

From Classroom To Boardroom

**Six strategies to maximize impact
of training budgets & resources**

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“I don’t believe learning is the primary objective for most people in any organization. The primary objective is performance... Most people in organizations are motivated to learn when it makes a difference in their performance and the performance of their organization”.

Douglas Smith, LineZine

Introduction

We've heard it over and over again – for most executives training is at the bottom of the totem pole. For some it is necessary to meet government regulations, for others it is a perk for attracting and retaining the right individuals, and occasionally facilitates the introduction of new initiatives. But at the end of the day training is perceived as an expense, a drain on the bottom line – and as a result it is being continually scrutinized.

Our predicament is a result of measures currently embraced by training professionals. Although useful for improving the effectiveness of training programs, trainees' feedback, test results and ability to apply learned concepts on the job (Kirkpatrick's¹ Level 1, 2 and 3) as well as how many individuals have been trained are of minimal interest to executives and/or clients.

Moreover, measurement of training programs impact on the organization's bottom line (Kirkpatrick's Level 4) and more specifically whether the benefits or value of training outweigh the costs (Jack Phillips²) rely on the collection of data after training has been delivered.

Since funds for various initiatives (including training) are allocated in the planning phase for upcoming projects, ROI studies on current training programs are of minimal consequence.

An alternate approach, grounded in instructional system design and human performance improvement theory, and perfected over a seventeen years stint in the training field, is proposed in this booklet. Although primarily intended to help organizations maximize the impact of training budgets and resources, the process invariably demonstrates the value of training initiatives.

As a result, savings achieved through greater efficiencies can be reallocated to training programs that improve productivity and innovation, or reduce waste, and in-turn help business units and organization achieve their goals.

¹ Kirkpatrick, D.L. (1994). *Evaluating Training Programs: The Four Levels*. San Francisco, CA: Berrett-Koehler.

² Phillips, Jack (1997), *Return on Investment in Training and Performance Improvement Programs*, Gulf Publishing Company, Houston, Texas.

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Internal versus External Measures

Evaluation should be divided into two distinct functions:

- Internal Measures – to improve the effectiveness of training programs. Would include trainees' feedback, test results and ability to apply learned concepts on the job.
- External Measures – to convince senior management as well as internal/external clients that training is a worthwhile investment that improves productivity, reduces costs and yields positive results. And, offer competitive products by evaluating the most economical training solutions that meet clients' needs.

The focus of this booklet is on external measures that can be implemented during the planning phase when competing for funds with other initiatives and allocating funds to various training programs.

The Basics

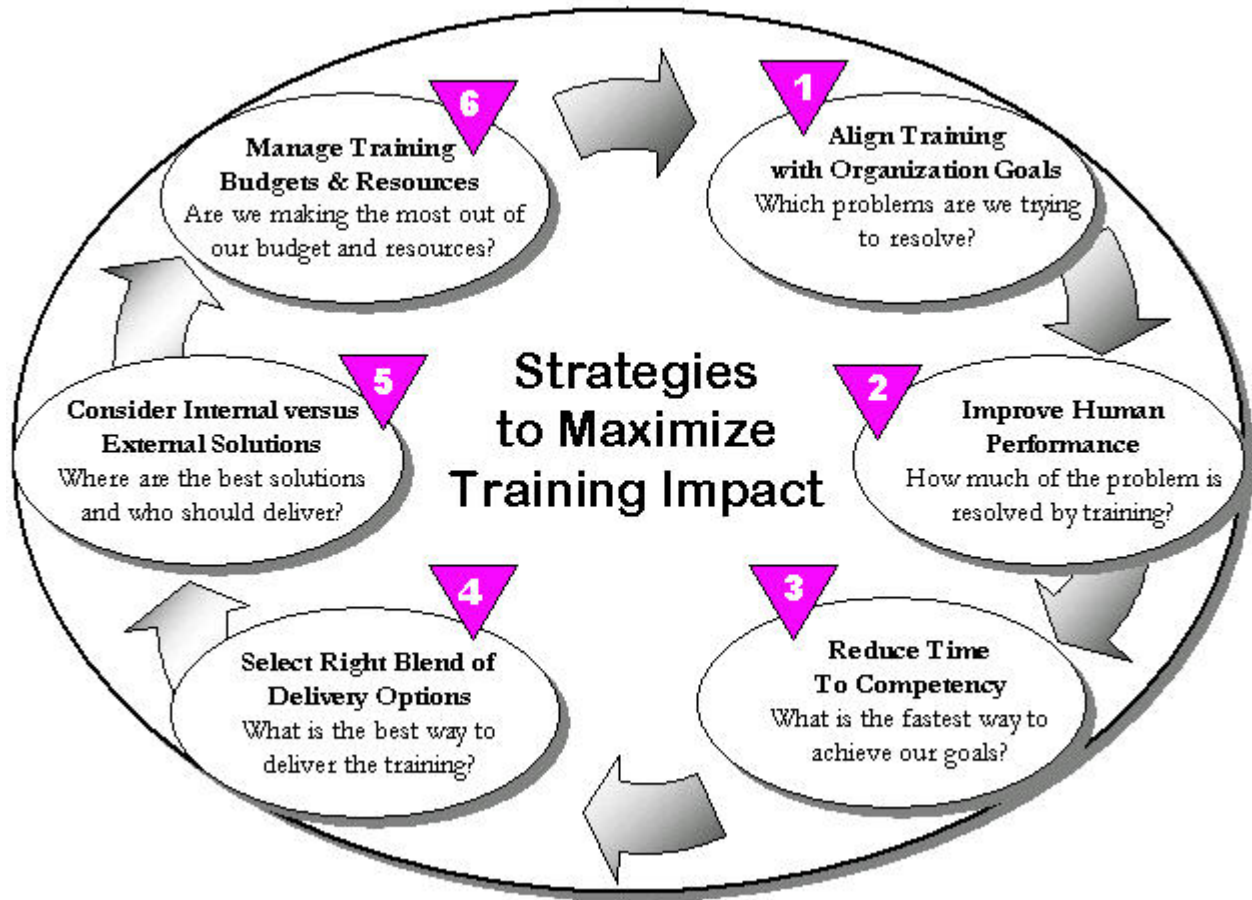
With the exception of programs dictated by law (such as OSHA), the value of any training program is derived from the application of the newly acquired skills and competencies – i.e., how individuals use the newly acquired skills/competencies to minimize errors, reduce costs, or increase productivity and revenue, for example.

