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Measuring the Corporate University: Defining Metrics for Strategic Learning

The necessity for strategic learning to effect organizational change and sustain competitive advantage has, it might be safe to say, assumed a critical mass of assent in the business community—even among those who are not learning professionals. What is far more ambiguous and hotly debated is the means by which learning is measured and the type and degree of measurements necessary to justify and improve training within business organizations. Myriad theories and practices swirl around the elusive goal of determining where and how learning fits into the organization, and whether programs are effective. What is becoming clear, however, is the need for a multidimensional approach to the measurement of training that—like the corporate university itself—addresses business goals and that incorporates the complex dynamics of modern business organizations as well as the current business environment.

Complex and Interconnected Assessments: Enter, the Balanced Scorecard

Most standard training assessments, such as customer satisfaction, employee participation, and, more recently, return on investment, have their uses and can be quite relevant to both the training function itself and the broader corporate mandate. But these discrete metrics must necessarily be deployed as components of a more complex, more thorough, and ultimately more realistic approach.

The Balanced Scorecard model has come to dominate strategic measurement theory and is increasingly

being adopted by forward-thinking organizations and consultancies. The Balanced Scorecard was designed to track the major elements of an organization's overall strategy using both financial and operational measures, and not only assess past performance, but also predict future behavior. As originally conceived by Robert S. Kaplan and David P. Norton in a 1992 *Harvard Business Review* article, the Balanced Scorecard looks at four key areas or perspectives:

- **Finances.** How does the company look to shareholders and the rest of the company?
- **Customers.** How do customers see the company?
- **Internal Processes.** At what does the company excel?
- **Employee Innovation and Learning.** How can the company improve and create value?

This model requires decision-makers to consider the impact of strategic decisions on staff, customers, and the organization's function. The corporate vision is at the heart of each of the four perspectives and how they're measured; long-term strategies are linked to short-term actions through the measurement and monitoring of these areas.

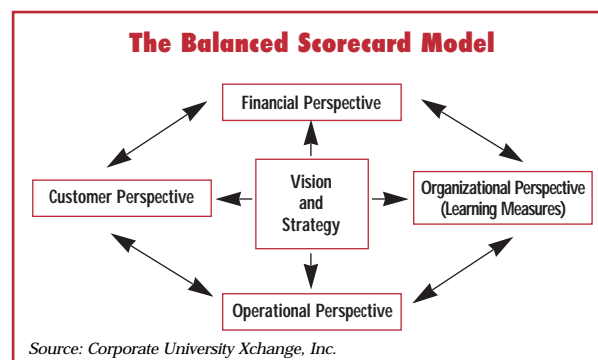


Figure 1

Utilized as both a management planning tool and a comprehensive approach to measurement, the model has taken on a life of its own and has lately gained much credence in corporate universities. "The term is used in many ways and the concept isn't new," says Doug Steele, senior VP and director, Wholesale and Investment

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Write for us! We invite you to share news and perspectives on all aspects of corporate universities, including: technology, corporate/college alliances, international issues, funding strategies, and more.

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CORPORATE UNIVERSITIES INTERNATIONAL

The goal of *Corporate Universities International* is to share the best practices in corporate education and training among corporate universities and institutions of higher education worldwide; to identify state-of-the-art training programs, books, videos, workshops, and technologies; and to be a resource for improving the effectiveness of organizational and individual learning.

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The Future of Online Learning: Click Your Way to Certification

If you're a parent like I am (Danielle is 11 and just completed sixth grade; and Debbie has finished her first year at Yale School of Divinity), this is the season for finals and report cards. These assessments reveal many things to a parent: the ability of your child to memorize large amounts of information; how your child takes a timed test; and yes, every parent's obsession, the ability to proofread one's work. But have you ever noticed that about a week after the test, you may ask your child to measure something that requires their knowing how to translate inches into feet into yards, and lo and behold, he/she has forgotten everything that qualified for an A on a test in that same subject. In other words, what do grades prove?

That was precisely the question at the Training Director's Forum last month. Only in this case, the hook was, "Do traditional grades matter in the online world?" Talk about controversy! Most of us are the products of a system of traditional assessment, course credits, and degree programs. So, of course grades matter. But what is the purpose of grades in the online world? In the new economy, where the half-life of knowledge shrinks every day and the importance of new knowledge accelerates, educational conventions like degrees and grades are becoming artifacts. Employers crave more timely and objective ways to assess what people know. As Chris Galvin, CEO of Motorola has said, "Motorola no longer wants to hire engineers with a four-year degree, we need our employees to have a 40-year degree."

So, almost by default certification is becoming the risk management human capital tool for employers. Everyone is a winner—the certifiers, the certified, and the customers who rely on the certification process. But how does the grading system differ in an online environment? I believe technology will transform the meaning and value of certification.

Let's pretend for a moment that you have just hired a Cisco-certified network expert. Present on her electronic résumé is not only the fact that she is certified, but also there's a hot link to the certification site. Now, you as the employer can confirm the certification score, see the questions asked on the test she was required to take, and review her answers. Click another link and you can see the competencies required for this job at your company. Will this make for a foolproof process? We know that nothing is foolproof, but it will be far more efficient than traditional assessment procedures, which illustrates a prime benefit of the Internet—it makes inefficient systems faster and easier to use.

