Contents

- Capability building through experiential learning
  - Offering and curriculum at MCC Munich
  - Detailed module descriptions
  - Client impact
  - Contact details
Only one third of transformations achieve full impact – capability building is a key success factor

**Percent**

<table>
<thead>
<tr>
<th>Status quo¹</th>
<th>100% = 2,261</th>
</tr>
</thead>
<tbody>
<tr>
<td>64%¹</td>
<td>36%¹</td>
</tr>
</tbody>
</table>

**Failed transformations**

**Successful transformations**

**Key success factors**

- Skill gap to deliver against the transformation's aspirations identified and addressed in order to **build the required capabilities**
- Employees engaged via **proactive change communication** and continual involvement in the transformation
- **Leaders take an active role** in designing the desired change and visibly living up to the challenging transformation aspirations
- Pivotal roles and responsibilities defined and **sufficient resources deployed** to make quick progress

1 Based upon McKinsey Quarterly Transformational Change Survey 2010; other surveys over past 2 decades show similar results
Organizations acknowledge the importance and challenge of effective capability building

Capability building is seen as important to driving business performance...

- 50% of CXOs rank capability building as among the top 3 priorities in their organizations
- 56% link learning to individual performance
  - ... with leadership (35%) and functional (31%) skills as the most important to develop

...but doing it right is not easy

- 25% believe they are “very effective” in preparing employees to drive business performance
- 10% believe institutional capability building is “very well” linked to performance goals

If done right, building capabilities at organizational and individual levels pays off through superior financial performance.

Impact of superior capabilities on the organization’s financial performance

Percent

<table>
<thead>
<tr>
<th>Capability level</th>
<th>EBITDA margin</th>
<th>Growth in enterprise value/book value</th>
<th>Growth in net income/sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom</td>
<td>31</td>
<td>31</td>
<td>38</td>
</tr>
<tr>
<td>Mid¹</td>
<td>48</td>
<td>52</td>
<td>53</td>
</tr>
<tr>
<td>Top</td>
<td>68</td>
<td>62</td>
<td>58</td>
</tr>
</tbody>
</table>

Building capabilities is one of the actions you take today to perform better tomorrow.

1 Comprised of 2nd and 3rd quartiles

Hands-on learning is the best way to develop new skills and set new aspirations to execute a successful transformation.

Knowledge retained from different learning approaches:

- Books and lectures: 10%
- Simulations and games: 32%
- Experiential learning: 65%
- Field and forum: 80-100%

SOURCE: Whitmore: Coaching for Performance; McKinsey Interviews
Our perspective on what constitutes next generation capability-building is based on 2 years of extensive research.

4,000 Executives surveyed providing input on capability-building attitudes and practices

2,400 Capability-building engagements reviewed to distil lessons learned over a 2-year period

300 Interviews conducted with clients and experts, including people in learning, human capital/HR, strategy, operations, sales/marketing

20 Tours of advanced learning companies completed

2 Years dedicated to developing and refining our understanding of the ‘next generation’ capability building for performance

SOURCE: McKinsey
McKinsey Capability Center was designed with adult learning principles in mind to create an ideal environment for building new capabilities.

**Experiential learning**
Hands-on exercises, role-plays and simulations lead to learning by doing, accelerating learning and retention.

**Risk-free environment**
Experiment without concern for affecting ongoing operations, but immediately see the impact of your decisions.

**Real work environments**
All sessions conducted in close-to-real-life environments, e.g., reality-enhancing gadgets and workflow management systems.

**Expert faculty**
A pool of local and global experts and coaches are on-hand to lead and guide the interactive trainings.
In every McKinsey Capability Center, clients learn by doing in real-life environments, stretching their thinking and developing lasting capabilities.

Starting point: experience a "waste walk"
- Dive into real-life company environments with real machines, real products and services, and real processes

Learn by doing
- Participate in interactive trainings tailored to the individual participants' needs
- Use real-life cases to discuss theoretical concepts and apply them in realistic environments to experience the effects of your decisions

End-state: best practice ("future state walk")
- Experience step-by-step performance improvements
- Leverage individual coaching to learn how to apply best practices in your own company

SOURCE: McKinsey Capability Center
We have a global network of 16 McKinsey Capability Centers where clients can experience a distinctive learning journey.

SOURCE: McKinsey Capability Building Practice
Contents

- Capability building through experiential learning
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Our Capability Center in Munich can support client transformation journeys with tailored learning sessions, in real-life working environments.

