

## 2003 Excellence in Practice Award

Electronic Learning Technologies  
Organizational Learning  
Workplace Learning & Development



### IBM

Hillsboro, North Carolina

## *Role of the Manager*

### SUMMARY

**Problem #1:** An ambitious business strategy of eBusiness On Demand requires business leadership transformation.

**Problem #2:** Leadership across multiple lines of business is critical. Managing a matrixed organization, collaborating across functional and national boundaries, teaming in electronic spaces -- are new challenges.

**Problem #3:** Managers are time pressed. How to create and deliver comprehensive enterprise learning solution that transforms the business on all levels - individual, team and organizational learning that on a massive scale.

**Objectives:** Design and deploy a learning experience that:

- uses the learning process to address business-unit priorities and define action plans
- creates new e-approaches to align teams on key business objectives
- targets managers' individual development needs in leading performance through people
- provides a learning/communications initiative to support peer learning and shared objectives

### **Twofold solution:**

**#1:** Create a learning process of "core" people-leadership skills, with specialized skills for specific business-unit actions

Customized business unit curriculums to drive business results aligned with company strategy. Management teams create shared goals to achieve business objectives through performance of people. Each manager has their own customized learning path, informed by 360-degree survey data and individual career goals, plus business-unit objectives. This requires new technology to diagnose, prescribe, and track individual, team and unit needs, strengths, weaknesses, and goals.

**#2:** Employ blended, multi-modality approach, integrating intranet **collaboration** and **e-learning** with **classroom**. Incorporating:

- customized individual learning paths
- dialogues among managers and executives to align and refocus manager's role
- online performance-support modules and e-simulations
- virtual collaborative workspaces to drive change
- a rigorous assessment/evaluation framework

## BACKGROUND

**The Challenge and Purpose.** The global, technology-enhanced market place is transforming the manager's role requiring more skills: accommodating an ever-changing matrix environment of shared leadership and report-to roles; leading teams increasingly remote and mobile; creating an environment that encourages continual innovation *vis a vis* rapid market changes, and more.

Needing a wide range of leadership skills, managers can easily lose their primary focus: leading high performance through people. This initiative sharpens that focus. Also, in our increasingly remote-and-mobile environment, managers need to remain connected with peer managers within their business unit, to share solutions, to build networks, and to help define and achieve actions that create business results. This initiative provides new tools and activities that use learning to drive collaboration, manager development, and business strategy and actions.

Our managers work 10-12 hours/day, some longer. The option to increase our 2-day offsite class time for skill-building and networking was unfeasible. We needed a new approach to create dialogue, collaboration, individual development, and action plans.

**Proposed Solution and Goal.** Our proposal: reconceptualizes management development as a transformational and extended process, rather than a several-day classroom "event"; invents and employs new technologies that support the classroom intervention, create authentic dialogue among peer managers and executives, and enable collaboration on defining and achieving focused, strategic actions within business units.

**Implementation.** This initiative has been delivered to 16,836 executives, managers and leaders worldwide. These leaders comprise 57.6% of the total worldwide management population, a sufficient number to assess results for continued planned roll out to all remaining management teams over the next 3 quarters.

**Resources committed.** Professionals (27 FTE facilitators, learning consultants, and adjuncts over 2 years): \$8100K Administration (10 FTE over 2 years) \$975K; 6 FTE Developers (Needs, Content; Edvisor): \$1708K; ManagerActionNet (6 FTE over 1.5 years) \$1177K; 2 FTE Managers, 2 yrs: \$697K Vendor for Manager ActionNet: \$1075K; Vendor for ManagerJam: \$175; Vendor for Learning Technology: \$724K; Vendor, Program Materials: \$480K; Vendor, Prog. Development.: \$780K Facilitator Training \$930K. TOTAL INVESTMENT: \$16,821,000

**What sets the practice apart?** The design creates new learning tools/processes that: (1) connect different levels of management for learning dialogues in ways not available previously; (2) provide a venue for a continuing and sustaining focus on the key action role of the manager; (3) facilitate completion and reporting of team action plans derived from the Learning Lab; (4) facilitate a customizable and trackable long-term learning process tailored to individual skill development from each learner's 360-survey data and individual interviews.

