

IN THIS ARTICLE
The Learning Organization

The CEO-Driven Learning Culture

By Jeanne C. Meister

How the big dogs do it.

The following foreword and excerpt are from the upcoming book, Learning From the CEO: How Chief Executives Shape Corporate Education (Forbes Custom Publishing, 2000). The book, whose executive editor is Corporate University Xchange's Jeanne C. Meister, includes chapters on seven companies whose CEOs have been instrumental in building best-practice learning organizations. The section on Dell Computer Corporation was written by John Coné, vice president of Dell Learning. The book is available only from Corporate University Xchange, www.corpu.com. (The foreword and excerpt do not appear here in their exact entirety.)

Every day, chief executive officers and their boards of directors around the globe face tough investment decisions. They sign off on mega mergers, as America Online did with Time Warner, or they launch new business models as Michael Dell of Dell Computer Corporation did in 1984, with his then-revolutionary direct-to-customer model. As investors, these CEOs base their decisions on tangible results geared to increasing shareholder value.

In the 1980s and 1990s, most CEOs focused their attention on understanding information technology investments, which ran the gamut from Y2K compliance to developing Internet capabilities and building e-business. Unquestionably, those investments required CEOs to get their arms around information technology issues that often presented significant obstacles, ranging from the difficulty of estimating costs that could change in midstream to defining benefits

that might or might not materialize. During the past 20 years, CEOs have increasingly made information technology a key part of their agendas. In fact, CEOs are routinely managing their information technology strategy as an investment that will build new capabilities rather than as a cost to improve current operations. In other words, information technology has become a critical element of not just keeping an organization competitive, but also for positioning it properly for the future.

Enter the CEO agenda for the 21st century. Investment in education has now joined IT as a high priority. In fact, a growing number of CEOs are becoming increasingly committed to developing new and innovative learning programs and sharing those with the investment community. For example, when George David, CEO of United Technologies Corporation, announced the revolutionary Employee Scholar Program to

security analysts in 1995, he said, “We want to have the best-educated workforce on the planet.” The program was designed to prepay tuition and fees for all employees, give them paid time off for study, and upon graduation present each employee with an award of company stock (worth \$7,000 at the time).

That level of commitment by United Technologies is unique, but it’s totally consistent with the philosophy of David, the enlightened CEO who said in 1995, “We have the Employee Scholar Program because I believe education is the single biggest discriminating factor between fear of job loss and anticipation of job change. We want our employees to be on the offensive. We want our employees to think about their own lives, to control their own lives, and to realize there cannot ever be employment guarantees, [which are] bad for society. We want people to embrace the future, and they do that with education.”

Now, more than 12,000 UTC hourly and salaried employees are graduates of the program, more than double the number of just four years ago. Traditionally, it’s feared that allowing employees to acquire new knowledge and skills might encourage them to find new jobs. But the experience at United Technologies has demonstrated the opposite effect. In recent years, the turnover rate for employees who’ve graduated from the Employee Scholar Program has been only half the rate for the workforce as a whole. The commitment from David is typical of how an involved CEO can lead commitment to learning so the rest of the management team and corporation understand the urgency of making education paramount.

The vision of George David is just one example of what *Learning From the CEO* profiles. This book is a behind-the-scenes account of seven companies whose CEOs are singular in their evolved philosophies of learning. The book details how education has become a top priority in their organizations—which are Dell Computer, Bain & Company, Buckman Laboratories, Deutsche Bank, STMicroelectronics, Tennessee Valley Authority, and United Technologies. But the book does more than present lessons learned. What emerges is a blueprint for how and why CEOs are investing in corporate education. The

CEOs profiled in the book manage education for value and creation. And they ask the same questions about investing in education that they do about any investment, such as

- ❑ What is the total investment in our people?
- ❑ How will that investment increase shareholder value?
- ❑ How does the investment in our people compare with our competitors’ investment in their people?

At the same time that the CEOs question their investment in education, the dollar amount of that investment has grown substantially. In fact, the average investment at the seven firms is \$20 million per year. For most organizations, their investment in people must be treated like any other investment—put on the CEO’s agenda and managed not as a cost but as an investment that will build new capabilities and create competitive advantage.

The Gist

- ❑ Personal involvement of top managers is crucial to a learning culture.
- ❑ To lead learning, a company’s CEO must play several roles, including visionary, sponsor, and teacher.
- ❑ It’s important to put learners in control.

What your CEO can do

The most well-known example of CEO involvement in continuous learning is General Electric’s Jack Welch, who has become the poster boy for commitment and investment in learning. Welch’s mantra: “An organization’s ability to learn and translate that learning into action rapidly is the ultimate competitive advantage.” Welch has made an enormous commitment to becoming involved as a teacher at Crotonville, GE’s corporate university, which Welch visits twice a month to give talks to other GE executives and mingle at receptions for informal one-to-one conversations. Welch speaks to roughly 1,000 executives a year—an impressive commitment to learning by a *Fortune* 100 CEO. Welch describes GE’s adoption of the Six Sigma model in 1996, as “moving the organization from a commitment to a training program to becoming fundamentally responsible for changing the DNA of the entire company.” GE’s \$500 million investment in training its workforce in Six Sigma—three weeks of training and one Six Sigma project under the belt of every employee—produced more than \$750 million in savings in 1998, with a projected \$1 billion in savings by the end of 2000. As I go across the United States delivering seminars on best practices in learning, I’m often faced with this question: “I don’t work for General Electric. My CEO

involved as a teacher at Crotonville, GE’s corporate university, which Welch visits twice a month to give talks to other GE executives and mingle at receptions for informal one-to-one conversations. Welch speaks to roughly 1,000 executives a year—an impressive commitment to learning by a *Fortune* 100 CEO. Welch describes GE’s adoption of the Six Sigma model in 1996, as “moving the organization from a commitment to a training program to becoming fundamentally responsible for changing the DNA of the entire company.” GE’s \$500 million investment in training its workforce in Six Sigma—three weeks of training and one Six Sigma project under the belt of every employee—produced more than \$750 million in savings in 1998, with a projected \$1 billion in savings by the end of 2000. As I go across the United States delivering seminars on best practices in learning, I’m often faced with this question: “I don’t work for General Electric. My CEO

isn't Jack Welch. What can I do to get my CEO involved in learning?" Though many annual reports boast "Our people are our most important asset," how many CEOs are directly involved as teachers as Jack Welch has been? How many are on the interview team to recruit and hire a new chief learning officer?

A committed CEO who rolls up his or her sleeves and gets actively involved in teaching is invaluable to developing a learning organization. But the fact remains that few CEOs do that. So, what do the committed CEOs profiled in the book actually do, and why have they become so involved in learning? We set out to understand and identified several key characteristics exemplified by the CEO as corporate educator, modeled on these CEOs: Rolf Breuer, Deutsche Bank; Robert Buckman, Buckman Laboratories; Craven Crowell, Tennessee Valley Authority; George David, United Technologies; Michael Dell, Dell Computer; Pasquale Pistorio, STMicroelectronics; and Thomas Tierney, Bain & Company.

The characteristics:

- ❑ CEO as visionary. Presents a clear direction for corporate learning around which the organization can rally.
- ❑ CEO as sponsor. Provides encouragement, resources, and commitment for strategic learning to flourish and develop; sponsors groundbreaking new learning programs.
- ❑ CEO as governor. Takes an active role in governing the corporate learning function, reviews goals and objectives, provides direction on how to measure the effectiveness of learning, and evaluates outcomes.
- ❑ CEO as subject matter expert. Actively takes on the role of thought leader and develops new learning programs for the entire organization.
- ❑ CEO as faculty. Teaches programs onsite or provides resources for online learning platforms used to deliver new enterprise-wide learning programs.
- ❑ CEO as learner. Becomes the role model for lifelong learning for the entire organization and acknowledges his or her willingness to learn constantly.
- ❑ CEO as chief marketing agent. Promotes the organization's commitment to learning by mentioning it in speeches, the annual report, press interviews, and reports to security analysts and through general marketing tools such as posters,

email messages, and articles in the company magazine.