- **State-of-the-art facility**, conveniently located near Munich Airport
- **Immersive and impactful** operations workshops, modular and tailored to specific client needs
- Over 30 experiential learning modules across 8 cross-operations topics, tailored to your needs and interests
- **Dedicated operations experts** are on-hand to lead and guide the highly interactive trainings
We offer 8 distinctive experiential learning modules at the McKinsey Capability Center in Munich

- **Performance Leadership**
- **Digital Marketing & Online Sales**
- **Supply Chain**
- **Lean IT**
- **Service Operations**
- **B2B Commercial Capability Building**
- **Sourcing**
- **Product Development**

**McKinsey Capability Center**

- **Deepen and enhance transformation leadership skills**
- **Tackle supply chain challenges in a volatile world**
- **Increase productivity and quality in application development environments**
- **Improve product development cycle and interaction of project management, hardware, software, prototyping and testing**
- **Experience and apply digital marketing, sales, analytics, and enablers in a real wine store**
- **Improve processes and adapt them to changing regulatory requirements for branches, and back offices**
- **Build sustainable pricing, sales and marketing capabilities directly applicable to the clients’ business**
- **Combine capability building with financial impact; develop functional sourcing skills and personal skills**

**SOURCE: McKinsey Capability Center**
Our capability building modules are tailored to each level of the organization.

Programs are adapted to client’s needs, based on an extensive set of learning modules.

- **CXOs and senior executives**
  - Awareness, aspiration and target setting
  - Excellence in integrated operations
  - Leadership learning experience
  - Functional executive academies

- **Middle managers**
  - Functional best practices, creating a performance culture
  - Advanced functional management (e.g., category management, lean operations, digital marketing management)
  - Leadership bootcamp

- **Frontline managers and change agents**
  - Mastering the transformation program skill set
  - Implementation and development focus training
  - Functional fundamentals (e.g., lean operations, sourcing etc.)

Key objectives | Examples of topics
--- | ---

SOURCE: McKinsey Capability Center
Sessions at the Capability Center are highly flexible and can be designed to support every stage of a client engagement.

Typical McKinsey engagement

<table>
<thead>
<tr>
<th>Diagnose</th>
<th>Design and pilot</th>
<th>Implement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excite and engage sessions</strong> (1/2-1 day)</td>
<td><strong>Top management alignment workshop</strong> (1-2 days)</td>
<td><strong>Deep dive training</strong> (2-10 days)</td>
</tr>
<tr>
<td><strong>Transformation boot camp</strong> (2-5 days)</td>
<td><strong>Alignment and transformation basics</strong> (2 days)</td>
<td><strong>Mobilizing organizations</strong> (1-2 days)</td>
</tr>
<tr>
<td><strong>Alignment and transformation basics</strong> (2 days)</td>
<td><strong>Deep dive training</strong> (2-10 days)</td>
<td><strong>Sustain/improve operating system</strong> (1-2 days)</td>
</tr>
</tbody>
</table>

**SOURCE:** McKinsey Capability Center
Contents

- Capability building through experiential learning
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## Digital Marketing and Online Sales

### Module description

<table>
<thead>
<tr>
<th>Digital Marketing Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Half-day inspiration and training program showcasing and experiencing the fundamental shifts in the market towards a new form of marketing in a digital world</td>
</tr>
<tr>
<td>Participants explore successful digital marketing strategies, organizations and performance managements, with objective to understand and experience core agile marketing approaches</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digital Marketing Essentials</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-day training combining learning and exercises, as participants assume the role of &quot;CMO for one day&quot; for our real online Wine Shop</td>
</tr>
<tr>
<td>Specific focus on potential improvements in digital marketing operations, providing tactical tips and best-practices</td>
</tr>
<tr>
<td>Module covers all digital marketing touchpoints, digital marketing technology (incl. programmatic marketing), mobile specifics, e-commerce sales, CRM marketing and web analytics incl. attribution modeling</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digital Academy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully-customized training (1-2 days) relevant to the client's situation, based on modular content covering Trends, Digital Marketing, E-Commerce, Digital Talent Management, Mobile Marketing, UX Design and 2-speed IT</td>
</tr>
<tr>
<td>Includes a significant time allocation for deep-dives on client's current topics in digital and building an action list of &quot;what to do differently on Monday morning&quot;</td>
</tr>
<tr>
<td>Option to involve external experts (e.g. from local startups) for case study related break-outs</td>
</tr>
</tbody>
</table>

