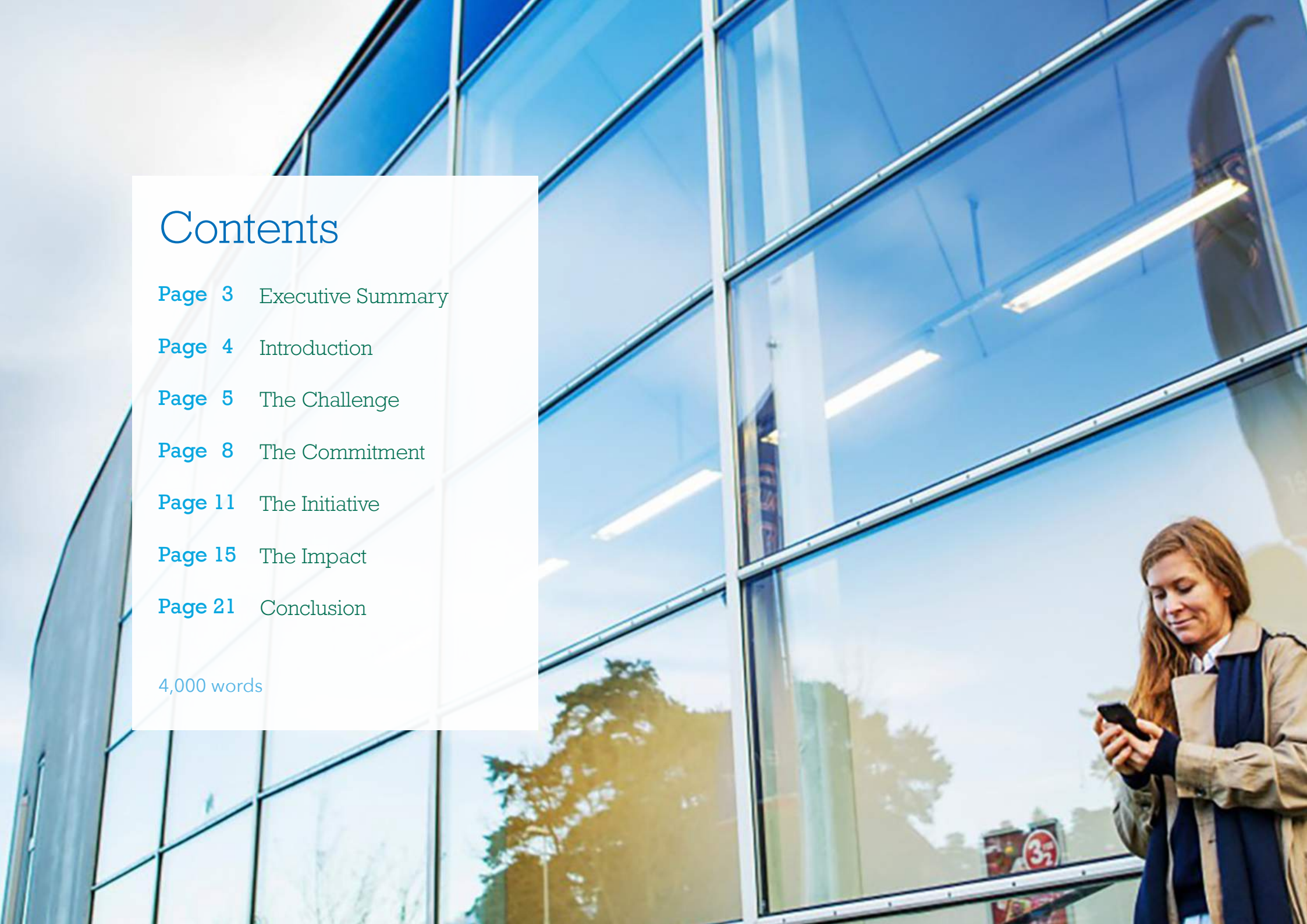
INSEAD

The Business School for the World®

telenor

Telenor-INSEAD Partnership: Creating a Culture of Innovation

EXPAND YOUR HORIZON. MAKE AN IMPACT.



