Cisco & LIW Submission for

Excellence in Practice Award 2015: Leadership Breakthrough Program

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Executive summary

Leadership Breakthrough

Cisco engineers lead company transformation

Cisco is the worldwide leader in networking that transforms how people connect, communicate and collaborate. It is in the process of a transformation on a huge scale: to move from its hugely successful history as a hardware company to its next wave of success as a software and solutions leader connecting the unconnected.

Engineering is at the heart if that transition so its leaders will have to be exceptional in navigating the organization through a rapidly changing environment. Key to this are the Directors and Principal Engineers who translate the overall

strategy into action. Cisco sought to build the leadership capability of the most promising of this group to drive change and prepare them for their next roles.

To achieve this, the leaders themselves would have to have their own 'Breakthrough' from being technical leaders to being organizational leaders with broad reach and profound impact.

Cisco partnered with LIW, a global leadership consulting and development firm, to build a highly customized program that would enable this breakthrough. This could not be a regular training program: the shift required for the organization and the leaders was too great.

Forming a tight-knit program team, Cisco and LIW identified the behavioral shifts that were required in collaboration with senior leaders. These were: external focus, shaping strategy, leading change, building capability and leading self. The team then designed a multi-faceted program that would enable each individual to have their own breakthrough.

Key elements of the program are:

- Facilitated conversations with participants and their reporting managers to set development goals.
- 3.5 day 'hot house' including a specially made leadership simulation including actor role plays. Teams have observers throughout who give thorough individual feedback.
- 2 day 'cool box' focusing on leading self and leading others
- Action Learning Projects: working as teams on key organizational opportunities

Key impact metrics to date include:

- 30% performance improvement reported by participants
- Action Learning Projects that helped in streamlining business opportunities aligned to strategy
- Participants reported improved performance in collaboration and team engagement to leverage organization-wide opportunities to offer full solutions to clients

> **"I have seen how this program transforms our Engineering leaders and delivers immediate business impact."**
>
> **Ayman Sayed**
> **SVP, Engineering, Cisco Systems**

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The challenge

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Cisco Systems

Cisco Systems celebrated its 30 year anniversary in December 2014. The company was founded by two Professors at Stanford in 1984 to solve the now simple challenge of emailing across different local area networks. Today Cisco is still in the business of helping companies to communicate and to seize the opportunities of tomorrow by proving that amazing things can happen when you connect the unconnected.

From its inception Cisco has focused on designing, manufacturing and selling networking products and services related to the communication and information technology industry; specifically the technology which enables interconnection of mainframes, public and proprietary PC networks to carry voice and video communication on a converged Internet Protocol (IP) network infrastructure.

Cisco's strategic approach has been to focus on market and technology transitions which include switching technology, digitalization of voice and video and the emergence of integrated collaboration systems, wireless connectivity, migration of storage systems towards IP and convergence of computing systems and more recently on virtualization and cloud-based solutions.

With the adoption of IP based network solutions across a broad set of applications including financial, education, manufacturing, transportation, healthcare, retail, telecommunication and country/city infrastructure, Cisco is pioneering the Internet of Everything (IOE): an integrated environment to connect sensors and "things" with people and processes to enable a dramatic transformation of society and business.

Cisco's original vision of **"changing the way we work, live, play and learn"** is today still relevant and the company's strategy is aligned to help customers and citizens to achieve such evolution.

Cisco's vision:
"Changing the way we work, live, play and learn."

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Business goals

Cisco is going through a transformation on a scale that may be unmatched in corporate history: evolving a $48B revenue and 70,112 full-time employees to respond to the emerging challenges of the Technology industry. The organization is undergoing change in its business model, organization structure, technology innovation and people profiles/skill sets.

Cisco must build on its successful past as a hardware supplier and become a software and services company. Cisco Engineering's role in this transformation is crucial as it must make the shift from developing just hardware to building architectures that will enable their enterprise and service provider customers to thrive in the Internet of Everything era.

