INSEAD

The Business School for the World®

Microsoft

Microsoft-INSEAD Customised Online Programme:

An Innovative Solution for Global Transformation

Expand your horizon. Make an impact.

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Executive Summary

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The implementation of Microsoft's new "Mobile First, Cloud First" strategy required its global sales teams to sell in an entirely different way to an entirely different corporate customer. They now found themselves negotiating, on the basis of complex business arguments, with senior executives – as opposed to talking technology with IT managers. It was a whole new sales challenge.

As a result Microsoft decided it needed an effective Executive Education programme on a global scale – and they needed it fast. The company collaborated with INSEAD (one of the world's leading business schools) and Intrepid Learning (a learning technology specialist) to custom-design some robust online Executive Education with an intensive and highly specific business curriculum. The programme was developed and launched within only 5 months to the first 1,000 learners.

Based on the techniques and technologies of Massive Open Online Courses, but tailored to Microsoft's exact needs, this programme has achieved phenomenal results, including a global reach of over 5,000 sales executives, deep engagement from learners, 80+% completion rates (to date), enthusiastic feedback from participants' managers and robust, tangible business impact.

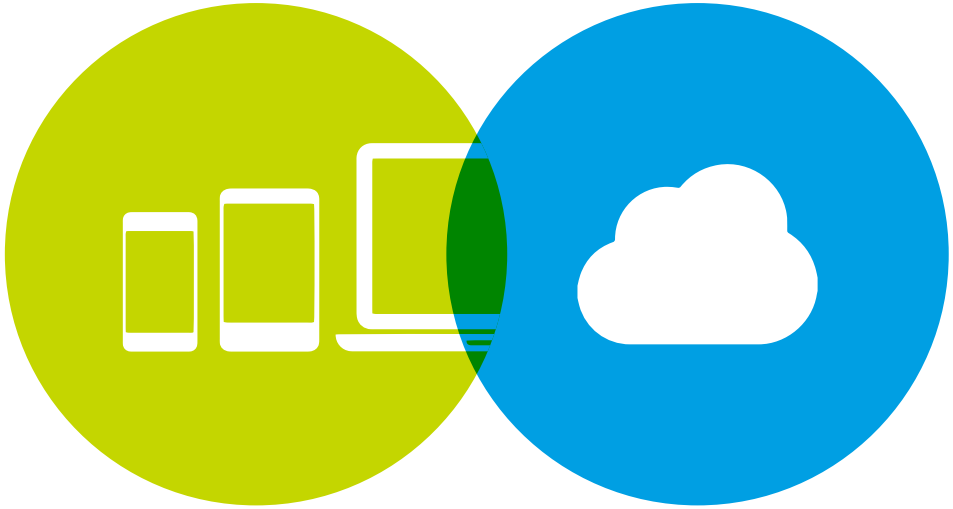
Launched within only

5 months

to the first 1,000 learners.

80%+

Completion Rates



Mobile First Cloud First

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Microsoft Corporation is an American multinational technology company that develops, manufactures, licenses, supports and sells computer software, consumer electronics, personal computers and services. Its best-known products: are the Microsoft Windows operating systems; Microsoft Office suite; the Internet Explorer and Edge web browsers; the Xbox game consoles; and the Microsoft Surface tablet line-up. It is the world's largest producer of software by revenue, one of the world's most valuable companies and, as of 2015, dominates both the PC-compatible operating system and office software suite markets. Today, Microsoft's mission is to empower every person and every organisation on the planet to achieve more.

INSEAD is known as the most international of the world's leading business schools and is currently ranked global number one by the Financial Times for its MBA and Executive MBA programmes. With campuses in France, Singapore and Abu Dhabi, the school's teaching and research activities span three world regions. Currently, 148 faculty members from 40 countries inspire more than 1,300 participants in INSEAD's graduate-level degree programmes. In addition, more than 9,500 managers participate in Executive Education each year. The growth in demand for online learning from INSEAD clients resulted in the 2014 launch of INSEAD Customised Online Programmes.

Intrepid Learning, Inc.'s cloud-based learning technology empowers organisations to solve critical business challenges with a nimble, elegant, engaging learning-experience platform. Through opportunities for real-world practice and peer-to-peer collaboration, Intrepid is radically improving learner engagement, and demonstrably improving individual and organisational performance. Intrepid's clients include world-leading organisations in professional services, manufacturing, higher education, technology and finance.

