

case study

Media-Saturn Group

Media-Saturn Chooses Saba Learning OnDemand to Maintain Leadership in a Fast-Paced Retail Environment

Solution Overview

Industry — Retail

Challenges

Provide efficient, responsive training in a decentralized retail environment to reduce employee attrition and improve sales performance

Benefits

- Implemented hosted Saba Learning OnDemand in four weeks, with no additional IT investment
- Takes advantage of Saba’s multilingual capabilities to use in markets throughout Europe and Asia
- Tracked measurable improvements in sales performance and reduced costs per employee using e-learning
- Delivers training quickly over wide distances to capitalize on timely market opportunities
- Provides a foundation for integrated people management platform including performance, talent, and succession

Solution

Saba Learning OnDemand



The Media-Saturn Group is the leading consumer electronics retailer in Europe with net sales of more than 19 billion euros in 2008. Headquartered in Germany, Media-Saturn operates with two sales lines, Media Markt and Saturn, the clear leaders in consumer electronics in Europe with over 700 locations in 16 countries. Media-Saturn is widely considered a trendsetter in the industry.

Media-Saturn relies on a decentralized corporate structure, with each store run as a separate business unit, employing approximately 60,000 people. Media-Saturn provides both its business units and individual stores considerable autonomy — placing store directors in charge of hiring, firing, training, and even product inventory. Every store director is also a shareholder, therefore directors have an ownership interest in their store, which helps drive high performance.

“ There would be no way we could train thousands of sales representatives... in a short period of time using a formal classroom approach. For speed, efficiency, and cost-effectiveness, the Saba platform provided the best solution. ”

Christian Foerg
Head of Human Resources and Payroll Solutions
Media-Saturn IT

In the past, all training was offered in the classroom. With the industry’s accelerating pace of business, Media-Saturn’s training was not keeping pace with its needs. Key drivers include the high number of new store openings as well as the fact that attrition levels are traditionally high in the retail industry — creating the need to hire and train more than 10,000 new employees annually.

“We attract great people who are interested in career development opportunities due to our decentralized structure,” said Christian Foerg, head of human resources and payroll solutions for Media-Saturn. “Unfortunately, training was taking months to complete. And every hour a salesperson was training instead of being out on the floor, the store director was losing money. We chose Saba Learning OnDemand to help us implement e-learning groupwide.”

Picturing a 30% Increase in Sales

Media-Saturn piloted Saba Learning in Spain in early 2008. The fully hosted solution made it possible for the group to implement e-learning in Media Markt and Saturn stores within four weeks of signing the contract with Saba. Hosting also ensures that Media-Saturn's solution will always be secure — protected behind Saba's firewall — and incorporate the latest technology.

Following its success in Spain, Media-Saturn began rolling out the Saba Learning Management System (LMS) in other European markets, starting with Germany, Russia, and the Netherlands. The stores use e-learning to deliver product information, sales training, compliance, and new employee orientations.

"Austria launched an e-learning program called Forty-Plus, designed to enhance the sales of large-screen televisions of 40 inches or more," Foerg explains. "We provided very comprehensive training — product-specific content, sales techniques, even where to place the TV sets in the home. Our unit sales in Austria for 40-inch televisions showed a double-digit growth."

From a cost perspective, Media-Saturn has calculated that for a typical e-learning session, it saves approximately 200 euros per employee in travel expenses alone compared to the traditional classroom training approach. That can amount to millions of euros annually.

Media-Saturn also relies on e-learning to deliver training for heavily advertised product bundles. "The content comes down the pipeline very quickly," remarked Foerg. "There would be no way we could train thousands of sales representatives on these bundles in a short period of time using a formal classroom approach. For speed, efficiency, and cost-effectiveness, the Saba platform provided the best solution."

Saba Is the Choice

Media-Saturn reviewed a number of vendors before selecting Saba for its e-learning initiative. Saba is an international organization that has a presence in all the countries in which

Media-Saturn operates. Saba also provides a multilingual platform that supports the languages typically spoken across Europe, Asia, and in the Middle East.

One of the key decision-making factors was also Saba's integrated approach to people management. Saba incorporates learning and development, performance management, compensation, talent management, and even enterprise social networking into a common platform.

"One of our objectives is to transform the HR function at Media-Saturn and provide true business value to the company," Foerg noted. "Saba's integrated platform will enable us to identify the top performers or employees with special abilities, and more effectively develop and retain key employees and manage our talent pool."

Lessons Learned

Based on its experiences in rolling out the Saba LMS, Media-Saturn has a number of "lessons learned" to share with other retailers.

First, it is important to make a clear business case for e-learning. Any retailer with a widely distributed network of stores will likely find significant benefits in implementing an integrated people management solution that includes e-learning and development. Organizations also need strong executive sponsorship and a dedicated project team to manage the rollout.

In addition, Foerg suggests starting as early as possible to acquire or develop content, with minimum customization, and then follow with rigorous tracking of usage and benefits.

"The Saba solution has been well accepted by most users," said Foerg. "Although there has been some resistance, with the adoption of a blended learning approach the younger people on the sales floor have readily embraced it. With the company continuing to grow quickly and our administrative burdens rising, e-learning provides the means to make our people productive as quickly as possible."