



Electronic Arts Develops Transformational Leaders Through Experiential Learning

Overview

Country or Region: Worldwide
Industry: Interactive entertainment – video and mobile games

Customer Profile

Founded in 1982, Electronic Arts (EA) is one of the world’s largest developers and publishers of interactive entertainment software, with more than \$5B in annual revenues. It is headquartered in Redwood City, California, with 9,700 employees in locations across North America, Europe, Asia and Australia. EA develops and delivers games, content and online services for more than 300 million registered players around the world, who access its products on internet-connected consoles, mobile devices and personal computers. Its portfolio includes critically acclaimed, high-quality brands such as The Sims™, Madden NFL, EA SPORTS™ FIFA, Battlefield™, Need for Speed™, Dragon Age™ and Plants vs. Zombies™.

Business Situation

In response to a massive digital disruption throughout the video game industry in the early 2000s, EA, a pioneer of video games, launched a strategic shift from physical products to digitally downloaded games and online live gaming services. Today, a new wave of disruption continues with the rise of streaming technology, 5G, competitive gaming platforms from Google, Apple, and others, plus new business models like subscriptions. EA and its competitors are in a constant race to survive, transform and thrive.

Solution

EA partnered with TRI Corporation to create a business simulation, customized to the organization’s real-life challenges with digital disruption, that would serve as a key component of a deep, immersive, 18-month leadership development program. Called Xcelerators, the program grooms high-potential talent to be the change leaders EA needs to succeed in an environment of constant disruption. Graduates call it career changing. For EA, it has been a game changer.

Continued on reverse



“As teams work together to make decisions under pressure, you can see the level of engagement and emotion increase. Emotion times knowledge is going to spark behavior change—and that’s crucial to our ability to create the transformational leaders EA needs to succeed in an environment of constant disruption.”

Andy Billings,
Head of Profitable Creativity, Electronic Arts

Situation

Founded in 1982, Electronic Arts (EA) was a pioneer in the home computer game industry and enjoyed years of success selling its products through brick and mortar stores. In 2005, the company began a transformation journey in response to a massive revolution in the industry, moving its entire business digitally as games increasingly moved to online consumption and the social experience of playing became amplified. Today, EA is under pressure to transform yet again, driven by streaming and mobile technology and an intense strategic environment in which companies that were once its partners, like Google and Amazon, are now competitors. “Disruption and transformation are ahead as far as we can see,” reported Andy Billings, EA’s Head of Profitable Creativity.

EA’s workplace culture stresses creative thinking and innovation. This is both a strength and a challenge that requires balancing a healthy willingness to challenge authority, particularly among its creative leaders, with a need to foster a collaborative enterprise mindset.

Solution

Billings has been a leader in EA’s Studios and HR organizations since 1998, through the company’s challenges and comeback. Leadership development has been integral to that comeback, in particular an Xcelerators program for high-potential leaders that Billings has hosted since 2000. This 18-month program not only prepares participants to be change leaders but turns them into highly engaged ambassadors for that transformation. “To be a transformational leader you need to be a good

strategic thinker, as every single step in the supply chain and customer journey experience has been disrupted,” said Billings. “You also need the ability to evangelize change and convey new strategic directions to others.”

Each Xcelerator cycle brings together a global cohort of emerging leaders from all functions, forming an immersive learning community that connects continuously online, punctuated by six intensive, in- person modules, which EA calls “sprints” in the language of game development methodology. These four-day sprints are held in a succession of EA locations across the globe. The second of the sprints is a business simulation developed by TRI Corporation, which has partnered with EA on numerous successful simulations since the early 2000s. Based on TRI’s Knowing Your Business course, it is highly customized to parallel EA’s real-life business environment. Its placement early in the program is by design. “We wanted to grab participants’ attention with a high-powered experience up front,” explained Billings, adding “One sprint builds on the next. Each time participating leaders have a practice experience with good quality feedback, you’re going to keep getting better.”

This second sprint focuses on being a strategic leader. Participants are introduced to a strategic framework and company business changes. From there, they move directly into the simulation. EA populates each team to maximize diversity in gender, background and functional expertise—from artists to heads of finance—so that members have to learn to work

Continued on reverse

Benefits

- ▶ A pipeline of transformational leaders
- ▶ A collaborative enterprise mindset across the organization
- ▶ More effective cross-functional relationships
Stronger financial and business acumen
- ▶ Increased engagement and retention—a return conservatively valued in the millions of dollars

Solution (continued)

cross-functionally. Teams operate within one of two worlds, with three teams assigned to each. Over the course of three days, the simulation takes each team through three compressed “years” as the new management team tasked with turning around the performance of a fictitious company, Financial Arts, which has developed a personal finance software product called Money Math. The simulated company is in the process of making a transformation from retail to digital. They are told that the previous team had been successful for years before losing its focus and competitive edge. Business units’ competing agendas have prevented the firm from innovating and thinking like entrepreneurs—a real-life challenge for EA. “In a multi-business unit organization, each unit is responsible for executing on different components of the overall business strategy,” Billings said. “It’s easy to slip into competing internally with your colleagues, which invariably leads to mediocre results. If you can figure out a strategy that works well for your unit and can be applied beyond, that’s more valuable. And if you can get units collaborating in a way that’s different than any single unit would do on its own, you get an enterprise lift.”

