THE IVEY ACADEMY | LafargeHolcim

STRATEGIC ALIGNMENT AT LAFARGEHOLCIM:

Building a Performance Culture

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Introduction

The Ivey Academy is Canada's leader in advanced executive education and professional development.

We work with organizations in business and government to develop executives, strengthen business acumen, and drive strategic change As a full-service learning and development house, we design and deliver executive education, executive coaching, and facilitate corporate retreats. Our programs are deeply experiential, grounded in university-based research and facilitated by expert faculty from the Ivey Business School. We promise meaningful and enduring behaviour change.

LafargeHolcim is the industry leader in building materials and solutions

We operate four business segments: Cement, Aggregates, Ready-Mix Concrete and Solutions & Products, and hold leading positions in all regions of the globe, with 75,000 employees in almost 80 countries. LafargeHolcim experts solve the building challenges that customers face around the world, whether they are building individual homes or major infrastructure projects.

Executive Summary

In 2018, following a difficult merger and several years of underperformance, incoming CEO Jan Jenisch developed a bold transformational strategy. "Strategy 2022 – Building for Growth" aimed to simplify the business and drive profitable growth. A key facet of the strategy, "Simplification and Performance," highlighted a greater focus on country-centric business units, increasing local market empowerment and accountability for profit and loss. To execute the strategy, LafargeHolcim needed a strong performance culture aligned around these goals.

In April 2018, LafargeHolcim initiated a partnership with The Ivey Academy to develop an impactful, tightly-executed executive education program for its most senior global leaders. "LafargeHolcim Leaders Program" would align the global top 200 leaders behind the new strategy, while equipping them with the knowledge and skills for leading strategy execution. The initiative was rooted in experiential learning to deliver key strategy and leadership development learnings. To reinforce alignment throughout the organization, the program was then cascaded to the next global 150 leaders, then cascaded further with local adaptation and delivery in the regions.

The first Leaders Program was delivered in August 2018. By June 2019, 350 leaders from around the world had completed the Leaders Program, and regional roll outs began. To continue the momentum, the partnership commenced a second cycle – LafargeHolcim Leaders Program II – launched in August 2019. A third cycle is scheduled to begin in Fall 2020. This partnership has played an important role in enabling LafargeHolcim to build a strong performance culture within the organization and to reach its business targets.

KEY FIGURES H1 2019:

10.8% RECURRING EBITDA GROWTH

3.5% NET SALES GROWTH

TAMINA BRIDGE, SWITZERLAND

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The Challenge

Headquartered in Zug, Switzerland, LafargeHolcim is a Swiss multinational company known primarily as a cement manufacturer and is the result of the 2015 €41B merger between the world's then two largest cement companies: France's Lafarge and Switzerland's Holcim.

According to industry observers, the merger was a difficult one. Although synergies were realized, LafargeHolcim faced a series of setbacks following the merger, including weak global economic conditions and challenges combining two different corporate cultures. Combining the two parent companies led to increased centralization for decision-making and increased reporting requirements for local business units. Well-intentioned caution and management systems started to decrease the company's ability to respond to changing market conditions, both globally and locally.

Various analyst reports pegged the value of the new LafargeHolcim share price between $80 and $100, dependent on the realization of synergies at the time of the merger. A year later, in 2016, LafargeHolcim's share price had fallen to roughly $35 and the outlook for the company was highly uncertain. Following the resignation of the CEO who had presided over the merger, LafargeHolcim's board of directors announced the appointment of Jan Jenisch to the CEO role on September 1, 2017. Jenisch had considerable experience in the related industry of construction chemical additives.

Jenisch was tasked with leading LafargeHolcim's numerous under-performing business units and putting them on the path to growth by taking advantage of the global expansion of the building materials market. Jenisch had his hands full. The company had not met financial targets in years and it was "in a very tight race" to avoid a damaging credit rating downgrade.