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4,000 words

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How do you turn one of the world's oldest and largest telecoms companies into an agile, innovative, customer-focused digital services provider? Even more challenging, how do you align 13 autonomous business units across Europe and Asia to deliver this new strategy – and create a new culture of innovation for 36,000 employees?

One of Telenor's solutions was to approach INSEAD, and Professor Nathan Furr, author of the bestselling *Innovator's Method*. Together, INSEAD and the company's executive development team devised an ingenious combination of on-campus and online programmes, held throughout 2016. First, 180 C-suite executives were immersed in the tools and concepts of the Innovator's Method during five iterations of a four-day face-to-face programme. Then the learning was cascaded down to some 1,200 members of the next management level through bite-sized, interactive online activities and social-media-style networking.

The clever twist was that the programme didn't just teach the Innovator's Method but also put it into practice. Professor Furr's two core concepts are, first, that new products and services should be generated to solve real-life problems experienced by the customer. And second, the solutions should be developed through "rapid prototyping": a series of experiments and tweaks, rather than a grand masterplan.

The face-to-face programme thus began as a prototype and evolved rapidly across the five iterations between May and September. Simultaneously, each cohort of senior leaders worked on a project in class, designing and testing their own "rapid prototype". Moreover, during the final day on campus, they would rapid-prototype the online programme for middle managers, creating a genuinely live case study in the Innovator's Method.

Just a year after INSEAD first submitted its proposal, there is ample evidence that Telenor has developed a new, shared language of innovation that is enabling the organisation to implement its ambitious new strategy. And the "cascading" continues, with the (further tweaked) online programme due to reach another layer of the company in 2017.

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Telenor Group is one of the world's major mobile operators with 214 million mobile subscriptions. It has mobile operations in 13 markets.

- Strong footprint in Central and Eastern Europe and Asia
- Leading Nordic position in mobile, broadband and TV services
- One of the top 500 global companies by market value
- More than 36,000 employees worldwide
- Revenues of NOK 131 billion in 2016.

Telenor was founded in 1855 and builds on 160 years of telecom experience.

INSEAD
The Business School for the World®

INSEAD is one of the world's leading, and largest, research and graduate business schools.

- Campuses in Europe (France), Asia (Singapore) and Middle East (Abu Dhabi)
- 145 renowned faculty members from 40 countries
- More than 11,000 participants in Executive Education programmes each year
- MBA programme ranked #1 in the world by the *Financial Times* in 2016 and 2017.

The Challenge

The Challenge

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Sigve Brekke
President and CEO, Telenor

In August 2015, Telenor, one of the oldest telecoms companies in the world, appointed a **new President and CEO. Sigve Brekke** immediately began working with his senior executives to develop a strategy that would transform the company from a traditional "telecoms provider" into a cutting-edge "full digital services provider".

Telenor's redefined purpose was eventually condensed into the following statement.

Our vision is to empower societies. We provide the power of digital communication, enabling everyone to improve their lives, build societies and secure a better future for all.
Our strategy towards 2020 is driven by the ambition to become our customers' favourite partner in digital life.

However, Brekke sensed a mismatch between the new strategy and the culture of the company that was supposed to deliver it. He had no cause for concern about business performance, but the organisation seemed low on dynamism and innovation. Something had to be done if Telenor was to foment a digital revolution in its own midst. **"We need to start thinking like a start-up," announced Brekke, shortly after becoming CEO.**

To complicate the strategic task, Telenor had grown rapidly over the previous 15 to 20 years, expanding into new country markets through organic growth and a series of acquisitions. As Norway's former state telecoms monopoly, it still dominated the domestic market in fixed telephony and broadband, but the worldwide expansion had focused on mobile telecoms. The various companies across the world were thus all in the same business, but operated in such diverse cultures with such different corporate histories that they had remained fairly autonomous. How could Brekke and the group leadership team unite such disparate business units behind a single strategy of digital innovation?

