

**DDI Podcast Series:  
“What it Takes to be a Global Leader”  
Jef Pauwels, Vice President,  
Learning and Organizational Effectiveness, Philips**

Craig: This is Craig Irons. I’m speaking today with Jef Pauwels, Vice President of Learning and Organizational Effectiveness for Philips. And Jef today is going to talk to us about how Philips has launched a very ambitious, but also very successful global training structure whereby they’ve brought all of their training together. And so Jef is going to talk to us about that today.

Jef, what was the business need that led Philips to centralize and standardize its training?

Jef: I think the business need is threefold. First of all, business people realized that if they want to build capability in the organization, whether it is in the area of soft skills or more functional skills like marketing and sales, that consistency in the capability of people is important because we try to create one culture, we try to apply consistent processes, and we try to drive consistent practices. The consequence then is that you need consistency in your capability building. So one of the reasons to standardize the way we operate in the learning space is caused by that need for consistency.

The second business need that we see is, Philips, you know, is about sense and simplicity, so we try to create for our customers products that are easy to use, easy to experience. The condition to do that is that as an organization you are also simple. If you have a very scattered environment in your training approach, that’s not simplicity. So we try to make our organization as simple as possible and that also applies that we standardize the way we act in the learning industry.

And then there is a third business need. Of course, if you standardize you can pool your resources together, you can rationalize your resources, and finally that should end in the optimalization of your cost structure.

So those are more or less the three business needs to do what we are doing.

Craig: Jef, obviously Philips is a very large, complex, global organization. It produces a number of different products across the spectrum and so I’m guessing that you probably have a pretty broad range of areas in which you need to provide training to people. What are some of those core areas that you focus on from a training standpoint?

Jef: First of all there is the core area of what we call personal effectiveness, working together with others, and leading others. So that’s a core part of our

offering. The second part is we try to increase the capability of our sales organization and our marketing organization as much as possible so there is also a huge need to accelerate development in the marketing area and in the sales area.

A fourth area in which we drive a lot of capability at building these days is the entire area of supply chain management because at Philips, we rely more and more on what we buy from others, we even source in our manufacturing activities. So at a certain moment managing the supply chain and managing external partnerships and things like is becoming extremely important, so that's also an area where we invest quite some training money.

And then there are more, let me call it the maintenance type of areas like finance. We have a strong finance function but to keep it up to speed we invest in that kind of training, we invest in HR functional training, we invest in IT training.

Craig: So in centralizing your training you moved it from a local model to a singular global model. When it was the local model, how many different locations did you have individually where they were doing training?

Jef: We had as many locations and as many programs as we had locations in Philips. So we operate in 60 to 65 countries. In one country, we can have from 1 to 10 to 20 locations, so it was an extreme scattered environment. Just to give you an example, I use that as an anecdote, the Netherlands being a small country, although we employ there something like 20,000 employees and you would look at a very simple topic like presentation skills, we had only in the Netherlands 16 different programs addressing presentation skills. Now we have one for the entire world.

Craig: Much better.

Now when you're moving from hundreds of locations, thousands perhaps even, and you're moving to one model, I'm sure you're bound to have had some push back from some people, some resistance. How did you go about overcoming that and getting the buy-in and backing of your HR partners around the world that had to really had to be behind this program for it to work?

Jef: I think we managed this following a kind of a change management approach that we do also in other areas because it is indeed a real change management process, you cannot just impose the change. And when you talk about change management, it always has to do with pulling people into your direction and pushing people into your direction. When it comes to pulling of people into our direction, first of all when we have created the global frameworks and the global models, we have always been extremely careful in involving a variety of

people in the specification of what we needed. So it was not developed or it is never developed in a kind of ivory tower type of environment. So you involve, just to give you an idea, when we designed our core curriculum that focuses on personal effectiveness, working with people, and people leadership, we involved something like 10 of our most senior learning and development specialists from all over the globe in the design, and when then it came finally to testing the possible providers and external suppliers we involved 80 HR professionals in the choice. We sent them locally to programs of DDI, Achieve Global, IBM, and things like that. They used standardized evaluation forms and sent it in. So a lot of people were involved in selecting the partner with whom we work. So that helps. So you get the people involved into the design, you get people involved into the selection of the partner with which you work. That's all what I call pulling people in your own direction.