### **Phase I: ManagerJam: Enterprise-wide manager conversation**

hosted by our CEO, was a massive company-wide online dialogue, for all 30,000 managers worldwide held on July 9 -11, 2002, participation was extremely high. Company managers, worldwide, dialogued on 6 key management issues, chosen via interviews w/70 executives from across our businesses, that focused on the company's most critical management topics. Objectives of **ManagerJam** were to: (1) Begin non-hierarchical dialogue among managers; (2) Improve manager behavior change in collaboration, networking, and open sharing of ideas; (3) Build a sense of community among managers, based on common management issues; (4) Encourage managers to think differently about solving company-wide management issues; (5) Build a knowledge library based on manager insights

It was the largest conversation on management topics in our company's history: over 7,002,000 total "page reads" and 4,554 responses within the 6 discussion forums: Our managers' solutions, ideas, and success stories rated by participating peers as having most potential -- are permanently available to the global management team on our KM Web site for manager support.

**Phase II: Advisor and e-learning.** We created a patent-pending online tool -- **Advisor** -- to create a guided path for each of our managers, including those working "remote and mobile." **Advisor** prepares the manager for the **Role of the Manager** Learning Lab. **Advisor** helps move learning from a classroom event to a continuous, individual process. **Advisor:**

- provides a **blend** of e-learning (online performance support, online simulations, virtual collaboration) to enhance the Learning Lab classroom experience
- provides a personally-customized career-learning path for each individual manager
- is customized by business-unit and individual manager survey-data reports
- meets managers' immediate problem-solving needs and long-term developmental goals
- makes learning accessible whenever desired and wherever convenient for managers
- is directly aligned to support achievement of business goals.

**Phase III: The 2-day, in-class "Learning Lab"** focuses on experiential, higher-order learning for management teams to create shared action plans. Comprises: **(1) A day of action learning**, customized to each management team, to strengthen specific people-management skills from issues derived from their own business goals. Executive sponsors select the action-learning topics for their management teams. Devotes attention to the manager's individual survey feedback of their leadership competencies, their managerial styles and the climate they create in the organization, all data

generated from 360-degree questionnaires from the manager's direct reports, colleagues, and manager.

(2) A day of action planning, defining the implications of a specific business's priorities for that business unit's managers. The team proposes concrete business-related actions, records discussion and commitments. Focus is on taking the imperatives identified at corporate and business-unit levels, and elaborating them for action for the intact work group.

**Phase IV: Manager ActionNet** -- a new, patent-pending, web based community of purpose across an entire organization where managers discuss and take action on their key management challenges. Enables focused, organization-wide discussion, work and knowledge sharing. Provides a structured process after the Learning Lab for all members of that management team to continue to learn, share best solutions and execute the plans that drive success on their business priorities. It accelerates organizational change through broader communication and participation among managers and executives within their business unit, and enables assessment of actions taken for the issue. Key topics are "spotlighted" by Business Unit executives and "tagged" for wider use and potential adoption throughout the organization. Any manager can contribute to best ideas and shared knowledge from any business unit in the company.

## DOCUMENTATION

### Needs Identification

*1. Describe the problem or need for which this practice is designed and implemented. How was this problem identified, and how was it determined that this practice is an appropriate response?*

1. Given our company's large size (300,000+ employees), our needs analysis and determination of appropriate solutions are generated from a variety of sources:

**Managers** -- ongoing qualitative interviews with managers provide day-to-day perspective of what actual line-customers need

**Executive Interviews** -- execs across all business units and geographies, 147 line executives were asked for business goals, implications for managers, obstacles and linkages needed to drive business success.

**Global Learning Leaders** -- 7 senior executives, representing all geographies and all industries within our company, raise specific business-related and geography-related issues to be solved via a global approach

**Business Unit Business Plans** -- strategic business plans from every major division were examined for short- and long-term needs for behavior change

**HR Solutions Focus Team** surveys employees, divisions, and employee-relation officers for management problems and concerns

☒ Our department enjoys founding-membership status in the **Harvard Business School Publishing New Media Partners Council**. This consortium comprises 20 non-competing Fortune 500 companies identifying overall trends in industry that impact management development

☒ **Internal development specialists** communicate insights, thoughts, and trends from academic conferences and colloquia (e.g., the Conference Board, ASTD's and Online Learning's annual conferences, committees and expositions, etc.).