NEST RESEARCH BUILDING, SWITZERLAND
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PHOTOGRAPHER: HENRIK SPOHLER

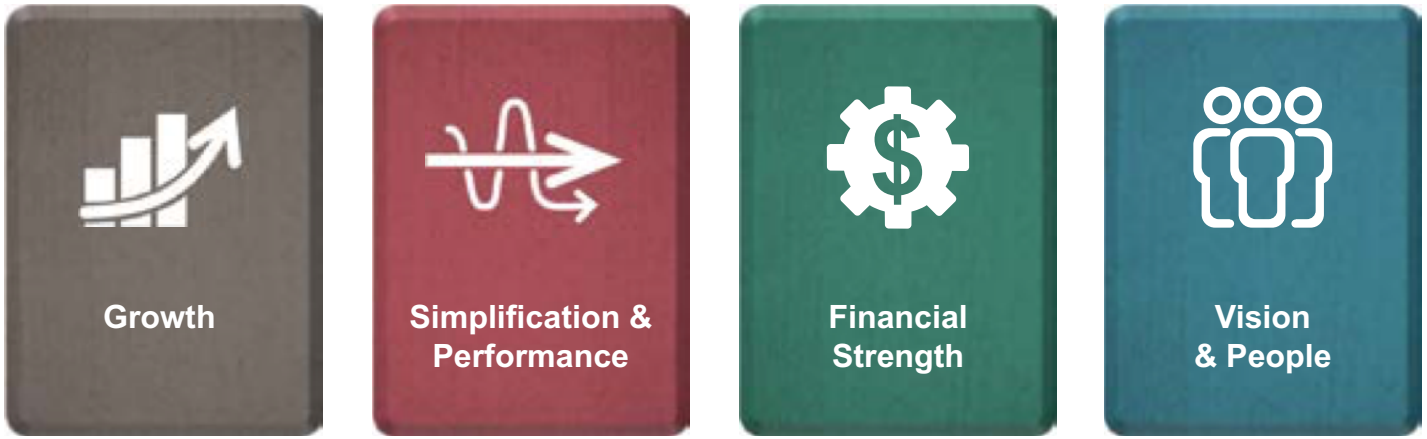
In his first few months on the job, Jan Jenisch quickly diagnosed that execution and performance were floundering. To address LafargeHolcim's performance issues, Jenisch sought to reset the corporate strategy and presented a revised strategic plan [1] in March of 2018. "Strategy 2022 – Building for Growth" was built on four value drivers: Growth, Simplification & Performance, Financial Strength, and Vision & People. [Fig. 1]

Jenisch first prioritized the Simplification & Performance pillar. [Fig. 2] He quickly removed a layer of corporate management and increased local accountability for market strategies and results in a bid to boost responsiveness, growth, and performance. "Establishing a market-focused management organization is an important step toward generating an attractive growth profile and taking the company to its next level of performance," said Jenisch. "The strengthening of the profit and loss responsibility of the countries and the simplification of global business functions will create a leaner and more agile operating model. Countries will be fully empowered and accountable for market strategies, cost discipline and results." [2] When Jenisch joined LafargeHolcim in late 2017, there were 180 leaders with profit-and-loss (P&L) responsibility. Under the new "corporate light" structure, there would be more than 500.

SIMPLIFICATION & PERFORMANCE [FIG. 2]

- Cost disciplined operating model and corporate light structure
- Implement a simpler, country-focused operating model
- Create a performance culture
- Establish P&L responsibility and accountability for all four business segments

FOUR VALUE DRIVERS [FIG. 1]



The next step in addressing Simplification & Performance was to create a performance culture. Jenisch pared down the organization-wide 150 key performance indicators to only four: net sales growth, recurring EBITDA growth, free cash flow to recurring EBITDA, and return on invested capital. But Jenisch knew that he couldn't just make these changes on paper. Leaders would need to behave differently, both in their own units and in their interactions with corporate, with customers, and with their teams. Jenisch needed to communicate to business unit leaders what it meant to be a P&L leader as well as encourage, motivate, and empower them to make strategic decisions and be held accountable for those decisions. A strong believer in the role of learning to create change, Jenisch decided to drive that transformation through an executive development program.

Jenisch sought a partner to achieve this objective. He contacted The Ivey Academy's Martha Maznevski, an expert in leadership, coaching, organizational transformation, and a faculty director of The Ivey Academy's executive education programs. The Ivey Academy's mandate from Jenisch and his executive team was to align LafargeHolcim's senior leaders to the new performance culture, to the new over-arching growth strategy, and to help them face organizational challenges while capitalizing on new opportunities to facilitate the growth of the organization as a whole.

The Ivey Academy's mandate from Jenisch and his executive team was to align LaFargeHolcim's senior leaders to the new performance culture.

THE IVEY ACADEMY'S MARTHA MAZNEVSKI

The Commitment

The commitment began in April 2018 with a meeting at LafargeHolcim's Swiss headquarters with Jenisch, Maznevski, and her Ivey colleague Tony Frost, a strategy professor. Feliciano Gonzalez Munoz, the new Chief Human Resources Officer, and Ram Muthu, global Head of Strategy also attended. Jenisch gave some initial parameters to The Ivey Academy:

- Develop the top 200 leaders, knowing that they would cascade the learning down into the organization.
- The program would be three days with an emphasis on strategy execution and leadership.
- The program would include a half day with the CEO.
- Each cohort would be approximately 25 leaders, representing geographic and business diversity.