The following examples from the companies in the book identify specific ways CEOs are involved in learning. These best practices are meant to provide a roadmap of exactly what a CEO does to further a learning culture. The roadmap is designed to shorten the discovery process for enlightened deans of corporate universities and training directors who want to involve their CEOs in shaping a learning culture.

CEO as visionary. Thomas Tierney, Bain & Company's worldwide managing director, is the leading advocate for shaping and articulating Bain's learning vision, which is "to create the best environment in the world and learn how to add value to businesses." Tierney's passion for learning is reflected in his vision of Bain as a global community of teacher-learners, whom Tierney believes share such characteristics as

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- ❑ being actively engaged in teaching, probing, and learning simultaneously
- ❑ demonstrating care for their colleagues and making intellectual and emotional connections in and beyond their circle of peers
- ❑ relating to as many people from different backgrounds, experience, maturity levels, and positions as possible—what Tierney calls "nurturing the bandwidth capacity"
- ❑ reflecting on what they learn as well as how they learn. After learning or teaching, teacher-learners ask themselves, "What have I learned about learning? What should I explore to enrich my own learning as a result of that interaction?"
- ❑ keeping their receiver-transmitters on at all times. Teacher-learners possess a child's mind: They don't presuppose; they listen.

As Tierney sees it, teacher-learners are made, not born. A teacher-learner profile is the product of role models, parents,

friends, experiences, and, of course, an organization that nurtures and rewards such characteristics. Tierney's legacy will be to create a professional service organization, in which each employee can become a teacher and a learner.

Defining that vision for learning has spilled over into Bain's consulting practice. Tierney pressed the firm to ask such questions as, How do you design your plant, your facilities, and your floor plan for learning? How do you set up and manage client interactions for learning? How do you go about recruiting and hiring people who are teachers and learners? How do you sustain a teacher-learner approach in the context of instant obsolescence of learning?

By identifying a strong vision for learning, Tierney provides the Bain community of 2,000 employees and 1,500 clients with a clear mandate for learning as a strategic necessity.

CEO as sponsor. Rolf Breuer, CEO of Deutsche Bank, has been a vocal sponsor for crafting a new executive education practice within Deutsche Bank. In fact, Breuer recognized that a new learning paradigm for executive education was needed if Deutsche Bank was to achieve its strategic goals. So, he created the Spokesman's Challenge, a partnership between Deutsche Bank and Duke University. Twenty participants from various business divisions were invited to the kickoff of an executive education program that started with Breuer asking questions about matrix management, knowledge management, globalization, and innovation:

- ❑ What are the cultural and organizational characteristics of a global firm?
- ❑ What are the characteristics of a successful matrix organization?
- ❑ What should the bank do in order to get maximum benefit from its matrix organization?
- ❑ What needs to change for Deutsche Bank to become more innovative and more entrepreneurial? How will those changes occur?
- ❑ How can we manage knowledge as a critical resource for business success?

The executive management group used the opportunity to bring new perspectives and a new vision statement to the Bankers Trust-Deutsche Bank merger. Breuer became the most visible sponsor of executive education. Now,

customized executive programs similar to the Duke University partnership are the norm. They're seen as critical not only to developing leadership and management competencies, but also to producing tangible results.

The same spirit of sponsorship inspired Robert Buckman to develop a knowledge management system in the mid-1980s, well before *knowledge management* became a buzz term. Those were the days when email was rudimentary and the Internet was largely unknown. Buckman became a believer in knowledge sharing—that the gathering of all of the tacit knowledge of all Buckman associates would be the most powerful weapon for progress, innovation, and competitive advantage. Buckman Laboratories committed itself to its customers, associates, and business allies by creating K'Netix, the Buckman Knowledge Network.

Because more than 86 percent of Buckman Labs associates work outside of the office in most of the 90-plus countries in which the company does business, Robert Buckman realized it was imperative that he develop a system to connect associates so that their knowledge would be accessible to each other. K'Netix enables all associates to participate in virtual discussion groups about industry-specific and general company information. At the heart of K'Netix is the Knowledge Nurture Website (www.knowledge-nurture.com) where SMEs at Buckman Labs get in touch and help solve customer problems, design new programs, and give advice on engineering better systems. Buckman believed from the earliest stages that creating a knowledge management system would differentiate Buckman Labs from the competition.

CEO as governor. Michael Dell showed his involvement in learning when he insisted on being included in the interview team for hiring a new head of Dell Learning. Recalling the interview, John Coné (the man who got the job) says, "The first time I met Michael, I was impressed with how engaged he was on corporate education. He spent as much time asking what

he could do as he did asking what I expected to bring to the function."

Michael Dell believes that management, especially senior management, must be the champions of education and manage education strategically. Because of that commitment to become involved in the strategic issues related to Dell Learning, Michael Dell created the Dell Learning Board of Regents, whose mission is to set policy, support, direct, and review the operation of education at Dell. Members include the vice presidents of three major



operating groups, along with the vice presidents of finance and human resources and the president of Dell Learning, who serves as a nonvoting member and secretary to the board. The meetings are intended to accomplish the following:

- Review and approve companywide budget and conformity to budget.
- Establish standards, budgets, and strategic direction for Dell Learning.
- Review and approve resources for annual regional education plans.
- Review measurement of training effectiveness and utilization of facilities.
- Review information technology requirements for learning and new educa-

tion priorities, and build, instead of buy, proposals.

- Review proposals regarding course maintenance.
- Understand delivery strategies, and set goals for coming year.
- Hear presentations by Dell Learning staff on new initiatives.

For examples of decisions that can be made by a governing board overseeing corporate learning, the following decisions were made by Dell's CEO and Board of Regents in the first year of Dell Learning:

- All Dell employees will have an education plan that spells out the learning required for their jobs.
- All managers are required to have education plans that reflect the competencies required in their business.
- Dell Learning will move to tuition-based education in order to put control of key decisions about learning in the hands of the end users.
- Dell Learning will set a goal for 40 percent nonclassroom training. (The goal for 1999 was 70 percent and is moving upward.)

Michael Dell was the driving force behind launching the Board of Regents and served as one of its governors. But, as time has passed, decisions concerning training have become a natural part of management activities. Now, items once handled by the board are part of the regular executive committee agenda. Michael Dell's contribution has been significant: Education is now an important part of the CEO agenda.

CEO as subject matter expert. Though every CEO is qualified as an expert in many aspects of his or her company's business, Michael Dell is unique as both the founder of Dell Computer and the inventor of the direct-to-customer business model. As such, he has become the chief subject matter expert and has developed an online training program known as the Dell Business Model. At the heart of the direct-to-customer model is eliminating the middleperson and other unnecessary costs involved in selling computers to end users.

The Dell Business Model online course was developed through extensive interviews, with Michael Dell's recounting the evolution of the model and clarifying its basic tenets. Based on those interviews, a draft of the course content was written. Michael Dell reviewed each word carefully and sometimes rewrote entire sections. The resulting program, known as Michael Dell Says, tells learners about key aspects of the Dell Business Model in the founder's own words. There are also "dig downs," which let users learn more by accessing supplemental materials. Countless presentations and training tools have been derived from that single program authored by Michael Dell.

CEO as teacher. Perhaps the most important theme linking all seven CEOs in the book is their active involvement as teacher and strategic guiding force for corporate education. In many cases, that means the CEO gets directly involved as an instructor or a facilitator in formal courses. Take the example of George David, CEO of United Technologies. David co-facilitates a course in leadership at the Darden School of Business at the University of Virginia, UTC's education partner in executive development.

Several times a year, David travels to Charlottesville, Virginia, to meet and exchange ideas with UTC managers enrolled in the Emerging Leaders program, based on UTC's business priorities and taught by Darden faculty. Each UTC manager arrives with a personal leadership project that's developed over the next three weeks. A project might be how to create a new communications plan or improve cycle time. David encourages other senior UTC leaders, such as Karl Krapek, president and COO, and Steven Page, president of Otis Elevator Company, to facilitate. David believes that the program's success depends on direct links to top leadership.