Whether you prescribe to financial measures such as return on investment (ROI) or qualitative measures such as return on expectations (ROE), the ultimate objective is the same – i.e., generate the greatest benefit at the lowest cost.

Since we are dealing with two primary issues, the value of any training program can be maximized by either increasing the benefits or reducing the costs. Of course, programs that offer the greatest benefits at the lowest the costs are the more attractive.

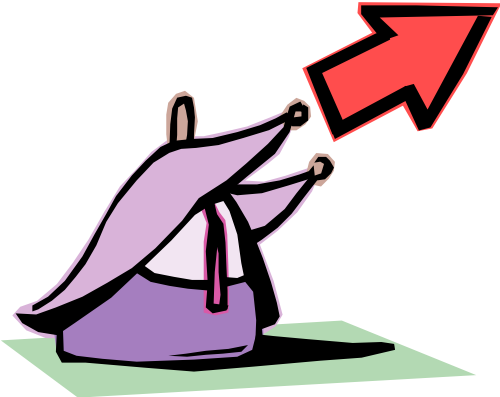
Although at first glance, the approach may appear to be purely a financial measure to be handled by accountants, in reality all members of the training team including instructional designers, instructors and facilitators can greatly impact the value of training programs.

The Approach



Six strategies are presented in this booklet. The first three can help you increase the benefits (value) of your training program while the next three decrease your costs. Although the strategies are interdependent, they can be applied individually or in any combination. A one step approach is proposed in the final section to facilitate the implementation of the proposed strategies in your daily activities.

**Strategies to Increase Training Benefits and
in-turn Training ROI**



Strategy #1: Align Training with Organizational Goals

Where training budgets and resources should be allocated is one of the most important decisions for any training unit/division. Unless you are running training as a revenue generating business, your budget is viewed as an expense – which is being continually scrutinized, and the demand for training most likely exceeds your capacity. As a result, you need to focus your resources on the most important initiatives to maximize your training investment and demonstrate its value. Otherwise, you run the risk of investing your limited resources in training programs that have minimal impact on the goals of your clients (i.e., the business units) and the bottom line.

How do you decide which programs to fund? Should you allocate money and resources equally among several programs? Should you focus on a few programs? How do you prioritize this spending in advance and how do you deal with the constant onslaught of new products, regulations and business challenges that require training?

Managing training budgets and resources is no different then managing any other investment in the organization, including marketing, sales or information technology. It all boils down to how much time, money and resources are required to run various programs and the benefits generated in return.

To identify the benefits, clear links should be established between training activities and organizational goals. In other words, why training is needed in the first place. Training “solutions” should address specific performance deficiencies “problems” needed to achieve unit or organizational goals. As a result, the success and importance of training is not measured by the skills and competencies that are being developed, but by the impact of the newly acquired skills and competencies on “performance”. In other words, how well training resolved a specific “problem” or “performance gap” and, of course the cost and priority given to each problem. If for any reason a training solution does not contribute to a specific “performance” gain, then the need for training – whether instructor-led or eLearning – should be questioned. In Peter Drucker’s words, “if you cannot measure it, you cannot manage it.”

To align training with organizational goals, you simply have to follow the needs analysis/assessment process³. In other words, identify missions and goals (performance outcomes) of the organization and business units, tasks needed to achieve the goals as well as knowledge, skills and attitudes required to perform these tasks. With this in hand, you can easily find out which training programs are having the greatest impact and why, as well as how to maximize training investment by redirecting money and resources to activities that generate the greatest impact on performance, missions and goals.

³ United States, Department of Defense (2001), Military Performance Specifications, Training Data Products, MIL-HDBK-29612-2A.

How do you align training with organizational goals?



- Step 1. Define and prioritize organization/units missions and performance goals. Although the primary objective of training is the development of knowledge, skills and competencies, what counts is the resultant changes or improvements in “performance” required by the business units and the organization to meet their goals. As a result, it is critical to find out what are the current priorities of your clients – i.e., business units. “Capture 20% of the market”, for example.
- Step 2. Identify tasks needed to achieve performance goals. Once missions and goals of business units have been documented and prioritized, tasks needed to achieve these goals should be identified. Each task may be further divided into sub tasks. More importantly, the desired performance should be stated in measurable terms – “increase sales to current accounts by 10%”, “introduce 2 add-ons to existing products with 6 months”, for example.
- Step 3. Assign tasks to various groups/jobs. Who will be performing tasks needed to achieve performance goals? In some cases, individuals from different groups (i.e., “sales, marketing and customer service”, for example) may be involved in the performance of a specific task. In addition to mission/goal related tasks, occupation specific tasks that individuals are expected to perform as well as their impact on various missions/goals should also be indicated.
- Step 4. Determine which tasks require training. The attributes of each task including level of difficulty, criticality and frequency of performance are analyzed to determine whether training is needed, and to which level.

