

Reflections

The SoL Journal
on Knowledge, Learning, and Change



IBERDROLA RENEWABLES

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PUBLISHER'S NOTE 9.2

**C. Sherry Immediato**

Where do “we” end and “they” begin? No matter how good we believe we may be at thinking systemically, it’s hard to resist the habit of categorizing others as irrelevant, alarming, or just incomprehensibly different.

I’m sure you’ve had days when even those you know and care about most suddenly seem like strangers, and the ranks of “them” appear vast – surely not part of your system. In his classic work, *I and Thou* (1923, English 1937), Martin Buber posed a more intimate way to appreciate the distinction. He suggested that we can experience ourselves as separate from the world (I-it) or as an inseparable part of it (I-thou), with the expected consequences. His most striking examples challenge our belief that the I-thou relationship is limited only to those we know well. I’m sure you’ve had that experience, too: there is a flash of deep connection and commonality with what first appeared foreign. Buber documented the value of each perspective and our capacity to choose our experience.

In this issue of *Reflections*, we are fortunate to have a number of illustrations of new partnerships that emerged when action was taken from the perspective that there’s only “us” and there’s no “away.” (If you would like to see a short artistic rendition of this, I highly recommend this video: http://www.globalcommunity.org/flash/wombat_shtml.) I encourage you to read this issue with attention to the connections between action and the state of being they reinforce. In some cases, deeply held beliefs inspired action; in others a more naïve curiosity about “the other” opened up new possibilities.

As a community, we were fortunate to have a tangible experience of “Bridging the Gulf” between “us” and “them” last April when about 400 people from around the world convened in Oman at SoL’s 3rd Global Forum. At the Forum, Nobel Prize winner Muhammad Yunus,

the founder of Grameen Bank, joined a diverse panel of SoL members from across sectors and around the world to look at the ways in which business can be reframed in order to help the poor. Taking a true systems perspective, Muhammad Yunus related the story behind Grameen Bank and shared his concept of “social business.” Moderated by social researcher Laurent Marbacher, the panel also explored the idea of what human beings are capable of doing for local development, as well as how systems can enhance our capacities so that they can flourish. That conversation is summarized here as “The Role of the Corporation in Supporting Local Development.”

One of the most well-attended sessions at SoL’s Forum in Oman was a presentation by Roberto Bocca, then director of Emerging Consumer Markets for BP Alternative Energy, and Prema Gopalan, the founder and executive director of Swayam Shikshan Prayog (Self Education for Empowerment, or SSP), a non-governmental organization (NGO) in India. In “Serving the Underserved: Progressive Energy Solutions through a Sustainable Business Model” we learn how their organizations partnered to look at solving the problem of bringing clean energy to some of India’s poorest people. This took the form of creating a market together for an innovative, affordable cooking stove that uses pellets made of agricultural waste for fuel.

How do you justify investing in people who are not even your employees? An “intelligent” organization is one that makes systematic use of the intelligence of all its players in order to become ever more efficient. Based on an empirical study carried out over three years, “Matrix Sales University: A New Model for Learning” traces the development of Matrix Sales University (MSU), which is part of the L’Oréal organization. Eric Mellet, Philippe Pierre, and Béatrice Quasnik outline the factors of MSU’s success and the difficulties of developing a learning organization with concrete operational aims working across organizational boundaries.


We close the issue with two book excerpts – both chosen with the intention of challenging us to deepen our ability to think and act systemically. From *The Necessary Revolution: How Individuals and Organizations are Working Together to Create a Sustainable World* by Peter Senge, Bryan Smith, Nina Kruschwitz, Joe Laur, and Sara Schley, we look at “How We Got Into This Predicament.” Something important has happened in the last stage of the industrial era that sets it apart from the past: Globalization has brought a level of interdependence between nations and regions that never existed before, along with truly global problems that also have no precedent. This excerpt explains “how we got here” and lays out the case for urgency in radically shifting the kind of thinking that has made the industrial era so successful, and so disastrous.

