INDCO: CHALLENGES OF DESIGNING AND IMPLEMENTING CUSTOMIZED TRAINING

On March 15, 2017, Monica Mehta, training manager at IndCo, a large Indian manufacturing conglomerate, had just completed her third meeting with the general manager of IndCo's Mineral Resources Division (MRD), Gunjan Anand. The previous week, Anand had contacted Mehta with a request to design and implement a customized training program on strategic thinking for his team members. While the meeting had been genial, Mehta was beginning to feel the pressure that accompanied every such request for customized training programs. Anand expected the program to be conducted starting on April 15, 2017—just one month away.

Mehta had never conducted a program on the topic Anand required, and she was not even sure if she understood all the requirements clearly. She had heard from her colleagues that Anand could be very demanding, and given his high-profile position and reputation as a rising star in the IndCo organization, delivering anything less than a perfect product could be disastrous. Anand had repeatedly mentioned that he did not want a run-of-the-mill program, but something that would use innovative methods to provide a wonderful experience for participants.

Mehta had initiated discussions with an external expert to outsource the program, and had received an initial proposal from him. However, she was uncertain about whether the training design matched the requirements, whether it would be cost effective, whether she would get the requisite permissions, and most importantly, whether the external expert would deliver a high-quality training program. She realized that she needed to act quickly and decisively if she had any hope of meeting Anand's expectations.

BACKGROUND

About IndCo

IndCo was a Fortune 500 manufacturing company with a commercial presence across 50 countries and nearly 80,000 employees. The company strongly supported employment equality and continuing personal development for its employees. It emphasized developing its employees' professional and personal competencies by establishing various management and technical training programs.

IndCo Management Development Centre

The IndCo Management Development Centre (IMDC) was created to impart managerial, functional, and behavioural training to IndCo employees. IndCo followed a "70:20:10" philosophy in training its managerial employees: about 70 per cent of each employee's learning and development (L&D) needs were met through on-the-job experience, reference to self-study manuals, and working on cross-functional tasks and assignments; 20 per cent of L&D needs were met through coaching, formal mentoring, and guidance from superiors and experts; and the remaining 10 per cent of L&D needs were addressed through formal interventions, such as classroom-based training and e-learning modules. Through IMDC, all of IndCo's officers underwent about 80 hours of training every year.

The company followed a meticulous process to identify training needs. When evaluating the training needs of an employee, IndCo considered the competency gap in relation to the employee's present role, qualifications, and experience; the previous training programs attended; results from the previous performance evaluation; and planned changes to the employee's responsibilities as key factors. It also considered the department's annual business plan and any new organizational initiatives.

Based on these evaluations, IMDC had created a portfolio of training programs, which it ran on an internally distributed schedule. With their managers' approval, employees could nominate themselves for these programs. In addition, department heads occasionally approached IMDC directly with requirements for specific, customized training interventions for their departments. IMDC's members conducted basic training programs, but for more advanced training programs, it sometimes used external trainers, typically from reputed business schools, consulting firms, or training institutes.

About Mehta

Mehta had joined IndCo's human resource management (HRM) department in 1998, after completing her masters of business administration (MBA). As she worked across various HRM functions at IndCo over the years, she studied further to obtain a doctoral degree in HRM from Xavier School of Management (XLRI), a renowned business school in India. Since 2012, Mehta had been working as a training manager in IMDC (see Exhibit 1). Within IndCo, she had developed the reputation of being an extremely good trainer, and had conducted training programs on many subjects, such as decision making, customer orientation, and developing business acumen. Over the last five years, Mehta had imparted over 400 person-days of training, and a total of nearly 5,000 IndCo participants had attended these programs.

Mineral Resources Division (MRD)

MRD was an internal department set up by IndCo in June 2016, with Anand as its head. The department was tasked with the acquisition of new mining assets for IndCo, and was also responsible for optimizing current mining resources in alignment with IndCo's capacity growth plans.