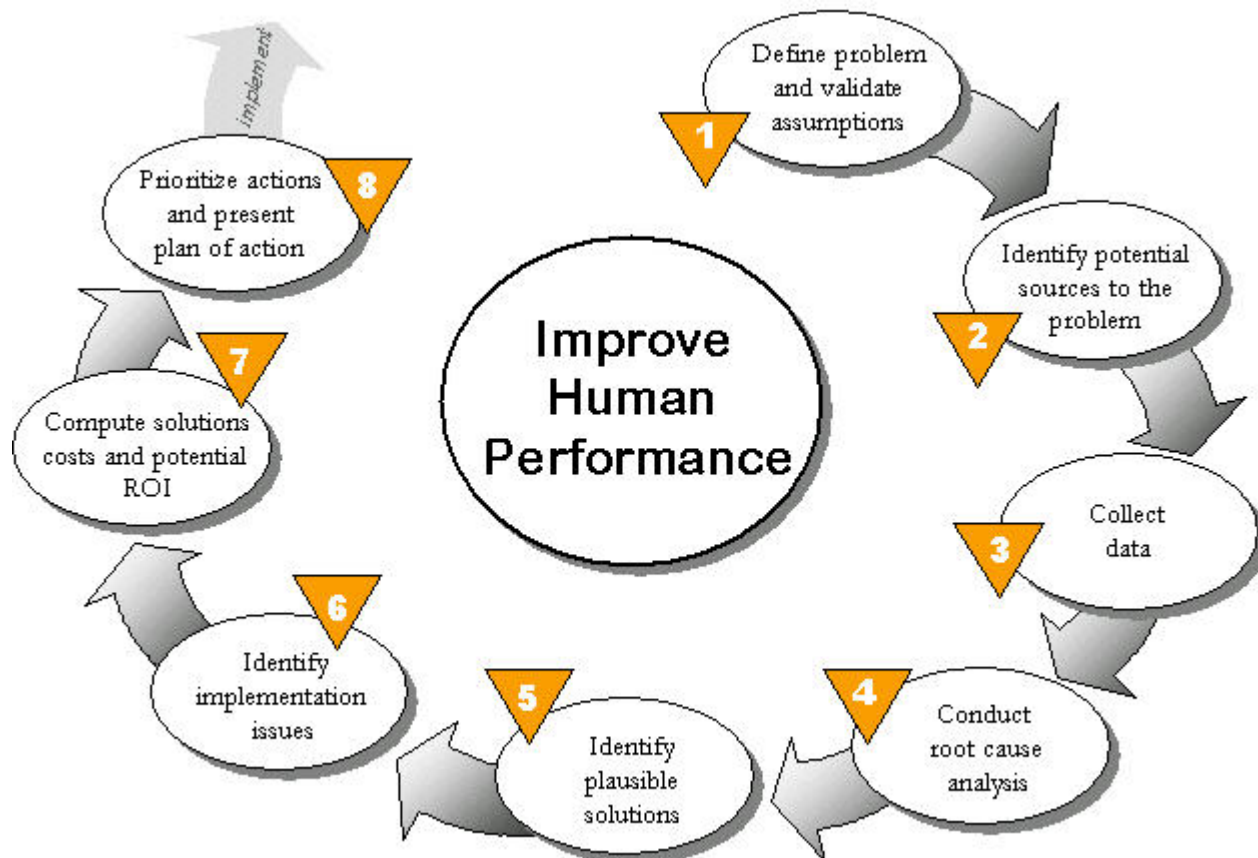
- Step 5. Uncover required knowledge, skills and attitudes. Knowledge, skills and attitudes needed to perform each of the tasks that require training should be identified and prioritized. “Recalling the benefits of products A, B and C may be rated critical for example, while communicating effectively with clients, may rate as important.” As a result, the relevant importance of each knowledge, skill or attitude on specific tasks and in-turn the goals of the units and the organization can be clearly established.
- Step 6. Find out knowledge/skills gaps. Existing and potential gaps can be determined by comparing knowledge, skills and attitudes needed by each group to achieve the desired level of performance with the knowledge, skills and attitudes of exiting as well as new employees. For example, new sales staff may have the required communication skills, but cannot recall the benefits of products A, B and C.
- Step 7. Identify implementation issues. Assess the feasibility and effectiveness of plausible training activities by examining the availability of money and resources, compatibility with existing programs as well as management, supervisors and employees attitudes towards the proposed training activities.
- Step 8. Prioritize actions and prepare a plan of action. With clearly established links between goals, performance needed to achieve these goals and impact of training activities on performance in place, you can compile the data to determine which training programs will generate the greatest impact and why. Moreover, you will be able to quickly realign training money and resources as the organization/units priorities change, new initiatives (i.e., products and regulations) introduced and new business challenges arise. For example, you can find out which training activities support a specific mission, how each training activity is contributing to various goals, as well as which training activities have little or no impact.

Strategy #2: Improve Human Performance

"I need a training program on ..." the opening statement in what often turns out to be a costly, frustrating and unsuccessful campaign to achieve the desired performance. The rationale for training seems clear. We are implementing a new system, receiving too many complaints from our clients, not selling enough products, etc. On the other hand, prominent researchers have demonstrated that most performance deficiencies in the workplace are due to environmental factors which includes vague expectations, insufficient and untimely feedback, limited access to required information, inadequate tools, resources and procedures, inappropriate and counterproductive incentives, etc. Yet, when a performance gap occurs, the default intervention is all too often training – although it is much easier to fix the environment than people. To put it in simple terms – if the gap is not due to a lack of skills and knowledge, don't train! Moreover, even when you determine that training is necessary, is it sufficient? A training injection on its own, rarely works if it is not part of a total performance system.

The following steps are presented to help you analyze a performance deficiency, detect the source of the problem, identify solutions – including training – that can produce the desired level of productivity and recommend actions to maximize your return on investment (ROI).