This was the twin challenge presented to the **group-wide head of learning and development, Joakim Slørstad**. First, **create a culture of innovation** to implement the new strategy. Second, **cascade that culture throughout all business units and across the global group**.

Joakim Slørstad
SVP, Group Learning & Development

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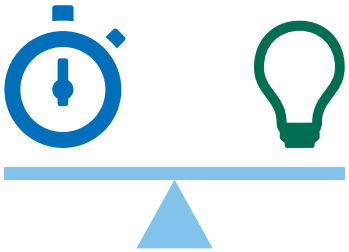

"The company had been doing things the same way for the last two decades," reflects Slørstad. "We'd found a magic recipe that worked and exploited it through repeated cycles of five-year plans and repeated acquisitions." "It's not that we wanted to tear up that recipe," adds **Susanne Hoffmann, Head of Strategic Leadership Development.** "Traditional management techniques are often the best way of executing strategy and capturing value. We just wanted to add new techniques for *creating* value in the first place."

They also wanted every manager in the company – from Yangon to Oslo – to know when to use each of these methods. The key word in the strategy document was **"ambidexterity".** Telenor had to be efficient on the one hand and innovative on the other… and strike the right balance between the two.

It had already become apparent that simply recruiting digital talent was not enough. "The new people and the old people just didn't speak the same language," says Slørstad. He and Hoffmann had to find a way of getting both sides to work together in mutual respect, otherwise retention was going to become an added challenge.

Telenor had reinvented itself before. The one-time state monopoly had survived the upheavals of privatisation, deregulation and globalisation. But now, as Hoffmann put it: "The challenge was to get the supertanker to sail in a new direction once again."

Slørstad and Hoffmann's team already had close, long-term partnerships with three top business schools and, at the end of January 2016, they presented their corporate challenge to all three with a view to addressing it through a customised learning and development initiative.

They also set a significant challenge for the institutions concerned: submit a proposal within two weeks for a programme to start in the spring and reach as much of the global organisation as possible by the end of the year. It was a broad brief with a great deal of freedom in terms of programme design – but hugely ambitious in terms of company-wide reach, deadline and (given the vast number of potential participants) budget.

Susanne Hoffmann
Head of Strategic Leadership Development

"They all said it was impossible," smiles Hoffmann. "But they all came back with proposals!"

The Commitment

The Commitment

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Professor Nathan Furr
Assistant Professor of Strategy at INSEAD

The leader of INSEAD's bid was **Professor Nathan Furr, Assistant Professor of Strategy**, co-author of the bestselling *Innovator's Method* and world expert in corporate entrepreneurship. "I mentioned our Telenor proposal to some of my senior colleagues – and they thought I was talking about delivering the programme in 2017 not 2016!" says Furr. Despite his colleagues' misgivings, he was determined to win the contract. And, by the end of February, he was in Oslo scoping out the **INSEAD–Telenor Strategy Execution Programme**.

The learning objectives for the company's managers were set out clearly from the start:

- To have a clear, aligned understanding of what it means to be a digital services provider
- To learn how to organise, measure progress and develop people in a truly ambidextrous organisation
- To plan for strategising and leading in uncertainty
- To foster cross-functional collaboration and adopt an empowering leadership style
- To commit to challenging past ways of working and to continuous self-development.

As "The Business School for the World" – with particular strengths in Europe and Asia – INSEAD was the perfect match Telenor's geographical profile. It also helped greatly that Furr had already taught a Telenor programme at INSEAD and had subsequently been invited to give a speech to senior executives. He knew the challenges the company was facing and his ideas had resonated strongly. More importantly, his key research concept of "blue" versus "red" ways of thinking (traditional large-company management methods versus innovative, agile start-up techniques) seemed a perfect match for Telenor's strategic emphasis on "ambidexterity".