How will this scenario play out in the world of e-learning? Corporate University Xchange is undertaking the most comprehensive study ever of consumer behavior and experience



Jeanne C. Meister

in e-learning, known as "e-Learning: Voice of the Marketplace-Program." Essentially this will track the real world experience of 3,000 e-learners who have completed an online course. The pilot findings from a group of 250 are shown in *Figure 1* below. The ability to receive college credit and certification leads the wish list for e-learners.

These initial findings suggest that the real future of online learning is not necessarily just courseware but also testing and certification. Microsoft, Novell, and Cisco may have started us on this journey with credentialing programs such as Microsoft Certified Systems Engineer and Certified Novell Engineer, but I predict many more brand name companies such as Disney and Procter & Gamble will enter the arena with similar approaches to credential focused training programs like Disney Customer Service Certification or the Procter & Gamble Brand Management Certification.

We are already seeing this scenario in the e-commerce arena. E-commerce was merely a buzzword just three years ago, but now companies are building their own branded online curricula and certification programs based on their experiences and case studies. It promises to create an enticing array of choices for prospective students. (Where would you rather enroll in an e-commerce online program: Dell Computer Corp. or the University of Texas?)

Is your company, or do you know of any other companies, that are developing a branded online courseware and certification program? Share it with me at jcm@corpu.com. Have a great summer.



E-Learner Wish List

Features e-learning content developers should consider when developing future online courses:

- Ability to receive college credit for courses taken.
- Additional support/reference materials to aid the learner after they have completed the online course (books, documentation, weblinks, coaching/mentoring etc.).
- Incorporating more simulations into the learning experience (video games, puzzles, stories, case studies, etc.).
- Ability to access course materials from a variety of locations such as home or the workplace.
- Variety of mediums (audio, video, CD-ROM, web-based, satellite, etc.).
- Increased interactivity with the course facilitator and students (i.e., desire to recreate simulated experience of "passing notes in class").

Source: *Corporate University Xchange*

Figure 1

Measuring the Corporate University

College at First Union's First University. "It's a recognition of the fact that business is too complex to measure by one indicator. Trainers, for example, know there is much more that affects performance—and, by extension, business results—than training."

For Whom the Dell Tolls: The Business of Training Is Business

Jack Tootson, director of regional and corporate operations for Dell Computer Corp.'s Dell Learning, is a proponent of the Balanced Scorecard and applies the practical architecture behind the model to a strategic training function: "When you're looking at corporate goals, you have to try to determine the outcomes of those goals, namely revenues, margins, leads, close rates, etc. Training is what drives these outcomes. In other words, you look at what's helping you get the outcomes, which results in the goals you're trying to achieve. And what's helping you is people, productivity, internal processes, external environment, marketing programs—areas where training gets involved. But you have to determine which one of these areas really lends itself to a training solution (see Figure 2)."

Determining when a training solution is required, and whether training has driven success, is a fine art and a frequently misunderstood nuance that is becoming more essential in today's technologically accelerated business environment. Tootson says that mastering this increasingly crucial discipline requires a training professional who transcends the traditional mode and becomes a performance consultant with a deep understanding of his/her company's business. "From the training standpoint, you've got to eat, live, and breathe your client's business. If you don't have an appreciation for that, there's no way you can bring added value to the process."

The Balanced Scorecard is a dynamic model that relies on constant attention to changes in the organization and the business environment at large; strategic decisions are at the heart of this methodology. "You have to pick and choose areas to measure that make sense strategically for the organization," says Tootson. "For example, it may not be worthwhile to enact an ROI measurement in some areas because the evaluation might cost more than it's worth."

"Some areas may require you to look at employee retention and attrition rates and business process improvement. In the latter case, you set up a task force within a certain business area that looks for ways to realize cost savings. Analysis and measurement are key here. In order to determine how you measure this, as I said before, you have to be very clear on what the outcomes are and understand the drivers; i.e., where do you want to be and where do you want to get to? And then do the gap analysis."

The Balanced Scorecard in Action

Richard Quinn, who heads two consulting firms, the Quinn Consulting Group, Inc., and Performance Drivers LLC, is a renowned specialist in the science of strategic measurement. One of Quinn's major accomplishments during his 27-year tenure at Sears was the implementation of a full-scale Balanced Scorecard approach—dubbed the "employee-customer-profit model"—that was instrumental in the much-talked-about resurgence of the retail giant in the mid-'90s after a long, deep slump. Since that time, Quinn has

emerged as a major force behind the theory and practice of the Balanced Scorecard. Still, even with such a wealth of experience in this increasingly crucial business discipline, Quinn claims to have learned more about the Balanced Scorecard in the last year than in the previous eight years, during which he became closely identified with its potency as a management tool—this no doubt a testament to the constantly evolving, highly dynamic nature of the model.

Quinn sums up the Balanced Scorecard: "It's a very simple concept that deals with the whole issue of focus, alignment, and integration. It measures and guides the ability to focus on mission-critical goals; to align leaders; and to integrate efforts across departments, business units, and entire organizations."

The Balanced Scorecard may be a simple, eminently logical concept in theory, but its practice, as would be expected, is much more problematic. "As with any major change program," says Quinn, "people can understand intellectually the need to connect customer measurements to financial measurement and realize how employee learning connects to everything, but it's difficult to convert that model to actual change and operational transformation. It's like learning how to fly a plane: You can read all the manuals in the world and basically understand how it's done, but unless you go up in the air and start doing it you'll never really learn."

"Applying the Balanced Scorecard idea to an organization is not simple because it's substantially different from the normal way of thinking, mainly because it's systemic. Also, the model doesn't take into consideration the impact of an organization's culture and environment on implementing this new, relatively radical system."



