

Schneider’s ‘Leadership for Profitable Growth’ Increases Business Despite Worldwide Pandemic

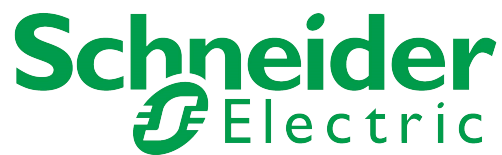
Schneider Electric and CrossKnowledge

Best Use of a Blended Learning Program

May 2022



Company Background



Company-at-a-Glance	Schneider Electric
Headquarters	Rueil-Malmaison, France
Year Founded	1836
Revenue	€25.7 billion
Employees	140,000
Global Scale	100 countries
Customers/Output, etc.	Global leader in energy management and automation for homes, buildings, data centers, infrastructure installations and industrial plants across the world
Industry	Energy management and automation
Stock Symbol	SU.EN
Website	www.schneider-electric.com

Company Background



Company-at-a-Glance	CrossKnowledge
Headquarters	Hoboken, NJ
Year Founded	2000
Revenue	\$70 million
Employees	350+
Global Scale	Worldwide
Customers/Output, etc.	<p>CrossKnowledge delivers an integrated and personalized learning experience: a unique combination of digital content for the most in-demand skills created with world-renowned experts, a learning platform built with human and artificial intelligence, and unmatched accountability with a dedicated Client Success Team. That’s what makes CrossKnowledge the trusted learning partner of organizations, helping L&D, managers and learners acquire the skills they need to succeed.</p> <p>Part of Wiley, one of the world’s largest research and education providers, CrossKnowledge has 20 years of experience in digital learning, serving over 12 million learners in 130 countries.</p>
Industry	Digital Learning
Stock Symbol	NYSE: JWA
Website	www.crossknowledge.com

Budget and Timeframe

Overall budget	€500,00
Number of (HR, Learning, Talent) Employees involved with the implementation?	A steering committee of four helped with influencing and taking key decisions. Two program leaders designed, developed and supervised the program learning experience production and content asset build. Three cohort deployment managers and four back-end support staff were needed to implement and deploy the masterclass. In total, 12 people from Schneider Electric were involved.
Number of Operations or Subject Matter Expert employees involved with the implementation?	A cross-business, cross-functional team of 15 experts was involved in the expert content creation of the program. Experts from Investor Relations, the Transactional, System and Services businesses as well as Cost Control all contributed.
Number of contractors involved with implementation	Two external providers were involved: Professor Olivier Tabatoni, Professor of Finance & Strategy, and First Finance.
Timeframe to implement	Six months to design and digitalize the training and build it into the Learning Experience Platform for deployment
Start date of the program	April 2020

Business Conditions and Business Needs

While Schneider continued to create a world-class business portfolio and quietly reshaped its business model from product-centric to platform business over the past 10 years, the senior leadership community and the external investors were not necessarily fully aligned and able to see the significant value creation and opportunity this strategic shift created. Growing from a €6 billion to €26 billion revenue business over a decade, Schneider faced a unique challenge of now seeing itself — and indeed selling itself to investors — as a major multi-national and industry shaper. Further, achieving profitable growth in the transformation remained a clear business and financial concern with margin improvement continuing to be a major focus for the executive committee.

Therefore, Jean-Pascal Tricoire, the Chairman and CEO, outlined the urgent need to create a compelling leadership learning and engagement experience that would, at the same time, both educate the senior leaders about the overall operating model, its value creation, and its synergies, while also ensuring leaders understood the need for a laser-

sharp focus on delivering profitable growth to fund future innovation and to capture the opportunities opening up to the company with the shifting market conditions and customer needs.

In 2019, Schneider committed to reach a 17% profit margin by year-end 2021 (pre-COVID situation).

This is how the Leadership for Profitable Growth (LfPG) journey started. The first target was the Country Presidents and Country Finance Officers (about 120 people). A three-day face-to-face training was designed and delivered in four sessions (Paris, Sao Paulo, Dubai and Hong Kong) in early 2019 to kick-start the overall learning. The program was a huge success, based on data from participant feedback as well as the direct observations and comments from the executive vice presidents of the Europe and International Operations businesses. The question now was, “how can the high value, impact and immediate performance gains of this program be accelerated to reach the top 1,000 leaders globally to multiply the value creation and aligned experience?” It was determined that the only viable way to complete the mission was to design a fully digital learning and deployment model so that it could be delivered rapidly, cost-effectively, and at scale. A feat of this size, time commitment from participants and delivery method (multimodal digital) had never been done before within the company. There was little participant experience of MOOCs or other completely digital, online experiences, thus creating a demanding and high-risk change management and learning challenge to guarantee engagement and success.

