



White Paper

AVOIDING EIGHT OBSTACLES TO ACHIEVING AN ORGANIZATION-WIDE (and Value-Chain-Wide) “EXCELLENCE CULTURE” An “Antidote” Exists For Each Obstacle

In most modern books on leadership, management, organization effectiveness, etc., the term “excellence culture” is often used. The popular, repeated use of that term directly reflects that an excellence culture is key to organizational effectiveness, and to growth and profitability for typical businesses. Additionally, for non-profit organizations, government entities, etc., having an excellence culture is also a critical condition for mission achievement. For companies that depend on external knowledge workers (e.g., distributors), and customers’ success, “excellence culture” extension is needed to these external entities.

The plethora of the referenced management books exist because creating a true, ubiquitous excellence culture is very hard; and constant striving, and innovation, are needed. Eight obstacles have been identified that inhibit the achievement of the excellence potential in the typical organization. This White Paper reviews each of those typical obstacles, and the action steps (*“Obstacle Antidote”*) that can be taken to eliminate each obstacle. The eight obstacles are:

- I. Underestimating the importance of maximizing knowledge workers’ knowledge quality
- II. Insufficiently measuring the impacts and value of knowledge initiatives
- III. Underestimating the knowledge excellence challenges once the importance is determined
- IV. Overcoming typical paradigms and “institutions”
- V. Under-utilizing accountability and control (and rewards)
- VI. Weak messages and content in this era of “Infotainment”
- VII. Not sufficiently using video-based knowledge messages
- VIII. Insufficient causation

As noted, this White Paper will review each obstacle and provide *“Antidote”* ideas.

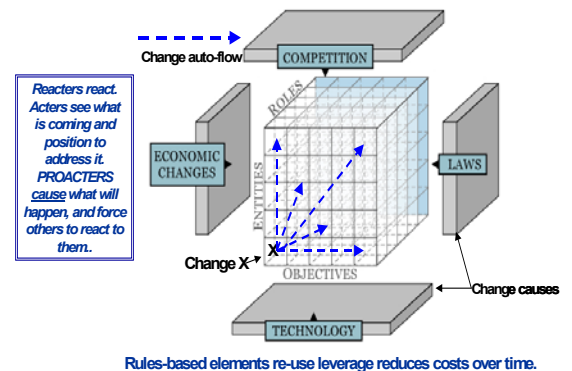
Note: The dictionary defines “innovate” and “innovation” as:

1. To begin or introduce (something new)
2. To be creative
3. The act of innovating
4. Something such as a method or product newly introduced.

This White Paper’s *Obstacle Antidote* sections incorporate tangible and intangible innovations ideas. The “innovate or die” truisms in management books is reflective that “the only constant is change” as reflected in this graphic. External pressures from the economy, competition, new laws, technology changes, etc. are constantly impacting an organization; which must not only adapt, but should be proactive if leadership (and competitive advantage) is to be secured and protected. Speed with quality are needed.

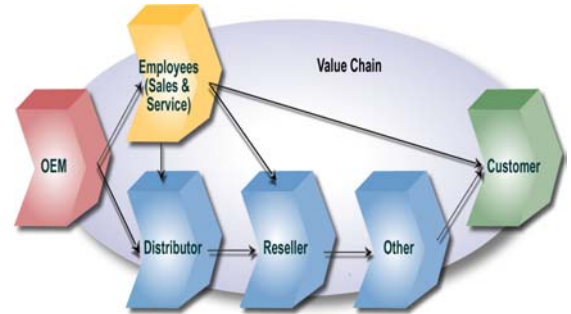
Note: Many organizations are effectively overcoming the obstacles, and many are not. This White Paper can reinforce the former group, and provides helpful ideas for the latter group (that can be taken to “management” for programs’ support). Many case studies exist in regard to how increase knowledge excellence has been achieved. This quote begins reflect the importance of the topic of this White Paper. NEW YORK--(BUSINESS WIRE)—“*International risk managers see human capital risk as being the most significant threat facing their global business operations, according to a new survey conducted by the Economist Intelligence Unit and sponsored by the ACE Group of Companies.*”