Figure 2

Building a Bridge Between Training and Business

One of the strengths of the Balanced Scorecard in the context of training is that it provides a bridge to the organization as a whole and serves to integrate training into the business strategy. It is, in a sense, a means of effectively legitimizing training to skeptical business managers who might normally question its importance. "There's often a disconnect in senior management when it comes to understanding how employee performance improvement strongly impacts customer satisfaction, which definitely affects those financial and operational issues of which they're well aware," says Quinn. "When it comes to employee learning, everything goes into a

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IBM's E-Business Curriculum

About three years ago, IBM's chairman, Lou Gerstner, believed that the "e-business world" was virtually untapped by other high-technology organizations and that a tremendous opportunity lay ahead for IBM. The company went into strategy mode and for 12 months conducted an assessment throughout the entire organization to determine how effectively they could compete in this arena. When the decision was made to move into e-business, IBM faced the challenge of developing employees' skills rapidly enough to support evolving new business initiatives.

IBM Learning Services, a division of IBM Global Services, identified the core skills IBM business professionals would need in order to be successful in the e-business world. Successful leaders would need a combination of the following critical skills:

- **Focus to Win.** The ability to have customer insight, breakthrough thinking, and a drive to achieve.
- **Mobilize to Execute.** The ability to be a team leader and player, make strategic decisions, and communicate effectively.
- **Sustain Momentum.** The ability to build organizationally, serve as a coach, and have personal dedication.
- **The Core.** The ability to be passionate about the business.

Orienting Employees to E-Business

Based on the findings from the organizational assessment, Rick Horton, general manager of IBM Learning Services, believed it was necessary for all employees within IBM to have a clear and common understanding of the fundamentals of e-business and its impact on the organization. "We found that most senior leaders did not know what e-business was and how it would affect their business," says Horton.

To surmount this challenge, a new area within IBM Learning Services, the IBM E-Business Skills Development Sector, was created 18 months ago. Ralph Senst, vice president of e-business, joined the IBM Learning Services team and became responsible for the development, delivery, and rollout of the e-business curriculum (initially created for internal clients and later made available to external clients). "Our mission is to develop e-business competence among our customers, business partners, and employees within the IBM community," says Senst.

A massive internal program, consisting of 2,000 hours dedicated to e-business, was targeted to 200,000 employees within IBM, ranging from managers to performance-skill-level employees, consultants, and project managers. The e-business curriculum consists of four main programs, with two programs aimed at IT professionals and two aimed at business professionals (see Figure 1).

In addition to these programs, IBM offers a certification program that provides participants with a comprehensive roadmap of learning activities designed to demonstrate the skills necessary to design and develop sound e-business solutions once they have completed the courses listed above. Nearly 1,000 individuals have become IBM e-business-certified in either IBM Certification for E-Business IT Professionals; or IBM Certification for E-Business Business Partners.

IBM's E-Business Curriculum*

Application Development Skills Transition. A program designed for professionals responsible for developing and deploying e-business solutions. The program focuses on technical areas such as COBOL, Java, XML, and WebSphere.

Business Intelligence Skills Transition. Program focuses on building the skills needed to develop e-business solutions to gather, manage, and analyze large amounts of web site data on a company's customers, products and services, and all the transactions in between that are key to successful web commerce.

E-Business Immersion Enterprise-wide. Structured yet flexible learning program designed to create a common knowledge base across an organization that can serve as the foundation for understanding e-business. Participants receive a basic foundation of e-business knowledge and become familiar with terminology.

E-Business Immersion for Managers and Executives. The program consists of four modules that teach e-business from a technical and business perspective: The Impact of the Internet, The "e" Side of Business (the technical components), The "Business" Side of E-Business (the strategic components), and Core E-Business Processes.

*Programs are delivered in a variety of formats such as computer-based training, web-based training, and intensive lab workshops.

Source: IBM

Figure 1

IBM Offers E-Business Training to External Partners

Once the rollout of the training program was complete, a second major opportunity lay ahead for IBM. In May 2000, IBM Learning Services announced a new service available to its external partners: e-business training. With the same course content used to train successfully thousands of employees, IBM Learning Services provides training to external organizations as they begin to make their own e-business transformation. Classes are delivered via distributed learning technologies and the programs are designed for rapid implementation. "Today, it's not enough for the CIO to understand how e-business works. Everyone in the enterprise must get it," says Horton.

While partnering with external organizations, IBM Learning Services began to expand its curriculum to include "nuggets" of information. These nuggets are modules that are about an hour in length and contain post-tests (see Figure 2, page 10). "IBM partners can choose from a library of modules, which can be modified to fit their needs, or they can develop their own content for their community of professionals," says Senst. Nuggets have also been created that target specific industry needs such as e-business advertising for the communications industry.

While IBM has been successful in integrating into the e-business world, it has experienced some bumps along the way. One of the biggest challenges it has encountered is not

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STMicroelectronics' Training Certification Program

by Jackie Arasanz

STMicroelectronics (ST), a French computer chip manufacturer with a strong global presence, subscribes to the idea that being able to learn faster is a significant competitive advantage. A corollary belief is that all ST employees can contribute to and accelerate the development of knowledge and skills, as illustrated by a popular slogan at the firm: "Everyone can learn, everyone can teach." These beliefs have been turned into action primarily through STUniversity (STU), the company's corporate university, whose concise mission statement says it all: "ST trains ST."