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The Challenge: Implementing a "Mobile First, Cloud First" Strategy

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Former Microsoft CEO Steve Ballmer

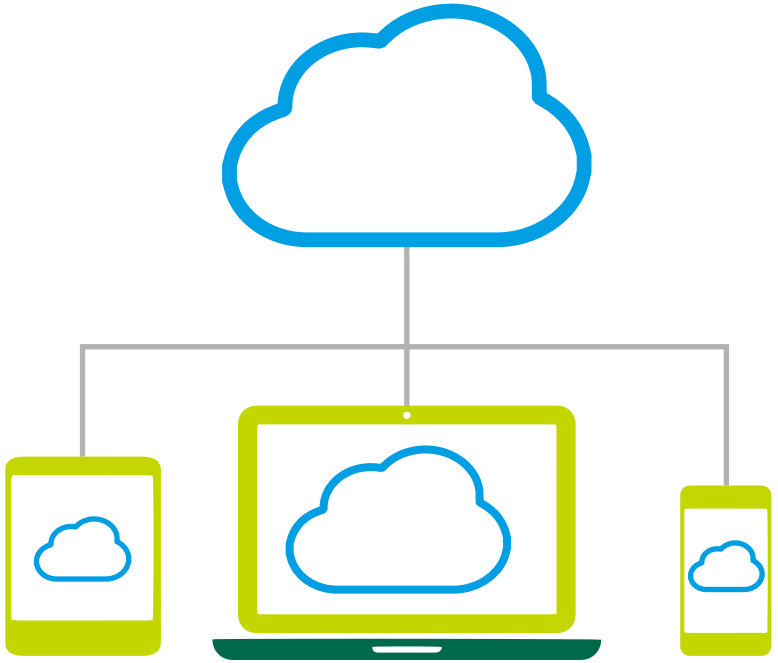
Current Microsoft CEO Satya Nadella

Beginning in 2013, during former CEO Steve Ballmer's last year at Microsoft, and continuing under current CEO Satya Nadella, Microsoft has been transforming its vision, objectives and business models to meet the challenges of competing in the 21st century. The result is an ambitious and paradigm-shifting **"Mobile First, Cloud First" strategy.**

Implementing the strategy worldwide represented a major challenge for all parts of Microsoft. However, the challenge for sales teams was particularly acute. As one sales manager put it, "Mobile First, Cloud First requires a total transformation. It's not just about *what* we sell. It's to *whom* we sell. And that means a radical change in *how* we sell."

At the heart of the challenge is the paradigm shift to **cloud computing**. Also known as "on-demand computing", customers "pay as they go" for all kinds of services and applications, scaling up or down their usage as their need fluctuates. As a result, companies are able to avoid upfront investments in infrastructure – both hardware and software.

The move from in-house hardware and software to the Internet "in the cloud", also means a greater potential for use of **mobile devices**. Hence the "Mobile First" part of the new corporate strategy. Microsoft business software now has to work across a whole range of devices – from smartphones and tablets to laptops and traditional desktop computers.



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Cloud computing sales are currently estimated to be growing at 50% a year industry-wide, which is, of course, great news for Microsoft, as one of the biggest players in the market. However, the bad news is that selling the new technology is a very different process from selling the old products.

To summarise the issue, when companies opt for on-demand computing using mobile devices, their internal processes change. For example, Customer Relationship Management (CRM) systems were traditionally purchased by IT departments, along with the equipment and infrastructure to run them. Today, however, sales and marketing departments are making their own CRM decisions, which are now about where to subscribe. **Budgets have moved** accordingly, with financial power being devolved away from Chief Information or Technology Officers to other senior managers. Meanwhile, IT departments are increasingly taking on an advisory rather than a decision-making or budget-holding role. In other words, **the *business* manager has taken over from the IT manager as the Microsoft customer.**

As a result, Microsoft sales teams are no longer negotiating with like-minded, technically savvy people like themselves. Instead, they must deal directly with business leaders from departments such as finance, accounting and marketing. Typically too they must talk to more senior managers than previously – often members of the C-suite.