Managing “The Only Constant Is Change” Over Time



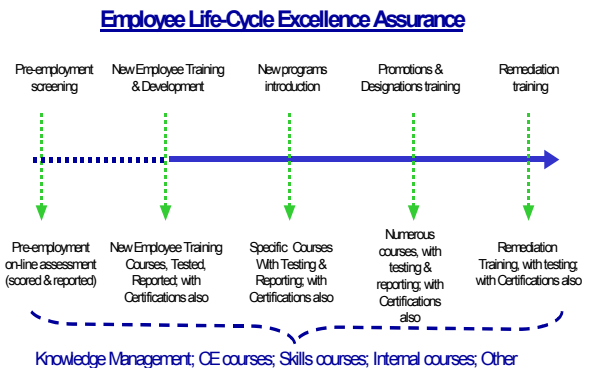
I. Underestimating the importance of maximizing knowledge workers' knowledge quality

While all organizations provide some knowledge programs, many underestimate the proactive, senior weighting that is needed, and the results that can be gained, as reflected in this quote from a Georgetown University-affiliated research study: *“Our basic finding is that there is a relationship between a firm’s training investments and its stock performance in the following year. Indeed, there appears to be a ‘super-normal’ return to firms’ investments in human capital...This suggests that investments in human capital are especially important for firms that are making an above-average effort to leverage technological advances and/or upgrade the skills of their workforce...”* from **The Impact of U.S. Firms’ Investments in Human Capital on Stock Prices**



Whether your organization is a for-profit or a non-profit organization, “super normal returns” are possible when it is realized that 100% of the results of your organization are generated by “knowledge workers.” The knowledge workers can all be internal employees and/or external knowledge workers of partners or “players” in the “value chain,” depicted here. All, whether internal or external, determine the organization’s success. Note that extending an “excellence culture” to customers is often important.

Numerous organizations do not have enough strategic focus on knowledge excellence, with little input to senior management in regard to how to get more out of their most important asset, knowledge workers. Very few have a chief learning officer-level person responsible for knowledge excellence in the entire organization (internal and/or virtual). That person often does not sit at the executive committee level, and does not participate in strategic resource allocation decisions. Thus, there is too little senior focus on maximizing the results throughout the value-chain and/or employee lifecycle, as depicted here.



These additional quotes also reflect the potential, and senior focus need.

“The only unique asset that a business has for gaining a sustained competitive advantage over rivals is its workforce—the skills and dedication of its employees (and value chain entities). There is no other sustainable competitive advantage in the modern, high-tech, global economy.”—Robert Reich (former Secretary of Labor), *T&D Magazine*, September, 2006, P. 32

“Learning is becoming an increasingly important function for all companies to develop and maintain the individual and organizational skills needed to create a competitive advantage, increase efficiencies, and improve bottom-line results. IBM’s 2004 Global CEO Study revealed that CEOs are focused on accelerating growth, enabling transformation, and increasing productivity. They also recognize that employees’ development is essential to achieving these goals. In fact, 75 percent believe that employee education is critical for future enterprise success...”

“The top 10% of high-performance learning organizations, as measured by a number of common characteristics, achieved 27% greater productivity, 40% higher numerical results, and 50% faster growth in net income, as compared to the overall sample.”—CLO Magazine, May 2005 (quoting an Accenture Learning Survey report)

Obstacle Antidote: The CEO and COO should include at the executive level a CLO type person to provide strategic input as to how to achieve excellence by the knowledge workers; be they internal and/or external. Top management needs to proactively embrace that knowledge workers, internal

and/or external (and customers), is their most leveragable asset; and is uniquely “renewable” by proactively and continually developing that organ between their ears, which also strengthens their “heart.” Who best wins the internal and external knowledge excellence battle wins the success war.

II. Insufficiently measuring the impacts and value of knowledge initiatives

As Yogi said so well, “you can’t hit ‘em if you can’t see ‘em.” One reason that knowledge excellence programs have not had the executive weighting they should is that insufficient attention is often paid to measuring the impacts and the returns; the “ROI.”

These two graphics are measurement examples for a Fortune 100 company that actively measures the impact of their knowledge programs. Results can be dramatic, and the value readily understood by management.

Many methods exist that can be used to measure the value and impacts of knowledge programs, ranging from the simple pre and post tests, to a sophisticated analyses of time-based results correlation (“R”) and even causation (“R²”). The measurement costs are low, and the value far outweighs the costs.

