

Working with Volkswagen

The Organisation

The Volkswagen group is the third largest automobile manufacturer in the world, employing 343,000 people worldwide, with brands including Audi, Seat, Lamborghini, Skoda, Bentley, Bugatti and VW.

The Issues

In common with many organisations, Volkswagen has pursued growth both organically and through acquisition. In the early 1990s, with many of the current brands already in their portfolio and with the pace of globalisation increasing rapidly, Volkswagen identified the need to develop a group level talent pool. The *Group Executive Programme* (GJEP) was launched in 1993, targeting people who would actively shape the future and initiate, lead and implement change processes – the top managers of the future.

The goals of a development programme to meet this need were defined as:

- Further development of the best managers with potential for top management positions in the VW Group
- Organisation of cross-cultural, cross-functional and cross-company learning opportunities for management facing global competition
- Strengthening networks between companies
- Teamwork on international projects with measurable results.

The Programme

In 2006, Volkswagen and Ashridge will run their twelfth GJEP. So far 334 managers have attended, with 34 more in this year's cohort. According to Barbara Gutmann, Head of Group Executive Development (GED), who is responsible for the programme (and was herself a participant in 1994), the outstanding feature of the programme is *"the very clever mix of approaches – inputs, teamwork, projects, feedback using customers, participants and senior executives."*

Four modules take place over nine months, the first at Ashridge, the second in an international location, the third in Europe and the fourth in Germany. Each module has a core theme, such as self awareness, leading strategy and change, peer coaching and feedback and making it happen. Participants already

have between five and ten years' experience in the Volkswagen group and the average age in 2006 will be 40.

All brands and regions are represented and over the past decade there has been a clear change in representation: increasing numbers from Asia have mirrored this region's increasing strategic importance for Volkswagen.



The foundation of the programme rests on projects of strategic importance. For each programme, six concrete international projects with specific issues facing Group companies are chosen. Colin Williams is Ashridge's client director for GJEP. He says that VW's commitment to projects as a learning vehicle is outstanding: *"It starts with the project definition process,"* he explains. *"Senior executives or top managers nominate possible projects to GED, and there is real competition to put forward issues that are critical and need tackling on a pan-business basis."* This is backed by real project budgets and recognition that project teams need time away from their usual jobs to complete their project work. In the view of Group Executive Development the strengths of this

approach are threefold: *"The teams are cross-cultural, enabling participants to work with challenging situations; they are cross-functional, taking them right out of their comfort zones (no participant can stay in their function or brand of origin), and they are real life – they really are action learning projects."*

Many projects have borne real fruit for Volkswagen. An investigation into lead times between customer orders in the US and delivery from the New Beetle production plant in Mexico broadened into an exploration of the whole delivery pipeline and was able to recommend ways of halving the period customers have to wait. This brought enormous business benefit and in addition key skills and knowledge were spread across the business. The participant team that carried out the work reported that they had learned a huge amount about negotiation, delegation and empowerment, time management and decision-making in international teams.

Participants work on the projects in parallel to their day jobs, but allocate around 40 days to their project work. They are backed by real project budgets, have a senior internal sponsor and an Ashridge and a GED coach assigned to them and receive regular and incisive feedback from sponsor, coaches and peers. Colin Williams sums up the project learning: *"It is a collaborative experience with concrete deliverables."*

The Relationship

Barbara Gutmann, who has managed the programme for Volkswagen for seven of its 12 years, says: *"It's a very very good cooperation. The team has changed but the relationship has remained stable and customer orientated. I really appreciate it – it makes life easier, really easy."*

Volkswagen and Ashridge regularly revisit both the structure and content of the programme and it has undergone significant updating for 2006. The need for this type of development is constant, even if the programme itself evolves. Group Executive Development comments: *"There are always people waiting to come on it; this is the best kind of feedback – its reputation is very high in the group."*

The Outcomes

GJEP alumni are now spread throughout the Volkswagen organisation, with around one third already in top management positions at group level. Increasingly, key jobs are going to younger candidates, primarily former GJEP participants and this process is facilitated by close links between Barbara Gutmann's team in development and her talent management colleagues.

Although the initial learning from the projects is within the programme, it goes far wider than that. After presenting the key issues to the Volkswagen group board, all findings are shared with all other participants and with everyone who has contributed in any way to the project. The result is a vast number of people right across the group with a hugely increased understanding of a pan-business issue, which will, in one way or another, also have relevance for their own part of the business.

"It is a brilliant example of linking development to the strategic needs of the business," says Colin Williams. *"The learning goes far wider than the GJEP and has a direct impact on the business."*

Victims of their own success, Group Executive Development found that there was an ever-increasing demand for teams to work on key strategic projects – more than the GJEP could satisfy. Both to deal with this need, and to offer further development to GJEP alumni, GED piloted *GJEP Alumni Active* in 2005. This runs over six months and is similar to the project process in the GJEP. Alumni seeking further development in preparation for a top position are invited to apply and a cross-cultural, cross-functional project team is put together to tackle a pan-business issue. Although the process is run internally, Ashridge is involved for specific inputs when required. The pilot was successful and so *GJEP Alumni Active* will continue in 2006.

Another key outcome from GJEP is the ever-increasing network. Participants not only remain active business advisers for those from their own programme but also develop relationships with those in their line companies who are also programme alumni. Barbara Gutmann is sure that this is impacting the way business is conducted at Volkswagen: *"You can feel the change going on."*