



## TenStep Supplemental Paper

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### Learning “Additives”

Competitive world markets and new economic challenges result in sleepless nights for many corporate leaders, including those who head training and development or learning functions. The traditional functions of chief learning officers and their teams include providing business and technical skills development and leadership. However, in the face of these new challenges there is an increasing demand for the function of value addition in terms of making an impact on business results and the organization’s bottom line.

Besides supporting performance improvements in the areas of sales, leadership and operations, the learning function must cash in on other value addition opportunities. However, this graduation is only possible if learning leaders don the mantle of strategic business partners. Doing so involves:

- Partnering with other business unit leaders
- Easing into strategic leadership roles

#### Learning for learning leaders

IT leaders make good strategic business partners. They do not limit their functions to improving systems performance and IT employee productivity and providing IT services to other business units. As strategic business partners, they collaborate with other business unit leaders to identify opportunities that affect business results and the bottom line. For instance, they provide processes to facilitate direct systems access by customers, thereby reducing 'customer cycle time' to improve sales. By using training and development solutions, learning leaders too can mold their roles and the learning function to make a business impact. A model for strategic value creation helps ensure that learning leaders adopt innovative methods to add value to business results.

#### The value creation model

##### *Step 1: Role definition*

Organizations are keen that their CLOs develop leaders, give people skills to do their jobs, and improve the performance of people. While existing learning functions are designed to cater to these demands, the lack of opportunities to create and add value results in organizations losing out on the strategic impact of the learning functions. To ensure that both learning leaders and the learning function provide strategic business value, organizations should make the following demands of both:

- Help organizations enter new markets faster and better
- Improve core business processes
- Improve the cycle time for product introduction
- Increase customer satisfaction
- Ensure that there are the right leaders with adequate capabilities



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The traditional roles of learning leaders include training, designing and programming learning activities, performance improvement and human capital management. As a result, learning functions too are focused on increasing revenues, reducing costs and improving customer satisfaction. With little scope for value creation, learning leaders fail to identify and adopt 'value creation' opportunities. Diverting the focus of learning leaders to include participation in the process of organizational effectiveness ensures that they provide value adding training and development solutions.

### ***Step 2: Define 'strategic intent'***

People become what they aspire to be, and the same is true of organizations. Now that you have identified the role of leaders and the learning function, the next step involves determining the organization's strategic intent. A strategic intent describes your ideal state in the future. Including value addition learning opportunities as part of the organization's strategic intent ensures that the learning function affects business results and the bottom-line.

### ***Step 3: Unmasking and implementing value adding opportunities***

Learning leaders must convert training requests into value creation and addition opportunities. For instance, a CLO is asked to train call center employees in service skills. The traditional approach would include designing a simple training program. However, as a strategic business partner, the CLO would begin by identifying value-add opportunities.

The next step involves studying the service patterns of:

- Organizations considered forerunners in the industry
- High performing employees within service groups

Input from these sources helps develop a training program that enables employees to graduate to a higher service skill level. Additionally, by collaborating with other unit leaders, the CLO can address organizational factors that would affect the implementation of such a training program.

### **The three step approach**

Learning analysts prescribe three approaches to value creation and addition. The first approach includes converting a learning request into an opportunity to create or make a business impact.

The second approach involves identifying opportunities to partner with clients or business unit leaders to support strategic initiatives. One manufacturing organization was keen on graduating from a technological to a product management oriented structure. This strategic move undoubtedly required strategic initiatives and involvement from all business units and leaders, and thus a value addition opportunity for leaders was created.

The CLO of the organization pitched in by getting his team to study best practices and approaches to project management. This study helped the training team benchmark their training programs against the best. The team also developed learning tools for new

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product managers. The 'strategic' efforts of the training team resulted in a reduction in 'product introduction cycle time' and an increase in the number of new products.

The third value creation approach involves identifying new opportunities to make an impact on top executives, senior leaders and clients. With 70 percent turnover, one service organization faced the daunting task of maintaining its performance levels. When the organization identified its 'on-boarding' process as the major reason for high turnover, their CLO volunteered to apply learning solutions to solve the problem. By pooling resources, learning, staffing and client groups, the CLO developed a systematic 'on-boarding' process for new hires. Besides a two-week reduction in the training, orientation and hiring cycle time, the organization benefited from a 30 percent turnover reduction.

### **A quick recap**

Learning leaders evolve as strategic business partners when they:

- Identify ways in which learning solutions can add value
- Collaborate with clients, top executives and business unit leaders to help improve overall performance levels
- Participate in business planning activities. This participation level varies with the success of learning initiatives: the greater the success, the higher the participation
- Involve themselves in the planning process. In organizations where learning leaders are left out of the planning stage, CLOs should ask to be included in order to be able to provide better learning solutions in the future.

The success of learning initiatives is incomplete if they fail to impact business results. The first three steps in the value creation and addition model include:

- Identifying and defining the roles of learning leaders and their learning functions
- Specifying an organization's strategic intent
- Identifying the opportunities to add value

### ***Step 4: Develop diverse talent***

Learning professionals possess expertise in learning and developmental activities. However, to create a strategic, organization-wide business impact, learning professionals must spruce up their existing list of capabilities. This calls for adding proficiencies in the disciplines of strategic planning, functional business skills and business consultation.

In addition to expertise in the areas of learning and organizational development, learning professionals and teams with experience and expertise in the above-mentioned disciplines, become good strategic business partners. In other words, learning professionals with diverse talents evolve into better business partners. While some organizations prefer hiring learning professionals and teams with a diversity of talent, others prefer developing their in-house staff. An effective way of infusing talent diversity is through staff rotation. Allowing learning professionals to work in both line and staff capacities helps develop talent diversity. Another approach is to rotate top performing

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middle level managers. This ensures strategic participation and value addition even at the middle managerial level.

### ***Step 5: Develop a strategic plan of action***

In addition to developing diverse talent, an organization needs to create a clear vision, establish priorities and pre-decide the decision-making criteria. In other words, to achieve strategic intent, organizations must develop a clear, focused and strategic plan of action. Such a plan ensures that learning activities focus on achieving strategic intent and in turn add business value. Learning goals that help realize strategic intent are part of this plan of action. Some common learning goals include:

- Developing a learning scorecard that links measures of the learning function to key business measures such as employee turnover, revenue, customer satisfaction, unit costs and cycle time.
- Identifying and implementing value creation opportunities in the areas of customer satisfaction and sales revenue.
- Identifying and implementing cycle time reduction opportunities for key business processes - for example, a reduction in product introduction cycle time.
- Developing business cases for training and learning activities that demonstrate the value creation by utilizing new learning solutions.

### ***Step 6: Communicate the success of value addition***

The final step in the value creation model emphasizes maintaining the success of value adding learning initiatives. An effective approach to maintaining long-term success lies in developing success stories. These stories should be circulated among clients, stakeholders, business partners and organizational personnel.

The primary purpose of developing such stories is to highlight how a value addition opportunity is identified and how it impacts business results to achieve the strategic intent. Additionally, stories are easily communicable. An effective success story should:

- Describe value creation opportunities.
- Define the methodologies used to convert the opportunity into business success.
- Identify the parties that would gain from the value addition (customers, stakeholders, etc.).
- Describe the value created and its impact on the various organizations.

Communicating such success stories as part of the strategic plan of action ensures better circulation. Additionally, it helps educate clients and business partners about what the learning function is capable of in terms of creating and adding business value.