How to improve human performance?



- Step 1. Define problem and validate assumptions. In other words, who initiated the request for analysis or training, and for what reason? Based on circumstantial evidence and constraints, validity of request can be evaluated, cost of problem estimated and need for further analysis confirmed.
- Step 2. Identify potential sources to the problem. The source of the problem may reside to a variant degree within multiple groups in various units/divisions. For example, “the unexpected drop in market share may have originated from sales, marketing, customer service and/ or support staff”.
- Step 3. Collect data. Vital information required to pinpoint performance deficiency within each group and best vehicle for collecting this data, are specified in this step.
- Step 4. Conduct root cause analysis. Collected data is analyzed to uncover factors that impact the performance of each group. These may include employees’ lack of knowledge and skills, misunderstanding of job functions, misinterpretation of rules/regulations, access to tools, conflict with colleagues, and so on.
- Step 5. Identify plausible solutions. Once the cause of the problem has been uncovered, remedies for each group are identified and rated in terms of their power to bridge the performance gap. In addition to training and job aids, plausible solutions may include task, job and/or organizational redesign, new/improved tools, policies/ procedures, incentive system and hiring practices.
- Step 6. Identify implementation issues. Assess the feasibility and effectiveness of plausible solutions by examining the availability of money and resources, compatibility with existing systems as well as management, supervisors and employees attitudes towards the proposed solutions.
- Step 7. Compute solutions cost and potential benefits. Capture all costs pertaining to each remedy, including personnel time, lost opportunity, travel, development, facilities, equipment and perpetuation. With costs and potential benefits in hand, anticipated return on investment (ROI) from each solution is calculated.
- Step 8. Prioritize recommendations and prepare a plan of action. The costs and benefits of plausible solutions for all groups are compiled and compared to provide a clear picture of which remedies will generate the greatest impact and why.

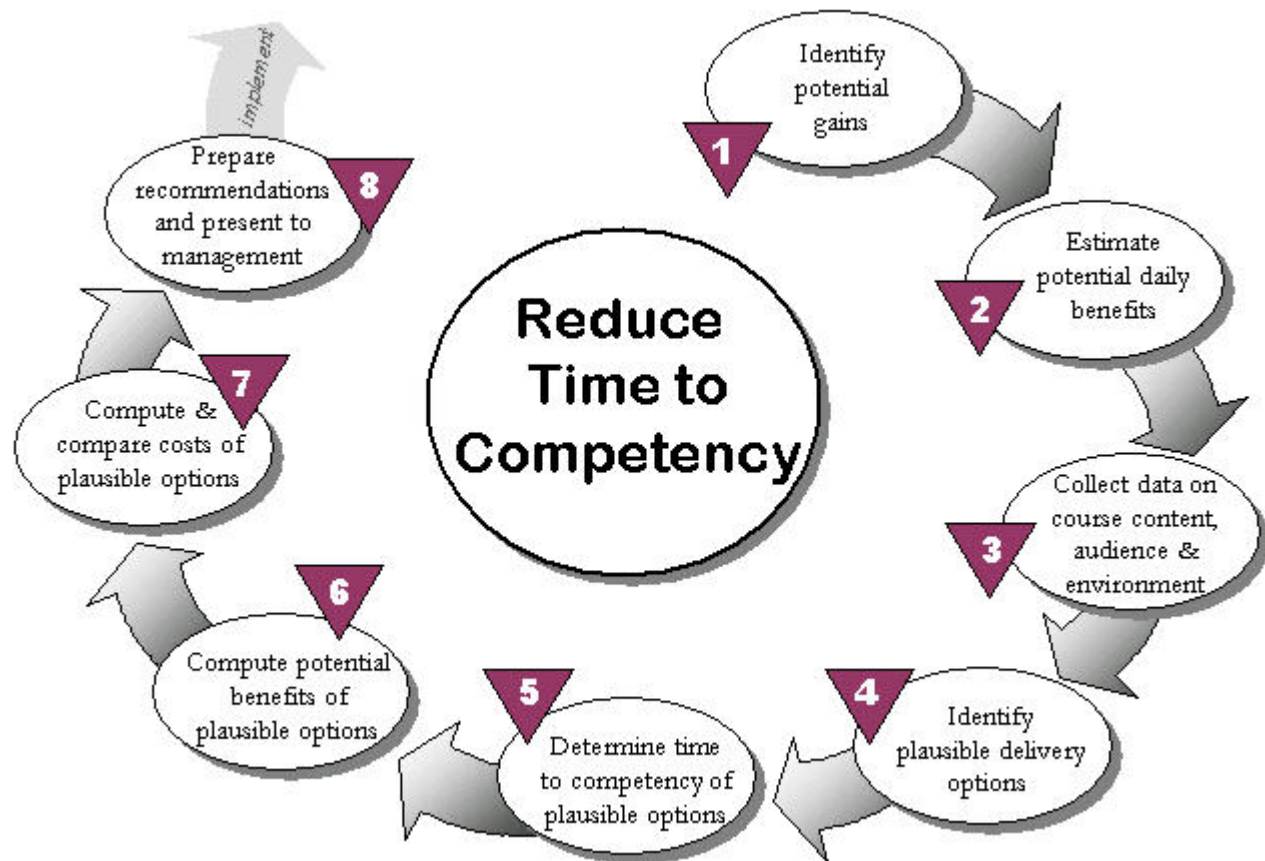
Strategy #3: Reduce Time to Competency

Since one of the primary objectives of training programs is to develop skills, competencies and/or attitudes needed to attain business goals – i.e., resolve problems, create new opportunities, increase competitive advantage, etc. – achieving goals quicker may have a significant impact on the organization's bottom line.