The core idea was to reinforce leaders' financial acumen — linking it to the company strategy on the core business models (Transactional, Systems and Services) — and at the same time outline the requirements of leadership to achieve strong continual growth (for example, clearly describing the paradox and difficult choices leaders face in delivering short-term results while at the same time reinvesting in innovation and future people talent to create profitable lines of business within the next three to five years). All of this was brought together through a clearly structured curriculum which incorporated external business school faculty content to teach core principals, internal subject matter and business experts to bring the specific Schneider context, case studies and applications, and a business simulation to create a highly engaging and “friendly competitive” learning process to keep learners on-track over a five-week learning period

The final major factor which drastically affirmed the need as well as reinforcing the choice of multimodal digital deployment, was the global impact of the pandemic in early 2020 — just as the content design, video and digital assets were being created. This final aspect only heightened the opportunity of deploying a significant and urgent leadership learning

need just when it was most likely to positively impact business and financial decision making as the world reeled from the terrible consequences of COVID 19.

Overview

This fully digital “executive masterclass” length is 15 hours in total: Three hours per week delivered over five weeks in large cohort sizes of approximately 120-150 participants. The program was branded as an “executive masterclass” both to communicate that the content and focus was tailored to busy executives and also to signal that this would be the first of a number of future multi-modal digital learning experiences crafted for them.

The audience was the top 1,000 Leaders of Schneider Electric, based all over the world. The program was delivered in English given that it is the official operating language of the company. Participants included Business Vice Presidents, Country operations and commercial leaders, Support function leaders including HR, Marketing Strategy, Legal and Digital, Joint Venture Senior Vice Presidents — all with different levels of knowledge of Schneider’s business models, Finance and Strategy. Many of the participants had participated in world-class level leadership development programs over the past few years and therefore expectations for the experience, engagement and content of the program were very high

The decision was made to make it mandatory for everyone in that group, whatever the hierarchy — from VPs to SVPs to EVPs, regardless of the organization — all geographies, all business units, all functions, whatever the role — including Operations and Support functions alike.

The masterclass combined:

- Markets and Financial theory with a finance professor,
- Schneider applications with the three core business models, and
- A business game simulation (objective: achieve the highest share price)

Each week of learning had the same overall learning structure: a blend between Finance theory with the external professor, Schneider-specific content and a business game decision as well as a weekly reinforcement quiz.

The content was split in three parts; first, Finance theory taught by Olivier Tabatoni, a professor of Finance and Strategy who more generally focuses on the interactions between Strategy, Finance, and Leadership. This associated with a business simulation in form of a serious online game that he developed to support his teachings. Embedded with what it means at Schneider level, through Investors Relations’ perspective, the three main business models and cost controlling.

