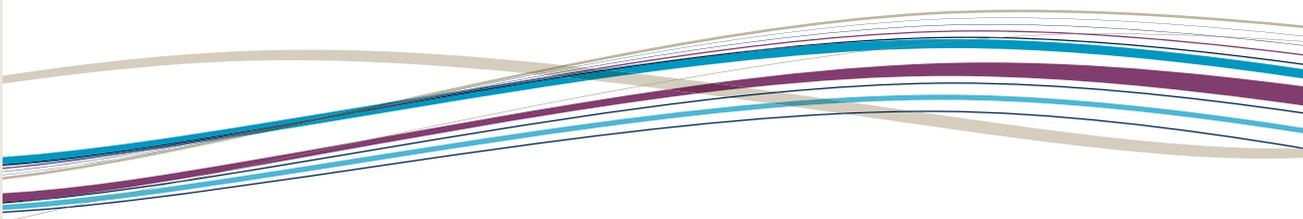


Corporate *Universities*

From business-driven learning
to learning-driven business

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Foreword

Deciding to set up a Corporate University can be a little like embarking on voyage over unfamiliar seas.

In such a situation, it helps to know your precise point of departure, your heading and your ports of call. What are the sea conditions and what is the weather forecast? And what about the state of the ship and crew?

Even if the map is not the territory, it still helps to have the map handy, and perhaps a compass! Our aim in this Whitepaper is to provide some useful navigation aids to assist on your CU voyage.

We will summarise the evolution of Corporate Universities, identify common themes and recent breakthroughs, and then highlight some key success factors. Finally, we will describe the specific contribution that CrossKnowledge can make to the CU venture, and offer some views on what the future holds.

Corporate Universities: changed and changing

Corporate Universities (CUs) have transformed over the last twenty years. The visions behind them; what they set out to achieve; their organisation, teaching models and techniques have all changed. This evolution can be attributed to the profound impact of internationalisation, market globalisation, successive economic crises and technological breakthroughs.

These upheavals are destined to continue, and CUs must rise to the challenge not only of transforming the corporations they serve, but transforming themselves in order to do so successfully. Three main drivers are behind this environment of continued change.

The first of these is the accelerating pace of economic activity, which is forcing organisations to adapt corporate strategies and reinvent business models at a forced march. Corporate Universities have to align themselves with new strategic priorities and act accordingly.

The second is a deep change in management models, with more and more organisations migrating from top-down hierarchies to more collegiate structures where leadership is no longer authoritarian in style. New processes, transactions and interactions, along with fresh approaches to objective setting, decision-making and project management, require changes in the behaviour of organisations and individuals - which in turn demands different managerial skills. In addition, globalisation and the expectations of 'Generation Y' are also changing the mindset of many managers.

Thirdly, new technologies have generated new ways of doing things. Many of the traditional constraints on time, location and activity no longer apply. Increasing numbers of people don't have an office, report to more than one boss or are self-employed. And their work is increasingly virtual, asynchronous, multitasked, and performed remotely using nomadic tools.

With so much change occurring simultaneously, the task of developing managers and organisations is one of exciting possibilities and growing complexity.

A short history of Corporate Universities

The tradition of training employees on a large scale goes back to the start of the Industrial Revolution. There were several factors at play during this period: the rise of industry and its increasing performance focus; the demand for educated engineers; and the emergence of Economics and Management as sciences. Which had primacy is debatable, as Robert R. Locke summed up with the question: “Did industry prod the schools, or did the schools prod industry?”¹

1 Robert R. Locke: The End of the Practical Man, Entrepreneurship and Higher education in Germany, France and Great Britain 1880-1940, (Jai Lu Press, 1984) p71.

Developing qualified engineers during the Industrial Revolution had little in common with training as we know it today. Most of the qualification process was ‘on the job learning’, with only the privileged few going through public universities or professional schools. In Europe, industrialists were preoccupied more with investment in machinery than with organisational development. In the US, things were slightly different, with more focus on time- and workflow-efficiency (the ‘scientific management’ of Taylorism) and on mass production (Fordism).

✧ The first CUs

The first Corporate University was probably that set up by General Motors in 1920 and more began appearing around the time of World War II, for example at Northrup Aircraft in 1940.² But in both Europe and the USA it took decades for training personnel en masse to be seriously considered as a means to raise performance across the board. Eventually though, training became a formal part of the social negotiation in many countries.

2 Bob Audrey: Vers des Universités d'entreprise, Management et conjoncture sociale N°275 Sept 87

France is a good example, where employee training was part of the national debate during the upheavals of 1968 and was enshrined in law in 1971. Now, there are mandatory processes and minimum yearly requirements (20 hours per year) based on a percentage of wages and salaries (around 1%). Large corporations typically spend up to 6 or 7% of all wages on training and development.

✧ The modern landscape

In 1972, FIAT started its own Corporate University, the Organisational Development Institute (Istituto Sviluppo Organisational or ISVOR) which became the model for many similar institutions to follow. Even the name was ahead of the game, as organisational thinking wasn't even on the agenda of most corporations at the time. At its peak, ISVOR

had 150 full-time faculties, although this has now reduced to around 15. By 1985, there were 18 Corporate Universities in the USA, but numbers grew quickly to the point where there are around 2,000 operational in the USA today - interestingly, the number of traditional universities in the USA is about the same.

Most large corporations in Europe, Asia or in the USA now have their own CU. One of the most impressive is that of Accenture in St Charles, Illinois, which is similar in size to a large campus, is run by 700 full-time employees and hosts around 60,000 trainees per year in its 2,000 rooms. Another well-known example is General Electric's J. Welch Leadership Center in Crotonville, New York.

✧ Emerging trends

CUs are so well established now that many countries have associations that organise exchanges between them. And whereas Business Schools largely saw Corporate Universities as competitors until as recently as a decade ago, a spirit of partnership and cooperation has been emerging, with Business Schools often participating in the set-up and facilitation of CU programmes.

In 2001, the European Foundation for Management Development (EFMD) in Brussels (www.efmd.org) launched the Corporate Learning Improvement Process (CLIP) project, which seeks to assess and accredit Corporate Universities. This interesting approach has already accredited 20 Corporate Universities following a parallel route to the Equis accreditation process for Business Schools.³

Over recent years, the objectives of CUs have continued to change and develop. For many institutions, a traditional focus on qualifications has been replaced by more performance-oriented objectives, as businesses have themselves become more reactive and performance-focused. Some CUs have seen their permanent faculty streamlined to the bare minimum, and have even been reoriented towards the provision of coaching and consulting services instead of traditional learning curricula.

Phases of CU evolution

Unlike most traditional public universities, Corporate Universities are closely aligned to corporate priorities and therefore have to adapt when these priorities change. Such evolutions are driven both by external changes in the competitive environment and internal changes in the corporation's needs.

3 Dufour-Plompen: Innovative Corporate Learning, Pergamon 2006 and Les meilleures pratiques de développement des dirigeants, EO 2006.

It is also possible to identify a number of common phases through which a typical Corporate University will pass.

Phase I	Phase II	Phase III
Traditional training centre	Strategic business partner	Strategic development and innovation partner (Integrating coverage and leverage to deliver performance, transformation and innovation)
Keeper of the corporate culture and processes Focused on individual skills development	Strategic deployment and implementation Networking platform for developing managers and organisation	HR branding for recruitment and retention Business model reinvention

Adapted from Michael Heuser, ex-head of Lufthansa School of Business.

