

Regardless of role or industry, every person in every organization is a business person first, and a functional contributor second.



About this white paper:

WellPoint, Inc. (a Fortune 50 company) found a gap in our management ranks in connecting the business imperatives down throughout the organization. We recognized an opportunity to align our learning and development strategy with our executive strategy.

One step in our solution was to drive business acumen training throughout the organization. As part of our initiative we built a process to capture and tabulate our results. This white paper documents our processes.

Evidence of the need for business acumen:

- » Individuals do not understand the company's financials and how they compare to competitors
- » Decisions are made with unintended negative consequences to the business
- » Individuals are not able to connect their personal actions/functions with organizational key measures
- » Associates are not clear on what drives company performance versus key competitors
- » Associates do not understand how they are perceived and measured by the investment community
- » Managers and leaders are not able to easily and usefully communicate the company direction and strategy

Executive Overview

Why you should care:

Regardless of role or industry, every person in every organization is a business person first, and a functional contributor second. One of the primary barriers to an organization's success is failing to connect the business imperatives to what people do every day so they can see the reason behind their work while giving them skills necessary to make better business decisions in their roles. Business acumen training can assist this connection in a meaningful and actionable way that engages employees while driving the company strategies.

White Paper Background:

WellPoint, Inc. (a Fortune 50 company) found a gap in our management ranks in connecting the business imperatives down throughout the organization. We recognized a need for people to be more aligned and committed to positively impact the business.

One step in our solution was to drive business acumen training throughout the organization to help connect the dots for our associates while doing it in a meaningful, customized, and action-oriented way. In so doing, we gained the support and buy-in from the CEO and executive team. As part of our initiative we built a process to capture and tabulate our results. This whitepaper documents our process.

Learning Objective:

Align learning strategies with executive priorities to achieve greater business results.

The History

WellPoint, Inc. was formed by the completion of a merger between WellPoint Health Networks and Anthem Insurance Companies, creating the nation's largest health benefits company with nearly 35 million members.

At the conclusion of this merger the focus of the WellPoint executive leadership team turned toward the development of a strategy to ensure the long-term growth and success of the newly formed company as well as meeting the short-term expectations of our shareholders.

A key component of this new strategy was the creation of a workforce capable of leading a health care revolution. Leaders throughout the organization began to realize that in order to achieve this vision they needed to gain a deeper understanding of the company's strategy, the external factors driving the strategy, and how their decisions and actions impact that strategy.

The Beginning of Alignment

Shortly after the Executive Strategy was implemented throughout the organization the WellPoint Leadership Development (WLD) team began receiving frequent training requests from business leaders across the

organization for a variety of topics all loosely related to gaining a better understanding of the how the company operates...what was commonly referred to as the "WellPoint 101."

At the time, the WLD team did not see the connection between these seemingly random requests and the launch of the Executive Strategy. As a result, Learning Consultants from the team followed up with these business leaders in order to gain a better understanding of what they were trying to accomplish and the skills gaps needing attention. During a regular staff meeting the WLD team reviewed the notes from these sessions and began to see a pattern emerging in the training these business leaders were requesting and the driver behind their requests. Ultimately, we identified the need for a new competency focused on building better business acumen as essential for accomplishment of our Executive Strategy.

With this realization came the need to find a broad-based learning solution that addressed the skills gaps of our business leaders. We also saw this as a window of opportunity to position our leadership development team as a valued partner to the business by taking what we had learned to the executive leadership team with a recommendation on how we could contribute to the success of the business strategy by focusing on developing this essential competency in our company's leaders.

The Journey

Our journey to identify a solution to address this new business acumen competency began serendipitously in the form of an e-mail from Acu-

men Learning outlining a process based on Ram Charan's book *What the CEO Wants You to Know* that would deliver a bottom line outcome of "helping all associates recognize business opportunities and make better/faster/smarter decisions that positively impact business results... i.e. like savvy business people." In a subsequent meeting with Acumen Learning we realized they would be a valuable partner in helping address both our learning needs and in translating our recommendation into the business language that would resonate with our leadership team.

In preparing to create a customized learning solution that was fully aligned with our business strategy we first set out to refine our understanding of what questions our senior executives ask on an ongoing basis to determine how WellPoint is doing. We leveraged the evidence gathered during our needs analysis to gain the initial interest of the Chief Financial Officer (CFO) and scheduled an interview with him to find out specifically what he and the CEO wanted our leaders to know about how our company operates.