Jenisch wanted a tight focus on strategy alignment and execution. The program should help managers understand the importance of simplification and performance and to empower them to take accountability and lead decisively. Munoz wanted the program to also help leaders develop their direct reports' and others' capabilities and initiative-taking. In his experience, LafargeHolcim leaders tended to rely on command-and-control leadership, and that would not achieve the kind of transformation LafargeHolcim needed.

All agreed that the program had to be launched quickly, that the top 200 leaders should go through the program by the end of 2018, with the impact of the program being felt throughout the company by that time. Ideally, in his upcoming field visits Jenisch hoped to see differences: clear prioritization on the new strategy, specific actions being taken to improve the four key performance indicators, and alignment among the countries' top leaders on these priorities. In HR, Munoz wanted to see evidence of leaders empowering and developing their direct reports with noticeable changes in performance. Muthu expected clearer business planning processes, more transparent reporting, and progress towards KPIs. All three wanted to see a robust network forged among geographically-dispersed leaders, enabling a culture of cross-boundary sharing and support that did not rely on hierarchy.

LafargeHolcim and The Ivey Academy agreed to partner on the development of a series of executive development programs, with the first being the Senior Leaders Program in 2018. They agreed on several key parameters:

GUAYAQUIL CEMENT PLANT, ECUADOR

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LAFARGEHOLCIM CEO JAN JENISCH

- The program would be two-and-a-half days, delivered in conference facilities near the company's headquarters. This would allow program delivery to two cohorts per week, expediting throughput. The location would facilitate participation from Executive Committee members and other senior leaders.
- The design would include one full day on strategy, one full day on leadership, and half a day with the CEO on performance management, alignment, and general discussion.
- The strategy day would center around a newly written case based on a composite of real LafargeHolcim country business unit challenges. A member of the LafargeHolcim Executive Committee would co-facilitate that day.
- The day on leadership would integrate small-group coaching with professional executive coaches.
- The program would be delivered over a condensed four week schedule between August and November 2018 to maximize organizational impact.

The financial model was a flat rate daily delivery fee to The Ivey Academy, which included development investment. Under the agreement, LafargeHolcim Human Resources (Learning & Development) would manage all logistics, including identifying and inviting participants, booking venues, and managing daily operations such as food, social activities, and materials distribution.

It was clear from the beginning that the intention was for a long-term partnership, working together on the organizational transformation beyond the delivery of the first 200 leaders through the Senior Leaders Program. The program would likely be cascaded to the next level of leaders, perhaps condensed or adapted for this level. Moreover, Jenisch and Munoz foresaw that this would be the first of two or three annual cycles of learning and development, with each successive cycle taking the company's leaders through new strategic growth phases.

> **"The program is an active element of transformation in this journey we're experiencing. It's not just a learning activity. It's not just sending people to a classroom to learn, to enjoy, to interact. It's about business transformation. All the case studies, discussions, interaction with the CEO, are focused on having an immediate impact in the way participants manage their businesses, their teams, their people, and understand themselves what the new LafargeHolcim is going forward. The program is critical for that."**

FELICIANO GONZALEZ MUNOZ

Chief Human Resources Officer, LafargeHolcim

The L&D Initiative

The initial Senior Leaders Program was designed in line with the parameters agreed upon during the commitment and were summarized as follows:

- Explore strategic choices and prioritize for execution.
- Build a toolbox of skills for managing performance.
- Build and strengthen cross-company networks.
- Inspire a culture of engagement.

LafargeHolcim Betterland. A central feature of the program was a custom-written case about a LafargeHolcim country business unit facing a variety of performance challenges. The 12-page case described the history of the business, the market, the organization, its financial results, and provided biographies of the senior leadership team. A 4-page B case gave more detail about three members of the management team, including their strengths and weaknesses as leaders in implementing strategy. Participants were asked to diagnose Betterland's problems, formulate a turnaround plan, and practice having difficult alignment conversations with their team members. Betterland was written collaboratively by Frost and Muthu with input from Jenisch, Maznevski, Munoz, the executive coaching staff, and LafargeHolcim L&D leaders to ensure it felt "real." With use, Maznevski and Frost iteratively revised the case in response to feedback from participants and Executive Committee members.

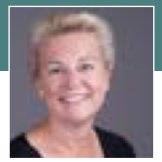
"The magic of the case was that so many people – almost everybody in the room, from country CEOs and the next level down in the countries – thought that the case was written about them. No matter how much we reassured them it was fictional, everyone could find themselves in it."

Tony Frost, Professor, The Ivey Academy

Executing Strategy: Simplification and Performance. Using the Betterland case on Day 1, participants worked in small groups to identify the problems facing Betterland, then moved to a plenary where they collectively categorized problems and prioritized them. Next, Frost provided a framework for building key elements of an execution plan and participants worked again in small groups to develop their turnaround strategy. Groups presented their plans to the class, including a member of the Executive Committee, with Frost and the Executive Committee member facilitating the discussion. Day 1 concluded with participants applying the lessons to their own businesses. In triads, they shared with each other the challenges they faced, and provided guidance to each other about what to do.