### Participants

<table>
<thead>
<tr>
<th>Digital Marketing Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>CXOs and business unit heads</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digital Marketing Essentials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad organization in a digital transformation (incl. digital teams)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digital Academy</th>
</tr>
</thead>
<tbody>
<tr>
<td>CXOs and top management</td>
</tr>
</tbody>
</table>
## Service operations: branch operations

<table>
<thead>
<tr>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
</table>
| ▪ Half day training session focused on understanding key aspects of branch optimization  
  ▪ Participants experience excerpts of the full training offer (esp. identification of waste) to understand the potential of lean in a typical branch and to support their aspiration setting | Top and middle managers |
| ▪ 1 day workshop focused on understanding key aspects of branch optimization  
  ▪ In addition to identification of waste in the branch operations, participants get exposure to time structuring, sales effectiveness, and performance management | Top, middle, and frontline managers, change agents |
| ▪ 2 to 3-day training program with deep-dive on diagnostics and redesign of branch operations  
  ▪ Participants experience how to choreograph the customer experience by better managing branch staff time, improving sales effectiveness, performance management, and capability building | Middle and frontline managers, change agents |
| ▪ Half to full day training program focused on identifying and eliminating waste in customer-facing processes  
  ▪ Develop work plans that improve time utilization of branch staff and participate in performance management exercises | Frontline managers, change agents |
| ▪ Half to full day training program focused on improving customer interaction and sales effectiveness  
  ▪ Learn how to implement a process that standardizes the customer experience and participate in staff coaching and capability building | Frontline managers, change agents |
<table>
<thead>
<tr>
<th>Teaser training</th>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▪ Half day training program focused on understanding key aspects of lean operations</td>
<td>▪ Top and middle management</td>
</tr>
<tr>
<td></td>
<td>▪ Participants experience excerpts of the full training offer (esp. identification of waste) to understand the potential of lean for back office processes and to support their aspiration setting</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lean basics (immersion training)</th>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▪ 1 day workshop focused on understanding key aspects of lean operations</td>
<td>▪ Top, middle and frontline management, change agents</td>
</tr>
<tr>
<td></td>
<td>▪ Learn how to perform a high-level current state diagnostic, design and implement a future state with improved lean operations and how to manage performance of the back office going forward</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lean management (deep dive training)</th>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▪ 2 to 3-day training program on concepts and tools of lean management (diagnostic and future state elements)</td>
<td>▪ Middle and frontline managers, change agents</td>
</tr>
<tr>
<td></td>
<td>▪ Participate in hands-on exercises to diagnose the current state, then practice designing and implementing a better future state process.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Participants also learn how best to manage performance and build skills in an on-going way</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diagnostic and design focus training</th>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▪ Half to full day training program focused on identifying and eliminating waste in back office processes</td>
<td>▪ Frontline managers, change agents</td>
</tr>
<tr>
<td></td>
<td>▪ Learn how to design an effective future state including process flow and office layout, and implement an optimized performance management system</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implementation and development focus training</th>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▪ Half to full day training program focused on implementing future state design options</td>
<td>▪ Frontline managers, change agents</td>
</tr>
<tr>
<td></td>
<td>▪ Participants focus on how to manage workflow, work load and organizational performance and are taught how to continuously train, coach and develop employees</td>
<td></td>
</tr>
</tbody>
</table>
# B2B commercial capability building: Transaction pricing

<table>
<thead>
<tr>
<th>Pricing Excellence</th>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Half-day training program focused on Pricing Excellence: discover best practices in transaction pricing (relevance, challenges, key improvement levers) in an interactive training using forum setting, simulations, exchanges with peers and McKinsey experts</td>
<td>CXOs, business unit heads, commercial heads</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Full capability-building program</th>
<th>3 workshops (5 days total, plus field work) focused on Pricing Excellence journey with integrated capability-building approach for the entire sales organization (management, representatives, IT and controlling)</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▪ 3 exciting forum events in the MCC on Pricing Excellence</td>
<td>Sales heads, sales representatives, functional managers (product development, marketing, partly IT and controlling)</td>
</tr>
<tr>
<td></td>
<td>▪ Work with participants’ own datasets, getting immediate and actionable results for implementation on the job</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Apply knowledge and tools acquired during &quot;homework periods&quot; with support from dedicated McKinsey pricing experts</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scalable &quot;train-the-trainers&quot; program</th>
<th>3 workshops focused on &quot;Train-the-trainers&quot; program to quickly roll out pricing excellence across the client organization</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▪ Participants flexibly select program modules based on their training needs or as a result of an individual capability assessment (e.g., pricing philosophy and strategy, price-setting process, pricing execution, pricing governance, elements of technology and systems)</td>
<td>Sales heads, sales representatives, members of commercial excellence organizations</td>
</tr>
</tbody>
</table>