The results of these interviews translated directly into the course learning objectives on the right side of this page.

At the time of this writing, we have offered this course more than 30 times across the company reaching nearly 500 leaders and associates with incredible success. To ensure continued alignment and relevance of the content we provide our latest financial and strategic planning information to Acumen Learning on a quarterly basis. This has allowed us to

Course Learning Objectives:

- » Build an understanding of the key elements all successful companies focus on so that our associates and leaders are...
 - Clear about how WellPoint makes money
 - Aligned with, and focused on, WellPoint's important business drivers
 - Able to clearly communicate WellPoint's Executive strategy and direction
- » Develop a working knowledge of WellPoint's financial statements allowing associates to analyze and impact company results
- » Determine WellPoint's performance relative to key business drivers and compare results to competition using the company's financial statements
- » Align their functional priorities with WellPoint's key business measures by creating an execution plan that will improve company performance
- » Learn a process for applying business acumen principles to business challenges to ensure the right action is taken to get the results that are most aligned to the business strategy

We exceeded the expectations of our business leaders by fully aligning our learning solution to the business strategy, and predicted a 6% improvement in productivity. This prediction was later validated by an increase in our manager effectiveness scores.

address the most pressing business issues in near “real-time.” Additionally, we scheduled quarterly follow-up calls, facilitated by Acumen Learning, for all graduates of this course in conjunction with our quarterly earnings release. This provides them an opportunity to make a greater connection of the learning objectives to our actual business results.

