Aligning Corporate University Outcomes to Business Strategy and Organizational Goals

Charlotte F. Hughes
Aligning Corporate University Outcomes to Business Strategy and Organizational Goals

- Understand and be able to implement a performance consulting process to better align learning with the business goals in your own organizations.
Definition of Performance Consulting

- Process in which a client and consultant partner to optimize workplace performance to achieve strategic business results
Performance Consulting
An Organizational Mindset

Corporate University
Learning Organization

Vice President
Director
Manager
Team

Performance Mindset
Most learning organizations don’t use a consistent disciplined performance consulting process

High-impact “expert” learning organizations are 3 times more likely to use performance consulting

Opportunity for improved corporate university performance
Performance Consulting Model

Partnering Phase

Contracting and Accountability

Current Performance vs. Expectations

Measuring Phase

Evaluate Actual vs. Desired Results

Select Solution(s) and Execute

Implementing Phase

Assessing Phase
Performance Consulting Focus

- Business Goals and Strategies
- Performance Improvement Actions
- Performance Gap
- Root Cause of Problems
Performance Consulting Approach

Enterprise Value Mapping → Performance Gap Analysis → Root Cause Analysis

Learning & Development Program → Learning Needs Assessment
The Bilingual Learning Organization

• Understands Corporate Financial Statements
• Reads Annual Report
• Views Quarterly Results Webcasts
• Understands Corporate and Business Unit Annual Plans
Definition of Enterprise Value

- Value delivered to shareholders by an organization because of management's ability to grow profits, dividends and share price

- Sum of all strategic decisions that affect the firm's ability to efficiently increase shareholder value
Enterprise Value Mapping

Deloitte Enterprise Value Map™
Value Drivers

Shareholder Value

- Revenue Growth
- Operating Margin
- Asset Efficiency
- Expectations

• **Red boxes** (Value Drivers) are the metrics which define company performance
Value Drivers

- **Revenue Growth**
  - Acquire New Customers
  - Retain/Grow Current Customers
  - Strengthen Pricing

- **Operating Margin**
  - Improve Customer Interaction Efficiency
  - Improve Shared Services Efficiency
  - Improve Production Efficiency
  - Improve Logistics & Service Provision

- Starting with the **white boxes** and tracking downward, the successive layers help answer the question, “How can we improve this?”
Value Drivers

- **Asset Efficiency**
  - Improve Property, Plant & Equipment Efficiency
  - Improve Inventory Efficiency
  - Improve Receivables & Payables Efficiency

- **Expectations**
  - Improve Management Effectiveness
  - Improve Governance Effectiveness
  - Improve Execution Capabilities

- The **white boxes** define actions you can take to improve the organization’s revenue, operating margin, asset efficiency and forward looking performance.
- These “improvement levers” are the various departmental goals in your company’s business plan.
• **Color-coded** items in the bottom bands are specific actions that can be taken by leaders and employees
• Reading **bottom to top**, you can reverse the process and answer the question, “Why are we improving this?”
Business Performance Improvement Actions

“Change What You Do”
• What you provide
• Whom you target and serve
• How you compete
• Where you deploy resources
• Which operations you outsource

“Do What You Do Better”
• Strengthen governance approaches
• Align resources with strategies
• Improve business processes
• Hone strategic capabilities
• Manage tax impacts and opportunities
• Improve control/reduce risk
• Collaborate more effectively
• Satisfy customers, employees and other stakeholders
Enterprise Value Mapping Exercise

- Work in Small Groups
- Exercise Instructions
- Company XYZ Mini-Case
- Enterprise Value Map™
- Report Out
Performance Gap Analysis

Tells you where you are and where you want to be

- A Performance Gap Analysis will indicate if a lack of knowledge and/or skill is the root cause of the gap and that a learning solution is in order
- Company XYZ Sales department has determined that improved collaboration with internal partners will close the performance gap

Source: Adapted from American Society for Training and Development - Performance Gap Analysis©
Learning Organizations
What we can do to align with business goals & strategies

Client Request
Gap Analysis

Is the cause of the problem known?

No
Root Cause Analysis

Yes

Is lack of knowledge or skill a root cause?

No
Other factors influencing performance Lean 5 Whys Analysis

Yes

Learning Needs Assessment

Make Learning Program Recommendation

We need to collaborate better!
How Do We Collect Data?

- Interviews
- Focus Groups
- Surveys

Corporate Universities
# Learning Organizations
## What do we need to know?

<table>
<thead>
<tr>
<th>Analysis</th>
<th>Deliverable</th>
<th>Sample Questions</th>
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</thead>
</table>
| **Gap**    | Articulation of a gap between current and desired performance.              | • What are the current sales results stated in measurable terms?  
• What would your new customer acquisition results look like if collaboration performance was where it should be?  
• If things were right with collaboration, what would be the customer service outcomes? |
|            | *Grow from an average of 100 new accounts to 125 new accounts per month.*  |                                                                                                                                                   |
| **Root Cause** | Identification of the root causes of a performance discrepancy.            | • Could the sales team collaborate effectively if they had no choice?  
• What consequences exist for non-performance?  
• Does the team have adequate resources to collaborate with partners?  
• Do they know what collaborative performance is expected of them?  
• What internal factors support or prevent the desired state?  
• What external factors support or prevent the desired state? |

*Let’s dig deeper*  
*Company XYZ*
Root Cause Analysis

- Ensures that the true issue is identified so the proper solution can be recommended
- Is knowledge/skill the root cause of the problem?