Leadership Breakthrough was designed, and has been shown, to be a key enabler for that transformation: its primary focus is to enable people to think, act and enhance Cisco Strategy, introducing new business and organizational models and new execution practices.

Cisco Engineering set objectives to enable the transformation. The Leadership Breakthrough program was designed to deliver on these objectives and also the Talent Development Objectives of building leadership bench-strength and engaging high potential leaders in the transformation.

The audience

The program was developed for high-potential Directors and Principal Engineers. Both groups are at the same level but have different roles:

1. Directors are on the 'management track' and so have direct reports who will be mostly managers of others or even managers of managers.

2. Principal Engineers (PEs) are on the 'technical track' and have no direct reports but have reached this senior level through their technical capability and influence in the organization.

Both groups have crucial roles in leading Cisco's transformation. With VPs setting organizational direction and managers leading execution, the program participants are vital in translating and diffusing strategy, creating clarity in the middle of the organization to drive aligned execution.

The program targets the top 15-20% of the eligible high potential DIrector and PE population in terms of the potential to ascend two levels higher in the next 5 years.

Behavioral goals

In order to achieve the business goals, Cisco identified a need for its Directors and PEs to take a turn in the 'Leadership Pipeline' and make a shift from having a technical focus to having a customer, business and people focus.

In order to deliver the technical solutions customers now require, Cisco leaders need to combine excellent technical understanding with an ability to collaborate and communicate.

Ayman Sayed, SVP, Engineering, sponsored and leads the program for the engineering community. Ayman understands the imperative to change the organization to meet the new market challenges.

"We recognized that we had to make some significant changes to meet the new competitive threats from the marketplace, hence our key areas of focus were:

1. Developing agile leaders to deliver our strategy in a Volatile, Uncertain, Complex, Ambiguous (VUCA) world.

2. Leveraging the organizational-wide capabilities of Cisco to develop the software-based solutions our customers want.

3. Recognizing the generational shift among engineers and the new workplace opportunities they demand.

That required us to rapidly expand the base of our Leadership team and augment the Leadership-type behaviors of the top 15% high potential leaders in the company" said Ayman.

Ayman Sayed, SVP Engineering, talking at a Leadership Breakthrough session

Senior Cisco leaders support the ethos of Leadership Breakthrough as a program to enable leaders to create the conditions for success in their teams:

"The more senior you are in the organization, the less it becomes about you executing and more about how well you inspire others to action."

Liz Centoni, VP, Engineering, Cisco Systems

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The commitment/ partnership

The relationship: LIW and Cisco

LIW has partnered with Cisco since 2000.

In 2008, LIW developed and delivered a program for high potential leaders from across the Australian country organization. This was the forerunner of Leadership Breakthrough that is the subject of this application.

How the partnership worked

A program team was set up that included program managers, designers and logistics leads from Cisco and LIW.