These new customers speak **a completely different language** from IT professionals. It is not just that they are non-technical; they are intensely business-minded. They are focused on core business concepts like Value Creation or ROI (return on investment) and tools such as NPV (net present value) or DCF (discounted cash flow). Rather than using computing terminology, they talk about OPEX (operating expenditure) and CAPEX (capital expenditure), which are the business concepts at the heart of technology's rise into the cloud. In short, the negotiation process is centred around *business* benefits as well as technological know-how.

Cloud computing sales estimated growth

50% a year

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Microsoft therefore embarked on a new training programme that would be both comprehensive and global, in order to teach the language of business to its salespeople and thus give them the skills to roll out the new strategy.

Over 12 months, 407 different classes were delivered to 4,456 sellers in 53 countries – which sounds very impressive indeed. However, the total number of sales people at Microsoft is close to 20,000. At that rate – it would take four years to reach all the key roles via traditional classroom-based, instructor-led training.

In the spring of 2014, the **Microsoft Sales & Marketing Services Group Readiness (SMSGR)** team reached the inevitable conclusion that – though the classroom training being delivered to their sales population was world class – it simply had to scale faster.

This led to a further inevitable decision that, in a world of rapid change and an industry with high employee turnover, training 30 sales people at a time was no longer a viable solution.

The SMSGR's objective was not just to accelerate the delivery of training; it was to transform the focus and skills of a sales team away from selling to IT decision-makers to selling to *business* decision-makers – on a global scale. Sales people had to become business experts – and fast. Unless this goal could be met, the desired overall business transformation to a "Mobile First, Cloud First" Microsoft simply would not be possible. Unsurprisingly, it started looking for a cloud-based, mobile-friendly solution!

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The Commitment: Customisation at Scale

The Commitment: Customisation at Scale

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Microsoft initially partnered with Intrepid Learning Inc, a learning technology company based in Seattle. Together, they concluded that the best approach was to use the innovative **MOOC (Massive Open Online Course)** model, which has gained popularity in academia, but clearly needed to be adapted in a highly tailored and targeted manner for Microsoft's corporate sales audience. The partners defined a technical solution that would provide a deeply engaging experience – capable of being scaled globally, quickly and at a reasonable cost.

The next step was to identify a premier global business school to be the content provider and additional design partner for the programme. This had to be an institution whose reputation would motivate sellers to complete the course, and whose professors would provide highly valued and impressive content. On Intrepid's trusted recommendation, Microsoft approached INSEAD.

Microsoft was particularly attracted by the school's 40+ years of delivering **truly customised learning experiences** and its reputation for academic thought leadership. In addition, INSEAD's track record of innovation and willingness to move fast made it seem the perfect choice. Above all, there was a strategic fit. Just as Intrepid was "Mobile First, Cloud First", INSEAD was – like Microsoft – genuinely global.

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The three parties met on INSEAD's Fontainebleau campus in May 2014: INSEAD professors, online team and programme designers; representatives from the **Microsoft Sales & Marketing Services Group Readiness** (SMSGR) team; and Intrepid's technology and design experts. During a two-day intensive design workshop the combined team aligned their key goals for the new programme:

- Deliver world-class executive education to Microsoft's sales audience
- Deliver training online in a scalable, repeatable, agile manner
- Offer Microsoft's elite sellers incentives not just to take – but really to learn from – the training
- Shift the global salesforce's field readiness from a "passive consumption/completion" model to a "demonstrated capability" model via the action learning projects
- Tie the course curriculum and assignments tightly to Microsoft's overall business transformation objectives
- Achieve a minimum of 60% course completion
- Pilot initially with 500 nominated/invited elite sellers.

The team's mantra was **"exclusivity at scale".** But perhaps even more ambitious was their goal to launch two linked courses each lasting eight weeks, for multiple cohorts as early as the end of 2014:

- Business Strategy and Financial Acumen
- Challenging Customers/Business Model Innovation.

INSEAD's Fontainebleau campus

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The Initiative: Designed to motivate and engage

The Initiative: Designed to motivate and engage

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INSEAD's professors set about developing course material in line with Microsoft's overall transformation efforts by emphasising:

- a tight focus on selling cloud/mobile solutions
- real-life experiences with customers
- real-life problems salespeople needed to know how to solve
- a wide representation of industries/sectors, company sizes and geographies
- project work linked directly to the participants' roles and responsibilities.

"The professors were dynamic and responsive, and their enthusiasm was infectious," recalls a member of the Microsoft SMSGR team of this stage in the process.