Not every CEO is an active classroom teacher. Some, like Craven Crowell of Tennessee Valley Authority, teach by example and become the de facto chief learning officer by supporting education and motivating senior line managers to become involved in education. That's where TVA University comes in. John Turner, senior vice president for education, training, and diversity, laid the groundwork and conferred with Crowell on how a CEO can become involved in learning and

what it means for a CEO to operate as a chief learning officer. That was followed by having TVA University create Developing Leaders, an experiential train-the-trainer program intended to set guidelines for how TVA managers can serve as faculty for TVA U. The program certifies TVA managers as faculty and evaluates them regularly on their performance as faculty.

TVA managers serving as faculty operate either in a classroom or as subject matter experts on video. TVA's chief financial officer, David Smith, recently appeared in an instructional video, *TVA Finances: Dollars and Decisions*. The video simplifies the company's complex financial picture. The result for TVA is a relevant learning experience.

The concept of training managers being faculty has also taken hold in Europe, exemplified by STMicroelectronics's ST University. STU has developed a formal program, ST Trains ST. By the end of 1999, that certification

CEOs are sharing their commitment to educating their workforces in annual reports and speeches.

program trained more than 200 STMicroelectronics managers to become STU faculty. Once the managers are certified as ST faculty, they facilitate programs and teach workshops for roughly 5 to 10 percent of their total work time. Because the firm has more than 100 locations in 24 countries, this decentralized learning model enables it to set up local centers of excellence around the world.

CEO as learner. Perhaps the most impressive example of CEO as learner is the impact of Thomas Tierney, Bain & Company's worldwide managing director, by insisting that the Bain training organization use the same outside-in approach to learning that's at the core of its consulting practice. To Tierney, outside-in learning means creating a Bain Academy where the "best of Bain" thinkers and consultants search for and digest relevant business insights and apply them to consulting assignments and Bain training and development.

Tierney puts his beliefs into action by

enlisting a cadre of Bain consultants as the teachers and faculty. He's adamant about committing the firm's case team and leadership as facilitators.

Tierney says, "Our consultant trainer pool will grow in proportion to the numbers we have to train. It is and will continue to be expensive. But consider the value. Our internal data shows that our partners rank being trainers as one of the most outstanding activities of their careers. I believe that consultants, managers, and senior partners should provide the bulk of the trainer pool because it's a way to integrate them into the firm's goals and values."

CEO as chief marketing agent for learning. The CEOs profiled in the book believe their role is to personally embody their organizations' learning principles. Tierney of Bain sees himself as the "public face" of Bain and Bain Virtual University. To Tierney, that means "being a frequent contributor to business journals—commenting on business strategy, the heart of the Bain consulting practice, and trends in learning and knowledge management."

It's not uncommon for Tierney to send companywide emails announcing a new Bain Virtual University program or other key initiatives. He believes it's his role to encourage other Bain leaders to take an active role in learning and to support learning among their staffs.

That public commitment to learning is also displayed by Andy Grove, Intel's chief executive. Grove wrote a book devoted to the subject, *High Output Management*. In it, he shares his philosophy of commitment to employee education in the chapter "Why Training Is the Boss's Job." Grove describes the importance of his involvement in employee education and development as a prerequisite for the company's survival. Intel has a relatively young workforce, and most of the technologies in Intel's Pentium chip didn't exist when these employees were finishing their graduate studies. Without recruiting the best brains and continually making large investments in their education, Intel wouldn't have been able to stay on the cutting edge of technology.

Beyond writing books on the importance of training, CEOs are also sharing their commitment to educating their workforces in annual reports and speeches to security analysts. A Corporate Univer-

How Dell Does It

By John Coné

sity Xchange research report, "Survey of Corporate University Future Directions" (involving 120 deans of top corporate education organizations) found that 57 percent of publicly traded U.S. companies talk about the contribution of their education strategy in their annual reports.

For example, Conoco, an international energy company, recently returned to the New York Stock Exchange after 17 years as a subsidiary of DuPont. In Conoco's first annual report, several paragraphs are devoted to the contributions Conoco University has made to developed visionary leaders.

Benefits to your organization

The reputation of these best-practice corporate universities has increasingly become a key source of competitive advantage in recruiting and retaining the best graduates. The case studies point to low turnover rates and exemplary examples of how employees have risen from administrative assistant positions to middle management and, in the process, developed self-confidence at work and in their personal lives.

For example, in the past five years, Bain & Company has experienced higher retention rates and employee satisfaction, attributed in great part to extensive learning opportunities.

Another key benefit is the global integration of learning as "one organization." Deutsche Bank, Dell Computer, and Buckman Laboratories operate worldwide and emphasize the importance of learning as one firm. That means that embedded in all of their training programs are shared values and a shared culture in which employees around the world can participate and, in some cases, become certified.

As a group, these CEOs are taking a leap of faith and becoming involved in the education and development of their employees. The CEO as chief corporate educator extends beyond thinking about and promoting the learning function. These CEOs figure prominently as learning visionaries and teachers—sharing their insights about the company, industry, competitors, and strategic direction. What they're really doing is building the intellectual capital of their organizations through their involvement in corporate-wide learning. □

An excerpt from a recent annual report of Dell Computer Corporation does a good job of summarizing where the CEO stands on the role that learning plays in his company:

Ultimately, in any business, it is people who produce results. Building a talented workforce remains our greatest single priority and challenge. This challenge contains two primary facets. The first is training, developing, and retaining our existing employees so that they can continue to capitalize on the career opportunities our growth brings. The second is successfully recruiting employees at all levels to support our company, whose employee population grew 24 percent last fiscal year.

We made good progress on both fronts last fiscal year, although this will remain a critical area of focus for us. We significantly strengthened our management team with key executives from leading companies both within and outside our industry. At the same time, more than half of our executive-level positions were filled by promoting current Dell employees.

Finally, we restructured our core training and development programs to further improve their effectiveness and, for the second consecutive year, enhanced our compensation and benefits programs consistent with our philosophy of sharing our success with our employees.

The success of Dell Computer, especially in the last decade, has been widely chronicled. The company designs and engineers a broad array of computer system products, including desktop and notebook computers, servers and storage products, workstations, software, and peripherals. Dell's customers range from large corporate accounts and government institutions, which account for two-thirds of company sales, to smaller

companies and home-office and individual users. The company is also a presence in e-commerce with Gigabuys.com, Dell's new online superstore.

Dell has offices in 37 countries and distribution in more than 170. The company was quick to recognize the impact of the Internet and now has Internet sales of more than \$35 million a day, accounting for more than 40 percent of business. Dell's mission is "to be the most successful computer company in the world at delivering the best customer experience in the markets we serve."

Says Michael Dell, now the longest-tenured CEO in the industry, "A hyper-growth company's relative lack of a past—sacred strategies or long-established practices and procedures—means that it will have a better chance to improvise as it goes. . . . The key is to have enough structure in place that growth is not out of control, but not so much that it impedes your ability to adapt quickly."

At a recent meeting of Dell's top executives, Michael Dell cited some people-related indicators of hyper growth: Employees cite tenure in quarters, not years; the ratio of good ideas to experienced people is 10:1; you need three people to do the same job that used to take one; and there are no business cases to tell you how other companies have done it before you." Hyper growth makes special demands on learning and leadership development.

How does a company get 200 to 300 new employees on board each week? How does it keep these new employees current on the dozens of new products and services introduced each quarter? How does it maintain its culture and key processes when most employees have been there less than two years? How does it grow managers when it needs thousands more (literally) each year? One response was the formation of Dell

Learning, known previously as Dell University.

Dell Learning

Although training had always been a part of Dell's strategy, by 1995 it was clear that it needed an even greater emphasis. So, the office of the chairman directed that the role of Dell Learning be significantly expanded. The charter of the (then) corporate university was simple but challenging: ensuring that people had the knowledge and skills to keep pace with the firm's hyper growth. Apropos of that is an article in the *Wall Street Journal*, "Dell or Be Delled," in which "being Delled" was described as having your business taken away by someone who leaps ahead of you and changes the rules of your business. Dell understood that threat and realized its success would depend on how fast it could learn what's next and apply that to serving customers.