Development stages

- **Behavioral objectives development:** after finalizing the business objectives, the first task was to define the behavioral objectives. This consisted of a series of meetings with key stakeholders (VPs) to discuss the key needs for the participant group. These were defined as observable behaviors, a second round of meetings was used to 'traffic light' them to identify the key areas of focus.
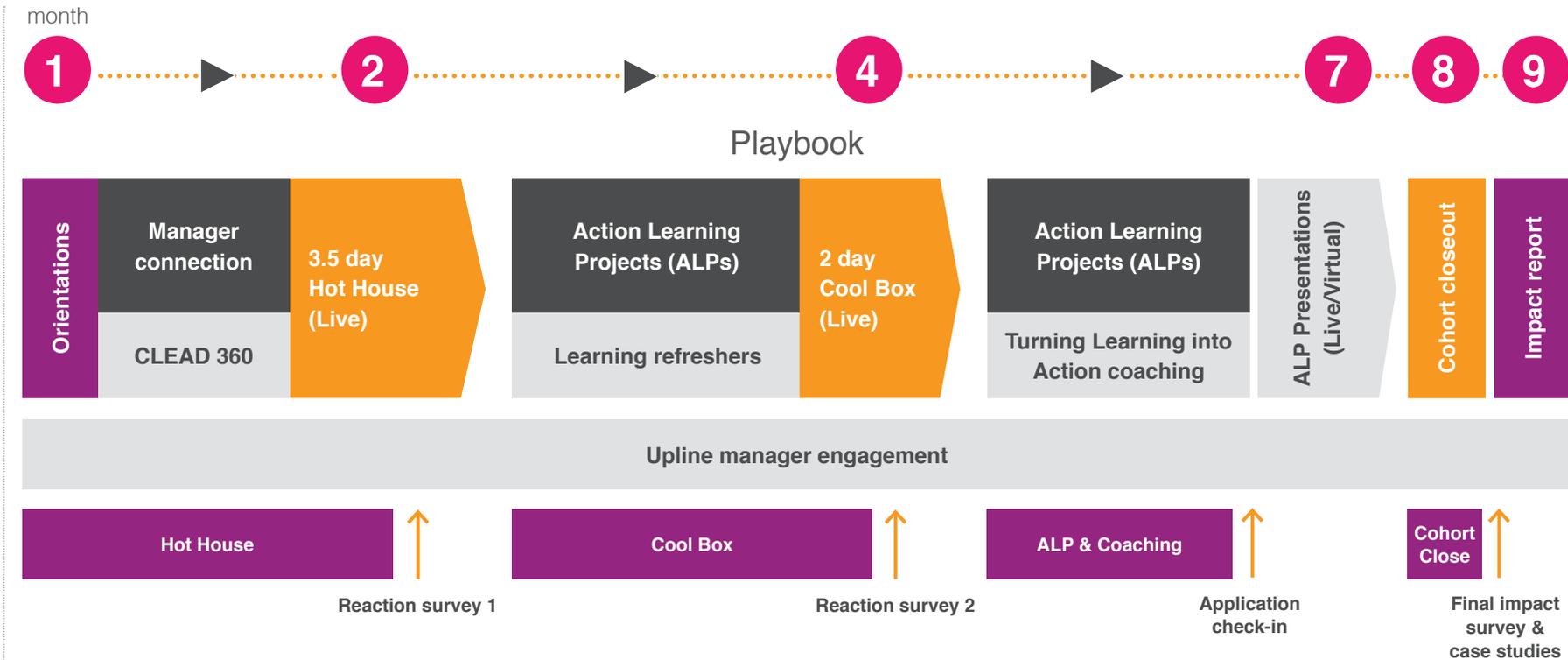
- **High level design:** in this phase, the team created the broad brush picture of the journey the participants would go through and the detail of the learning elements.

- **Content development:** slides, workbooks and other materials were developed.

- **Simulation development:** at the heart of the program is the leadership simulation (see sidebar 'Bladerunner, a leadership simulation.) This was developed by LIW in partnership with a panel of four senior Cisco leaders.

- **Pilot:** the program was piloted initially with High Potential Leaders in one business group globally and then, as it received resounding success, was extended across the entire Engineering organization.

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Focusing externally	Shaping strategy	Leading change	Building capability	Leading self
From relying on others to leading through intimate knowledge of the world outside Cisco	**From shaping strategy for teams to creating cross-BU strategies to meet customer needs**	**From leading change in own BU to being the catalyst and driver across the organization**	**From building teams to creating Cisco's workforce for the future**	**From reliance on senior leaders to maintain focus and momentum to taking that role for others**

Breakthrough

Behaviors

Focusing externally	Shaping strategy	Leading change	Building capability	Leading self
■ Builds broad external networks and understands customer needs ■ Leads through market insights: consistently advocates for the customer ■ Understands competitive landscape ■ 'Wears the Cisco hat'	■ Defines strategy and translates it for the team ■ Operates at appropriate strategic vs. tactical levels ■ Builds broad networks across the enterprize and enrols others across BUs	■ Takes personal responsibility for change ■ Challenges status quo and exhibits disruptive thinking ■ Creates a climate for innovation ■ Creates the Conditions for Success of cross-functional teams	■ Aligns talent strategy to business strategy ■ Takes an organization-wide view in workforce planning ■ Develops talent and leadership for Cisco's future needs	■ Projects what they stand for and the value they can bring ■ Builds resilience in self and others ■ Has leadership presence across broad internal stakeholder group ■ Inspires other to action through a clear higher intent

