further, innovation efforts should be recognized and rewarded as a means of stimulating an innovation culture throughout the organization. Action steps for Element #7 include: (a) specifying innovation as a performance objective for all employees; and (b) evaluating and rewarding innovation efforts. Both formal and informal rewards and recognition methods need to be implemented to reinforce the desired behaviors. As an illustration, Southwest Airlines is a master at providing both informal and formal recognition and rewards to support innovation, and is recognized as a place where listening authentically to employees is a core value and critical environmental support for continuous innovation. Once again, corporate learning units are in a unique position to advance the practice of rewards and recognition in support of an innovative, continuous learning culture.

Element #8:
External Stakeholder Innovation

Our definition of external stakeholders includes customers, suppliers, regulatory agencies, and other partners. No organization stands alone. Every organization is part of a complex web of interdependent organizations, ultimately reliant on each other for survival. Great ideas will come from knowing how this web operates. Great ideas also will come from knowing your business, your customers, and your competition. Every organization must tap the external marketplace in order to identify valuable ideas that fit the needs of the organization and that can help keep the organization "ahead of the wave." All too often, organizational groups rely primarily on ideas generated inside the organization, instead of capitalizing on ideas from both inside and outside. The strategy for Element #8 focuses on building stronger ties with customers, as well as with the broader organization, with the strategic objective of identifying, sharing, and implementing innovative ideas. Action steps for Element #8 include: (a) sharing the innovation strategy with customers and partners; and (b) inviting external stakeholders to develop and share innovative ideas for use within your organization. In this connection, Aliant, a major telecommunications company in Atlantic Canada, is known for its novel ways of interacting with customers and partners, especially through its LivingLAB® innovations environment. Leaders of corporate learning, in our view, need to be the vanguard for building the organization's capacity for external stakeholder innovation by creating an "open systems" environment for continuous learning.

Innovation Leadership

We began this innovation capacity-building design process by first reviewing the fundamentals of innovation, administering the Seeds of Innovation Team and Organization Assessment, and then designing the action steps for each element of the Innovation Field. The next building block for a strong innovation plan, as you can glean from the previous discussion, is authentic and proactive leadership. Without an authentic commitment from the team's or organization's leaders, the innovation plan will not likely be a success. The leaders must model the behaviors that they are asking for and must commit a lot of time to selling the "plan" across the organization. Just mentioning the plan's objectives and action steps once is not enough. Nor are good intentions sufficient to bring the plan to action. Similar to any buying cycle (where the customer moves from being unaware, to aware, to interested, to believing, to acting or purchasing the item), a leader must understand that different employees are at different stages of the "buying" process and that some employees may need to hear the message 10 or 12 times before they overcome their own resistance to change and truly embrace-and commit to-the innovation plan.

Summary

In our work with many different organizations across a wide variety of industries, sectors, and cultures, we have learned that one innovation plan does not fit all organizations. Indeed, each innovation plan must be customized to fit the unique culture and issues facing that specific organization. If we could leave you with one overriding piece of advice, it would be to ensure that you approach innovation from an integrated or systems point of view-ensuring that the plan is aligned to the overall strategic objectives of the organization and that all elements of the Innovation Field, as described here, are seriously considered. Planting the seeds of innovation in order to build an innovative organization requires, first and foremost, that the bridge between business and learning be strong and in use. It is the role of corporate learning units, including their leaders, to ensure that this bridge is open for business!

For further insights into the subject of this article, we recommend that you read The Seeds of Innovation by Elaine Dundon (New York: American Management Association/AMACOM Books, 2002) or visit our firm's web site: www.seedsofinnovation.com. Ms. Dundon and Dr. Pattakos are the co-founders of The Innovation Group, based in Santa Fe, New Mexico, USA.

Best Practices in Learning Strategy Alignment and Measurement Featured at June CLO Xchange Forum

Please join Corporate University Xchange at our next CLO Xchange Forum being held at the offices of the American Management Association (AMA) in New York City on ***June 17 and 18, 2004***. The event focuses on:

- **Alignment:** aligning learning and development programs to business strategy
- **Measurement:** measuring learning and development impact and value

Executives from leading companies will discuss methods they use to align learning to the business strategy, and how they set and monitor measurements to determine if they are impacting business strategy in a positive way. Please join us in New York for practitioner-focused panel discussions and speakers exploring innovative and practical solutions in learning. The agenda includes:

General Motors University – Measuring What Counts

General Motors University (GMU) President Donnee Romelli will discuss how GMU tackles the subject of measurement. Mr. Romelli offers practical guidance on how to look for activities that can be measured to demonstrate learning's value to the business.

Performance Indicators for Sales Organizations

Lauge Sorenson, High Performance Selling Program Director, IBM, and Faye Wankling, High Performance Selling Program Manager, IBM will discuss learning program strategies and measurement activities for sales organizations. The presentation explore IBM's methods for building high-performance sales teams.