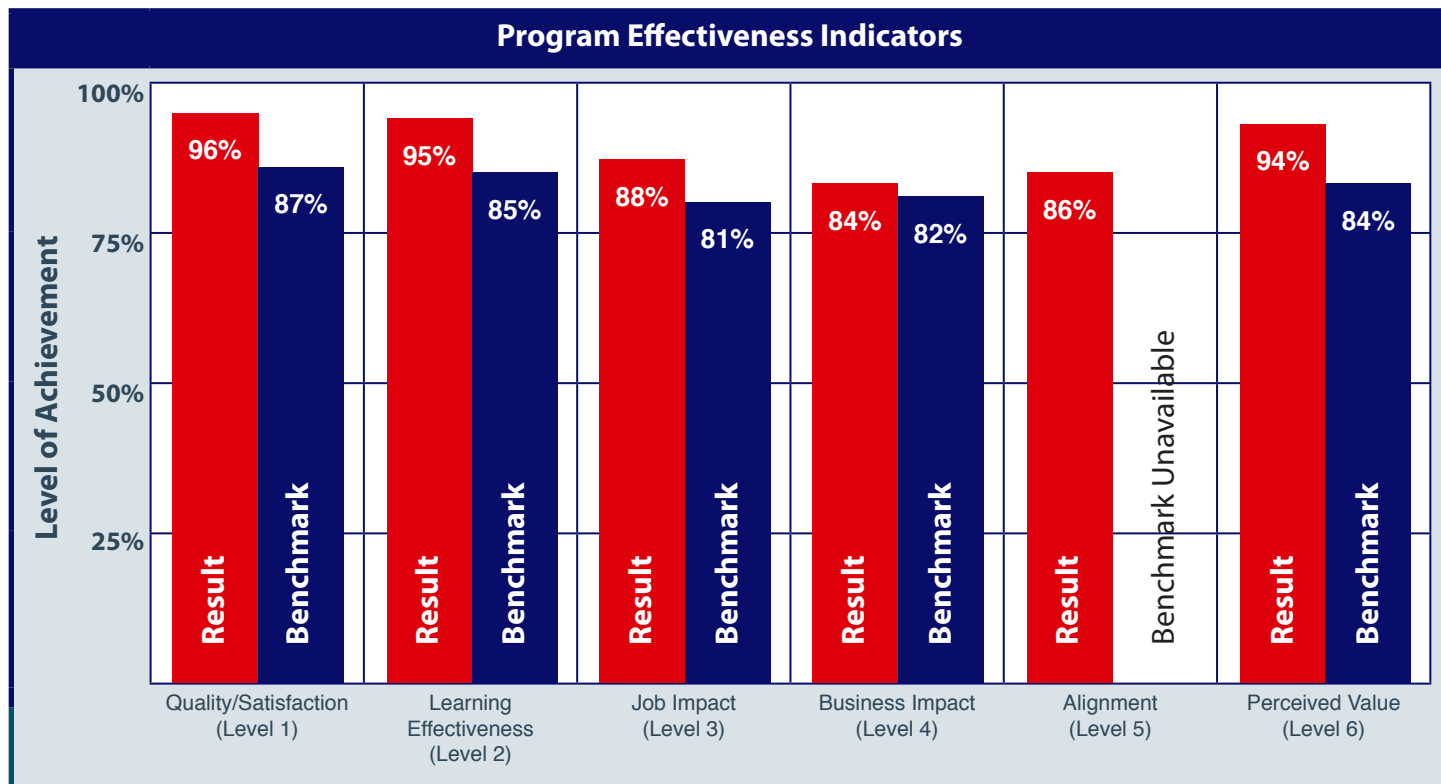
The Result – See for Yourself

As you can clearly see from the chart below, we exceeded the expecta-

tions of our business leaders by fully aligning our learning solution to the business strategy. An additional measure of our success, derived from our evaluation methodology, predicted a 6% improvement in productivity as a result of this training. This prediction was later validated by an increase in the manager effectiveness measures for those managers who graduated from this course. We measured our success for this program based on the 8 key performance indicators. Our measures are further explained in the next section of this white paper.

Lessons Learned about Aligning to Business Strategy

One year into delivering the Building Business Acumen learning solution the WLD team took an opportunity to conduct an “in-progress review.” The purpose of this session was to capture key lessons learned from our



experience with this program and to make any needed adjustments based on what we learned. These lessons became the foundation for our standard approach to identifying new strategic learning opportunities, aligning them to the business needs, gaining buy-in and support from senior leaders, and measuring the success of our programs in a meaningful way. Here is a summary of what we learned.

- » Listen to what is going on in the organization. Look for opportunities to add strategic value through learning.
- » Establish a process to ensure we are frequently cross-sharing information and connecting the dots to identify strategic opportunities and the business drivers.
- » Start small by focusing on just one skill gap that addresses an identified critical business need.
- » Engage business leaders early in the design process to clarify the business need and to define what success will look like.
- » Present findings and recommendations as a “business case” using a language our leaders understand.
- » Determine success using traditional learning measures as well as with business-oriented measures such as alignment and productivity.
- » Keep a scorecard and use the measurement outcomes to tell success stories.

Learning Objective:

Apply a successful, current, and proven model of measurement and evaluation to increase the effectiveness of your current learning initiatives.

Lessons learned about aligning to business strategy became the foundation for our standard approach to identifying new strategic learning opportunities, gaining buy-in from senior leaders, and measuring the success of our programs in a meaningful way.

The Background

Occurring concurrently with the beginning of our business acumen initiative, the WellPoint Learning Evaluation (WLE) team was formed. The purpose of this new team was to create and implement an enterprise strategy for learning measurement and evaluation. The challenge... we had no mechanisms in place to determine:

- » Whether training is effective and efficient
- » To what extent training investments bring value to the organization

As this journey began we saw a unique opportunity to ensure alignment of the business acumen training to the business needs in a simple, yet credible way.

This would be accomplished through the establishment of an evaluation system that:

- » Offered a standard, flexible measurement tool that would provide valid and reliable results
- » Leveraged technology to shift the focus of time from administering evaluations to data analysis
- » Provided an opportunity to compare learning results against internal or external goals, benchmarks, or other business results

What is Desired Versus What is Measured

» ROI:



43% want it measured
3-5% measure it

» Business Impact:



72% want it measured
10% measure it

» Job Impact:



76% want it measured
14% measure it

» Total Cost:



47% want it measured
37% measure it

» Satisfaction Level:



43% want it measured
81% measure it

» Completions:



33% want it measured
88% measure it

» Enrollments:



31% want it measured
86% measure it

Source: Bersin & Associates 2006

In this section of the white paper we will share with you the process we used to establish a simple, yet robust, evaluation system. At the end we will show you how this strategy helped us make better decisions to continuously improve the Building Business Acumen course and ensure it was aligned with the business needs.

