



# Transforming Performance

Part 2 of 3: Building Capacity

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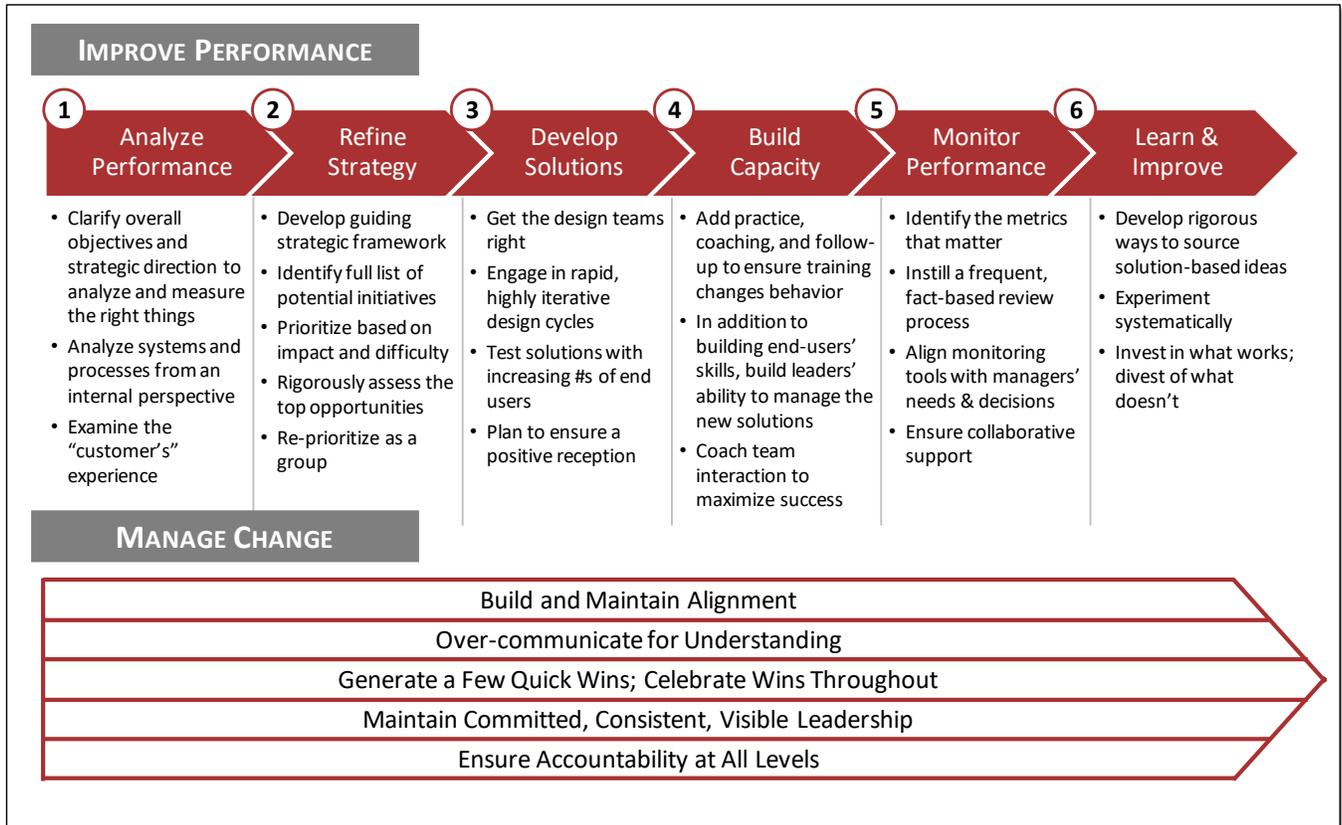


Figure 1: Cicero Performance Transformation Process

### All About Performance

Whether a company is working to expand its client base, increase bottom line, or simply improve efficiency, performance is what matters at the end of the day.

Of course, references to ‘performance’ often amount to little more than a platitude. So, before we explain to get there, it’s important to start with a clear understanding of what performance is and what it isn’t. At Cicero Group, performance is the combination of results that meet or exceed an organization’s intended objectives and the extent to which those results were achieved as efficiently, effectively, and appropriately as possible.

Focusing on performance in this way helps organizations avoid two common traps: 1) confusing activity, work levels, and production for results, and 2) acting as if the ends always justify the means.

The first trap is evident, say, when a nonprofit helps many people, but those people’s lives do not change significantly, so the organization’s effort returns

minimal result. Similarly, a business that produces new products but does not grow sales is not performing well, either, because the organization is not achieving its ultimate goal.

On the other hand, acting as if achieving the goal is the complete picture can lead organizations into deceptive marketing or intentionally selling faulty products. Even if these tactics initially produce results toward the goal, they will not improve overall performance. This second trap shows up when inefficient processes or misinformed services meet the short-term goal but fail to support long-term, positive results.