The "ST trains ST" concept consists of creating a solid network of competent in-house trainers working together with STUniversity to deploy knowledge at all levels of the organization. By making learning a core competency of the organization and keeping it in-house, STU is better able to meet employee needs and provide training that reflects a deep understanding of the company's business goals and challenges.

Certifying Trainers at ST

STU has developed a network of competent in-house trainers through a three-step process that addresses all aspects of training, including design, development, delivery, and evaluation. In the first step, potential trainers complete a three-day facilitation skills course that covers such areas as classroom management, listening, observing, questioning, intervening, crisis management, coaching, giving feedback, enhancing participation, and stimulating learning.

The second step focuses on application skills and offers two different scenarios. In scenario one, students attend a "train the trainer" course on a specific topic. As a prerequisite, the prospective trainer must have a basic knowledge of the subject. During this course, which lasts up to four days, he/she uses an existing facilitator's manual and learns how to teach the subject by applying the skills learned in step one. The trainer also learns the various elements and activities that make up the specific course.

Scenario two is for those who are already experts in a specific field or topic for which no training has yet been developed. It consists of a three-day instructor workshop with the objective of designing and developing training material, with the support of STUniversity. Here prospective trainers study adult learning principles and use basic instructional design tools and techniques, including needs analysis; developing learning objectives; defining content, methods, and learning aids; use of equipment; and evaluation and performance measurement.

Once the trainer-in-training has accomplished steps one and two, he/she is entitled to go on to step three. In step three he/she teaches the course—learned from either the first or second scenario—to a group of STU staff members who provide detailed verbal and written feedback on the teaching performance. Certification criteria are defined by an assessment grid and are scored on a scale of 1 to 7. When the third step is performed correctly, the potential trainer receives a written confirmation of his or her certification from STU. During a ceremony involving management and human resources, the trainer is formally awarded an official certificate as an STU associate trainer.

The certification is valid as long as the person teaches the course; there is no recertification necessary. Updates of the

course in scenario one will come from the relevant STU program manager, who can organize a "refresher" session. Those who develop courses through scenario two can issue their own updates. Those who wish to teach a new course must get a new certification, in which case they do not need to redo step one (facilitation skills).

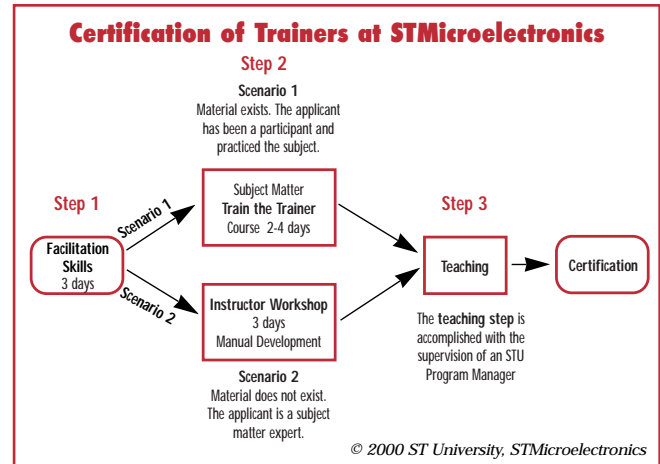


Figure 1

Who Is Eligible to Become a Certified Trainer?

Any permanent ST employee is eligible to become a certified trainer. Candidates should be strongly motivated to share knowledge and fit the demanding certification training into their current workload. It is also recommended that prospective trainers be good communicators, be attentive listeners, and be people-oriented.

Those interested in becoming certified trainers are strongly urged to discuss the relevance of their application with their local training departments. Together they can determine whether: the potential candidate's expertise matches ST's business needs; whether their expertise will benefit ST employees; and whether management will support their decision to become certified. Management support is key because a certified trainer is required to perform additional tasks like updating training material and occasionally traveling to other ST locations to deliver programs. On a yearly basis, local ST training departments send their certification plan to STU, detailing who will be certified on which topic. This plan allows STU to establish a calendar of facilitation skills and instructor workshop courses to comply with its needs.

To ensure the implementation of the certification process, ST has defined a target that is included in its HR operational standards. The norm is to have 1.5 percent of the employee population be certified trainers. After the program was first implemented, this clearly defined and publicized target ensured a homogeneous deployment of the process.

High Marks for Trainers and Employees

Other factors have also emerged that serve to promote the concept. One is the satisfaction of the certified trainers. A survey conducted by STU showed an 80 percent approval rate. Additionally, informal feedback STU has received suggests that certified trainers believe the process represents a unique

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Spain's Union Fenosa: Learning from Experience

How can a regional electric utility transform itself into a dynamic, diversified multinational corporation? One company in Spain is betting that its corporate university will help bring about such a transformation. The Union Fenosa Group, Spain's third-largest private electric utility, launches the country's first homegrown corporate university in July 2000 with the help of Corporate University Xchange.

The move resulted in part from a mid-1999 strategic reorganization of the firm into divisions for generation; distribution; professional services; international investment; telecommunications; and industry, real estate and mining. Winner of the Edison Award (international category), the electric industry's highest honor, Union Fenosa is also rated highest among electric utilities in Spain for delivering shareholder value. Responding to Union Fenosa's brisk growth (total revenue in 1999 was \$3.2 billion), especially in its non-electricity divisions, and expansion into 37 countries, CEO Victoriano Reinoso and his senior management team drove the effort to establish Union Fenosa University, making it one of the highest priorities of the past year. Knowledge needed to be effectively shared across an organization with a swiftly changing corporate environment and 17,500 widely dispersed employees. Universidad Union Fenosa (UUF) will function as a new business unit responsible for multiplying the intellectual assets of the entire company.

