

# RAYTHEON IMPROVES COMPLIANCE WITH U.S. EXPORT/IMPORT REGULATIONS AND BOOSTS GLOBAL SALES WITH COMPREHENSIVE LEARNING SOLUTION

Raytheon Co.'s Global Trade organization partnered with Raytheon Professional Services to design, implement and operate an enterprise-wide learning program, leading to a reduction in violations of U.S. export/import (EX/IM) regulations by over 90 percent, and enabling further international business growth.

By Agatha Bordonaro

## THE CHALLENGE:

*To ensure compliance with all U.S. regulations pertaining to the export and import of products, services and technical data related to the military and defense realm, i.e. defense products, and to grow its international sales, Raytheon needed to develop a rigorous learning program that would train three employee groups with distinctly different needs.*

To protect the United States and its allies, the U.S. government carefully regulates the export and import of defense products. All sales of these items to international customers require U.S. government approval. The U.S. State Department places conditions on each sale to ensure these assets do not fall into the wrong hands, and penalties for non-compliance are severe. The penalty for each violation can be as much as \$1 million, with additional civil fines of up to \$500,000. The U.S. government can also prohibit a company from selling its defense products internationally if its violations are particularly egregious. So, for Raytheon, EX/IM compliance is of paramount importance, not only for achieving the company's mission and protecting its reputation, but also for improving its bottom line.

"Non-compliance can negatively impact the success of Raytheon's business, driving up our costs, slowing our responsiveness and — in the worst case — preventing us from doing business internationally and meeting our business goals," explained Sol Brody, vice president, legal operations.

Every Raytheon employee has a responsibility to support EX/IM compliance. With all of today's IT and communication resources, the employee must, at a minimum, understand how to protect technical information associated with export-controlled products. Therefore, the company needs a learning program that trains every employee to perform his or her specific EX/IM responsibilities and maintain compliance.

In 2015, when Raytheon's Global Trade organization was looking to improve the company's EX/IM compliance and further increase international sales growth, it knew it needed to develop and deploy a more effective training solution for all employees. That's

when it turned to Raytheon Professional Services (RPS) for help. Together, Global Trade and RPS identified five key goals for this new learning program:

**1. INCLUDE RAYTHEON-SPECIFIC INFORMATION.** This meant defining a curriculum that would address both U.S. government laws and regulations and Raytheon's own policies, procedures and tools.

**2. TARGET EACH AUDIENCE.** The new solution would need to provide learning for three different employee groups: 1) all Raytheon employees; 2) Global Trade professionals, i.e., EX/IM professionals; and 3) those employees who were not EX/IM professionals, but have roles that include EX/IM-related responsibilities. Examples of employees in this third category include program management, business development, contracts, supply chain, engineering, etc. To ensure the learning would be relevant for and resonate with each audience, the solution would need to address the "why," "what" and "how" for every individual: why EX/IM compliance is important; what is required of the employee in his or her specific role; and how the individual can ensure compliance.

**3. TRAIN EVERYONE.** This meant defining the learning requirements for each of the three employee populations, developing a comprehensive approach that addressed each group's needs and providing the right training to every employee, based on their EX/IM responsibilities.

**4. DESIGN A CAREER DEVELOPMENT PROGRAM SPECIFICALLY FOR EX/IM PROFESSIONALS.** In addition to training its Global Trade professionals on EX/IM compliance, RPS felt it was important to offer these individuals opportunities and resources to grow their careers at Raytheon. Until then, the majority of the EX/IM training curriculum was sourced externally, which meant "it was easy for them to think of themselves as EX/IM professionals who just happened to be working for this specific company now, but that could change at any time," Brody said. By investing in and developing its talent internally,

Raytheon would not only improve EX/IM compliance but also reap greater employee retention.

**5. MEASURE RESULTS AND RESPOND ACCORDINGLY.** RPS would need to identify performance metrics, collect them and be able to act upon the results to improve the training program going forward.

**THE SOLUTION:**

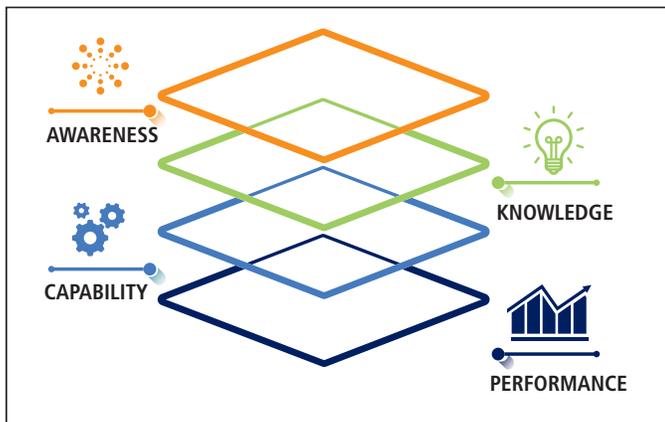
*RPS developed a blended, multilayered approach to address the five key learning goals.*

With this set of training program goals in hand, RPS got to work. First, to develop a curriculum that would cover both U.S. EX/IM laws as well as Raytheon’s own policies and guidelines, RPS worked collaboratively with the company’s EX/IM compliance subject matter experts. By conducting analysis workshops, RPS defined all the major areas and topics to cover, and then prioritized them by critical need.

