

Professional Coaching in Genentech and the TINE Group

A case for professional coaching in your business

To recognize organizations that have enhanced excellenace and business achievement through their commitment to professional coaching as a leadership strategy, the International Coach Federation (ICF) annually presents the ICF International Prism Award. First presented in 2005, the ICF Headquarters adopted the award concept based on a model developed by the Greater Toronto ICF Chapter.

Since the establishment of the ICF International Prism Award, its recipients have stood above the rest in terms of their effective use of coaching and documented return on investment (ROI) and/or return on expectations (ROE).

ICF International Prism Award Selection Criteria:

- Effectiveness How has the coaching initiative been effective in achieving the intended goals and purpose?
- Impact How has coaching improved the culture of the organization?
- Strategic Significance How has the initiative addressed significant issues within or for the organization?
- ROI/ROE What are the tangible results/the proven ROI or ROE for the organization as a result of the coaching initiative?

Past recipients:

- 2010: Genentech, Inc. and the TINE Group
- 2009: ibm.com (North America) and Solaglas Windowcare (United Kingdom)
- 2008: British Broadcasting Corporation and SYSCO Food Services of Canada
- 2007: NASA (APPEL 4-D Systems) and Deloitte and Touche
- 2006: University of Texas at Dallas and Verizon Business
- 2005: IBM and MCI

Genentech IT employees develop personal excellence

Employees in the IT department at Genentech, considered the founder of the biotechnology industry, have a little extra pep in their step these days, metaphorically speaking.

That "pep" may be seen as the new capacity employees are gaining from the well-received and highly successful Personal Excellence Program (PEP), a coaching-based development program that leads them on a 10-month journey of self-observation, peer feedback and support, and individual and group coaching.

Through the vision of Chief Information Officer Todd Pierce, in 2007, Genentech implemented this cutting-edge approach to employee development which today has offered coaching to more than 400 employees at every level within the IT department at the company's headquarters office in South San Francisco, California.

Now in its fourth year, PEP has been attributed with increasing employee productivity and customer satisfaction, improving employee communication and making a significant, measurable business impact for Genentech along the way.

In 2009, Genentech's IT Department was listed as the "No. 2 Best Place to Work" in *Computerworld Magazine*. And PEP was recognized as the main contributor for its holistic approach that addresses the whole person head, heart, and body—a noted shift for "left-brained" IT professionals. In the Beginning

About Genentech

Considered the founder of the biotechnology industry, Genentech has been delivering on the promise of biotechnology for more than 30 years, using human genetic information to discover, develop, manufacture and commercialize medicines to treat patients with serious or lifethreatening medical conditions.

About TINE Group

Norway's most important contributor to value creation and the country's leading supplier of food products, TINE provides a healthy and positive food experience. TINE is organized as a cooperative owned by 15,084 dairy farmers. They deliver 1.4 billion litres of cow's milk and about 19 million litres of goat's milk every year. Jarlsberg cheese accounts for 60 percent of TINE's total exports. TINE's business includes Sales and Marketing, Research & Development, Product Development, Quality Assurance, Production and Logistics and Export.

ICF research has found that satisfied coaching clients are highly likely to advocate coaching to others, and so is the case with Genentech's CIO Todd Pierce. When Todd became head of IT for Genentech in 2002, his boss arranged for him to have a coach. "I remember when they suggested I get one and I thought, what's wrong, why do I need a coach?"

But Todd's attitude soon changed. "I started to observe and see myself and start to see how as leaders, particularly when we're in tough situations, we can reduce the level of observing self and can really make bad decisions, act in ways that have very negative impacts and not be aware of it...So, it was through that coaching experience and all the work I was doing in my department that made me think 'wow this coaching is really good."

At the time, traditional corporate professional development programs and training wasn't something new for employees of Genentech. The development aspect was there, but the results weren't. "I was observing that we weren't getting that great of results," Todd recalled. "People were having nice experiences and learning some things, but I didn't see behavior really change at the organizational level."

It was the confluence of his firsthand coaching experience and this need for better results that inspired Todd to approach his coach at the time about creating a coaching model for his IT department, so that every employee, from the lowest paid hourly workers up to directors could experience the benefits of coaching.