Figure 1: Executive Masterclass

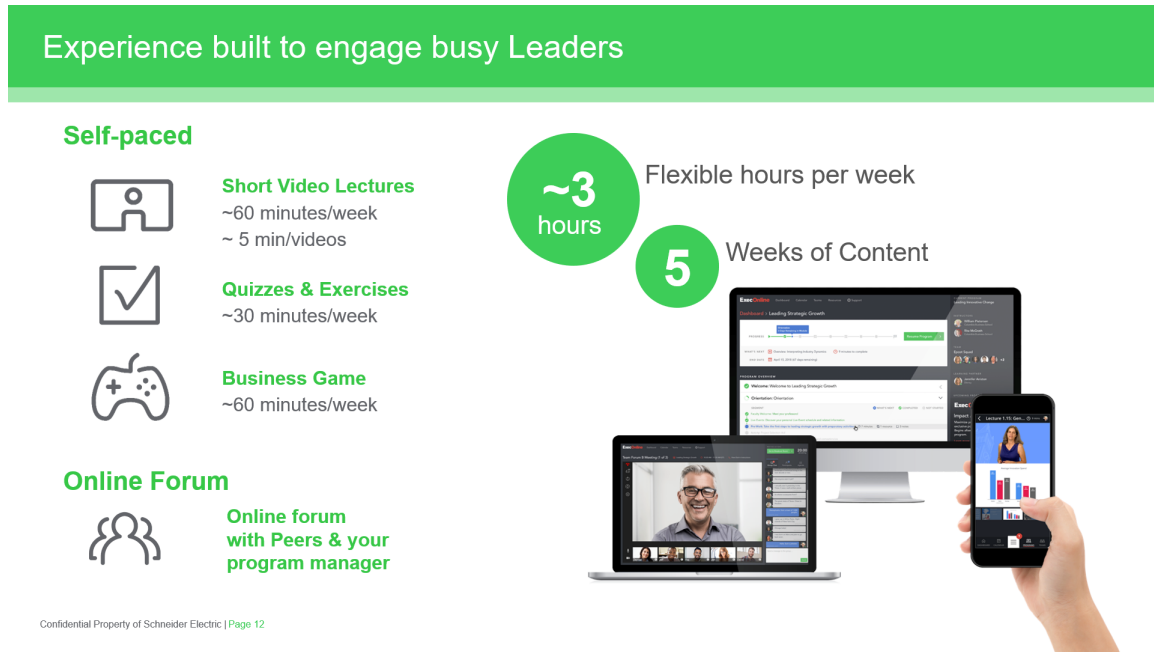


The figure above outlines the learning flow, key learning points and various learning activities (mini lecturette videos, quizzes, discovery facilitation, case exercises, readings, excel modeling activities, P&L exercises, and business simulation), all delivered with a multi-modal digital environment.

Additionally, given that the Schneider Leadership & Finance Academies (the designers of the program) understood from other digital initiatives that senior leaders respond strongly to video content, there was a very large focus on creating an “in room/live” feel to the key videos by live recording the key facilitators and instructors with live participants, re-enacting realistic instructor — class interactions and packaging this carefully into a highly engaging set of videos.

The learning was designed to be deployed asynchronously to allow individual learners to complete the learning at times in the week which best suited their calendar and commitments. The key caveats were that a business game decision was submitted each week at a clearly communicated time and that the learners progress through the program content each week to stay in the course. The CrossKnowledge Blended^x platform was used to deliver the whole program experience and it allowed the deployment management team to gamify the content, allow the learners to witness the accumulation of learning points and to properly automate and manage the learning flow.

Figure 2: Experience Built to Engage Busy Leaders



The learning impact was very important to justify both the design investment as well as the learning commitment by the leaders. A dedicated “call to action” video for participants was created for each business model to ensure there was a clear application of the key learnings.

At the highest level, a key set of success goals were established through the implementation

- Coverage 90% of the most senior leader population — Achieved
- Fully flexible design for busy agendas — Achieved
- Aligned all leaders on the same vocabulary — Achieved
- A very strong engagement and completion rate — Achieved with 96% completion rate

The program was deployed to the top 1,000 leaders globally, regardless of position, location or responsibilities. Further, the content was integrated in an existing enterprise-wide Learning Experience Platform and content offer which was purpose-made and directed to the top leadership community. This substantially reduced friction cost and adopt rates of introducing new concepts to busy leaders in a crisis management mode during the pandemic. Further, it permitted learners to socially engage with each other through the learning process, share questions, thoughts, articles and other assets to each other, and to access additional content once they completed the program in the “Alumni” section of the platform.

The program was directly tied into core business performance objectives as it was aligned to the company's strategic performance goal of "Our Equity Story":

- A simple expression of our strategic objectives and execution priorities
- A clear roadmap for driving towards financial high performance
- A commitment of reaching +17% adjusted EBITA

Design of the Program

The face-to-face sessions took place May to July 2019. The decision to go digital took place right after these sessions with budget for the project approved in November of that year.

The lead batch was piloted in May 2020, in the midst of COVID lockdowns. The email from the CHRO inviting the first wave of participants to the full deployment was launched in July 2020, one year after the last in-class session.

Between the budget validation in November 2019 and the pilot in May 2020, there were six months to design the program.

The digital platform content was based on the same content provided face-to-face and the SMEs were pretty much the same as the face-to-face ones. But help was needed to create the Digital experience and a platform to host it.