Recording course videos at INSEAD

Video lectures were filmed in Fontainebleau to the highest-quality standards – complete with volunteer student audiences to capture the dynamism of a live classroom experience. However, lectures were also structured in a manner that could be edited into shorter clips that would fit with the needs of a busy salesforce.

"The idea was to deliver learning in **bite-sized chunks of 5 to 15 minutes** that a Microsoft seller could digest while waiting for a plane or between meetings," explains Professor Chengyi Lin, INSEAD's Director of Strategic Innovations and Online Programmes.

In total, the bite-size chunks would add up to three hours a week: a time commitment that few busy sales managers would be keen to make. However, as one US territory manager later remarked, "The balance between making sure the content was engaging, relevant and detailed enough versus the time invested while trying to do a day job was nailed!"

The INSEAD digital badge on LinkedIn – available to those who completed the course satisfactorily or with distinction – was also a major selling point for Microsoft's global sales audience.

Professor Chengyi Lin, INSEAD's Director of Strategic Innovations and Online Programmes

INSEAD LinkedIn digital badges

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The programme had three major design highlights.

- **Multi-dimensional interactions** to ensure active learning and to maximise the outcomes. For example, each week's content provided a perfect blend of lectures, quizzes, simulated exercises, online discussions, personal reflections, case studies peer-to-peer learning and live projects.
- **Flexible pace for busy executives.** Learners had maximum flexibility to absorb the content at their own convenience and pace, while still moving through the programme in a cohort. This was achieved by having shared deadlines at he end of each week but complete flexibility within that timeframe.
- **Action-learning projects to ensure business impact.** The guided "real-world assignments" feature of the programme encouraged learners to take newly acquired skills, apply them within the context of their actual job and then upload a **"field report",** which was shared via the platform with other learners.

In short, this was not just a one-way broadcast of "click-for-more" pages, but training that respected the learners' time, intelligence and desire for consumer-grade experiences. It even offered an emotional connection with a learning community to drive robust engagement and real-time feedback.

On a more practical level, thanks to Intrepid's user-friendly and intuitive platform, Microsoft learners spent their critical thinking time in *learning* not in trying to figure out how to navigate the learning experience. Finally, limiting the programme to eight weeks with clearly defined expectations meant that participants never felt daunted by the considerable volume of content.

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Sales training at Microsoft has to be limited to certain months of the year, due to the product roll-out calendar and other scheduling limitations. Microsoft's readiness team did not want to wait another year to implement the new approach, as competitors would gain a strategic advantage. Thanks to INSEAD's swift design and production process as well as Intrepid Learning's adaptable platform, the partner organisations succeeded in rolling out a completely new training approach and full pilot programme in just five months.

For enrolment an "exclusivity" approach was adopted, with individuals being nominated for the course based on quotas for regions and countries. Due to early buzz and the involvement of senior executives, the pilot programme was oversubscribed. The sense of selectivity was further enhanced by publishing a waiting list.

There was also extensive communication with regional managers and executives before, during and after the enrolment phase. On completion of each step of the curriculum, learners were invited to sign up for the next and their **managers were updated on their progress.**

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The Impact: Exceeding expectations at every stage

The Impact:
Exceeding expectations at every stage

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Early impacts

Accepted participants received a course overview and then signed a **"Code of Honor" to demonstrate their commitment.** Those who did not participate as expected during the first week were "dropped" from the course. The impact on completion rates for the following weeks was immediate. Discussion forums were also abuzz with activity, as people closely monitored their points score in order to make the **"leaderboard".** Local face-to-face meetings were also encouraged and started to gain momentum organically.

As mentioned above, INSEAD and Microsoft had designed the online courses to be both "time-bound and semi-synchronous". New content was ready to be rolled out each week, but each learner was free to access the course and complete the modules and assignments at their own pace within that week. Now too, the partners were careful to supplement this prepared material with additional **"just-in-time" content.**

INSEAD professors offered video responses to questions that had arisen in discussion forums, many based on participants' real-life applications of the learning. In other words, **the initial impacts of learning were rolled back into the educational experience –** with a view to creating even greater overall impact at the end of the programme.

The first cohort of students were informed of their results in early January, after their final assignments had been rigorously graded. The pass rate of 85% exceeded expectations at both Microsoft and INSEAD.