One of the guiding principles, or pillars, upon which UUF is founded is a determination to "standardize Union Fenosa culture and values to promote internationalization and business growth." UUF is helping to create a common corporate culture by integrating employees from acquired companies into the parent company. Every new employee must complete a 30-hour, computer network-based Union Fenosa orientation course in order to advance. Employees worldwide can enroll in the 22 programs offered through a "virtual campus."

A 12-week, 500-hour intensive program this year developed the professional capabilities of 45 electricity distribution managers from Guatemala, Argentina, Panama, and six other countries. Another program lasting one to five days developed capabilities and technical knowledge among professional services employees from five continents using role-playing, self-assessment, simulations, and case studies. José María Vázquez-Pena, deputy general manager of organization/HR, taught in the program for distribution managers, and believes that "the greatest benefits the university offers are unifying a common culture and taking advantage of economies of scale."

A Central Pillar: Teach and Learn from Experience

Union Fenosa aims to optimize the sharing of employee knowledge and experience throughout the company. In fact, "teach and learn from experience" ranks as the most important pillar of UUF. Dedication to teaching and learning by employees will even determine how much of the 10 percent variable discretionary salary they will earn. The greatest challenge in establishing UUF, according to Vázquez-Pena, has been "getting the highest company executives and those who possess specialized knowledge to commit to teaching what they know to others in the company." Two-hundred-fifty Union Fenosa managers and internal subject matter experts serve as instructors, coordinators, and coaches in UUF as part of their regular job responsibilities.

Before establishing UUF, the company strongly valued training, and measured its impact on professional development. Eighty percent of employees have participated in at least one Union Fenosa training program, with 23,500 participants last year alone. Rather than building a company learning organization from the ground up, Union Fenosa configured its existing learning efforts into a more strategic corporate university model.

Within the functional structure of UUF, the diverse business divisions have been integrated through their representation on the Governing Council (formal oversight), chaired by the CEO and Permanent Council (functional advice). Senior managers serving on these bodies set learning priorities for the organization based on key business strategies, and decide which investments in learning services best address those needs.

The functional structure is designed to balance and divide the work of the university into Knowledge Transfer, Media & Services, and Knowledge Center (see Figure 1). UUF maintains a full-time professional staff of 30. The part-time instructors and facilitators in UUF's Knowledge Center stay connected to the business divisions through their roles as internal company consultants.

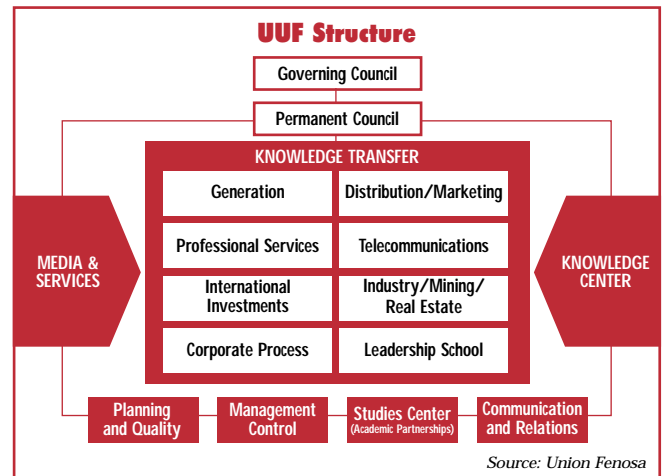


Figure 1

A Retreat for Learning: Puente Nuevo

The Puente Nuevo Business Training Center, UUF's principal facility, sits in a rural location about 80 miles west of the company's Madrid headquarters. The facility, formerly company housing for hydroelectric workers, has been converted into a state-of-the-art, ISO 9002-quality learning center over the past 10 years. On-site housing accommodates up to 96 learners, who have access to a chapel, a pool, tennis courts, a soccer field and a social club, all in a serene, idyllic setting. Being so far removed from the pressures of the work environment contributes to effective learning at Puente Nuevo.

The Puente Nuevo "campus" has flexible classroom space and allows for indoor and outdoor sessions. The 170-seat auditorium has technology that allows a remote speaker to interact with an audience. One building is devoted to language immersion programs, key for a company with a growing global workforce. UUF has campuses in Madrid and La Coruña (also in Spain), and has plans for two more in the next three years.

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Communicating the Value of University Executive Education Programs

Academic learning centers, facing declining enrollments in traditional business education programs, are proving remarkably adept at embracing the new media to reach out to the business community and build alliances with key customer groups. Web-based marketing, online enrollments, and distance learning are ubiquitous themes on campuses across the U.S., even as university deans struggle to come to grips with click rates and banner advertising on the Internet.

In the business community, though, nothing beats networking for bringing in new business, a tried-and-true marketing tactic now being employed with increasing effectiveness in academia. This fall the marketing directors of executive MBA programs expect to be hitting the road in record numbers, taking their message to corporate CEOs and heads of human resource departments. Alliances with private-sector corporations are another up-and-coming, hotly discussed marketing channel, best illustrated by the recently announced partnership by NYUonline, Inc., a for-profit subsidiary of New York University, and McGraw-Hill Lifetime Learning to deliver a library of web-based executive education courses worldwide.

Top academic centers are deploying every tactic they can think of in the fight to keep their share of the executive education market, in the process transforming the traditional function of the university—managing an education factory where everything is created on campus—to one of marketing off-the-shelf programs. “Universities are becoming value-added resellers and distribution channels in their own right because of the huge variety of providers out there,” observes George Cesaretti, director of executive programs at the John M. Olin School of Business at Washington University.