SOURCE: McKinsey Capability Center
# B2B commercial capability building: Value-based pricing

<table>
<thead>
<tr>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Half-day training program focused on developing an awareness of the benefits of Value based pricing and selling</td>
<td>Sales executives, heads of sales, business unit heads</td>
</tr>
<tr>
<td>This training focuses on awareness building and networking regarding the relevance of pricing capabilities, benefits from value-based pricing, mastering the key concepts and steps of the approach, exploring delivery formats and discovering McKinsey’s view on best practices for implementing value-based pricing</td>
<td></td>
</tr>
<tr>
<td>Two day workshop introducing participants to methods and implementation challenges of value-based pricing, looking into differences for innovations, value products and mass products</td>
<td>Product managers, regional sales heads, change agents and sales representatives</td>
</tr>
<tr>
<td>The session also includes an experiential case study as deep-dive and application for one or more of the different approaches, using a simplified set of fictional products</td>
<td></td>
</tr>
<tr>
<td>3 - 5 full day workshops with 2 - 3 weeks of fieldwork between workshops, where participants get an introduction to three value-based pricing approaches (applicable to innovations, value products or mass products) and use one or several approaches on their own products</td>
<td>Product managers, regional sales heads, change agents and sales representatives</td>
</tr>
<tr>
<td>Compared to the workshop alternative (described above), the Value Based Pricing Project provides additional focus on using value based pricing on actual client products and using fieldwork-time to cope with additional complexity and implementation challenges</td>
<td></td>
</tr>
</tbody>
</table>
# B2B commercial capability building: Sales management

## Module description (all are single full day training sessions)

<table>
<thead>
<tr>
<th>Module</th>
<th>Description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Segmentation</td>
<td>Participants get an introduction to the approach and tools applicable to find growth markets, define and segment customers, understand customer's behaviors and needs, and tailor offerings to each respective segment</td>
<td>Sales and account executives, commercial heads, sales managers</td>
</tr>
<tr>
<td>Go-To-Market Model</td>
<td>This module introduces the essential tools for developing a value proposition for each customer segment, investigating and choosing the best channels for reaching those segments, designing the right economics for each channel and how to manage a portfolio of channels for optimal results</td>
<td>Sales and account executives, commercial heads, sales managers</td>
</tr>
<tr>
<td>Account Planning</td>
<td>In an experiential setting leveraging games, role-plays and peer exchanges, participants are introduced to best practices in negotiating with partners, creating an account plan for customer and partner accounts, training staff on how best to manage the relationships with various partners and account holders</td>
<td>Account executives and planners, sales representatives</td>
</tr>
<tr>
<td>Value Proposition Development and Communication</td>
<td>One day value proposition preparation session in which participants get skilled in how to better prepare for negotiations, develop a value proposition for negotiation partners, create a “best alternative to a negotiated agreement”, create strategies for how best to achieve one's goals in a tendering/bidding process</td>
<td>EU heads, business unit heads, commercial heads</td>
</tr>
<tr>
<td>Performance Management</td>
<td>Participants get to explore performance management as relevant to managing pricing effectiveness for the bottom-line, define and monitor performance management metrics, learn how to track performance, hold robust performance dialogues and ensure incentives are aligned</td>
<td>Heads of departments, sales managers</td>
</tr>
<tr>
<td>Talent Management</td>
<td>In-depth training on defining, assessing retaining and developing talent, and creating continuous improvement processes for talent management across all levels of the organization</td>
<td>EU heads, business unit heads, commercial heads</td>
</tr>
</tbody>
</table>

