The Corporate University

A White Paper on the

Foundation for Enterprise Human Capital Development

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I. Defining the Corporate University

Effective and timely Employee Development has become a Strategic Advantage for Corporations today. The entire continuum of Development activities along the Value Chain – Suppliers, Employees, and Channels – is known as Human Capital Management. The Corporate University has come to embody the critical essence of Human Capital Development.

The growth in adoption of the Corporate University (CU) model can be attributed to several factors; swiftly changing markets requiring new knowledge skills throughout the organization; changing customer demands; changing competition and the rise in embracing learning as a life-long process.

A CU is very different from a training organization. Training organizations tend to be de-centralized and more reactive to employee training needs at that moment in time than pro-active to business demands today and projected for the future. Unlike a training department, a CU can impart more than a new skill set for employees. It can be used as the overriding umbrella to instill corporate values, culture, philosophy, history, leadership skills, and more. A CU’s mission is an integral part of the corporation’s core business processes. A CU provides unity to the programs and prepares to meet the future needs of an organization.

A CU can bridge strategic business goals, employee learning, and core competencies and can prepare the employees and leaders for what is ahead in the envisioned future of the corporation.

According to the Corporate University Xchange, there are over 1600 Corporate Universities today, up from only 400 in 1998.
II. Founding Fundamentals

To ensure the greatest impact, the CU should have a ‘visible architecture.’ The CU initiative is usually CEO-driven. It can be used not only to support business opportunities, but can also facilitate a major organizational change or company transformation. The CU will have its own central infrastructure, governing board, vision, measurement system and clearly defined objectives which are closely aligned with the Business Strategy.

The following 10 Step philosophy was first documented by Jeanne Meister, President of Corporate University Xchange, and subsequently widely adopted by learning professionals in building the foundation for a CU. These are:

1. Form a governing body.
2. Craft a vision.
3. Recommend the funding strategy.
4. Determine the scope.
5. Identify stakeholders and their needs.
6. Develop products and services.
7. Draft a technology strategy.
8. Select learning partners.
9. Devise a measurement system.
10. Communicate the vision, products, and program throughout the organization and beyond

Steps 1-4 of this model focus on more executive-level decisions such as budget, governance, scope, etc., while Steps 4-10 tend to center around tactical decisions, technologies, resource requirements, timing, etc.
1. Form a Governing Body

Successful CU’s will have CEO-level and Senior Line Management support. Both groups will come together to share in defining the overall mission and vision for the CU. This appointed “Governing Body” will define and communicate the roles and responsibilities for members within the governing body and they will determine and manage budgetary considerations, the vision and future objectives for the CU.

Example: First University, the CU of First Union Corporation in Charlotte, North Carolina, is governed by a board of trustees that crafts the university’s policies, systems, and procedures; monitors funding; and provides input on future financial-service skills required of employees. The board oversees 10 different “colleges,” headed by business-line managers responsible for key areas of the bank, such as commercial banking, investment banking, and consumer banking. In addition, each college has an advisory board responsible primarily for developing a curriculum for specific job families, delivering the curriculum through its own faculty or outsourced faculty, developing specific success indicators, and selecting key university partners that fit the selection criteria agreed to by the board of trustees.

2. Craft a Vision

The Governing Board will develop a vision that is clearly communicated and embraced by all. The vision clarifies the direction for all of the key stakeholders and sets the mark for measuring the CU’s future success. It is memorable and concise, and will be used throughout all marketing communications as described in Step 10.

Example: “To enable the bank to seize and sustain competitive advantage and create lasting shareholder value by serving as a strategic catalyst for change and continuous learning.” (Bank of Montreal Institute for Learning)

“Improve employee performance through business-specific learning and development.” (Sprint University of Excellence)

3. Recommend the Funding Strategy

Critical to supporting the future of the CU will be structuring the operation as an ongoing business entity. Will the budget for the CU be allocated across business units? Will a charge-back system be utilized to subsidize some costs? Or is there the possibility for revenue generation through charging vendors or partners for training sessions? All of these questions
must be addressed and a budget established for the ongoing operation of
the CU.