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The L&D initiative/
the program

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month

1 ➤ **2** ➤ **4** ➤ **7** **8** **9**

Playbook

Orientations	Manager connection	3.5 day Hot House (Live)	Action Learning Projects (ALPs)	2 day Cool Box (Live)	Action Learning Projects (ALPs)	ALP Presentations (Live/Virtual)	Cohort closeout	Impact report
	CLEAD 360		Learning refreshers		Turning Learning into Action coaching			

Upline manager engagement

Hot House	Cool Box	ALP & Coaching	Cohort Close

Reaction survey 1 | Reaction survey 2 | Application check-in | Final impact survey & case studies

We applied the LIW Impact System™ to evaluate participant and business outcomes at each stage in the program. The methodology is based on the Kirkpatrick Four Levels of Learning Evaluation, with an approach combining the quantitative strengths of Philips ROI with the qualitative illustrations of the Brinkerhoff Success Case Method. We capture information from the whole cohort through surveys at four points in the program: Reaction Surveys (Kirkpatrick levels 1 & 2) after the Hot House and Cool Box sessions, an Application Check-in (Kirkpatrick level 3) after the Learning Transfer coaching and a Final Impact Survey (Kirkpatrick levels 3 & 4) at the time of the cohort close-out. Case study interviews are carried out after the final survey to capture deeper, more detailed examples of individual achievements.

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The change agenda is crucial to the success of this program:

> "Think of yourselves as change agents. No one has all the right answers but we have a lot of heart. My mantra is 'Fail Fast, Succeed Faster'. Take on new roles and challenges, and help us transform the company."
>
> **VP Marketing, Cisco Engineering**

Orientations

Two separate orientation sessions are offered, one for the participants and one for their managers.

Manager Connection

These virtual meetings take place in the two weeks before the first face-to-face module. It is a meeting between the participant and their manager, facilitated by an LIW consultant. It has three objectives:

- To agree on the participant's development goals

- To discuss and agree on how to set up the conditions for the participant's success

- To agree on a 'business challenge'. This is a real 'stretch' project that the participant will complete by applying the program learnings.

Hot House

Hot House is called so because it is an intense and active four days, built around a leadership simulation.

The Hot House is designed to follow cycles of Learn – Try – Apply. These phases are as follows:

- **Learn:** program facilitators use an exercise or another discovery

- **Try:** the participants use the learnings in the simulation

- **Apply:** the participant uses the new learning to plan for the successful execution of their business challenge.

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Key learning areas in the Hot House are focused around:

- The Sigmoid Curve
- Leadership thinking
- Leadership action
- Leadership framework, Ola™
- Customer insight-driven strategy
- Stakeholder engagement
- Building capability

Learning Refreshers: 'Ola™ Bites'

After the Hot House, the participants receive auto triggered bite-sized (5-minute) learning refreshers; 'Ola™ Bites' around various leadership concepts and styles as reminders to be effective leaders. Each one adds depth to their Hot House learnings on the Ola™ framework through a quote, an article or a video and a specific action that they can take that day to apply their learning.

Cool Box

Cool Box is a two-day module, 8 weeks after the Hot House. It is a highly challenging module but in a totally different way from the Hot House. The Cool Box focuses on leading self and the practical aspects of leading others. It is highly reflective, collaborative and also offers an opportunity for the participants to try out a crucial skill for any leader: the coaching conversation.

Ola Bite #8
Reinforcing the 'why?'

Think: Quote of the day

- "He who has a why can endure any how." - Friedrich Nietzsche

Do: Today's Breakthrough Task

- Have a conversation with a member of your team who is not very motivated about the higher intent of what you are doing. Why is it important to them? How does it connect to Cisco's mission to change the way we live, work, play and learn?