Organizations that see long-term improvement not only avoid these traps, but they also set initiatives that strictly adhere to a set of common principles that have the power to affect the deepest working components of the company.

In recent years, Cicero Group has helped improve performance within business, education, government, international development, and private foundations. We have harnessed these principles into our Cicero Performance Transformation Process (PTP), which

repeatedly helps organizations improve real results: analyzing data, refining strategy, developing solutions, building capacity, monitoring performance, and refining their efforts over time (see Figure 1 above).

More important than the principles or the process, though, is that organizations that engage with us in this process achieve phenomenal results. For example:

- A Fortune 500 company fully integrated three enterprise software systems—millions of records covering \$500 million in sales, 25,000 customers, and 12 warehouses nationally.
- An \$8-billion business increased average sales volume by 5 percent, and average sales price by 6 percent. This wholesale sales transformation and capacity building effort totaled \$250 million in additional revenue.
- Forty-three low-performing schools across the state increased student proficiency by 10 percent through capacity-building initiatives with principals and teachers.

### Overview

This paper is the second in a series of three white papers about management excellence. In Part 1, we covered the first three principles of our Performance Transformation Process (PTP). Here in Part 2, we describe building capacity (which is the fourth

principle). Then, we cover monitoring performance, improving over time, and managing change in Part 3 of the series.

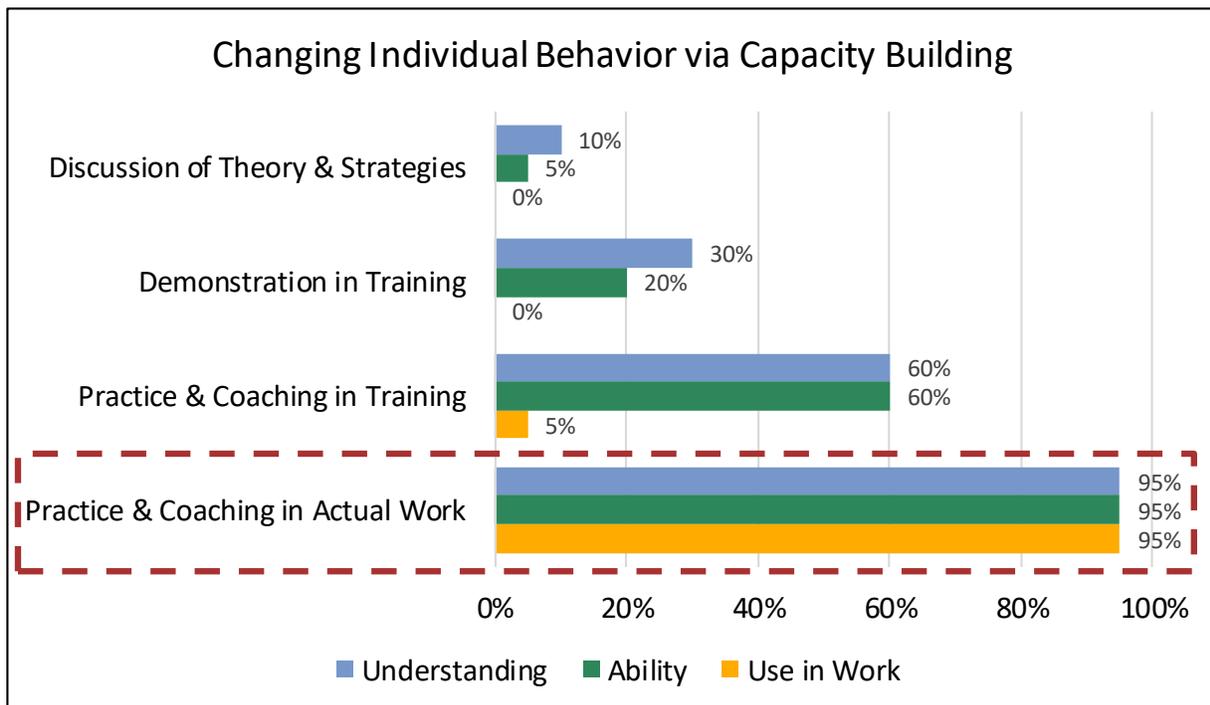
## Step 4. Build Capacity and Change Behavior

While initiatives, processes, and analyses are essential to improving performance, the reality is that *people*—their abilities, incentives, collaboration and teaming structures, understanding, and behavior—are at the core of any change that brings long-lasting results.

Therefore, our experience shows that success in this phase of work is not determined by the quantity or even the quality of capacity-building input. These are means to an end. The real objective and measure of success is the degree to which stakeholders change their behavior to maximize overall performance.