To support the team with the pedagogical side of things and Learning Design, three different vendors were contacted. After a three-month selection process, First Finance, who had a strong experience in designing Finance trainings for Executives were chosen. They helped the project team in developing the digital version of learning content (the syllabus, scripts, videos, one-pager summaries, and quizzes).

For the platform the project team settled on a combination of EdCast for the Learners Experience and CrossKnowledge Blended^x for the content delivery.

The program benefitted from a reduced core team: the Steering Committee had six members, meeting every week at first, with a clear focus on momentum and decision making to reach the goal, before moving to every fortnight. The project team benefitted from strong sponsorship, most notably from the CHRO, but with strong supporters as well, including at ExCom level. The team benefitted from the flexibility and full engagement from the Learning back-office, which helped cut through the usual red tape of shared services administration. Last but not least, the deployment managers as part of the Schneider Electric learning team were headed by a seasoned practitioner of high-level program deployment, such as the one developed with INSEAD for the Global HiPo. This all combined to a very robust project management.

Sum up of actions taken to design the program:

- Choice of external vendors between three candidates – this part took three months
- Platform benchmark with various experts: exploration of three different platforms: EdCast, CSOD and Blended^X; several meetings were required to choose the right one
- Close supervision of Subject Matter Experts scripts: the scriptwriting took three months, plus two months to validate with two validation levels two or three in each validation level)
- Weekly steerco: intensive follow-ups to make sure the sponsors were playing their roles and taking decisions
- Define and recruit in house deployment managers, training on the back office of the platform
- Multiple testing (on the go testing and improving the content)

Figure 3: Design and Delivery Timeline for the Program

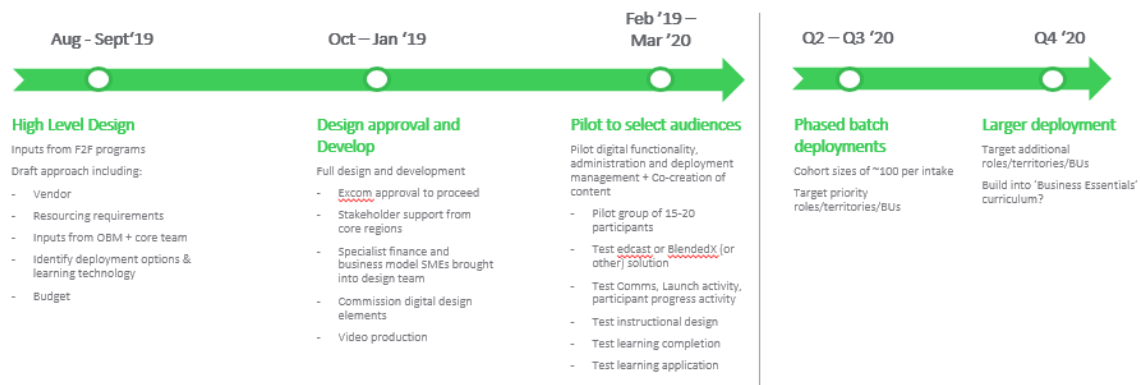


Figure 4: Weekly Project Deliverables Three Months Before the Launch of the Pilot

Weekly project deliverables

	Jan	Feb	March	April
W1	Scripts Transactional, Systems, Services – deadline 9	Filming MF / TH (3) Filming OT (13) Filming YR (1) & NV (2)	Filming Amit (5) - TBC Filming last video OT (1) Validation 3 rd batch : Week 4 & 5 OT (3+2) - 20' & Amit (5) Scoring + Integration (Videos & Exercises)	Reminder email w/ testimony - End of registration Scoring + Integration (Videos & Exercises)
W2	Scripts Transactional, Systems, Services finalization	Filming Hilary - TBC Validation 1 st batch : Week 1 & 2 OT (9) 35 min Guy & Patrick S on holidays	Validation 4 th batch : Services (6), NPMF (2) Video business game (6) Scoring + Integration (Videos & Exercises)	Buffer week
W3	Filming Stéphane M (2) Filming OT (19)	Filming JPT/EB/OBM Validation 2 nd batch : Week 3 & 4 OT (7+6) -1h & Systems (6) Scoring + Integration (Videos & Exercises) Informed Lead batch participants Financial results 20 th	Validation 5 th batch: OT (1) Business Simulation Scoring + Integration (Videos & Exercises)	Buffer week
W4	Amit script to be reviewed OT exercise validation Filming Transactional MS (2) & TP (2) & CC (3) Building 3 Prototypes Platform choice	Validation 3 rd batch : Week 4 & 5 OT (3+2) - 20' & Transactional (4) Scoring + Integration (Videos + Exercises)	Debrief on Business Simulation Scoring + Integration (Videos & Exercises) Pushmail to Top 1000 from EB + video JPT Top Pulse Push Mail	Final