Trends in Learning Measurement

In the beginning we focused our learning evaluation on volumetric data instead of on what was most important to our business leaders. Our leaders said they wanted to know:

- » What impact the training had on the individual's job performance
- » What impact the training had on business performance
- » What was their return on the training investment

Research conducted by Bersin & Associates indicated that WellPoint was not much different than most organizations in how we measured the success of our learning programs:

- » 76% want to measure job impact, yet only 14% do
- » 72% want to measure business impact, but only 8-10% do
- » 43% want ROI data; yet only 3-5% measure it
- » Only 31% consider course enrollments and completions valuable, yet 88% measure it

Based on this study our goal was clear: deliver what our business leaders wanted!

When Good Enough Is Better Than Great

The first step was to create a learning evaluation system that was business-

centric model and that included key performance metrics that provided real-time, actionable data for decision making. The key was to focus on providing reasonable measures instead of precise measures. This slide reinforced our decision to focus on measures that were "good enough."

The Goal

Beginning with the end in mind the WLE team set out to create an evaluation system that would enable us to:

- » Determine success in achieving learning objectives
- » Determine program viability and eliminate ineffective programs
- » Measure the transfer of learning
- » Calculate the benefit-cost ratio of learning programs
- » Generate data to use in marketing future programs
- » Make better decisions related to learning resources (instructors, facilities, materials, etc.)
- » Continuously improve the quality of our learning programs
- » Enhance the accountability for learning and development

To do this a set of 8 Key Performance Indicators were identified for use in meeting these goals. These indicators would become the basis for our scorecard for all future learning events, starting with the Building Business Acumen course as a pilot.

Note about indicators: An "indicator" is an individual's assessment of a metric, rather than the metric itself. While it may be difficult or resource intensive to capture a real business measure (For example, actual productivity increase.), it is easy to capture an indicator of that measure (For example, how much more efficient

do you believe you are in performing your job after taking this course?). Research has shown that indicators received from many learners will be extremely close to actual business measures and are very actionable. Indicators are viewed as being appropriate for decision making and showcasing value to stakeholders.

1. **Quality/Satisfaction** - participant assessment of the satisfaction and quality of the learning experience (instructor, courseware, materials, delivery, program's execution against stated objectives).
2. **Learning Effectiveness** - participant estimation of how much new knowledge and skills they gained from the training.
3. **Job Impact** - participant estimations about the impact training will have on their job performance.
4. **Net Promoter (Utility)** - participant assessment of the usefulness of the training.
5. **Predicted Performance Improvement (PPI)** - the adjusted percent performance improvement due to training. The value is a result of estimation, isolation, and adjustment linking training to performance.
6. **Business Impact** - participant estimations about whether the training will impact achievement of business results.
7. **Alignment** - participant assessment of how well the course aligns with current business priorities.
8. **Perceived Value** - participant assessment of training as a worthwhile investment (time away, for career, for WLP).

The key to success in our evaluation strategy is a measurement approach that leverages technology to efficiently gather indicator data for more than 90% of our learning events in a simple, consistent, routine manner allowing us to spend more time for data analysis and less time on administration. Resources can then be deployed more effectively to the 5 – 10% of the learning activities that require a more in-depth, precise evaluation.

The Pilot Process

The Building Business Acumen course was evaluated for quality, effectiveness, and impact using indicator data. Our approach:

- » Use a standard evaluation instrument to measure all iterations of the course on each of the key indicator areas
- » Collect the data using the online analytics tool Metrics That Matter™ powered by Knowledge Advisors
- » Compare class data to an external normative benchmark or more than 300,000 evaluations for reference purposes
- » Conduct an immediate post-event survey and validate results against a follow-up 60-day survey

The Survey Tool

The post event survey tool is designed to efficiently capture all of the data necessary to determine the key performance indicators.

The Key Stakeholders

A key element of a successful evaluation process is determining the key stakeholders and their needs. During this pilot the following set of stakeholders were identified by role and data needs.

Reasonable Indicators are Acceptable

Given how executives make decisions, reasonable data provided in a timely manner outweighs data with more precision delivered in a less timely manner.

Q: In your organization, what best describes the level of accuracy that analytics must have in order to be perceived as useful for information decision-making purposes for senior management?