In “Limits to Growth: Tools for the Transition to Sustainability” (from *Limits to Growth: The 30-Year Update* by Donella Meadows, Jorgen Randers, Dennis L. Meadows, we have guidance for action – the kind that reinforces a systemic point of view. In 1972, these three scientists from MIT created a computer model that analyzed global resource consumption and production. Their results – published in the bestseller *Limits to Growth* –

shocked the world and created stirring conversation about global “overshoot,” or resource use beyond the carrying capacity of the planet. In this classic update, published thirty years later, they lay out five tools that will be necessary for our survival over the long term: visioning, truth-telling, learning, networking, and loving. Just as they concluded almost 40 years ago, the innovations we require are not technical, but social.

I recently saw a charming bumper sticker that advised: “make love, not carbon.” With so much uncertainty about how we can be effective, such simple advice was welcome. Maybe we should all change our plans for the evening! More importantly, I hope we can take some lessons into action from the stories shared here about the immense value that can be created from “loving” some part of the system that is normally excluded. Then we can head home smiling because we know it’s true: “Systems thinkers make better lovers!” Now don’t forget to read the issue...

With affection,



L. Gray Immurato
Publisher

FEATURE 9.2

Matrix Sales University

A New Model for Learning

BY ERIC MELLET, PHILIPPE PIERRE, BÉATRICE QUASNIK

An “intelligent” organization is one that makes systematic use of the intelligence of all its players in order to become ever more efficient. This article, based on an empirical study carried out over three years, traces the development of Matrix Sales University (MSU), which is part of the L’Oréal organization. It outlines the factors of MSU’s success and the difficulties of developing a learning organization with concrete operational aims. In view of the decline of traditional solidarity within business and the risk of geographical break-up, belonging to a profession with a strong identity and tradition is seen as the basis for establishing a professional community on a global scale.



Eric Mellet



Philippe Pierre



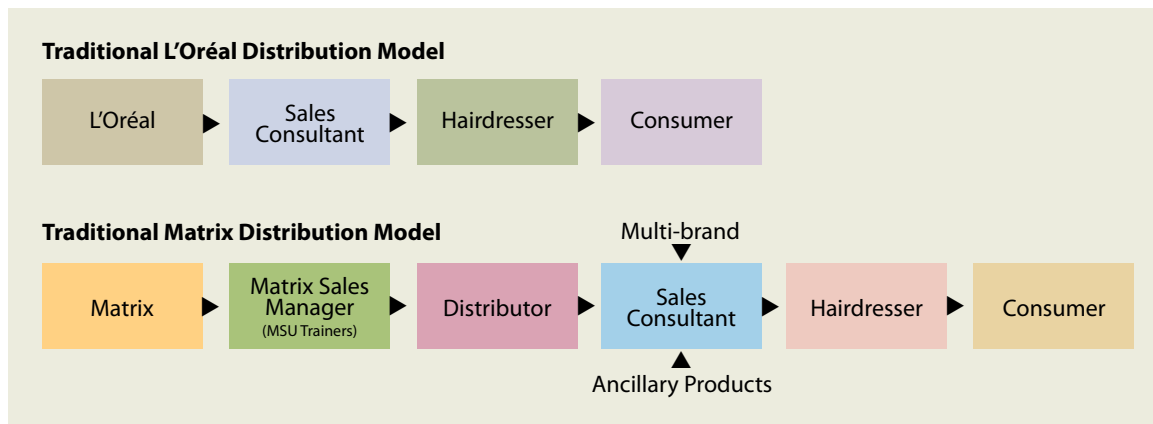
Béatrice Quasnik

The Matrix Sales University (MSU) is dedicated to training, developing, and assisting in the recruitment of salespeople for the brand Matrix. The French company L’Oréal acquired the number one American haircare brand Matrix from Bristol Myers Squibb in 2000. When L’Oréal was preparing the worldwide launch of the Matrix brand in 2003, all the elements of the “marketing mix” were in place except for direct distribution networks. Historically, these networks have been a strong factor in L’Oréal’s success: company sales consultants sell products directly to hairdressers, where as Matrix had traditionally been sold through the indirect distribution model. There was no simple answer to the question of how to internationalize a leading American brand, and deal with the challenge of distribution on a global scale.

“In the old-fashioned factory, there was little actual cooperation but a background of dense and stable links outside the working environment. In the modern business of networks and projects, cooperation is intense, but it is set against a background of weak and shifting links.”