Dell Learning, responsible for all education in the company, was given these main objectives:

- to align learning with key business initiatives
- to make learning directly available to everyone who needs it
- to create clarity around competencies required for continued success
- to provide consistency, where needed, through global curricula.

In response to the hyper growth, three-quarters of the training targeted new employees, products and services, and basic job skills. To meet that charter, a centralized corporate team was formed to establish processes for training development and administration. Training managers, reporting directly into each business or function, were appointed to perform these tasks:

- develop a business-based education plan
- hold business leaders responsible for executing the plan
- ensure that resources existed to execute the plan successfully



Michael Dell, CEO of Dell Computer Corporation

- report on the plan's impact.

In addition to providing strategic direction, the corporate team includes fulfillment teams that serve Dell's different businesses on demand. One team produces learning tools for training sales and technical audiences on Dell's products and services. Another, Education Services, manages classrooms, registration, scheduling, tracking, and other logistics. A third group consists of highly experienced instructional designers who oversee development projects requested by the businesses.

Essentially, the training organization operates as a federation. There are three parts: Corporate Training, Regional (HR) Training, and Regional (Non-HR) Training, held together by the senior

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management team and a series of Dell Learning councils.

The Corporate Group has six major elements. 1) Corporate and Regional Operations is concerned with global education planning, financial management and reporting, and process and infrastructure. 2) Dell Learning Services provides instructional design services and consulting. 3) Dell Learning Technology Services is a specialized group charged with enabling the rapid dissemination of new learning technologies. 4) Education Services is a centralized support function handling event management, vendor management, registration, facilities, and a wide range of administrative services. 5) The New Product Training group provides core training materials for sales

and tech support for all of the company's products. 6) The Program Management office develops strategies and global curricula to support strategic initiatives. The specific areas of focus shift from year to year based on business needs.

The Corporate Group reports to Human Resources, as do a number of business-based training groups that may be functional (finance), geographical (Brazil), or in a business segment (home and small business). Decisions about where to locate those training groups are based on business needs and economies of scale. A few groups report to marketing or customer service organizations but are still part of the training federation participating in management meetings, operations reviews, and global strategy sessions. The groups also participate on the training councils that Dell Learning organizes around key needs. Like the Program Management offices, councils come and go based on business needs. There are currently eight councils—some focused narrowly (finance, IT) and some broadly (technology, management). The councils raise issues, set policy, and create global consistency.

That organizational structure was, in

part, a response to greater expansion of the charter for Dell training. At about the time that the “university” designation was dropped (it was seen as limiting and was replaced with the name Dell Learning), the charter was revised to include these principles:

- Education should be business-issue based.
- Education should be as cost-effective and time-effective as possible.
- Business managers should be in charge of managing their own training investments.
- Education must be flexible and able to scale.
- All training should be competency-based.
- All learning should be just enough, just-in-time.
- Learners should be in control.
- Learning solutions have limited shelf life and should be treated accordingly.
- Learning occurs everywhere, so our obligation is to leverage it across the organization.
- The education function must create access to the intellectual capital of Dell.

Those principles and the direct nature of the computer business have required Dell to move aggressively toward technology-enabled learning. More than half of all formal learning takes place outside of a classroom. The principle of learners being in control drives Dell toward technology in learning: If learners are going to be in control, then the learning solution has to be available 24/7. The learner controls what she or he will learn, when the learning starts and stops, whether to interrupt it, and what elements it includes. Low-tech solutions can make that possible; classroom learning never can. Technology makes learning ubiquitous and a natural part of work.

It’s worth noting that, although employees are in charge of their learning, they don’t make decisions in a vacuum. The performance planning process at Dell requires people to create development plans that are supported by their managers. The registration system automatically notifies managers of development actions and gives them the option of approval.

Because of the critical importance of the shift to technology, the Dell Learning Technology Services group was added to the corporate training organization in

1999, to focus exclusively on enabling the use of technology and other nontraditional training methods. Dell Learning’s goal is for 90 percent of formal learning to be nonclassroom.

Because learning at Dell is based on business needs, curriculum roadmaps and self-assessments are based on the skills and knowledge for job success. The roadmaps depict a logical sequence of learning; the assessments, mostly online, let people determine the gaps between their current abilities and what’s on the roadmaps so they can customize their development. Roadmaps include management and executive education, sales, marketing, finance, technical certifications, and IT.

Most of Dell’s competitors have corporate universities, but that designation has come to mean different things to different companies. In addition to jettisoning the “university” moniker as “too bricks and

The ultimate goal is “stealth learning” ...so seamless that people can’t pinpoint when learning happens.

mortar,” Dell has taken its own road when it comes to learning. If you talk to members of the Dell Learning team, they’re likely to tell you that the most important change has been to put learners in charge. Most training departments, they’ll say, have a vested interest in an older paradigm because the department is typically the intermediary between the company and employees when it comes to learning. It organizes content, designs programs, creates schedules, and teaches the classes or selects the instructors. What can develop from those responsibilities is a tendency to believe that employees can’t learn without all of that support. At Dell Learning, that legacy is often referred to as the “children with chainsaws” principle—the idea that letting people manage their own learning is as dangerous as giving a running chainsaw to a seven-year-old.

Darin Hartley, manager of Dell Learning Technology Services, captures the Dell view when he says, “These are

people who raise children, maintain households, manage budgets, and solve incredibly complex problems every day. We ought to be able trust them to manage their own learning.”

At least for now, Dell Learning doesn’t offer degree programs or partner with academic institutions to offer them, and it’s not in the immediate plans. But like many companies, Dell provides educational assistance, and it’s not unusual for an employee to pursue an advanced degree. However, degree programs don’t operate at the speed of Dell and don’t fit the criteria for learner control or just-in-time, just enough. Dell Learning does partner with universities, community colleges, and high schools to address specific learning needs because they can be brought online quickly and specifically focused.

Tom Meredith, Dell’s chief financial officer and long-time champion of learning, leads Dell’s alliance team with the University of Texas. The alliance identifies projects and research that mutually benefit UT and Dell. Says Meredith, “One of the many ways to look at the issue is that there are really two kinds of knowledge critical to success. The first kind is the knowledge that our associates have all of the time. Much of that knowledge is specific to their disciplines, and a lot of it can be gained through degree programs. That’s why we value them so highly. The other kind of knowledge is what you need to know right now, today. You didn’t need it yesterday and probably won’t need it tomorrow. We have to find better ways to get that knowledge to people.”

The Dell Learning response is to create access. Because the focus is on learner control, Dell Learning strives to create systems and tools to empower people to reach out for what they need in the moment. Too many corporate training groups have adopted a library metaphor to guide how they attempt to support learning. That view compels you to try to collect, catalogue, and distribute learning. At Dell Learning, the more apt metaphor is that of a national park service. Parks are where they are; they can’t be moved. The task is to find them, make sure people know where they are, and make sure it’s as easy as possible to get to them. That’s how Dell approaches access to learning.

In the world of the Internet, people can use links to make access to learning instantaneous. Dell strives to put those

links where employees can find them easily in the normal course of their work. In fact, the ultimate goal is “stealth learning”—making learning so seamless with work that people can’t pinpoint when learning happens.

Stealth learning

Dell’s HR function created an Internet-based, online pay-planning tool. Managers use it to record and submit electronically their plans for merit pay increases during the coming year. As far as they’re concerned, when they’re using the tool they’re just doing a part of their jobs. The tool, with formulas and reminders based on company guidelines, enables managers to do some sophisticated modeling. They learn how to manage the complexities of their pay budgets, not to mention relationships between pay decisions and other aspects of compensation and performance management. They’re learning but just don’t know it.

Unlike many corporate universities, Dell Learning doesn’t operate on the presumption that it needs to train customers and suppliers, except on Dell-specific products and services. More often, it determines the competencies needed from suppliers and lets them decide how to ensure they have those competencies. In some cases, Dell Learning has made training available to customers and suppliers, though it’s not the rule.

Many aspects of Dell Learning operate on a fee-for-service basis, a practice that’s growing in popularity. But, again, the reasoning at Dell may be different. The practice of charging tuition for services is about keeping pace with company growth. The demand for learning solutions is growing and changing at an incredible pace. In an allocation model, it’s impossible to predict all of that at a corporate level and budget accordingly. By putting the budget in the hands of business managers rather than earmarking it in advance, the managers bring a budget to Dell Learning along with their requests. That allows for flexibility and the ability to scale learning according to the needs of the businesses.