There are some themes here that should interest any organisation planning to set up a Corporate University for themselves.

- 1 Any delivery of performance-enhancing knowledge tends to begin at the individual level before migrating the organisational.
- 2 A CU will usually be set up with the aim of delivering training essentials ('coverage') before moving on to the service of strategic business goals ('leverage').
- 3 If corporate training is driven solely by compliance with labour laws, it will stay in the first phase and be concerned principally with 'coverage' and individual skills development.

Rationales for launching a Corporate University

Whoever makes the decision to establish a Corporate University - and this will most often be the CEO, the Executive Committee, a business unit head or VP of Human Resources - the rationale behind that decision will tend to come from a common pool. We've broken the typical goals of a CU down into five key areas and arranged

them in order of importance below. Most CUs have a mixture of these, but groups 1 and 2 are significant to most, if not all, CUs.

✧ **Strategy implementation and alignment**

- Deliver corporate strategy
- Turn around or reinvent the business model
- Establish a new project or innovation lab (e.g. SNCF TGV Est Université du service)

✧ **Leadership and talent development**

- Provide induction programmes for new starters (e.g. Alcatel)
- Retain and develop in-house talent (e.g. Auchan)
- Serve corporate hierarchical training programs and develop high-potential individuals (e.g. Fiat ISVOR)
- Deliver training and qualification in hard or soft skills (e.g. Union Fenosa)
- Develop the organisation and its leadership (e.g. Casino, Auchan)

✧ **Improving corporate or BU performance**

- Deliver a 'quick win' on a significant project/issue (e.g. quality issues for Renault in the 90s)
- Enhance financial or marketing performance (e.g. FIRE Auchan)
- Provide problem based Action Learning on demand and/or internal consulting (EDF Programme Challenge)

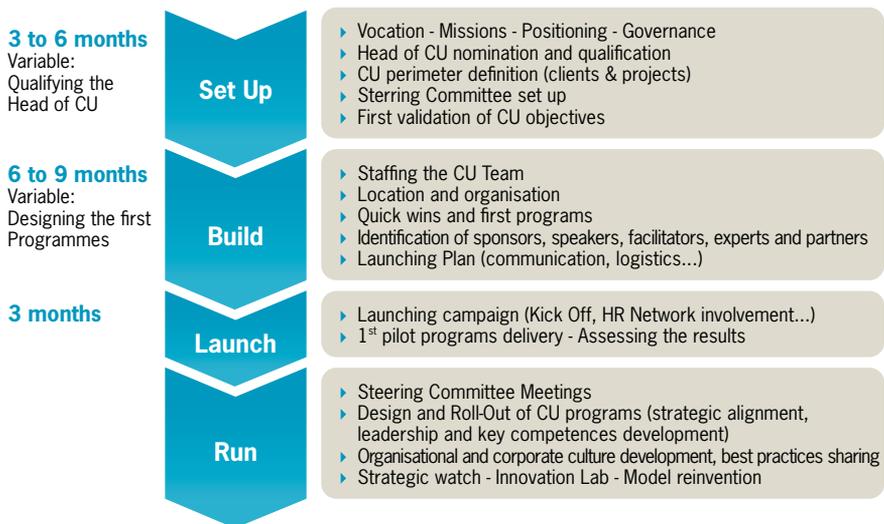
✧ **HR and organizational issues**

- De-fragment and reorganise training provision (e.g. SaraLee, PSA, Renault, Alcatel)
- Raise brand profile as employer to improve recruitment
- Share best practice, break down 'silos' and encourage cross-functional working
- Develop a common culture after a merger (e.g. AXA, Deutsche Bank)
- Manage knowledge and preserve know-how (e.g. Allianz)

✦ Corporate brand image

- Provide an additional channel for corporate communications
- Satisfy CEO appetite for a prestige project
- Establish direct contact between Executive Committee and managers to improve communication, explain strategy, get feedback, mobilise and spot talent (e.g. Ergo, GE)

The diagram below shows the key stages and steps involved in setting up a Corporate University, and gives a sense of how long you can expect these to take.



Creation Workflow

Key Success Factors

The key factors for the successful implementation of Corporate Universities fall into six categories:

- Shared vision
- Strategic planning
- Marketing and communication
- Organizational issues
- Resources
- Governance

✦ A shared vision

Corporate Universities have something in common with any entrepreneurial business enterprise: they start with a vision and then deliver it through careful implementation.

The best CUs begin by working out a vision consistent with the mid- or long-term vision of the company. This gets people at the top committed to the project and its successful delivery which, in turn, gives greater legitimacy to the CU, its staff and their efforts. A shared vision for your CU also generates creativity, passion and energy – it gets people communicating about the future of their company and engages them in designing their own future.

To come up with a compelling vision you need to explore and address a range of issues, including, but not limited to:

- The goals and global objectives of the CU
- Its added value and benefits
- Desired Return on Investment for the organisation
- Collective and individual gains to be realised
- Problems the CU will solve
- How to scout and develop talent
- Strategic skills required by the business
- Expertise needed to run the CU
- How the CU will be deployed

There is no single best solution that fits every organisation, no overnight solution or magic bullet. But one thing is a must before launching anything: sharing the CU vision with corporate stakeholders, partners and internal clients. Whoever heads up the CU needs the buy-in of these groups in order to build on solid ground, taking into account the unique culture and business requirements of their company.

The first Head of the CU is a critical choice. He or she doesn't need to be an expert in adult learning or in management, and doesn't need an HR background either. Much more important is a sound understanding of the business of the company, and of the skills and competencies required to achieve the wider business strategy.

In fact, most successful heads of CUs are entrepreneurial leaders. They are business-minded, client-focused, and performance-driven, and they manage the CU like any other business unit. Facing a difficult period, like an economic downturn or financial crisis, they react like any other business leader. They analyse, prioritise, confront, imagine new solutions, find new entrepreneurial means, manage costs and adapt as quickly as possible.

As well as strong leadership, a CU needs an identity and a clear set of outcomes - and each of these elements needs to be consistent with the others. For example, identity may seem a minor issue but, whether the CU is known as a University, Academy, Institute, School, College, Campus or none of these, the choice is symbolic and can either align with the mission of the CU or subtly undermine it. Setting up a CU is not a trivial undertaking.

✧ Strategic planning

With a vision in place, it's time to implement a real Business Plan. This will require strategic planning and tangible objectives. You need to identify qualitative and quantitative objectives; consider priorities and audiences; establish a perimeter for the project; and define how the CU will be organised and governed. This is also the time to establish a provisional P&L and an opening balance sheet.

As part of your strategic planning you will also need to formalise the terms of reference, values and cultural aspects of your management philosophy. What do you expect from your leaders and managers in terms of behaviours, ethics and skills? This is a critical issue, and few companies answer this question the same way - even within the same sector.

Let's look at CU objectives in more detail.