— RICHARD SENNETT

Realizing it was impossible to tackle this challenge from headquarters alone and without the necessary resources to pay external consultants to spread the word, L’Oréal’s Sales Training and Development team decided to devise a specific training program for an indirect sales network. Its major objective would be to train, develop, and assist in the recruitment of the best possible salespeople. This global program would empower the Matrix sales managers to train the distributors’ sales consultants, who often sell other haircare brands as well as Matrix (see Figure 1). Keeping the sales force engaged, building on their professional identities, and securing their loyalty to the Matrix brand would be of paramount importance.

FIGURE 1 **Route to Market**

Stage One: The Pilot Project

Few such programs existed at that time in the U.S., despite its being the birthplace of the Matrix brand. L'Oréal Project Manager Eric Mellet discovered a rudimentary training program in Great Britain from which he was able to construct, with the help of a British consultant, a pilot model for commercial training. Mellet chose to rely on his own intuition in developing the pilot, and focused on the idea that “before you can do business; you have to create a relationship. In the same way, before you can engage in training, you have to create a relationship.” The program was designed to enhance and develop relationships between the participants and trainers, and among the participants themselves.

The first session took place at the end of August, 2003 in the Polish town of Plotsk, several hours drive from Warsaw. Fifty-three sales representatives awaited the arrival of the British and French consultants with no great enthusiasm. They had no idea what the program consisted of, but well understood that at the end of it they would find themselves in the field selling Matrix-associated products and services. The module consisted of three days of training, the first devoted to knowledge of the product, the remaining two to appropriate sales behavior.

The new program was based on the study of actual situations, and participants were encouraged to intervene and interact spontaneously at



any moment. The instructors, despite speaking no Polish whatsoever, were well received, but the use of live translators resulted in a communication time lag which stifled spontaneity. “Imagine telling a joke and having people laugh two minutes after you’ve delivered the punch line,” said one trainer. “You need good intentions on both sides to get through situations like that.”

The trainers also encountered another unforeseen cultural barrier: trainees were not used to getting involved in discussion and behaved far more passively than the instructors had anticipated. For Polish sales representatives to dare to express themselves in role-play situations, they had to feel secure.



Merely telling them they were was not sufficient; they had to feel it. A sense of trust was needed for them to understand that the instructors who had come from afar were there not to judge but to train them.

The trainers worked hard to establish and build on attendees' trust, changing plans and logistics several times as they sought to identify and build on what worked with the group. "Energy circulates" as one trainer put it, and the use of audiovisual supports, music, and "ice breaker" exercises lightened the mood and encouraged learning. The participants' superiors, who joined the sales teams for the closing evening session, expressed outright astonishment; they barely recognized the enthusiastic sales staff they had recruited.

During two more test sessions (in Russia and the Czech Republic), the international status and expertise of the instructors – which again could have created a barrier between them and the local participants – was soon forgotten. The combination of reassurance (for the necessary "letting go" of hardened salespeople), thoughtful timing, and creativity, notably in the role-plays, yielded the

desired result. As one of the instructors underlined: "It's not about sacrificing creativity in the name of rigor. Rigid training erases the richness of the relationship, in the act of selling as in the act of training. There's no difference between a good sales rep and a good instructor, and that should be felt during a training session. Daring to personalize training is about defending the sale and its creativity."

Reflection and Learning for Stage Two

With 135 salespeople trained, Mellet's team (in charge of what would become the MSU) felt that the time was right to review the operation. More than 30 other countries were waiting in line to launch the brand, including giants like China, India and Brazil. It would be impossible to rely on direct one-to-one training. It was clear that delegating training responsibilities was necessary. Once again Mellet made an intuitive rather than an intellectual decision and, aided by his martial arts training, was able to look at the situation from a completely different perspective. A former sales representative himself, he returned from his meditations with an idea that contained all the elements that eventually developed into the MSU. He envisioned a training organization that would resemble a university and would function like a franchise, supplying support to subsidiaries. In addition to training representatives, it would be run in such a way as to ensure the recruitment and secure the loyalty of hundreds of salespeople throughout the world.