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Measuring results

Numerical expectations were exceeded at every stage. In fact, the idea of the pilot course grew so popular by word of mouth that Microsoft decided to double the intended size of the cohort. The first programme debuted with 1,014 students instead of the planned 500. Even the busiest sales people were turning in robust assignments that matched or exceeded the rigorous standards required.

As hoped, take-up was global. For the pilot course 31% of students were in the Asia Pacific region, 49% in Europe, the Middle East and Africa, and 20% in the Americas.

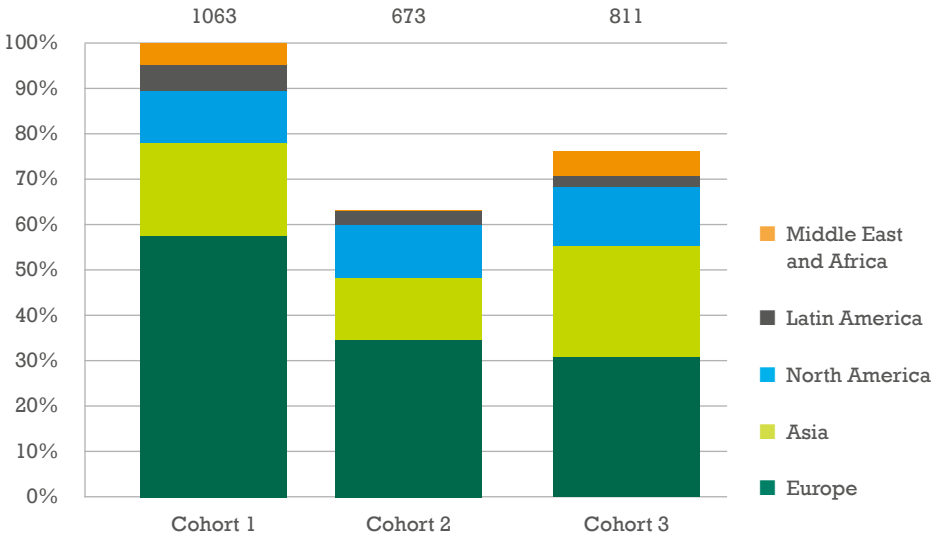
Peer engagement and social learning were high, with 31,320 messages posted in the discussion forums over the 8-week course – nearly 3,000 of them in the first week alone.

Finally, post-course surveys showed phenomenal field readiness and learner satisfaction scores:

- 95% said the course would "improve how they perform their job"
- 96% said they could "apply their assignments to actual account work"
- 93% said their "confidence in their ability to perform their role increased as a result of the course".

These post-programme survey results for the INSEAD online programme were higher and reflected greater impact on learners than almost any of Microsoft's previous sales training. Usually, 140/200 is considered to be a solid Readiness Impact Score (RIS). But the RIS for the INSEAD online programme was 188/200, while net satisfaction was an almost unheard of 99%.

Participation is truly global



Phenomenal results since inception

80%

Completion rates

95%

Said the course will improve how they perform their job.

99%

Overall satisfaction rate

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Continued legacy

The subsequent cohorts maintained the high level of engagement, with completion rates remaining above 83% even after the bar for course completion was raised. To date, the programme has been successfully rolled out to over 5,000 participants in a total of 7 runs.

In addition to learner satisfaction and alignment of course takeaways (such as customer plans) with on-the-job requirements and rubrics, the "MOOC" programme has helped Microsoft sales managers and sales people build relationships across the globe, sharing struggles and insights in a manner that had not been possible within the company's previous training models.

Completion Rates

Cohort 1
85%

Cohort 2
83%

Cohort 3
85%

even after raising the bar for course completion

5,000 learners to date

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Business impact

As this was essentially a new-strategy implementation initiative, it is not appropriate to measure its results in terms of sales growth. It is also too early to make meaningful comparisons in performance between those who have completed the programme and those who have not.

However, the qualitative feedback on impact has been unparalleled – not just from participants but their managers. These are just a few examples of deals whose success has been attributed to the programme – some of them multi-million dollar contracts.

"The INSEAD Business Model Innovation training helped me a lot in closing the $95K deal with a major Croatian food company as support for the customer's marketing and sales decision-making process. Specifically I used 'business model canvas', which helped me to identify inefficiencies and key challenges in the customer's marketing and sales department."