Directors of university MBA programs have reason to turn to proactive marketing strategies and incorporate online learning in course offerings. Undergraduate business degrees, the number of which declined throughout the '90s, dropped to 19.3 percent of degrees awarded in the 1996-97 academic year (the most recent year for which statistics were available). This is the lowest percentage since the late '70s, according to the U.S. Department of Education. A recent article in *USA Today* (“Will Business Schools Go Out of Business? E-learning and Corporate Academies Change the Rules,” May 23, 2000) reported that new methods of corporate training, including training by in-house corporate universities, force many of the 700 programs issuing MBA degrees to become competitive. Spending on Internet- or intranet-based learning is projected to nearly quadruple from \$4 billion in 1998 to \$15 billion in 2002, *USA Today* reported, citing estimates by International Data.

Interviews with marketing directors and academic deans at several leading business schools confirm the notion that a shift in marketing strategy, already under way, will likely accelerate over the next three to five years. Several mentioned that online marketing through web-based clearinghouses is growing in importance as MBA applicants turn to the Internet to select a business school. Equally important in maintaining visibility, they say, are periodic “road shows” for prospective corporate sponsors and referrals from prominent alumni in targeted corporations.

NYUonline

NYUonline (www.NYUonline.com), one of the leading providers of executive education programs, was founded in 1998 to deliver online courses developed by various NYU schools to business organizations worldwide. Gordon Macomber, NYUonline president and CEO, says its marketing agreement, a nonexclusive contract, with McGraw-Hill Lifetime Learning (a division of the McGraw-Hill Companies) was struck last April to leverage McGraw-Hill Lifetime Learning's worldwide distribution network to sell “e-learning solutions” to the corporate market.

“We are employing a business strategy to go directly into the corporate education and training market,” Macomber says. “They will be purchasing from us learning solutions delivered in learning modules, so you buy only what you need.” Successful marketing media for NYUonline include direct mail, direct e-mail, trade show marketing, and Internet marketing. NYUonline's web site, put up in the third quarter of 1999, is being redesigned to more effectively communicate its worldwide reach and upgraded course content. The firm expects to have more than 600 hours of course content available in early 2001, up from less than 100 hours of program content currently.

In addition, NYUonline will hire an external public relations firm and upgrade its brand image with the assistance of an advertising agency. “We plan to put that together in two ways: our communications going forward, and also in terms of the brand image that evolves out of that,” Macomber says. “We will also be building our own sales force. We've decided to do it with partners, but not exclusively with McGraw-Hill. Potentially, we will bring other partners on board in the future, but that is yet to be determined.”

University of Connecticut

The University of Connecticut Business School employs a variety of marketing media to promote business education courses, including brochures, newspapers, trade magazine advertising to target specific corporate clients, open house events, and on-site visits to Connecticut area corporations. Rob Hoskin, associate dean of the business school, says UConn prefers to develop custom courses for corporate clients, including programs designed to introduce employees to strategic concepts in finance, marketing, and human resources. “We tend to do customized programs, rather than open enrollment programs,” Hoskin says. “We produce a brochure for each program, which is available on request.”

Marketing methods that have worked successfully include newspaper and trade magazine advertising, open house information sessions, and on-site visits to major employers. “We've also done one-on-one awareness meetings with companies, which are an opportunity for the business school dean [Richard Tino] and myself to meet with companies.”

Ohio University's MBA Without Boundaries

Ohio University broke with tradition in 1997, scrapping the

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E-Learning Management System Brings Order to Courseware Chaos

by Leonard Greenberg

Call it “courseware chaos.” Employees in large organizations typically get training haphazardly from a staggering variety of sources: the classroom, the Internet/intranet, the mainframe, local area networks, PCs, books, videos, virtual classrooms, collaborative environments, mentors, and help-desk experts. There’s no learning plan, and certainly no easy way to know exactly what learning opportunities are available and where to find them. Employees miss out on learning they need and take training they don’t need, wasting too much time and money on courses that won’t help them. Organizations lose prime opportunities to enhance their performance.

What organizations really require are coherent learning plans that speak directly to individual employee needs as well as overall company objectives. Organizations also need a mechanism that delivers the required learning sequentially and cost-effectively, then determines whether learning is really improving employee performance.

The secret for bringing order to courseware chaos is a new technology called an e-learning management system (ELMS). E-learning management systems synthesize the content employees need and present it in a single, web-based entry point on the user’s desktop. Sometimes referred to as an enterprise training portal, sometimes as an online university, the system assesses performance by student, group, line of business, or entire extended enterprise. ELMS functions can include:

- **Planning.** Helps to set curricula, publish course catalogs, and correspond with learners.
- **Delivery.** Reserves classrooms, delivers online courses, and supports live, web-based collaboration.
- **Management.** Automates registration and manages budgets.
- **Assessment.** Tests learners, tracks performance, reports results, and quantifies return-on-investment data.

With these components, an ELMS opens the door to smarter and more efficient learning and skills development. An ELMS tells companies which employees are registered for courses, how many courses individuals have taken, how much time they have spent, and how many more they need to take. Administrators can configure data fields to track a wide range of variables, including tuition reimbursement and outside courses such as those taken at a university. An ELMS can report this data by class (regardless of vendor), individual, employee group, department, division, or organization. This data provides the foundation for determining which kinds of learning are most effective, what courseware needs improvement, and how much return the company is getting on its investment.