"

I think the biggest differentiator between Ivey and the other schools I've worked with, is that Ivey really listens to what the customer wants. So we've kept changing our minds a little bit, and we were very late with some of the ideas that we had, but they would always be ready to listen to us and to develop the program to our needs so that it's really a program conveying our messages, totally aligned with our strategy – which I think is something unique



URSULA STOCKER

Global Learning & Development Partner, LafargeHolcim

Leading for Implementation: Directing, Aligning and Empowering. Day 2 began with a framework for thinking about leader behaviour. A session contrasting the leadership styles of Hercules and Buddha helped leaders reflect on their own leadership and develop greater self-awareness of the impact of different behaviours. The framework provided guidance for balancing directing behaviours with empowering behaviors for gaining commitment and developing ideas and people. The remainder of this day was devoted to practice. (see Appendix A) Working in small groups with executive coaches, program participants identified the difficult conversations they needed to have to further their transformation priorities. They then practiced these conversations by role playing situations from the Betterland B case, receiving feedback from peers and the coaches. This practice helped participants transfer the lessons to their own situations, helping them to align their business unit with the new strategy.

The culmination of the program was the final half day with CEO Jan Jenisch and an open conversation about Strategy 2022. Jenisch began with an update on the company's progress, then turned to his ideas about performance management and leadership. His messages aligned with the content of the first two program days, and participants were able to apply those lessons in their discussion with him about their own company. The rest of the session was an open "Q&A" session with Jan, organized by themes. This format both created safety for sensitive topics to be discussed and invited depth around the themes. These dialogues included discussions around strategic decisions such as divestments and acquisitions, organizational restructuring, and responding to difficult markets. They also addressed internal issues such as morale.

The role play scenarios were directly tied to the Betterland case. The case featured three executives: the head of HR, the head of production, and the head of sales. Each of the three executives had performance issues in their own departments and the leader needed to confront them head-on and address them through difficult conversations in a meaningful way. The goal of the role play was to get the executives to "own" the issue – not just tell people what to do. That's what the program participants were struggling with, it was difficult for them to stop telling people what to do. That type of approach doesn't engage, doesn't motivate, it doesn't impart a sense of ownership. The role play was able to get participants to really engage and motivate their teams to take ownership for solving the specific underperformance issues stated in the case. Then in the coaching session we could help participants transfer those lessons to take them back to their own situations.

ANDERS FLEISCHER

Lead Executive Coach, LafargeHolcim Leaders Program

The Impact

The impact of the LafargeHolcim Leaders Program on LafargeHolcim has been truly transformative.

The condensed format of LafargeHolcim's Senior Leaders Program gave it a sense of urgency. A critical mass of leaders participated in a highly focused, structured learning initiative over four months – with half of those during the initial two weeks. Traditional learning initiatives tend to deliver over a much longer timeframe, resulting in a more muted impact. This intentionally-designed initiative provided a powerful and immediate impact and organizational shift.

Ultimately, the program's impact is evaluated by LafargeHolcim's business performance. Supported by the LafargeHolcim Leaders Program, the implementation of Strategy 2022 drove a significant turnaround for LafargeHolcim. Less than 18 months after the launch of the Leaders Program:

- All of LafargeHolcim's financial targets for 2019 were met.[3]
- Free cash flow reached a new high of CHF 3,047 million in 2019, up 79% from 2018.[3]
- Net sales were up 3.1% in 2019.[3]
- A record net income of CHF 2,072 million was achieved in 2019, 32% higher than in 2018.[3]
- Net debt was reduced from CHF 13.5 billion to CHF 8.8 billion, a reduction of 35%.[3]
- Both Moody's and Standard & Poor's upgraded LafargeHolcim's outlook to "stable" in March 2019, as a result of establishing a consistent track record of reaching financial targets and performance metrics.[4]
- Although only midway through "Strategy 2022 – Building for Growth" LafargeHolcim has achieved almost all 2022 targets.[3]

TIMELINE [FIG. 3]

SEPTEMBER 1, 2017	MARCH 2, 2018	APRIL 2018	AUGUST	NOVEMBER
Jan Jenisch appointed as CEO of LafargeHolcim.	Jan Jenisch launches LafargeHolcim's new strategy, "Strategy 2022 – Building for Growth."	The Ivey Academy team meets with Jan Jenisch and members of his executive team to discuss L&D initiative and design.	The first cohort of "LafargeHolcim Leaders Program" is delivered to LafargeHolcim senior leaders.	Final cohort of LafargeHolcim's most senior 200 leaders completes LafargeHolcim Leaders Program.