☒ **Internal research** was commissioned to study leadership competencies that drive success from our 360-degree management assessment surveys, resulting in new, corporate-wide definitions of competencies, behaviors that lead to employee motivation, ability to execute on business goals, and retention, as well as establishing new standards for ongoing personal development.

☒ **Internal leadership experts** in management, leadership, organizational development, strategy, knowledge management, team effectiveness, large-scale communications, learning and human resource excellence served to design overall strategy and elements of the initiative

☒ **Management System Data Sources** -- important corporate measurements (quantitative and qualitative) of management quality offered insights from employees, managers and executives; such as global employee surveys, specialized work group surveys (e.g., work/life and communications) and exit interviews, including the results from 51,400 360-degree management assessment surveys.

☒ **External Research.** Key studies from academic and corporate sources were culled for relevant insights into leader behavior change. For example, Prof. Michael Tushman (Harvard Business School) provided insights on culture and effectiveness after his leading our company executives in organizational development sessions

☒ **Mayflower Survey.** Our organization is provided a comparative analysis of our management standing *vis a vis* 20 companies within our industry in regard to: retention statistics, employee attitude, hiring, employee relations, trends & issues, benchmarking practices & policies

☒ **Global Employee Survey.** Each year our company randomly surveys 1/3 of our entire employee population. The questionnaire typically includes 24 questions on perception of the manager and company management to identify specific management education needs.

Distilling the reports of above-mentioned sources identified a significant growing need to focus on people-management skills, in particular

- ☒ Motivating employees to high performance
- ☒ Retaining our high-performing employees
- ☒ Enabling employees to execute to achieve high performance

Further, each business unit held executive sessions to establish customized, targeted managerial imperatives based on business goals. These provide the platform for deployment of the initiative and ensure alignment with business goals, and most importantly, executive commitment to their key organizational change roles.

## Design Values

- 2. Please describe how this practice takes into account the best interests of both the organization and the employees targeted.*

Organizational Interests.

Design efforts were guided by three organizational objectives:

(1) to develop superior people-management skills in all our managers; (2) to harness the potential of an e-business approach to learning and dialogue; (3) to provide a purposeful collaborative and individualized learning opportunity that defines and enables business-unit action towards achieving their objective.

Ability to lead high performance through people has been found to foster a high-performance working environment that increases business results. An e-business approach to learning, communicating, and collaborating allows us to reach students globally to strengthen these skills, and to put into our own practice our company's "e-business" approach to using network technologies to reach our "customers" distributed around the world. Finally, the learning focuses on defining and producing action within business units to improve business results.

These objectives were endorsed and supported at senior levels of the company, and provides the model for the **Role of the Manager**.

**Employee Needs.** Our managers are pressed for time. Enhancing leadership and management skills in a time-efficient way is of critical importance to managers. Moreover, being able to fulfill managers' individual performance-support needs in a "just-in-time" manner is equally compelling. The task was to create an instructional model that employs our network infrastructure to allow managers to make best use of resources, both collaborative and online, to fulfill their organizational-unit's learning needs and the skill-building needs of our individual managers.

**The "Blended" Design.** Our design blends 4 "tiers" of delivery in the tradition of a learning hierarchy. Each tier builds upon learning developed at the previous tier, beginning with information transfer and progressing on to skills development and collaborative person-to-person interaction. The tiers together comprise a system of tools and applications that constitute a continuing process of learning, instead of "events" such as one-time classes or workshops.

**Tier 1. Online information transfer / performance support.** Online resources are available to the manager via the company intranet anytime, anywhere, before, during, and after the 2-day **Role of the Manager** Learning Lab. The primary purpose is to prepare managers for their Learning Lab. Best thinking on 150+ leadership and people-management topics of concern to our managers are available, including customized materials from Harvard Business School Publishing. Printable worksheets and checklists for specific action issues and links to important external Web sites are highlighted. As we team globally, managers need access to policies and practices in different countries. Tier 1 allows managers fast access to all global HR material.