Account Executive, Croatia

"Taking the business strategy and financial acumen course from INSEAD allowed me to have a common footing and to speak the same language with the client [a finance education institution] – and eventually led to closing an $80K deal. The very fact that we were able to discuss the financial impact of switching to the Azure subscription model, instead of ramping up hardware investments, made the customer listen."

Technology Strategist, Russia

INSEAD-Microsoft Online Programme Highly Decorated

HCM Excellence Awards are one of the most prestigious awards in the industry – considered the "Academy Awards" for learning and talent development

GOLD
Best Results of a Learning Program

GOLD
Best Unique or Innovative L&D Program

SILVER
Best Advance in Creating a Learning Strategy

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"At the end of the course, I have not only researched my new client to a new level of breadth and depth that I will now transfer to my other accounts but I have great ideas for how to land our value proposition in their terms: value chain, value creation, ROI, NPV, etc. I am a hands-on learner, so I am excited to put this material to work in a real-life scenario and fully gain the benefit as it sets in over time."

Account Manager, California

"With the knowledge gained from the INSEAD business model innovation training, I was able to challenge a customer on their existing business processes and have a valuable discussion with them about how they can transform their business models into more agile and efficient processes with our cloud technology. We have successfully closed 2 cloud deals with traditional customers, which resulted in approximately $150K of cloud revenue in Q2."

Opportunity Manager, Slovenia

"The INSEAD approach of value chain analysis helped to identify the competitive advantage that the workforce management support solution would bring to the client [leading telecoms firm] and led to a deal closed at a value of €250K. INSEAD also helped us prove that €250K was a good price through the Return on Investment approach."

Sales Manager, Greece

INSEAD-Microsoft Online Programme Highly Decorated

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GOLD
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Excellence in Content Award

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"The INSEAD training helped me to better understand the customer [large financial group] and challenge the competitors. The total contract value was $11.2 million over 3 years. I used the knowledge and content from the training to unveil new ideas and answer the customer's questions about how Microsoft can benefit current operations and respond to opportunities arising from business-model disruptions. Together with the customer, we started a project to support digitalisation and better employee engagement by achieving more with Office 365, Azure and Dynamics solutions."

Sales Manager, Czech Republic

"One of our sellers in Russia let us know he attributes a recent very large deal directly to his team's participation in the course. The application of the financial acumen articulated in the course was what made the difference in closing the sale. This fantastic win of $24.2 million is attributed directly to INSEAD's financial acumen teachings: demonstrating ROI via NPV (net present value) and DCF (discounted cash flow) calculations – and the opportunity to move from CAPEX to OPEX"

Account Director, Microsoft Russia

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Conclusion: The way of the future

Conclusion:
The way of the future

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Between the incredibly high learner satisfaction rates, the robust engagement, the ability to scale massively and globally, and direct financial impact, this training method is clearly the way of the future for Micosoft.

Microsoft's plan is to expand this new approach to train all salespeople throughout the world, throughout their professional life cycle – from entry level to mastery in their field – continuing to innovate, experiment where necessary and tightly align training with business goals.

Of course, new-strategy implementation of the kind facilitated by this programme is hardly an annual event, but the plan is to roll out the approach for both sales enablement and for other initiatives such as product training and product readiness.

The final words should go to participants and their managers across three continents.

"This is a very generous contribution to my growth and development and I would like to ensure it is known how grateful I am for the opportunity."

Senior Manager, San Francisco

"Simply the best training I have come across."

Product Lead, Singapore

"Thank you for leading on the MOOC. The feedback has been outstanding from those who have attended from my team. Do you know when we might run this course again, as I want to think about having some of our other top talent and future managers attend."

Global Product Lead, UK

INSEAD Europe Campus
Boulevard de Constance
77305 Fontainebleau Cedex, France
Tel: +33 (0)1 60 72 42 90
Fax: +33 (0)1 60 74 55 13
Email: execed.europe@insead.edu

INSEAD Asia Campus
1 Ayer Rajah Avenue
Singapore 138676
Tel: +65 6799 5288
Fax: +65 6799 5299
Email: execed.asia@insead.edu

INSEAD Abu Dhabi Campus
Muroor Road Street N°4, P.O Box 48049
Abu Dhabi, United Arab Emirates
Tel: +971 2 651 52 00
Fax: +971 2 443 94 61
Email: execed.mena@insead.edu

http://executive-education.insead.edu