That “pay as you use” philosophy has been driven by the office of the chairman, particularly by Mort Topfer, vice chairman. Says Topfer of the strategy, “I’ve been in companies where people...are constantly complaining about corporate allocations. They ask, ‘What do those training people

do with the money I send them?’ That complaint disappears when you take away the allocation. [But] the training department better be doing what our managers want or it’ll go out of business.”

Topfer relates what he sees as the most important benefit of the model: “When the businesses pay for just the training they need, you avoid all those meetings where the training people are justifying how they spent their time and the company’s money. Instead, when we review the operations of Dell Learning, we spend our time talking about what kind of training investments we’re making and the return we’re getting.”

Dell’s chairman pays attention to the investments and the returns. After a recent visit to one region, Michael Dell sent notes to the leaders with information about specific areas in which he saw the need for additional training. The result was a special training initiative sponsored by the chairman’s office.

And there *are* returns. Dell’s investment in learning has paid off in cost avoidance, increased sales, improvements in employee productivity, and better customer service. It has even helped recruiting, as employees concerned with development cite it as a reason for deciding to join the company. The company has also kept up its growth and maintained consistency of message and focus in key areas.

In 1998, Dell Learning launched a Web-based global measurement system that provides online access to training statistics and reporting at global, business, segment, and department levels.

For example:

- “Training Snapshot Report.” This documents all training activity, including classes taken, total tuition and enrollment, and total hours by region, business, and segment.
- “Training by Type.” This report sorts training activity by category, such as management, executive, customer service, sales, new product, technical, new hire, business initiatives, professional development, and compliance.
- “CBT/On-line Training Report.” This documents all computer-based training and online training completed for the fiscal year.
- “Customer Satisfaction Report.” This is a summary of all training evaluations by course.

Dell Learning’s performance measurement strategy includes a performance measurement scorecard showing Dell Learning’s alignment with business goals. An enterprise-wide assessment software system and infrastructure were designed and implemented for delivery of Web-based tests, surveys, and other assessments.

In the past two years, nine return-on-investment studies on sales, procurement, new hires, new products, and software training were completed. The results show additional revenues and cost savings of approximately \$75 million to various Dell business units. That ROI was leveraged through implementing reinforcement and other coaching opportunities to sustain performance improvement. Dell Learning used analysis results to design new product performance support system tools, which integrate with the Dell sales process.

Dell Learning has also had a significant impact on reductions in new-hire ramp time, increased sales revenue and sales margins, reductions in employee turnover and classroom hours, and generation of new business. Here are some examples:

- *Dell’s Teleselling.* In fiscal 1998, Dell Learning conducted an ROI on the *Teleselling* course in Dell catalogue sales. The study, conducted three months after the training, showed that sales reps who received the training increased their weekly sales margins by 10 percent, translating to an annual ROI of \$317 for every training dollar spent.
- Sales negotiation. A study was conducted comparing a group of 57 sales representative training attendees to a control group. The group that attended the training showed a 41.86 percent increase in total revenues, and the cost-benefit analysis calculated an ROI of 523.25 percent over three months.
- New-hire orientation. Hiring top-performing employees and assimilating them into the workplace quickly are crucial to Dell’s continued success. The new-hire orientation and assimilation project designed solutions to meet the needs of Dell’s new employees. As a result, orientation training time was reduced by 75 percent.
- New business generation. Potential customer organizations have specifically requested benchmark visits with Dell Learning before closing business with

Dell. Areas of interest range from lab configurations to how to develop and implement online learning.

Going forward, Dell Learning expects to make greater use of individually directed assessment. Increasingly, employees are logging on and assessing themselves in key competency areas. When an assessment indicates the competency is already there, the employee is given credit for the learning. When a gap is discovered, he or she is directed to a module, a tool, or an action that can help close the gap. In many cases, the link is immediate and direct. Afterwards, the learner can toggle back to the assessment. The goal is to build assessments into all learning modules.

The CEO's role in learning

Michael Dell is a dominant force in the company he founded and though other top Dell executives join him in supporting company learning, his influence on how learning happens in Dell is significant and widespread. It appears in these ways:

The CEO as visionary. In dealing with the person who founded a multibillion-dollar company from his dorm room, one could easily assume that Michael Dell had a fully formed vision of his training organization from the start. That wouldn't be totally accurate. For Dell Computer Corporation, the visionary role of this CEO has always been seeing a future that others don't yet, setting a bold direction, naming a target that appears unreachable, and outlining a few critical criteria for attaining the target. So it is with Michael Dell's role as visionary for education. He sets the targets and demands that the training organization deliver.

At a practical level, Michael Dell's vision of training is synchronous with his vision of the business. What he asked for was a training function that had speed, could scale with a company in hyper growth, use technology, and be direct. That last criterion, the basis of the company's business model, has turned out to be the most important.

This writer recalls his first job interview with Michael Dell. He asked a lot about prior experience and how it might apply to Dell. The kinds of questions he asked were impressive because they were so focused on results and impact. Then, surprisingly, he said, "I know that most companies have programs and cur-

riculums. We probably need those, too. But that won't be enough here. Things move really fast and change often, and we like that. People have to take charge of what they learn. If we're going to do that, we have to give them just what they need—no more, no less—just when they need to know it. Tell me how you're going to do that."

The effect of that challenging vision on Dell has been to make every intermediary in the learning process a target for elimination. If the learning can be made teacher-independent, it is. If there's a way to take administrators (registrars, facility managers, and so forth) out of the process, they're taken out. Even instructional designers and course developers are targets for elimination, as Dell Learning experiments with tools that let subject matter experts put what they know online directly.

The Internet figures prominently in

The Internet figures prominently...if learning is going to be available 24/7, the tools must be ever-present.

the CEO's vision for his company, and that's certainly true when it comes to knowledge management. After all, if learning is going to be available 24/7, the tools must be ever-present. Understanding the dilemmas associated with moving a vast amount of information via email, Michael Dell notified his company two years ago that he would no longer accept email containing attachments. He told employees that they were welcome to include URLs and guaranteed that he'd review them. The result was that key information began to take up residence on the intranet, making it possible to find and use. Control of access began moving from the originators of the information to the users.

Michael Dell also understood the importance of personal connections. From the early days of the company, he insisted on holding semi-annual executive conferences. When asked why, he explained that the purpose of the meetings was relationship building. "We operate

in different time zones. Much of what we do together will have to be handled through technology—email, phone, the Internet. Having personal relationships makes using that technology easier."

The vision for learning at Dell is subordinate to the vision for the business. Michael Dell closed his presentation at the last executive conference by outlining the top five things that each vice president of the company had to do in the coming year. "First and foremost," he said, "hiring and developing new talent remains essential for us to execute the strategic and organizational vision we have outlined."

Michael Dell's vision for learning has one other element that reaches beyond the company. It's that learning about technology is critical for everyone, especially children. At Dell's Website, there's a section called Direct to Michael, where you'll find Dell Kids. When you enter, you get this note from Michael Dell:

Hi, if you're like my kids, you know that there's some pretty cool stuff happening online. And some of the coolest stuff is happening right here at DellKids. Check it out. We've got lots of fun activities and plenty of interesting things to learn about. You can explore the Dell Discovery Center or even play our Build Your Own Computer game. And the best part is that everything here is just for kids! So, thanks for visiting and come back soon!

Another feature is Want This Job?—interviews with veterinarians, marine biologists, and a skateboard designer—which show how learning math and science are important. Kids can send email to Michael Dell and get answers to their questions. They can also learn how Dell and a local hospital launched a public education campaign to make families aware of the availability and importance of insurance. They can read about the Austin Children's Museum Dell Discovery Center, where children learn about technology, the environment, the weather, and more through hands-on exhibits and workshops.

