

# Corporate Universities: Are we capable of investing?

**UNICON Conference Presentation, December 4, 2014**

Based on “Same Solar System, Different Orbits. Opportunities and Challenges in Executive Education and Corporate University Partnerships” 2014 UNICON Report, by Marie Eiter, Jim Pulcrano, Jenny Stine, Toby Woll

# Our Storytellers:

- Aalto University Executive Education
- Accenture
- Adecco Group
- Aetna
- Agilent Technologies
- AIM-WA & University of Western Australia Executive Education
- AkzoNobel
- Ashridge Business School
- Axa Group
- CEMEX
- Claremont Graduate University
- Duke CE
- EMC
- Frito-Lay/ Pepsico
- GE
- Gordon Institute of Business Science
- IMD
- INCAE Business School
- ITESM, Tecnológico de Monterrey
- Mercer Consulting
- MIT Sloan School of Management
- Nestlé
- Novartis International AG
- Pepsico
- Porto Business School
- Saint-Gobain
- Smeal College of Business, Penn State University
- Tenaris
- TimeWarner
- Total
- Universidad de San Andres
- University of Michigan
- University of Minnesota
- UPS

# THE BIG PICTURE

“I think **it is all about respect and collaboration.** We respect your faculty and their research, but I’m not sure it goes the other way...what I am getting at is to establish a partnership among equals. **When we find a partner like that, we are ready to commit to a long-standing relationship.**” – Corporate University Leader

# PARALLELS AND OVERLAPS

# We have similar strengths

“Maybe we’re arrogant, but **we believe we know how to design programs well.**” – Corporate University Leader [...and us?]

“**Be a true partner. Don’t present me with a design, let’s do that together.**” – Corporate University Leader

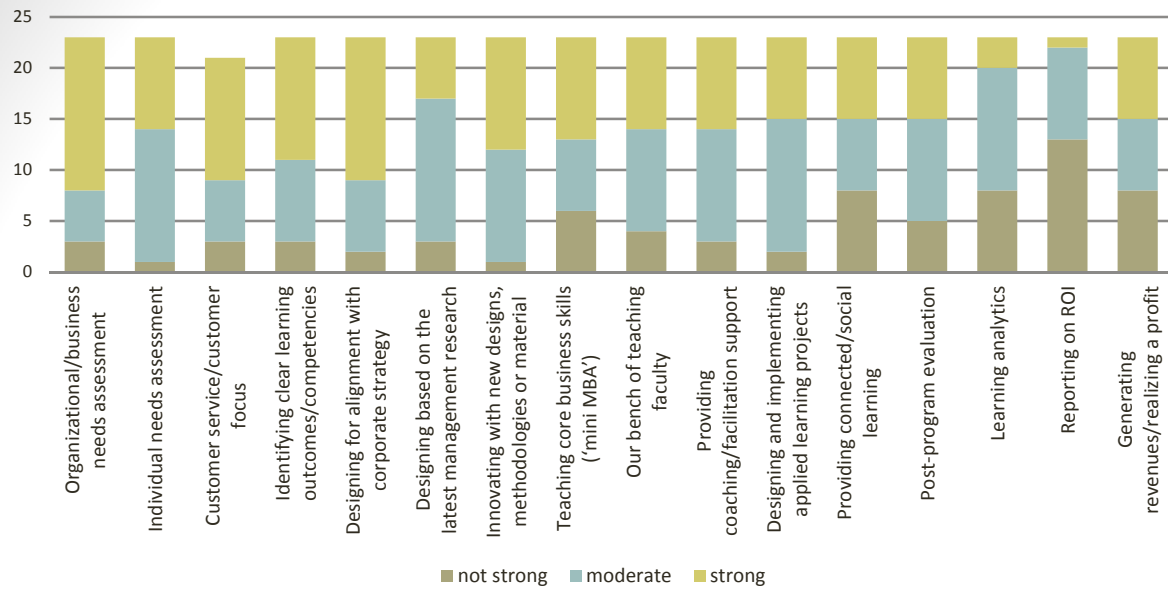
Self-reported similar greatest strengths include:

- organizational/business needs assessment,
- customer service/customer focus,
- identifying clear learning outcomes and competencies, and
- designing for alignment with corporate strategy.