► Strategic issues and objectives

Not all CUs have the same mission. Some are simply training centres for developing qualified personnel. Others have different objectives, or a blend of these, such as:

- Deploying business strategy
- Performance enhancement
- Solving cross-functional problems
- Developing leaders
- Creating a corporate culture
- Organisational development
- Internal consulting and coaching

Different objectives give rise to very different types of CU, and these objectives often depend on the organisational 'ownership' of the CU. An HR department might look for talent development and cultural cohesion, whereas an Executive Committee might focus more on strategy implementation and problem solving. A CFO would look for financial performance, while Marketing and Sales looked for increased revenues. Defining the ownership of the CU plays a big part in its overall direction and the type of value that it creates.

Traditionally the institution of a CU is a long-term investment decision by a CEO who then mandates the HR department to implement it. How HR is represented in the management structure can have a big impact on a CU. When HR is part of the company's Executive Committee, the design of the CU is more likely to take into account the company's strategic priorities. When HR is more isolated, the chances are that the CU design will be driven more by the HR department's agenda.

It's worth noting that, in an environment of increasing time and budget constraints, strategic objectives are becoming less learning-centred and more focused on action and performance. If learning is a by-product of this, that's all well and good, but learning is increasingly secondary, with action and performance taking centre stage as the strategic priorities.

► **Perimeter**

As you get clear on the journey you wish to make with your CU, you'll need to establish a perimeter for the enterprise - to define what the CU's offer is and where the demand will come from.

To begin with, who are your clients? CUs usually have two main kinds of client: individual learners and corporate buyers such as operational/business unit managers and the HR network. Beyond these are the sponsors, experts, influential networks or unions that might have a vested interest. And on top of those, there may even be an external client base.

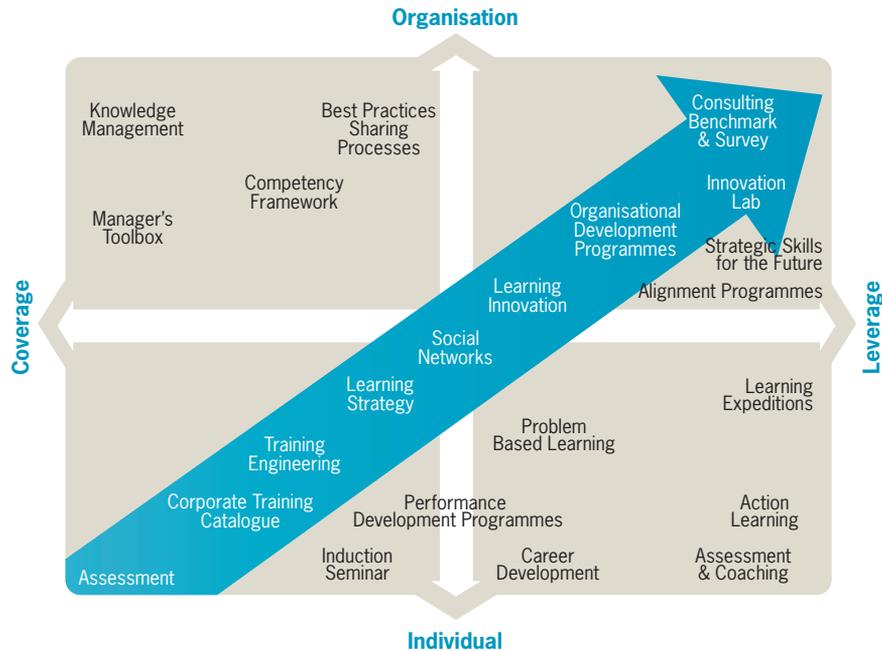
A CU doesn't have to serve everybody, nor does it have to restrict its goals to qualification and training. A CU can be configured as anything from a traditional training centre, where every employee is involved and the end goal is qualification, to a Learning & Development department where learning activities target a select group of managers and deliver strategic objectives.

So who makes up the target market for your CU, and what value do you need to deliver? How you answer this question will help to determine the focus of your CU's activities. If your market is:

- Everybody - then you're essentially looking at providing a multi-disciplinary Training Centre.
- High potential employees - then leadership development will be a key deliverable.
- Senior management - then your programmes will be centred on strategic business priorities.
- Business unit heads - then your focus is likely to be on performance improvement.

Once you know who your customers are you can start to define your CU's **service and programmes portfolio**. The following diagram sets out some of the different options

across two continua: from individual to corporate learning goals and from the coverage of basic needs to strategic leverage of organisational capabilities.



Strategic Compass

► The CU ecosystem

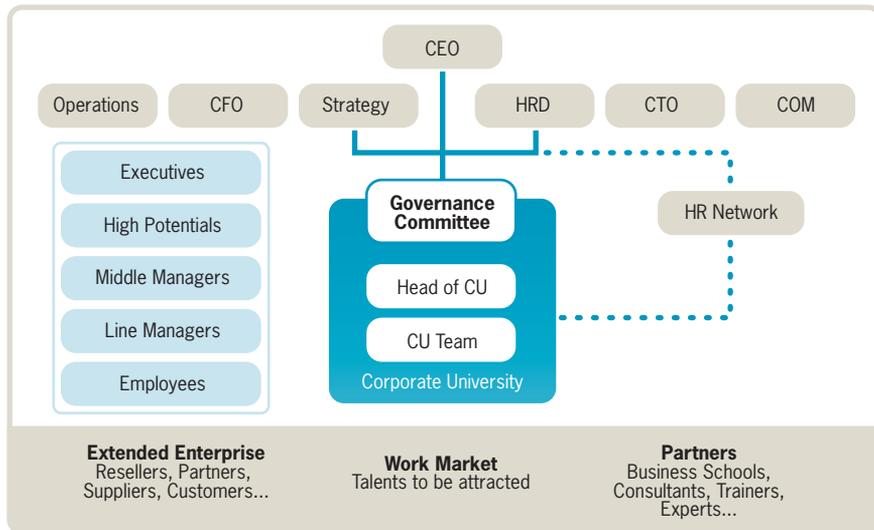
We've seen that identifying a CU's main clients and stakeholders is vital for clarifying its purpose within the organisational and ensuring that it helps to deliver the broader corporate strategy. But how a CU inhabits the corporate ecosystem also has a profound impact on its success.

Avoiding the 'silo effect'

One significant risk many CUs face is becoming gradually sidelined. The 'silo effect' can impair a CU's performance just as much as it can mar the performance of any other department or business unit. A CU is a different entity from the rest of the company: it may have its own Key Performance Indicators, and its staff will have their own identity and working practices. And if a CU is physically located far from corporate headquarters this can exacerbate the problem.

In this type of situation an organisation is more likely to make decisions about such things as career development, promotion and staff postings without involving the

CU. One example of a negative outcome here is that an organisation promotes employees without informing the CU, so training resources aren't available to support employees as they take on their new roles. The antidote to the silo effect is usually closer senior management relationships and better communication across the organisational network.



CU's ecosystem

Glocal concerns

Another important point to address is the global/local - or 'glocal' - dimension of the CU. In any centralised organisation, where key functions are performed at corporate headquarters, the first phase of a CU is likely to be designed and delivered centrally. The initial objectives may be around creating a sense of belonging, sharing common strategic objectives, and improving employee understanding of the company they work for.

Once these objectives are achieved, more local issues may begin to dominate. Then the organisation of the CU must adapt, progressively decentralise and customise its offering to local needs. Design may remain central, but delivery become more local.