Anand had been with IndCo for almost 24 years. He had worked in a wide variety of departments and roles, and previously had led IndCo's operations in Côte d'Ivoire and Western Africa. In MRD, Anand had rapidly built a team of 15 members drawn from different IndCo departments as well as from outside. Most of his team members were experts in mining. While he had recruited highly experienced personnel and hoped that they would pick up further requisite skills with more experience, he soon realized that his team lacked training in strategy formulation, strategic thinking, and planning.

TRAINING PROGRAM FOR MRD

Anand's Expectations

Given the high expectations that top management (including himself) had of the MRD team, Anand realized that he needed to arrange a training program to quickly ramp up the team's capabilities in strategic management. Further, because it was a new team, he hoped that a short but intense training program would help the team members form strong bonds. He had reviewed IMDC's standard training calendar and did not find any program that matched his needs exactly. He also believed that it would be best if the program was exclusively arranged for his department and customized to his requirements. He was confident that given MRD's important role in IndCo's future plans, he would be able to find a reasonable budget to meet the costs of such a program.

Understanding the Requirements

On March 8, 2017, Anand contacted the head of IMDC to ask whether a training program could be identified or designed for the MRD team. Mehta was selected as the contact person to understand Anand's requirements and develop an appropriate solution. Because she already had a busy schedule full of prior training commitments, Mehta sent Anand a quick email stating that she would deal with the matter shortly. To her surprise, she received a follow-up email from Anand the next day, emphasizing that that this was an extremely high priority for MRD.

Based on what Anand had stated in his initial email, Mehta responded with a brief proposal for a two-day training program aimed at team building and improving the bonds between old and new members of the department. She was shocked to receive an email reply from Anand within minutes of sending him the initial proposal. While he was courteous, his email clearly indicated that he was not satisfied with what she had proposed. He suggested that they meet the next day to discuss the training further.

Mehta met Anand in his office the next morning. Anand explained that he needed a training intervention that would help inculcate strategic thinking among his team members. Bonding and team building were to be side benefits of the program, not the main aim. Mehta admitted that she did not know much about MRD and its objectives. She asked Anand many questions and he answered them patiently, explaining why MRD had been set up, what it was expected to achieve, and in what time frame. MRD had been tasked with ensuring that IndCo had consistent access to good-quality raw materials. Anand's team was involved in the strategic acquisition of mining leases, participating in mining auctions, and the acquisitions of operating mines. He shared the department's organization chart and explained what each of his 15 team members did on a day-to-day basis.

On Mehta's further probing, Anand revealed the challenges the team faced and his views on what was required to overcome them:

> One key issue is that every member of the team is travelling almost all the time to mining sites, and therefore, they do not get to interact with other MRD team members on a daily basis. Most of the team members have excellent technical knowledge of mining. However, they need more skills on thinking strategically, scenario planning, working together as a virtual team, knowledge management, understanding market and regulatory trends, and improving their strategic negotiation skills.

Anand said he was hopeful that Mehta would be able to cover these aspects in a two- to three-day program.

The Revised Proposal

After returning from the meeting, Mehta emailed a revised proposal to Anand. She sought to clarify his objectives:

> My understanding is that you would like a program that [gives the team members] a good understanding of each other and . . . a common charter for high performance. You want them to develop a capacity for envisioning and developing strategy models. Further, participants should learn to create strategic frameworks to constantly scan the environment for business insights and identify new opportunities. The team should have a common understanding of how to evaluate alternative business models, generate options for profitable growth, and align the organization for effective strategy execution. Have I understood your objectives?

As usual, Anand responded quickly to Mehta's email. He thanked her for her effort, and largely agreed with what she had proposed, but reiterated that he wanted the program to be delivered innovatively so that it would be interesting and enjoyable for the team.