These two graphics are measurement examples for a Fortune 100 company that actively measures the impact of their knowledge programs. Results can be dramatic, and the value readily understood by management.

Many Success Examples

- >29% increase in sales production for a new insurance policy product (trainees did 69% better)
- >21% increase in sales production for a new banking services product (trainees did 55% better)
- >Skills Competency Training Implementation equated to “2042% ROI” (over \$600,000 in travel costs saved, with superior (tested) learning results)

Many Success Examples

- >Targeted Customer Service Training resulted in a 15% decrease in client escalations
- >Refined Product Training decreased producer turn-over by 10%
- >30,000 learners mastered a new initiative in three weeks, requiring a 100% assessment score to pass (62,000 tests taken)
- >400,000+ courses assigned automatically within 24 hours to 99000 employees

Obstacle Antidote: Commit to a culture of measurability, and insist that some type of measurement methodology be used for all knowledge programs; and the results regularly reviewed. In advertising the term DAGMAR means “define advertising goals, and measure advertising results.” The same concept should be applied to all knowledge programs, with goals to be established and results measured both in the absolute, and relative to those goals. Quarterly reports should be submitted to senior management.

Also, learners should be asked to give their feedback on how well the program is meeting their needs, and adding value. Anonymous online surveys, especially, should be required for all major programs, with online reporting of results available to all senior executives. Comments/ideas sections should be provided.

III. Underestimating the subtle knowledge excellence challenges once the importance is determined

Even after senior management has seen the strategic light, implementations often fall short because the hidden but powerful obstacles to knowledge improvement effectiveness are underestimated.

These silent obstacles derive from the reality that adult education has many subtle but highly impactful nuances that must be overcome. Some of these are:

- At about the age of 25, our curiosity drive (which is the impetus to expending the time and caloric energy required to learn when we are young) sharply diminishes in general (to which there are exceptions for the 10% “A-players;” but not for most of the 90%). This is a result of our inner body clock calculating that the high energy use for early learning is less needed for survivability, and can be reduced in cost.
- The messages must be engaging, and relevant; and even entertaining today.
- Redundancy is important, to finally “get through.”
- Most learning is either achieved by visual assimilation or tactile assimilation, with the latter referring to physically taking notes, completing tasks, simulations, role-playing, etc. Studies have shown that auditory (listening) learning is of less impact than either visual or tactile learning.
- In our distributed organizations, knowledge workers are distanced and hard to reach.
- They are distracted and have many priorities, making attention achievement difficult.
- They do not want to be held accountable yet will not put in the needed energy if not.
- Retention is fleeting, at best, and must be constantly reinforced.

Obstacle Antidote: Many steps can be taken to overcome these subtle but impactful challenges. And, purposeful actions are needed or sub-optimal results will occur. Perhaps 10% of the workforce (the A-player’s) will not suffer from these challenges, but many of the 90% will. While the 10% cannot do much better than they are (they’re already highly motivated), raising the average of the remaining 90% will have dramatic benefits in terms of organizational performance improvement.

IV. Overcoming past action paradigms and institutional kinetic energy

“Kinetic energy” defines that a body in motion tends to stay in motion, and a body at rest tends to stay at rest; meaning past practices naturally (and understandably) perpetuate themselves unless purposely altered. Also, “institutions” around historical classroom training often exist, built around past approaches to knowledge programs that will often be impacted by new, “virtual” program innovations. While these institutions do deliver value, any obstacles to innovation/augmentation must be overcome.

While virtual programs are dramatically rising in use, the single largest past paradigm, based on past practices, is a focus on classroom training as the hallmark of the training effort. This status is a direct result of that method being the best possible for generations, before new technologies have changed the rules. However, classroom training has several drawbacks compared to other, newer options, including:

- They are expensive to conduct, especially when the “opportunity cost” of time away from production is included, plus travel and lodging, plus instructor and facility costs.
- Most classroom training is not highly tested owing to the difficulty of manually scoring test results. Therefore, Woody Allen’s “just showing up” is often used as sufficient, incorrectly. Attendance only is just a checkmark.
- Miss a large percent of the potential targets due to productivity conflicts that limit attendance.

