



Submission Paper for the EFMD Excellence in Practice Award 2009
“Partnership in Learning & Development”

Paper submitted by
Ashridge Business School and Alfa Laval
for the
Virtual Strategy Development Programme
November 2008 - March 2009



The organizations

Ashridge Business School and Alfa Laval have been working in partnership since 2004. Ashridge Business School is one of the most prestigious Business Schools in the world, and has been ranked Number One in the UK¹ for two consecutive years for Tailored Executive Education. Alfa Laval is a global engineering products company with 11,800 employees and operations in 55 countries.

This long-term relationship is highly valued by both parties and previous projects include nine Sales and Marketing programmes, the Booster senior executive programme, a Group Communications programme and a programme focusing on the HR community within Alfa Laval. Participants attending the programmes have ranged from middle managers to senior executives within the organisation. The Booster programme, for example, involved 90 Managing Directors and VPs over 12 days at Ashridge Business School and several virtual Action Learning sessions between modules.

This submission paper for the EFMD Awards 2009 focuses on the most recent work between Alfa Laval and Ashridge - the “Virtual Strategy Development Programme”

Specific Learning and Development Domain

The nature of the **Virtual Strategy Development Programme** reflects organisational development, in that the focus was to be on providing effective solutions to current substantive organisational issues. However, due to its innovative design and the focus on multi-level deliverables, individuals who embarked on the journey also developed their leadership skills in a range of domains and in particular operating in a virtual environment. Furthermore the programme in itself had more the character of a process. It was about enabling strategy development aimed at delivering tangible strategic outcomes and offering flexibility to adapt to the business needs and participants' agenda.

Innovation and Value

As a high-level overview, we provide a summary of the key innovative and value elements below, which this submission paper expands on in more depth in the following pages:

- Ashridge worked with a highly senior team from Alfa Laval including eight members of the Group Management Board, the CEO and 30 senior leaders. The work was of a strategic nature and it addressed and delivered on key business-critical issues for Alfa Laval, all of

¹ Financial Times Survey 2007 and 2008.



which sat at the centre of one of Alfa Laval's top strategic initiatives for 2009, "Prime Performance".

- The process enabled solutions to these business-critical issues to be created entirely by the senior leaders who undertook the development process - Alfa Laval solutions for Alfa Laval business concerns.
- By using an Ashridge virtual working approach, we could bring together a global team of executives at Alfa Laval, allowing them to utilise their knowledge, skills and creative problem-solving techniques, independently of their geographical location.
- The work was completed in just four months, designed to maximise the time of the senior leaders involved. EFFICIENCY and EFFECTIVENESS in terms of time, budget and vital business outputs were at the heart of the process.
- The approach saved
 - 95 tonnes CO₂ in terms of carbon footprint which were the result of at least 95 European and International return flights NOT being made.
 - Direct costs between €60,000 – €65,000 in flight and accommodation costs
 - The time spent NOT travelling equates to more than 0.6 FTE'S (full-time equivalent).

Furthermore, the empowerment element of the process means that knowledge and expertise about key business subjects is now firmly rooted **within** the organisation and its leadership, and not reserved for the role of external consultants.

Learning for the Individual

As a quick reference, we summarise the key elements of the learning for the individual, which resulted from this process:

- Each senior leader has become a subject expert on the strategic issue worked on, thus 'owning' the issue and becoming a true champion for the forthcoming changes at Alfa Laval.
- The process has built essential virtual working and leadership capabilities– critical in such an international business and global economy.
- Individuals have strengthened their global project management skills with a focus on TIME and QUALITY – two vital elements of the Prime Performance initiative.



Description of Context

“Prime Performance is about optimising the performance of our processes with a focus on TIME and QUALITY” – Lars Renström, CEO Alfa Laval.

The Prime Performance initiative at Alfa Laval was launched in October 2008. Göran Mathiasson, Senior VP – Head of Operations, explains that the underlying premise behind this initiative is *“the future is very much up to us”* and believes that strategic planning and implementation for future success is *“both within the company’s reach and best when generated using the talents of its top players”*.

Prime Performance is Alfa Laval’s drive to ensure that all its processes (from the sales process, manufacturing, research and development to the culture of the company) are optimised with a focus on **TIME and QUALITY**. This is recognised as no easy task, but one that has never been so vital to the organisation. The current challenging economic crisis only adds a sense of urgency and importance behind this strategic drive.