To be effective, the strategy had to be shared with all levels of the business hierarchy, including sales staff, sales managers, operational directors of the headquarters, marketing and training teams. All the participants (representatives of the staff both of Matrix and its distributors) had to be able to unify around a common profession – commerce – and a pedagogy aligned with the stated values of the brand as it originated in the United States ("connected," "daring," "smart tech," "positive energy," and "professional passion").¹ Defined as KTD ("Knowing/Training/Doing") the three-stage training process, at both basic and advanced levels, would

consist of 1) preparation with the “knowledge content” as a common point of reference; 2) “training” with actual situations, role-plays, and practical cases; and 3) “doing,” which would conclude with on-site “road check” sales calls with a trainer. After this confirmation, salespeople would be given their “passport” and validated in the MSU database.

The MSU dynamic is based on group learning: notions of group, community and interaction between participants are present at every formal step of the program. At the outset, constraints such as time lag and geographical distance would have made a good case for an e-learning tool with a minimum of human presence. This option was immediately rejected. The program designers understood and took into account the fact that commercial performance and the economic exchange between hair stylists and sales representatives throughout the world are often underpinned by concrete interpersonal relationships. Through these relationships they distribute information and share best practices, as well as different forms of professional, cultural and social capital. For MSU to work – to build knowledge (both individual and collective) and loyalty – participants needed to feel “seen,” that they “belonged” to an MSU collective, one that transcended national boundaries.

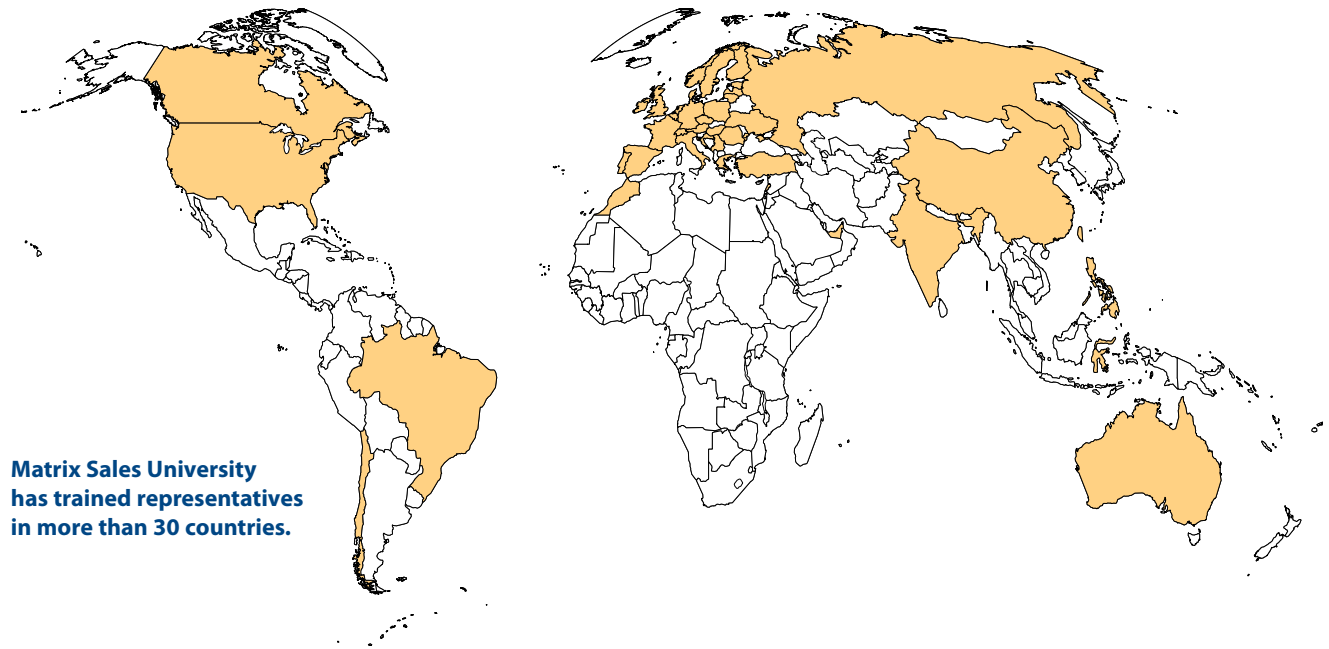
The program also had to overcome two major obstacles: language and history. When more than 20 nationalities are gathered together, one cannot simply insist on conventional English, and even less on simultaneous translation, which is prohibitively expensive. The language barrier can in fact be the more dangerous of the two obstacles, because the problems that arise from it are often difficult to detect when using live interpreters and English as a common working language. MSU trainings would emphasize non-verbal communication to allow an engagement that was easier and more powerful on the part of the participants. Training programs would make extensive use of music, videos, and any aspect of nonverbal communication that could federate and communicate positive energy.

