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Learning

Learning and Innovation
in a Flat World

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Learning and Innovation in a Flat World

by Craig Mindrum

In a flat world, people and companies anywhere around the globe will be able to compete more equally for jobs and market share. Corporate learning and knowledge management functions have an increasingly important role to play in this world. They will help address the individual and social implications when companies can leverage the most qualified and knowledgeable workers regardless of their location. Learning professionals will also help to drive innovation and competitive advantage by connecting all the people or "nodes" in the flattened organization.

The world is flat

More than five hundred years ago, the explorer Christopher Columbus set sail from Spain in search of an overseas trade route to India, which could have meant untold riches for his royal patrons. He never quite arrived at his intended destination, but he did return with one verifiable fact: the world is round.

Recently, esteemed journalist and political observer Thomas Friedman took temporary leave from his job writing columns for the *New York Times*, traveled to India (unlike Columbus, Friedman did arrive), and spent time observing scores of highly educated Indians in gleaming buildings writing software and designing systems to run the back offices of major international corporations located thousands of miles away. Friedman came to a conclusion a bit different than Columbus's: **the world is flat.**

Flat, as in: people and companies anywhere in the world can compete more equally for jobs and market share. Flat, as in: traditional economic and national

advantages can no longer be taken for granted. Flat, as in: "Hold on, we're in for a ride." Indeed, after reading Friedman's book of that name (*The World Is Flat: A Brief History of the Twenty-First Century*¹), it's difficult to decide whether an alternative subtitle should actually be, "Opportunities in the Global Knowledge Economy" or, "Be Afraid... Be Very Afraid." One of Friedman's clear intents with this book is to light a fire under the rear ends of western nations whose unevenly-educated citizens have grown complacent about their superior place in the global economic pecking order.

Friedman knows firsthand from his research that, in the words of the CEO of Indian company Infosys, "The playing field is being leveled." Knowledge work can originate almost anywhere in the world today, and people in countries like India are increasingly differentiating themselves in terms of education, skills, ambition and diligence to the point that they will be competing for just about any kind of job where the work can be done or supported electronically. And not just low-level

coding assignments, mind you: many jobs already being sourced globally involve high-end research.

So: Journalist? University professor? Consultant? Chief Financial Officer? It's not clear that any job is necessarily out of reach of global, lower-cost (or higher quality) competition.

A big question has to do with the role that education and continuous learning (supported by both the public and private sectors) must play if people are to survive and thrive in a flat world. There are two parts to this subject I want to address here. The first has to do with the impact on individual workers in organizations, and what the implications of that impact will be not just on those individuals but on corporations and nations. The second has to do with the growing importance of the corporate learning function in achieving competitive advantage.

In a number of ways, the learning function and learning professionals hold the key to corporate success today, because they are deeply skilled in exactly

what organizations now need more than ever: the ability to create individual excellence in performance more quickly and to help individuals adapt more rapidly to changing conditions; to connect those individuals to others both inside and outside the organization in the quest for better ways to perform and to serve customers; to manage the knowledge and experience in an organization and make advancements that occur in any part of a company immediately available to every other part; and to accelerate the benefits of collaboration and to harvest the fruits of collaboration and knowledge sharing as innovation.

We cannot halt the flattening of the world. But with the right kind of imagination and motivation, we can manage it and learn to thrive under the new rules of competition it brings into being.

Part One: Individuals, Organizations and Governments in a Flat World

Whether one is a corporate CEO or the leader of a nation, the most important question to be asked at the dawn of a flattening world is, "Will my people be able to compete?" Regardless of who asks the question, what is at stake is equally disturbing: the inability to compete as a business on the one hand; and something approaching social chaos and breakdown on the other.

Problems in the human resource supply chain

One of the ironies of the flat world, a world of more direct competition for jobs, is that it puts increased focus on the competencies of individuals, just at a time when the citizens of traditional economic powers have begun to lose their edge: some in education, some in ambition,

others in the numbers of people of working age—and some in all three. In a flat world it all comes down to the individual's ability to compete. Are the individuals ready?