Real-World Value of an ELMS

Consider a day in the life of a company without an ELMS. Mary wants to be a Java programmer. She knows the company offers relevant training in some form. What she doesn’t know is whether it’s a conventional class, CD-ROM, or link on the company intranet. Unfortunately, she has no easy way to find out.

If she is cost-conscious, Mary will go to the company library and ask if any books or videos are available. She may also surf various company departments on the intranet or sift through the information technology department’s CD-ROM collection. Once she’s found the course, she’ll discover that she already knows half of the material. Worse, chances are there’s a customer or partner who’ll get angry when they can’t reach the employee taking a course off-site.

Now consider a day in the life of a company that has implemented an ELMS. Mary can view a Java programmer’s competency profile through her web browser, select the competencies she needs to develop, and see what courses will help her learn them. Alternatively, she can search her company’s entire course catalog for all available courses and materials in any format. If she finds an online course she wants to take, she can launch it with the click of a mouse, take a test to see where she should start, take a few lessons, and come back later to where she left off. If it’s an instructor-led course, she can register online. If it’s a video course she’s interested in, the system will tell her where to find it and whether it’s been checked out.

Six months later, her supervisor can use the ELMS to see what training Mary has taken and her individual performance data, including courses taken, scores, time spent, certifications—even annual performance reviews. This information, protected by standard security and authentication methods, gives the supervisor a basis on which to promote her with confidence. Aided in part by Mary’s tracked performance data, the company’s vice president of human resources can analyze the popularity and cost-effectiveness of each course the company offers, then adjust offerings to optimize the return on the company’s training investment. The company’s chief knowledge officer can extend the training to customers, suppliers, and partners, generating new revenue and enhancing customer satisfaction.

Trends Point to Critical ELMS Need

The ELMS is right for the times. Self-paced learning demand is on the rise due to competition for hot jobs, the pace of technology change, and the need to contain costs. The corporate e-learning market will rise from \$550 million in 1998 to \$11.4 billion in 2003, according to IDC, a Framingham, Massachusetts, research firm.

However, when shopping for an ELMS, the buyer should beware. A lot of products bill themselves as e-learning management systems but don’t offer all the necessary features. An ELMS should have the following features/capabilities:

A single web interface. It should point to all learning opportunities, whether they’re online or instructor-led courses, “virtual classrooms,” collaborative processes, books, videos, mentors, etc.

Comprehensive skills and competency management. This capability lets companies improve organizational performance by measuring and managing individual skills and performance.

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Measuring

black hole. They don't have much of a basis to think through how training connects to what they do in the rest of the organization."

This lack of sensitivity on the part of senior managers to anything other than hard financial metrics undoubtedly threatens an organization's potential for growth. The Balanced Scorecard is a possible solution to this debilitating situation. "The Balanced Scorecard creates a common language so training can communicate with senior management in terms they understand, and hopefully generate learning innovations to which they can respond positively," says Quinn. "The Balanced Scorecard is a framework for integrating employee learning into the business strategy. The role of performance improvement in business strategy is articulated with objective metrics, and ideally the learning function will thus be perceived as an equal business partner; it opens up the doors of the corporate university like they've never been opened before."

The Balanced Scorecard represents a viable method for training professionals to communicate with business leaders and provide valid metrics for the once elusive goal of assessing the value of training. It is a multifaceted solution for a complex problem, rooted in an acknowledgment of the interconnectedness of business processes.



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STMicroelectronics

opportunity for their personal development and many feel a sense of belonging to an exclusive group of experts. Trainers also appreciate the recognition they get from not only STU, but from senior management as well. This includes a yearly ceremony, further opportunities to develop their expertise, and an imminent plan to include their training accomplishments in yearly performance reviews. Yet another motivation for trainers is the fact that course participants genuinely appreciate their efforts and acknowledge their skills and professionalism.

Today, ST has more than 250 certified trainers and plans to soon add another 150 non-certified lecturers. Currently, 400 other employees are engaged in the certification process, so the potential number of employee trainers in the near future will be close to 800, a number that does not include ST's permanent training staff. This surge in employee trainers parallels the increasing requests by ST offices around the world for more facilitation skills and instructor workshops. The training certification program works well at a company like ST, where the practice of learning is decentralized. The presence of certified trainers allows these offices to cultivate a local pool of instructors versed in specific areas of expertise, which often makes more sense than bringing in outside instructors with more generalized knowledge.

Having employee trainers throughout ST is an excellent way to supplement training and fill gaps in local offices. It is also an excellent way to strengthen the learning culture at a company that places a premium on employee development.

Jackie Arasanz is the program manager at STUniversity and is responsible for the certification and evaluation processes, as well as personal development programs.



IBM's E-Business

having a pool of subject matter experts to tap into. There has been a scarcity of talent. "Our objective was not to have to build this whole thing ourselves," says Sens, "but we really didn't see a whole lot available. Universities are behind, and in fact we get calls every week from universities that want to partner with us."

IBM Nuggets

- E-Business Directions and the E-Business Cycle
- Capitalizing on IBM's E-Business Transformation Story
- Customer Relationship Management (CRM Solutions)
- Media & Entertainment: Advertising E-Business
- Automotive E-Business
- Higher Education E-Business
- Financial Services: Competing Above the E-Line

Source: IBM

Figure 2

The second biggest challenge has been disseminating the curriculum across large populations and keeping the material up to date. E-learning technologies have proven to be helpful, but they are not always perfect because of bandwidth issues and because facilities located outside of the United States may not have the most current technology infrastructure.