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The Innovator's Method, devised by Professor Furr and his co-author Jeff Dyer (from BYU, in the US), provides a set of tools based on "lean start-up", "design thinking", "agile" software development and "business model innovation" – all proven techniques for managing uncertainty. The two key elements are:

– Exploring the product or service **from the perspective of the customer** – shifting the corporate mindset onto the problem that the individual customer is experiencing in real life

– **Rapid prototyping** – innovating through a series of experiments and tweaks rather than a grand plan perfectly worked out from the start.

All this goes some way to explain why Telenor was so keen on working with INSEAD. But why was Furr so keen to win the contract from Telenor?

"Because it enabled us not just to teach the 'Innovator's Method' but to put it into practice," he answers without hesitation. "Every single round, we applied the method to the design of the programme. We tried to understand the 'job to be done' for the executives attending, 'tested our assumptions' with them in advance and then 'iterated' on the 'prototype', every time we taught the programme."

In other words, the details of Furr's proposal were not set in stone. True to the spirit of the Innovator's Method – and in contrast to the traditional way of developing an executive education programme – Furr and the Telenor learning and development team would be, to some extent, making it up as they went along!

The broad principles were, however, fixed early in the process. Senior managers from all business units would learn the Innovator's Method face to face on campus. After that, the same insights and tools would be cascaded down to middle management through distance-learning programmes using INSEAD's unique approach to online learning. This is inspired by the dynamic techniques of **MOOCs (Massive Open Online Courses)** – but customised to each company's unique challenges and personalised through interaction with INSEAD faculty.

"There was a true learning partnership between Telenor and INSEAD," says Furr. "The process was amazing," agrees Slørstad. "It's a rare example of true co-creation. I've worked on many executive development programmes with several business schools, and there's usually an element of LEGO blocks: putting together things the business school has done before and customising them slightly. Here we started with a blank piece of paper."

Moreover, once they had written on the blank piece of paper, Telenor and INSEAD would carry on co-creating, refining their draft and improving it over the course of a whole year.

The Initiative

INSEAD's Fontainebleau campus

The Initiative

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Working with **Dr Chengyi Lin, Global Director of Online Programmes and Innovations** at INSEAD, Furr and the Telenor team devised not one single programme but a series of interlinked initiatives.

- **One four-day programme for senior executives** – to be delivered to five groups between May and September on either INSEAD's Asia or Europe campus. This would reach a total of 180 key leaders across all business units, attending in complete "CxO" country teams.
- **One online programme** – to be delivered to two cohorts of senior middle managers ("CxO – 1s"), along with other middle managers identified as "digital ambassadors" or "change agents". This would be delivered over several modules in October and November to reach some 1,200 Telenor staff across two cohorts.

At the heart of both programmes was a project to design a rapid prototype for an innovation using wireless pulse oximetry (effectively a high-tech, internet-linked baby monitor), based on a real product produced by a start-up company that had worked with Professor Furr. Participants had to prototype customer personas, then design an experiment to test their assumptions of the "customer pain point".

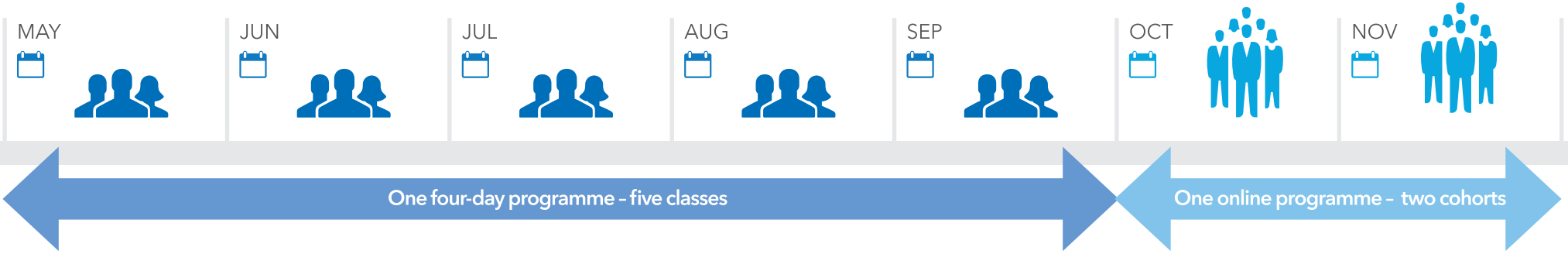
The clever twist was that the initial face-to-face sessions with senior executive teams would serve as "rapid prototypes" for those to be held later in the year. "We made quite a lot of changes during the second and third sessions," reflects Furr. "For example, we discovered that we had to consolidate the learning before we moved on strategy execution. We also realised that some of the concepts I was using, such as 'holocracy', distracted people. And we came up with some powerful new ideas, like becoming the **'chief experimenter' rather than the 'boss'**." By the end of the third session, the changes had become minor tweaks.