Consider the analogy Friedman makes to the 2004 U.S. men's Olympic basketball team. The U.S., especially since it began including professional players in the Olympics, has been accustomed to dominating the world in basketball. In the 2004 Olympics, however, the team barely won the bronze. What happened? Two things: the rest of the world got better, while the basic skills of American players weakened. The U.S. game—characterized now by flash and sizzle, and emphasizing great moves and long-distance shots—is being threatened by teams with more solid basic skills and the ability to perform better as a team.

The point: as with basketball, so with basic math, science and engineering skills. Asian nations are working harder, and graduating more students with the skills most essential to technological and scientific advancements. (Asian universities now produce eight times more undergraduate degrees in engineering than the U.S.) Equally disturbing is that many non-western universities appear to turn out more prepared students because they have more demanding courses of study. When Vinod Khosla—co-founder of Sun Microsystems—went to a U.S. university for his Masters degree, he found it to be a much less challenging curriculum than he had faced in the undergraduate program at the Indian Institutes of Technology.²

And, because the number of jobs in western nations requiring science and engineering skills is steadily growing—currently at five percent a year—it all adds up to a crisis occurring quietly right under our noses: the shrinking of the pool of young people with the knowledge and skills to innovate—or even just to do high-value-added technology work.

Many western nations face a quiet crisis: the shrinking of the pool of young people with the knowledge and skills to innovate.

Implications: Moving learning closer to the work

If, as demographics tell us, the pool of available working-age people is shrinking, and if the public education system and universities are not producing workers with the necessary skills to fill crucial roles, it is likely that increasing numbers of companies are going to be in the business of providing educational opportunities to their nation's citizens, beyond even their customer base. Education is back on the critical path to economic well-being at every level—individual, corporate and national.

But is it the traditional college or university that is key here, or the corporate university? Corporate universities, or the learning functions of organizations, have one built-in advantage over even some of the best universities or secondary schools: they are closer to the work that needs to be done and, thus, are in some cases better equipped for the kinds of training that prepares workers to succeed at their jobs. For some companies, offering job training will become a necessity: as the average age of the workforce increases, the number of retirees is gradually outpacing the numbers of qualified younger workers who can replace them. For other organizations, such training opportunities will become a means of generating revenue—and its primary customers are likely to be younger workers (or laid-off older workers) who find themselves unqualified to compete in the flat world.

At Cerner Virtual University, for example, CLO Rob Campbell is leading an initiative to expand revenue-generating offerings to customers in the health care field. It is not inconceivable one day that Cerner may offer professional programs in, say, nursing. Other companies will (and already are) establishing partnerships and alliances with universities and professional schools. Controls and appropriate certifications to ensure the meeting of standards in professional education will certainly be essential in cases like these. But corporate learning departments will increasingly find that their content development and delivery skills place them far ahead of the competencies of many traditional professional schools and universities, at least in terms of delivering graduates who can perform at optimal levels more quickly.

Here, though, is the big wild card in this scenario. Whether or not companies increase their involvement in the education of their nation's citizens depends (in a free market and free society) on whether they continue to care about sourcing work locally (or at least regionally). And that is what is being called into question in a flattening world. I suspect we are many years away from companies not caring at all where their most mission-critical workforces are located. The lure of the local will remain, at least for a time, so there will be incentives on both sides for remedial education, or training tied to specific skill and role needs, to increase the numbers of trained workers available to a company.

What global social upheaval may result if there is "no there there" when it comes to a company? What if a company does virtualize its workforce, sourcing work anywhere in the world based only on qualifications and price?

The social upheaval that is possible in a flattening world, however, is this: what if, in some future scenario, there is "no there there" (as Gertrude Stein once wrote of her California home town) when it comes to a company? What if a corporation really does virtualize its workforce on a massive scale (not just for back-office tasks), sourcing work wherever it finds the best people at the lowest price? If the pool of qualified and well-educated workers dries up in one country or region—ambitious 22-year-olds with skills in engineering, business and computer science—will anyone care? Or will they simply go somewhere else in the world where they can find the best people? It's an ominous question, and it leads to the next point.

Retraining and a social safety net

If, as I've said (and it's a big "if" in the long term), companies continue to care about sourcing a percentage of critical positions locally (or even just within a nation's borders), retraining and redeployment will become as important to companies as offering the specific entry-level skills necessary to join the workforce. In the west, we have witnessed over the past decades the weakening of the bond of presumed lifetime employment between company and worker. But one possible ramification of the flat world is a re-establishment of that bond for non-outsourced work (or even for outsourcing partners that a company wishes to retain in the long term as part of its essential workforce).