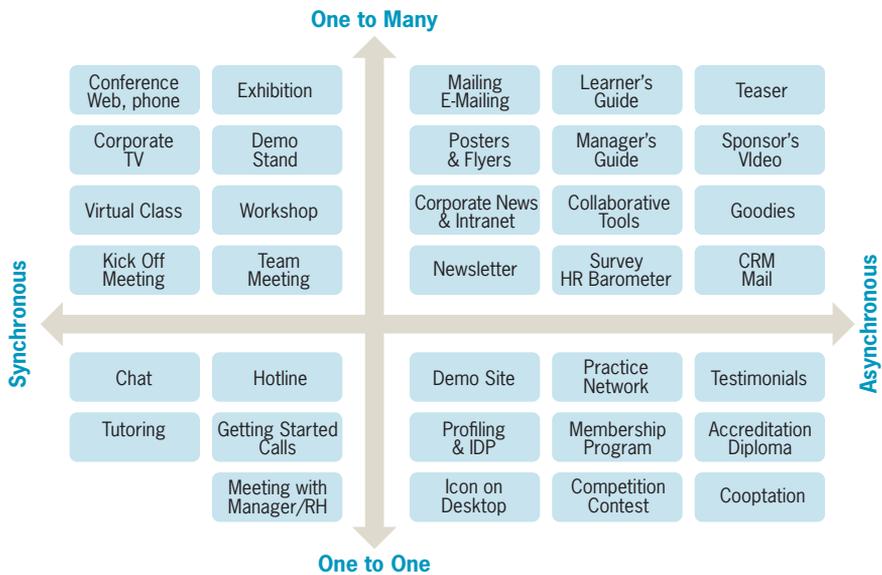
The next step may then be to set up a network of local CUs, managed locally and coordinated by corporate headquarters. Each unit might take responsibility for a different specific expertise and create suitable programmes. The role of the corporate Head of

the CU then becomes quite different, more like the Dean of a multi-campus university. In this case new learning technologies are likely to play a role, and these can be designed and provided centrally in the different local languages.

✦ Marketing and communication

A CU will be just one of many competitors vying for resources, talent and budget, so don't underestimate the importance of raising the profile of the CU and its programmes. A successful CU will engage in a variety of marketing activities that communicate effectively with its 'customer base'.

The chart below shows the range of marketing activities, tools and techniques that a CU can use to target the potential participants in a CU learning programme.



Learner Marketing

In addition to these tools and techniques, an important element of your marketing effort will be shaping your 'proposition'. Employees need to believe that your programmes will have a positive impact on their future career. Action Learning programmes, for example, where the Executive Committee sets targets and evaluates results, are an excellent arena for employees to raise their profile with top management and improve their promotion prospects.

More generally, you can attract suitable participants, and win the support of their line managers, by showcasing successful programmes. Even better, get senior managers to support the programme and engage directly with the participants. And remember that positive word of mouth is one of the best marketing tools around. If a programme has a good reputation, and is valued by the senior management, ask your CEO or HRVP to sing its praises on your intranet site and in your internal publications.

However, don't focus your marketing activity exclusively on learning programmes. A CU must also fight for its place on the corporate agenda, and there may be very different messages to communicate to such 'market segments' as:

- CEO, Executive Committee, Board, and senior executives
- Business Unit heads
- HR network
- Unions
- External partners and stakeholders

✧ Organisational issues

It would be overambitious to attempt to cover all the issues relating to the organisation of Corporate Universities here as, in many cases, these are company-specific. However, we will make a few observations about structure, learning culture and value measurement below.

▶ Structure

Corporate Universities come in a variety of structures. Describing all of them could be a book on its own. The most common is one where:

- The CU Head and Programme Directors manage CU activities and are in direct contact with participants.
- The CU is organised specifically to deliver either the learning requirements of participants, or to deliver the strategic priorities of the organisation.
- Different individuals take charge of logistics and IT projects (web site, distance and virtual learning, learning platforms, community learning and forums, invitations to seminars, follow up on providers, etc.).

An alternative structure is to have Deans heading up colleges of trades and professions. For example, the automobile industry often has CUs with separate colleges for mechanics, engineering, management, marketing and sales.

Yet another is a matrix organisation designed to cover a variety of businesses and countries, and giving programme managers visibility of the business they serve and how programmes are being implemented (e.g. Deutsche Bank).

► Learning culture

Few companies have exactly the same learning culture. One may have people who prefer to learn 'on the job' (e.g. retail and sales), while another has highly cognitive employees (e.g. engineers and scientists). Some learner groups benefit from experiential learning (e.g. senior executives on learning expeditions), and others from a more practical focus (e.g. action learning for problem solving).

Different approaches and tools suit different groups. In a cognitive culture participants are more likely to work before and after a classroom session: engaging with pre-reading, case studies and e-learning modules. 'On the job' learners need to be engaged within context: for example, with scenarios or role-plays.

The same Web 2.0 technologies that are transforming secondary and degree-level education (wikis, blogs, collaborative tools etc.) are also enabling adult learners to share and search for information in new and powerful ways. But adult learning is still markedly different from traditional school and university pedagogies. For adults, learning something new usually involves 'unlearning' something they already know first. Unlearning can be an unpleasant experience, with personal and emotional side effects. We often experience frustration, and even anger, before we reach a point where we can pull together any new knowledge and take effective action based upon it.⁴ Experiential learning is one way to address the anxiety of unlearning. It gets participants deeply involved: sharing, analysing and deconstructing experiences together, and so facilitating the 'unlearning' and learning processes.

► Measuring value

Measuring the Return On Investment of learning is one of the trickiest issues to address in executive education. A CU will find its case easier to make if it is organised so as to be performance driven from the outset. When it comes to the 'coverage/leverage' continuum, an obvious measure of success is simply the cost-effective, timely delivery of programmes and other CU activities. But ROI also needs to be shown for the delivery of knowledge, and that is much harder to measure. It's useful to distinguish between of the 'axiomatic' knowledge required to analyse and conceptualise, and the 'pragmatic' knowledge that drives performance and gets results, whilst acknowledging the value and need for both in different contexts.

Key Performance Indicators

Board members aren't the only people who will scrutinise a CU's performance indicators; a range of different internal CU clients may require specific information and data. The practical implication of this is that a CU must be able to clearly chart a range of separate indicators as well as an overall integrated view.

So, who needs what? Let's look briefly at the differing possible agendas of Executive Committees, Human Resources, Business Units and learners themselves.

An Executive Committee is likely to be most interested in strategic alignment, operational agility and corporate reputation. ECs will look for indicators that quantify employee understanding of, and commitment to, strategic initiatives; measure delivery speed and spread; and demonstrate how the CU enhances the corporate brand.

HR has a wider focus and will look at KPIs ranging from employee motivation, commitment, recruitment and talent retention to the contribution a CU makes to succession planning and qualification attainment; from sharing of best practice and improving cross functional collaboration to course participation and satisfaction levels.

Heads of Business Units will be strongly focused on performance improvement. However, this same group has a tendency to view a CU principally as a provider of training courses and staff qualifications. This can cause some conflict, as providing qualifications doesn't necessarily generate an immediate tangible impact on performance. The challenge for CU staff here, is to position themselves as partners for these internal clients; to act as consultants and help to analyse organisational issues, define performance objectives, and identify the indicators of expected value creation. It's also worth pointing out that, when performance improvement is the deliverable, learner's line managers should have input on the relevance of the programmes.