And, similar weaknesses:

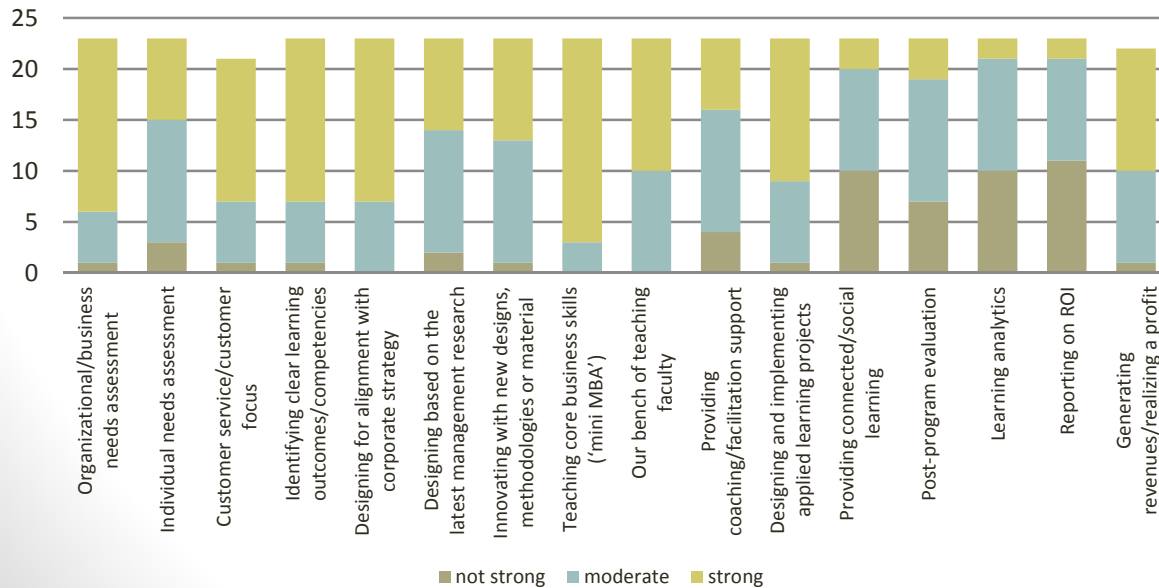
- providing connected/social learning,
- post-program evaluation,
- learning analytics, and
- reporting on ROI.

**The strengths of my organization as relates to talent and executive development are:  
(including both your capabilities and capabilities of vendor/partners you currently use)**



**Table 1: Strengths as Reported by Corporate Universities (n=23)**

**The strengths of my organization as relates to talent and executive development are:  
(including both your capabilities and capabilities of vendor/partners you currently use)**



**Table 2: Strengths as Reported by Executive Education Providers (n=23)**



# DIFFERENCES AND CHALLENGES

# CUs put pressure on price

“I want to challenge you on is your pricing. **My budget has been flat for two years, and as much as I like [university x], each year they up the price, and I mean significantly, like a double-digit increase.** You need to be more sensitive to your pricing.” – Corporate University Leader

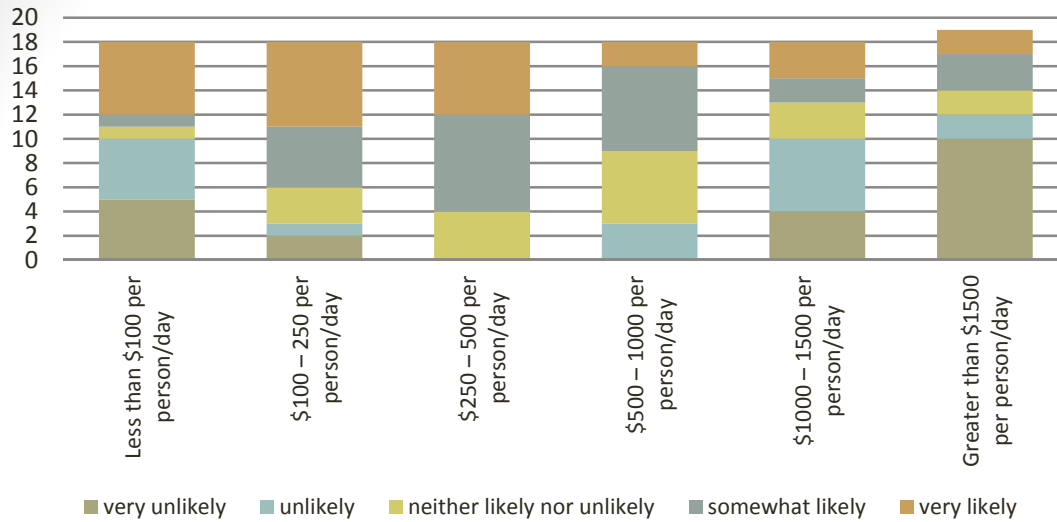
“We have to get executives skilled in very different competencies much faster than before.... To do that, **we don’t have the budgets and time of the 1990s, it has to be done much more rapidly with far less.**”