The economic well-being of companies will depend more than ever on a steady supply of knowledgeable and experienced workers, which could lead to incentives in the form of a stronger long-term employment contract. As long as minimum performance levels are met, companies could offer continuous retraining options to retain workers for longer periods of time. From the perspective of a worker,

many of them will also have incentives for seeking out this longer-term commitment. As with today's professional athletes who sign multi-year contracts, these workers may accept a smaller annual salary in exchange for a long-term commitment from an employer.

It is too soon to know (and this is part of the scary nature of this economic and social change) whether sourcing qualified workers will actually be easier or harder in a flat world. The supply of engineers from Asia will not, after all, be limitless. My bet is that the scramble to attract and retain the best talent will intensify, and that companies will use learning and retraining as incentives to keep their best people. But what about those people who are not necessarily the "best"?

Some of the talk about individual opportunity in a flat world risks sugarcoating the issue and sounding unrealistic, because it presumes that well-educated knowledge workers are naturally entrepreneurial. This is not necessarily so.

Susan Butler of the Susan Bulkeley Butler Institute has popularized in recent years the phrase, "Be the CEO of You, Inc." It's an important point—that all people are now in charge of their own jobs and their own careers. Yet some research suggests that entrepreneurial capabilities are as genetically distinctive and rare as, say, long-distance running or operatic singing or exceptional artistry. Many would be uncomfortable with a vision of the future where, for example, we would all need to be marathon runners. But saying that we all must become individual business owners may be every bit as challenging.

Ultra-individualism will be a cold wind blowing on many people and many cultures. Are humans, by and large, even made to operate as independent entities? Writing in the 19th century, social historian Alexis de Tocqueville noted that the very idea of individualism was threatening to the social order of democratic nations.

Individualism throws a person “back forever upon himself alone, and threatens in the end to confine him entirely within the solitude of his own heart.”³

Are individuals in a flat world “absolutely alone”? It’s too early to tell. But surely there will be social and moral considerations arising from the major changes we are already experiencing because of the ability to source work outside of a local community.

Here is how one CEO, Tom Glouer of Reuters, puts it: “I firmly believe in the lesson of classical economists about moving work to where it can be done best.” (by which he means, of course, not only best, but cheapest). “However, we must not ignore that in some cases, individual workers will not easily find new work. For them, retraining and an adequate social safety net are needed.”⁴

Implications: Cooperation between the private and public sectors

Another implication of the flat world is in the evolving relationship between the private and public sectors. If the social safety net must get bigger in the face of economic change, a large part of that burden will fall on corporations, either through taxes or through additional regulations governing hiring and firing. Tax breaks tied to retraining initiatives, or to corporations offering secondary or university-level educations, could be a piece of the puzzle.

Employability will become as important as employment. If, in the flat world, individual workers will be increasingly responsible for their own careers and economic security, one important role of both government and business is to increase the attractiveness of people to employers, to minimize the time between jobs. Creating in people the urgency to engage in lifelong learning is important, as

are government initiatives such as policies guaranteeing portable benefits. Though, again, there may be an equal tug from opposite sides: one trend pulling toward workers as free agents; another trend pulling toward workers and organizations having incentives to lock themselves to each other for longer periods of time.

Regardless of how that tug-of-war plays out, even those of different political persuasions can agree that the implications of a flat world for social stability are going to be enormous, and that ongoing cooperation between the public and private sectors is essential. New legal and institutional frameworks will be essential for creating a universal pension format; programs supported by both the public and private sectors will be essential to developing universal employability. Companies like CapitalOne, for example, are offering cross-training programs and other kinds of workshops to those portions of the workforce most affected by outsourcing.⁵

In any event, the sooner that focused discussion about the necessary cooperation between corporations and governments begins, the better.

The “horizontalization” of the world presents new challenges in ensuring the optimal flow of intellectual energy and, therefore, of value throughout an organization and its stakeholders.