The second cultural obstacle is historical. Just twenty years ago, the countries in which the first three sessions took place were living under a political regime that left little room for individual affirmation. If the approach had been presented as being based on one single “team,” it might have provoked considerable turmoil at a time when the Poles, Russians and Czechs were only just beginning to discover the market economy. While being fully aware of the potential misuse of psychology in the workplace, the MSU promoters nevertheless sought to valorise the symbolic dimension of belonging to the MSU, encouraging, for example, the awarding of diplomas to participants at the end of the session, a ritual that marks a rite of passage from “ordinary person” to “member of an extraordinary group.”

Stage Two: MSU Trainer Camps

The conception and the development of the global train-the-trainer program took ten months. It was organized around two principles: a balance between common content and practices, and the ability to adapt the training to different cultural contexts. The second principle consisted of creating the conditions needed to allow the salespeople to appropriate the program as their own.





**Matrix Sales University
has trained representatives
in more than 30 countries.**

In February 2005, just 18 months after the training session in Poland, the team held the first “MSU Trainers Camp” outside Paris. Forty-five instructors from 32 countries (including China, Sweden, Canada and Great Britain) joined together. For the promoters of the MSU, this was the decisive moment. They were testing, on a real scale, the “teacher training” tool they had been working on for months. The hotel they were staying in took on a real campus feel, with as many as 16 languages spoken around the dinner table. For five days and four nights, participants bonded in what became an intense personal and professional experience. By the program’s close, it was clear that the MSU challenge was being taken up. Just two months later, the first wave of national commercial managers began launching their own programs, having sold their distributors on the idea. Understandably they were the “old hands” who had taken part in the first experimental sessions: Poland, Russia, and the Czech Republic. They were soon followed by Hungary, Finland, Italy, Chile, Hong Kong, the Philippines, Lebanon, Dubai and Canada – more than 15 countries in all, in which 500 Matrix sales staff were trained.

After this first Trainers Camp, the “MSU Trainers Community” formed. An Internet site was created, and trainers posted photographs and videos to circulate the latest news and experiences of the

instructors, sales staff, distributors. After the second Trainers Camp, another wave of countries launched their MSU franchises: China, Brazil, Great Britain, Germany, Austria, Switzerland, Belgium, Sweden, Morocco, Greece, Croatia and Romania.

The mass training system gained in power and gave rise to several remarkable local training initiatives. In Canada, for example, an agreement was signed with Laval University to certify training undertaken by the MSU. Some countries took the initiative and developed modules to meet their own specific cultural or technical needs. These innovations were incorporated into the basic program, and adopted with ease by other countries. A worldwide community linked by common practices was clearly forming, in which each member country supplied their own specific codes and contents.

Learning How to Learn Together

Training Camps are destined to offer training supports that are subsequently relayed to representatives who are, to quote a manager from Matrix Russia, generally “people who have undertaken only brief formal studies and who more or less admit to feeling bad about the fact. This constitutes a mental model that makes them recalcitrant to training; they see themselves as “bad students,” and anything that resembles school as

an obligation they wish to rid themselves of at the earliest opportunity, as it is for them synonymous with failure. They also have a great need of recognition, a kind of revenge they need to take against life. It's the financial success of selling and the social recognition that goes with it that motivates them."

The power of the MSU approach comes in part from the fact that the creators of the program confronted these very difficulties and turned them to the program's advantage. An adult in training is not someone who doesn't know, but rather someone who aspires to know differently, the better to construct his or her own autonomy of thought and action. The pedagogy of the Training Camps seeks to "take off from" operational questions from the participants themselves. Wherever the MSU has been deployed, it has been impossible to know in advance the skill level of the salespeople, or the mix in terms of age and ambition, which leads trainers to "choose to work each sequence from the skills that are already present in the room," as one instructor put it. Finding the right mix is not only a question of technique and pedagogical ingenuity; it rests on a fundamental choice, one specific to the learning organization, where one renounces the temptation to only plan and control. It trusts that the training will unfold organically, naturally and spontaneously.

