

OPINION PUBLISHED ON 10 NOV, 2009

*Richard Ferguson*

# Leadership and the Tesco Academy



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Tesco will spend £3m on senior management training through its Tesco Academy over the next 12 months. While some retailers have scaled back staff training, Tesco's investment represents a 23% increase on training spend in 2008.

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According to Tesco, the ramping up of the Tesco Academy initiative "will support its national and global growth ambitions, properly equipping the business's future leaders". Why is it so important to train through the recession and is Tesco making the right decision?

Building capability beats slashing costs if you have an eye for the medium-term and a bit of foresight in the organisation. Given the challenging times organisations have faced over the last six to eight months, the response of so many has been to cut costs as quickly as possible.

First to go is usually marketing and advertising budgets, closely followed by training and development. Surely these are 'good' costs and should be considered as an investment in the organisation? When is it more important than in a hyper-competitive and challenging time to be shouting loudly about who you are and how great you are, or ensuring that you have competitive advantage through people with the capability and passion to figure out the best way of winning and growing market share.

I'm inspired by the response of Tesco and applaud the great leadership, courage and foresight that has prompted the investment it's making in its people. People are the only truly unique asset in most organisations; when the going gets tough, surely it pays to have the most capable people you can?

If you agree that it makes sense to invest in your people, the next question is identifying who the priority audiences are. Clearly, any investment will need to deliver business benefit and never more so than now. This is why thinking of development as an investment rather than a cost changes the way organisations think about the decisions, and puts more emphasis on the outcomes rather than the activity.

The current challenges require organisations to have clarity and confidence. For me, this means that development investment should be focused on the leadership cadre throughout the organisation. Investing in key leadership skills and behaviours, and ensuring that the key leadership teams are interacting as effectively as they can has got to be the place to put an organisation's hard-won cash. Get the leadership team right and they will ultimately develop the people around them.

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***Richard Ferguson***

I love the idea of releasing the creativity and passion in organisations. Passion is the missing ingredient in so many organisations and the last untapped bastion of productivity – we are born passionate, have passions outside of work I am sure – how can organisations tap into this passion especially to fire up creativity?

Posted 7 Dec 2009 4:33pm

***Dean Bellefleur***

Actually, of late, I've found that budgets weather recessions; theatrically reduced but nevertheless retained. Rather, it's head counts that are slashed to improve bottom-line results. The premise behind crisis management is that by rallying the troops, creative ideas will emerge to save the day; necessity being the mother of invention. Think of the Kaizen methodology that works bottom-up to deliver enterprise improvements.

In taking the long view, I would suggest focusing on releasing the creativity in an organisation by acknowledging that the staff is the organisation's inherent asset. Tesco's Academy initiative would be well served by accommodating a session on releasing the inherent creativity of an organisation.

Posted 17 Nov 2009 4:56pm

***Nathan Will***

I've never understood why marketing is often the first one out. Without an experienced marketer, how do you expect your business to weather the storm? I imagine lots of struggling companies go bust as a direct result of this poor decision.

Posted 12 Nov 2009 9:34am

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