Part Two: How learning will create competitive advantage in the flat world

Using as background these issues surrounding sourcing, learning and retraining in a flat world, we now come to a slightly different, though related, subject: the manner in which the learning function, and learning professionals, will have a new and more vital role to play in creating competitive advantage in the coming years.

From an organizational perspective, the “horizontalization” of the world presents new challenges in ensuring the optimal flow of intellectual energy and, therefore, of value throughout an organization and its stakeholders. We don’t always think of it this way, but that really is how value is created in any organization under any historical circumstances: energy flows among all the people who are in some way stakeholders of a company. Energy comes into an organization through innovation, goes out to customers in the form of products and services, and returns as revenue; it goes out to stakeholders as dividends and returns as additional investments.

If not enough energy flows into the organization—financial energy through revenues or innovation energy through R&D—the company stagnates and maybe dies. If not enough energy flows throughout the company (information about new products, for example, or financial data to support decision making), workers and executives cannot perform optimally, customers don’t get served properly, and the company cannot grow.

For better or for worse, a vertical or pyramidal organizational structure at least was simpler when it came to the flow of energy. It flowed from the top down, hopefully did not get neutralized at the middle manager level, went to the

employees and then out to customers. It wasn't ideal and it didn't always succeed, but it was familiar and it sometimes worked brilliantly in the industrial era.

The dream of the new or heightened kinds of value that might be delivered through more horizontal organizational structures has been explored and kept alive for some years by a number of forward-looking management thinkers and executives who have understood the implications of the post-industrial era. For example, in his book *Adaptive Enterprise*, Stephan Haeckel described the horizontal organization as one moving from "command and control" to "sense-and-respond." But implementation of that kind of enterprise has always proved difficult—pulled back by inertia, and by human nature that has rarely been willing to cede command and control once attained.⁶

Margaret Wheatley, the management thinker and author of *Leadership and the New Science*, once made this point in an amusing way during a conference presentation on knowledge management. On an overhead projector she drew the traditional, pyramid-shaped organizational structure: "Here is what most organizations look like," she said, "when it comes to the way they structure power and share knowledge." Then, simply turning the picture 90 degrees to the right, she quipped, "Now, some companies have reengineered..." It's an astute observation: if energy still is controlled from a centralized power base, it doesn't matter whether you say the energy flows "down" or "sideways." It's really the same thing.

Today, however, it's really too late for debate. The issue is not whether executives are going to adopt a flattened hierarchy; it has been flattened for them. They are no longer working toward the horizontal; they have been "horizontalled." To act as if this is not so is to commit economic suicide.

Making this flattened structure work consistently and predictably, however, is almost inconceivably hard at this point because there are so few successful models to follow. It is all well and good to talk about how corporate energy will flow horizontally instead of vertically in this new world—from managers in New York or London to workers who could be located anywhere from Bangalore to Manila to Atchison, Topeka and the Sante Fe. But someone (or someones) has to make that happen: not only put in place the physical network that enables that kind of work, but also to optimize the flow of energy.

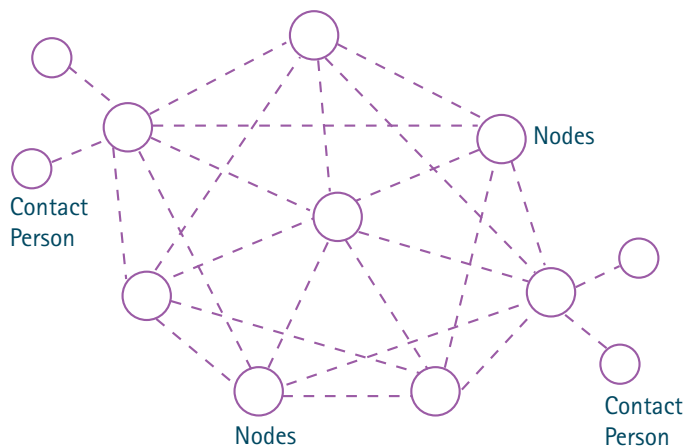
I think that it is and will be learning—the activity and the function—that not only optimizes that flow, but which actually helps define the groupings of nodes throughout the networked, horizontal organization. Management science is accustomed to speaking in terms of the "span of control" in corporate design of governance. But in a world where the command-and-control model is being replaced, what we're really talking about is the "span of learning": what are the groupings of nodes of relevant learning

and performance needs, and how big can that grouping get before the span becomes too big and intellectual energy begins to dissipate too rapidly?

