

Amdahl Education Solutions Advisory Council Meeting #2

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Agenda

- ▼ Introduction
- ▼ First year operations review
4/1/98 – 3/31/99
- ▼ Current fiscal year to date progress
4/1/99 – 5/31/99
- ▼ Future



Who We Are

- ▼ Client Management and Program Management: 9
 - builds and serves our customers through identifying educational needs and defining solutions
- ▼ Operations and Delivery: 10
 - manages infrastructure including course enrollment and tracking, program coordination and delivery
- ▼ Communication: 1.75
 - develops and maintains Web site and produces printed materials
- ▼ Course development: 4.25
 - designs and develops learning activities
- ▼ Management/Administration: 3
- ▼ KnowledgePool, Inc. General Manager: 1

Since 1/1/99, Education Solutions staff reduced 24% from 38 to 29



First Year Review: Mission (4/1/98)

- ▼ Provide Amdahl *employees* with continuous learning opportunities to build skills so that they can maintain high individual performance and be full partners in achieving Amdahl business goals
- ▼ Amdahl will invest in the continuous skills development of our *managers* while encouraging them to fully understand and demonstrate our Corporate Values with employees and customers
- ▼ Offer Amdahl *customers* the continuous learning opportunities to build skills in support of Amdahl-specific products and services
- ▼ Participate in the external customer training *business* of KnowledgePool, Inc. (Dallas) to build skills among I.T. professionals enabling Enterprise Ready applications



First Year Review, 4/1/98 – 3/31/99

- ▼ Classes delivered: 720 (average 60/month)
- ▼ Classroom training participation: 1897 (average 158/month)
- ▼ Online course registrations: 592 (average 49/month)
- ▼ Locations of classroom training offered: 67 cities worldwide
- ▼ Training vendors: 15
- ▼ Major signed Service Level Agreements: 13
- ▼ Key Amdahl clients/decision makers: 8
- ▼ Analysis of student courses evaluations:
 - Overall recommendation: 91.8% favorable; average rating 4.29 out of possible 5.00
 - Knowledge gain: 53.6%
 - Performance gain: 16.3%
 - Instructor effectiveness 90.85% favorable; average rating 4.39 out of possible 5.00



First Year Review: Highlights

- ▼ Delivered 12 major PSS product education programs
 - Includes locations such as Costa Rica, China, Australia, Taiwan and Europe
- ▼ Implemented the Microsoft Certification training program to support the Amdahl/DMR Microsoft Alliance
- ▼ Evaluated 10 Solutions Sales vendors to deliver a customized consulting sales program
- ▼ Root Learning Reinforcement of Corporate Vision
- ▼ Developed and implemented new-hire jump-start programs
 - Selling Amdahl Solutions (SAS) 60 hours of pre-req plus 10 days classroom
 - 34 Completed (100%) in 2 classes
 - Amdahl Skills Advancement Program (ASAP) 3 months pre-req, 5 weeks of classroom, 3 weeks mentored field OJT - 19 Students completed (100%)
- ▼ Re-introduced leadership and professional development educational services and programs
- ▼ Installed Registrar system for employee record-keeping and management reporting
 - Contains 26,463 employee training records/transcripts since 1990 (6,570 active today)
 - 11,850 classes on file
 - Also solved Y2K problem



Lessons Learned/Opportunities to Grow

- ▼ Negotiating SLAs, although time-consuming, clarifies deliverables and responsibilities
- ▼ Line managers' decisions regarding employee training is not consistently aligned with executive direction/expectations
- ▼ Managerial support is key to learner's controlling interruptions and getting the most from electronically delivered courses
- ▼ External sources can supplement the core Education staff, enabling reduction in fixed payroll
- ▼ Amdahl Education can provide whole solutions or critical pieces
- ▼ No designated training data repository exists. Should Education provide this service for Amdahl?
- ▼ Longer-term planning would enable Amdahl (AES) to apply for government training subsidies for the whole corporation



How Is the Environment Different This Year?