**SOURCE:** McKinsey Capability Center
## B2B commercial capability building: Marketing-enabled growth

<table>
<thead>
<tr>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ 2-day training program allowing participants to explore the potential from marketing-led growth for their company - focusing on value chain analysis, market sizing and attractiveness, customer insights, market gap analysis and needs-plus-based segmentation</td>
<td>▪ Marketing managers, heads of sales, sales representatives, change agents</td>
</tr>
<tr>
<td>▪ This training session is typically followed by 4 weeks of fieldwork experience, after which participants may move on to the second module of the program</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Setting up for marketing-enabled growth</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ 2-day training program where participants deep-dive on how to take their company on the journey of marketing-enabled growth; they are trained on selecting the appropriate service offering and channel architecture, creating the most compelling value proposition for the customer, creating a value map for easy identification of value delivered to the customer and a synthesis of the marketing growth plan for reporting and recording purposes</td>
<td>▪ Marketing managers, heads of sales, sales representatives, change agents</td>
</tr>
<tr>
<td>▪ This training is typically followed by 4 weeks of fieldwork experience, after which participants may move on to the third module of this training</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transforming through marketing-enabled growth</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ 2-day training program that builds on the previous modules and focuses on how to implement a marketing-led growth strategy; participants are taught how to create a compelling relationship between the marketing and sales areas of the organization, and how to drive accountability for performance</td>
<td>▪ Marketing managers, heads of sales, sales representatives, change agents</td>
</tr>
<tr>
<td>▪ Participants also explore strategies for executing the marketing plan and create tools for performance transparency throughout the organization, including tools for day-to-day planning and management throughout implementation</td>
<td></td>
</tr>
<tr>
<td>Leadership learning experience</td>
<td>Module description (all are single full day training sessions)</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>The duration for this module varies according to client needs</td>
</tr>
<tr>
<td></td>
<td>Objective is to offer a detailed description and depiction of what sourcing excellence for managers looks and feels like</td>
</tr>
<tr>
<td></td>
<td>Top purchasing managers learn how to align on common goals for improving the sourcing process, while also undergoing detailed training on procurement and leadership competencies as defined and applied by McKinsey</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advanced category management</th>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10-day experiential capability program spread out over 3 months, complemented with blended learning and on-the-job coaching</td>
<td>Strategic buyers, middle managers</td>
</tr>
<tr>
<td></td>
<td>Participants learn how to assess and benchmark core procurement skills and competencies across the organization, and identify priority areas for capability building</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Based on identified needs, participants undergo a tailored learning journey that combines functional knowledge and personal skill building with a mindset change towards &quot;spend entrepreneurship&quot;</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category management fundamentals</th>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.5 to 4 day training program that highlights a combination of strategic sourcing essentials with focus topics for junior buyers</td>
<td>Junior buyers, front-line managers</td>
</tr>
<tr>
<td></td>
<td>Focus topics can be selected based on client needs and include: background procurement strategies, baseline intelligence analysis, user and supplier workshops, negotiations best practices, supplier management training, market intelligence analysis, successful change management and successful communications</td>
<td></td>
</tr>
<tr>
<td>Module description</td>
<td>Participants</td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------</td>
<td></td>
</tr>
</tbody>
</table>
| 1 day training session, covering concept to prototype and test  
Participants understand how productivity is gained by applying various management tools and system settings, also comparing good and bad cases of engineering management  
Theory is applied through real-time development of a Lego robot | Head of Research & Development, engineering managers |
| Half to full day training session focused on increasing efficiency in the product development process by applying lean methodology  
Learn to see waste in engineering and apply ways to eliminate it  
See theory brought to life with the development of a real robot | Engineers, change agents, project managers |
| Half to full day workshop focused on increasing the effectiveness of the product development process  
Participants analyze two product development systems that drive performance effectiveness, experience performance boosting tools and learn about challenges in applying them sustainably | Engineers, change agents, project managers |
| Half to full day training focused on breaking down software work into clear deliverables, prepare resource plan, and weekly work schedule  
Concepts are brought to life through the hands-on development of a real robot | Engineers, change agents, project managers |
# Product Development – Product Excellence