– Corporate University Leader

“With their process, I believe business schools are in trouble. **We can’t pay these prices.**” – Corporate University Leader

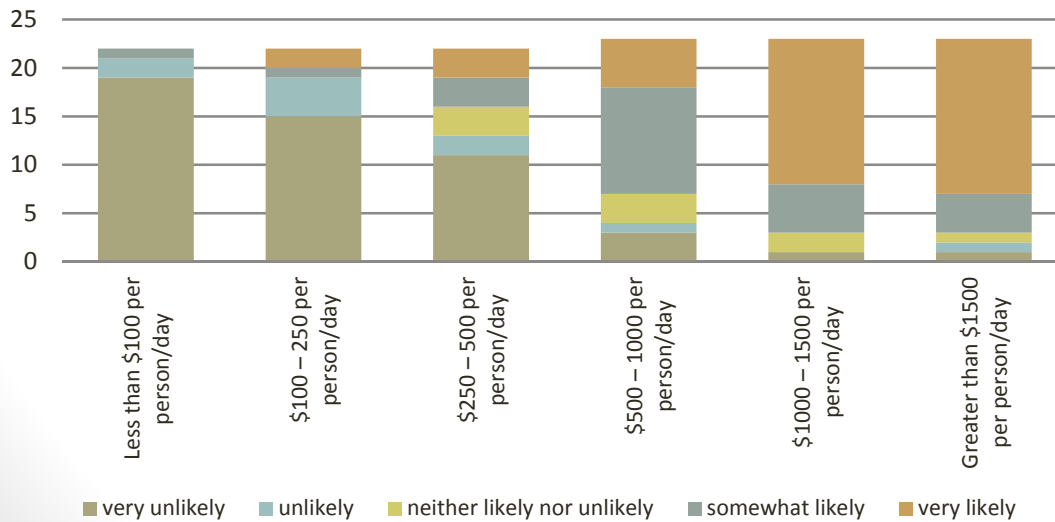
“They drive a fairly hard bargain in return for the volume of work. So the rates aren’t as high as we might get for custom programs, but **the benefit is the long return/security.**” – Executive Education Leader

**How likely are you to budget for a program at the following prices (design and delivery only, not to include travel):**



**Table 5: The likelihood of corporate universities to budget for programs at different prices (n=19)**

**How likely are you to be able to offer programs at the following prices (design and delivery only, not to include travel):**



**Table 6: The likelihood of executive education providers to offer programs at different prices (n=23)**

But that said, there appears to be no significant correlation between the corporate universities' desire for pricing flexibility and the prices that they are willing to pay:

		PricingFlex	LessThan\$ 100	From\$100T o\$250	From\$250t o\$500	From\$500t o\$1000	From\$1000 to\$1500	Over\$1500 perday
PricingFlex	Pearson Correlation	1	.039	.097	.246	.329	-.090	-.118
	Sig. (2-tailed)		.858	.701	.325	.182	.722	.642
	N	23	23	18	18	18	18	18

# Time can be an issue

“I’ll tell you about the pain that I have. An academic setting doesn’t move at the same pace – the speed at which we have to take decisions and move. **Do you understand the speed I need to move? Do you really understand the context to apply the theory?**” – Corporate University Leader

“We asked for proposals from a number of prestigious business schools including ... **However, our CEO put the decision on hold. Maybe we will do it next year.**” – Corporate University Leader

# We measure ourselves differently

Corporate universities identify the following factors as very important in how they are measured and evaluated:

- organizational/business needs assessment, and
- designing and implementing applied learning projects.

(Managing costs was not on our survey, but was brought up frequently in the interviews and probably would have been on this list)

The factors that executive education providers report as most important are:

- generating revenues/realizing a profit, and
- bench strength of their teaching faculty.