- ▼ Due to the various corporate reorganizations, the number of internal customer points of contact has grown
- ▼ Amdahl internal business is decreasing
- ▼ Education Solutions has begun to focus on external, revenue generating business to maintain a core staff of education professionals
- ▼ Education Solutions is an active participant in the synergy building efforts with the Fujitsu family of companies
- ▼ Staff reductions in Education Solutions track changes in client requirements



Current Fiscal Year, 4/1/99 – 5/31/99

- ▼ Classes delivered: 155 to date
- ▼ Classroom training participation's: 340 to date
- ▼ Online course registrations: 105 to date
- ▼ Locations of classroom training offered: 67 cities
- ▼ Training vendors: 25
- ▼ Key Amdahl clients/decision-makers: 25
- ▼ Service Level Agreements:
 - 8 signed, 5 pending
 - \$918K signed, \$466K pending
- ▼ Analysis of student courses evaluations:
 - Overall recommendation: 90.8% favorable; average rating 4.37 out of possible 5.00
 - Knowledge gain: 67.1%
 - Performance gain: 36.3%
 - Instructor effectiveness: 92.8% favorable; average rating 4.36 out of possible 5.00



Current Fiscal Year: Highlights (Internal)

- ▼ Entered into a Master Service Level Agreement with PSS for all FY99 product education
- ▼ Microsoft Alliance: Contracted to certify 750 MCSE's over 3 years
 - 27 MCSE's certified to date: 6 via self-study, 21 via boot camp
 - 22 in-flight: 5 via online, 17 via boot camp
 - Achieving 93% first time pass rate
- ▼ Deploying technology-based training to increase availability while decreasing costs
- ▼ Delivering the Consulting Sales training to the North American field sales organization
- ▼ Developed “Statement of Work” CD-ROM training course for all field sales and consulting staff
- ▼ Pending major initiatives
 - Management 2000
 - MSE/Consultant Development Roadmap



Current Fiscal Year: External Initiatives

- ▼ Provided executive leadership to manage KnowledgePool Inc. operation in North America back to profitability
- ▼ Collaborated with Fujitsu and ICL to build case for establishment of KnowledgePool Corporation as single worldwide Fujitsu training company
- ▼ In support of the Amdahl/Fujitsu strategic direction, Amdahl Education is serving five California-based Fujitsu family companies (synergy)
- ▼ By partnering with local companies, we reduce overhead costs and provide an increased number of quality, reasonably priced offerings to Amdahl