Company XYZ Sales:
Improve collaboration between the Sales Department and their R&D, Product Supply, and Marketing partners.
Finding Root Cause
5 Whys

• By repeatedly asking the question “Why” (five is a good rule of thumb), you can peel away the layers of symptoms which can lead to the root cause of a problem

When is 5 Whys Most Useful?

• When problems involve human factors or interactions
• In day-to-day business life; can be used within or without a Six Sigma project
Benefits of the 5 Whys

- Helps identify the root cause of a problem
- Determine the relationship between different root causes of a problem
- One of the simplest tools; easy to complete without statistical analysis
## Factors Influencing Performance

<table>
<thead>
<tr>
<th>Environment/Resources</th>
<th>Structure/Process</th>
<th>Information/Feedback</th>
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</thead>
<tbody>
<tr>
<td><em>Examples:</em> Tools, materials, technology, equipment, adequate project budgets, supplies, etc.</td>
<td><em>Examples:</em> Logical reporting relationships, management support, quality inputs, logical steps to follow, realistic policies, a meaningful mission statement, etc.</td>
<td><em>Examples:</em> Feedback on your performance, clear standards, customer feedback, reliable data, reference material, etc.</td>
</tr>
</tbody>
</table>

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<tr>
<th>Knowledge/Skills</th>
<th>Motivation</th>
<th>Wellness</th>
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<tbody>
<tr>
<td><em>Examples:</em> Formal classroom training, e-learning, performance support/job aids, action learning, coaching, mentoring, social learning, mobile learning, etc.</td>
<td><em>Examples:</em> Profit sharing, recognition, performance-based pay, bonuses, benefits, job security, prestige of position, opportunities for advancement, etc.</td>
<td><em>Examples:</em> Better health care system, work/life balance counseling, more physical exercise, more relaxation time, stress management, better dietary habits, etc.</td>
</tr>
</tbody>
</table>

Source: Adapted from Sanders and Thiagarajan’s Performance Intervention Maps
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Cross-Functional Teamwork (CFT) – Collaborating Across Organizational Boundaries Workshop

CFT training is built around four modules. In the one-day overview participants learn the basic concepts in each module. In the two-day workshop participants learn specific techniques for implementing these basic concepts.

The four modules are:
1. Organizational Boundary Crossing
2. Stages of Collaboration
3. Power & Empowerment
4. Culture Change
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Company XYZ Mini-Case

XYZ Sales Department → Performance Consulting → XYZ University

Business Goals
- Revenue: $12.5 billion in net sales revenue
- Operating Margin: 15% OPROS (Operating Profits Return on Sales)

Sales Strategy
- Generate more new accounts by improving customer service
- Grow average number of new accounts by 25 per month

Performance Improvement Action
- Sales managers and reps to collaborate more effectively with other departments to improve customer service

Learning & Development Solution
- Cross-Functional Teamwork (CFT) Workshop
- Other solutions determined by learning needs assessment

2015
- Revenue: $12.5 billion in net sales revenue
- Operating Margin: 15% OPROS (Operating Profits Return on Sales)

2013-2015
- Generate more new accounts by improving customer service
- Grow average number of new accounts by 25 per month
- Sales managers and reps to collaborate more effectively with other departments to improve customer service
- Cross-Functional Teamwork (CFT) Workshop
- Other solutions determined by learning needs assessment
Performance Consulting Approach

1. Enterprise Value Mapping
2. Performance Gap Analysis
3. Root Cause Analysis
4. Learning Needs Assessment
5. Learning & Development Program

Corporate Universities & Internal Learning Organizations
## Aligning Corporate University Outcomes to Business Strategy and Organizational Goals

<table>
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<tr>
<th>Focus</th>
<th>Learning Consulting</th>
<th>Performance Consulting</th>
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<tbody>
<tr>
<td></td>
<td>Learning needs</td>
<td>Performance needs</td>
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<tr>
<td>Results</td>
<td>Structured learning programs</td>
<td>Solutions that improve performance</td>
</tr>
<tr>
<td>Accountability</td>
<td>Training activity</td>
<td>Better business results</td>
</tr>
<tr>
<td>Measurement</td>
<td>Participant evaluation &amp; learning</td>
<td>Performance change &amp; sometimes ROI</td>
</tr>
<tr>
<td>Assessments</td>
<td>Training needs: competencies</td>
<td>Performance gaps</td>
</tr>
<tr>
<td>Relationship to Organizational Goals</td>
<td>Cost center</td>
<td>Produces measurable results</td>
</tr>
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Performance Consulting Outcomes

✓ Reduced training costs due to elimination of “training for training’s sake”
✓ Increased communication with business units
✓ Reduced learning headcount due to increased efficiencies
✓ Increased alignment between learning and business strategy
✓ Increased leadership support for organizational learning
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Please Contact me for Additional Resources
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Additional Resources

Performance Consulting
- The Performance Consultant's Fieldbook: Tools and Techniques for Improving Organizations and People by Judith Hale, 2006

Understanding Corporate Financial Statements

Enterprise Value Mapping
- Deloitte Enterprise Value Map™
- Deloitte Enterprise Value Map™ for Human Capital v2.0

Performance Gap Analysis
- Performance Gap Analysis ASTD Press INFO LINE Tips, Tools, and Intelligence for Trainers by Maren Franklin, 2006
- Root Cause Analysis Basic Tools and Techniques by Denise Robitaille, 2004

Corporate Universities and Performance Consulting