Here are four specific areas that show why I believe the capabilities of learning, knowledge management, collaboration and performance support are critical to the success of companies in a flattened world, especially during the next decade or so of transition to a new way of working.

It is and will be learning that optimizes the flow of efficiency and innovation in the networked, horizontal organization.

Figure 1. A "Spider's Web" or Network Organizational Structure⁸



1. Learning as the "relay" of corporate intellectual energy and performance

It's important to fully appreciate the complexity of a flat, networked organization. In his book *Intelligent Enterprise*, written more than a decade ago, James Brian Quinn spoke of the organizational structures most conducive to organizations competing in an economy based on the flow of intelligence around the globe. One such structure he called the "spider's web" organization (see Figure 1), which he describes as operating with little to no formal order-giving hierarchies. The independent nodes of these organizations, Quinn writes, "contain essentially all the accumulated knowledge of the organization and work to a great degree without formal authority interactions most of the time."⁷ There may be a "center" to this organization, but it's one more akin to a "city center": it exists to bring people together, not necessarily to tell them what to do. The center collects and transfers information from and for the nodes.

Although Quinn was ahead of his time in detailing the kinds of organizational structures necessary to succeed in the knowledge economy, in fact, the situation is now exponentially more complicated. In a flat world, as I've already indicated, each person in the network of internal and external players is, in fact, a "node." Multiply Figure 2, by thousands and you may get to something more suggestive of the reality.

Recall my earlier point about the concentration of energy within a pyramidal organizational structure. In a flat, horizontal organization, companies must constantly be concerned about "signal loss." To think that the energy originating in one set of nodes—in, say, Chicago—will be of equal strength when received by another team in Mumbai or Prague or Poughkeepsie is unrealistic at best.

Consider the analogy to a home wireless LAN. In spite of the assurances from my vendor, the wireless hub I set up on the second floor of my home simply does not send out a signal that is received at high

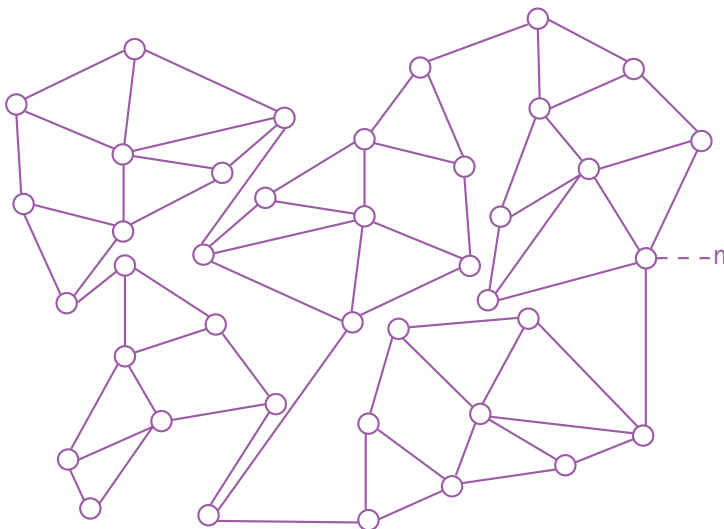
strength all the time up on the third floor or down in the basement. After grouching about it for a time, I finally went out and bought a couple of relays or expanders to boost the signal so that it (usually) gets to all points in the house more or less equally.

The horizontal organization is going to need those power relays, too. And it is the learning function, above any other—because it already has so many touchpoints throughout a company—that has the capabilities to ensure that horizontal organizations do not suffer from a signal loss that saps their competitive strength. Why? Because the strength of the signal depends very much on active participation along those connecting nodes, not just passive reception. The proper functioning of the horizontal, networked organization goes far beyond simply sending "communications" to the nodes. Communicating is absolutely essential but it inevitably comes with signal loss. It is, instead, active work and learning performed along the node connections that keeps the signal high.