<table>
<thead>
<tr>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introductory Training</strong></td>
<td></td>
</tr>
<tr>
<td>Half day training session where participants get an introduction to the Design-to-Value (DtV) approach, main building blocks and support models</td>
<td>CEOs, COOs</td>
</tr>
<tr>
<td>The experiential setup exposes participants to the issues addressed by DtV, as well as the typical challenges in scaling up the approach</td>
<td></td>
</tr>
<tr>
<td><strong>Key tools introduction</strong></td>
<td></td>
</tr>
<tr>
<td>Half day training module which introduces the essential tools of the design-to-Value approach and a deep dive on cleansheet target costing</td>
<td>COOs, engineering managers, change agents</td>
</tr>
<tr>
<td>Peers and McKinsey experts exchange views and discuss the selection of the tools for specific projects</td>
<td></td>
</tr>
<tr>
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<td>One day experiential training module that introduces in greater detail the design-to-Value approach and its main tools, describing how to establish and scale-up DtV in client organizations</td>
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<tr>
<td>Two days of training to better understand clean sheet analysis and cost items, perform function cost benchmarking and best-of-bench-mark analyses, conduct parts and process level cost optimization and develop a variant management or modular strategy</td>
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<td>Half day training session where participants learn to perform customer value analysis to gain insights on customers’ perception of selected products, segment customer groups and understand the willingness to pay for upgrade features</td>
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</tr>
<tr>
<td>See theory brought to life with assessment of shopper perception</td>
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<tr>
<td><strong>Design-to-Cost training</strong></td>
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<tr>
<td>One day module that offers in-depth training on design-to-Cost approach and tools, e.g. teardown, clean sheets</td>
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</tr>
<tr>
<td><strong>Industry Specific Trainings</strong></td>
<td></td>
</tr>
<tr>
<td>Various industry specific trainings and bootcamps available</td>
<td>Engineers, change agents, project managers</td>
</tr>
<tr>
<td>Trainings are for between 3 hours and 4 days long and highlight the customized methodology best practices for Design to Value for your specific industry, incl. cost reduction techniques and value enhancing tools for all participants</td>
<td></td>
</tr>
</tbody>
</table>
## Product development: Product excellence

<table>
<thead>
<tr>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introductory Training</strong></td>
<td><strong>Participants</strong></td>
</tr>
<tr>
<td>Half day training session where participants get an introduction to the Design-to-Value (DtV) approach, main building blocks and support models</td>
<td>CEOs, COOs</td>
</tr>
<tr>
<td>The experiential setup exposes participants to the issues addressed by DtV, as well as the typical challenges in scaling up the approach</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key tools introduction</th>
<th>COOs, engineering managers, change agents</th>
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<tbody>
<tr>
<td>Half day training module which introduces the essential tools of the design-to-Value approach and a deep dive on cleansheet target costing</td>
<td></td>
</tr>
<tr>
<td>Peers and McKinsey experts exchange views and discuss the selection of the tools for specific projects</td>
<td></td>
</tr>
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Lean IT

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<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 day learning program on Lean IT fundamentals with focus on</td>
<td>Top/middle management operations managers, team</td>
</tr>
<tr>
<td>▪ Identification of waste in web and application development process</td>
<td>leaders, change agents</td>
</tr>
<tr>
<td>▪ Design and Implementation of future state</td>
<td></td>
</tr>
<tr>
<td>▪ How to reduce errors and necessary rework</td>
<td></td>
</tr>
<tr>
<td>▪ Managing demand and capacity through visual workflow management tool usage</td>
<td></td>
</tr>
<tr>
<td>▪ Practicing performance dialogs and employee skill building</td>
<td></td>
</tr>
</tbody>
</table>
## Supply Chain Management

<table>
<thead>
<tr>
<th>Module description</th>
<th>Participants</th>
</tr>
</thead>
</table>
| ▪ 2-day intense program with noncompeting clients, integrating latest world-class thinking on supply chain through cases, exercises, role plays and games  
▪ Peer executives and McKinsey experts exchange best practices and push their thinking on the challenges and opportunities ahead | ▪ COOs and supply chain executives                  |
| ▪ 3-week global program with sessions in EU, US and Asia  
▪ Covers all related functions (e.g., supply chain, procurement, design-to-value), their integration and the soft skills required to master them  
▪ Participants bring their own challenges and receive one-on-one coaching from McKinsey faculty and top academics | ▪ COOs and aspiring COOs                            |
| ▪ 1 to 3-day training module that develops transformation leadership and functional capabilities in a real-life case setting  
▪ Participants take part through role-play in an integrated planning process and leverage new media to start a supply chain planning transformation | ▪ Supply chain managers, planning managers, change agents |
| ▪ Customizable single- or multi-day program that covers foundations in supply chain strategy and operations, management infrastructure, mindsets and capabilities, with tailored deep dives (e.g., demand and production planning, inventory management)  
▪ Individual coaching allows participants to explore pressing issues | ▪ Supply chain managers, operations managers        |
| ▪ Half-day to 2-days experiential sessions that train concepts in lean warehousing by applying them hands-on in our model warehouse  
▪ Several rounds of try-outs on warehouse processes, waste and immediate improvement, together with discussions on optimization levers and overall sustainable continuous improvement | ▪ Supply chain managers, warehouse managers, logistics buyers |
# Performance Leadership