Planning the Program

Mehta discussed Anand's requirements with her boss. They both concluded that IMDC did not have a standard offering that could meet these requirements. Moreover, Mehta had never conducted training on these topics before, and she would need to prepare extensively if she were to deliver this training herself. Yet, Anand wanted to conduct the program by mid-April and Mehta was swamped with other commitments. Initially, her boss tried to convince her that, with a bit of extra preparation and hard work, she would be able to conduct the training herself. In general, IMDC sought to reduce costs by running as many programs using in-house instructors as possible, but Mehta persuaded her boss that it would reflect poorly on IMDC if the in-house program failed to satisfy Anand. She proposed to her boss that they source a suitable expert from a top-rated business school to deliver this program. IMDC usually applied certain standard criteria to decide whether to do the work in house or outsource it to an external party, and Mehta was relieved when her boss finally relented (see Exhibit 2).

At the same time, Mehta doubted whether a reputed professor from a top-ranked institute would be available at such short notice. She ran over the daunting list of challenges in her mind:

> I need a professor who has a great profile; that way it will be easier for me to convince Anand of his/her suitability. I also need someone who is willing to custom design the program as per Anand's specific requirements. Obviously, I will have to convince the professor to adopt a methodology that is participative and interesting [enough to] meet Anand's expectations. Further, such a professor must be available on matching dates to what Anand has in mind. Most importantly, we need to be able to afford the external [expert]. As if all of these things are not challenges enough, I have to push through IMDC's internal approval processes to ensure that every sign-off required is received, and an appropriate venue is arranged!

Mehta kept Anand updated regarding the internal discussions at IMDC. She explained that she was looking for a suitable external instructor.

The morning after her meeting with Anand, while absentmindedly scrolling through the business cards on her desk, Mehta suddenly remembered that about six months ago, she had attended a session led by Atul Pathak, a member of XLRI's Strategic Management faculty. It was a half-day session on strategic agility, and Pathak

had employed an innovative game-based methodology in that class. Participants had been divided into teams and asked to physically build various business requirements using Lego blocks and other such materials in an iterative fashion. Mehta recalled the high energy in the classroom, and how much she had thoroughly enjoyed Pathak's sessions. She had a hunch that his methods might impress Anand.

Early the next day, Mehta contacted Pathak and sought an appointment. She explained the requirements to him, and answered his many questions. Unfortunately, he then showed Mehta his calendar for April, which was already extremely full. While he did not commit his time then, he assured her that he would try to move things around if he could. He also clearly stated that he had no experience or expertise on the mining industry. At the end of the meeting, Mehta and Pathak concluded that the best way forward would be for Pathak, Anand, and Mehta to meet. That way there would not be any gaps in understanding.

Mehta arranged for this joint meeting to occur at XLRI the next day. Before the meeting, she clarified to Anand that she could only proceed if MRD had an in-principle approval for the costs IMDC would incur for hiring an external instructor. Anand reassured her that he would sort out that issue. At present, IMDC did not have any standard rate contract with XLRI; therefore, any approval would be granted on a case-by-case basis.

Mehta and Anand met Pathak at his office the next day and spent over an hour discussing the project's requirements. Towards the end of the meeting, Pathak summarized his understanding of what was expected and proposed some ideas:

> I think the two-day program should be divided into eight sessions in all. Each session will be 90 minutes. Participants will be divided into four groups. In each session, I'll give each group a strategic question for every individual group member to consider for 15 minutes. After that, group members will discuss and amalgamate their opinions on the question over the next 30 minutes. Following this, the entire class will discuss the questions together, and I will summarize.

Pathak explained that this format would be interspersed with many activities, short case discussions, and "energizers" that would keep the class excited and impart knowledge about key strategy frameworks, analysis methods, and concepts as well. Pathak also promised that he would create a customized variation of the Lego block exercise to drive home and reiterate some of the strategy-related concepts in MRD's context. He proposed that the last session on the second day be reserved for each team to make presentations about five key initiatives they would want MRD to launch in the coming months. Anand seemed very impressed.

Pathak highlighted that multiple objectives would be achieved by following this methodology. First, it would expose the participants to various strategic questions facing the organization. Second, participants would learn different methods, frameworks, and analysis techniques used in crafting strategy. Third, the two-day intense program with close group work would lead to improved team bonding. Yet, Pathak wanted to re-emphasize one point:

> I need to be quite clear that there is nothing about mining that I can [say] that the participants don't already know. They're the experts on that. However, I am certain that they will benefit from my approach on strategic thinking. I plan to stimulate them by raising thought-provoking questions in the right sequence, and providing them with generic strategy analysis tools and frameworks to help them organize their thoughts better. I am confident that through this method, the initiatives that they will develop will certainly be of strategic importance to MRD.