As an example, consider the Regions Bank story. One of the risks of the merger of Regions and Planters Union Bank was signal loss. Bringing together multiple branches in different states, with workforces unfamiliar with each other, had the potential to impair the functioning of the new enterprise in a way that could have affected shareholder value. Many things went into the smooth merger integration story at Regions, including effective leadership and technology implementation, but clearly the learning program put together by Regions before the merger took affect had a dramatic

The learning function must become increasingly attuned to supporting the real-time needs of the business.

Figure 2. The Horizontal Organization Has as Many Nodes as It Has Workers, Customers and Partners (=n)



impact on the culture of the bank. Learning was, in part, responsible for Regions converting to the new operating model with no loss of service to customers.

The learning programs were essential to “training” workers to perform with new systems, yes. But beyond that, the active use of the connections of the networked organization kept signal reception high, in a way that a “communications program” alone could not have achieved.

2. Learning that connects the nodes with knowledge

For some time, knowledge management has been a technological solution in search of the right business need. In a flat world, the need has suddenly become clear: for a horizontal organization to succeed, it must become world-class in capturing the energy or excellence created or discovered in any one node or set of nodes (and remember, these nodes are both inside and outside the organization itself) and getting that energy to all other parts of the network. That is, knowledge management is really just another form of learning.

Just as organizations themselves have moved away from long-term strategic planning in favor of more nimble ways of staying aligned with the marketplace, the learning function must become increasingly attuned to supporting the real-time needs of the business. So what Haeckel called the “sense-and-respond” enterprise really now applies to the learning function. Learning needs to be able to assess the needs of critical nodes

World-class organizations know how to capture the energy in one part of the human network and get it to all other parts.

or node groupings and get knowledge and experience there to support that work.

Knowledge management is not just about making information, news or content readily available—even content indexed by performance need. As with my earlier point about active learning along the node connections, this form of knowledge sharing and content management is too passive. What a flat organization needs is **actionable knowledge**. And the best kind of actionable knowledge comes from another part of a company: “I know what you’re trying to do; here’s what we did and it worked.” That’s information that generates an active response along the node connectors.

Part of the challenge with knowledge and learning in a flat world requires more sophisticated technology solutions. Connecting different groups of nodes in a networked organization also means connecting what may be heterogeneous databases and information systems. Generally the issue that defeats even the most sophisticated knowledge management applications, it’s addressed with one prototype from Accenture Technology Labs called, “Knowledge Discovery Tool.” Joining together multiple databases and locations, and overcoming issues of inconsistent data structures, the tool answers a knowledge query with clusters of associated information, presented as is if it were stored in a single repository. A user can then find all information related to that cluster.

Often, people discover relevant materials and links that they never knew existed. The tool also goes beyond passive knowledge retrieval, identifying and introducing parties with similar research interests, and giving them the option of entering a chat room to collaborate and share the implications of their findings.

The tool has already proved valuable in the pharmaceutical industry in an implementation that combines available

information from drug concept through commercialization, enabling pharmaceutical researchers to access data on a specified compound, protein, disease, therapeutic area, research team, or drug study, as they begin to explore a new field of interest.

To be effective, knowledge management has to deliver this kind of actionable knowledge—real-time or near-real-time learning directed toward a practical business need. In a flat world, that is finally going to happen because it must.

3. Learning that contextualizes and harvests the fruits of collaboration

Those who are most hopeful about the future of the flat world are those who realize that innovation-fueled advancements in science and technology are going to be more impressive than ever in the coming years. Why? Because of the ability to collaborate on a massive scale. It is now possible to develop talent anywhere in the world, tap into it anywhere, and bring that talent together to create value “horizontally,” thanks to advancements in collaboration technologies and applications. Microsoft’s Bill Gates, for example, notes that, thanks to the ready availability of natural talent anywhere in the planet and the ability to connect them with collaboration tools, “We’re going to tap into the energy and talent of five times as many people as we did before.”⁹

Two of the most important movements or events that have influenced the development of a flattened world are collaboration-related influences.¹⁰ One is workflow software—standards-based communications protocols and the applications built on them that permit work to flow across functions and locations while executing a single process. When we say that we can send “energy” or knowledge or work from one set of nodes

in a horizontal organization to another, it's really the workflow software that's doing it. Workflow software programs let companies create virtual offices connecting workers in real-time anywhere in the world where there is an Internet connection.