Reflect: Read

- LIW Bleet: Stop trying to inspire people: http://liw3.com/bleets/stop-trying-to-inspire-people/

Sign up for LIW Bleets, practical leadership in 140 words: http://liw3.com/newsblog/

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Key learning areas in the Cool Box are:

- ■ Personal purpose
- ■ Leading Change
- ■ Multipliers™
- ■ Coaching conversations
- ■ Maintaining peak performance

A key element of the Cool Box is the 'fishbowl' exercise. In small groups, each participant has an opportunity to brief an actor on a difficult or important conversation that they need to have with a colleague, team member or customer. The actor plays the part of the other person and the participant has an opportunity to try out their learnings on being a Multiplier™ and receive coaching while drawing on the clarity of their own purpose to give them clear guidance.

Cohort close-out

As the participants near the end of their nine-month adventure, a virtual close out puts them on the road to success. The goal of the close-out is to share the outcomes of the Action Learning Projects, to enable the participants to support each other in applying the learnings of the program.

This virtual session leverages the Webex® Collaboration Platform allowing the facilitator to split the participants into small groups to run structured group coaching sessions.

Impact study

From the start of the program, participants are aware that the goal of Leadership Breakthrough is to drive real and sustained culture change and that we will be measuring business impact at a group and individual level. The impact report is shared with program managers, participants and their managers and serves to both inform program development as well as to share success stories among the Leadership Breakthrough network and sustain motivation for change.

Blade Runner, a Leadership Simulation

The goal of the simulation is to give the participants a 'sand box' for trying out their learnings. In the same way as pilots use a flight simulator to test themselves, Blade Runner provides these leaders with a way to experiment, safe in the knowledge that no one will get hurt if they fail.

The cohort is split into four teams, each playing a business unit leadership team in an imaginary IT company, Tyrell Corp. Each team is given a specific product or service that they have to launch.

Blade Runner is not a traditional business simulation, it is a leadership simulation. While the scenario is underpinned by a large dataset that the teams can use, the emphasis is on how they work together to achieve the best possible outcome. Each team has an observer who gives the team 'hot' feedback, facilitates discussions on learnings and provides a written report for each participant.

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The impact

Overall performance improvement
29.6% (3 cohorts, 57 responses)

"The main change is undoubtedly in perspective. Understanding what the big picture is and why we have to move in a particular direction is key to most things I do now."

Participant – Cohort 2

Core to the Leadership Breakthrough program is that leaders drive the Cisco transformation to meet the challenges of a VUCA world with clarity, agility and speed.

The whole program was designed to optimize relevance and applicability and this is reflected in Participants' estimate of overall performance improvement of just under 30% since attending the Leadership Breakthrough program. This dramatic improvement is driven by their bold stepping up the leadership pipeline to more effectively leverage the work of their team in delivering business outcomes.

Feedback immediately after the face-to-face elements of the program (Hot House and Cool Box) were very strong, with Job Impact and Learning Effectiveness particularly high.

Hot House – Nov 18-21, 2014	Average
Business Results	4.45
Courseware	4.46
Environment	4.32
Instructor	4.45
Job Impact	4.64
Learning Effectiveness	4.73
Overall Satisfaction	4.70
Return on Investment	4.80
Summary	4.54

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Business impact focus

Impact was most frequently driven by improvements in collaboration within Cisco leveraging the full value of the organization to meet client needs. This strengthened internal relationships and drove team engagement as staff shared the strategic vision of Cisco and understood how their role contributed to the improving outcomes.

increased revenue
increased profitability/better cost control
improved engagement of my team
better execution/efficiency of working
more collaborative approaches to working
better relationships with key internal stakeholders
better relationships with key external stakeholders, customers, partners, etc.
Improved retention of key staff
Other

% 0   10   20   30   40
Number of mentions

Behavior change since attending leadership breakthrough

The behavior change has been most clearly seen in the priority these leaders give to communication and connection, coaching and enabling their teams and engaging stakeholders. Combined with more strategic thinking, these leaders have driven transformational change in Cisco.