Delivery of the Program

Given the seniority of the learning audience, it was essential that the user experience, learning engagement and application were all extremely high quality. Key decisions such as the self-paced, asynchronous approach, short learning “bites” design of video and content, and the competitive nature of the business simulation were all focused on creating a “wow” experience.

Participants would progressively complete the week’s content before the following week of content was “unlocked” in Blended^x every Thursday and the participants could review the results of their game decision at the same time as starting the next week’s content.

Additionally, given that a core goal of the program was to build strong financial and business acumen, the business simulation vendor also went to great lengths to innovate their game design, by creating a machine-learning-based, individualized report for each participant. This allowed the vendor to provide a report that was learning-oriented, took into account the specific decisions within the context of the learner’s financial scenario, and provide targeted and tailored points of feedback and hints, tips and advice for improving their decision making and performance.

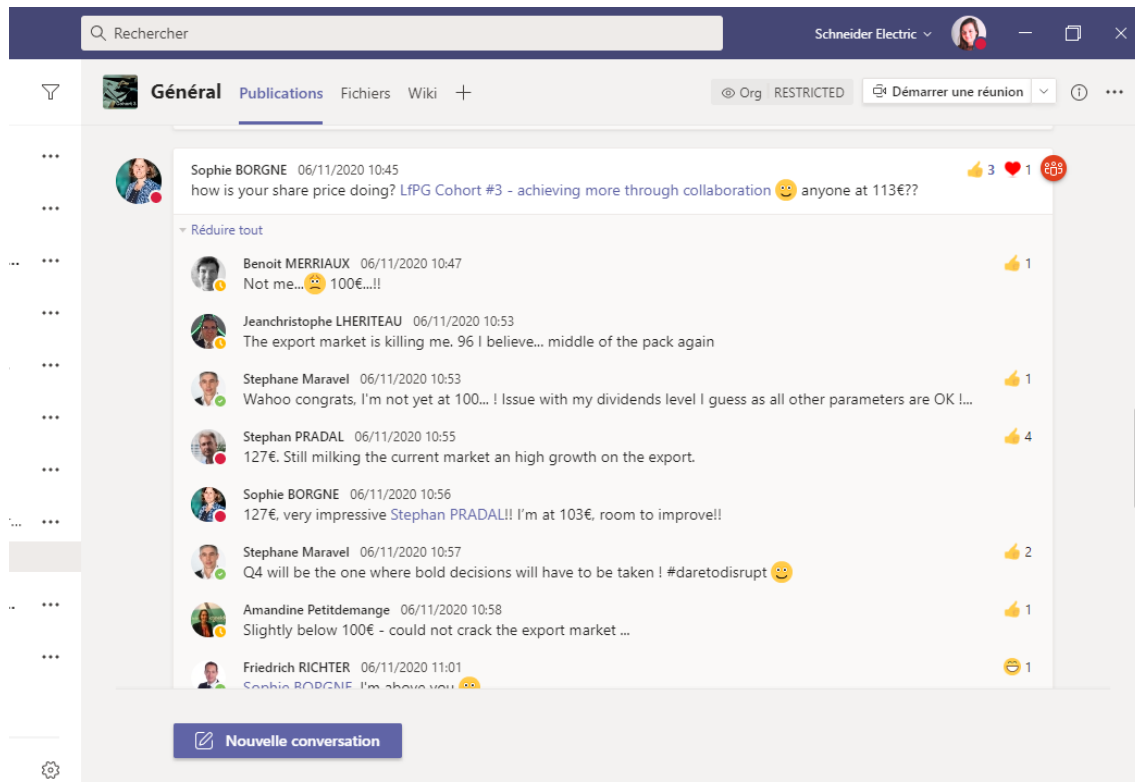
This innovation substantially increased the efficacy of the game and allowed Schneider to scale the cohort sizes beyond the first several cohorts — enabling an acceleration in

delivery timeline. It also allowed the Professor to free up some time to directly interact with the learners through a dedicated email section, answering a varied range of questions quasi-synchronously from elements to ease the business game decisions to questions on the content and application of the theoretical learning to the practical experience provided by the simulation.