The **Virtual Strategy Development** Programme builds up towards Alfa Laval’s 2009 Top Management Conference (TMC) where the most senior 120 leaders from the organisation, across all functions and all geographical locations, gather bi-annually to consider aspects of the organisation’s strategic direction for the coming years. In keeping with past TMCs, the most pressing strategic business initiatives are the focus for each conference; for the 2009 TMC (May 2009) the Prime Performance initiative sits at No 1 in terms of its strategic importance.

Of the 120 leaders attending the TMC, 30 were chosen to participate in the Ashridge-Alfa Laval **Virtual Strategy Development** Programme between November 2008 and March 2009. The participants were chosen for their expertise and diversity.

Development of the work

Alfa Laval initially approached Ashridge in September 2008. At this stage the brief was open and un-prescriptive regarding the *type of activity* Alfa Laval were seeking, but the outputs were clearly defined – these centred around finding solutions and creative project plans for the implementation of a number of critical Prime Performance business issues. It is this results-driven approach that plays best to Ashridge strengths; a business school which thrives in its work with over 100 organisations a year on company-specific programmes that are linked to organisational goals and change initiatives.

Alfa Laval needed to identify and implement crucial Prime Performance changes quickly and efficiently – again **TIME and QUALITY** were of utmost importance in every sense. Additionally,



there was the clear remit to deliver results within a very limited time-frame of four months from inception to completion, and to be efficient with use of senior leaders' time and Alfa Laval's budget. The mix of these factors led to the creation of the **Virtual Strategy Development Programme**.

At the heart of the proposed process was the ability **to use the best brains of the organisation** - (independently of their geographic location) to **address the real business issues** whilst **engaging and motivating senior (and very busy) leaders** spanning the organisation from the US in the west via Europe and India, to China and Korea in the east.

Description of the Process

To summarise, the over-arching goal of the process was to engage 30 Managing Directors and VP's within the organisation to provide the intellectual capital to allow the generation of novel solutions to current Alfa Laval business issues.

Ashridge first worked in partnership with Alfa Laval to identify the 5 strategic Prime Performance problems which would underlie the process. Having designed the process in partnership with Alfa Laval, Ashridge acted as both facilitators for the process and experts in virtual leadership; setting the scene and providing a coherent set of insights, global expert knowledge and tools.

Stage 1 comprised of a two day face-to-face workshop. This was followed by a carefully designed process of strategy engagement and strategy work supported by a virtual platform for intellectual problem-solving and knowledge sharing (Stage 2). The process consisted of a blend of virtual synchronous sessions facilitated on WebEx over a four month period along with a synchronous just-in-time coaching and culminated in a Virtual Conference.

Ashridge programme director Mike Malmgren explains:



"Alfa Laval has been a client of Ashridge for many years and we know each other well. The virtual strategy development process is just one of several initiatives over the years that display the same value adding elements. Firstly, the speed with which we can mobilise resources and develop innovative solutions, and secondly, the focus on activities that deliver tangible business benefits. Working with a client such as Alfa Laval is a delight and it stretches both us and the client to new levels of performance."



Stage 1 - a two day workshop based at Ashridge

The launch workshop was held between 29th – 30th Nov 2008, attended by the 30 MDs and VPs and four Executive board members. The objectives of the workshop were to:

- (a) Provide insights on how companies improve organisational effectiveness and how they optimise the performance of their processes
- (b) Provide a range of global experts on a number of pertinent issues relating to the Prime Performance agenda
- (c) Introduce and brief the Prime Performance projects and virtual process of Stage 2

On Day 1 of the workshop individuals were initially introduced to the five current business issues (projects) which were to be addressed during the virtual team sessions (Stage 2). The issues had been identified from research conducted by KunsKapsPartner, a Swedish consulting company. Participants then spent the rest of the day in dialogue with three 'world experts', thus being provided with the knowledge and skill base ready to be implemented in Stage 2. The experts included Professor Peter Hines from Cardiff Business School (LEAN process), Patrik Jansson, Vice President and Head of Supply Chain for SonyEricsson (highlighting issues surrounding the move from industry worst to industry leader by SonyEricsson), and insights from the former HR director of Toyota Italy.

The second day focused more specifically on the problems / the projects. Individuals were assigned to a project group and by the middle of the afternoon each team was expected to present a short introduction to their team's business issue and potential approach. Feedback on these potential approaches was provided by both peers and by Ashridge faculty (who were assigned a project group at this point).

