



Agilent's Focus on World Class Senior Leadership Drives Record Results and Builds Culture of Accountability

Overview

Country or Region: Worldwide
Industry: Industrial and scientific test and measurement

Customer Profile

As the world's premier measurement company, California-based Agilent Technologies partners with engineers, service providers and scientists worldwide to meet the communications, electronics, life sciences and chemical analysis challenges of today and tomorrow. The company's two primary businesses -- electronic and bio-analytical measurement -- are supported by Agilent Laboratories, a central research group.

Business Situation

New CEO Bill Sullivan determined to transform Agilent from a diversified technology company to one that focuses on measurement in life sciences and the electronics industry with a laser focus on customers, employees and shareholders and a world-class senior leadership bench accountable for specific measures of success.

Solution

With the sponsorship and active involvement of CEO Sullivan, TRI Corporation, Chief Learning Officer Teresa Roche and her team developed a world-class leadership program for senior leaders focused on creating shareholder value. The Senior Manager Program is a week-long, business-focused applied learning experience first rolled out to General Managers then cascaded to all Senior Managers.

Benefits

- ▶ Clarity around expectations of Senior Manager role
- ▶ Shared understanding of need for strategic intent based on customer needs and competitor dynamics
- ▶ Increased skill in driving growth, profitability and Agilent operating model
- ▶ New perspectives on globalization
- ▶ Personal leadership plans
- ▶ Peer coaching and networking

"By building a curriculum for quality leadership throughout the company, we've aligned to our strategic intent, achieved a sustainable operating model, and developed the ability to adapt quickly to economic forces."

Teresa Roche
Chief Learning Officer



When Agilent Technologies spun off from Hewlett-Packard in 1999, it broke records as the largest initial public offering in Silicon Valley history. By 2005, however, Agilent had lost its strategic focus, senior leaders were not delivering shareholder value, and the company's bottom line was shrinking. New CEO Bill Sullivan took the helm of a company struggling to find its way. After declaring a new strategic intent with a focus on customers, employees and shareholders, Sullivan was convinced that a best-in-class leadership bench was essential to build organizational capability and achieve positive business results. Sullivan worked with his Chief Learning Officer and her team to design and implement a comprehensive and integrated leadership curriculum and experience. Drawing on the global business and learning design expertise of TRI Corporation, Agilent launched a program that has significantly contributed to its leadership capability and culture, bringing a new focus to its business, value to shareholders, and competitiveness in the marketplace.

Situation

When Bill Sullivan became Agilent's second CEO in 2005, he set out to transform the company from a diversified technology portfolio company that was delivering inconsistent results into the world's premier measurement company. Believing that his General Managers are the core DNA of Agilent, Sullivan wanted to first focus on his top 100 leaders then address leadership at all other levels of the company.

"Bill declared that a best-in-class leadership bench was one of his top priorities and, to have world-class leaders, we needed deep business and financial acumen to deliver a sustainable and solid operating model," says Teresa Roche, Chief Learning Officer (CLO).

Fundamentally, Sullivan wanted to change the way top leaders thought about the business and have that change cascade throughout the organization.

"Agilent leaders are highly analytical which caused us to be reactive and slower than our competitors at key decisions. We lacked a sufficiently strong external focus on the customers," says Sally Nowak, Global Program Manager, Global Learning and Leadership Development. "We had gaps in understanding how to create shareholder value vs. managing to budget and

needed to build a culture of meeting commitments with the leadership capable of executing."

Specifically, Sullivan wanted leaders to be able to:

- Set and communicate corporate strategy and drive operational excellence
- Focus on the critical value drivers for business results
- Demonstrate a deep understanding of customer needs and competitive offerings
- Make effective and efficient decisions to drive increasing shareholder value

A leader in corporate lifelong learning, CLO Roche knew that a high-profile program closely tied to the strategic objectives of the CEO and the company required a comprehensive leadership curriculum that would extend across all levels of leadership, be integrated into daily operations, and be data driven to stay aligned with individual and business needs.

"Development needs to be a part of work, not apart from work," Roche says.