And then the second thing is every time when we launch a kind of new curriculum, for example, we launched a new curriculum on marketing or on sales or whatever, you have to compare it with a kind of commercial launch of a product. So you have to do a lot of marketing, a lot of promotion, a lot of explanation just to get it on the radar screen of people, to make it meaningful to people, to help people see the difference with local offerings, to help people see the richness of the new offering, and what we use there is we deploy all the standardized programs via people in our shared service center for learning. So like for a commercial product launch, they are on the road, they do road shows, they go and visit people, they do presentations, they do whatever it takes to get it into the organization.

Craig: So different approaches, different tactics for different people.

Jef: Yes, so that's what I would say that is the pulling people into your direction. Then there's something that I'll call pushing people into your direction, especially the first years when we launched our core curriculum, focusing on leadership, personal effectiveness, and things like that. Our top 10 most senior HR leaders had targets in their personal bonus agreements, so we had more or less forecasted how many people we could have in those types of programs to ensure that all the local HR people felt some push from their organization to leave their local programs behind and to transfer their demand into the global standardized programs. Our top HR people had specific targets. And of course if a target as such doesn't work, but when a target is linked to a bonus . . . But it's the combination of the pull and the push that work. You cannot rely upon one.

And once that a program more or less is established, then it is a day-by-day, ensuring that the quality of what you offer is at least as good and hopefully better than what people experience in the local programs. So we do a very rigorous quality monitoring once we start deploying programs. We do monitor the quality every time that a program takes place in whatever country, we

centrally use the same approach to measure quality, it's a traditional participant satisfaction type of questionnaire but we do it any time that we deploy something we follow up. We have clear standards where we want to be. The moment that there was a training that does not score according to the standard we want to have, there's an intervention, we talk with the supplier, we talk with the trainer, and we try to prevent that it happens again.

Craig: Now speaking of suppliers, when training was localized each location, from what I understand you've told me, were selecting their own providers and so you had a lot of duplication, a lack of standardization is probably a better way to put it, but now you've moved to where you have pretty much a handful of suppliers for various things and DDI being one of those. Can you talk a little bit about the relationship and how you work with DDI to provide the soft skills training that you do for your people around the world?

Jef: I think one of the basics elements in the relationship with DDI is that both we and DDI accept that what we are trying to do cannot be perfect right the first time. Because we cannot guarantee to DDI that all of a sudden there is a kind of commitment on volume or number of learners that they will get. And DDI is not present in all of the countries where we are present, so they have to be allowed to build up their training force. So we know from each other that this is going to take some time, that this is not an obvious way forward, and that we make mistakes and that we want to learn from the mistakes, and that we want to improve our approach year by year. We get better in forecasting the demand; they get better in local delivery. We get better in monitoring the quality locally; they get better in giving feedback to their trainers and preparing their trainers for Philips.

I think that is the powerful element in the relationship with DDI, we have that kind of understanding, there is an ongoing dialogue, and that helps us to move in the right direction. And that is extremely helpful.

Craig: As far as the results you're seeing, and you alluded to talking about the business case at the outset here and it sounds like a lot of those things that you were hoping to see have come to fruition. I know that you were looking for economies of scale and efficiency and unity and consistency. Are you seeing those?

Jef: First of all, I think in terms of consistency we are there. I think there is full consistency in what we deploy now. That is just a fact, that there is consistency. And it's very helpful. If at a certain moment if we want to put an extra message in our training programs, so for example, two years ago the topic of engagement became very hot at Philips. Then we have a clear way to bring the engagement vocabulary and spirit into the training programs. And once it's there you see that it is consistently deployed. If in marketing all of a

sudden we come up with a new process to do marketing planning, we inject it in our program that addresses marketing planning and all of a sudden the process and tool goes through the organization. So from a consistency perspective I think we are getting there.

From a simplification perspective, now for the first time in a couple of years we know exactly in Philips what resources we deploy in training, what kind of investments we do in training, where we spend our money. We have, instead of something like 70 tools to do learning management; we have one learning management system. So, all the programs are on one catalog of one learning management system. So you just go to the Web site and you have the entire Philips offering in front of you. From a simplicity perspective, that makes sense.

Craig: Jef, thank you for joining us.

Jef: It's a pleasure.