During the discussions, Pathak suggested that some members of the other departments MRD interacted and collaborated with should also attend the program. This arrangement would foster better cohesion between

MRD and its external interfaces within IndCo. Anand said he would report back after discussions with the general managers of two or three such departments.

Pathak also asked Anand to draft 5 to 10 key strategic questions that he wanted his team to think about. Pathak planned to develop these questions further, re-frame them if required, and sequence them appropriately to fit the overall structure of the program. Anand agreed to do so by the next day. Pathak suggested that, in the meantime, he would create a pre-reading pack for the participants, as well as a detailed outline of the program. He promised to email a formal proposal to Mehta that would include the project's scope, methodology, administrative guidelines, and financial information.

MEHTA'S DILEMMA

While Mehta was satisfied with how the meeting had gone, she was also concerned. She hoped that she had not moved too fast on this initiative without considering the risks. She was aware that under Anand's urging, she had somewhat short-circuited IMDC's standard process, which typically entailed getting quotations from a minimum of three vendors for any work to be outsourced (rather than approaching a single outsourced expert). An empowered committee led by the senior members of the Capability Development team then evaluated these proposals according to certain criteria and chose the best alternative (see Exhibit 3).

On this occasion, things had moved too quickly for Mehta to follow the normal process, which usually took at least three to four months. Moreover, now that Mehta had arranged for the client and the outsourced instructor to meet and discuss the project, there were some implicit promises in play. After all, both Anand and Pathak had invested considerable time in meetings, and it would reflect poorly on Mehta if the deal did not come to fruition. However, ultimately, she had little control over the outcome. If Pathak's proposal had any terms (financial or otherwise) that did not meet IMDC's criteria, then the deal might not get approved, and the blame would fall on Mehta for not having coordinated this effort well enough. She would then have to search for another expert and the program's delivery would be further delayed.

Mehta sat down in her office to make a list of all the information she needed to gather from Anand and Pathak to help reduce her concerns. First, she needed a firm budget approval from Anand. Second, she needed to tentatively freeze the program dates and duration. She could only hope that Pathak would be available on dates that were convenient for Anand's team. Third, she needed to know whether Anand intended to conduct the program at XLRI, or within IMDC's own facilities outside the city; if the latter, she would have to tentatively book the venue and arrange accommodation and transportation for the participants. Fourth, she needed to know if Pathak required any special infrastructure (physical or computer-based) for the program so that she could initiate requests to the administration department to arrange the same. Mehta reflected:

> There are so many things to take care of and so little time. I'm also running another program in parallel and busy in the classroom all day long, so all this planning and arrangement has to happen after office hours. I hope that Pathak will send his proposal on time and that it won't present any big surprises. I'm hoping he will send an hour-by-hour outline plan, a list of pre-reading material, and a list of all the material required for the training program.

PATHAK'S PROPOSAL

As promised, Mehta received Pathak's proposal in her email inbox early the next day. She quickly read through its contents and felt reassured that it was aligned to their discussions. However, a few things stood

out. First, Pathak had mentioned the dates of the program as April 18 and 19—later than what Anand had expected. In his email, Pathak explained that prior commitments made it impossible for him to do the program on April 14 and 15, as suggested by Anand.