For More Information

To learn more about how TRI Corporation experiential learning services can benefit your organization, visit www.tri-simulation.com, email TRIContact@tri-simulation.com or call 408-656-2895.

For more information about Agilent businesses, visit www.agilent.com.

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Bill Sullivan
President and Chief Executive Officer

"Now I understand the P&L and balance sheet of my division and am managing my team toward the division's strategic intent."

Senior Manager
Marketing, Japan

"This experience helped me step back from a problem to see the complete picture and assess the levers I can pull to change a situation. It taught me to consider all functional areas when designing even the smallest product."

Senior Manager
Marketing, U.S.

Solution



The Senior Manager Program

With strong support and participation from CEO Sullivan, Roche engaged TRI Corporation to create a world-class development program for senior leaders.

The Senior Manager Program (SMP) is designed to help managers set strategy and direction, build organizational capability and deliver results. Within a single intense week, managers participate in a custom business simulation in which they work in teams to manage an enterprise for six quarters in a dynamic and competitive market. They practice the same skills they are expected to apply to their Agilent business.

The simulation is combined with sessions on effective team leadership, creation of a Personal Leadership Plan (PLP), discussions on operational finance, and candid conversations with Sullivan and his management team.

Senior managers work closely with their GMs on the PLP before, during and after the program to increase alignment and engagement of the manager's team on achieving the strategic intent of their business.

TRI also created a custom Customer Economics case with a detailed analysis of Agilent's and actual customer's economics to reinforce the need to focus on customers while using sound project economics.

Benefits

"TRI Corporation provided our senior leaders with a challenging program that helped them think critically about meeting our financial and growth commitments in an extremely competitive global market," says Bill Sullivan, President and CEO.

Teams worked collaboratively and learned the value of diverse thinking to address customer needs. With operational reviews embedded throughout the week, participants felt they were at work instead of in a simulation. The SMP made an impact on Agilent's leadership capability and its focus on strategic intent.

The program has not only helped transform Agilent's leadership and culture, it has become an integral part of the culture itself.

"After the first year, the SMP had such a great reputation that people were asking to get into the program if they didn't get their invitation promptly," Nowak says.

One participant reports, "Now I understand the P&L and balance sheet of my division and am managing my team toward the division's strategic intent."

Another says, "This experience helped me step back from a problem to see the complete picture and assess

In addition, throughout the week, participants have opportunities to engage with their peers and consult with senior executives and TRI's world-class faculty around challenges they face in their businesses. This executive-level involvement is a hallmark of the SMP, and all agree that Sullivan's sponsorship is key.

"The invitation and expectation to attend comes from Bill," Program Manager Nowak says. "Leaders respond to Bill's commitment to their development and take the program very seriously."

"Personal interest, commitment and a truly systemic approach to managing change at the highest level are essential to really change culture," A.J. O'Brien, TRI Corporation Vice President, says. "The difference between a great development program and a program that changes real business practices and culture is complete alignment to the CEO and his or her direct staff and ensuring that the desired change is driven systematically across the enterprise."

In the first nine months after Sullivan became CEO, all 100 GMs completed the program. More than 350 senior managers have participated, and the SMP continues to be part of Agilent's leadership development portfolio. The SMP is the foundation for a cascaded leadership development program for all levels.

"There is a beautiful cascade of messages and capabilities," CLO Roche says. "The GMs got what they needed, and then we took the senior managers through so they could be in conversation with the GMs, and the same with middle managers."

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Since implementing Agilent's business operating model and the SMP, Agilent has set record return on invested capital metrics and maintained positive cash flows. Agilent's employee survey and quarterly leadership audit scores also have improved.

Another important aspect of the SMP is that it set the foundation to align the entire company at all levels with the strategic intent, which enables Agilent to be focused, responsive to customers and adaptive.

To ensure that the SMP continues to be relevant to the needs of leaders in a dynamic environment, Agilent continually monitors data to identify key factors that would require updates to the SMP.

"This data-centered approach to human capital is just smart business," Roche says.

"By building a curriculum for quality leadership throughout the company, we've aligned to our strategic intent, achieved a sustainable operating model, and developed the ability to adapt quickly to economic forces," Roche says.