The program was deployed over 10 cohorts to create manageable learning groups and allowing leaders to have a choice of enrolment periods — avoiding personal and business time clashes or ensuring that not too many leaders in the same function or business entity were attending the program at the same time.

This cohort-managed approach also created a sense of community to help participants connect, network and seek help or provide advice to each other. The design and deployment team were consistently surprised with the high level of within cohort interactions and digital social connections. Spontaneous support groups, coaching sessions and follow-up discussions on the key topics emerged in cohort after cohort. Typical cohort sizes were between 80-140 participants, varying based on time of year and business circumstances.

Figure 5: Support Groups



Participants were targeted for one of two “waves” of deployment focus — based on feedback from executive HR and business leaders, so as to pro-actively manage known business conflicts and competing situations demanding the time of executive leaders. Within these two waves, a set of cohorts were opened for registration and participants were guided through registration by ensuring they considered factors such as busy business periods, personal circumstances and other time conflicts. Once they registered, they were assigned to the relevant cohort and the communications and preparation was managed accordingly.

A welcome webinar one week before the start of the program was offered to each cohort to set the context, explain the learning purpose, and finally, to provide an orientation to the digital learning environment.

The program offers two different types of certification: Completion and Distinction

Figure 6: Completion Certificate



Change Management Efforts

Specific challenges included quickly identifying, assembling and getting the commitment of key internal subject matter experts who needed to contribute to learning content, video scripting preparation, video performances and validating final learning assets. This was a complex, challenging and tiring aspect of the project. This was further exacerbated by the global pandemic, creating issues with travel, assembling instructors and production staff to complete video shoots and editing. Another key challenge was ensuring that the executive committee stakeholders all agreed to the “risk” of going for a multimodal digital deployment rather than more traditional face-to-face learning. This risk was mitigated by demonstrating in a “lead” program (pilot) that the program was executed flawlessly and that leaders engaged deeply with the experience.

Finally, the COVID-19 situation did cause some executive leaders to ask if the timing of the program was appropriate given the crisis management situation of the business during a pandemic. The core team successfully argued that the pandemic actually created an opportunity for many home-bound leaders to invest in their learning.

Figure 7: A Summary of Success Factors and Difficulties



Measurable Benefits

The executive masterclass has been a huge success. Key indicators of impact include:

- **96% average completion in each cohort despite the pandemic.** Leaders who dropped out, did so mostly because of COVID circumstances. Moreover, more than 67% of participants completed the fully available 1,000 points in the program. This wasn't required nor expected and therefore a surprise to the design team.
- **Program Average Net Promoter Score (NPS) of 83%.** NPS was used to determine value attribution of participants. Follow-up qualitative surveys were conducted with a sample of participants to understand specific areas of value impact as well as areas for improvement. These areas were addressed as the program deployment rolled out.
- **Program satisfaction rating of 4.7 out of 5.** The program, relative to both other digital and ILT classes for this same target group was above average.
- **Qualitative Feedback.** Each cohort was canvassed for weekly and end-of-program learning experience. Qualitative feedback highlighted learning benefit, practical application examples and a substantial request to immediately cascade the learning initiative to the next level of leaders down in the organization (N=2,500 at that level) — which is underway now. Verbatim from the participants:
 - *“Best learning since I am with Schneider” The HR of our Country President. He asked the Country President community to do again the online program while they already did the in-class one.*
 - *“Very rich content, excellent balance between theory and real world of Schneider Electric strategy, current situation and goals.”*
 - *“This is the training course I recommend everyone participates in. It's probably the best training I have done for years, it's hard (complex, demanding, time-consuming). It makes you think like JPT, what actions to take to drive our Share value.”*
 - *“Intensive course but well worth the time!”*
 - *“You must be willing to allocate the necessary amount of time. There were several video's where I listened more than once in order to absorb all the great knowledge provided by all the presenters.”*
 - *“Succinct and digital ... please forget face-to-face courses in the future ... they yield a lower return on investment.”*