The Kirkpatrick evaluation model (reaction, learning, behaviour, results) provides good indicators for evaluating the performance of a CU for course participants. But there's room, and arguably a need, for more. Other indicators of effectiveness might include: the level of transactions across social networks, the uptake of collaborative tools, the adoption of best practices, and the sharing of knowledge that takes place within the organisation.

Other measures of value

CU governance should require regular surveys of the quality of service provided to all internal clients, and these will also help to measure value. Quality surveys should cover: consulting and coaching services, quality and speed of proposals, flexibility and adaptation, listening to and understanding the client, costs, delays and market penetration.

The commitment of senior executives to the CU is evidence of its relevance to the organisation, if not of its actual performance. Accreditation, through the EFMD's Corporate Learning Improvement Process (CLIP), and a solid reputation outside the organisation (e.g. with business schools, alumni and HR associations) are other powerful indicators.

Whatever the quality and the performance a CU delivers, when times are tough, there will be pressure to cut costs and tighten budgets. A lean and flexible strategy will allow

for the migration of classroom activities to blended- and distance learning, enabling the CU both to enhance quality and to save on delivery costs and attendance expenses. It's the role of the CU Head to make sure the mix of activities and programmes is creating value, wherever and however they are delivered.

✦ Resources

'How to' questions are often the first to arise when organisations initially begin planning a Corporate University. Such questions are important, but they should not pre-empt the 'why' questions that we've explored so far in this Whitepaper. However, the time will come when resource issues have to be addressed.

Core questions that you will need to ask include:

- How will we finance the CU? Who pays for what?
- Where should we locate it and how will we run it? (facilities and logistics)
- How will we secure the commitment of sponsors and senior executives?
- How and where will we find external partners and expertise?
- Which technology should we use and how will we ensure it is compatible with our legacy systems?
- What are the key competences we must develop to succeed?

Some of the considerations offered below may help you to determine the answers.

► Finance

Will your CU be paid for out of the corporate budget, or will it be run as an independent Business Unit with the ability to bill its clients? Some organisations fund their CUs in both ways simultaneously: with headquarters financing investment and internal clients paying course and attendance costs. In other organisations, CU budgets are entirely funded by headquarters.

► Facilities and logistics

Is it worth investing in bricks and mortar?

When CUs first became a buzzword, many companies sought facilities that were status symbols as much as they were universities. Luxurious settings, health spas, swimming pools, golf courses and fine dining were all on the menu. With constraints and budget cuts, the trend is decidedly towards less extravagant alternatives. Contemporary CUs focus on providing professional services and applying leading edge approaches to learning; they no longer concern themselves with mimicking exclusive country clubs.

Few CU facilities operate at 100% capacity, so you will need to determine whether you can afford the cost of slack periods, or whether your cash would be better used another way. Logistics can play more of a role in the success of a CU than the level of the facilities on offer. How important is it to you that senior management can come and go from your CU with minimum impact on their time? If this is a priority, then you'll want your CU facility close to head office.

► **Executive and management involvement**

Depending on the lead set by your CEO, senior executives may be motivated to participate in CU programmes, perhaps taking the role of lecturers and facilitators.

CU pioneer, J. Welch, was closely involved in the General Electric CU, where he would lecture and observe course participants, and keep an eye out for emerging talent. He would also make sure that participants understood GE strategy and objectives. It has been said that GE has trained more leaders than some famous Business Schools.

Senior executives can also play an important part in the life of a CU through less formal participation: perhaps by checking in on the morale of participants, or making sure corporate messages are being understood and acted on. But be aware that using senior executives alongside external training experts can call for careful planning, as well as a measure of diplomacy.

► **Partnerships**

Partnerships can be a powerful resource. Reinventing the CU wheel on your own may represent a very poor use of your time and budget, especially when working partnerships can help to develop highly effective solutions that save time and money.

Some corporations (often family businesses) are reluctant to open themselves up to outside partnership, fearing the loss of proprietary knowledge and expertise. But most big businesses are long value chains of thousands of elements, all blended in a specific way, and associated with the history and culture of the company. Stealing a company culture is just not possible. General Motors, for example, knows everything there is to know about Toyota; but knowing the Toyota culture has not changed many managerial or marketing processes within GM.

The main partnership opportunities are between corporations, business schools, and consultants, and each makes a different contribution to the mix. Corporations tend to be creative in a cross-functional manner, finding ways to solve complex organisational issues; business schools excel at bringing ideas together to help solve complex problems, perhaps through academic research across multiple fields; and consultants are well placed to observe and benchmark best practice within a client's organisation.

A mix of the two or three of these can be very powerful, providing access to new knowledge and solutions that are both pragmatic and effective. However, managing a partnership does require a somewhat different skill set and an overarching, even 'architectural', perspective.

► **Information Systems and HRIS**

Information Systems will be a key factor in your resource considerations. Learning activities are more and more a blend of face-to-face and technological approaches, partly because of time constraints on course development and delivery, but also because of the powerful new learning technologies that are now available. This topic will be covered in a specific section (see Jerome Coignard's input in Section 8 of this Whitepaper).

It is also important to consider how a CU's systems will link with the HRIS, as personnel files need to be updated constantly with CU data, for example to facilitate staff mobility and enable better succession planning. CUs need to dedicate some of their expertise and resources to managing the connection between CU and corporate systems, and to ensuring that the information required for management and/or learning purposes is exchanged efficiently between the two.

► **Key competencies and management principles**

To deliver your CU's mission, you need people to manage it, and people to design and run its programmes – people with the right competencies for the task. CU staff must understand adult learning processes and corporate strategic priorities; they must be service minded and digitally literate. Designing learning programmes is just as much a specialised skill as consulting or coaching; qualifications and experience are both required. This is not to say that trial and error, pilot projects, and finding a compromise between corporate ambitions and what is realistically achievable is not part of the journey to success. Whoever runs your CU, they will need to cycle back and forth between high-level objective setting and the day-to-day practicalities of delivery in order to fine-tune the process.

Still, these people must come from somewhere. In Anglo-Saxon countries, Heads of CU are often PhDs, and CU staff are also often highly qualified. This is not always the case in Latin countries where training centres were, historically, often manned by less-than-best performers as an alternative to redundancy. This image has stuck, making CU's less attractive to high-potential employees. The training centre tradition also means that CU personnel in Latin Countries tend to be drawn from an HR pool that is more used to Personnel Administration (i.e. delivering qualifications) than strategic Talent Management.

Outsourcing is an attractive option, although identifying the most suitable external expertise can be a challenge. Also, the more you outsource, the more you need to

understand about what you're outsourcing in order to oversee the activity effectively. For example, working efficiently with a business school may require a good knowledge of its faculty and centres of interest and research in order to get the best out of the partnership.

The optimum approach to staffing will be determined by your mission, policy, objectives and means. The options run from doing everything internally (from running the accommodation to delivering the lectures), through setting up of partnerships that draw on external expertise and services to relieve some of the staffing burden, to the other extreme of outsourcing everything. Conventional wisdom would suggest that *in medio stat virtus*.