And so at the end of a brainstorming session over takeout Thai food with his coach and Pamela Weiss, founder of coaching and consulting firm Appropriate Response, the framework for PEP was born. Todd soon invited 50 employees to participate in the first program.

"It was very much a creation as we went along in the first year," Todd recalled. "Then half-way through the year, I met with all the participants and was just blown away by the feedback."

The response was so great they decided to have employees who were interested to apply rather than be invited. "We didn't know how many people would apply, but we had 170 people, and we only had 80 spots, so we said 'We're really on to something here!' We knew we already had people for the third year in the second year. So, we just refined the program, each year."

What PEP looks like

Todd's overall vision was to "create a culture of coaching and development" that would build an agile, innovative organization, capable of growing and changing with the rapidly changing needs business and technology. Up until this time, only directors and above were eligible for coaching, but PEP was created to provide the benefits of one-on-one coaching to a much wider population, in a scalable and cost-effective way which would increase employee satisfaction and engagement.

The structure of PEP today has four primary elements offered across the span of ten months: Three all-day workshops in the form of the initial kickoff, a midyear checkpoint and a graduation, eight small group coaching sessions, three individual coaching sessions, and seven peer coaching sessions. Coaching is provided by coaches from Pamela Weiss' Appropriate Response team.

The process is three-fold. Employees select a focused topic for development, observe themselves in real time to gain insight and self-awareness and practice new behaviors and establish new habits to increase effectiveness and develop mastery.

After employees select the skill (performance) and quality (behavior) they want to develop during the kickoff, the first three months are spent observing themselves. "This is one of the hardest things for people, but it's really developing your capacity for observation, which is one of the foundational pieces of the program. It's very transformational for people," Todd said. I think it's something that's counterintuitive, but it comes in the coaching model, that before you can change, you really have to cultivate your capacity to observe yourself in the present and your current behaviors."

Observation of self is coupled with feedback from peers, family, friends, and coworkers. According to Genentech, PEP is effective because it addresses the whole person; it taps into the passion and commitment of the participant needed for lasting development, by allowing participants to select coaching topics of their choice; and it offers guidance over time within a clear structure and supportive community, including facilitated group coaching, peer coaching and one-on-one coaching.

"What's so nice about this program, and about coaching in general, is that it's about increasing your capacity for change," Todd pointed out. "That's one of the things we've learned. It's doesn't really matter what people work on—they can work on parenting skills or yoga. We just want them to work on something they care about. Because the business benefit really comes from people increasing their capacity to learn, to adapt, and to observe themselves and that cuts across everything you do."

PEP is so popular that it has evolved so that employees who go through the program can now go on to a "graduate school" which builds on the positive PEP experience. And other PEP graduates



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Headquarters:

South San Francisco, California, USA Industry sector: Public Number of employees: Approximately 13,000 Annual Revenue: 2008 = \$13.4 billion USD (Acquired by Roche Group for \$47 billion USD in March 2009) Start date of Coaching Project: March 2007 Project Status: Active—400 participants and growing

have become trained as program facilitators.

The PEP Impact

In 2010, Genentech employed The Advantage Performance Group to conduct an impact study on the program to determine whether PEP had helped participants increase their personal effectiveness and business performance, increased their effectiveness in outside-of work roles, and increased individual and IT productivity and morale.

The study found:

- 10-20 percent increase in employee satisfaction;
- 12 percent increase in customer satisfaction;
- 50 percent improvement in employee communication, collaboration, conflict management and coaching; and
- Nearly three times the normal business impact. According to program evaluators, 77 percent of PEP participants reported "significant measurable business impact" as a result of participating in PEP. The norm for this is 25–30 percent).

Employee productivity

"The economic impact of the PEP program is significant," stated the Advantage Performance Group report. "We uncovered circumstances where IT individuals and teams had improved their productivity through increased collaboration, improved decision-making and increased delegation of complex tasks; productivity impact estimated between 10 and 20 percent."