**Tier 2. Interactive online skill building / simulations.** Managers enhance their knowledge and skill development by engaging in immersive simulations of issues presented in Tier 1. The online Coaching Simulator comprises 8 different scenarios with over 5000 screens of actions, decisions points, and branching results. More than 30 other simulations and QuickCases cover other people-management skills: Motivating Employees, Retaining Employees, Enabling Employee High Performance, Creating an Environment for Innovation, Team Leadership, Multicultural Issues, Work-Life Issues, and Employee Business Commitments.

**Tier-3. Online collaboration. ManagerJam and Manager ActionNet** call managers to participate in organizational groupware spaces to discuss and solve critical leadership issues with peer managers and their executive teams. Collaborative spaces using same-place, different-time communication enable a global learning environment, eliminating problems of time zones and travel, and creating networks that live beyond the **Role of the Manager** initiative.

**Tier 4. Face-to-face, classroom “Learning Lab.”** Face-to-face human interaction is arguably the most powerful of learning interventions for developing manager skills. Workshops of management teams create and commit to shared learning action plans to drive change. The 2-day in-class experience requires the learner to master the material contained in Tiers 1, 2, and 3 so that the precious time spent in Learning Labs can target deeper and richer skills development.

The 4 tiers -- online information, online skills practice; online collaboration; and face-to-face action learning and skill building -- are delivered over 4 phases, described in section H, above.

## Alignment

3. *How is this practice in alignment with the performance problem identified, as described in your answer to question #1.*

The blended learning process, employing 4 tiers of learning:

- Allows managers to access material when and where they need it, not have to leave customer sites or work sites
- Allows managers access to far more learning than delivered in a classroom-only approach.
- Enables managers to work at their own pace and at their own convenience to build a foundation of knowledge (Tier 1) that prepares them for the face-to-face learning experience.
- Maximizes the precious limited time spent face-to-face in the classroom experience.
- Provides more opportunity for specific business-unit critical skills to be addressed across all geographies and units.
- Provides a set of permanent, updatable resource tools for the manager’s future use to access to solve workday problems whenever they need them.

Provides opportunities to collaborate across time zones and geographies to share best practices and solution ideas, and provides a permanent database of those discussions.

Also, our HR/Learning/Communications teams work with each business-unit executive to:

Incorporate the business priorities of that business into the **Role of the Manager** program

Customize the content for managers in specific ways to fit the developmental needs of the managers in that business (based on business-unit strategic plans, executive interview, company research, and manager survey results)

Ensure that the action planning and action learning are conducted with a focus on how to drive performance for that specific business through the people in that business

Enable the executives in each business to take ownership for the initiative and integrate it with other efforts for supporting, recognizing and communicating with managers

Deploy the program in ways that bring managers from the same business/geography together, to address common challenges and opportunities

4. *Describe how this practice integrates other training, learning, and performance improvement practices, and aligns with organizational goals to achieve desired outcomes.*

Blending a variety of learning modalities (online collaboration and knowledge sharing, interactive e-simulations, in-class role-plays and interactive activities, online Action Nets) is an integration of different learning opportunities combining to reinforce leadership and people management skills. Basic knowledge gain in people-management is first accessed via online opportunities (ManagerJam, Manager QuickViews, HarvardManageMentor, Simulators, etc.). Managers then deepen their skill building in face-to-face Learning Lab role plays and business-unit action planning, followed by ongoing Manager ActionNets that support and refine the action plans on an organizational level, and long-term individual manager learning Plans. All these focus on both managers strengthening their people-management skills and the organization making changes to encourage and enable those managers success and business process to build high performance via their people.

A critical organizational goal is for managers to become adept at using our e-business approach to learning, internal technologies for communication (Lotus Notes) and collaboration (Lotus TeamRoom, Lotus WorkRoom, Lotus CustomerRoom). In fact, all our online materials -- QuickViews, QuickCases, Simulators, *Edvisor*, ManagerJam, Manager ActionNet -- were designed using the Lotus interface to solidify alignment with our everyday communication tools.