More alarmingly, the professional fees (on a person–day basis) quoted by Pathak were nearly two times the rate that IMDC had paid XLRI professors for previous programs. Finally, Pathak noted that the per-day professional fees quoted were applicable only if the class size was limited to 20 participants. For every extra participant over 20, Pathak had proposed an additional ₹10,000[1] for the two days. Mehta called Pathak immediately to voice her concerns about the price. He explained:

> I understand your concerns, but this is an unusual program. In fact, based on our discussions, it is evolving into a consulting assignment rather than a straightforward training program. Further, consider the benefits: first, participants will build skills and capabilities in strategic thinking; second, the team will bond together better; third, and most importantly, Anand will have his department's annual planning for the next year completed as part of the program itself. The program will also entail an unusually high amount of preparatory work as it will be completely custom designed for MRD; however, because there is no arrangement to charge separately for the pre-work, I have simply incorporated that cost into the professional-fees day rate quoted. Perhaps you can mention these points when explaining the higher-than-usual rate to Anand and your superiors in IMDC. I'm also willing to directly speak to Anand, if it helps.

Mehta thanked him for his explanation and his offer to speak with Anand, but asked him to leave things with her to decide the way ahead.

CONCLUSION

Mehta was beginning to have doubts about the approach she had taken. She wondered if she should have tried to design and deliver the program herself. She thought:

> It would certainly have been a tough task. This is unfamiliar territory for me. But I would have had to face much less hassle in terms of trying to coordinate two very busy persons' schedules. I would also have been more in control of the quality of what was being delivered. Further, the costs incurred would have been much lower. Now I'm faced with the challenge of getting a higher-than-usual rate approved, and to make matters worse, I'm doing so for a professor with whom I have never worked, and do not know much about.

More than anything else, Mehta was still not sure whether the program's design was suitable. If it went ahead as planned, would it would meet Anand's high expectations?

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1 ₹ = INR = Indian rupee; ₹1 = US$0.02 on March 31, 2017.

EXHIBIT 1: JOB DESCRIPTION OF TRAINING MANAGER AT INDCO

A training manager at IndCo carries responsibilities for designing training content, determining training delivery mechanisms, conducting participant assessments, and identifying process improvements. The training manager is required to suggest both internal and external training delivery possibilities to ensure best-in-class delivery of all IndCo training programs based on training needs identified and as desired by the heads of business units. In particular, training managers are expected to:

- Develop training plans for various divisions of IndCo and manage end-to-end operations (content development, delivery, and logistics) to ensure seamless and effective management of training programs.
- Determine key training delivery mechanisms and manage all collaborations with internal and external stakeholders to design and deliver the training content to ensure best-in-class fulfilment of the training needs identified.
- Collaborate with the Planning and Infrastructure Management departments to ensure seamless and effective delivery of training programs, and ensure regular review and process improvement of training programs.
- Keep abreast of the various training delivery systems and strategies to introduce the best-in-class training programs to benefit IndCo employees.
- Manage the IndCo Management Development Centre's human resources to have an engaged, competent team and enable a working environment that drives high performance.

Source: Company materials.

EXHIBIT 2: CRITERIA TO DECIDE WHETHER TO OUTSOURCE TRAINING

Training will only be outsourced if an expert with all of the following five criteria cannot be found in house:

#	Criteria for Determination
1	Competence/capability in the assigned area • Knowledge of domain • Knowledge/experience of methodology to be followed
2	Availability on the dates for which training is being proposed
3	Past feedback on same/similar programs conducted at the IndCo Management Development Centre
4	Understanding of the business of the customer department
5	Cost estimated and budget availability

Source: Company materials.

EXHIBIT 3: EXTERNAL TRAINER SELECTION CRITERIA

#	Trainer Selection Criteria	Weightage*	Trainer 1	Trainer 2	Trainer 3
1	Credibility of the institute/firm with whom the trainer is associated				
2	Profile/capability				
3	Prior engagement/experience outcomes (involvement in prior assignments/feedback/competencies)				
4	Intellectual contribution/framework development (papers published/case studies written/conceptual models developed)				
5	Multi-location/single-location training program (in view of travel costs)				
6	Quality of instruction across various training programs				
7	Teaching methodology (relevance and fit with organizational needs)				
8	Pricing (value for money)				
	TOTAL SCORE				

*Note: The weightage for each criteria would change based on (1) whether the target audience was junior, middle, or senior management; (2) the complexity of the subject; and (3) the customer's specific requirements.
Source: Company materials.