What advice can IBM offer organizations interested in creating an e-commerce curriculum? "The strongest advice that I would give," says Sens, "is that there is a need for speed. This is not a space where you can take your time, spend eight months assessing the need, and incrementally get into this. The winners will be those that get there first."



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Spain's Union Fenosa

Gauging Success and Raising Awareness

Sustaining a culture of measurement will be another pillar of UUF. Employee training plans are customized to incorporate measurement. Union Fenosa's existing measurement strategy includes preprogram (preventive) assessment; participant satisfaction assessment; follow-up assessment of applied learning with participants and their supervisors; and business impact assessment.

UUF will maintain a high profile inside and outside the company. Company annual reports will include a section on intellectual capital and highlight UUF's role in building it. Addressing a recent shareholder meeting, the CEO explained the motives behind establishing UUF: As the company grows internationally and transforms by expanding beyond the electricity business, Union Fenosa University will play a key role by giving the organization coherence, circulating knowledge, and teaching best practices.



Communicating the Value

traditional part-time MBA offered by its College of Business in favor of the Ohio University MBA Without Boundaries, a program combining on-campus residency and distance learning. Richard G. Milter, program director, says MBA students spend nine campus visits—six weekends and three weeklong stays away from the office—working alone or with other students on team-based projects over the two-year program. “We’re the only ones doing what we’re doing, but it’s very tough to get that across” and win over corporate sponsors, who pick up tuition expenses for students attending the program, says Milter. About 25 students attend the program each year.

Recognizing that building corporate support requires personal selling, Milter is initiating a series of company visits to meet with corporate heads and HR managers starting this fall. “We want to get to at least one or two companies in six to twelve different industries. We want to hit enough corporations in enough industries that it makes it worthwhile.” Referrals from graduating students, Internet marketing on an education web site (www.embark.com), and coverage in the business press have helped build visibility, all without a marketing budget. “We’re doing this on a shoestring,” Milter concedes, “but we’re beginning to look at the need for a bit more contact with the corporations so that they can become educated about Ohio University’s MBA program.”

John M. Olin School of Business, Washington University

Washington University utilizes a mix of different marketing media to promote its MBA program: newspaper, magazine and radio advertising; direct mail; and some joint marketing with local businesses. George Cesaretti, director of executive programs for the business school, says the Olin School has cosponsored a symposia series with A.G. Edwards and Monsanto Corp. on the commercialization of life science research, a major industry in the St. Louis metropolitan area.

According to Cesaretti, the most efficient marketing channel by far is face-to-face encounters with people who represent organizational buyers or aggregates of individual buyers. “It’s the good old personal selling approach,” he says. “We’re routinely and continuously on the road. Our method of operating is to contact highly placed executive alumni in organizations we visit. Also, we have a large network of companies who are currently clients.”

Cooperative marketing has so far been limited to ventures with other academic institutions. Partnering with for-profit organizations remains a possibility in the future, but the only joint discussions so far have been with a university in the Netherlands and another in Japan about jointly sponsored academic programs.

Among emerging technologies, the Internet “looms unforeseeably large in our overall marketing,” Cesaretti says, although he admits he is still trying to learn how to use the web more effectively and track visitors to the Olin School’s web site. “We’re trying to build a mechanism not just for registering visits but in the course of a visit to elicit some response from a visitor, even if the response is fairly simple,” he says.

Will the online MBA and its variants, such as Ohio University’s MBA Without Boundaries, eventually triumph? Will university partnerships with corporate clients become the

preferred method of developing and marketing non-degree certificate courses? The answers to both questions won’t be known for at least several years. What is certain is that business schools will continue refining course content and marketing, borrowing the marketing techniques—personal referrals, road shows, and targeted direct mail, among others—already proven in the business world.



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E-Learning Management

Easy delivery of third-party courseware without reprogramming. Many products billed as e-learning management systems only deliver, track, manage, and report on the courseware created in that company’s authoring tools. That’s like being able to eat only the food cooked in your own kitchen.

Hosting and ASP solutions. An application service provider (ASP) solution (i.e., a hosted learning management system where the software is leased) can provide rapid deployment, lower maintenance, and fewer up-front cost benefits of a packaged learning portal. Yet the customer still retains complete control over enterprise learning.

Three-tier architecture. This model separates learning management processing, such as crunching scores, from the web server and database. Companies benefit by being able to mix and match all components to support a virtually unlimited number of users without bottlenecks.

Multiple application support. Since learning isn’t an isolated function, an e-learning management system should share information with applications throughout the enterprise. An ELMS built on an open architecture can easily share information with enterprise resource planning (ERP), customer relationship management (CRM), human resource information systems (HRIS), and other enterprise systems without custom code.

Integration capability with e-learning portals. E-learning portals are web sites that offer a selection of courses on the Internet, but they only provide part of the solution. They lack the full integration and management capabilities of an ELMS. With an e-learning management system, companies can create a portal of their own to all their learning, whatever the medium, including what they offer through third-party portals.

With an e-learning management system in place and with all these features, a company will be well-positioned to make its learning pay off. It should be seeing more effective learning for its money and better performance on the job. At budget time, the company can make a strong and credible case that learning management has enhanced the bottom line, and brought order to courseware chaos.

Leonard Greenberg is chief technology officer for Pathlore (www.pathlore.com), of Columbus, Ohio, the fastest-growing and most widely deployed e-learning management system provider.



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