**“When I go to a VP, I need to be buttoned up! Data, design, bottom line. I need the information.”** – Corporate University Leader

**“In the yearly talent review, we discuss with the exec[utive] committee ‘Are we meeting the business’ requirements? Are our programs meeting your real needs?’ [Also,] businesses see the end-of-program satisfaction scores after every program, and on a quarterly basis we are evaluated against the retention rate of our high-potentials”**  
– Corporate University Leader

**“Twice per year I meet with the Executive Committee of the company, including our CEO, and they evaluate my progress on our L&D roadmap and the agreed-upon milestones. This is my most important evaluation.”** – Corporate University Leader

“In the business school, we have financial targets to achieve...  
**The business school is the cash cow for the university.**  
**However, as important is that we deliver on the university mission to support its partners in industry.** Engagement with the industry and the community is very important to the university. We are completing the circle with the students and their roles in their work. We are expected to have an international aspect as well and to be world-class. **This is hard.**”  
– Executive Education Leader



# University programs can be risks to the CLO

**“Internal politics** is the main role of a corporate university leader. **If you can’t do this well, you don’t have a job.”**

– Executive Education Expert

**“ We went to [university X] because our senior leadership had strong connections with the school. It was a travesty.** The head of executive education did not seem to be able to manage the faculty. The faculty members didn’t even show up to hear what the person before them was teaching. There was no coordination. One faculty member didn’t even present on the topic he was supposed to, but spent the whole time talking about his new book.” – Corporate University Leader

WHAT ARE THEY LOOKING FOR FROM  
US?

# Up-front investments are expected

“Where we have strong relationships, **it is due to the school showing a very strong desire to know and understand us.**”

– Corporate University Leader

“I would want a partner to be **really interested in working with us.** ....they should understand the space we work in, what is happening in our industry.” – Corporate University Leader

“**Everyone says (they do) this, but how deep do they go in getting to know us?** And does that knowledge of us find its way into the proposals, the programs, and eventually into helping us solve any problems that come up? I am looking for deep dialogue.” – Corporate University Leader

“**What we did was to take quite a long time – a year – to really get to know the client and organization.** Quite a lot of deep inquiry and diagnostics work – the units, regions and how they interact with the center and the role of HQ.” – Executive Education Leader

# They have done homework before approaching us

“[We have] 400 different vendors [which include] all the top ten business schools. **It is up to the team to define the preferred partners who can deliver.**” – Corporate University Leader

**“We are probably coming to you [universities] because we need some type of industrial, cutting-edge capability we’re trying to build and to give them a different experience than we can build internally. This is specific content/capability where we can help develop strategic leaders and move into a new space for competitive advantage.”** – Corporate University Leader

# They know us, and want something new

**“Two elite schools were here last week, “They both tried to sell me what they have. They never asked me what I need. They never started with, ‘Do you have a need that is not being met?’”**

– Corporate University Leader

**“I think the business model of schools is getting in the way. You really have to think about changing it or bundling it differently. People want to choose from a menu, they don’t want to buy the whole bundle.”**

– Corporate University Leader

**“I think the problem is that the academic world is not customer-focused. They say they are customizing, but what they really do is cobble together what they have and try and make it fit.”** – Corporate University Leader

**“So, most of them are pushing an existing product to sell me. I want someone who is willing to learn about us, who is interested in our business, who is aware of the challenges we face. Someone who asks good questions.”** – Corporate University Leader

# They need to be able to scale...with or without us

**“General offerings work best if they are tiered solutions we can offer based on company size, goals need. It’s underwhelming when you come with a general offering, and we’ve been doing that for 10 years – do you have something else?”** – Corporate University Leader

**“Everything new that we launch must be scalable. And if successful, [we] must also have the possibility of going to a mobile app.”**  
– Corporate University Leader

**“We are doing comprehensive custom programs for five levels of their organization... These are modular programs with blended learning, webinars, action learning, coaching. We are also doing a consulting assignment with the senior level of the organization.”**  
– Executive Education Leader

THERE ARE REAL BARRIERS TO  
MEETING THESE NEEDS

# We may need to address our IP approach

“As long as we can use the program materials inside the company as we wish, **unless you were going to go and use the same design with a competitor, I don’t see any IP issues.**” – Corporate University Leader

“The people in our programs are working with teams who may never come to the program themselves. **Application of what has been learned is the objective, so reuse within the corporation is a reasonable request.**” – Executive Education Leader

“**If I have to rank the [most] difficult point to negotiate, IP will be on the top of my list.** This is mainly due to a lack of understanding from the client (they want to own the IP rights) but also a lack of clarity from our side.” – Executive Education Leader



# We may need to address our faculty bench

“Recently we have built a good relationship with [a prestigious school]. Not so much with their senior gurus as with the adjunct faculty. **I think adjunct faculty are more willing to partner with us, in a more collaborative way.**” – Corporate University Leader

“In some schools they can only do programs in the summer. **If we want to roll out a program and do it four times or six times in a year, most likely that won’t work because of faculty teaching schedules.**” – Corporate University Leader