Employee Satisfaction

In 2004, Genentech's IT department was at the bottom of the list of Genentech departments in terms of employee satisfaction, according to an internal survey. In 2009, it ranked No. 2 out of all departments in the company in employee satisfaction. When they merged with the Roche Group in 2009, there was a 20 percent workforce reduction and the HR department saw a three-fold escalation in complaints from every department, except the IT department from which there was zero.

"We asked employees when the merger happened 'how would you compare your IT at Genentech to all the other IT experiences at other companies?" Todd said. "About 86 percent of people said the IT was better here than they had ever experienced at any other company. So how can that be? These people primarily came from (in their past jobs) other pharmaceutical companies—comparable industry, comparable money, big IT departments. It's not that we have something that other departments don't have. I would argue that it's about our people and the quality that we bring to our customer interaction."

Customer Satisfaction

Satisfied employees are naturally producing satisfied customers. The impact report concluded, "Individuals had also improved their capacity to handle larger, more complex projects as a result of their PEP growth, thus enabling customers to be served more timely and effectively."

"We're a service organization. So one of the ways we measure our success is how our customers see us," Todd explained. "We have observed that satisfaction has increased with our services since we have had PEP. I just think that is incredibly profound." Todd said he sees the emotional and social intelligence employees develop through PEP as part of the reason customers are more satisfied. "It's such a valuable skill that cuts across how you work with customers, how you work with each other to deliver to customers and it just shows up in the final product," he concluded.

Return on Investment

Harder to measure but no less significant is the return on investment of PEP. In total, impact study evaluators believe that the program is conservatively producing an estimated \$1.50 to \$2 USD for every dollar spent to deliver PEP.

At the end of the day, PEP has become much more than Todd first envisioned. "I thought it might be a strategy for people to develop a skill or quality, but what I see is that it is a strategy to help them be life-long learners and just increase their capacity for personal development and personal satisfaction in every area of their life.

Taken from the December 2010 ICF *Coaching World* newsletter.

Coaching in Norway's largest dairy group leads to success

Managers within TINE Group, Norway's largest dairy cooperative, have a lot to smile or "say cheese" about these days. Not only do they work for the country's leading supplier of food products, but they also work for a company that is dedicated to their professional development and well-being, by offering them professional coaching.

With more than 5,700 employees and over 15,000 dairy famer owners, TINE offers more than 200 varieties of high value food dairy products, including milk, cheese, butter, yogurt, juice and ice cream, which accounted for an annual revenue of \$3.2 billion USD in 2009. Today TINE delivers 1.4 billion litres of cow's milk and about 19 million litres of goat's milk every year.

TINE Leaders are being trained in a coaching leadership style and are offered individual coaching as part of an ongoing business initiative fully supported at the top senior management level.

"I have become a more patient leader." "I have improved my own skills as a listener." "I have much better health," are just some of the comments from TINE leaders about how coaching has impacted their lives.

TINE CEO Hanne Refsholt received the International Positive Change Award in 2008 from Adler International Learning Institute in Canada and the University of Toronto for her exceptional leadership in promoting coaching skills and mindset throughout the organization. And most recently, Hanne accepted HR Norway's "The Art of Leading –This Year's HR Leader" award in 2010.

In the Beginning In 2002, TINE did the largest merger in Norwegian history by bringing nine dairy companies together as one. With the merger, TINE offered an external coach to all Board

Headquarters: Oslo, Norway Industry Sector: Private dairy industry Number of Employees: 5,700 Annual Revenue: \$3.2 billion USD in 2009 Start date of Coaching Project: July 2005 Status of coaching project: Active—400 participants to date

chairmen and directors of the nine companies to support the change process. Later in 2003, TINE introduced a coach for participants in a top management program called "Stratego."

Although coaching was first implemented in TINE nearly a decade ago, Hanne has kept it an integral part of the company over the last five years.

"When I became a CEO, early in 2005, the question about offering a coach to top management arose again," Hanne recalled. "We decided to give it a try by offering some 15 managers an external coach."