- *"I already did this training F2F and I no main difference to do this virtually. Great job!"*

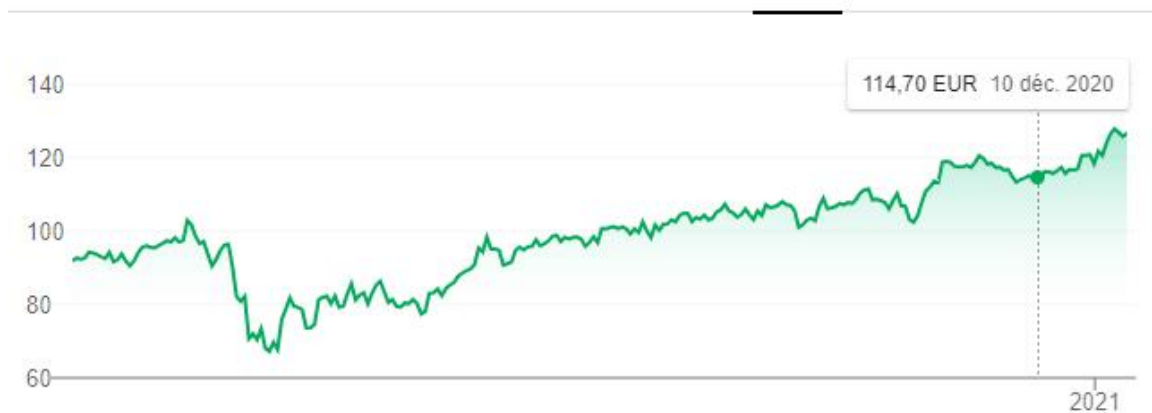
Business Results

The initial stake was dictated by the market. As a result, the design positioned the business simulation share price as the ultimate demonstration of learning goal attainment.

The executive masterclass contributed — among other things — to the substantial financial and share market performance of the company today, despite the COVID crisis. And, as mentioned in the program itself, the fundamentals of Finance do not change in times of crisis.

Below is Schneider Electric's share price for 2020. While this is, of course, only a correlation with the deployment period of the program, the feedback from executive committee and executive vice presidents is that the LfPG executive masterclass was a substantial contributor to effective cost management, margin management, improved EBITA and decision making focused on profitable business lines. There is no doubt the program positively contributed to equipping leaders to make clear-headed and strategic choices in trying circumstances.

Figure 8: Schneider Electric's Share Price for 2020



All illustrations provided by Schneider Electric and CrossKnowledge

Overall

Lessons Learned

- There is a strong need to align the top Leaders on the company's current business models and future business models because of the size, complexity and multi-sector and multi-industry nature of the business.
- Senior, executive leadership audiences do respond well to well-designed and compelling digital content. So long as design decisions demonstrate alignment to the business goals and the learning process provides opportunities for gamified and competitive elements to emerge, leaders will participate.
- Faculty and teachers with a sense of humor, a disarming or charming personality along with a substantive knowledge of their areas of expertise is critical. Credibility is won and lost in a few short moments at the beginning of viewing a video.

Probably the largest insight was that a fully “homegrown” vision and concept for a digital, multimodal learning design can be executive to a very high standard, and secondly that there is an appetite and willingness for senior leaders to engage. This has paved the way for future masterclasses and other digitally-focused learning solutions for top leaders. The design team learned a lot in the process:

- Strong sponsorship is key: CEO, Executive Committee and subject matter experts.
- Forecasting and managing workload is critically important to create and deliver such a substantial program design
- World-class vendors and partners are also key: The team carefully scanned the market to choose partners and this paid off. Managing people change via the Steering Committee was crucial: The Steerco played a key role in reinforcing the program priority with stakeholders, ensuring resistance was addressed, and getting the message out about the impact and value of the program.

The Top Leaders (VP/ SVP levels) are asking to deploy the masterclass to the Director level across the organization globally – 2,500 people. The program team launched the first cohort to this cascaded audience in June 2021 with the target to complete this deployment by Q3 2022.

Now the core design team is also creating a new executive masterclass on a new topic for the same senior leader audience, with the same format and experience. Different entities within the company are now eager to create this type of content and learning impact.

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