For example, the sooner the sales team learns the features and benefits of new products/services, the sooner they can introduce to potential clients and generate additional revenue. Similarly, the sooner operation staff acquire skills needed to implement a new process for reducing waste and overtime, the sooner the savings will kick-in.

Although one may argue that training programs should always be delivered as soon as possible, time required to develop electronic performance support systems (EPSS) or eLearning that provide the right information to the right individuals at the right time may be significantly longer and the costs substantially higher than traditional methods. As a result, a process is needed to find out the added benefits of reducing time to competency, the feasibility of using alternate delivery options as well as costs – in order to determine how training investment should be redirected for greatest impact.

How to account for time to competency?



Step 1. Identify potential gains. List the benefits that may result from reducing time to competency in measurable terms. The benefits can be deduced by examining the primary objective of the training program. Few examples are presented below for illustration:

Primary Objective	Measurable Benefit
Improve productivity	Productivity. The sooner desired productivity is attained, the sooner productivity gains can be realized - i.e., process more forms, handle more calls, or resolve more technical problems, for example.
Train new account managers or Introduce new products	Revenue/Profit. The sooner products/ services are introduced to existing/ new clients (i.e., reduce account managers ramp-up time), the sooner additional revenue can be generated from new sales staff or new products/ services, for example.
Reduce errors	Material/Legal Costs. The sooner new processes are implemented, the sooner savings can be realized – i.e., minimize waste, rework or legal costs, for example.
Reduce operating costs	Operating Costs. The sooner new technology is introduced, the sooner savings can be realized – i.e., reduce overhead or overtime, for example.
Reduce number of personnel	Salaries. The sooner employees are ready to perform expanded tasks, the sooner downsizing can take place, for example.

Step 2. Estimate potential benefits. Compute the anticipated minimum and maximum benefits per individual per day as a result of reducing time to competency, and document the assumptions. For example, if the cost of processing one form is \$10, and administrators are expected to process 5 to 7 additional forms per day as a result of training on new procedure, then the benefits per individual per day are expected to vary between \$50 and \$70.

Step 3. Collect data. Vital information related to course content, audience and environment is collected in this step to determine plausible delivery options.

Step 4. Identify plausible delivery options. Collected data is analyzed to find out how well each option meets organizational, learning and learner requirements. Options that do not meet a critical requirement or an acceptable level are eliminated. After all, there is no point in considering options that do not close an identified knowledge or skill gap.

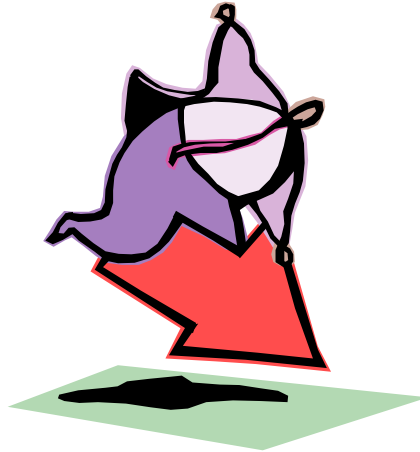
Step 5. Determine time to competency. Time needed to design, develop and deliver the training is estimated for each plausible delivery option.

Step 6. Compute potential benefits. The added benefits of reducing time to competency are captured by translating time saving into monetary value. A 30 days reduction in time to competency for administrators in Step 2, for example, will result into \$1,500 to \$2,100 benefit per individual.

Step 7. Compute and compare costs of plausible option. Out of pocket expenses as well as personnel needed to design, develop, administer, manager, deliver, maintain and support each plausible delivery option are captured and computed. Minimum and maximum potential returns on investment (ROI) can be computed by comparing forecasted costs to potential benefits.

Step 8. Prepare recommendations and present to management. The costs and benefits of plausible combinations of delivery options are compiled and compared to help you select the most effective and economical delivery option.