Stage 2 – virtual strategic work

Stage 2 of the process began in December 2008 with the first Virtual Team Coaching Session and ended in March 2009 with a Virtual Conference. As a key part of the process, the participants understood that the business solutions offered by each project group at the virtual conference would be taken forward to the TMC in May 2009 and used to address a number of concerns derived from the Prime Performance agenda.

During Stage 2 each project team (five teams in total, with each team consisting of six individuals) 'met', via WebEx, five or six times during a four month period.

The basic format of each WebEx team meeting was identical, and the structure was designed to **maximise the engagement of the participants and strengthen their connectivity in the virtual**



space, and hence the effectiveness of their work during the session. Each session was attended by the six team members and the Ashridge facilitator, with an Ashridge technical facilitator operating in the background.

The virtual sessions involved all of the participants working individually in front of a computer (interface), each equipped with a headset. Even though there were only six individuals in the virtual team, breakout rooms were also utilised within WebEx. This allows more focused work on specific aspects, generates a change in group dynamics as a result, encourages a range of different activities and allows a change in pace **(all key aspects for maximising the potential to retain information and encourage deeper learning).**

In terms of the content of sessions, each team was tasked with firstly understanding their nominated business critical issue in depth. Ashridge's virtual leadership expert Ghislaine Caulat explains:



“Over the years Ashridge has developed, through an Action Research process, highly interactive and flexible virtual learning approaches that enable people not only to work on the task at hand and exchange contents but more importantly to concentrate on the relationships at play, to work with emerging conflicts, to develop trust and engage people’s hearts in the virtual space. This approach, which is proving to be different from the existing virtual learning methods, became a critical success factor in this virtual strategy process. It enabled the teams to really think strategically, and learn together through a sharper awareness of virtual teams’ dynamics and a better understanding of the specific psychological aspects of virtual work.”

Once each team member had gained an understanding of the context and concepts surrounding the issue, and had been provided with the opportunity to appreciate the wider literature (and sector specific information) the sessions focused on designing solutions relevant to Alfa Laval.

This was undertaken with a view to presenting the proposed solutions to the CEO and colleagues, aimed at accelerating decision making regarding the implementation of bespoke solutions.

Additional design feature:

The Ashridge design team felt it imperative that each Alfa Laval project team understood that whilst the five issues being considered may have seemed disparate at first they appreciated the connectivity between them. For this reason the virtual strategy engagement process that was designed included a critical cross-project team exchange, also facilitated virtually, in the form of three cross-project team workshops (shown as the vertical bars in the Virtual Strategy Development Programme box in Fig 1).



During these cross-project team meetings each group was represented by an individual who was responsible for demonstrating how their own project team's insights could be connected to other projects. Both the interdependency and the problematic clashes were examined during these meetings and the Senior Vice President responsible for the Prime Performance initiative was also present to provide an additional eye for the 'bigger picture'. The team representative then provided feedback to the rest of their project team on how their proposed solution(s) fitted with the organisational strategy of Alfa Laval, and whether potential clashes could be removed or reduced.

An overview of the whole process can be seen schematically in Fig 1 below.