A second collaboration-related influence is called "open source" communities: technologists and programmers who come together voluntarily to produce industrial-strength code and applications and make them available for free. Linux and Apache are perhaps the two best-known software products of open source communities; Wikipedia is an example of a product (in this case, an encyclopedia) written by a collaborative community.

These collaborative groups are a distinctive component of the flat world: self-forming, self-organizing communities coming together not in response to an "order-giving hierarchy" (the phrase from James Brian Quinn discussed earlier) but to serve a common interest or in search of solutions for a common need. The "blogging" phenomenon is another instance of these self-forming communities: ad hoc groups forming around a topic or event, coming together for a time and disbanding when interest wanes or a new topic comes along.

The ability of nodes in the horizontal organization to connect to each other—whether the impetus is self-directed or through authoritative direction—will distinguish winners and losers in a flat world. The news industry has been dramatically affected by blogging; the music industry has been dramatically affected by new trends in podcasting—individuals and groups able to create and send out their own programs and broadcasts. As another executive puts it, "This emerging era is characterized by the collaborative innovation of many people working in gifted communities, just as innovation in the industrial era was characterized by individual genius."¹¹

Yet, to repeat what is by now a common theme here: for collaboration in a flat world to be effective from a corporate perspective, it must take place in a larger context of learning, knowledge management and focused performance directed toward business need. The collaborative functionality of the Knowledge Discovery Tool discussed earlier, in fact, operates exactly on that principle: the best (as in, potentially most value-producing) opportunities for collaboration, including the spontaneous collaboration that often produces innovation, occur in the context of searching for knowledge and real-time learning felt intensely by workers trying to achieve an immediate business goal. Re-contextualizing collaboration as part of a related grouping of functions that also includes learning, knowledge management and performance support is vital to directing the energy of collaboration toward a common end. And that, again, will be something that learning professionals can make happen.

The learning function must do something else: it must harvest the fruits of collaboration when possible and appropriate—fruits called "innovations"—and it must help divert that collaborative energy somewhere else when it is not appropriate. This latter point is something not often discussed in the literature on innovation. That is, there is a time for innovation and a time for executing on previous innovations. You can't get anywhere in your car if you mechanic is constantly tinkering with the engine to get it to "run better."

For example, Elizabeth McDaniel of National Defense University (NDU) notes that she receives many good ideas from colleagues about ways to improve aspects of the learning programs at NDU. Sometimes, people become frustrated when they don't see their ideas implemented. But, as McDaniel says, "Even the best ideas need to be implemented at

the right time. You can't change everything all at once. An organization needs to have stretches of both stability and change, even on the road to transformation. Part of McDaniel's job as Dean of Faculty and Academic Programs at the Information Resources Management College of NDU, therefore, is to manage innovation: to recognize that innovation is a wave pattern, and that both the up and down cycles are important to organizations in the long term.

When learning, collaboration and knowledge management eventually become better integrated, this energy diversion may become easier. Some collaborative innovations will be harvested directly and applied to immediate performance needs. Others can be harvested and "stored" until the application of the ideas is more appropriate or timely.

Or, one final option: a self-forming community may simply not wait for "approval" of an innovation and may execute it anyway. Many organizations aren't quite ready for that on a grand scale, but the day is coming.

Since an organization is actually comprised of all the individual nodes or persons in the enterprise, every person is either advancing the energy of the organization or impeding it.

4. Ensuring excellence at every node

The last point here takes us back, finally, to one of the more traditional roles of the learning function: to support new hires of an organization with the development they need to achieve competency as quickly as possible, and to provide ongoing learning opportunities to all workers that advance their ability to make a continuous contribution to the success of the entire organization. More than that, the learning must help advance their careers—which, as we've noted, now means enhancing not only their value to the organizations, but also their versatility and lifelong employability.

This traditional "training" role takes on a great deal more urgency in a horizontal, networked organization. Since an organization is actually comprised of all the individual nodes or persons in the enterprise, every person is either advancing the energy of the organization or impeding it. There are no nodes that only receive energy; all nodes receive it, send it back and pass it on.