✦ Governance

We mentioned the risk of a CU becoming marginalised earlier in this Whitepaper. This is a distinct possibility if a CU is the property of just one department – for example, if it is designed and managed exclusively by HR personnel. Then there is a danger that the CU will drift towards a 'silo' mentality, undermining its relevance to the rest of the organisation.

One way to avoid such a drift is to set up a Steering Committee (SC), under the chairmanship of the CEO and with sponsors from different business units, including HR and the Head of CU.

Regular supervision and challenge by a Steering Committee helps to align the CU's programmes with the needs of the organisation, and ensures that its activities are closely linked to wider transformations within the organisation. Supervision at this level may also make it easier for the CU to secure the resources it needs to achieve its strategic objectives.

An SC might meet three or four times each year to review past actions, define new strategic priorities and set the forward agenda of the CU. When necessary, individual sponsors can voice specific needs, and so become a 'leading client' for the CU, but with the approval and oversight of the rest of the Steering Committee.

Back inside the CU itself, a Programme Committee (PC) can help to ensure consistency between the CU's actions, means and resources. A PC will usually be assembled by the Head of the CU, and will bring together the Programme Directors, qualified staff and internal consultants required to establish a portfolio of activities and to design any specific programmes required by the 'leading client' of the moment.

Taken together, an SC and PC can be very successful at providing the governance needed to measure and manage a CU's performance and driving the achievement of its mission.

The CrossKnowledge value proposition for CUs

Since 2000, CrossKnowledge has supported the Corporate Universities of a range of major multinational companies as they develop strategic skills aligned to their organisational needs. Examples include: Axa, EADS, Valeo, ArcelorMittal, Alcatel-Lucent, and each year new corporations join this community. What we have gained from this experience is a deep understanding of the wide variety of CU models and the potential impact of new technologies.

The CrossKnowledge proposition takes into account the fact that each organisation has its own unique mission, ambitions and constraints, and that these are driven by very different corporate strategies and cultures. There is no 'one size fits all' proposition that we take off the shelf. Each solution is specific, even when it blends similar elements in terms of technology, learning approach or change management technique. The combination is always optimised for each customer.

CrossKnowledge's contribution is threefold:

- Consulting and strategy definition
- Design and implementation of Integrated Learning Solutions
- A portfolio of best practice knowledge transfer and deployment services

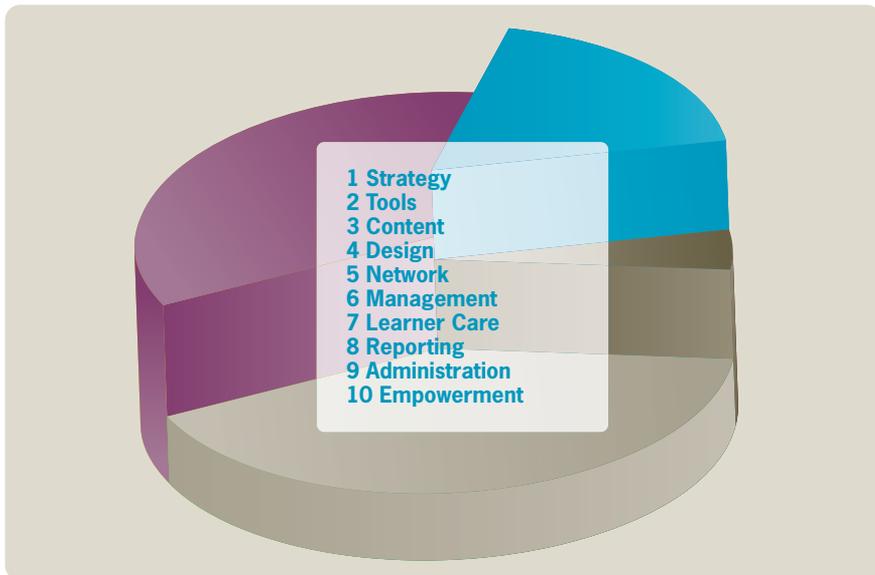
The first step in the process is to define what the Executive Committee and other stakeholders want. This includes generating Key Performance Indicators and specific scorecards for the enterprise. These might be alignment and agility for the Board, operational performance for internal clients, and organizational/people development for HR. This exercise will help to formalise such essentials as a CU's main deliverables, organisational structure, planning procedures, staffing and CU team qualifications, technical architecture, tools and software, partnerships, and approach to quality management.

CrossKnowledge experts and consultants contribute their experience and engineering know-how to ensure that skills development is aligned with the CU's mission and a company's strategic objectives, sharing benchmarks and best practice gained from a decade of collaboration with large corporations.

As a summary, here are the ten key steps we usually follow with our partners and clients:

- Support the CU team in defining its strategy
- Design an architecture and select the appropriate tools

- Define and manage the content (learning library, authoring etc.)
- Design the alignment and L&D solutions
- Manage networks (internal and external)
- Pilot projects
- Support learners
- Provide KPIs and reporting
- Administration
- Empower the CU team



CrossKnowledge Value Proposition

The three case studies below demonstrate how some of these key steps have been implemented with different clients. In each case our approach was tailored to:

- Reflect the company's unique strategy and infrastructure
- Identify which knowledge/skills gaps to address
- Deliver the required impact on the organisation and target audience

✦ A Merger & Acquisition

► The situation

Two corporations were merging, each with a strong culture and an efficient organisation

appropriate to their market. Each organisation retained its L&D department, but, due to a lack of common governance, agreed not to undertake the roll out of the new unified corporate strategy to their business functions.

Top executives agreed that the success of the merger would come not only from cascading downwards, but also 'from the ground up'. The ExCom set up a team to take charge of building a shared CU, with an initial mandate to create and then implement a common corporate culture.

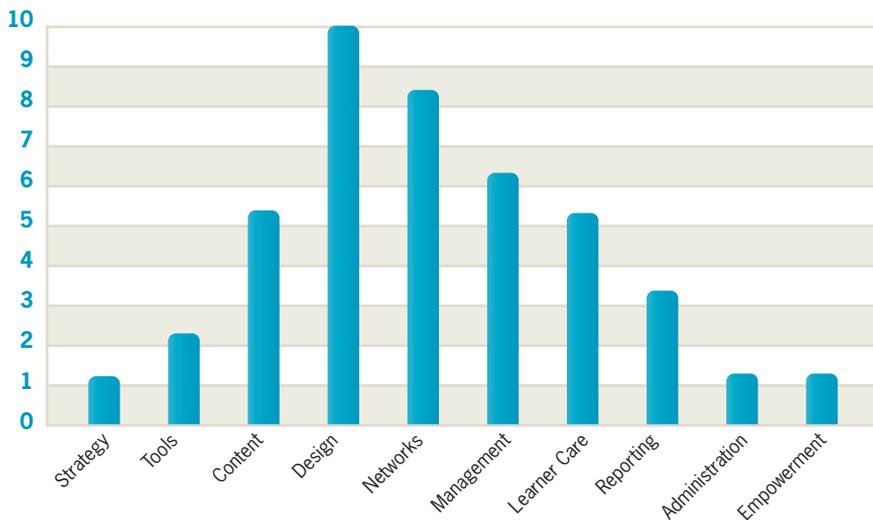
► **The solution**

The CU brought together managers from both organisations in a pilot project to create a new managerial framework and to identify the most significant challenges presented by the M&A.

