



*Philips*

# REALIZED

## IT. DEVELOPING LEADERS WORLDWIDE



## A COMPLEX ORGANIZATION STREAMLINES ITS GLOBAL APPROACH TO TRAINING

### ABOUT PHILIPS

- > One of the world's biggest electronics companies, and the largest in Europe.
- > Active in 60 businesses, and with more than 115,000 registered patents, Philips' diverse range of products includes consumer electronics and personal grooming devices, lighting products, and high-tech health care diagnostic equipment.
- > With headquarters in Amsterdam, The Netherlands, Philips employs 120,000 employees in over 60 countries. Its 2005 revenues were nearly \$21 billion.

Philips is one of the world's most recognized brands, especially in consumer electronics, but behind that brand is a large, complex global organization that employs more than 120,000 people.

This complexity had been a necessary part of Philips' identity, given its diverse portfolio of 60 businesses, and its global presence. But over time, it also had bred a number of inefficient business functions. Among these was training, in which a splintered roster of vendors provided training on a local or regional basis.

"We had a structure through which we offered a lot of training programs within Philips, and everybody had their own people working on designing programs with a huge vendor base," said Wiesje ten Hoor, global program director. "So, one of our business needs was to become more efficient."

This decentralized approach to training prevented Philips from taking advantage of the economies of scale that could be realized by working with a small number of vendors to provide uniform training across all of its multiple businesses and

locations. It also ran counter to the "One Philips" vision articulated by Philips' senior leadership, in which the organization, regardless of the business, is defined by integrated, unified systems and processes and a single, shared language of terminology.

Following the shared services model it was applying to other organizational functions, Philips moved to streamline, standardize, and consolidate its training offerings to provide consistent, cost-effective training through a smaller number of training vendors.

"We tried to move away from being kind of a holding company with the various independent autonomous units, and move more toward what we call 'one company.' And one company requires that we have one language, one mindset, and so forth," says Jef Pauwels, vice president of learning and organizational effectiveness.

While Philips had specific needs related to how it was providing training to its people, especially to its leaders, it also recognized that it needed to look closely at what kind of training it should make available.



# REALIZING A “ONE COMPANY” VISION THROUGH GLOBAL LEADERSHIP TRAINING

## “IF YOU BENCHMARK

what we are basically doing at this moment, I only know of a handful of companies that are doing learning and development on a global level.”

**JAN AERNOUT,**  
GLOBAL COMMODITY  
MANAGER OF LEARNING  
AND DEVELOPMENT,  
PHILIPS

“There were all these areas where we thought we could improve,” says Pauwels, pointing out that, prior to building a curriculum, Philips’ HR leaders looked closely at employee engagement surveys. “We observed that we had leaders who were extremely strong in the task orientation of leadership and in getting results. But there were signals from the employees that in the areas of people management, people coaching, people development, and people engagement there were opportunities for improvement.”

Philips built a robust core curriculum to address these needs, bringing together courses that addressed several important leadership skills, including communicating for results, making effective decisions, and contributing to change initiatives. This curriculum was in addition to functional curricula Philips developed for the sales, marketing, supply management, HR, IT, and finance functions.

## NEEDED: A GLOBAL PARTNER

While Philips had long focused on identifying and developing its high-potential leaders as part of its succession management initiative, it had never offered a global leadership development program for its general leader population. To implement such an initiative, however, would be not only unprecedented for Philips but also unusual for such a large, complex global organization.

Concluding that it needed greater efficiencies and having assembled the core leadership development curriculum, Philips recognized that it required a training provider it could work with on a global basis to provide and deliver the courses. This partner organization would become one of Philips’ key suppliers for training, a select group of training providers, including the likes of IBM, Mercuri, AMA/MCE, and SAP. These key suppliers provide and deliver more than 120 globally standardized

programs that impart a wide range of technical and business-related skills.

Philips had multiple criteria for the training provider for the core leadership skills curriculum. The provider needed to have the majority of the programs “on the shelf,” meaning that the training courses and materials would require minimal or even no tailoring. It also needed to be able to provide trainers to deliver the programs on-site, around the world. Just as important was a willingness to work with Philips as it explored the uncharted territory of rolling out a global leadership development initiative. DDI was the provider selected.

“We were looking for a partner who could help us work globally and deliver locally,” says ten Hoor. “We don’t just have one or two modules to be delivered, but instead a full curriculum of more than 10 courses.”

