

Celemi Solutions

Apples & Oranges™ and Tango™ help a corporate training department move from cost center to profit center *in Action*

The Background

The Principal Financial Group is a diversified family of insurance and financial services companies with more than \$27 billion in assets. Its member companies provide a full line of individual and group insurance and financial products.

The Challenge

Early in 1997, a management team of The Principal Financial Group gave the Corporate Training staff, based out of Des Moines, Iowa, a mandate: meet your corporate and business unit customer needs and recover your costs through charge-back. In short, begin operating like a profit center.

To make this happen by year end, the 48 staff members needed a quick way to learn how a profitable business operates. They needed to understand financial measures of performance, and to learn to think like business owners.

The Solution

The Principal Financial Group, under the direction of internal consultant Dan Topf, turned to Bill Stepansky, president of Management Development International, Inc., a Connecticut-based consulting firm.

To create a shared mind set among the team members, Mr. Stepansky developed a learning package based on two Celemi business simulations, Apples & Oranges™ and Tango™.

Apples and Oranges helped team members develop their business literacy. Within two to three days, the staff was putting together action plans to reduce lead times, improve capacity utilization, reduce overhead and increase revenue. The simulation offered a financial perspective of how a service business works.

Despite their best efforts, staff members still fell short of their goal. They found it hard to say “No” to unprofitable internal customers who gobbled up valuable staff time with no return. And, out of habit, they spent too much time defending charges.

Next step, Tango. Toward the end of the year, Mr. Stepansky brought key members of the department through the simulation, which helps participants understand how to measure and manage intangible assets, like know-how and image. Tango helped staff members see the critical importance of putting their resources where they will do the most good.

In 1998, they are focusing on profitable customers and on enhancing their ability to solve customer problems.

The Results

Now that the group has the knowledge and capabilities—such as new information systems, skills and financial literacy—they are well-positioned to achieve their ultimate goal, profitability, in 1998.

“The good news is everyone is thinking like business owners. That means future decisions will be made based on sound business thinking, which should improve their financial picture much quicker.”

Dan Topf, Internal Consultant and Learning Process Facilitator, The Principal Financial Group.

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