At the direction of its CEO, Dell just invested in the Austin Public Library Foundation: Dell Wired for Youth Centers. Says Michael Dell, "I believe the Internet, like our libraries, opens the door to new worlds and opportunities. This project will help create 10 youth

computer centers at libraries throughout Austin so that all kids can have access to the Internet.”

The CEO as sponsor. This may be the most common role for the CEO of any organization. We've all seen the obligatory video of our top executive telling us why this or that initiative is important, and we've found the message from our chairperson on the first page of the binder at the training class reminding us of our obligation to learn. At Dell, sponsorship goes further. When his company decided to move aggressively into e-business, Michael Dell commissioned the creation of *Know the Net*, an online training module that teaches the company's Internet strategy, shows trainees how to use the Internet (with a test to prove they know it), and sets expectations for employees.

Michael Dell launched the new program personally, with email communications and repeated references at staff meetings and company forums. Instead of traditional course completion certificates, anyone who passes the test receives a certificate with a picture of the CEO and a note: "Michael says I know the Net." As he went from meeting to meeting, this CEO checked the certificates personally. It should be no surprise that Dell now generates e-certificates that employees can print, use as screen-savers, or transfer to a file. Michael Dell insists on regular updates on the percentage of people completing the training successfully. He says, "The Internet is crucial to our future. Every one of us needs to understand it and the power it brings to the company. When learning is this important to the business, it's everybody's job—especially mine—to get behind it."

Similarly, when the company's ethics committee teamed with Dell Learning to create a series of programs on such issues as preventing sexual harassment and the Dell Code of Conduct, all managers were required to attend. Michael Dell asked to be notified personally about compliance with 100 percent attendance. He sent letters of congratulations to managers whose organizations were hitting the targets and some pointed messages to those who were not. His personal involvement as sponsor was clear.

Dell also sponsors an annual vice

presidents' conference with vice chairmen Mort Topfer, Kevin Rollins, and Jim Vanderslice. This global event aims to strengthen the relationships within the leadership team, create consistent approaches to company issues, and build leadership knowledge and skills.

The members of the chairman's office select a theme and outside speaker for each event, plan the agenda, make presentations, and often facilitate or manage the learning activities. Programs are wide ranging, focusing on building a culture of commitment, launching Dell's Internet strategy, improving the customer experience, and leading rapid change. The commitment to the conference is personal: In past years, the program has included dinner hosted by Michael Dell at his home. At his direction, the company's major regions hold similar programs, with attendance extended to the director level.

This CEO's sponsorship of a customer experience initiative went far beyond an annual meeting. It began when the chairman's office commissioned the start of QUEST, which stands for "quality underlies every single task." The top execs at Dell personally drove the initiative to provide quality tools to every employee and managed the evolution of the program from its initial focus on internal quality standards to its current external approach to create the best possible customer experience.

The CEO's sponsorship included strategic funding for special programs. Most often, the funding supported broad areas such as diversity education or ethics and values. When on a recent visit to a company region, Michael Dell discovered the need for more training on Dell's new products. So, he asked one of the vice chairmen to take a personal interest in fixing the problem. Over the next 30 days, Topfer spent hours working on the issue with the regional management team and Dell Learning. The result was a strategic appropriation to make sure that the training happened, an extensive project plan to make certain that the right things would be done, and a clear commitment from the entire management team to support the plan.

There's another, subtle kind of sponsorship of learning at Dell—one that's a reflection of the company and the

changes it's making in the way its businesses work. Michael Dell believes that everyone deserves access to e-tools to help them do their jobs. Call it technology-based learning, call it performance support, or just call it (as Dell does) "tools to help you succeed." Dell is committed to providing an environment that encourages and supports learning directly. For example, anyone accessing the company's internal Website will see the icon Manager Tools. Click and more than 50 options appear, including tools for compensation planning, team and self-development, hiring and assimilating new employees, and performance management.

The Coaching at the Speed of Dell site offers coaching tools from the *Harvard Business School Coaching CD-ROM*, checklists, case notes, keynote transcripts, self-assessments, and a template for planning a coaching session.

The examples are myriad. At the direction of its leaders, Dell Computer has created a work environment in which learning is always available right away. Says Topfer, "Learning is key to [our] continued success. The focus and need for continuing education must come from the top. We need, and will have, strong leadership from the CEO's office."

The CEO as governor. It may seem obvious that a CEO would be the ultimate decision maker regarding any aspect of his or her company. Yet, in many organizations, the executive staff and office of the CEO are largely uninvolved in decisions about training. Not so at Dell, where Michael Dell put himself on the interview team for hiring the head of Dell Learning. As the function took shape and as Dell's new VP of learning, I took a page from my previous Motorola experience by forming governing councils populated by senior executives from the key businesses and functions. The chairs of those councils, all company vice presidents, made policy and set direction in such areas as management, sales and quality education. The decisions of each council had to be ratified by the Board of Regents of Dell Learning, which Michael Dell chaired.

The board's mission was to set policy, support, direct, and review the operation of education within Dell. The

roles of the board members:

- Review and concur in the company's overall education philosophy, policy, and direction, including the populations to serve, the types of training and other services to provide, and the functions and roles of the training organization.
- Review and approve companywide priorities for education and allocation of educational resources, including annual regional education plans, curriculum roadmaps for all functions, goals and priorities for the corporate education group, long-range education strategies and goals, and staffing, facility, and technology plans.
- Establish priorities among new training programs identified and prioritized by subsidiary Functional Advisory Councils.
- Review all education budgets, regardless of where reported, and assess the entire investment in education made by the company.
- Evaluate the impact of education (and the efforts of the education function) on the company.
- Set direction for involvement in the broader education community.
- Provide significant input into the performance review of the vice president of Dell Learning.

The following excerpt from the original charter of Dell Learning explains the philosophy behind the Board of Regents and was written to reflect the attitude of the company's leadership:

Why a Board of Regents? Education is a primary lever for shaping our culture. It will deliver key messages about our expectations concerning management and employee behavior. It is also a competitive weapon. Our educational efforts must be aimed at producing a workforce that can surpass our competitors' and exceed our customers' expectations. Performance expectations will go up constantly, and renewal and improvement of skills and knowledge will also be a constant activity.

Management, especially senior management, must be the champions of education for the company. Our investments in education must be managed strategically and personally by the leaders of the company. Training must be directly linked to strategic business issues that are determined from the leadership of the company. Furthermore, those needs must be prioritized and appropriate funding ap-

proved by that same leadership.

The membership will include the vice presidents of the major operating groups, along with the vice presidents of finance and human resources, and the president of Dell Learning. The individual members and their specific terms of office are to be chosen by the chairperson. The chairperson of the Board of Regents should be the chairman of the board of Dell Corporation. The president of Dell Learning, as a nonvoting member, will serve as secretary to the board as a nonvoting member.

A look at the typical agendas for the board meetings is illustrative of the governance role that can be taken by a CEO and senior staff. Here is what the first meeting of the year covers:

1. Review last year's results.
 - a. training delivered
 - b. income and expense
 - c. training developed
 - d. budget conformance
 - e. utilization of staff and facilities
 - f. training effectiveness data
 - g. special problems or issues dealt with
 - h. results compared to any other objectives that were set
2. Establish (or review) standards, budgets, and strategic direction for Dell Learning.
3. Review proposed education priorities.
 - a. functional roadmaps as proposed by councils
 - b. priorities indicated in regional education plans
 - c. executive development priorities
 - d. IT systems requirements
4. Review recommended policies or policy changes.
5. Review and approve major decisions requiring board action, such as cross-functional training programs at which attendance will be critical and development costs will be significant.
6. Give presentations on projects or programs by the training staff for information and education of the board (at its request).

The mid-year meeting typically covers these items:

1. Review next FY strategic education plans.
 - a. projection of course development/acquisition requirements
 - b. forecast of delivery requirements
 - c. goals/objectives
 - d. facility plans

- e. staffing strategy
 - f. changes in mission or basic philosophy
 - g. revision of delivery strategies
2. Review and approve regional education objectives for the coming year.
 3. Review and approve training development/acquisition budget.
 - a. new courses (build or buy)
 - b. course maintenance
 - c. course development planning
 - d. follow-up evaluation
 4. Review and approve training delivery budget (and tuition level, if appropriate).
 5. Discuss special problems or issues and make decisions, if appropriate.
 6. Give presentations for information and education of board members, if time permits.