<table>
<thead>
<tr>
<th>Module description</th>
<th>Participants</th>
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</thead>
<tbody>
<tr>
<td><strong>Centered Leadership</strong></td>
<td></td>
</tr>
<tr>
<td>▪ 3 day training program focused on experiencing the five key elements of centered leadership (meaning, framing, connecting, engaging, energizing)</td>
<td>Executives, functional managers</td>
</tr>
<tr>
<td>▪ Challenge yourself and practice new behaviors in practical exercises linked to your individual leadership challenges</td>
<td></td>
</tr>
<tr>
<td><strong>Implementation Leadership</strong></td>
<td></td>
</tr>
<tr>
<td>▪ 2 day training program exploring the success factors of transformations</td>
<td>Executives, functional managers, project leaders</td>
</tr>
<tr>
<td>▪ Learn how to shift behavior and mindset to sustain implementation (e.g., through performance dialogues and change stories)</td>
<td></td>
</tr>
<tr>
<td>▪ Increase your leadership leverage through effective delegation and coaching</td>
<td></td>
</tr>
<tr>
<td>▪ Experience &quot;moments of truth&quot; that form part of every transformation</td>
<td></td>
</tr>
<tr>
<td><strong>Leadership bootcamp</strong></td>
<td></td>
</tr>
<tr>
<td>▪ 2 day training program focused on experiencing the eight steps of effective problem solving and apply the techniques and tools immediately to your current project</td>
<td>Functional managers, project teams</td>
</tr>
<tr>
<td>▪ Learn how to communicate and present in a structured way to successfully master your project challenges</td>
<td></td>
</tr>
</tbody>
</table>
Contents

- Capability building through experiential learning
- Offering and curriculum at MCC Munich
- Detailed module descriptions
  - Client impact
  - Contact details
We have an impressive track record in helping organizations accelerate their capabilities.

In the last 4 years, our capability center in Munich has...

<table>
<thead>
<tr>
<th>Accompanied</th>
<th>130+ organizations on their learning journeys</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivered</td>
<td>1500+ training days</td>
</tr>
<tr>
<td>Trained</td>
<td>3500+ people</td>
</tr>
<tr>
<td>across</td>
<td>12 industries</td>
</tr>
</tbody>
</table>

SOURCE: McKinsey Capability Center
Feedback from our clients has been overwhelmingly positive

- *I had stage fright – it is really like servicing a customer*

- *I was completely captured by my task during the workshop and am now able to understand the challenges of engineers better than ever before*

- *We want to take the workflow system with us*

- *Resembles my experience as a customer. Great to see and experience the possible improvements*

- *Great to have the opportunity to really test tools in this environment*

- *My people will profit from this learning. Living the process really makes you apprehend it*

- *This training should be standard for all projects in our company*

- *It's actually fun to work with the application and feel the improvements in future state*
Example of our work: capability building program for supply chain management at leading pharmaceutical company

<table>
<thead>
<tr>
<th>Client context</th>
<th>Approach</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Leading pharmaceutical company, embarked on global supply chain transformation</td>
<td>▪ Set up an academy ecosystem:</td>
<td>▪ Complete supply chain academy program set up, incl. curriculum, learning journey, certification requirements, performance monitoring processes</td>
</tr>
<tr>
<td>▪ New operating model required refocus of responsibilities, learning of new processes, upskilling on behavioral competencies (i.e. cross-functional collaboration), and increased accountability on KPIs</td>
<td>▪ defined learning journeys for core roles (demand forecasters, supply planners, schedulers, trainers) and cross-functional groups</td>
<td>▪ Supply chain organization excited and willing to change toward end-to-end thinking</td>
</tr>
<tr>
<td></td>
<td>▪ designed functional content</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ set up a multi-stage certification program to motivate and reward participants</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Delivered capability building program as field-and-forum, with in-person classes held as immersive learning experiences, followed-up with on-the-job fieldwork</td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: McKinsey Capability Center
Value-based pricing can have significant upside – trainings at Munich MCC help our clients prepare to capture it (1/2)

**Context**
- Leading producer of Aluminum products, e.g., for cans
- Global demand growth leading to increased market shortage for the coming 5-10 years

**Pricing opportunity**
- >20% value add potential for the Aluminum company over the next best competitor, stemming from:
  - Higher production reliability
  - Lower scrap rate
- Un-productive pricing behavior in the market