So, consider JetBlue—the extremely successful low-cost airline start-up which, as Chief Learning Officer Mike Barger notes, is currently taking on 10 new nodes every day (that is, 10 new hires). Companies in that kind of growth phase had better find a way to optimize the energy going to and from those nodes as quickly as possible. Or, if you're in an industry like telecommunications or high-tech, where new product and service creation is critical to success, you had better make sure your developers can interact within the complex ecosystem of internal and external players necessary to create innovative services quickly. You had also better make sure your customer

service agents have the knowledge and skills they need—and the ongoing performance support and collaboration tools—to serve customers calling to inquire about an ever-changing suite of services.

The effective horizontal organization is doing something else: it is actively pursuing energizing the nodes not only representing its own workers, but those of channel partners and customers as well. Companies are already competing not just for the hearts and pocketbooks of customers but for the "mindshare" of channel partners. If you want a partner sales force to sell your product more often than competing products, one way to make that happen is to offer world-class learning opportunities about your company and products to those partners. If sales people understand deeply the benefits of your products and what they can do, they are likely to give them an edge when selling to their customers.

Hitachi Data Systems (HDS) for example, has been engaged in a major business strategy to revolutionize its customer service capabilities. Part of that strategy has been an effort to better understand its channels and the potential obstacles faced by its channel sales force in selling HDS products. HDS products as well as after-market support have been well-respected by its partners. But the partner training was not all it needed to be, according to Nick Howe, HDS' Vice President of Worldwide Education and Training, and this was influencing the perspective of the partner sales force. By developing a business case for new initiatives in channel partner education, HDS now has tangible evidence for large potential percentage increases in sales. In fact, HDS is targeting up to a 20 percent increase in total revenues from the partner channel as a direct consequence of the new and better training experience.

What used to be simply the "training" organization now has a profound strategic role to play in the flat world.

Conclusion: Tending to our economic destiny

A final story that takes us back to Thomas Friedman's book: Friedman quotes extensively from an employee memo written by David Schlesinger, the head of the news organization Reuters America. Change is difficult, writes Schlesinger but, in fact, the current debate about work going to India or China is really no different from earlier fears about textile work leaving North Carolina or submarine-building work leaving Connecticut. There is pain in any economic change, but opportunity as well. "Every person, just as every corporation, must tend to his or her own economic destiny, just as our parents and grandparents did in the mills, shoe shops and factories."¹²

In transforming possible economic pain into economic opportunity, corporate learning is now on the critical path. Indeed, as part of the ongoing maturation of corporate learning, we must be prepared for a much more expansive, even aggressive, understanding of its scope: what used to be simply a "training" organization now has a profound strategic role to play in the flat world.

"Learning" develops and deepens the skills of all nodes of an organization—all workers and stakeholders, internal and external—thereby directing performance more powerfully toward business need; it is concerned with the general growth and availability of knowledge throughout an organization; it seeks to package knowledge and learning not only in ways that prepare workers to perform, but that also supports real-time performance needs; it supports focused collaboration, contextualizing it in the broader domain of learning and knowledge sharing; and it helps to harvest the innovations of knowledge sharing and performance-focused collaboration so that the organization is continuously capable of excellence and growth.

This is a big scope, to be sure. But none of the points seem unnatural or extraordinary. Indeed, this is part of the natural evolution and convergence of these learning and business functions, the inter-relations of which we are now able to understand as part of the urgency of living and working in a flat world.

About the Author

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Notes

1. Thomas Friedman, *The World Is Flat: A Brief History of the Twenty-First Century* (New York: Farrar, Straus and Giroux, 2005).
2. Friedman, p. 105.
3. See Alexis de Tocqueville, *Democracy in America*, Book 3, Chapter 2.
4. Friedman, p. 20.
5. Friedman, pp. 290-91.
6. See Stephan H. Haeckel, *Adaptive Enterprise: Creating and Leading Sense-and Respond Organizations* (Boston: Harvard Business School Press, 1999).
7. James Brian Quinn, *Intelligent Enterprise: A Knowledge and Service Based Paradigm for Industry* (New York: The Free Press, 1992), pp. 120-21.
8. Quinn, p. 121.
9. Friedman, p. 194.
10. See Friedman's discussion of these two "flatteners" in chapter 2.
11. Friedman, p. 93.
12. Friedman, pp. 20-21.

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