"As senior leaders you must excel at driving cross-functional initiatives. You have to know what's in it for you and for them and communicate accordingly. Be willing to challenge your peers when they need to deliver. Spend less time planning your strategy and more time socializing it."

Vinod Peris
VP Engineering, Cisco Systems

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Business impact case studies

The methodology underpinning the LIW Impact System™ combines quantitative and qualitative information to construct a full picture of the impact achieved by program participants. In addition to the quantitative measures reported above we write case studies on program participants to illustrate individual initiatives they have pursued and the business outcomes they achieve.
The following three cases, the first full and the following two brief, are written about participants in each of the three cohorts of Leadership Breakthrough run in 2013/14.

Collaborating to create a shared vision

Richard House and **Massimo Lucchina** were part of the first Leadership Breakthrough Program in 2013, just at the beginning of the new fiscal year and after a major reorganization and realignment of their respective organizations.

Richard is Director of Engineering for the Internet of Things product line at Cisco based in Austin TX; Massimo is Executive Director, Central

Software Group at Cisco in Switzerland. They both were in a relatively independent and silo-ed manner delivering technology and products to their respective Business Units.

While working through their assignments within Leadership Breakthrough, they identified a market challenge facing both their businesses and agreed to collaborate to create a shared vision and business case for the emerging opportunity in Industrial Ethernet which will be a 'game-changer' for the industry.

The overall challenge for them was articulated in various areas:

- **Vision and Business strategy:** define the overall strategy including partnership and Go to Market Plan for Industrial Networking solution based on IP as the disruption mechanism within the industry

- **Execution and prioritization:** partner directly but also with other departments in order to staff and deliver a "horizon 2" program, ie 18+ months delivery

- **Change in behaviors:** define and commit to a truly collaborative long-term program allocating resources to validate the business opportunity

"We were able to create a shared vision **W1 (where are we going and why?)** of the technology for an 18-24 months timeframe: the Industrial Networking segment to converge and migrate onto an IP-Based and deterministic-based solution will permit the industry to move off existing fragmented proprietary solutions, reducing maintenance and operational cost by at least 10x and create a platforms for new applications.

"We assessed the current state **W2 (where are we now?)** in terms of market segmentation, proprietary offerings, current Cisco hardware and software proposition as well as gaps as identified by major customers we were/are in active deployment phase. It emerged clearly that for Cisco to be successful, the existing model of providing basic networking product to the established players would not be sufficient".

Massimo Lucchina

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"To achieve our long term strategy, we created a plan **W3 (what next?)** to commit resources and build a business case through incremental steps, early prototype and customer validation".

During the execution and to validate the overall strategy, both Directors committed resources to the project to give it a realistic chance to succeed and tested new behaviors, model and metrics: both committed 4-5 people for 9 months in a project-oriented and not siloed team effort, kept the team isolated from daily business activity, defined and executed program plan against intermediate milestones every 3 months with actual early product delivery at every step and define the final stage of productization at the end of the trial.

Richard provided market size analysis, customer targets and go-to-market strategy as well as architectural support and solution vision, Massimo is co-leading the architecture proposal and an external partnership to develop the hardware and developing the software modules to enable the overall solution and future platforms.

This model has proven to be extremely agile and reactive to changing customer and internal needs. For example, the team was able to rapidly integrate the technology from an acquisition to solve some of the architectural requirements of this project. At the same time this new technology

was being deployed in our Go To Market strategy and in validating our solution with Partners and Customers. The same process would have taken much longer if managed and defined within the traditional operations and behaviors of the individual business units.

Our experience of applying the Ola™ model showed a tangible business impact:

■ Ola™ structure supports senior leaders to identify an industry-disruptive strategy within the Industrial networking segment

■ Collaborative approach enables two departments to develop a POC together

■ Collaborative initiative positions Cisco as a technology innovation leader, horizon 2 type of program

■ Behavioral changes: leaders and individual contributors working together to develop the very best solutions to meet emerging customer needs. New collaborative behaviors are becoming embedded and will enable agile responses to future market evolution.