"

The program was necessary, because after the merger, we didn't have any structure or plan to develop leaders, to network, to work on things like values, on strategy, on how we implement things, how we align together with the group strategy. It was difficult. The new culture is a bit different than the Lafarge or the Holcim culture – following the merger some people were a bit lost. And I think now they cannot say anymore that they are lost. They know exactly where the company is going.

ABDEL-ILEH CHOUAR

Head of Industrial, Nigeria

Group Results by Segment Full Year	2019	2018	±%	±% LfL
Sales of Cement (mt)	207.9	221.9	-6.3	0.5
Net sales of Cement (CHFm)	17,498	18,052	-3.1	4.0
Recurring EBITDA of Cement pre-IFRS 16 (CHFm)	4,759	4,688	1.5	6.1
Recurring EBITDA margin of Cement pre-IFRS 16 (%)	27.2	26.0		
Sales of Aggregates (mt)	269.9	273.8	-1.4	-0.3
Net sales of Aggregates (CHFm)	4,125	4,091	0.8	3.5
Recurring EBITDA of Aggregates pre-IFRS 16 (CHFm)	902	893	1.0	3.0
Recurring EBITDA margin of Aggregates pre-IFRS 16 (%)	21.9	21.8		
Sales of Ready-Mix-Concrete (m m3)	47.7	50.9	-6.3	-2.0
Net sales of Ready-Mix-Concrete (CHFm)	5,289	5,481	-3.5	-0.2
Recurring EBITDA of Ready-Mix-Concrete pre-IFRS 16 (CHFm)	276	232	18.9	18.0
Recurring EBITDA margin of Ready-Mix-Concrete pre-IFRS 16 (%)	5.2	4.2		
Net sales of Solutions & Products (CHFm)	2,248	2,396	-6.2	0.2
Recurring EBITDA of Solutions & Products pre-IFRS 16 (CHFm)	217	203	7.1	20.0
Recurring EBITDA margin of Solutions & Products pre-IFRS 16 (%)	9.7	8.5		

Source: LafargeHolcim Media Release, Zug, February 27, 2020. Page 5

"There was evidence of transformational impact already by early 2019. I see it in the discussions we have in our country visits. Some of the leaders will bring up an anecdote from their experience in LafargeHolcim Leaders Program - a comment from one of the professors, or a key learning from the Betterland case that has stayed in their minds. What they learned has become embedded in their day-to-day behaviour."

Feliciano Gonzalez Munoz, Head of HR, LafargeHolcim

Anecdotally, there are also many ways to demonstrate LafargeHolcim Leaders Program's impact. CEO Jenisch regularly visits LafargeHolcim business units. On these visits, Jenisch checks the alignment of his leaders to Strategy 2022. After the launch of the Senior Leaders Program, whether he was in India, Ecuador, South Africa, or Canada East, he began to see alignment – everyone had received the same message from the LafargeHolcim Leaders Program and they were working toward achieving the goals communicated in Strategy 2022. Changes in individual leaders were also evident: people have developed new confidence, new skills, and new abilities to work in a fluid environment. They were reaching out and networking with each other to develop ideas and support changes. Jenisch and the executive team have seen a palpable transition in the state of the organization, and the change is reflected in behaviour.

There are many elements to a successful turnaround. At the core of a transformation effort is the formulation of a successful strategy. But for the strategy to be successful, it needs to be properly executed – and the leaders in the organization need the tools to enable them to execute successfully. LafargeHolcim Leaders Program has given the company's leaders the confidence in strategic execution. A turning point was signalled when Jenisch was asked a question in one of his half day sessions in an Emerging Leaders group in March 2019. Ivey's Maznevski recalls: "One participant asked: 'Jan, what was the most important thing you did for the turnaround?' It was the first time we'd seen turnaround mentioned in past tense. Up until that moment, the questions were always in present or future tense. But this question was, 'what did you do to make it successful?' It was a clear signal that helped us see that the journey was working."

Another indicator of impact is the network it built. The composition of each cohort was thoughtfully selected according to geography and culture. Relationships for supporting performance must be built not just in social networking events, but in having deep conversations about the business together. These kinds of relationships are critical for a global company like LafargeHolcim to align behind a strategy for growth, without imposing heavy management structures.

"People just feel more aligned. They're saying the same things. They're not as unsure about what to do. They're taking more ownership. I would never say that (LafargeHolcim Leaders Program) is the only thing driving that. The fact that the LafargeHolcim Leaders Program is aligned with all of the other changes that are going on in the organization, that's what's multiplying the speed and kind of turbo-boosting it. What would usually take five or six years to happen is taking two years to happen –getting the message and behaviours through the whole organization. As a result, the organization is set up for future change faster."