The plan was to create a common portal that combined information, tools and training programmes. Since both organizations had different Information Systems, the CU chose to source a software solution externally. Time was a critical issue, with the CU having just a few weeks to establish its legitimacy in the new organisation and to design and implement an original and effective solution.

► **The CrossKnowledge contribution**

In this example, with the strategic issues already clear, our contribution was primarily instrumental and tactical. Our proposed solution blended strong editorial content (from sponsors, experts and business champions) with training programs and best practice sharing, to deliver strategic alignment for the organisation.



The CrossKnowledge contribution – design and networks

The customer chose the CrossKnowledge Learning Management System (LMS) and tools as these were easy and quick to implement (SaaS), flexible and highly scalable, allowing us to meet tight deadlines for the project - eight weeks for delivery, with a four-month deployment plan.

✧ Optimising and defragmenting training provision

▶ The situation

This client was made up of relatively autonomous business units, each of which developed and provided their own learning courses and programs. A Corporate University already existed, but dealt only with cross-functional requirements such as management and basic conceptual skills, and personal development.

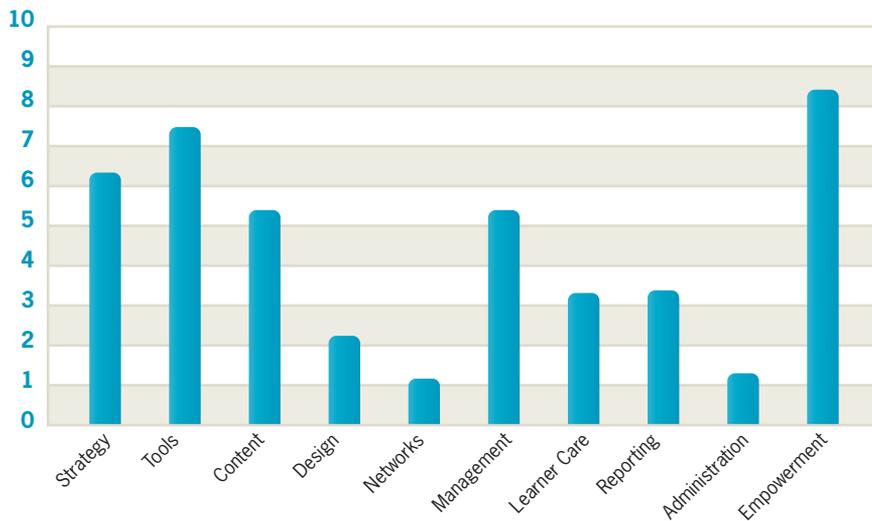
However, the company was becoming increasingly global and was growing fast in a highly competitive environment. Its senior management set out to cut costs while improving operational performance across the corporation.

▶ The solution

The newly appointed Head of the CU obtained approval from the ExCom to reposition the University, transforming it from a traditional training center into a Centre for Operational Excellence that would also control the quality of all corporate training programs. The strategy included defragmenting training provision, improving quality, and creating a community of internal experts – all to be achieved despite a reduction of the overall training budget. The CU was already equipped with leading edge technologies (e.g. LMS and collaborative tools) and owned an impressive library of business-related learning content.

▶ The CrossKnowledge contribution

CrossKnowledge contributed a range of specialised learning resources to help the organisation meet a variety of training requirements, while still defragmenting and optimising training provision. We identified the Mohive™ platform as a solution that would make it easy for the CU to develop its own training content, and to formalise and publish best practice. The platform also gives the CU the ability to localise corporate messages for global audiences.



The CrossKnowledge contribution – content, tools and empowerment

CrossKnowledge provided Training on Demand™, its range of online management and leadership programmes, and helped the CU design its first curriculum before its widespread deployment. We also managed the CU’s network of experts during the first year.

✦ Rapid growth

► The situation

This international service company had achieved a corporate ambition of double-digit growth but now faced HR challenges including recruitment and preparing management teams for the future, whilst also continuing to grow.

► The solution

The company’s CU knew which issues it needed to address, but it wanted a solution consistent with its corporate philosophy, i.e. one that would effectively integrate the ‘generation Y’ agenda, support its commitment to diversity, and favour internal promotion over external recruitment. At the same time, budgetary constraints were forcing the University to explore innovative ways of addressing these challenges.

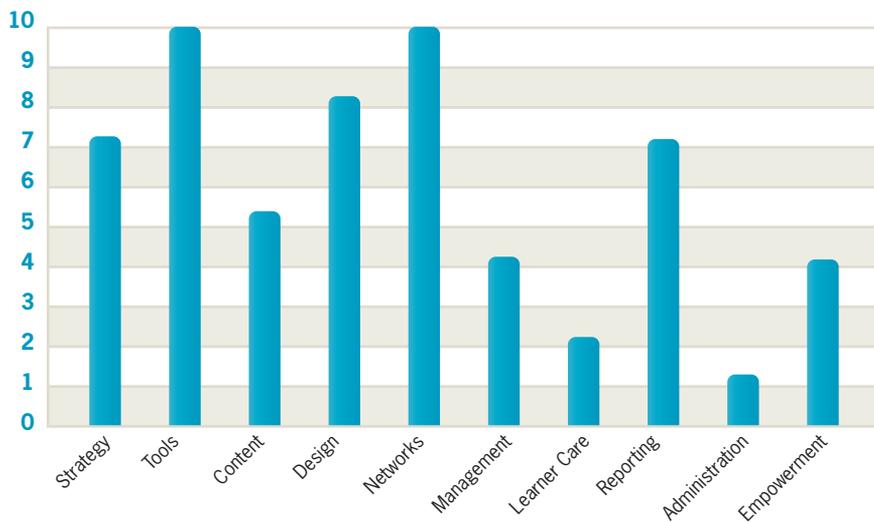
The organisation’s existing learning model was a 70:20:10, blend of traditional classroom training and experiential learning.⁵ Knowing that its ‘Generation Y’ employees

5 Adults learn 10% via structured learning, 20% through others (sharing & feedback) and 70% at workplace.

were positive towards social media and games, the CU team was keen to explore conversation tools and Serious Games as a way to increase the effectiveness and appeal of the learning solution.

► **The CrossKnowledge contribution**

The solution had to meet the needs of three very different audiences, each with a different learning approach, and had to be delivered using a variety of technologies – all within tight budget constraints. This demanded a combination of creativity and discipline from the CrossKnowledge team. Consultation work and project definition were key parts of the process, and enabled us to create a solid three-year implementation plan for the project.



The CrossKnowledge contribution – tools, networks and design

The curriculum includes an exploratory induction program with conversation tools; succession planning organised as part of a ‘Leadership Journey’; and Serious Games for leaders reinforced by social network interactions. At the same time, connecting the company’s Programs and Talent Management teams will make it easier for HR to manage their target audiences. Finally, the CrossKnowledge Academy’s learning and sharing communities will transfer know-how and ensure that the CU project team is fully autonomous.

✦ The CrossKnowledge promise

In a nutshell, CrossKnowledge's commitment to Corporate Universities promises:

- Reach
- Speed
- Quality
- Cost effectiveness

▶ **Reach**

New technologies allow us to reach diverse and widespread audiences, to provide them with varied content covering a multitude of topics, and to adapt learning approaches to suit many different requirements.

