



Sabre's Custom Simulation Drives Leadership Excellence

Sabre
Best Advance in Leadership Development
October 2017



Company Background



Company At-a-Glance	
Headquarters	Southlake, Texas, USA
Year Founded	1960
Revenue	+\$3B
Employees	10,000
Global Scale	Americas, EMEA, APAC
Customers/Output, etc.	Customers include travel suppliers such as airlines, hotels, rental cars, rail, and cruise; travel buyers such as corporate travel agencies, online travel agencies, and travel management companies. Services have a global distribution network to facilitate transactions and custom technology solutions for travel supplier needs.
Industry	Travel/Technology
Stock Symbol	SABR
Website	www.Sabre.com

Budget and Timeframe

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Overall budget	\$75,000 for development + \$290,000 for deliveries (2015) Similar delivery budgets for 2016 and 2017
Number of employees involved with the implementation?	2 fulltime individuals from the talent team
Number of Operations or Subject Matter Expert employees involved with the implementation?	Over 20 members of senior leadership contributed to the development of the program
Number of contractors involved with implementation	3 from BTS
Timeframe to implement	12 weeks
Start date of the program	February 2015

Business Conditions & Business Needs

Sabre, after going public, recognized the need to operate in a materially different way and identified key gaps that needed to be addressed in the mid/senior leadership within the organization.

1. The matrixed structure of the organization and rigid silos prevented cross-functional collaboration and information sharing across the enterprise.
2. Financial knowledge within the target population was low on average, preventing a sophisticated understanding when looking at financial metrics or talking about them.
3. Leadership capabilities were not driving the results necessary for accelerated growth, and teams were not being developed to their full potential.

Overview

The Sabre Leadership Excellence program brought together directors and VPs from across the organization for a three-day, immersive experience to drive collaboration, increase financial understanding, gain an enterprise view of the business, and increase leadership capabilities.

The course featured an enterprise simulation that was custom built for Sabre with various teaching pieces around financial understanding, leadership, and practical applications that could be brought back to the job.

Goals of the Program

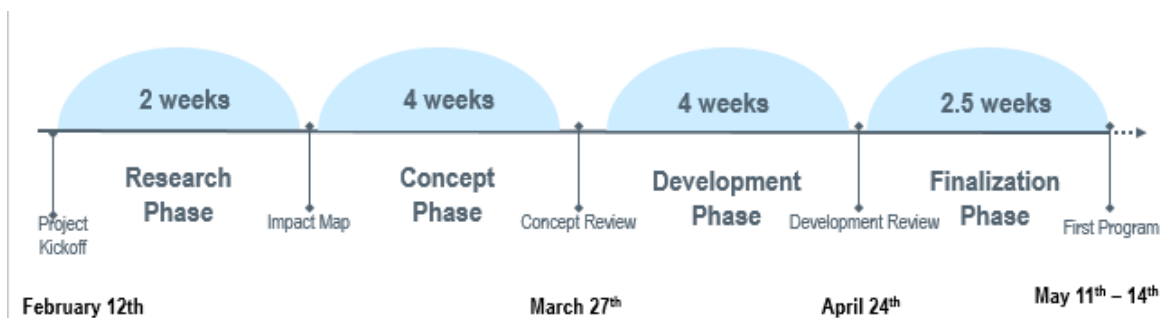
- **Improve decision-making.** Through enhanced business acumen, equip leaders with a more holistic understanding of the business to increase the quality of decisions.
- **Understand how each Sabre employee contributes.** Informed leaders need to understand how each employee contributes to financial success and about the importance of being able to translate corporate strategy from a high level through the organization and communicate how each employee's day to day tasks align to the overall objectives of the organization.
- **Identify opportunities to create additional value.** Give leaders a view of different products and services that can create additional value for customers and understand the engines that power the two business units and potential opportunities within each market.
- **Balance short-term needs and long-term objectives of Sabre strategy.** Help leaders understand how being either too short term or too long term focused can be harmful to the growth and sustainability of the business.
- **Collaborate across functions and business units.** Optimize the return on Sabre's enterprise assets and capabilities by striving: Strove for maximum diversity within the classroom, exposing leaders to colleagues from different parts of the business and increasing the opportunity to network and learn from others. Different perspectives and priorities helped the leaders see the far-reaching impacts of some of their actions.
- **Embrace the leadership behaviors that empower innovation and productivity.** Use the Multipliers content to shift leaders' mindsets and assumptions to improve their interactions with team members.