Dr Chengyi Lin
Global Director of Online Programmes and Innovations

2016

180 Executive Leaders

1,200 Senior Leaders



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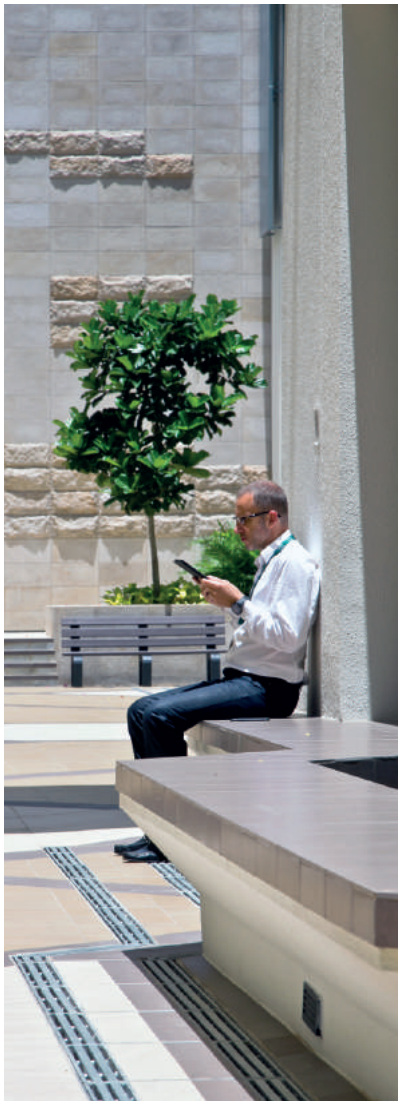
The final day on campus was dedicated to planning the application of learning back at the office and cascading it to others, including – in a final innovative twist – **prototyping the online programme for middle managers**. During the first four days of traditional lectures, case studies and group activities, the business leaders had mapped "customer personas", sketched "experiment canvases" and prototyped products and services, using the tools of the Innovator's Method and the baby monitor project. Then, on the fourth day, they consolidated their learning by reflecting on how they would apply it and how they would adapt it for their middle-management teams. Day four thus included a second "live case study", but this time, the "customers" were the participants' own direct reports; the "problem" was how to deliver the new strategy; and the "digital service" was an online programme.

By the end of the third on-campus session, **the format and content of the online programme** was more or less agreed. It would have four modules as initially planned, each lasting a week:

1. Global context, industry trends and digital **disruption in general**
2. Gaining insights and deep understanding of **customer problems**
3. **Generating solutions** to customer problems and creating new business models
4. Organising, communicating and **leading under uncertainty**.

In addition, based on INSEAD's rich experience in online programmes and the prototyping work with Telenor, two extra weeks were added: one for completing a project that "re-envisioned" a current business activity; and the second for peer review of these "action-learning" projects.

Each module was designed to take a total of three hours but was divided into "bite-size" chunks that a busy manager could fit into a hectic schedule. However, everyone in the cohort was expected to complete the module by the end of the week, so that they could move forward as a single worldwide class, exchanging ideas and supporting each other in real time on the global social-media-style forums, as well as having their questions answered by Professor Furr.