Developing that collaborative enterprise mindset is crucial, according to Billings. “The only way we can transform is if we work together.” But it doesn’t happen unless leaders are given the opportunity to make the choice for themselves and see the results of that choice. The simulation provides them with a safe environment in which to do so—they can see what happens when they collaborate and what happens when they don’t, without facing the real-life business impacts.

As participants strive to meet specific financial goals, they need to establish a high-performing

team, decide between competing alternatives, make the right decisions to grow business, and manage leadership challenges. Throughout, they rely on Roger L. Martin’s “Play to Win” strategic framework to answer the questions:

- What is our winning aspiration? (What do you want to be best at/what products are you offering?)
- Where will we play (compete) and how big is the opportunity?
- How will we win? (What differentiators give you competitive advantage?)
- What must be true for us to succeed? (What people and organizational capabilities do you need?)

Serving as faculty, judges and inspirational speakers providing daily content before each phase of simulation play, EA leadership is integrally involved in every aspect of the simulation, which Billings casts as “leaders learning from leaders.”

All teams start from the same point and outcomes depend solely on the decisions they make. For each of the three “years” represented in the simulation, teams must respond to a business leadership challenge. From a selection of initiatives customized through interviews with EA’s key stakeholders, they adopt the solution they believe will best move the business forward and meet with senior leaders to discuss the framework of that solution. As teams make decisions under pressure, “you can see the level of engagement and emotion increase. And emotion times knowledge is going to spark behavior change.”

Every simulation year ends with an in-depth debriefing session that includes a team self-assessment, an assessment by an executive panel of faculty and EA senior leaders that measures, among other things, team’s strategic initiatives against their “Play to Win” framework, and a peer review component. EA’s senior leaders all show up for the executive panel to give feedback, interact, and tell their own real-life “war stories” of transformation.

Final team rankings are determined by how well each balanced the financial and operations needs of the business and how well they

managed the leadership challenges thrown their way.

Each “year” of the business creates a single loop of feedback and practice for the participating teams. “One loop is good, two loops are five times better and three loops 10 times better,” Billings explained. “With each loop, people are learning, applying and raising their standards. It allows for much deeper practice and learning. This is among the most valuable components TRI has built into the simulation.”

Billings went on to say that for EA, a crucial aspect of the simulation is the compression of time. “We believe in experience-based learning. Hands on, immersive, and difficult under time pressure are all important to us. By condensing time, people can see the link between their decisions and consequences, which in real life is often stretched out over years. So, compression enhances the learning experience.”

After the business simulation, leaders complete the sprint by working on EA strategic challenges. They apply the strategic framework to defining options to grow EA in areas the participants choose. Xcelerator leaders then present their proposals to EA executives. This time around, they have had the benefit of multiple exec presentations from their work in the simulation component of the sprint. They have an opportunity to apply everything learned in the simulation to real-life EA business challenges.

EA and TRI use each Xcelerator cycle as an opportunity to introduce fresh content based on the company’s evolving business models and organization. To date, 90 emerging leaders have completed the program and new cycles continue on an every-other-year cadence.

Benefits

Since the start of the Xcelerators program, objective ratings show large changes in leadership effectiveness at EA. According to Billings, “People who go through the program are great at being on strike teams and action teams. They can come together and work with a variety of people in a short time frame and get traction.” He added, “Xcelerators become more powerful leaders who make greater contributions, are more satisfied and engaged.”

Follow-up assessments of Xcelerator cohorts, ranging from one to six years later, show an impressive impact on promotions and retentions, with promotions ranging from 50-140% percent higher and retention 20-55% higher compared to other high-potential leaders at EA who have not gone through the program. What’s more, both promotion and retention differentials peak several years after participants complete the program, indicating that their connection to EA grows stronger over time. Looking at the promotion and retention impact of the last two programs alone, EA puts a conservative estimate of that value at one to 1.5 times the annual salary of each incrementally retained participant—a return in the millions of dollars.

Participant Feedback

“The exec presentations were really hard. We started out getting very critical feedback, but we improved and after a number of them we could all feel great about how much better we had gotten. Content was both strategic and delivered with confidence and clarity.”

“The big unlock for me was the power of collaborating cross-functionally across business units. Working together, we were able to get enough funding for the new, transformative investments we needed to make. If we all focused on our own business units, we would have failed to get the new digital lines of business up and generating new revenues. We optimized for the overall business, even if we didn’t get everything we wanted for our own unit.”

For More Information

To learn about how TRI Corporation experiential learning services can benefit your organization, visit www.tri-sim.com, or email TRIContact@tri-sim.com.

For more information about Electronic Arts, visit www.ea.com.

Follow-up Success



50-140% higher promotion rate



20-55% higher retention

On an individual level, emerging leaders who go through the Xcelerators program call it a career-changing experience. One hundred percent rate the program as impactful, and **more than two-thirds call it the most impactful leadership development experience in their careers.**