5. *What evidence is there of partnerships within and outside the organization (e.g., with senior management, front-line supervisors, unions, external training suppliers consortia)?*

All instructional materials comprising the **Role of the Manager** intervention have been designed and developed in concert with other organizations, within and outside the company. For example, the online Coaching Simulator was co-designed with our Executive Development division; the simulator contains 4 manager scenarios, and 4 executive scenarios. Both groups together bench marked the coaching field and, for the purpose of alignment up and down the company, agreed to adopt the same coaching model.

The **Role of the Manager** Simulator was developed with cooperation of Harvard Business School Publishing (HBSP). For the first time in its history, HBSP permitted a client to customize its flagship product, **Harvard Business Review** articles. Our company revised the **HBR** articles for our audience, re-purposing 7 selected **HBR** articles to serve as the instructional content for the **Role of the Manager** online simulator. We licensed an **HBSP** book (*Winning Through Innovation*) for use in our Learning Lab, and it forms the basis of the in-class case study.

The Manager QuickViews were co-developed by HBSP and us. As HBSP was building its Harvard ManageMentor and we were building our Manager QuickViews, we mutually shared our design ideas, feedback from users, and interface insights. Thus the two tools work in similar fashion, and the HBSP content fits perfectly within our interface, allowing us the advantage of easily adding HBSP content appropriate to our needs..

Our company's Focus Team, charged with identifying critical line issues, was accorded the role of decision maker on what QuickView topics would be written and incorporated, in order to align these performance-support tools with real business issues and concerns of managers.

Our Multicultural QuickView and Web site was co-designed with the Intercultural Business Institute of the University of North Carolina, Charlotte. The cross-cultural model and all 300 interactive cross-cultural scenarios were co-developed with the director of the Institute. Other QuickViews are written by subject-matter experts from across the HR and Policy functions.

We participate in professional endeavors to share knowledge with thought leaders in the field, cosponsoring benchmarking studies on e-learning with Dr. Brandon Hall and professional associations.

## Evaluation Strategy

6. *How is this practice evaluated? What factors are included in your calculations? (e.g. time, costs, staff count, lost phone calls, customer satisfaction)? Are the financial costs of this practice calculated? If so, how? How often is this practice evaluated?*

Before program deployment, to ensure objectivity an outside intervention-analysis firm was hired to define and implement an independent 3rd-party evaluation of the

program's effectiveness and business impact. This firm conducted a 2-phase evaluation strategy over 9 months.

Data were collected from various samples by class observation, by surveys conducted immediately after the Learning Lab, after 45 and 90 days (through Manager ActionNet and email), and by participant interviews. During both phases, various procedures were used to collect data at 4 levels:

Level 1 – Participants' perceived value of the program

Level 2 – Participants' self-assessment of how well they achieved the learning objectives

Level 3 – Actions taken by participants to implement action plans defined in the Learning Lab portion of the program, as well as barriers to implementation in the work environment

Level 4 – Business impact of actions taken during implementation of action plans

### ***Evaluation Activities***

In the first phase (4Q2002), all participants were asked after the Learning Lab for initial reactions and perceptions of the program's learning value. Samples of participants in follow-up interviews described the business actions taken as a result of the program and actual and expected impact of those actions.

In the second phase (1Q, 2Q, 2003), all participants were asked after the Learning Lab for reactions and perceptions of the learning value of the program. Also, Imperative Leaders were surveyed -- both 45 and 90 days after attending the Learning Lab -- on their team's progress toward implementation of the action plans defined in the Learning Lab and on any work-environment barriers to implementation of those action plans. Imperative leaders who reported progress toward implementation of their action plans were invited to participate in a telephone interview, in which they described their team's action plan and the business impact of actions taken. More specifically, they quantified the impact of action plans on operational and financial metrics in their organization. A total 174 such interviews were conducted with imperative leaders, Nov. 2002 -- June 2003.