Fig 1. Virtual Strategy Development Programme

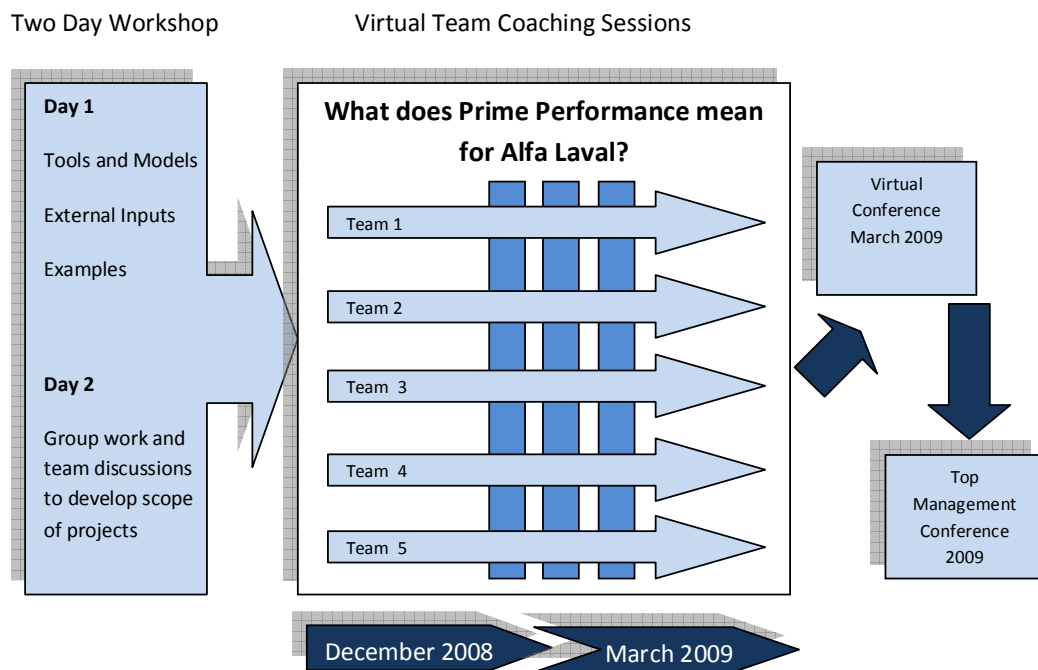




Fig 2. Team Action Projects

- 1) Customer-orientated processes and organisational Boundaries
- 2) Cross-functional alignment of business goals and objectives
- 3) Constructive feedback giving to build healthy internal customer-supplier relationships
- 4) Roles and responsibilities across Alfa Laval - better decision making processes
- 5) Customer-insight processes and optimization

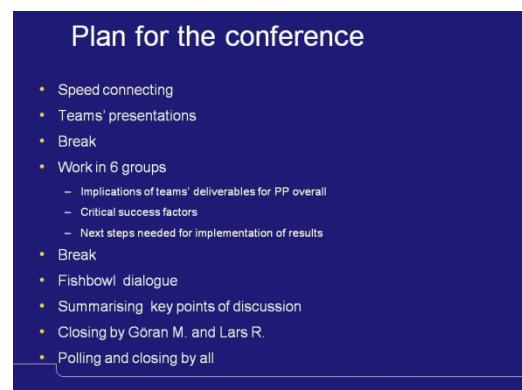
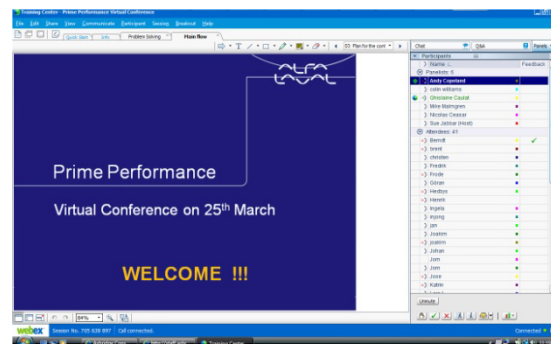
The Virtual Conference

The conference held on March 25th had many of the elements of a traditional conference (a CEO opening address, a scheduled agenda with group presentations, breaks for coffee, interactive feedback processes) but was completely virtual, again using WebEx.

The conference was attended by all of the project teams plus 8 board members and Alfa Laval's CEO, a total of 42 participants. Prior to the conference, teams had completed their investigations and project work, and produced their Project Plan Presentations, which were submitted to the Board and colleagues in the other teams for previewing.

The virtual conference lasted 4 hours. The discipline required for this conference (and all virtual sessions) was exceptional – it demanded the highest level of focused concentration and structure, every minute of time was maximised and there needed to be a high level of clarity around each agenda item's objectives and format.

The conference included project team presentations which were followed by break-out work in smaller groups to discuss the project plans using the WebEx platform. The break-out session was given focus around the following points:





- Identifying the main issues, critical elements and implications arising from across all projects
- Identifying the 5 most critical success factors
- Discussing the next steps for implementation, both short and long term

To enable the group discussions to be shared in a time-efficient way with the entire conference attendees and accelerate decision making, Ashridge introduced the Fishbowl technique into the virtual arena. This format normally used in the face-to-face was further developed by Ashridge in a way that would intensify the strategic dialogue between the fishbowl participants and the audience (the participants listening to the fishbowl discussion) through a minutely designed process of parallel dialogic streams.

Results and Process Effectiveness

As a result of the **Virtual Strategy Development** Programme, the participants involved in this process are now in a position, after just 4 months focused work, to present their strategy implementation plans back to their 90 colleagues (senior leaders at Alfa Laval) at their annual Top Management Conference in May 2009.

Going forward, their immediate role is to engage their colleagues in the Prime Performance initiative and bespoke solutions, a task made more achievable given the high level of buy-in, engagement and passion that the 30 members of the project teams now have. The roll-out of the Prime Performance initiatives will begin immediately after the TMC.