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By the time this had all been decided, it was July and INSEAD had to start recording video lectures to hit the October launch. And, once again the Telenor-INSEAD team came to a joint decision. Rather than enlisting "extras" to be the "audience", Dr Lin recommended that Slørstad and Hoffmann bring in an additional group of middle managers (including themselves!). Around half were a mixture of available and enthusiastic people from different functions, including sales, marketing, strategy and technology, while the other half were learning and development colleagues from the various business units.

While on campus, this group effectively did a **third version of the programme**, trialling the advanced prototype and working through one module per day. Although the interactive online activities were not yet ready, these could be trialled in the fourth and fifth iterations of the leaders' programme – the final day of which now switched from prototyping to testing.

The Impact

The Impact

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At the time of writing (early March 2017), the on-campus programme has reached all of Telenor's Group and Business Unit senior executives. True to the spirit of the Innovator's Method, further small adjustments have been made to the online programme, which is currently being rolled out to a third class, with another to come in April – adding a further 1400 learners to the 1228 who first logged in 2016. By the autumn of 2017, when a further two online cohorts are planned, over 4000 of Telenor's managers worldwide will have completed the programme.

"We had quite a few suspicious learners in the initial two groups," says Hoffmann. "But they were all convinced by the end." Indeed, 85% of successful online participants said they would recommend the experience to others: an extremely high "net promoter score" for any product or service. "It's the best online class on any subject I've ever attended – almost like being there in person," said one learner, adding: "In two years from now I'm sure we'll look back and agree that this class was the turning point for Telenor in the execution of our global turnaround."

85%

Net promoter score

2017

A further 1400 learners

MAR

APR

Online programme – two cohorts

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Similarly, by the third iteration, the on-campus programme was getting almost unprecedented 90% *"excellent"* ratings. "It's great to have a common vocabulary and to process these topics together and across business units!" wrote one senior executive from that third class.

Perhaps most notable of all, 90% of learners competed the online modules – a remarkable figure for digital learning, where dropout rates are traditionally very high. Overall pass rates (taking into account the final project work) currently exceed 70%, with 5% of participants gaining a distinction.

Meanwhile, the learning and development staff who attended the "filming" version of the programme been empowered to create a true blended-learning experience. They have supported the online programme with on-site workshops, "learning zones" and constant discussion.

Exactly how impactful have the outcomes been? Ultimately, there is only one test for the **Strategy Execution Programme** – and that is successful implementation of the strategy between now and 2020. At this stage, it is certainly too early to assess the effect fully, especially as the online programme and the strategy itself continue to be rolled out.

However, there is a key phrase that recurs when Telenor mangers talk about the programme: **"speaking the same language"**. The key ideas of the Innovator's Method have entered the corporate mentality: rapid prototyping; red and blue thinking; job to be done; customer personas and pain points; experiment canvases; pivoting through alternatives; innovation catalysts; minimum viable prototype/product (MVP)…

This is an undoubted early impact of having the same content delivered to both executive management (face to face) and senior and middle management (online). "One of our top marketing executives told me that his job has become easier because *everyone* who reports to him understands that there's a new way of thinking in Telenor," says Slørstad.

90%
"Excellent' ratings on-campus programme

90%
Completion online modules

70+%
Online pass rate

5%
Gaining a distinction

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Here are just a few more personal accounts of changes in behaviour, new projects and quantifiable impact to date.

Patrick Hofbauer

CEO, Telenor Sweden

We see the concrete examples of the impact already. We started "agile" ways of working within IT for broadband and TV last year – and **we have achieved 80% decrease in the lead time and 100% increase in the productivity for "regular size" change assignments**.

The INSEAD programme also provided us with the right tools to continue and expand this transformation to other areas, for example, **front-end development, where the "red" way of thinking has helped us to build MVPs, test quickly with customers and use the feedback to further develop it**.