Martha Maznevski, Professor, The Ivey Academy

"One of the main benefits of the program for me is the ability to understand different cultural aspects. When you work in North America, your ideas are centered around North American culture. Coming to a setting like this and being able to exchange ideas and best practices with my Asian colleagues, other leaders from Europe and Africa. I'm able to get a different sense of how I might try things differently. The things I learned here will work when I apply them back home.

BRUCE WILLMER,

GM, South East Canada & Aggregates, LafargeHolcim

Seven months after initial program design, 200 leaders had graduated from the fully-customized, strategically-aligned program, with the CEO involved in each delivery. The program created energy and excitement about transforming performance within Learning and Development. As a result, LafargeHolcim decided to duplicate the program with 150 global Emerging Leaders in early 2019. Local L&D providers were trained to deliver regionally-adapted versions of the program, and the initiative became embedded throughout the organization. In November 2018, LafargeHolcim confirmed their commitment to do a second round with both Senior and Emerging Leaders in 2019-2020.

> “Having a development program where learning about strategy while learning about how the CEO wants to do strategy while developing capabilities – when all of that happens together, we get both learning and adaptability. So we increase the organizational capabilities, and at the same time, we get alignment and implement a strategy. We get sustained transformation. From an executive education program design perspective, it doesn’t get better than that.”

MARTHA MAZNEVSKI

Professor, The IveyAcademy

see next page for video

MÜLLIGEN QUARRY, SWITZERLAND

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PHOTOGRAPHER: HENRIK SPOHLER

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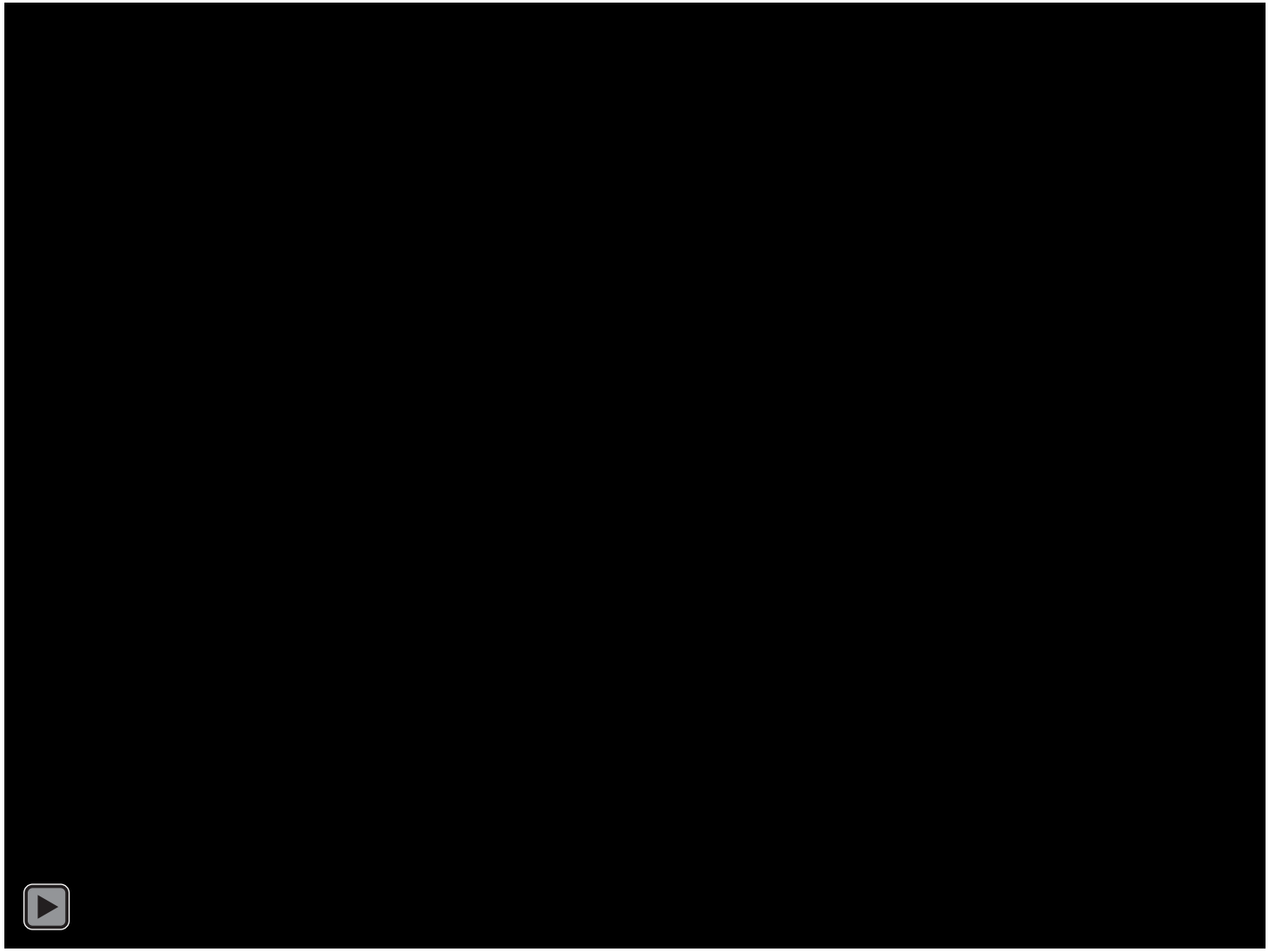