▶ **Speed**

The logistics and deployment of learning are increasingly straightforward, allowing CUs to reduce 'time-to-learn' tenfold when compared to traditional solutions such as cascading. Companies can be more responsive (delayed implementation need no longer a significant issue) and can quickly move to reinforce a competitive advantage through training provision.

▶ **Quality**

When everybody in an organisation has access to quality information, and to effective planned- or just-in-time learning solutions, there is a tangible impact learning performance. CUs improve the consistency and individualisation of their programmes, and win greater buy-in and loyalty from learners and CU sponsors.

▶ **Cost effectiveness**

Beyond the short-term reduction of costs, closer alignment of CUs with corporate strategic objectives brings a natural Return On Investment. CrossKnowledge solutions allow you to 'do more with less' and to create real opportunities to optimise budgets, timeframes and quality.

Expert opinions

Web 2.0 and Corporate Universities

Jérôme COIGNARD, Director of Innovation, CrossKnowledge

The application of Web 2.0 technologies in a Corporate University context is a natural evolution of such Business-to-Consumer services as Facebook, Twitter, LinkedIn and Viadeo. Social networking technologies are cross-functional and virtual – they connect everybody to anybody, break down ‘silos’, and reduce transaction costs between departments and units. They are also radically different when it comes to implementation, and so present exciting new opportunities for CUs. For example, their:

- **Organic structure** means the cost of creating a new community is low
- **Openness** facilitates creative exchange, both internally and externally
- **People focus** fosters commitment and motivation
- **Flexibility** allows online conversations to range from simple chat to value creating collaboration

We will increasingly see CUs taking on the role of network architects and community designers, in addition to their traditional role (delivering development programmes, promoting corporate values, missions and projects, establishing communities of thought leaders and expert practitioners etc.). In future, CUs will chart a transformational journey of their organisations, finding ways to use social media to:

✧ Attract new talent

Recruitments teams are already adopting social networks to foster their brand image as employers, and to engage in direct discussions with applicants. The Twitter account at Société Générale is a good example of such a dialogue, and even includes job postings. Exciting opportunities exist for CUs to establish similarly direct (and ongoing) communication between programme participants and the experts who run them.

✧ Induct employees

A Web 2.0 approach speeds up the whole process of employee integration. Social networks connect new employees with others going through the same curriculum, facilitate communication with mentors, and encourage people to establish communities of interest. They also allow people to build on the personal contacts and relationships they have established during face-to-face induction seminars.

► **Develop, support and motivate**

Social networks help to build a friendlier and more seamless work environment – one that supports and motivates people in their work life. Employees can use them to access a wide variety of resources, advice and help from their colleagues. This might be in the form of conversations with experts, sharing written material or videos, or accessing more conventional training programmes. The role of the Corporate University is not only to organise these resources, but also to understanding the organic nature of this shared knowledge network, and harness it to the corporate learning mission.

► **Maintain connections**

Corporations like McKinsey have acknowledged the value of ‘alumni networks’. Whenever a company recruits a new employee, that individual brings their existing network with them. Likewise, when a colleague leaves a company, the loss of that person as a ‘resource’ will be offset by the degree to which you maintain work/social connections with them. Provided they don’t join a direct competitor, former employees and experts can become valuable and influential ‘social assets’ outside the organisation.

✧ **New roles and competencies for CU teams**

► **Future evolution of CUs**

In recent years we’ve seen massive changes in technology, speed of delivery, content, cost, learning approaches, modes of delivery, and CU organisation. This trend set to continue. The business environment is changing fast, and Corporate Universities must keep up.

With time becoming a scarce resource for everyone, sharing relevant knowledge quickly will become ever more important. In future, programmes will need to be designed and delivered in just a few weeks, and most pure training will be delivered using new technologies. People will want learning that is rapid and offers a rich mix of information and practical knowledge. They will also demand access to it from wherever they are, at any time, and on a variety of devices. At the same time, senior managers will need to get more engaged as programme sponsors or facilitators.

► **Changing competencies for CU staff**

Few CU staff will be able to limit their roles to those of traditional trainers. Instead, some will become Programme Directors or internal key account managers; others will become internal consultants, coaches and facilitators; and yet others will move into knowledge and expertise management. And in some cases, they will take on more of a project management role.

A sound understanding of the diverse needs of internal clients will be important, given that few CUs can still rely on the luxury of operating inside a 'push' model, and must instead get better at selling their services internally. CU staff will need to be increasingly conversant with strategy, marketing, management, HR, operations and finance if they are to understand the varied projects and preoccupations of their clients.

The example of Ms Demonchy, an employee in a large international retail company, illustrates the typical professional journey of many CU staff.

Ms Demonchy started work 22 years ago as a first level manager in a retail store then, three years later, moved to the purchasing department for seven years. She then took charge of developing international training for employees. Ten years ago she moved to Executive Development, setting up programmes for top managers, focusing on leadership development and strategy implementation, and organising Action Learning Programmes for the Executive Committee. More recently, she began delivering organisational development programmes for the global purchasing organisation. In the course of her career, she has walked the arrow on the chart below, from 'individual/coverage' to 'organisational/leverage'.



Conclusions

CUs face many challenges on the road ahead. Clearly, the economic crisis has had a negative impact on budgets, resources, course times and durations. These are predictable reactions to straitened circumstances and need little comment. But there has also been a marked change in the outcomes companies require of their CUs, and this is rather new. CUs are increasingly expected to deliver more than plain vanilla training. Alignment, deployment, problem solving, performance, innovation, and transformation are all now on the menu of CU deliverables.

CUs have a range of new missions that require different competencies. These missions include: designing programmes in collaboration with internal clients; tutoring individuals and teams; consulting on demand; coaching on projects and change programmes; and managing innovation processes with clients and customers.

To enable CUs to respond successfully to this expanded agenda, it can be a good idea to carry out an external quality audit of both the CU organisation and its portfolio. This can be a demanding process, but it helps to guarantee the consistency and quality of the CU, at a time when so about the game is changing.

Whether you go down the auditing path or not, the future is likely to hold a more profound exploration of your company and its plans, and a journey of personal development. The voyage will be an exciting one.

Bruno Dufour

Bruno Dufour: Essec (MBA), Ehess (Ms in Psychology), Colleague of the Creative Education Foundation (Buffalo, US) has a dual career in industry and higher management education. He has been active in the textile industry, Dean of EM Lyon, and Board member of large corporations or organisations (AACSB (US), CIEE (US), EFMD (EU), ANVIE (F), Head of Executive Education at Renault, Auchan.

He is now consulting in Executive Education and auditing for both Business Schools, and Corporations in Europe. He has written articles and books, on HR and Executive Education. One of the founding fathers of Equis and Clip, accreditation processes for Schools or Corporate Universities, within EFMD, Brussels.

Jérôme Wargnier

Jérôme Wargnier benefits from training both in management and coaching. He managed teams during many years in the fast-food industry. In 1998, he joined DOit as managing director in charge of team management, executive coaching, instructional design and roll-out of strategic alignment and L&D programmes.

Since 2005, he is responsible for business development at CrossKnowledge. He is an expert in the fields of strategic alignment and skills development. Jérôme Wargnier is a regular guest speaker at international conferences.

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