Ronny-Bakke Naevdal

Chief Strategy Officer, Telenor Myanmar

Immediately following the programme we created a structure for innovation, inspired by the "red" way of thinking. We gathered 35 experts across the company and set out on ***a joint innovation project, "Project X"****, designed to take 90 days in 3 phases. As a kick off, we used material from INSEAD to train participants and align our thinking. The "explore" phase produced 60 concepts. We "pivoted" around these concepts, and chose 12 to formulate hypotheses and test out. Finally, six contenders presented their MVP to the entire organisation at a full-day "digital fair", where employees voted for the best concept.*

Three ideas were chosen to develop and are currently in pilot phase. *All 35 participants were labelled "Innovation Catalysts" and their role post Project X is to help channel innovative ideas into the organisation, applying the tools and frameworks. The INSEAD programme has definitely changed how we work.*

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Selina Lomholdt

HR Director, Telenor Denmark

*The learning has inspired a **redesign of our project governance** for transformation projects, allowing us to work more agilely, cross-functionally and innovatively – and enabling us to execute our ambitious strategy. In addition, leaders and specialists are running smaller projects using the methods from the programme, enabling **innovation with customer focus in daily work**.*

Oliver von Gagern

Chief Strategy Officer, Telenor Norway

We have changed our decision templates such that every proposal to be discussed in top management meetings addresses five questions *from the INSEAD programme, including: "What is the fastest, reliable experiment you can use to test the most critical assumption(s)?" Where we previously wanted to see a bulletproof plan before acting, we have been willing to launch and iterate "Minimum Viable Products" and to "pivot" and "terminate".*

Ingeborg Øfsthus

CEO Telenor Montenegro and Serbia

*Around 100 of our leaders and change agents have taken the online programme so far. Today we feel the impact: the common language, need for speed in learning and "chief experimenter" role are well grounded across the company. Empowerment and accountability for strategy execution are encouraged and widely accepted as desired behaviours. Instead of approaching with "blue", we are now testing hypotheses and creating solutions in iterations **in prepaid mobile, Internet of Things, digital-centric customer journeys, contextual marketing, e-commerce**… to name only some of the areas in which we use learning and tools from INSEAD.*

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Animesh Mukherjee

Head, HR Centre of Expertise,
Digi (Malaysia)