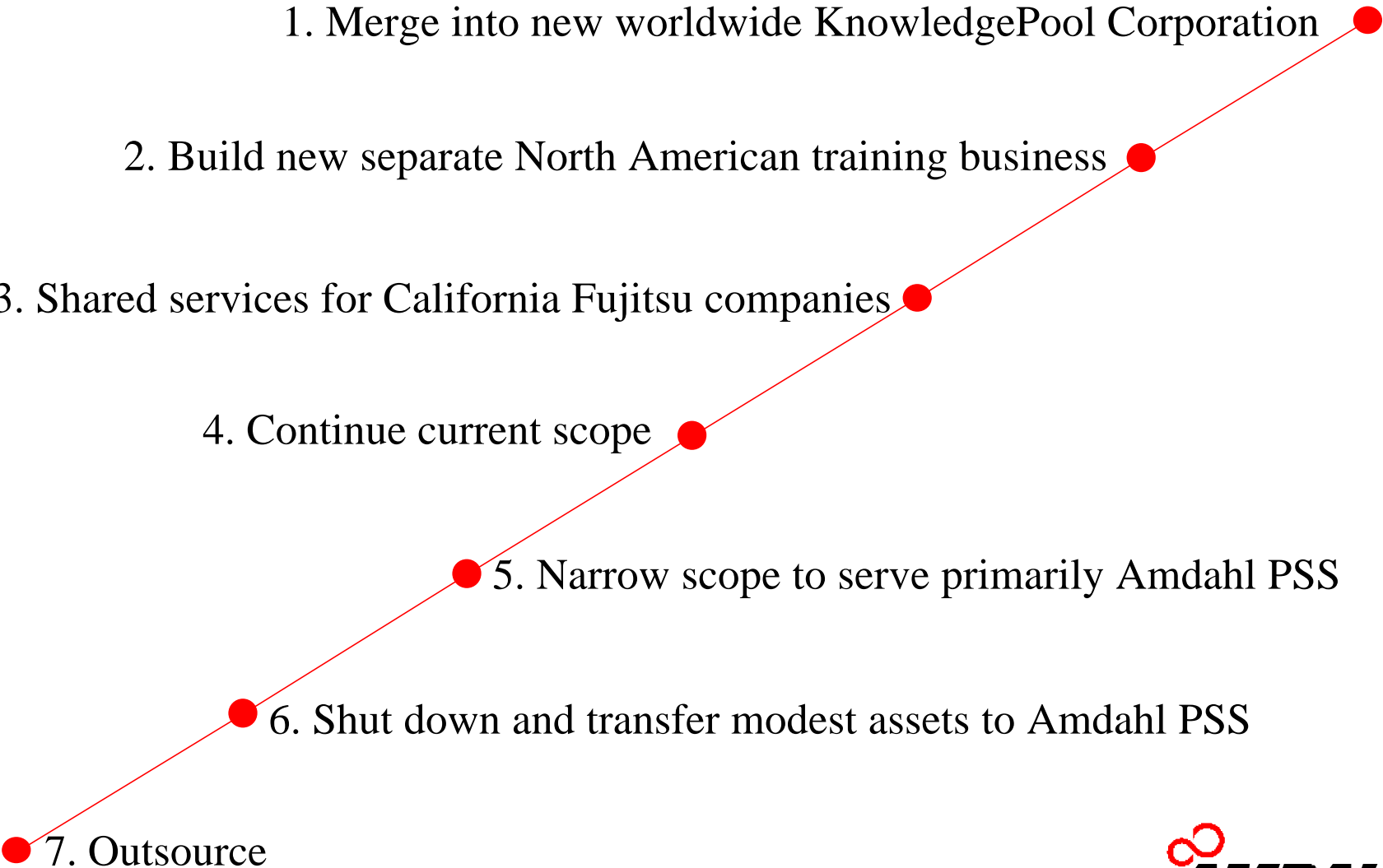


Future: Key Opportunities and Challenges

- ▼ Adapt to new Amdahl business model
 - Develop partnerships with new decision makers
 - Reinforce value of training in their cost equation
 - Find funding mechanism for up-front annual investments such as shared CD-ROM training libraries
- ▼ Leverage capabilities of core staff by using outside suppliers
- ▼ Maintain comprehensive registration and record-keeping system to meet essential corporate-level reporting requirements
- ▼ Demonstrate value of technology-based training delivery to improve time to market and reduce employee time and travel requirements
- ▼ Align to Fujitsu worldwide training direction



Future: Strategic Alternatives

1. Merge into new worldwide KnowledgePool Corporation
 2. Build new separate North American training business
 3. Shared services for California Fujitsu companies
 4. Continue current scope
 5. Narrow scope to serve primarily Amdahl PSS
 6. Shut down and transfer modest assets to Amdahl PSS
 7. Outsource
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Recommended Actions for Participants

- ▼ **Walk the talk** – reaffirm that people development is good business in tough times
- ▼ **Identify skill gaps** – determine knowledge, skills and abilities required for your organization’s success
- ▼ **Plan ahead** – develop a training game plan to achieve cost savings, development efficiencies, government reimbursements, *etc.*
- ▼ **Promote technology-based training** – maximize training dollars, increase flexibility and convenience by endorsing and rewarding distance learning
- ▼ **Use your resources** – capitalize on the unique expertise, experience and infrastructure residing in Amdahl Education
- ▼ **Give us the opportunity** – to compete for your training business
- ▼ **Give us feedback** – let us know how to serve you better. We’ll ask!