During Phase Two of the evaluation (1Q, 2Q, 2003), Level 3 data were collected in two surveys:

***Survey via Manager ActionNet.*** At two intervals (45 and 90 days after attending the Learning Lab), Imperative Leaders were surveyed through Manager ActionNet on 3 questions:

*Have you made significant progress in implementing your action plans? If yes...*

*Are you observing an impact on operational and business measures? What is the degree of change?*

*If no, what are the factors preventing you from taking action?*

**Survey via Email.** Those imperative leaders who did not respond to the 45- and 90-day surveys through Manager ActionNet were contacted through email and asked the same 3 questions.

**Interviews.** To collect additional data, interviews were conducted with two samples of participants — a random sample of participants during Phase One, and during Phase Two a sample of leaders of team action plans (i.e., Imperative Leaders). These individuals were identified during the Learning Lab portion of the program. Participants were asked to rate their perception of the relevance and applicability of the program to their jobs using a 5-point scale. Several months after completing the Learning Lab, **77%** of the participants in the random sample and **70%** of the imperative leaders rated the program as 1 or 2 (1 = highly relevant and applicable). Eighty percent (**80%**) of the participants in the random sample and in the imperative leader sample (**85%**) also perceived it to be a valuable learning experience.

**Collection of 50 Randomly Selected Business Cases.** The intervention-analysis firm collected 50 business-impact cases from program teams across every participating geography and business unit to assess if the implementation of action plans developed within the program has led participants to achieve business results.

## Results

7. *What specific participant behaviors are observed as a result of this practice, and how do these behaviors contribute to the goals of the practice? Are the impacts of these behaviors short-term or long-term? How do these behaviors differ from the results of previous practices?*
8. *What was the impact of the practice on your organization? Are the impacts of these behaviors short-term or long-term?*

Imperative Leaders who reported progress toward implementing their team's action plan were invited to participate in a telephone interview to describe their action plan, the business impact of actions taken, and to quantify the impact of their action plan on the operational and financial metrics in their organization. A total of 174 interviews were conducted between November 2002 and June 2003. Participants reported a range of specific knowledge and behavior change as a result of the practice:

- Improved communication among extended team members
- Increased employee motivation, engagement, and morale
- Achievement of company's strategic objectives (e.g., selling solutions rather than components; emphasis on service on demand)
- Increased product and solution knowledge
- Increased awareness of business issues by employees
- Increased collaboration among brands
- Improved productivity
- Operational efficiencies

- Shortened selling cycle
- Reduced administrative work and red-tape
- Increased customer satisfaction

**Financial Impact.** The 50 individual cases were described and detailed, and demonstrated the business impact achieved by participants who implemented their team action plans. Significant revenue enhancement resulted from implementation of the action plans in some of these cases:

- Implementation of the action plans in 3 cases alone in 4Q02 generated estimated revenue of over \$100 million.
- Implementation of action plans in 9 cases in 2Q03 generated estimated revenue of over \$184M.

Imperative Leaders in both sets of cases, above, credit the program as the single catalyst in enabling them to achieve these results.

The estimated total cost of development and deployment of the program is \$80M. These selected cases alone show that the program has already acted as a catalyst to produce a net return of more than \$200M. Estimates are based on a sample of imperative leaders who agreed to participate in data collection and reporting; cumulative financial return of the program may well be higher.

Results of evaluation data collected over the past 3 quarters indicate a majority of participants believe the program is relevant to their jobs and assess it a valuable learning experience.

It is important to ensure that action plans defined during learning labs are implemented, given the significant business impact experienced by teams that have implemented their action plans. The barriers to action-plan implementation provide a starting point for program improvement and follow on interventions.

## **Findings**

### **Levels 1 & 2: Perceived Value & Learning**

Surveys conducted with all participants immediately after the Learning Lab show that over 90% of participants indicated that they were satisfied or very satisfied (on a 5-point scale) with the program. This rating of overall satisfaction with the program has been above the 80% benchmark in all business groups worldwide since its early deployment. In follow-up interviews conducted with participants several months after attending the Learning Lab, a majority of the participants (over 80%) perceived the program to be a valuable learning experience. When asked whether investment in it should continue given the cost constraints the company faces, over 80% of the participants believed that the program should continue.