Design and Delivery of the Program

Sabre developed the program collaboratively with BTS, a global strategy implementation consulting firm, over the course of 12 weeks with two phase-gate reviews.

Figure 1: 12-Week Course Schedule



Source: Sabre 2017

The process started with more than 20 interviews with senior leaders to get a firm understanding of the challenges and organizational constraints that Sabre operates under.

Consolidating and analyzing the data from interviews along with financial data and strategy documents, BTS and Sabre came up with an Impact Map, which was the blueprint for developing the solution.

The Impact Map effectively connects the business objectives with the program objectives by highlighting the skills and knowledge needed to drive the desired change in behavior.

Figure 2: Impact Map

Knowledge & Skills	Behavior Changes	Key Results	Goals & Objectives
<p>Understanding how we can help customers succeed by shifting from a travel products provider to a travel ecosystem innovator</p> <p>Adopt a One Sabre perspective by understanding Sabre's revenue and business models in each BU and how functional and BU decisions impact the financials and operations of the entire organization</p> <p>Recognize the short term and long term tradeoffs of our decisions in the context of constrained resources and evolving customer trends</p> <p>Understand the financial and operational challenges of shifting to a scalable, platform business model and the correct actions to take and mindset to have for a successful transition</p> <p>Develop the proper mindset (ownership, entrepreneurial, results driven) and communication skills (influence, collaborate, business cases) necessary to lead and fulfill Sabre's goals</p> <p>Understand "multiplier" and "diminisher" mindsets and what it takes to attract and retain top talent</p>	<p>Start with the customer in mind and prioritize investments and resources based on customer needs and the best opportunities to reach our goals</p> <p>Lead customer conversations from a One Sabre perspective - using data, analytics, thought leadership, forward thinking technology, and innovation to demonstrate and drive value</p> <p>Make decisions from a One Sabre perspective by collaborating cross-BU and cross-functionally and by analyzing short term versus long term ROI for the BUs and the entire organization</p> <p>Encourage and take smart risks based on analytics, customer insights, and ROI; acknowledge mistakes, learn from them, fail fast and work smarter</p> <p>Take action with greater speed in the face of ambiguity and lack of data</p> <p>Deliver influential messages and presentations to our teams and higher level executives that demonstrate an inspirational leader that is results driven and accountable to reach our goals</p> <p>Utilize the full intelligence and capabilities of our people through Multiplier behaviors</p>	<p>Create innovative end-to-end customer solutions adopted in the marketplace by leveraging the capability of the entire enterprise</p> <p>Achieve an optimal balance of meeting our growth goals while maximizing our shift to a scalable, platform business model; recognize and invest in the biggest opportunities for growth</p> <p>Achieve ultra-engagement with customers by having transformed the way we lead and interact with our customers and each other</p> <p>Innovate in everything we do including new business models, service models, and delivery models; stay ahead of the ever-changing technology trends in the travel industry</p> <p>Build a high performance culture exemplified by our leader's relentless pursuit to inspire, innovate, enable our people to perform at their highest, and exceed our growth goals</p>	<p>Grow revenue at or above our BU and organizational CAGR goals (TN: 8 - 9%, AS: 9-15%, SHS: 20%, Sabre: 10 - 20%)</p> <p>Increase EBITDA growth (TN: 1-2%, AS & SHS: 2X Revenue CAGR) to drive investments for growth in each BU</p> <p>Be recognized by all our stakeholders as an innovative technology company that leads the travel industry by helping its customers</p> <p>Attract, develop, inspire, and retain top level talent</p>

Source: Sabre 2017

Using the Impact Map as a foundation, the two project teams spent four weeks developing the program's concept:

- Creating the overall flow of the experience.
- Solidifying the learning points.
- Formulating high-level metrics, investment decisions, and story arcs for the simulation.
- Codifying how best to deploy the program.