From this pedagogical work arose, or rather was revealed, an intense need for the actors to "put it in words," to recount their sales and management experiences. The Training Camps, like all the MSU training sessions for sales staff, revealed an inter-adult teaching domain that was largely conversational. Role play and discussions elicited knowledge that sprung forth from participants, that was first and foremost a moment of orality, of maieutics shared among a group of equals. They also provided a forum for "learning by events" (losing a client, logistic breakdowns, a particular salon's credit difficulties, etc.). On leaving such a session of exchanges, people knew more, collectively. New knowledge appeared through the dynamic confrontation of different points of view and the stimulation that arose from it.

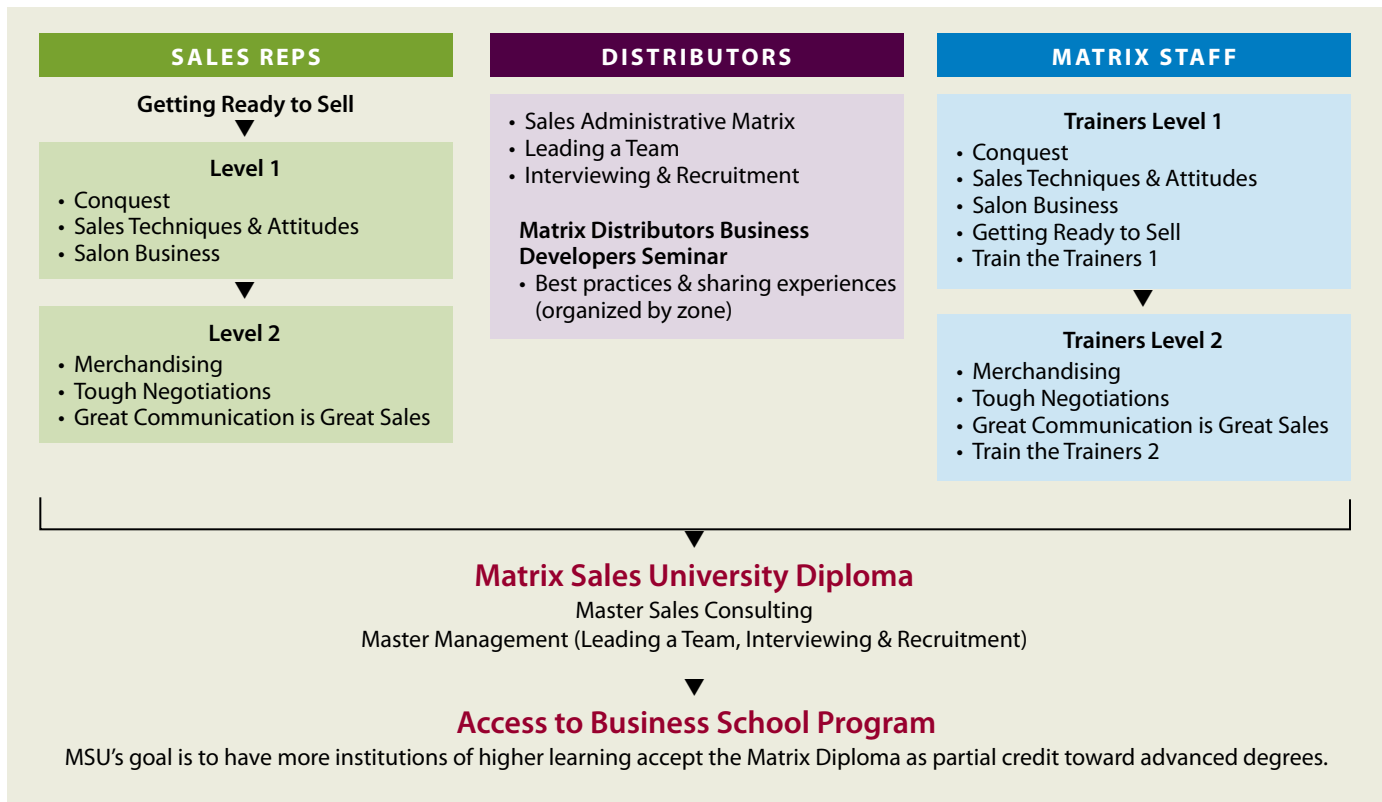
The MSU program seeks to transcend obstacles that make up cultural differences, as well as differences of training level and seniority within the business, by giving participants the possibility of expressing themselves in the service of a common project. For the MSU training to have meaning, it has to represent for all involved the opportunity