Providing the flexibility, global reach, and project management capability Philips needed, DDI created a global team with a single project leader and lead consultant in each region, with a delivery team of training facilitators working alongside each consultant. Existing DDI materials were customized to incorporate the Philips brand.

In implementing the initiative, Philips and DDI worked together to tackle some significant challenges. One of these was translating the course materials into six languages, but just as important was ensuring that the courses would be appropriate for all of Philips’ diverse global audiences.

“We had to adapt some of the training programs on a regional scale,” says ten Hoor. “In Europe we often had two days or three days and for America we had to reduce it down to a one-day version, otherwise it would not ‘sell.’”

## “WE HAVE A VERY TIGHT RELATIONSHIP

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WIESJE TEN HOOR,  
GLOBAL PROGRAM  
DIRECTOR, PHILIPS

## 35 COUNTRIES—11,000 LEADERS

In 2006, more than 11,000 leaders went through at least a portion of the core leadership curriculum. (In the same year, another 9,000 went through one of the functional curricula.) It has been delivered in 35 of the 62 countries where Philips maintains a presence, with more locations being added all the time. Among the countries or regions where the training has been delivered: all western European countries; eastern European countries, including Russia and the Czech Republic; North America; Mexico; Brazil; China; Taiwan; Hong Kong; Singapore; Australia; Japan; Korea; Indonesia; Malaysia; and Vietnam. Level 1 evaluations have shown that the training has been well received, with participants from around the world providing average ratings of 4, on a 5-point scale

In addition to the other benefits it is seeing, Philips has discovered that by providing development opportunities to its leaders, it has realized a competitive advantage in recruiting leadership talent.

“If you offer this training guide in which you say, ‘here are the learning and development opportunities within Philips,’ it’s an attractive element for new employees or future new employees,” says ten Hoor. “From a recruiting standpoint, it has had an enormous impact.”

DDI also has worked with Philips to evaluate all aspects of the training, including course content and facilitator quality. Philips looks at each course on a regular basis and makes decisions about courses that should be added to or removed from the core curriculum. Through DDI’s global project management structure, meanwhile, clear accountabilities are spelled out and regular meetings are held with Philips’ HR team.

“We have a very tight relationship in which we can discuss everything and DDI is very, very responsive on the things we need to do,” says ten Hoor. “It’s really working well. And that’s also what the regions say.”

One individual who can speak from a regional perspective is Florence SM Ng, senior director, country human resources and regional learning services, APAC, who has overseen the implementation of the training initiatives for the Asia region,

which covers 14 countries. “DDI has been very supportive and cooperative in implementing the learning initiatives for us in Asia,” she says. “They have been working well with us here to ensure we meet the business requirements and expectations. We have built a very strong business partnership with DDI here.”

Paulette Pellani, director of regional learning service for North America, concurs that the Philips/DDI partnership has been a successful one. “DDI has been very responsive. The reason I think we’ve been able to work well together in North America is that we have a real relationship.”

While it is pleased with the initial results, Philips understands that delivering a global core leadership development curriculum is an ambitious—and worthwhile—undertaking.

“If you benchmark what we are basically doing at this moment, I only know of a handful of companies that are doing learning and development on a global level,” says Jan Aernout, global commodity manager of learning and development. “We want people to develop. We want people to learn.”

## THE BOTTOM LINE

To date, working with DDI to implement and deliver its global leadership development initiative, Philips has realized the following results:

- > Delivered a unified core leadership development curriculum to more than 11,000 leaders in 35 countries.
- > Greater cost efficiencies by working with a single training provider instead of numerous vendors providing training on a local or regional basis.
- > Through Level 1 evaluations, participants worldwide have consistently rated the courses a 4 on a 5-point scale.
- > Centralized approach to training has made it possible to establish a single language of terminology across the entire Philips organization.
- > Leadership development opportunities represent a competitive advantage in recruiting and hiring new leadership talent.

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**ABOUT DDI.** It's a grow-or-die marketplace. And having the right talent strategy is crucial. Development Dimensions International will help you systematically and creatively close the gap between today's talent capability and the people you will need to successfully execute tomorrow's business strategy.

We excel in two areas:

- :: Designing and implementing selection systems that enable you to hire better people faster.
- :: Identifying and developing exceptional leadership talent critical to creating a high-performance workforce.

DDI is all about giving you the kind of business impact you want over the long term—that's what we call realization. The work we do together is tied to your organization's strategies and becomes part of your business and your culture.

And if your business is multinational, DDI has precisely the kind of global resources needed to implement your talent initiatives effectively and consistently worldwide.

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