Then the concept was reviewed by a steering committee of different stakeholders. The steering committee was made up of different leaders from across the business to ensure that the solution accurately represented the various priorities across functions and divisions of the organization.

Once the concept was approved, the project team took the next four weeks developing and testing the dynamic market models within the simulation, customizing the Multipliers content to conform to Sabre's internal culture, creating a consistent thematic message

over the three-day experience, and ensuring that a diverse set of mediums were employed to continually engage participants.

At the end of the four weeks, the steering committee reviewed and provided feedback on the simulation. The final two weeks were spent making edits and preparing for the pilot program.

Delivery

The pilot program ran at Sabre headquarters and was then rolled out globally. Programs have been run in Texas, Poland, the UK, and Singapore. Each location brings a diverse set of participants from around the globe and across the business.

Prior to each program, pre-work is sent to participants to prepare them for the session. Participants are given a case study on the simulation, an article on Multipliers, and an impact-map exercise to complete with their managers to align expectations for the program. This pre-work prepares participants to grapple with enterprise strategy, leadership styles, and cross-functional collaboration in a safe environment.

The program is a three-day, immersive seminar that integrates strategy, finance, and leadership. The content is customized to Sabre's business realities, and is created and facilitated in a way to bring forward the intersection of those different topics.

Throughout the three days, participants go through several "Do/Reflect/Apply" cycles. The simulation covers three "business years" over three rounds. Between each round, participants receive knowledge sessions on topics they can apply back in the simulation as part of their strategy. To codify the learnings of the knowledge sessions, leaders are given role play/application exercises and white space to reflect on how they can use the learnings on the job.

Between rounds, participants also receive feedback on how they performed in the simulation, linking the decisions they made to the results they were able to achieve. They receive financial information on their simulated companies and soft metrics such as employee engagement and customer satisfaction. Armed with a full competitive analysis, participants are able to better execute in subsequent rounds and adapt their strategy, if necessary.

Measurements are taken before and after the program in an effort to quantify its efficacy and continue to refine and improve it. Overall, the Knowledge Transfer survey showed a 20% increase in the capabilities targeted with the program.

Finally, to promote deeper networking outside the boundaries of the cohort, each program includes an executive networking session. The networking is done at a luncheon or happy hour.

Executives local to the office and alumni of the program are invited to interact and share stories with participants to develop relationships and promote camaraderie within the leadership community.

Adoption of the Program

This program is currently the only one at Sabre that participants need to be nominated to attend. Every year during the first quarter, the talent team runs the annual Organizational Talent Review process, and only those identified as having very high potential are selected to receive an invitation to attend the Leadership Excellence course.

While the candidates who are selected are identified as those with significant potential, many of them have a wealth of previous experience and have had successful careers. Most participants join the classroom with meaningful leadership experience and a good understanding of business principles. Many participants are managing large teams, that often are spread across multiple geographies.

Overcoming the skepticism that a three-day training course is worth missing three working days, if not an entire work week given travel, is a large challenge that needed to be overcome.

Several strategies to combat such skepticism have been implemented:

- The pre-program alignment meeting with the participant's manager begins to highlight the importance and investment made in this training.
- Consistent messaging from the leadership of the organization further enforces the significance.
- Delivery of the program allows participants to come to their own conclusions versus facilitators telling participants what to think and how to interact. Facilitating discussions and creating a space where participants can self-discover and learn from their peers creates stronger cohesion among the cohort and increases engagement. By the end of the experience, some participants have even voiced disappointment that the course was only three days and wished it had been longer.