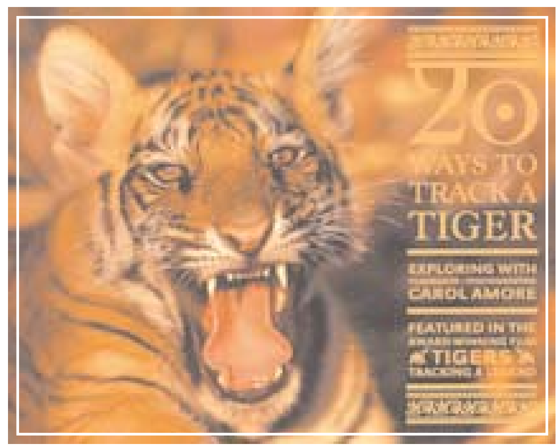
American Management Association Teaches CLO Xchange "Strategic Alignment for Executives"

AMA will present an abridged version of its three-day module for senior executives on developing and aligning business strategies. CUX guests will learn and participate in activities that senior executives apply to devising business strategy, and see how those same techniques might be applied to learning strategies.

Panel Discussion on Measurement Practices

CUX Excellence Award winners and other industry leaders will present best practices in measurement and will share "how to" guidance to begin effective measurement practices. A panel discussion, led by Mark Allen, CUX President and CEO, will explore methods for uniting measurement with alignment to build the right framework for monitoring learning impact. The panel discussion features:

- Kim Castegnetta, Vice President, Learning and Development – **IKON**
- Christi Lockett, Vice President, Training and Performance Improvement Team, **CitiFinancial Auto**
- Darin Selnick, Associate Dean, **Department of Veterans Affairs**,
- Chris Skerlong, Chief Learning Officer, **Highmark Incorporated**



Special Event

During the two-day Forum, attendees also will participate in The Hunt for Innovation-Tiger Team Experience, a program that teaches teams to develop a passion for innovation. The session will be facilitated by: Carol Amore, CEO, Management Leverage & Julie Ellis, Director, Global Leadership Education and Development for Pfizer, Inc. The program has been used in leadership development programs at organizations such as Pfizer, Deloitte, U.S. Military Academy at West Point, and Johnson & Johnson.

Location:

The Forum takes place at:
The New York Executive Conference Center,
48th and Broadway,
New York City , New York

Event Reservation

Please reserve your place at the June Forum soon by downloading the **registration form** available at **www.corpu.com/news/june04/index.asp** and faxing it to Sue Savage at 1.717.766.4459 or emailing the form to: **events@corpu.com.**

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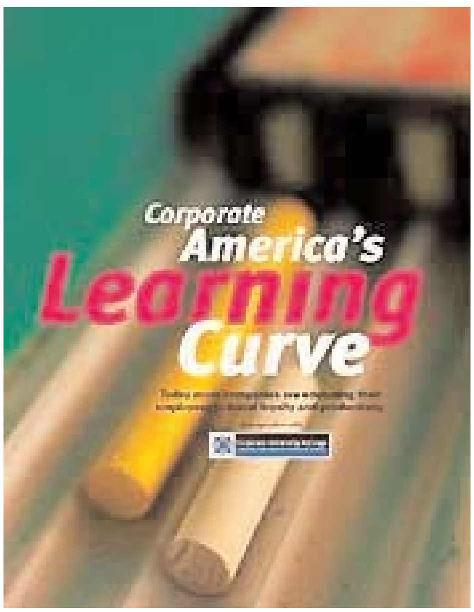
Application Process Opens for 6th Annual Excellence and Innovation in Corporate Learning Awards

Corporate University Xchange (CUX) is now accepting applications for its annual Awards for Excellence and Innovation in Corporate Learning. Since 1999, the Awards have set the standard for corporate learning. Last year, 22 organizations were recognized for exemplary learning practices at a black tie ceremony at Harvard Business School. Award category leaders also were featured in a January special section of Fortune magazine.



FORTUNE

This year Corporate University Xchange will again honor organizations that demonstrate excellence and innovation in corporate learning practices.

The 6th Annual Corporate University Xchange Excellence Awards, in association with FORTUNE Magazine, recognize corporate learning units that best illustrate performance in the key strategic areas of:

- Alignment: Aligning corporate learning to enterprise goals
- Alliances: Developing strategic outsourcing agreements and learning alliances with external providers
- e-Learning: Use of technology to support learning and development
- Leadership Development: Implementing successful, high-impact learning and development programs targeted to managers, high potentials, and senior executive leadership
- Marketing: Developing and implementing innovative marketing and branding techniques
- Measurement: Measuring the success of an organization's learning strategy
- Launching: Successfully launching a new corporate university, leadership academy, or a newly branded component of the learning organization.

Please find instructions to submit an award application at: http://www.corpu.com/awards/index.asp

All entries must be postmarked by July 1st, 2004. Winners will be announced in December 2004 and will be highlighted in an article appearing in Fortune Magazine's issue featuring the 100 Best Companies to Work For.