Key Players

JAN JENISCH
CEO, LAFARGEHOLCIM

MARTHA MAZNEVSKI
FACULTY DIRECTOR, THE IVEY ACADEMY

TONY FROST
FACULTY DIRECTOR, THE IVEY ACADEMY

FELICIANO GONZALEZ MUNOZ,
HEAD OF HR, LAFARGEHOLCIM

URSULA STOCKER
GLOBAL LEARNING & DEVELOPMENT PARTNER, LAFARGEHOLCIM

KAREN TAN
HEAD OF GLOBAL LEARNING & DEVELOPMENT, LAFARGEHOLCIM

RAM MUTHU
HEAD OF STRATEGY LAFARGEHOLCIM

ENDNOTES

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Ivey ranked #1 for Executive Education in Canada by *Financial Times* (2019)

THE IVEY ACADEMY'S CUSTOM PROGRAM DESIGN

An Engaging Process – A Commitment to Results

Ivey's reputation for custom program design and delivery is the result of our "blank slate" approach. We design each program based on the priorities of the client and the organizational context within which the learning takes place. The final program design comes together through a creative, iterative process.

Listen

Whether you are looking to build a specific competence, formulate a totally new strategy, change a corporate culture or accelerate a merger, Ivey will focus on your challenges in the context of your business situation and develop a value-added solution.

An Ivey Custom Program is designed to integrate with your culture, to use your language and the concepts with which your executives and managers are familiar. We take partnering seriously.

Ivey works with your existing competencies profile (and if you don't have one we'll help you develop it); incorporates the assessment tools you use (or can help you identify and select what will work for you); weaves your industry's "management language" through the process; and helps to bring along your executive team, making the program an important part of their strategic agenda.

And perhaps most importantly, our faculty will be working alongside you from the opening stages of the program design process. We believe and have proven that to be most effective, our Ivey professors must hear and assess first-hand what each client needs and expects. They are involved from the beginning through to the end of the process – committed and dedicated to your success.

Vision

Visioning is an on-going process. It continues through the life of the program, even during program delivery and evaluation. It is especially intensive during the first few months as we interview the program stakeholders and develop an informed view of your challenges and business context.

Through close collaboration and cooperation we establish a shared understanding of your development aspirations and how they fit into your organizational landscape. We link our programs and participant experiences to your business challenges and development objectives, mindful of strategy and culture.

From our initial listening and visioning we're able to calibrate the 3 – 5 high-priority objectives for the program and define them using a vocabulary that is understood by the program stakeholders. Although every program we create varies in length, the time invested in the early stages always pays significant dividends.

LISTEN › VISION › **DESIGN** › DELIVER › EVALUATE › RESULTS

Design

At Ivey we design every program to be participant-centred and highly interactive, because that's the way executives and managers learn. As clients move through the listening and visioning process we will be simultaneously developing design alternatives, or a series of prototypes for what the program and participant experience could look like. Our ideas, informed by experience, are tested on stakeholders and refined as we learn more about the organization and gather reaction to what is or isn't possible.

Ivey has an enormous amount of flexibility regarding program structures and the learning methods that we use. Our faculty approaches each program without bias, seeking to design a program that is consistent with the shared vision we've created together.

The final design will resonate with your organization, incorporating its vocabulary and culture. It will also be "malleable" and open to change for subsequent program iterations or variations as we learn more about the organization and the participants, or as objectives shift.

LISTEN › VISION › DESIGN › **DELIVER** › EVALUATE › RESULTS

Deliver

An Ivey Custom Program can change the trajectory of a career and an organization. Our professors (all full-time Ivey faculty) are committed to the success of the program, ensuring the objectives they help our clients frame early in the process are addressed and achieved.

And our professors are flexible. Working in small teams, they commit themselves for the full length of the client engagement, often team teaching alongside their colleagues or client executives, absorbing the conversations and facilitating outcomes. They have the experience to know when to push and when to pull back – but most importantly, they have the experience to keep the group engaged and focused on real outcomes with a sense of personal accountability and ownership.