Two fundamental principles drive individual behavior transformation, especially when changes are significant and individuals are working within a large, complex organization:

1. Build capacity with practice and real-time coaching
2. Tailor capacity-building to each specific role



## BUILD REAL CAPACITY WITH PRACTICE AND REAL-TIME COACHING

Even with engaging trainers and compelling content, many training sessions produce only minimal change in behavior by the one- and two-week marks. For example, in the field of education, Joyce and Showers<sup>i</sup> found that traditional training—explaining new information and how it should be applied—resulted in nearly zero change in practice.

Even more robust approaches to capacity building, which involve modeling and practice in a training environment, only yield five percent transfer in individuals' use of the new knowledge and skills in their daily work.<sup>ii</sup> As shown in **Error! Reference source not found.** above, to maximize implementation, individuals and teams need in-field practice with coaching and feedback in the context of the daily work, in addition to general training and practice.

## TAILOR CAPACITY BUILDING BY ROLE

Improving performance often requires staff to take on a variety of new systems or adjusted capacities, and these vary by role and responsibility. For example, **front-line or junior-level staff** in operations or policy assignments might need to learn how to use a refined system. They may need to become intimately familiar with new data or insights that will inform their work with internal or external customers. And, crucially, they will need to use these insights or skills effectively and consistently, even without supervision.

While **middle managers** must also learn relevant new systems, they need additional skill development to ensure their teams implement, learn, and improve over time. The most effective organizations deliver training tiered for different roles. For middle managers, it is crucial to develop a range of leadership skills:

- Using data and insights when making decisions
- Coaching and training team members effectively
- Running effective meetings that focus on solving problems and improving performance
- Holding the team accountable for results instead of focusing on activity

**Senior managers** have even more on their plates when it comes to capacity building. Not only do they need to

understand the new systems so they can support middle managers and teams, but they also need more advanced training:

- Designing collaborative change management processes
- Communicating and inspiring effectively
- Spotting challenges and guiding additional performance transformation

Senior leaders benefit from personal transformation as much as front-line workers, but their learning and development needs are much different. Effective training will take this into account and tailor appropriately.

## DEVELOPING CAPACITY

Organizations can ensure that the content and methods of training and coaching are appropriately targeted to each audience using the following steps:

- 1) Using insights gained from prior analysis and external research regarding best practices, develop a robust capacity-building strategy that includes training, modeling, practicing, coaching, implementation support, teaming support, and accountability mechanisms.
- 2) Design the objectives, activities, materials, and all other components of each training or coaching intervention so they incorporate leading theories of adult learning and cross-cultural sensitivities into the structure and design of all activities. Pilot-test these and refine as needed.
- 3) Establish site- or group-level implementation teams that will be responsible for periodically reviewing the training and coaching materials with participants and encouraging increasing mastery and implementation.
- 4) Share the plan for capacity-building efforts with leaders in advance of actual roll-out, both to solicit feedback for improvement and to increase leaders' understanding and ultimate adoption of the new behaviors.
- 5) As possible, conduct pre-training assessments of each site or participant group to understand variation in local or team-specific capacity and needs.
- 6) Deliver training, coaching, and implementation support as designed, continually making adjustments as needed and appropriate.

- 7) Assess changes in participants' understanding, skills, confidence, and willingness to change during and immediately following capacity-building efforts. Continue to monitor mastery and actual application of skills through observation, leadership assessments, and other means for at least 3–6 months after training/coaching has ended. Revisit and refresh training/coaching efforts as needed with specific groups who struggle to improve their performance as desired.

When organizations implement effective tiered training according to the steps above, they see results:

- Teams and individuals understand the theory, data, and insights behind the changes they are asked to make.
- Employees have seen and practiced the skills and techniques required to apply these changes to their own responsibilities.
- Employees benefit from real-time practice and coaching opportunities that ensure adoption and continued implementation.
- Managers not only understand these front-line skills but are better able to guide their teams through the mastery and adoption process.

In short, employees not only *understand* but *perform* more effectively, which improves performance throughout the organization.

## Illustrative Cases

To show successful application of our strategy for building capacity, we offer here two case studies: 1) a state education system, and 2) a national environmental services provider. In reading these stories, organizations will note information and tactics that can be immediately applicable.



### STATE EDUCATION SYSTEM

#### SCOPE

Supporting dozens of large school districts around the country, Cicero is making a massive, ongoing effort to transform performance at several levels. To build capacity during the first year in this four-year project, we worked with 13 districts, 55 schools, and over 1,200 educators who all serve more than 25,000 students. Following the summer of 2016, the scope of

this project expanded to 123 schools, more than 1600 educators, and about 60,000 students.

#### MANDATE

Our goal was to increase student achievement—measured in both raw proficiency and annual proficiency growth—through improving the organizational, leadership, teaching, and student-support capabilities of district leaders, principals, and teachers in underperforming schools with a high concentration of disadvantaged students.