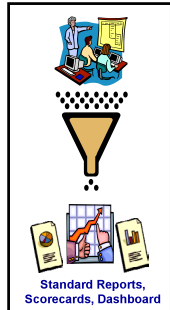


Source: Knowledge Advisors Learning Analytics Best Practices Research Study

What it Looks Like – The Measurement Approach

Indicator Data Collection (simple, consistent, routine)

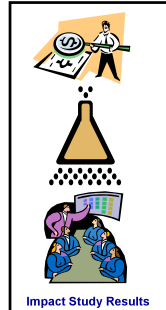
Standard, repeatable, scalable measurement for 90-100% of learning initiatives using indicators. Enabled through technology.



Research has shown that indicators received from many learners are extremely close to actual business measures and are highly actionable.

Objective Data Collection (complex)

More elaborate/tailored measurement for 5-10% of significant learning investments



Research recommends this approach be used when making significant investments in large programs in which the true business value is questioned.

Time & Resource Investment



WELLPOINT

Key Stakeholders

Course Owner: Leadership Development Team

Role - initiate, approve, or fund programs and/or support program implementation

- » Sample Data Needs - Report on overall effectiveness and efficiency of a program or group of programs

Vendor/Designers/Developers: Acumen Learning

- » Role - Develop learning programs and create learning content
- » Sample Data Needs - Scorecard of program measures including learning experience, learner impact, utility and overall quality

Instructors/Facilitators: Ben Cook & Kevin Cope

- » Role - Instruct or teach programs
- » Sample Data Needs - Variance report comparing classes to determine whether program adjustments resulted in measurable improvements

The Course Owner was provided with periodic reports illustrating 6 key performance indicators for the business acumen course. An additional job impact measure was provided called "Predictive Performance Improvement (PPI)."

The Predicted Performance Improvement measure indicates the learners estimate on how much their individual performance will improve. The aggregate results indicate a near 8% improvement is expected as a direct result of the training (estimation, isolation and adjustment linking training to performance).

The Vendor/Designer/Developer, in this case Acumen Learning received a quarterly briefing on the aggregate results of how the course was performing overall, as well as an overall scorecard view in a spreadsheet format. This provided the vendor with class level detail within each of the key performance indicator areas.

By providing this information in this scorecard format we, both Acumen Learning and the WLD team, could quickly pinpoint areas to focus on.

The final stakeholder, the Instructors/Facilitators, receive post-event reports automatically via e-mail. Three basic reports are provided as follows:

- » **Performance to Goals Report**
Similar to the Program Effectiveness Report, but focused on a particular class.
- » **Quick Question Report**
Shows the distribution of learner responses across the rating scale for all questions on the survey for a particular class.
- » **Learner Comments Report**
Provides the actual written responses to the write-in questions at the end of the survey.

The Finale - Using Data for Decisions

As our evaluation process began to produce actionable information we were able to focus on the areas that would produce the greatest improvements in course design, delivery, impact, and business alignment.

Our evaluation method delivered proof points that learning events can become more efficient and effective using key performance indicators and by leveraging technology.

Lesson Learned about Effective Evaluation

To date this evaluation methodology has been used to evaluate more than 10 courses, 50 classes, and 1000 learners. Based on a review of our evaluation process we validated that these 8 steps are critical to establishing an enduring evaluation strategy.

- » **Step 1:** Set aside your bias and be open to new ways of looking at evaluation
- » **Step 2:** Hire the right people for your evaluation team
- » **Step 3:** Know where you are currently in measuring learning effectiveness
- » **Step 4:** Determine where you need to be – set goals for learning effectiveness and efficiency
- » **Step 5:** Build a plan for how you will implement your strategy
- » **Step 6:** Identify obstacles and solutions
- » **Step 7:** Write it all down in one place
- » **Step 8:** Continually test and refine your strategy

About Acumen Learning

Acumen Learning, a leader in Business Acumen Training, helps organizations align their learning strategy with executive initiatives. We help employees, no matter their role or experience, understand how their decisions impact the company they work for, sell to, or compete against. The results are employees who understand how to make faster and more profitable business decisions.

Founded in 2002, Acumen Learning has helped design and deliver business acumen training programs for 16 of the Fortune 50 and hundreds of other companies that are renowned for their learning and development strategies.

Typical Attendee Feedback

What elements of this experience did you find most valuable?

"This will help me be a much better business partner with my clients."

"Linking how my area can have an impact on any of the 5 key elements."

"The instructor's ability to teach a complicated subject matter in a fun - interactive manner."

"Kept us focused and made the materials very interesting."

"Case studies, calculating the numbers myself, and teaching my co-workers."

"Group discussion and real-world comparisons."

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