Dedicated program managers support our clients and faculty to ensure that the administration, logistics and participant well-being are all looked after. Days are long and conversations intense on an Ivey Custom Program, but the results are tangible.

LISTEN › VISION › DESIGN › DELIVER › **EVALUATE** › RESULTS

Evaluate

We're successful because we listen to our clients throughout the custom program process. We're as keenly interested in hearing what you have to say at the end of the program as we are at the beginning of the program, and understanding how we can make great even better.

Together, we objectively evaluate the program's impact so we can build on our successes or create new opportunities for results. We'll also fine-tune to address evolving business and organizational realities. Program evaluations are combined with extensive client debriefs led by faculty, to help us gauge our impact relative to the original objectives. Where appropriate we introduce post-program coaching or use further assessment tools to help us (and you) dig deeper into the program outcomes.

A significant percentage of our business is from repeat clients who partner solely with Ivey for their executive development programs. We take great pride in this, as it highlights the effectiveness of our custom program process.

Results

Our clients say it best...

"We have worked with Ivey's custom programming for several years. What began as a one-time marketing event has evolved into a strategic partnership with our management team. They listen, they track results and they follow up. Ivey has been instrumental in the facilitation of Magellan's journey as a corporation."

Jo-Ann Ball, Vice President Human Resources, Magellan Aerospace Corporation

"We are glad to have Ivey as our long-standing and reliable partner in talent development for our group. Working with the business school and their faculty who listens to our needs and paces with our business visions, we have been successful in nurturing talents for our sustainable growth. We look forward to more extensive and continuous collaboration with Ivey."

Teddy Liu, General Manager – Corporate and Talent Development, New World Development Company Limited

"Ivey is a longstanding and true partner who has contributed significantly to our senior executive and talent development agenda. The faculty's deep understanding of our organization and culture is a key factor for the success of this partnership. Through in-depth consultations with our senior management team, custom designs, and insightful crafting of situation-specific internal cases, Ivey has delivered a wide spectrum of programs that are well-received by our business unit leaders and high-potential talents over the years."

Francis Tong, Group Human Resources Director, Hutchison Ports

A teaching method to ensure maximum learning retention

The Ivey Academy | November 27th, 2017

We all can remember instances in post-secondary school, a college or university lecture, a workshop, or a seminar, where we've learned something particularly relevant. Then, once we're back at home or the office, we're unable to apply a single thing that we learned the previous day. Sound familiar?

Research shows that after 30 days, only 10 per cent of the learning acquired in a passive state is retained. In a passive state, learners don't apply what they've learned.

In the 1980s, three researchers from the Center for Creative Leadership formulated a model for learning and development to determine the optimal methods of learning for successful executives. Termed the "70:20:10" model, it concludes that learners obtain 70 per cent of their knowledge from on-the-job experiences, 20 per cent from interacting with peers, and 10 per cent from formal education or training. Well-designed formal learning creates links between all of those pieces in order to maximize retention. It's one of the reasons Ivey uses the case study method to analyze business issues; learners are placed in the role of the decision maker. By tying learning to a sense of action, students retain more knowledge because it is learned in an active state instead of a passive one. Case studies allow for the participants to learn vicariously; to visualize themselves making the decision and performing the action – not only mentally, but emotionally as well. Although knowledge is important, action is truly powerful.

Learning Embedded in Action and Practice

At The Ivey Academy, we take active learning one step further by employing a process we call Learning Embedded in Action and Practice (LEAP). In order for learning to stick – to actually have an impact on how people do things and make decisions – learning must be embedded in what people are doing and how they do it. Traditional learning focuses on knowledge delivery so that only the mind is engaged. Our learning process focuses on action and practice in such a way that the learner must actively participate mentally, physically, and emotionally. This results in greater retention and applicability in a personal context. It's our way of doing executive learning, and it is rooted in the principles of what we know about the psychology of learning to ensure what is taught has a significant impact on how people behave and make decisions.

To optimize learning from LEAP, experiences must be carefully designed and implemented. While LEAP makes use of case studies, it is not limited to solely the case method. Role plays, experiential behavioural exercises, computer simulations, multi-team collaborations, mindfulness exercises, and action learning projects are all examples of how learning can be embedded in action and practice. The more intense the action and practice, the higher the potential for learning. At the same time, the learning experience must be carefully planned and facilitated. The highest intensity learning experiences offer the least control over the learning itself in real time. That's why we use only the most experienced senior faculty, expert industry practitioners, and partners to be present and ever-vigilant during the entire learning process to facilitate the learning to the next stage, no matter what issues arise throughout the journey.

The outcome of LEAP is learning that continues long after the participant has left the classroom. Learning embedded in action and practice provides incredible value to not only the participant on an individual level, but to the participant's organization. It's how we ensure that retention is maximized and behaviour change is sustained.