**Example:** According to Corporate University Xchange’s 1998 Survey of
CU Future Directions (a survey of the deans of 100 top corporate learning organizations)
the average CU budget is $12.8 million a
year. That translates to a budget that equals
2.6 percent of corporate payroll.

### 4. Determine the Scope

Will all of training and development, including curriculum design be
housed internally under the centralized CU, or will some functions be
managed by third-parties or other entities outside the CU? These
decisions determine the Scope of the CU and may be tied directly to the
business case that outlines cost efficiencies across the organization. The
Scope of the CU may be very broad or narrow depending upon the vision,
mission and business objectives to be addressed. The Scope may be
impacted or constrained by budgetary and resource considerations as
well.

**Example:** Policies and procedures related to registration, administration,
measurement, marketing, and distance learning may be centralized, while
executive level soft skills training may rely on third party facilitators.
Additionally, the CU may manage Core Curriculum development while
relying on outside Subject Matter Experts (SMEs) to complete more
advanced courses.

### 5. Identify Stakeholders and Their Needs

Organic growth, acquisitions and business demands have rapidly changed
the makeup of today’s businesses. Many business entities now rely on
training and development to support their broad learning initiatives. Within
these entities there are diverse employee groups at regional and national
locations. It’s important to identify the critical business issues the CU will
address, and then focus on the specific audiences impacted by and/or
contributing to those learning issues.

**Example:** Creating a Customer-Focused
culture may be one training initiative that
impacts sales and customer service
organizations across multiple business units.
For each of these groups, what activities are
being delivered today to address the needs
of stakeholders in each area as relates to
creating a customer-focused culture, and are these activities meeting the
needs of these stakeholders? The needs of the Stakeholders, or Customers, of the CU must be addressed to ensure the training initiatives are meeting corporate expectations.

6. Develop Products and Services

Once a company has identified the type of skills, knowledge and competencies required to meet the training needs of their key stakeholders, the Corporation must ensure it has the Products and Services needed to address those needs as relates to meeting the vision and mission for the CU. The products and services selected, and the timing of the implementation for those products and services is highly dependent on ensuring that a defensible business case supports the business value for the organization for both training activities and supporting technologies.

Example: A company may determine that some existing courseware can be leveraged to meet its “customer-focused” training initiative however some needs identified by stakeholders may not be addressed through existing courseware, hence new materials must be developed. Another consideration will be the delivery method for these training materials. Could the existing materials be delivered via the Internet to reach a broader audience, or could new eLearning courseware augment existing delivery methods? In this step we will identify what products and services exist today to address the goals of the CU, what new ones need to be developed and when those tasks need to occur within the 3-5 year roadmap.

7. Draft a Technology Strategy

How much and what technology is appropriate in meeting the CU’s objectives? ...and, when? Technology is usually combined with traditional Instructor-Led learning modes and provides the infrastructure for managing training efforts. The technology strategy takes into consideration identified learning initiatives, the needs of the stakeholders, resource requirements, budgetary and process considerations. It must be flexible to accommodate change and be aligned closely with the CU’s over-riding, long-term roadmap.
Example: In creating their CU, a company may identify great cost efficiencies in offering an introductory course to Customer Service Representatives that is delivered via a web-cast. A secondary priority might be the delivery of an online self-paced course. As such the Technology Strategy would address the need to acquire a Synchronous tool prior to the acquisition of an LMS. The Technology Strategy will clearly map out the phased implementation of technologies needed to support the learning initiatives which the Governing Board has embraced for the organization.

8. Select Learning Partners

CUs frequently partner with outside corporations, universities and learning vendors to address their goals. These outside partners typically have shared goals and complement the needs of the CU. Selecting and structuring the business terms of these partner agreements can require one or more full-time liaisons within the CU structure.