Next, to ensure the learning was relevant to each of the three predetermined audiences, RPS took a layered approach that blended different learning modalities. The first layer, the awareness training, was deployed to all Raytheon employees and consisted mainly of online courses that addressed the main issue of why EX/IM compliance is important. The awareness training also touched briefly on what employees should do in specific situations, such as during international travel or when hosting visitors in Raytheon facilities.

The next layer, called the knowledge layer, also comprised mostly online courses and tackled what online courses and tackled what

*The Layered Approach*



the regulations require, what Raytheon’s approach to compliance is and what each person in a specific EX/IM role must know and be able to do.

The capability layer came next. This layer explained how individuals could accomplish their EX/IM responsibilities on a granular level. The capability layer provided micro-learning that was made easy to access for future, repeated reference.

The final layer in the solution was the performance layer, which consisted primarily of instructor-led, hands-on workshops and enabled individuals to excel in performing their EX/IM responsibilities.

“Each layer builds on top of the previous layers,” Brody said.

To meet the “train everyone” goal, RPS deployed and housed the learning on Raytheon’s learning management system, and also established the EX/IM Hub portal as the go-to spot for all compliance-related resources, including news and information, solutions and tools, policies and policy instructions, and links to all learning (including videotaped broadcasts).

Raytheon also created a comprehensive communications strategy to support the program. First, periodic communications came from the top, with Raytheon’s CEO and the senior leader-

*Comprehensive Communications Strategy From the Top Down*



ship team reinforcing the link between EX/IM compliance and business success, and highlighting the importance of the new learning program. Further, each business unit would participate in “EX/IM Engage” for one day each year, with presentations reinforcing the importance of compliance and necessity for diligence — even with activities that may not seem related to compliance, such as international phone calls or discussions with Raytheon employees who are not U.S. citizens.

RPS also collaborated extensively with Raytheon’s Global Trade organization to develop and implement a learning and career development program specifically for the EX/IM professionals. The teams established a competency model for each role, identifying 12 competencies that comprise 85 skills and behaviors and include five levels of proficiency. They then linked the competencies to the appropriate topics within the learning curriculum, flagging any gaps in learning to identify and prioritize what additional development was needed. The resulting L&D program has 12 major areas, 58 modules and 482 distinct topics.

RPS also established experiential learning for better support of specific competencies, as well as special programs for certain

groups of employees such as the Leadership Development Program and the Empowered Official Certification Program.

Finally, RPS homed in on important performance metrics by taking into account such factors as Raytheon's patterns and trends with regard to EX/IM, the quality of reports and the responsiveness of the company. RPS also linked these business performance metrics with learning-specific metrics — such as the number of training requirements met and both qualitative and quantitative student responses to the learning — to show correlation. An analysis of these data would allow Raytheon and RPS to improve on the program going forward.

#### THE RESULTS:

*Since the new learning solution was rolled out in 2015, Raytheon has reduced compliance violations of all sizes and grown international sales each year.*

An external audit of the company's EX/IM compliance conducted by KPMG in 2017 noted that it had made substantial progress and called several elements of its new learning program "industry leading."

"Learning played a key role in reducing violations, as did the introduction of new and improved EX/IM automation tools, the onboarding of qualified and experienced talent, and further policies and policy instructions," Brody said.

#### Results



Further, Raytheon now has a much stronger working relationship with the Defense Directorate of Trade Controls (DDTC) within the State Department. "That's really important," noted Brody, "since DDTC is the office that approves authorizations for export of export-controlled products and services" — thereby positively affecting Raytheon's ability to grow international sales. In fact, Raytheon's international business bookings and revenue continue to grow, in terms of both dollars and the percentage of its overall business.

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Raytheon Professional Services (RPS) uses a strategic, Understanding First approach to address critical challenges for clients across industries and markets. We develop and implement training solutions to improve workforce performance and business results. Our award-winning solutions include: curriculum design, content development and delivery, technology services, training administration and learning strategy design. Leveraging decades of expertise and innovation, RPS provides tailored learning and performance improvement solutions in more than 146 countries and 34 languages.

**Raytheon**

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