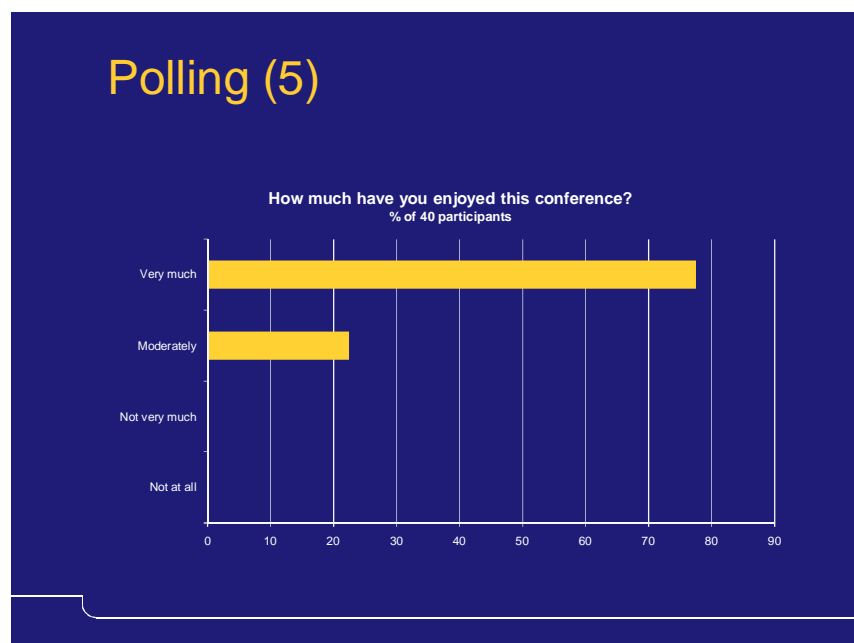
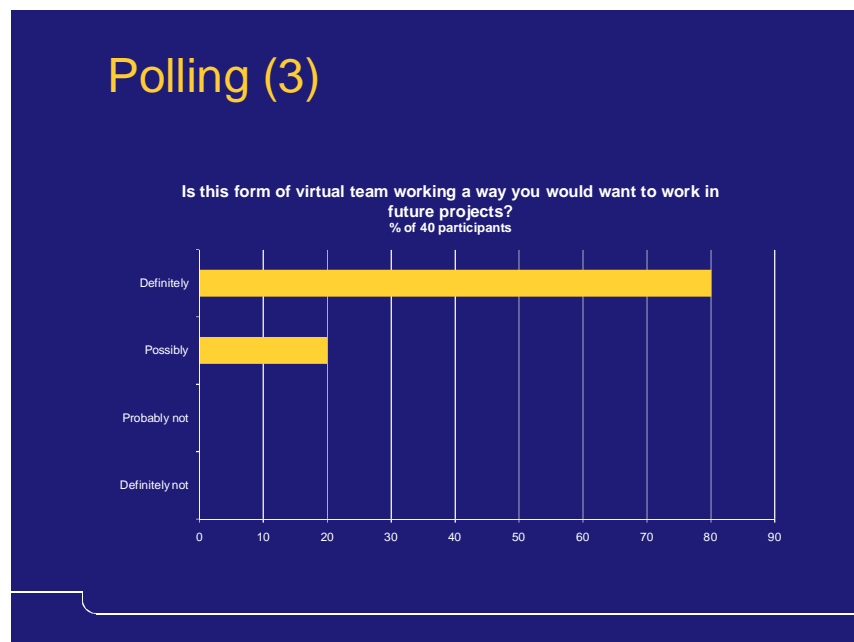
We summarise the key outputs from the four months **Virtual Strategy Development** Programme as follows:

- a set of clearly defined and agreed project implementation plans which are critical to the success of Alfa Laval
- an agreed set of Critical Success Factors for the project plans
- highly developed “experts” within the senior team to lead and champion the changes
- highly developed skills in working virtually, leading virtually, and delivering on business-critical projects via a virtual environment



The senior leaders were asked to assess the effectiveness of the **Virtual Strategy Development** Programme using a real-time online evaluation process. Questions ranged from how confident and knowledgeable they were about the Prime Performance initiative, how effective they found working virtually and how satisfied they were with the outcomes. The quantitative results from this evaluation were extremely high, matching and reflecting the quality of the business-critical outputs that this process had clearly delivered.

We are showing below two examples of polling results:





Ends.

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