Strategies to Decrease Training Costs and in-turn Increase Training ROI

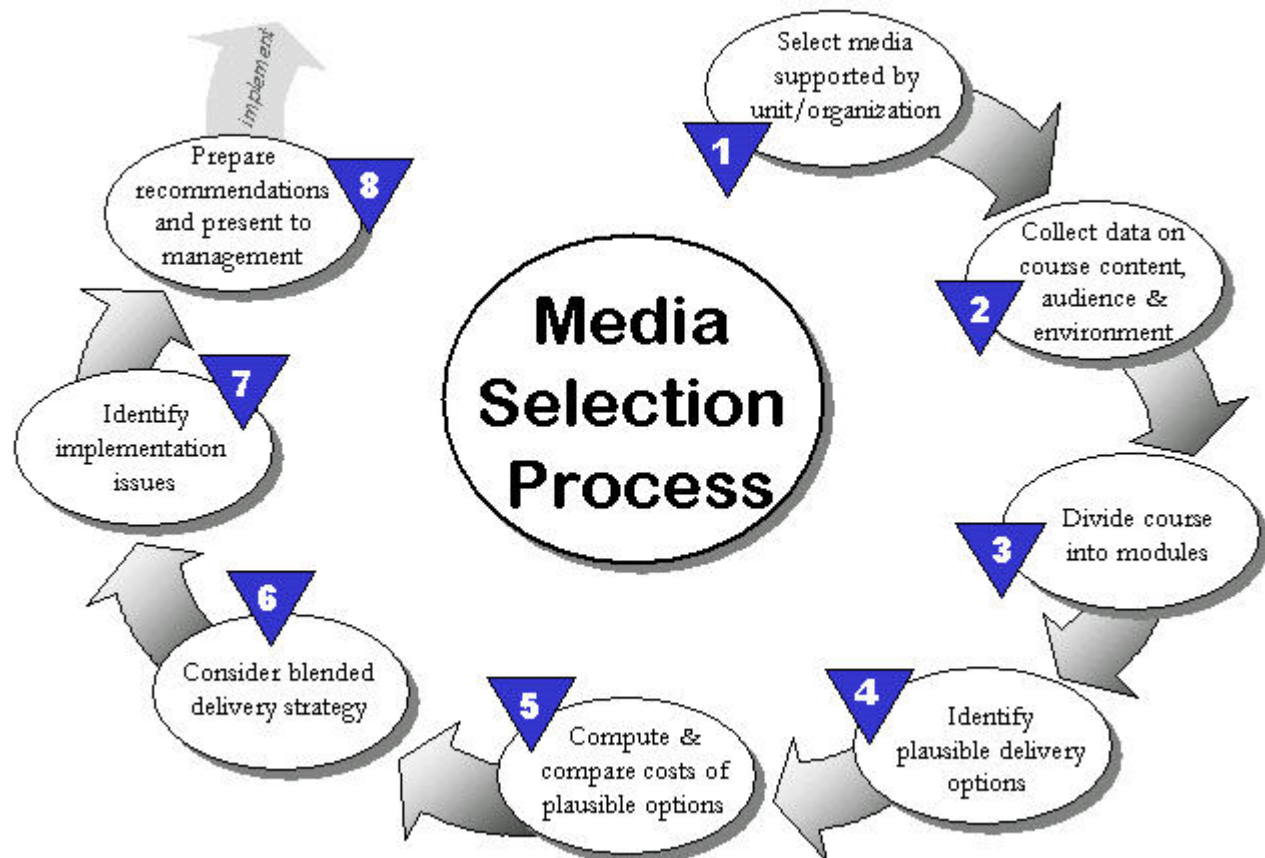


Strategy #4: Select the Right Blend of Delivery Options

How do you select the right blend of delivery methods for your courses/training activities? You must have heard by now that eLearning provides just-in-time access to training material when and where it is needed. Moreover, it reduces travel costs and in some cases time required to complete the training. On the other hand, questions on the effectiveness of this delivery medium are being raised. Is eLearning suited for all training activities and to everyone? Does the organization have the infrastructure to develop, deliver, administer, manage, update and support? Besides, which eLearning method [computer based training (CBT), web based training (WBT), Electronic Performance Support Tools (EPSS), Internet Virtual Classroom, etc.] should be used? Is an off-the-shelf solution available? Would a combination of delivery options be more effective and economical than a single method? Should it be developed with internal resources or externally? How much is it going to cost? And where will the savings be coming from?

The following steps are presented to guide you through the entire media selection and ROI process, offer you valuable insight on what should be taken into consideration and why as well as generate data needed to support your decision.

How do you select the right blend of delivery options?



- Step 1. Select media supported by organization. All conceivable delivery methods supported by the organization should be considered. These may include instructor-led, self-study books, videos, varied levels of off-the-shelf and custom built computer and web based training (CBT/WBT), internet virtual classroom, electronic performance support tools (EPSS), conferencing as well as trainers, simulators and virtual reality.
- Step 2. Collect data. Vital information related to course content, audience and environment is collected in this step to determine plausible delivery options.
- Step 3. Divide course into modules. To evaluate the effectiveness, costs and benefits of various blends of delivery options, course content may be divided into multiple modules, such as prerequisites, concepts and hands on exercises, and sequenced in the order in which it should be presented.
- Step 4. Identify plausible delivery options. Collected data is analyzed to find out how well each option meets organizational, learning and learner requirements. Options that do not meet a critical requirement (such as accessibility by target audience) or an acceptable rating (such as accommodate 90% of desired learning strategies) are eliminated. After all, there is no point in considering options that do not close an identified knowledge or skill gap.
- Step 5. Compute and compare costs of plausible option. Out of pocket expenses as well as personnel needed to design, develop, administer, manager, deliver, maintain and support each plausible delivery option are captured and computed. The results pinpoint sources for potential savings as well as the return on investment (ROI) and break-even point.
- Step 6. Consider blended delivery strategy. Plausible options may be assigned to different modules to determine the overall costs of various blends of delivery options and compare to the approach currently used by the organization.
- Step 7. Identify implementation issues. Assess organizational readiness for implementing new learning technology as well as identify actions and associated costs needed to minimize the risk. These may include, for example, retraining of development, delivery and support personnel, updating policies and procedures, developing a communication, plan, etc. Of course, the more experience an organization has with a delivery media, the lower the risk.
- Step 8. Prepare recommendations and present to management. The costs and benefits of plausible combinations of delivery options are compiled and compared to help you select the most effective and economical blend of delivery options.