Example: A company may consider partnering with accredited institutions to deliver broker training. Or, a local University may offer developed courses as part of their training curriculum and share in the expense of developing these courses.

9. Devise a Measurement System

How will a company measure the success of the CU? The Governing Body will closely monitor the success of the initiatives embraced by the CU to determine both soft and hard dollar impacts to the organization. The Measurement System should address how data will be collected, what type of data is required to formulate results and what stakeholders need to be involved in the collection of data.

Example: Traditional training organizations measure quantitative data that can be collected through surveys, feedback and spot studies. The CU may consider not only measuring against performance improvements, but measuring cultural changes and collecting qualitative data such as testimonials. The success of the CU is closely tied to measuring dependencies which will map back to demonstrating success as relates to the overriding vision for the CU.
10. Communicate the Vision, Products and Program throughout the Organization and Beyond

Successful CUs rely on top level support and a well planned and executed Marketing Strategy. The Marketing Strategy becomes an integral part of the CU’s mission, is continually reinforced and updated. Messages must be easily understood and congruent across the CU. Initial buy-in from top-level and middle managers is key to ensuring messages are heard both horizontally and vertically within the organization. Thinking “outside the box” is important in gaining initial momentum and excitement through marketing programs.

Example: The Marketing Strategy may address initial questions such as: When is the CU open for Business? What is the Vision for the CU? What is its Strategy? Follow on programs might address: How do I register? What types of programs are available to me?
III. Benefits of the Corporate University

**Improved Recruitment.** Organizations are finding that compensation is less of an issue for employees and that growth and career development are more important.

**Better Employee Advancement.** The programs don't have to be mandatory, but employees know that training is the quickest path to increased pay and responsibility.

**A Wider Talent Pool.** If you hire someone who lacks some of the skills you need, a CU can fill in the training gap.

**Increased Employee Retention.** Employee retention is a major issue, as is morale and internal career mobility. If employees don't see a way up internally, they'll look elsewhere. Some studies show that effective Career Development programs can increase retention 25-35%.

**Better Customer Service.** The greatest gap in many corporations is the ability to have employees quickly understand the job that they have to do. If the corporate culture utilizes a 'Learning' approach versus a 'Training' approach, you can give people the knowledge and skills that they need for their job ORDERS OF MAGNITUDE faster than conventional approaches.

**Recruiting the Best.** Can you use a 'Best In Class' Employee Development program to recruit the best people in the industry? Identifying training initiatives that truly support a “Best in Class” program and mapping out the means with which to get to the desired end results can demonstrate powerful benefits to the corporation.

**Customer Selling Value Proposition.** Effective Training has an influential business benefit for your customers. It may even be a potent sales tool. ‘Best in Class’ Employee Development programs can become the single factor that swings a customer one way or another.

**Increased Revenues.** Any employee learning can add value to and even increase the bottom line.
IV. Summary

In summary, training functions in many organizations have become disconnected set of "band-aids" used to meet training needs reactively. For training's impact to be tied to core business processes, it must be responsive to the corporate culture, values, and systems provided proactively to employees. The CU is a vehicle that is strategic in nature, mindful of its stakeholders needs and of business objectives.

For the CU to be effective, it must have a well thought through business strategy and a vision to address that strategy. It must possess the ability to meet the needs of its stakeholders through delivery of products and services that are tailored to support the business strategy. It must rely on a solid technology infrastructure to support its training initiatives and on business partners to confirm and support its long-term growth. It realizes success through continually keeping "in check" its ability to meet defined objectives. And at the cornerstone, it relies on top level support to permeate “Learning" as an integral part of the culture of the organization.

About Rapid Learning Deployment, L.L.C.

For over eight years rapidLD has been helping organizations realize that “Training is an Action” while “Learning is a Result”. Through its consulting services rapidLD focuses on identifying the desired results building the Business Case and creating the Roadmap that ensures results are achieved.