#### APPROACH

Research has clarified methods that work well in education, but the capacity needs and context of each district, school, and educator vary tremendously. To bridge this gap with tailored but implementable solutions, Cicero approached the project in phases: assessment, teaming, training, coaching, collaboration.

First, we assessed the teaching, leadership, and school environments. By reviewing student data, interviewing educators, and observing leadership and teaching onsite, we laid the groundwork for effectively customizing this program.

We reviewed the results of these assessments with leaders and teachers at each site in order to identify the top capacity needs, select areas of focus for subsequent technical assistance, and prepare appropriate plans to build relevant capacity.

Second, we built a new team structure to transform the way leaders ensured accountability for increasing student learning. We held monthly meetings at every level of the organization with a focus on reviewing results from the prior month. To address the gaps in the previous month's results, teams created 60-day action plans.

Third, we conducted a series of trainings at each site that we tailored to individual roles/levels—teachers, principals, and district officials. Training involved four key steps:

- Reviewing proven strategies for school leadership and classroom instruction
- Modeling of these strategies by experts and local leaders

- Letting participants practice the strategies
- Assigning tasks for each participant to complete after the session

Fourth, we provided one-on-one coaching on a weekly basis, offering feedback and additional practice, to encourage educators to practice the new skills.

Finally, to ensure ongoing adoption and implementation, we collaborated with local district and school leaders to prepare weekly review and training meetings with their teams. We supported the development of agendas, progress reports, additional training, and accountability mechanisms.

## RESULTS

We began working with 43 of the 55 schools in June of 2015, and we can ascertain results from two administrations of the interim assessment. For the remaining 12 schools, which began the program in February 2016, results are not yet available. As of February 2016, participating schools had increased student proficiency a full 10 percent in their focal curricular area.

Because the interim assessment (SAGE Interim) is designed to be predictive of the summative common core assessment in May 2016 (SAGE Summative), we anticipate similar if not even better results by that administration. Ten-percent growth in proficiency across 43 schools would be an unprecedented improvement statistic in the history of the Utah State Office of Education's efforts to improve student outcomes throughout the state. After the first full year of implementation, participating schools saw double the improvement growth in Math, ELA, and Science proficiency relative to non-participating schools.



**NATIONAL ENVIRONMENTAL SERVICES PROVIDER**

## SCOPE

Cicero supported a sales force of 3,000 employees that is generating \$2 billion in annual revenue throughout 150 business units nationwide.

## MANDATE

Standardize and elevate employees' sales techniques to (a) focus on customer needs and objectives, (b) identify the customer segment and tailor the approach accordingly, and (c) increase sales volume *and* average price.

## APPROACH

Cicero performed extensive analysis to segment customers nationwide, and then customize new sales strategies, tools, and processes based that research. To implement nationwide solutions, our team:

- Developed, piloted, and continuously refined a series of engaging, day-long training sessions for front-line employees. These included a review of the analysis results, introduction to and practice with new tools and strategies, feedback from senior coaches, and assignments to complete before the subsequent training session. Training materials included presentations, pre-work materials, homework materials and assignments, in-session activity prompts, etc.
- Conducted the training first with local leaders in order to familiarize them with the material, build skills, and model the training techniques. We coached these leaders so that they were prepared to conduct the training with their own teams, ensuring greater front-line mastery, ownership, and accountability.
- Provided one-on-one coaching in the field with each sales rep between training sessions to ensure they were applying the new skills. Provided weekly coaching for local leaders to help them guide their team members through the adoption and mastery of the new skills.
- Circled back to lagging areas to re-train leaders and employees.

## RESULTS

A 5-percent increase in average sales volume and a 6-percent increase in average sales price delivered \$250 million additional revenue for the company.

## Conclusion to Part 2

Cicero's performance transformation process is a time-tested method that delivers results consistently. As

organizations customize training to specific roles, they boost capacity along all tiers and see improvements in performance among employees, middle managers, and leadership. We encourage organizations to apply this principle and the others involved in the performance transformation process in order to see results.

To learn about the other steps in this process and read more case studies, we invite you to read the other two papers in this series. Part 1 describes analyzing performance, refining strategy, and developing solutions, and Part 3 covers performance management and the change process.

## About the Authors

**Jacob Allen** is a partner at Cicero Group and Managing Director of Cicero’s Social Impact practice. He has worked with for profit and mission-driven organizations for over fifteen years and in a dozen countries around the world. He has led the strategic design, implementation, and measurement of initiatives for Presidents Bush and Clinton, Goldman Sachs, Prudential, the Alzheimer’s Association, the

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<sup>i</sup> Joyce, B. & Showers, B. 2002. *Student achievement through staff development* (3<sup>rd</sup> ed.). Alexandria, VA: Association for Supervision and Curriculum Development.

<sup>ii</sup> Ibid.