At the time, the company's Training and Development Department had three employees trained by Adler and TINE was introducing a program developed by Adler, "Positive Change – Leader as Coach," to all five regional management groups and staff members in strategic positions in the corporate company. To be certain of the quality of this coaching program Hanne, who started in the TINE Research and Development Centre in 1988, decided to take an active part herself by being coached by an external coach.

"As CEO there are topics and questions I need to think through before I challenge my management team, and my coach helped me see different perspectives by his coaching techniques and simply by being a good listener," Hanne said. "To me it was also important that the entire top management group should be in the same programs as all other managers in TINE. We need consistency in leadership, and the top management has also been important as sponsors for the change process."

In a letter to her TINE leaders, Hanne reinforced coaching at the beginning of her new tenure, writing "To ensure further progress and success, it is important that you as a leader, more than any time before, commit to a coaching-leadership and work for the promotion of coaching in your team."

The Program

According to TINE, the purpose of coaching is to help create a culture of improvement and development where employees are encouraged to see and use their strengths, both professional and personal; where both leaders and their employees show respect and consideration for each other; and where employees take time to learn from their successes and errors to create better results, better learning, better motivation, and more satisfaction.

More than 400 managers and more than 20 coaches have been involved with this program since 2005. The program starts with a preliminary talk in which participants get a "taste" of coaching, followed by a two-day seminar. The participants are then offered 20 hours of professional coaching (10 hours for lower-level), starting with an intake session followed by regular coaching sessions on items brought up by the participants. Progress is measured by an employee survey and the development of participants during and after the coaching process. TINE reports its coaching initiative has been effective in achieving among its employees the following: a new management style and insight into the role of manger; better quality products, better innovation, better results, greater awareness, more courage, improved learning skills, a greater ability to change and live with change and decreased sick leave.

The annual employee satisfactory survey shows progress in such areas as innovation, leadership, cooperation, motivation and values. As a result of their involvement in the coaching program, leaders report their dialogue with their employees has improved; they have become better at creating motivation, they have become more aware of the power of questioning, feedback, listening, reflecting and goal-setting; they have been able to better manage their own schedules; and they have become more aware of their impact on others.

On the Farm

TINE has also initiated a coach training program for its approximately 350 farm advisors. The intention is for advisors to guide the some 15,000 TINE farmers to more successful farming by helping them commit to their own solutions for their individual facilities. The end goal is to ensure that Norwegian farmers obtain good long-term sustainable conditions for production and that the consumers at all times have a variety of high quality dairy products to choose from.

TINE evaluates the advisors work and the impact on their farmers' income and standard of living and found that 85 percent of farmers said the new coaching and counseling approach of advisors made them more effective, more independent and more satisfied.

In addition to happier farmers, TINE is also seeing a monetary impact as well. An example is a 45-percent reduction in short-time sick leaves for one of the company's largest packing plants in Trondheim. For this particular plant, this means an annual savings of some 3 million NOK (Norwegian Kroner). The plant leader is noted for using coaching skills to motivate his employees and TINE sees this cost savings as a direct result



Since 2005, TINE CEO Hanna Refshlot has kept coaching at the forefront of leadership

development in her company.

of coaching being used as a management tool.

While the impact coaching has had on the company's overall profit since the program's introduction is harder to calculate, applying the 3 million NOK in sick leave savings at the Trondheim plant to the number of employees in the whole company would produce an estimated cost savings of 100 million NOK every year for TINE in sick time savings alone.

Coach Training

Over the years, TINE has put resources into developing a staff of coaches to carry out its coaching initiative. To date, 13 internal coaches have been trained by Adler and now the company has decided that all coaches are or will become certified by the ICF. TINE is paying for the expense to make sure their skills are up to date.

"To be a professional we need to benchmark our competence with the best," Hanne said of this decision.

As a result of the coaching program, 20 managers have gone on from the coaching program to be trained as mentors. Their first task came as mentors in TINE's talent program for 2008–2009, which paired talents with mentors to tap into senior competences. The mentors are now available to all new managers and specialists in TINE.

As TINE expands its business beyond Norway with subsidiaries in the United States, England and in other Scandinavian countries, the company plans to expand coaching as a leadership skill abroad.

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