Moving to a zero classroom program is not wise usually, however, studies and research have shown that the proactive use of web based programs, often as part of a “blended learning” program with some classroom training, available from many possible vendors, can have dramatic impacts on faster, easier, lower cost, and more impactful knowledge excellence improvement. This quote from the Gartner Group reflects some of the findings: *“(an) online course taken at home or in non-critical business hours can free up 5% to 10% of total production time, with direct positive impacts on (revenues) growth.”*

Another study reflected that *“The lessons of online learning extend far beyond the subject matter... In fact, the online delivery model of education mirrors today's -- and more importantly -- tomorrow's corporate (technology based) environment.”* Online Campus, March, 2005

“...Furthermore, the researchers found that e-learning was more effective than classroom instruction when learners had more control over the content, sequence, or pace of the material... This finding bodes well for modularized asynchronous e-learning and on-demand access to informational content where learners have, by default, more control over when and what they learn, according to the article-- Baird Reports, August 16, 2005

Obstacle Antidote: Apply senior level review of the strategy and tactics to further improve knowledge excellence. This must include a review of the current “how” programs, and an audit of how well they are proactively harnessing new technologies, even if they are impacting existing organizations. The natural forces of kinetic energy need to be understood and addressed.

V. Under-utilizing accountability and control (and rewards)

As Jack Welch so aptly noted, “what gets measured gets achieved.” However, typical knowledge programs today have a very low or no focus on true accountability management. As was alluded to earlier, just showing up is often enough. However, that is not sufficient. Also, as noted earlier, people will naturally avoid accountability if at all possible.

The below table, adapted from Bersin Associates, reflects that knowledge programs without some level of accountability management are just an “information broadcast.” Of the four types of knowledge efforts three require an accountability element.

Today’s online completion tracking and assessments capabilities can be used for online knowledge programs, and also can be used for many other knowledge excellence efforts such as:

- Post-class online testing of classroom work, with automated scoring.
- Regular online mastery tests to assure ongoing competence retention.
- Before and after testing to evaluate knowledge programs’ effectiveness.
- Minimum scores management.
- Certifications, which can also be important for compliance management
- Detailed knowledge programs results reports, and “delta” reports, should be provided to all levels of management, to both reward and to enable “management by exception.”
- Customer and/or channels knowledge activities reports to field people, for action follow-up.
- Compliance-supporting data mining and reporting capability is important to being able to show a high “standard of care” status, to minimize sanctions and even costly litigation potential.

THE FOUR CATEGORIES OF TRAINING*--INSURANCE EXAMPLE

Category	Example(s)	What The Learner Will Do	Tracking Needed
1. Information Broadcast	“A change to our rental car collision waiver is in this MEMO and at URL.”	Read, and/or View	None
2. Critical Knowledge Transfer	“This mandatory course provides the details for the new rental auto collision waiver policy.”	Read, and/or View, Interact, Assessments	Basic completion, pass/fail & Reports
3. Develop New Skills	“This course trains the CSR how to train rental agents on explaining and managing the new collision policy, including the customer’s waiver risks.”	Read and/or View, Exercises, Assessments	Score, module by module assessments, & Reports
4. Create Certified Competencies	“This course trains how to be a certified underwriter of rental insurance policies.”	Read and/or View, Exercises, Assessments	Certification test with expirations, & Reports

*Adapted from Bersin & Associates

Obstacle Antidote: Proactively embrace accountability and control (and results rewards for positive results) as key bases for achieving knowledge excellence and an excellence culture. It is human nature to evade accountability unless it is mandatory, and monitored. New technologies, from many possible vendors, allow online assessments and provide the accountability that is needed. Online reporting is always provided, however, having multiple reporting options to multiple levels of managers is key to pushing an excellence culture deep into the organization, permanently.

VI. Weak messages and content in this era of “Infotainment”

You Tube. My Space. The cellular video craze. This is the era of “infotainment,” and even middle aged and older generations are embracing it. This has resulted in a subtle judgment that anything that is not entertaining and engaging is sub-consciously considered passé, and not deserving of the mental time quantity and quality that is needed for true learning absorption to occur.

Yet a study of most knowledge programs just include classroom training, PDFs, static web HTML text and pictures. (Live webinars are often used, but these are expensive in both direct costs and lost productivity opportunity costs. And, people can be distracted, they are often not engaged, and little knowledge gain accountability exists. And, production time conflicts limit potential participation.) More advanced web programs utilize online courses, simulations, and other technologies to be more engaging, appreciated, and impactful. They are lower in cost and faster to produce as well.