### **Level 3: Actions Taken**

Nearly all participants (**97%**) indicated in the post-Learning Lab survey that they intended to take action based on their participation in the program. Follow-up surveys conducted several months later, however, show **60%** of participants are taking action. A number of factors contribute to this drop. They range from problems with the action plans themselves (too ambitious, too little focus on high-priority problems), to lack of

support from others (lack of executive support and sponsorship, too little cooperation from others), from insufficient motivation (non-supportive metrics, inappropriate structure for measurement and reward, little accountability for implementation of a plan) to simple lack of resources or discipline.

#### **Level 4: Business Impact**

Program participants who have implemented their team action plans have seen a wide range of actual and expected impact. Immediate benefits include improved communication among extended team members and increased employee motivation, engagement, and morale. Implementation of some action plans has resulted in increased collaboration among brands, operational efficiencies, improved productivity, reduced administrative work and red-tape, a shortened selling cycle, and, not surprisingly, increased customer satisfaction. The longer-term, cumulative effect has been achievement of company strategic objectives (e.g., selling solutions rather than components; emphasis on e-business on demand), with associated cost saving and cost avoidance and revenue enhancement.

Fifty (50) randomly chosen business impact cases demonstrate how implementation of action plans developed in the program generally led to achievement of business results. These cases strongly suggest that the program has acted as catalyst to enable participants to generate millions of dollars in new revenue, in cost savings, and in cost avoidance. The participants associated with these cases believe strongly that the **Role of the Manager** has been a “contributing factor” in helping them achieve these results. Many non-financial, behavioral results were also claimed, as noted above. The estimated actual or expected financial impact of a handful of cases alone suggest the program has contributed to generating over \$280M in new revenue, resulting in a net gain of \$200M over the \$80M price tag of the program.

#### **REPRESENTATIVE SAMPLE CASES:**

##### **1. Opportunity/Challenge**

Prior to the program, the revenue plan for the CUE team for Q3 was \$34M. Their revenue forecast for the quarter was \$30.5M and their actual was \$26M when they attended the program session. The team lacked collaboration and a solid communication approach.

**IMPACT:** The program acted as catalyst for the team to improve revenue by \$5.5M in Q3 (i.e., the difference between forecast [\$30.5M] prior to attending and actual revenue at close of quarter [\$36M]).

Program was described by participants as improving teambuilding, communication and collaboration, and for action planning to focus team on achieving their business objectives.

The team believes strongly that the program is an excellent investment and should continue.

## 2. Opportunity/Challenge

Managers decided to seek specific actions within their groups to help modify the “old way” of doing things. One imperative was in taking appropriate risks in showing ownership and in accountability.

**IMPACT:** The maintenance contract selling rate, previously 30%, rose to 50% since implementing this change. As every percentage point is worth on average \$10K, revenue increase by year’s end will likely be at least \$200K for a team of 6 sales-support individuals. This increase translates into an estimated \$1.6M for a group of 50 individuals.

Maintenance contract renewal rates have increased since implementation of a metric tracking this area from 55% at 4Q2002 to 63% year-to-date 2003. Renewal of each contract generates an estimated \$4K, and the group has 1,500 contracts, resulting in \$6M of business. At the old renewal rate of 55%, this business led to an estimated \$3.78M. In contrast, the current renewal rate generates an estimated \$3.3M. Implementation of the new measurement-tracking metric has contributed increased revenue of \$480K. Implementation of these two new measures has generated at least \$2M in revenue for the group.