The Board of Regents was linked to a series of functional councils in such areas as management, sales, and quality. A board member headed each council. The charter for the councils explains: *The Board of Regents will be linked to the Functional Advisory Councils via the chairpersons of those councils.*

Although Dell has different regions, there are common educational needs in some fundamental areas. For that reason, the Functional Advisory Councils were established in the areas of quality, management, technology, and sales and marketing. The mission of those councils was to guarantee that the educational priorities for a specific function or discipline were identified and met. Roles included approving an overall education roadmap for the function; identifying unmet training needs; determining priorities for new programs to be acquired or developed; reviewing the impact (ROI) of education on the function; establishing priorities for formal, follow-up course evaluations; reviewing and approving recommendations to discontinue courses; and identifying SMEs for roles on development teams and project committees or as instructors.

The Functional Advisory Councils were made up of vice-president-level managers worldwide, selected based on their interest in the area of focus as well as their responsibility for the functional area involved. In a few cases, director-level members were selected to ensure representation of key regions or technical areas. The advisory councils developed recommendations in their areas of

focus, which were forwarded to the Board of Regents for final approval.

Functional Advisory Councils come and go at Dell, depending on current needs. As time passed and making decisions concerning training became a natural part of management activities, the advisory councils were replaced by councils within the businesses. The move was logical because the members of the various advisory boards were, essentially, the top management team for a business or function. The old-style advisory councils are still convened on an ad hoc basis, but the real work of governance is now done in the same way as any other strategic aspect of management. The items once handled by the Board of Regents, which had always consisted of members of Dell's executive committee, have become a regular part of the executive committee agenda. Functions such as finance and IT still convene training councils. Company-wide councils for marketing and engineering still meet.

That active involvement is now so natural at Dell that it's virtually invisible, though it does represent a critical shift from common practice. For example, in many of the specialized functional areas such as training, executives can't be expected to know what they can delegate and what they need to manage more closely. Training people often talk about how top management needs to take ownership of a learning intervention. But that may be a mistaken notion because the executives have had no substantial involvement in any aspect. A key at Dell is involving the CEO and other execs at the right level. Dell Learning doesn't ask Michael Dell to review course designs or curriculum plans, but it does ask him to approve strategies and evaluate the bottom-line impact.

Here are some decisions made by Dell Learning's Board of Regents in the first year:

- As a guideline, all employees at Dell should receive a minimum of 40 hours of training each year. (That guideline was later dropped in favor of all employees having a plan with the training spelled out.)
- All managers should be required to have education plans that reflect appropriate levels of education based on the requirements of their business, the competencies required for the various roles

in that business, and the gaps between current and desired performance.

- Dell U corporate should move to tuition-based education in order to put control of key decisions about training into the hands of the users.
- Dell U corporate should move to a minimum of 40 percent nonclassroom training. (The current goal is 70 percent and moving upward.)

Championing learning is more fundamental than sponsorship. It's the direction a company sets and things it measures.

- Educational investments should be held at current levels. (Dell tracks training investments as a percentage of payroll.)
- Dell should benchmark the investment at selected other companies in order to make informed investment decisions at Dell.

Those are examples of policy decisions developed with the Functional Advisory Councils and finalized with the Board of Regents.

Management education decisions include the following:

- The Managerial Leadership Model (the company's approach to identifying competencies needed by managers) will be the basis for management education at Dell.
- The Management Education Roadmap will be the focus for consistent management education at Dell.
- All managers at Dell will be required to receive education on values, ethics, and legal compliance.
- Dell will use an assessment to help people identify development needs.

Quality and teams education:

- Dell will take a modular, just-in-time approach to quality education.
- The Quality Education Roadmap will be the focus for quality education.
- The C5 Teams Model (a list of team competencies) and team assessment will be our primary approach to creating effective teams.
- We will implement a team-based roll-out plan for quality education.

Those types of decisions are strategic,

global, and highly leveraged—consistent with the level of decision making that should be expected of a company's top executive team. As valuable as the decisions was the discussion that preceded them and the familiarity with education issues that the discussion engendered among executive team members.

Another example of CEO involvement in governance is found in how the work of the education function is measured at Dell. Its training organization has its operations review with the office of the chairman. Those quarterly sessions go over the total company investment in learning, areas of focus, deployment of resources, and results. In addition, the chairman's office looks at training department productivity in terms of Dell's investment compared with other world-class companies.

By taking an active role in the governance of training, Dell's CEO has demonstrated the importance of education, lent a sense of direction in training strategy, and sped decision making and implementation of learning initiatives.

Another way in which Dell's CEO is involved in setting strategic direction for training is by identifying some targets personally. Two vice chairmen directed a study to identify the core competencies needed for leadership success. The study determined what competencies the company should require of the people it hires, which can be developed, and which are most likely to cause an executive to fail. Those competencies have been integrated into Dell's staffing, promotion, and performance review processes. More significantly (to this discussion), the competencies form the basis for development activities across the company. The chairman's office, together with the executive committee, conducts quarterly meetings on the development of top talent in the company.

The data gathered from leaders across Dell identified two distinct sets of competencies:

- Hiring criteria. They include functional and technical skills, business acumen, integrity and trust, command skills, and intellectual horsepower. Depending on the job requirements, a best-in-class candidate ought to have demonstrated strengths in most of those areas. In other words, in order to be minimally successful, employees will need to do their jobs well, understand the Dell Business Model, be ethical and

honest, be willing to speak up and defend their points of view, and think smart.

□ The Dell Leadership Profile. DLP consists of common traits and skills shared by some of Dell's most successful leaders: customer focus, priority setting, problem solving, dealing with ambiguity, drive for results, organizational agility, building effective teams, developing direct reports, and learning on the fly.

Though those two sets of competencies serve as valuable guidelines, they're not intended to represent all of the competencies required for success as a Dell leader. Additional competency and performance standards vary depending on the line of business and specific job requirements.

The Dell Leadership Profile and hiring criteria are in an interview guide available to all groups worldwide from Central Staffing, individual development tools, and other core management tools such as 360 survey feedback. The DLP competencies are also being used in various projects worldwide such as organizational HR planning and executive staffing and development. The profile is also integrated into Dell Learning's curriculum and performance management processes.

It's significant to note that learning has been singled out as crucial to success for Dell leaders at all levels. Integrating the competencies into so many aspects of how Dell does business has made a huge difference. But what has sped the adoption of the competencies is that Michael Dell and top executives use the language and approach. Such hands-on involvement by a CEO has a strong symbolic and practical impact on how learning happens.

The CEO as subject matter expert. Though most CEOs are qualified as experts in many aspects of their businesses, Michael Dell is exceptional. He invented the business model on which the company is based. At the heart of Dell Learning's online program, the Dell Business Model, is Dell's unique direct-to-customer approach. "Direct" refers to the company's relationships with its customers—from home PC users to the world's largest corporations. There are no retailers or other resellers

adding unnecessary time and cost or diminishing Dell's understanding of customers' expectations. The model focuses on customization, service and support, and the latest technology.

Training in the Dell Business Model was developed through an intensive series of interviews with the CEO. The company spent hours recounting the evolution of the model and clarifying its basics and subtleties. Based on those interviews, draft content was written. Michael Dell reviewed each word and rewrote sections or suggested improvements or additions. The resulting program is peppered with icons called Michael Dell Says, which let learners hear from Michael on key subjects. Countless tools, modules, presentations, and programs have derived from the single program authored by the CEO. When the company launched the Know the Net program two year later, Michael Dell reviewed the section on Internet strategy, once again acting as a subject matter expert.

A CEO can contribute content expertise to learning modules, including a company's history and values, the use of technology, approaches to marketing, product development, and selection and appraisal of leadership talent.