**Key achievements**
- Client pricing experts trained on quantifying and arguing for value with their customers
- Sales manager encouraged to “take risk” and drive market behavior
- Organizational alignment on pursuing opportunity of up to 50% price increase over the following 3-5 years
## Example of our work – service operations training for a major bank in Germany

### Client challenge/context
- Major Bank in Germany
- Training session at McKinsey Capability Center was last day of three day lean boot camp to
  - Prepare for transformation pilot
  - Building deeper knowledge and readiness for lean tool application for navigators, experts and management

### Capability Center training
- 18 participants in a full day experiential learning session
- Banking back office module
  - Diagnose weaknesses and waste
  - Design future state
  - Experience improvements in implementation
- Introduction to methods and discussion on their relevance for the client

### Impact
- The importance of being able to work with a lean methodology was understood
- Strong teambuilding effect in the client team as well as developing a "hands-on" feeling for their future tasks

With a fast-paced transformation time plan and many obstacles ahead for the navigator team, the training at McKinsey Capability Center helped to accelerate to the momentum needed for a successful pilot.

SOURCE: McKinsey Capability Center
Example of our work – a global chemicals company has achieved significant, sustainable impact with a capability focused program

<table>
<thead>
<tr>
<th>Situation</th>
<th>Approach</th>
<th>Impact</th>
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</thead>
<tbody>
<tr>
<td><strong>Client situation</strong></td>
<td>▪ 3 dedicated capability building programs to address different target groups (leadership, advanced, base)</td>
<td><strong>Saving</strong></td>
</tr>
<tr>
<td>▪ Global chemical company with increased requirement support product margin through procurement impact</td>
<td>▪ Advanced program as field and forum learning combining real procurement work and multiple learning interventions</td>
<td>▪ EUR 750 mil spend covered in first 3 waves, savings of roughly 6%</td>
</tr>
<tr>
<td><strong>Procurement situation</strong></td>
<td>▪ Participants work in teams on concrete sourcing tasks</td>
<td>▪ Continued savings delivery in further waves according to client</td>
</tr>
<tr>
<td>▪ Low hanging fruit captured thus next level of sophistication in procurement required</td>
<td>▪ Participants get ~ 10 days of immersive training at Munich MCC and additional weekly coaching on the job</td>
<td><strong>Capabilities</strong></td>
</tr>
<tr>
<td>▪ Procurement staff “tired” after running several cost reduction efforts, still further optimization required</td>
<td>▪ Additional reviews as learning element</td>
<td>▪ Full capability building program successfully implemented</td>
</tr>
<tr>
<td>▪ Procurement professionals with mindset of transactional buyer rather than category managers</td>
<td>▪ Apprenticeship and coaching for trainers which were selected to lead the program within 6-8 months</td>
<td>▪ Train-to-train implemented; 12 initial trainers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ In-house of program fully with class 3 with stable delivery quality</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Organization</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Organization set up to run and refine the capability building program</td>
</tr>
</tbody>
</table>

**SOURCE:** McKinsey Capability Center
Example of our work – large consumer electronics company discovered and deployed Design-to-Value tools to reach product excellence

<table>
<thead>
<tr>
<th>Context</th>
<th>Approach</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Large consumer electronics player wishing to improve its spend considerably over 3 years</td>
<td>▪ Set up a central team of Cost Masters</td>
<td>▪ Central cost masters team created (10 cost masters)</td>
</tr>
<tr>
<td>▪ 3 Business groups each consisting of several Business units to be trained</td>
<td>▪ Learning sessions deployed at Munich MCC to have the client team discover and apply Design-to-Value tools, according to each business unit’s peculiarity</td>
<td>▪ At least one leader per business unit fully trained in Design-to-Value and Cleansheet (able to run further waves independently or with minimum expert support)</td>
</tr>
<tr>
<td></td>
<td>▪ Deployment of the Cleansheet tool across the business units</td>
<td>▪ Several cost engineers trained in Cleansheet (2 per business unit)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Expert supported Cleansheets yielding substantial immediate savings opportunities (20% savings identified on average on parts covered by the analysis)</td>
</tr>
</tbody>
</table>

SOURCE: McKinsey Capability Center
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We have a complete infrastructure available for proposals such as website, brochure, and video

For more information visit: [www.capability-center.mckinsey.com](http://www.capability-center.mckinsey.com)
Contact us to find out more

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Mail: capability-center@mckinsey.com
Web: www.capability-center.mckinsey.com

… only a five-minute ride from the Munich airport