### Selected Q2 2003 Business Impact Cases

Case# & Geography	Manager Imperative	Financial Impact
#001 Americas -US	Improved timely entry of claim data	Operations costs savings Late claim submissions reduced from 2% – 5% down to 0%
#011Germany	Shared ideas across brands	Savings of \$250K in work hours
#012 LA - Brazil	Improved proposal process	Pipeline improved from \$40M to \$140M (December–May)
#013 EMEA - UK	Re-engineered win/bid process	Estimated \$100M/Q in additional revenue
#004Americas - US	Developed broader strategic thinking	Account worth \$10 million
#006 Americas -US	Developed consistent account plan	Estimated \$2 to \$3 million in secured opportunity revenue 1 million storage contract
#007 EMEA-UK	Harnessed industry knowledge	Estimated additional \$48 million revenue
#010 Canada	Increased employee face time	Closed two deals over \$200,000; prior average deal was \$11,000
#011 Americas -US	Encouraged cross-brand selling	Increased baseline sales for Q4 '02 by \$10 million. Increased server sales via channels by \$800K/Q
#012 Americas -US	Clarified team roles	Increased pipeline by \$2.7million; up 9% from Q1 '02.
#014 Americas -US	Engaged product SMEs in employee education	Increased Q1 software opportunities in the pipeline from \$200K at start to over \$5M. Closed \$250K securities software business in Q1 '03 vs. \$500K for all of 2002.
#023 Americas -US	Increased coaching on strategy & tactics	Increased revenue attainment, currently 102% of plan
#024 South Africa	Created a greater customer focus	Increased sales opportunity pipeline from \$130M to \$150M

In August of 2003, with over 16,000 managers, a second independent study was conducted by Employee Research on **Role of the Manager Effectiveness: Impact on employee attitudes**. This highlights the research carried out to evaluate the impact of Role of the Manager (ROM) training on employee attitudes as measured by the Global Pulse Survey (GPS). ROM training participation statistics and GPS data from 2002 through July 2003 were used for the analyses. Statistically significant findings were evident in the following areas. **Units with greater participation in ROM have greater improvements in employee satisfaction, clarity, and leadership ratings than units with less or no ROM.** Participation in ROM is associated with improved employee satisfaction ratings, particularly **ratings as an employer** (Q2). Participation in ROM is associated with improved clarity & leadership ratings, particularly ratings of **making the changes to compete** (Q5), **management translating goals to action** (Q7), and **having a clear link between strategy and one's job** (Q8); **ability to get needed information** (Q15) and improved ratings of **opportunity to improve skills** (Q18)

### Shared Learning

9. What have been some of the specific lessons learned from designing and implementing this practice for the purposes of continuous internal improvement? Please discuss whether and how this practice might be transferred and replicated both internally and externally to your organization.

#### **9.0 Understanding Barriers to Implementing Team Action Plans**

Imperative leaders in the Manager ActionNet survey, in the email survey, and in follow-up interviews detailed the barriers preventing them from taking action. These learnings offer important insights to modify future intervention action, such as guiding team members' goal setting, creating greater team support, and framing participants' expectations. Lessons included:

**Action plans covered nonessential changes** – Action plans that were not focused on fundamental issues in the organization were less likely to motivate participants to work for their implementation. Participants did not feel that implementation of these action plans would make a major impact.

**Ambitious action plans** – Action plans that were very broad and involved major commitment of time and involvement of various organization and teams were less likely to be implemented.

**Low business priority action plans** – Performing their job responsibilities and keeping up with the pace of what is required of them took precedence over the implementation of an action plan that did not directly deal with a business priority (e.g., quarter closure).

**Lack of time** – Time was a major issue in many instances. Team members have many everyday job responsibilities and do not have time to spend working on additional projects. Ways to make efficient use of time is a suggested added component to the program.

***Need for executive support and sponsorship*** – This factor prevented some action plans, especially ones that require policy change, from being executed as team members did not have the executive commitment to obtain more resources, to get other organizations involved, etc.

***Existing metrics, measurement, and reward structure*** – Many participants feel that existing measurement and incentive system metrics act as a barrier to implementation of their action plans.

***Lack of discipline*** – Some participants felt that their team did not define a solid implementation plan for carrying out their action plan. As a result, they have not been able to break away from their routine work to focus on the implementation of the action plan. This is an important heads-up for future roll outs.

***Limited of accountability*** – Some participants feel that their participation in implementing an action plan is a “nice-to-do” activity; but they are not held accountable for their participation. Building action plans into personal business commitments is now a future aim of the intervention.

***Dependency on others*** – Implementation of action plans requires teamwork; some participants feel that their teammates are not committed to making these action plans happen. This learning reinforces the need to focus on the “matrix management” component of the program.

***Cost cutting and lack of resources*** – Some participants felt that the work pressure created by reduced resources limits their team’s participation in implementing the action plans and prevents them from obtaining resources (money or other) needed to implement aspects of the action plan.

## Contact

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