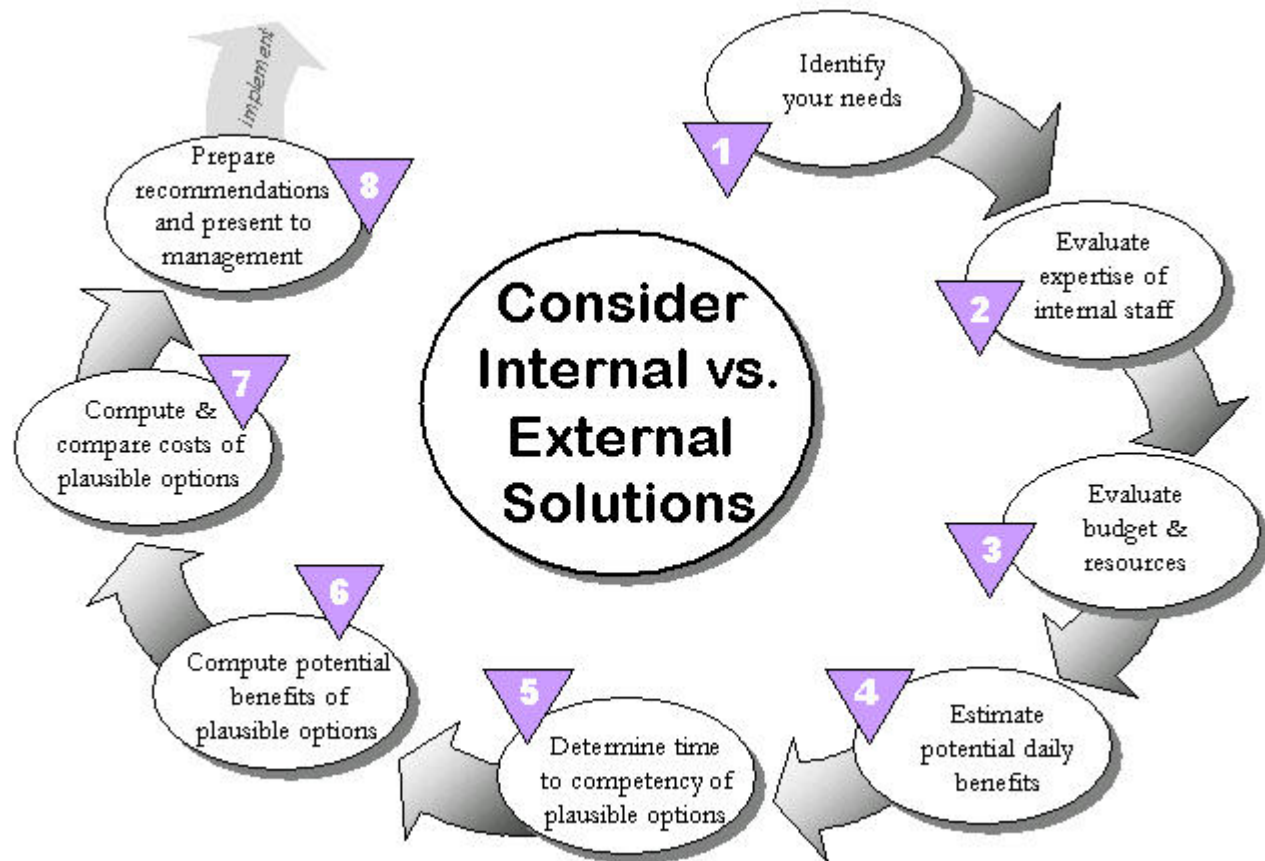
Strategy #5: Consider Internal versus External Solutions

In certain circumstances, external training consultants can be more effective and economical than internal staff. External consultants, for example, can offer expertise in specific fields that are difficult to attain within a training group that caters to a wide range of needs. By capitalizing on external expertise, you can reduce the learning curve of your group and avoid costly errors.

Similarly, there are advantages and disadvantages to relying on off-the-shelf training solutions instead of building your own. Although in general, off-the-shelf solutions can be implemented fairly quickly and are less costly, building your own solutions can be more advantageous when development time is flexible, target audience is large and existing solutions do not meet most of your needs. By developing your training programs, you can ensure that the end product will meet your needs and minimize costly errors.

As a result, a process is needed to find out when external resources and off-the-shelf solutions should be considered, as well as the advantages and limitations of each option – in order to determine how training investment should be redirected for greatest impact.

How do you decide which venue to choose?



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- Step 1. Identify your needs. Since one of the primary objectives of training is to develop skills, competencies and/or attitudes needed to attain business goals, off-the-shelf solutions that do not meet a critical requirement or an acceptable competency level should be eliminated. After all, there is no point in considering options that do not close an identified knowledge or skill gap. If an off-the-shelf solution partially meets your needs, then a blended option that capitalizes on the strengths of existing programs should also be considered.
- Step 2. Evaluate experience and expertise of internal resources. The capabilities of in-house staff should be identified and measured against the projects needs. In other words, does the training team have the skills and expertise to achieve the desired outcome in a cost effective manner? If the answer is no, then the need for developing in-house expertise should be examined. If it is a one-time event, for example, full or partial outsourcing of the project may result in a more effective and economical solution. If it is the beginning of a trend – i.e., similar projects are expected in the future, then developing in-house expertise while avoiding costly errors should also be considered in the decision.
- Step 3. Evaluate budget and resources. In many cases, training services – such as design, development, administration, management, delivery and support of training programs – can be performed by internal staff or subcontracted to external providers. If budget and labor conditions permit, the costs as well as risks (i.e., impact on existing projects and organizational goals, etc.) of using internal or external resources, as well as a combined team that capitalizes on the strengths of both internal and external resources should also be factored in the decision
- Step 4. Estimate potential benefits. In addition to direct and indirect cost reduction, the added benefits that may result from reducing time to competency (page 21) should also be considered. For example, if an operator produces 1,000 products per day, at an average cost of \$20 per product, and operators are expected to produce the same amount at \$15 per day once trained on the new equipment, then the benefits per individual per day are expected to be \$5,000 (1,000 x \$5).
- Step 5. Determine time to competency. Time needed to design, develop and deliver the training is estimated for off-the-shelf as well as custom built training solutions using internal and/or external resources.
- Step 6. Compute potential benefits. The added benefits of reducing time to competency are captured by translating time saving into monetary value. A 10 days reduction in time to competency for operators in Step 4, for example, will result into \$50,000 benefit per individual.
- Step 7. Compute and compare costs of plausible option. Out of pocket expenses as well as personnel needed to design, develop, administer, manager, deliver, maintain and support off-the-shelf as well as custom built solutions are captured and computed. Minimum and maximum potential returns on investment (ROI) can be computed by comparing forecasted costs to potential benefits.
- Step 8. Prepare recommendations and present to management. The costs and benefits of plausible combinations of off-the-shelf and custom built solutions with internal and/or external resources are compiled and compared to help you select the most effective and economical delivery option.