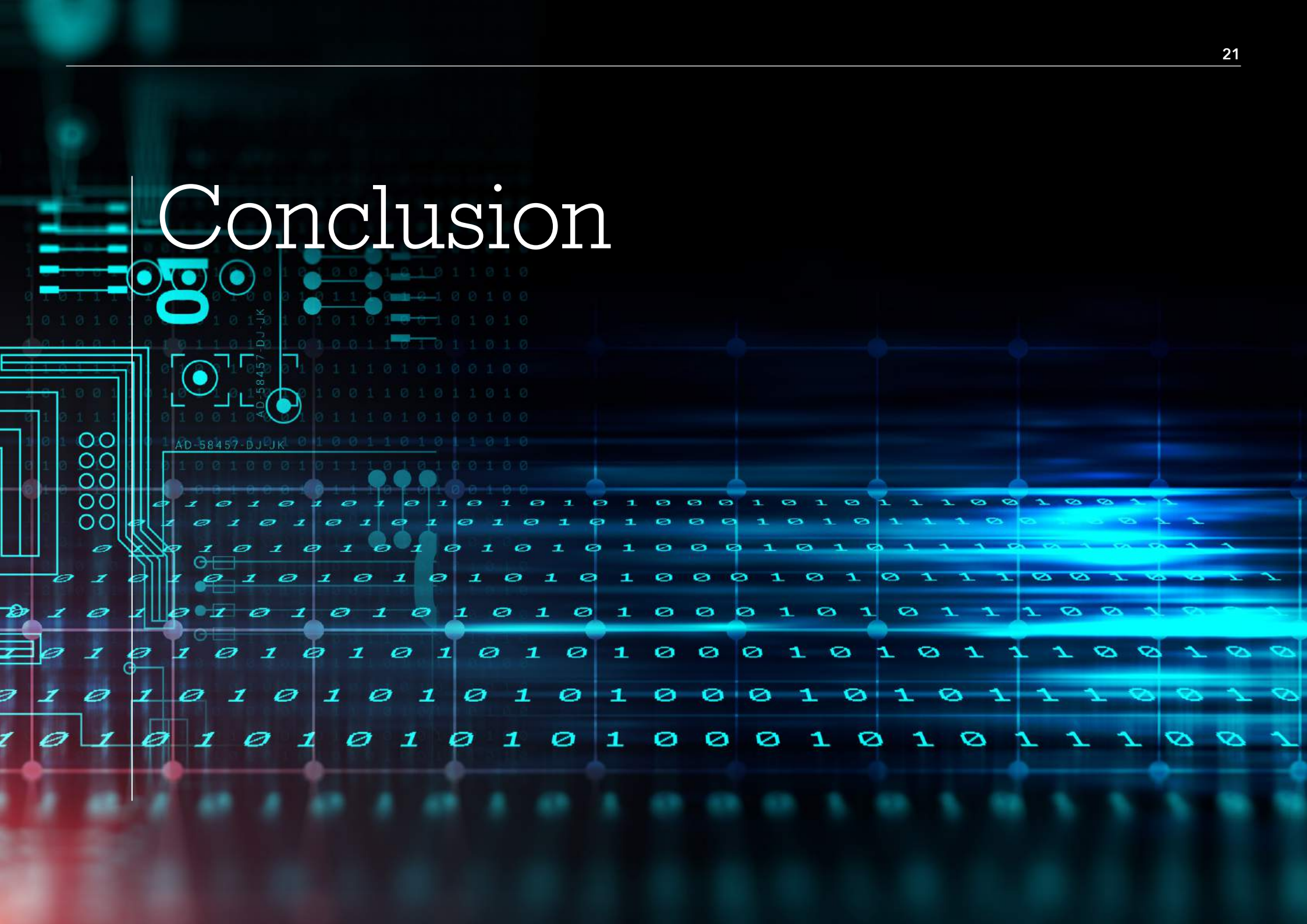
*The early signs of impact are clear. We have **multiple "intrapreneur" teams up and running, "Beta Labs" provides a platform for open innovation, "Digi-X" has been set up to house new digital bets**, we are trying to **disrupt our traditional approach to connectivity...** in fact we are engaged in experiments big and small all across the company.*

Lisa Long

Vice President Product Management,
Telenor Group

*I'm sure the programme had a significant role to play in **getting senior management to understand the value of positions on my team** such as head of user research, head of design, etc. These roles would never have been considered necessary under the "blue" way of work, but with the "red" way of work, it's clear we need a formal way to break down the silos around particular functions.*

Conclusion



Conclusion

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Let's go back to the initial questions. How can you transform one of the world's oldest and largest telecoms company and cultivate a "new way of working"? Or even more broadly, how can you go beyond introducing new knowledge and facilitate the change of mindset and behaviour of a large, diverse and geographically dispersed population in an organisation?

The impactful partnership between INSEAD and Telenor sheds some light on these questions:

1. **Think differently and leverage the benefits of various delivery formats**. In-person leadership session helped the leaders to discuss and collectively reflect on how to lead the transformation as well as where to make tough decisions to "set new directions". Online modules allowed scalability in a short period of time to catch the momentum of change.
2. **Uncover the "job to be done" and focus on business impact.** The co-design process and close collaboration between INSEAD and Telenor ensured a deep understanding of the content needs and the learner behaviour. It also enabled contextualisation of the content to generate real business impact (behaviour change).
3. **"Practice what you preach".** To make the learning design process faster and more agile, both teams adopted the fast prototyping methodology in the design process. The success of this design process also served as a vivid demonstration on how to apply the progamme content in Telenor.

In conclusion, we are delighted to see the initial impact this cascade programme has generated for Telenor's transformation. More encouragingly, we see, once again, the promise of technology in transforming the impact of corporate learning, talent and leadership development.

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