The program has developed a great reputation within the company. Participants leave the program energized and word-of-mouth endorsements and recommendations have been strong. The number of candidates and interest has continued to grow, so much that, in 2016, the capacity of the course was overshoot and still had candidates on a wait list who were eager to participate. Senior executives, including the CFO, have asked how they and their teams can be more involved in supporting the program.

Measurable Benefits

Measurements were taken before, during, and after the program: net promoter score survey, knowledge transfer survey, and action tracking system. Some internal metrics for participants were tracked and compared to the general population at Sabre.

Results for 2016

The Average Net Promoter Score was 80, from a range of -100 to +100. This score indicates that 80% of participants who attended the course found it so valuable that they would highly recommend it to a colleague.

Highlights

The program showed an aggregate knowledge transfer of 20%, which is a full category shift. The largest gains in capabilities were:

- **27% increase.** “Clarify the high leverage drivers of value creation for Sabre.”
- **25% increase.** “Identify and take steps to align competing financial and operational goals, and short-term and long-term decisions.”
- **25% increase.** “Allocate my scarce resources according to the drivers of profitability and shareholder value for Sabre.”

Participants’ Feedback

“Great energy, fun simulation, excellent facilitation. Great job!”

“Excellent gameplay, realistic and relevant. Best training I’ve had! Good job!”

“Loved it. Great facilitators. I can truly apply my learnings.”

“Great takeaways for more effective leadership and this exercise provides awareness that makes you appreciate the difficulties of big tradeoffs decisions.”



Figure 3: Participant Survey – Taken Before and After the Program

How equipped are you to demonstrate the capabilities below?

	<i>Fully Equipped</i>		<i>Somewhat Equipped</i>		<i>Not Equipped</i>
	5	4	3	2	1
Communicate a holistic view of our business model to others					
Clarify the high leverage drivers of value creation for Sabre					
Delineate how my team and I contribute to Sabre's brand value and overall value to customers					
Identify and analyze opportunities to improve operational efficiency through organizational alignment and the One Sabre concept					
Apply quantitative principles of business and financial acumen in the decision-making process					
Identify and take steps to align competing financial and operational goals, and short-term and long-term decisions					
Clarify our unique differentiation in our market, and communicate it to others in a clear and concise way					
Allocate my scarce resources according to drivers of profitability and shareholder value for Sabre					
I can clearly delineate the strengths and weaknesses in my people leadership capabilities, and can identify which of my behaviors expand my people's capabilities and capacity, and those that diminish it					

Source: Sabre 2017

By the end of the program, there was not a single participant who felt “not equipped.” The increase from pre-program to post-program in the top two categories (4-5) was 52% to an impressive 90%.

Action Tracking

Following the program, participants submitted personalized actions that they were committing to taking. In the class, each participant elected an accountability partner who was asked to verify completion of the actions. This method instilled an extra layer of

accountability and continued to reinforce interactions among the cohort after the classroom experience. Upon completion, participants were asked to report any results or impacts of their actions.

Figure 4: Highlights

Action	Outcome
By July 27, 2016, I will teach my team the curriculum for debate makers and take the team through an exercise to practice their debating skills.	I built a 30+ slide PowerPoint deck and took the team through a debate exercise which made the team feel empowered and appreciated
I want to discover what native genius skills that my directs have that I may not be aware of during our next strategy session scheduled for October.	I completed this exercise in my last strategy session and have already delegated new tasks to leaders based on discovery of their “genius skills.”
Share the “accidental diminishers” framework with my team and ask them to hold me and each other accountable to calling out those behaviors when we see them.	My teammates are using the tool with their businesses to help them recognize diminishing behaviors that negatively impact the business and change their approach.
By end of month, I will share key learnings from this class w/my leadership team – specifically the value drivers of the solutions businesses. This will help my team be better enterprise leaders.	The team has a renewed focus on the value of platform solutions and the need to collaborate w/ other business units

*Some outcomes have been paraphrased.

