

## Avaya - Outsourcing for Business Results

**April 2005 - Kellye Whitney**

When Avaya—a global leader in business communications software, systems and services—prepared to embark on an aggressive schedule of new product launches, a key success factor was making training programs immediately available to help customers promptly realize efficiency, performance and business benefits. It became clear, however, that Avaya's geographically fragmented learning organization was not positioned to meet the accelerated training needs that would enable rapid market uptake. To cope with the increased learning demands, Avaya outsourced its entire learning function to Accenture Learning in November 2001.

"Avaya has spun from the legacy of AT&T and Lucent," said Suellen Roth, vice president of global workforce diversity, employee excellence, global policy and Avaya University. "When we were created, we brought with us a learning department that consisted of people with strong backgrounds in engineering and other disciplines. They were very familiar with our products, services and strategy, and we used this group of people to do development and delivery of courses."

In most cases, however, these people were not learning and development professionals, and there were no technology platforms in place. "We didn't have user registration, good testing and certification or a strong feedback and measurement loop. We didn't have the infrastructure that you need to run a world-class learning organization, and as such, we suspected we were spending too much to produce too little impact," Roth said.

As part of the agreement, approximately 200 people from Avaya's original training organization became Accenture Learning employees. These employees were placed within Accenture Learning because of their talents and because their subject-matter expertise was important—their knowledge of Avaya policies, products, services, delivery channels and sales approaches.

Because Avaya University serves the company's 20,000 employees, business partners, distributors and customers, the outsourcing relationship has to be seamless. According to Roth, a good outsourcing relationship is one where the sourcing is transparent to external stakeholders.

"There's so much more to it than just transitioning learning administration functions to a third party," Roth said. "The power is in using learning to transform the business proposition." High-quality learning experiences are also vital. "The Avaya brand is on all materials that an employee, client, distributor or business partner sees associated with Avaya's learning offerings," said Roth. "The quality of the training, the content and the actual learning experience must be excellent and reflective of our brand. While we were pleased with our in-house team, we looked to Accenture Learning to take it up a notch."

What were some of Avaya's other goals in pursuing the outsourcing relationship? According to Roth, "We were looking for faster and better alignment with the business. When there are product changes and new releases, we need our courses to be updated quickly and efficiently. Finally, we were looking to transition from instructor-led courses to more of a blended curriculum. This is what Accenture Learning did for us, as well as administering the entire program on their learning management system."

Notable benefits of this outsourcing arrangement include successfully supporting the largest release of new communications products in Avaya's history at a cost substantially less than the previous product rollouts. Avaya also has experienced better operating efficiency and a steady

improvement in the responses from both external and internal clients. Employees give feedback through Avaya employee surveys on how courses are affecting their work and performance.

While cost savings have been substantial—Avaya estimates it has saved several million dollars over the past two years—the learning outsourcing arrangement is also able to deliver hard business results. “We piloted our sales certification program last year and demonstrated that we could increase the sales funnel by about 10 percent and improve our close rate by about five points. Time to close is faster, too. All of that motivated us to invest a lot more this year to get the majority of the sales team through training because it really did have a significant impact on their effectiveness,” Roth said.

To enjoy a successful outsourcing relationship, Roth believes that it must always be clear who is running the business. “Avaya is accountable for business strategy and how that business strategy—and changes to it—affect our learning needs and learning approaches,” Roth said. “As long as a business that outsources a key function like this maintains accountability for the major business decisions and works with its outsourcing partner to create seamless delivery—but does not abdicate responsibility—I think the world becomes a beautiful place.”

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