# We may need to look at our staffing and program development approach

“The staff in executive education who work with corporate universities **needs to have a whole different language** than the ones dealing with the business unit engagements. They cannot be the same people. They have to be **well-versed in the language of HR and talent development.**” – Executive Education Leader

“**It was our flexibility that built this relationship.** They had a very specific way they wanted the proposal written. They have a very specific way they want the materials to look. We have to use their templates for the slides. They have a specific way they want to do the evaluations. **We had to adapt** to their desire for learning journals. To minimize the impact on faculty, our office did the work of putting the faculty material into their templates. We produce communications reports for the corporate university to distribute within the company. We produce time-lines. We have project management check-ins.”  
– Executive Education Leader

CAN WE WORK TOGETHER?

# CU leaders recognize they need business schools...

**“We worry that business schools are becoming irrelevant, and this is not good for any of us. We need your research, both in content and in methodology, and we have some common challenges.” – Corporate University Leader**

## ...but CU leaders do not see us effectively addressing our gaps

**“I know [business schools] well. They do not understand the new ways of learning. Most don’t realize it, but they are becoming commodities.** Certainly their content has been commoditized. Everything is available online. There is a widening gap between teaching and learning at business schools today.” – Corporate University Leader

# OPPORTUNITIES FOR ALIGNMENT AND INNOVATION

# A key forward-focus is “always learning”

“How do you **take this incredible knowledge that faculty have, and that we seek, and make it bite-size so we can digest it?** Kind of grab-and-go learning. **And, most important, focus on application.”**

– Corporate University Leader

“We are using technology much, much more: mobile apps, learning-on-the-go, always learning. Not just attend a five day class this year, but get information and training whenever you need it. That’s where we’re headed. **Content will need to be delivered in small chunks.”**

– Corporate University Leader

“**Informal learning is becoming more and more important**, and more and more tangible, thanks to digital. Finding or creating a platform that would help us integrate this into formal learning could make us more effective.” – Corporate University Leader

# Going digital is required

**“There is going to be an evolving model.** The traditional models are one of two: open enrollment programs, or customized curriculum delivered at the school or client. There is possibly a middle ground, which will be expanding. **How can we co-create and deliver in different models, for example digitally? We need thought leadership, but we need to co-create.** More needs to be digital. Also, **utilize the natural behavior of corporations** – really stretch people on the job.” – Corporate University Leader

“The digitalization of [our organization], and the digitalization of training. How do we do it? On which topics and with which populations? Does this change our pedagogy? Why are we doing this or thinking about it? Cost is one obvious reason, both for the business and for training. It also seems obvious when we look at the world around us. Customers and participants have come to expect it. **It seems like we’ve reached a tipping point with the technology and we really should be doing something here.** For the business we keep asking ourselves how we can **use digital to improve the lives of our customers, as well as decreasing our cost to deliver to customers.**”

– Corporate University Leader



# Programs must be modular and flexible

**“I wanted faculty from a number of different schools. I understand the school’s position, their goal is to promote their school and their professors, but I was very targeted in who I wanted, and I saw that as inflexibility”**

– Corporate University Leader

**“[Our unique advantage is] flexibility and willingness to blend speakers from multiple backgrounds and providers.”**

– Executive Education Leader

# We may become Assemblers, Curators, and Facilitators

**“Content is becoming a commodity.** [Our corporate university] doesn’t create content. But with digital is there an opportunity for us to bring in more content, rather than bringing in the gurus? **Content is virtually free,** and as it isn’t the decisive part of [our organization’s] programs, maybe we should be using more digital content. **This then means that we have to be better assemblers and facilitators.”**

– Corporate University Leader

“[one of our big challenges is] trying to incite more social learning. **Enabling people to find what they need,** whether it be data, experiences, or examples. It’s somewhere here...or in the blogosphere. I’m also trying to figure out **how we can be better curators,** so that we can have a central role in social learning.”

– Corporate University Leader

**“I wonder if the strengths of the past are still relevant.** Today, I look for an ability to assemble parts and pieces into a coherent whole, no matter where the parts come from. I want a ‘learning engineer’, whether that be at a business school or a boutique consultant. **My needs can no longer be met 100% by the faculty of one school,** but if a business school came to me and said, ‘tell me what you need and I’ll get it’, and I knew they’d use faculty from anywhere, plus their customers and alumni and connections to companies and individuals around the world, then I’d probably listen. **I want someone who is an ‘engineer of experiences’** and I doubt any business school can be that flexible.”

– Corporate University Leader

In closing,

Is this market right for us?

What could happen if we choose to ignore it?