Source: Sabre 2017

When comparing the attrition rate of leaders who went through the Leadership Excellence experience to those of the overall Sabre population, the numbers were significant. Voluntary attrition for Sabre is 9.7%, while the attrition rate of Leadership Excellence alumni is only 0.5%.

Overall

Key Findings and Lessons Learned

After analyzing the investment decisions in the simulation and the observations gathered at the program, these findings came to light:

- While leaders understood that increasing incentives (getting into a price war) is a bad idea in an isolated business challenge, they consistently raised incentives in their simulated companies to try to steal market share (without a corresponding price increase to maintain margin) when executing yearly operations. This highlighted a need for leaders to better understand and internalize the large financial impact that incentives can have on the organization.

Figure 5: Business Challenge

The competition is offering four times the upfront incentives and we fear potentially losing agencies from the GDS

	Percentage
Fight fire with fire and increase agency incentives	26%
Do nothing	5%
Increase support and service levels	68%

*Paraphrased scenario and options

Source: Sabre 2017

Figure 6: Yearly Operational Decisions

INCENTIVES	From Y0 to Y3	PRICE	From Y0 to Y3
Increase in agency incentives	79%	Price increase	32%
Decrease in agency incentives	5%	Price decrease	37%
Hold agency incentives flat	16%	Hold price flat	32%

Source: Sabre 2017

- Another business challenge revealed that leaders focus on their top talent and often look at retaining that talent primarily through financial means. Leaders also did not consider the intrinsic motivations of team members or leverage non-monetary motivation tools. This result was identified as an opportunity for leaders to think more creatively about how to develop and retain talent and for the



organization as a whole to become more aware of the non-financial development/retention tools that already exist.

- When comparing answers across the Leadership Excellence population with the Business Dynamics population (individual contributor and frontline manager) on their willingness to collaborate across functions, there was a surprising result. The more senior leaders were less willing to partner and more interested in hunting revenue. This attitude brought to light some aspects of the sales-driven culture inside the organization where a lot of that mindset originated. This result further emphasized the need for leaders to first understand, then implement, and finally communicate the benefits of cross-functional collaboration both for internal efficiency and for Sabre’s ability to deliver superior value to customers.

Figure 7: Leadership Excellence and Business Dynamics Responses

An airline is currently only using one our products. Multiple attempts to sell additional services have been made in the past but thus far they have been unsuccessful. A new deal could help us make quarterly numbers

Leadership Excellence Responses	Percentage
Fish elsewhere and don't waste anymore time with this customer	21%
Move quickly and try to get a deal closed	21%
Partner with Engineering and come up with a better value proposition	58%

Business Dynamics Responses	Percentage
Fish elsewhere and don't waste anymore time with this customer	0%
Move quickly and try to get a deal closed	12%
Partner with Engineering and come up with a better value proposition	88%

*Paraphrased scenario and options

Source: Sabre 2017

Based on these findings, the project team will begin the process of filling some of those gaps and addressing some of the issues. Whether there is a higher emphasis on the topics during the Leadership Excellence program or whether they should be tackled with other means has yet to be decided.

What’s Next?

As Sabre enters a new era of change with a new CEO and several new faces in the executive ranks, leaders and future leaders within the organization need to be ready to take on the challenges of tomorrow.



Leadership Excellence remains the flagship development program in the Sabre curriculum and consistently goes through improvements and iterations. The project team has plans to review and update the business challenges to closer reflect the environment and realities of today.

Since the launch of Leadership Excellence, Sabre has collaborated with BTS on two other programs: Business Dynamics, targeted at individual contributors and frontline managers to increase business acumen and financial understanding, and Sabre iLead, targeted at senior managers and directors and focused on developing leadership skills and capabilities.

The project team seeks to create continuity through the programs to align Sabre from top to bottom.

Finally, Sabre codified the behavioral characteristics that separate great leaders from the not-so-great leaders at Sabre. A profile highlights the great behavioral characteristics and a playbook identifies key moments when those behaviors arose. The plan is to interweave the profile/playbook content into the Leadership Excellence program to enhance it.



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