Obstacle Antidote: Utilize the many, many new, “best-in-class” Web tools and capabilities to assure that knowledge messages meet the unspoken quality and relevancy standards that now exist for such content. The new tools and broadband capabilities, including to remote PDA and cell phone users, will be vital for getting messages into their brains in a manner that can be enjoyed, processed, understood, and retained. “On-demand” content use avoids production opportunity costs since they can be taken in non-productive times, including at home, at will. This flexibility will increase usage levels and resulting knowledge improvement.

VII. Not sufficiently utilizing video-based knowledge messages

Human beings are visual beings. Statements like “I see what you’re saying,” and “I get the picture” are reflective of how we process information through what many call our most acute sense, our eyes. The “a picture is worth a thousand words” quote further reflects that reality (aka opportunity).

Classroom training positives do exist, with a human being involved. This positive needs to be harnessed via video messages. Yet very few organizations use the many video-via-web capabilities today to present visually stimulating messages by a quality presenter, often accompanied by slides. The videos are relatively easy and low cost to produce today. Slides can be easily synchronized to support the speaker. The presentation can be broken into chapters, with quizzes, tests and downloadable supporting documents (e.g., FAQs or spec sheets). “Bookmarking” is supported so that when learner stops the content starts where he or she left off. And, all progress steps are tracked. Role-playing can be conducted. Best practices can be trained via video.

Multiple vendors provide “knowledge assurance” tools surrounding video events, be they live and/or on-demand. This graphic depicts common capabilities. Note that videos alone are just “information broadcasting.”

On-demand videos can be viewed at the discretion of the learner, and will get the highest use versus live events, which will have productivity conflicts with much of the target audience.

Obstacle Antidote: Commit to utilizing the power, speed, ease, and low cost of video, especially for on-demand videos, with knowledge assurance support. They should be part of every knowledge excellence arsenal, as a priority.



VIII. Insufficient causation

Most knowledge programs have a “pull” paradigm, where information is posted and the learner is to “pull” the information. Not sufficient. Owing to the limitations above (busy, distracted, etc.) a “push” program must be proactively implemented, inclusive of e-mailed programs and content access, management course work assignments, deadlines assignments, certification credit hours requirements, and other “delivery” options. This proactive causation will more deeply and broadly penetrate the organization and improve the knowledge excellence standards.

Obstacle Antidote: Just as “the best defense is a good offense,” proactively cause knowledge improvement to occur, by using a “push” paradigm versus just the traditional “pull” paradigm. For assignments, managerial assignments capabilities, with multiple levels of the management hierarchy enabled, is key to energizing an excellence culture deep into the organization.

Summary

By building a strong “excellence culture” (internally and throughout the value-chain) any organization can improve the realization of its mission, and ensure its success and growth in the future. However, doing so has many obstacles challenges. Fortunately, there is an antidote for each thanks to new technologies and excellence culture philosophies

An “innovation” mindset is needed, even if it is constructively disruptive to existing kinetic energies.

Many providers exist to supply the needed services and technology solutions, and should be pursued as a proactive priority by the organization, with a C-level commitment to achieving an excellence culture deeply and broadly, including to external value-chain elements if they exist. Competitive advantage is just one of the many benefits that will occur.

For a list of over 70 action ideas for Content, Delivery, Accountability and Control, contact Learn.net. Various combinations enable literally hundreds of knowledge program options to fit any organization’s needs, initially and over time. Phasings, based on priorities and internal capabilities, is usually required.

About Learn.net

Based in Atlanta, Ga., Learn.net is a major “Knowledge Assurance” provider. In addition to online courses content, and the ability to author content for customers, Learn.net provides the unique, proven “MAPLE” (Multi-Adaptive Performance and Learning Environment) “Rules-based” knowledge management solution that lies at the heart of its “**KnowledgeExcel!**” solutions family. It is the knowledge platform in multiple major corporations where implementing a broad and deep “excellence culture” is important. Numerous types of knowledge content are integrated and supplied, including CE content, over 1,600 online skills and compliance courses, Video-Via-Web content, and custom content to meet specific, perhaps phased, needs.

The Channels-Max subsidiary serves organizations that depend on external partners or parties to optimize the value-chain’s results.

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