"When we faced the threat of SDN (Software Defined Networking) technology, I noticed that the Leadership Breakthrough participants applied themselves rapidly, recognized the value of the solution and collaborated to help each other to meet customer needs. Another great impact was the Leadership Effectiveness Task Force. The purpose of this team was to identify the required leadership behaviors and related metrics that we need to achieve our goals. The team of Leadership Breakthrough alumni formed quickly and they created what I believe to be an industry benchmark."

Robert Krohn, VP Engineering for Cloud and SDN Services

Peddareddappa Gonichettipalli (Reddy)

Applying Ola™ to strategic planning to leverage team diversity and drive innovation

Reddy, Director Engineering, is responsible for software development teams totalling over 100 people across different locations and business disciplines. Through the Leadership Breakthrough program he understood the need for Cisco leaders to leverage the wide range of capabilities and experience of their teams to drive innovation. He started by structuring the teams' strategic plans using **Ola™** – seeking input from a wide range of stakeholders to create a vision for the team: **W1**. Within that vision they set goals around a strategic framework entitled 'Going Beyond Boundaries' which set a combination of top-down business goals and discretionary time for bottom-up innovative opportunities. They then looked at the current situation **W2** to create a clear plan for execution. Out of this he developed his **W3** including providing time and resource to support

innovative exploration of opportunities, extending the mentoring system from new starters to all team members and appointeing a Quality Tzar to connect the different skill sets across the teams.

> **Impact:**
>
> **Following these initiatives the team has won an innovation award, engagement has increased and Reddy estimates the team performance has improved by 30%.**

Guillaume De Saint Marc

Clarity in vision and communication drives structural change

When Guillaume attended the Leadership Breakthrough program, he was Senior Director, New Initiatives for Cisco's Video Technology Group. The program helped him to recognize the opportunity to align the Video group's strategy with Cisco's goal of more efficient product solutions. He identified the challenge

of customizing applications for each client and the opportunities for sharing best practice and common platforms through adoption of APIs. He proposed a Platform+Custom approach and set up the Tiger Team to support this transformation and drive execution of this new strategy. He applied **Ola™** to the communication plan – starting with **Clarity** around the benefits of the Platform+Custom approach. The team established a **Climate** where product APIs are actionable for collaboration within Cisco and its partner ecosystem. They defined **Competence** for Excellence in API Technologies and Applications.

> **Impact:**
>
> **This initiative has become the foundation of a new strategy for the Video Group announced by the SVP Yvette Kanouff. She has set up a new Customer Engineering Group to create platforms with published APIs and develop bespoke customer solutions on this platform.**
>
> **Yvette described this reorganization as a significant step in aligning Engineering to Cisco's strategy. The new approach leverages best practice and cuts costs and time to completion by building bespoke solutions on common APIs.**

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Appendix

OLA™

Ola — Organisational Leadership Architecture™

	CLARITY	CLIMATE	COMPETENCE
W¹ — What do we want to achieve and why?	What is the: • **Vision** – what exactly do we want to achieve? • **Purpose** – why you want to achieve it? • **Measures** – how will you know when the vision is achieved? • **Strategy** – how will we achieve it? • **Roles** – who will do what?	What are the optimal: • **Stakeholders** • **Structure** • **Systems and processes** • **Resources** • **Culture** to ensure the vision will be achieved?	• What **skills** and **behaviors**, are required to achieve the vision?
W² — Where are we now?	• Where are we now against the stated vision? • How clear are the vision and purpose to my stakeholders?	• How are my current **stakeholder relationships?** • What is the current **structure**? • How well are the current **systems and processes** working? • What **resources** do we have? Any gaps? Anything we are not using? • What is the current **culture**?	• What **skills** and **behaviors** are present now?
W³ — What next?	• What options do we have to close the gap between the W1 and W2? • Which best achieves the vision? • Who needs to know and how can we communicate in a way that will enroll them?		

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