The CEO as faculty. A true story: It's a Tuesday afternoon, at least in a U.S. time zone. Michael Dell has been traveling for hours and is on his way from an airport to Dell's Austin, Texas headquarters. Negotiations in Asia took longer than expected, and his calendar is now backed up. Meanwhile, a group of 30 ex-

ecutives selected for their potential as future leaders has just finished a session on strategy led by vice chairman Kevin Rollins. It's Michael's first stop. In Q&A, he's asked, "What do you think is the next major consumer trend in the computing solutions world?" Suddenly, he's not tired. He smiles and starts to answer. The discussion continues for nearly an hour. That's one part of the executive education program Strategic Leadership at Dell, and the CEO is on the faculty. In fact, Michael Dell teaches the morning session of day 1, guiding attendees through a structured discussion of the origins of the company and its business model. He talks about values and principles and how the business has evolved and is likely to continue evolving. Two vice chairmen also teach, as do five members of the executive committee. The few who don't teach now are waiting their turns.

"I know there are companies in which the CEO plays some role in delivering training," says Dell's VP of HR Paul McKinnon, who facilitates each program, "but I've never encountered a program in which...the faculty consists exclusively of top leaders."

Here are some comments from participants:

□ "We were able to hear firsthand from the office of the chairman and other senior managers about strategies. We may have heard about them elsewhere, but by hearing them...from the source, we were able to ensure consistency and filter out any hallway whispers or third-party interpretations."

□ "History of Dell from Michael was excellent.... I liked how he talked about how Dell has learned from mistakes it's made and how some mistakes turned into good things."

□ "We got direct exposure to the members of the office of the chairman and other senior managers and heard directly from them about our business

Dell Computer Corporation at a Glance:

Ranking on <i>Fortune</i> 500:	78
Number of employees:	33,500+
Sales growth (past five years):	55 percent per year
Employee growth (past five years):	500 percent
\$ Spent on education:	\$40 million
Percentage of payroll spent on education:	3.2 percent
\$ Spent on education per employee:	\$1.8K
Number of education and training professionals:	200+
Amount of money spent on research and development:	1.5 percent of net revenues
Headquarters:	Austin, Texas

www.dell.com; Dell Learning,

model and core principles. We also got direct responses to a broad range of questions.”

□ “Please pass along my appreciation for the opportunity to participate in this program. To have the opportunity to listen to senior executives made the information that much more applicable. As I’ve said before, one of the keys has been the opportunity to network and meet other Dell executives and listen to concerns that they have....”

□ “I left the program with a good understanding from Michael, Kevin, and Mort of their expectations of me and the leadership at Dell for future success. [Their] presentations...definitely set the tone and explained why we’re headed where we are and how our behavior needs to follow our goals.”

□ “The sessions by Kevin, Mort and Michael...gave a unique perspective and...were packed with useful content. They really helped cement a common vision...[and] were...motivating.”

□ “The most valuable session was Michael’s after-dinner talk. It gave us a lot of insight into what he believes will drive the future success of the business in a way that I hadn’t heard articulated before. It also brought a lot of credibility to achieving our objectives....”

□ “The most valuable sessions were those with Michael, Kevin, and Mort—principally because the open dialogue provided...insight into the office of the chairman’s strategic thinking.”

□ The time commitment made by the chairman’s office and the quality of the presentations...[were] exceptional.”

The CEO’s formal teaching responsibilities extend to discussing with executives company performance, key leverage points, why successes occurred, and where opportunities exist. At every such session, he’s teaching the Dell Business Model.

The CEO as learner. Michael Dell is always talking about what he learns from at least three important sources: employees, outsiders, and customers—especially customers. The stories find their way into his speeches and presentations to the leadership team. He’s a voracious learner from Dell’s employees and customers as well as sources outside of Dell. He’s everywhere on the Internet, grabbing new ideas and passing them on to folks inside Dell. When the executive committee meets, it’s

likely that an author will be present to talk to them directly. Michael Dell quotes liberally from those conversations, infusing the organization with what he has learned and motivating his team to keep up.

In his book *Direct From Dell*, Michael Dell describes another deliberate, systemic learning process:

In a direct business like ours, you have, by definition, a relationship with customers. But beyond the mechanisms we have for sales and support, we have set up a number of forums to ensure the free flow of information with the customer on a constant basis. Our Platinum Councils, for example, are regional meetings—in Asia-Pacific, Japan, the United States, and Europe—of our largest customers. They meet every six to nine months; in the larger regions, there’s one for the information executives—the CIO types—and then there’s

Hands-on involvement by a CEO has a strong symbolic and practical impact on how learning happens.

one for the technical types.

In these meetings, our senior technologists share their views on where the technology is heading and lay out roadmaps of product plans over the next two years. There are also breakout sessions and working groups in which our engineering teams focus on specific product areas and talk about how to solve problems that may not necessarily have anything to do with the commercial relationship with Dell. For example, is leasing better than buying? Or, how do you manage the transition to Windows NT? Or, how do you manage a field force of notebook computers?

People in businesses as dissimilar as Unilever and ICI can learn from each other because, amazingly, they have very similar problems when it comes to PCs. And we send not only our top technologists and engineers, but also the real engineers—the people who usually don’t get out to talk to customers because they’re too busy developing products. All of our senior executives from around the company partici-

pate. I spend three days at each of them.

When Michael Dell talks about what he’s learning, he doesn’t just quote authors and analysts. Much of what he shares he learns from employees. At Dell, an open email policy means that everyone in the company has direct access to the CEO, which helps support his learning. There are also periodic lunch meetings with groups of employees selected at random. Michael Dell also walks the halls, drops in on employees to ask about what they’re doing, hearing, and thinking he should know. It’s not only a good management technique, but also a good learning strategy.

Michael Dell’s approach to his own learning is deliberate yet natural. At executive conferences, which include group working sessions, he’s eager to participate and learn right along with the teams. And when Dell Learning launches a new online tool, it’s a safe bet that the CEO will be among the first to use it. The CEO as chief marketing officer for learning. Championing learning is more fundamental than sponsorship. It’s about the direction a company sets and things it measures. If Michael Dell makes it clear that learning is expected, he also demonstrates that it’s inspected.

For example, when the company mandated that all managers take instruction on ethics, values, and the legal aspects of management, Michael Dell sent personal emails to his team to let them know that he expected 100 percent participation. The managers who fell short received emails or phone calls. Needless to say, the 100 percent participation goal was achieved.

Th marketing of training extends to members of the top executive team. Says Ro Parra, senior vice president of Dell’s Public and Americas International Group, “Every executive has a role when it comes to training and education: It’s to lead by example. You have to make learning a priority [and]...make sure that when there are budget pressures, training is the last thing to be cut.”

Parra markets training. He insists on getting reports on the success of programs in his business and shares the successes with his peers on the executive committee. More than once, that has led the others to implement similar training.

As visionary, sponsor, governor, SME, faculty, learner, and chief marketing officer of learning, the CEO of a company

sets a tone and an example. But the efforts of Dell Computer Corporation shouldn't give the impression that officers are the dominant and solitary forces in marketing training in a company. Much of that work at Dell is done by the leaders of the various businesses and functions.

Says Rollins, "We clearly must have a robust training roadmap and resources to deliver, but the priorities are never clear when you look at the total company. There are many different areas with different priorities appropriate for each. The needs are down in the business and must be developed by those much closer to the action. I think as the office of the chairman, we can set training as a priority and an important element of keeping the company on track, but the tradeoffs as to how much training and what kinds must be made by people closer to the front lines. It is like our mandate to hire the best: We certainly want it and preach it, but the hiring doesn't get done at our level. To me, training is the same."

Rollins also rejects setting global targets for training, saying, "We've tried to set a number of hours of training, but that worked poorly. What do you include? Sales meetings? New product training? Orientation?"

"I think the best companies break training needs down to very finite levels within organizations and put the responsibility for making it happen, as with the entire P&L, at the general manager level. But tons of prodding and positive reinforcement from the top helps."

The visible example of a CEO in learning shouldn't be considered any more remarkable than his or her involvement in financial management. And the CEO's example tends to have a trickle-down effect on other executives, who will, in turn, initiate their own involvement in enhancing the company's learning.

Says Michael Dell, "Everyone has to be open to learning all of the time, starting with me, and everyone must support and encourage their teams to make sure they have the knowledge and skills to succeed." □

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