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for both personal and professional development. Its holistic human approach integrates all the dimensions of "think – feel – act." This invitation to authenticity produces visible transformation (witness the Polish managers who no longer recognized their employees); strangers at the beginning of the course become firm friends, joined in relationships that will last long beyond the group illusion of the moment. In addition, by taking part in the local construction of training modules, the elders transmit to the young, and stand a good chance of securing their loyalty. The elders feel valorised and rediscover that the paradox of any training program is one of accepting others as they are, while offering them the possibility of becoming someone different. The business of training is, after all, structured with the objective to transmit knowledge.

Learning for the Future

MSU gives everyone the opportunity to learn continually, be trained at the Training Camps and, in turn, to train local teams upon returning to the country of origin. The "chain of value creation" on a worldwide scale has invigorated the learning process not only of the Matrix sales staff but also the brand's distributors. Since the 2006 launch of training in the U.S, there have been further

FIGURE 2 **The Matrix Sales University Curriculum**

The heart of the MSU's operation consists of two to five-day training seminars, conferences, e-learning, teacher training, coaching and various models of self-learning (through the use of CD-ROM and video). MSU also offers more innovative activities which are being formalized throughout several countries, such as practice-oriented communities on commercial expansion, and partnerships with major universities.

innovations, including the creation of a specific path for distributors, which was presented and adopted at the 2007 MSU Trainers Camp.

In most of the countries in which the brand is present, the sales network is indirect. But rather than relying blindly on salespeople's interest or abilities, MSU shows salespeople "how to sell intelligently, making the sale have a real value for the salon"² One of the objectives of the program is to train distributor teams to become more than simple "order takers" from the hair stylists. As a director of Matrix's Polish subsidiary put it: "Training the sales staff directly thanks to Matrix, we now have the means to check on site that the program has enabled our hair stylist clients to offer new services in the development of their business." The MSU enriches the nature of negotiations undertaken by

the Matrix teams with their (wholesale) distributors, and, consequently, further down the line, with the hair stylists themselves. It illustrates the global dimension of Matrix for those who have opted to contract with it. It is a training tool more advantageously priced and of superior quality than anything else on the market, conceived in close collaboration with other teams (marketing, education, and sales administration) dedicated to the brand. The training provided within the framework of the Matrix University has become a tool for external communication and even sales staff recruitment.

To date, MSU has trained over 4,300 people. Saying that it seems to be reviving the profession of sales representative where it is least expected is to underline that the profession, in a business

present in over 110 countries, constitutes the basis of belonging and a means of distinguishing between a good craftsman and a beginner, a scale of talent measurement. As Philippe Zarifian reminds us,³ “in principle – and we forget this all too often – the cutting edge of the profession is reached when, through hard-earned respect of existing rules, the individual manages to bring his/her own personality to bear and do something original.”

The MSU shows how the position of the players (sales representatives, distributors, general managers) within a network and the resources that are provided to become competent, which determines the world of possible economic action and the desire to learn. In the world of hair care, part of the informal economy lies outside the official regulation of economic reports, the nature of the business being also governed by rules of reciprocity within the domestic sphere, the social economy in part regulated by values associated with professional hair care unions. Networks, institutions and systems of meaning are constituent elements of the economy and complicate any

too hastily modelled representation of economic success as a simple a question of profit.

Finally, the MSU illustrates through its training tools and its system of internal normalization, how the “global” business creates its own private languages, different from those spoken in public and academic institutions (thereby perhaps even calling into question the real value of the diplomas it awards). For those piloting the training program on a worldwide level, one strategic issue affirms itself: that of developing, between countries and between teams, exchange and interaction of a kind of knowledge that does not originate in traditional school and university education; to assure the passage from tacit to explicit knowledge; to favor a learning process which is not conceived solely along the lines of unity of action, place, and time. There is not, on one side, a “commonplace” knowledge acquired through experience and on the other a “noble” knowledge produced by science, but instead a collective dynamic that moves from one to the other, each unable to exist without the other.⁴ ■

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