Strategy #6: Duplicate Programs that Run Effectively

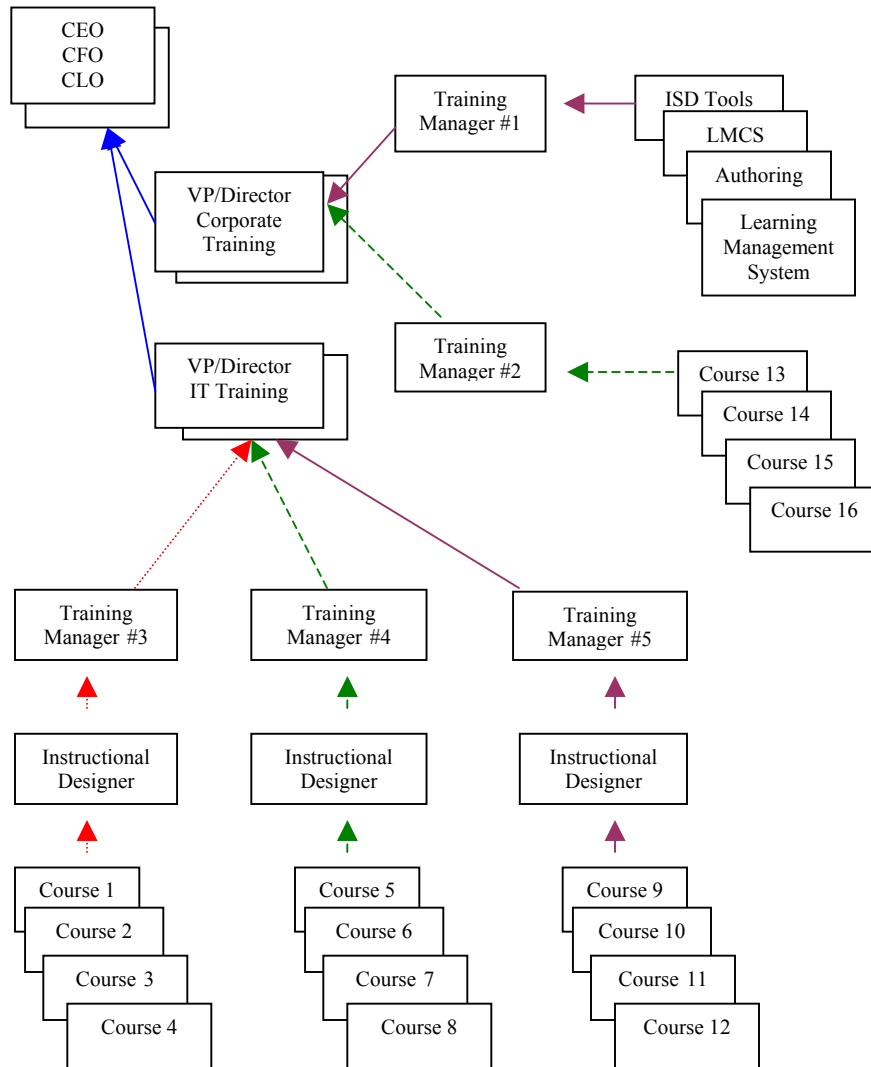
Do you know which of your training divisions, units, schools or managers develop and deliver the most effective and economical training and why? Do you know the cost of developing skills needed to perform various tasks and how it compares to others? Can you easily compare the costs and benefits of various eLearning initiatives and allocate funds accordingly? Can you quickly forecast training budget and resource needs for any training program over the next 3 to 5 years? Do you know how you measure up against your competition? In other words, are you making the most of your training budget and resources?

By managing training budgets and resources from a central location, you can compile, analyze and compare data from multiple divisions, schools and managers to help you identify ways of running training programs more effectively and economically. In other words, by computing and comparing the costs needed to design, develop, administer, manager, instruct, maintain and support a course as well as out of pocket expenses for hardware, software and courseware licensing, consultants, travel, facilities, etc., you are in a much better position to find out what worked and why, detect and correct problem areas, as well as capitalize on economies of scale.

How to manage training budgets and resources?

- Step 1. Roll-up data. Courses and training activities (which can be further divided into modules) are the building blocks. Once the impact of training activity on the performance, goals and missions of business units has been defined, and out of pocket expenses and resources needed to conduct the training has been captured, relevant data can be made accessible to all authorized users.
- Step 2. Authorize users. To indicate who has access to which data, the training organization hierarchy – i.e., who reports to whom is represented (see graphics below).
- Step 3. Compile data. Training executives, vice presidents, directors, managers, etc., can compile data from courses/ training activities that they have access to, to facilitate the management of their own budget and resources. For example, in graphics below, while Training Manager #3 can only compile and view data from courses 1 through 4, and Training Manager #4 can only compile and view data from course 5 through 8, the VP/Director of IT Training can compile and view data from courses 1 through 12.
- Step 4. Classify data. Set-up a classification schema to quickly zero in on data needed to make informed decisions and generate relevant reports. For example, compute and compare the costs of training account executives on various products, certifying employees on various government regulations, developing management and leadership skills in various units, and so on.
- Step 5. Analyze data. With data from all courses residing in a central database, managers at different levels can (a) determine how much money and resources are required to run one or multiple training programs, (b) find out where money is being spent (salaries, travel, etc), (c) identify what worked and why, (d) detect problem areas, (e) assess the impact of alternate delivery options and potential risks, (f) evaluate build versus buy decisions, (g) evaluate the use of internal versus external resources as well as (h) consider multiple what if scenarios.

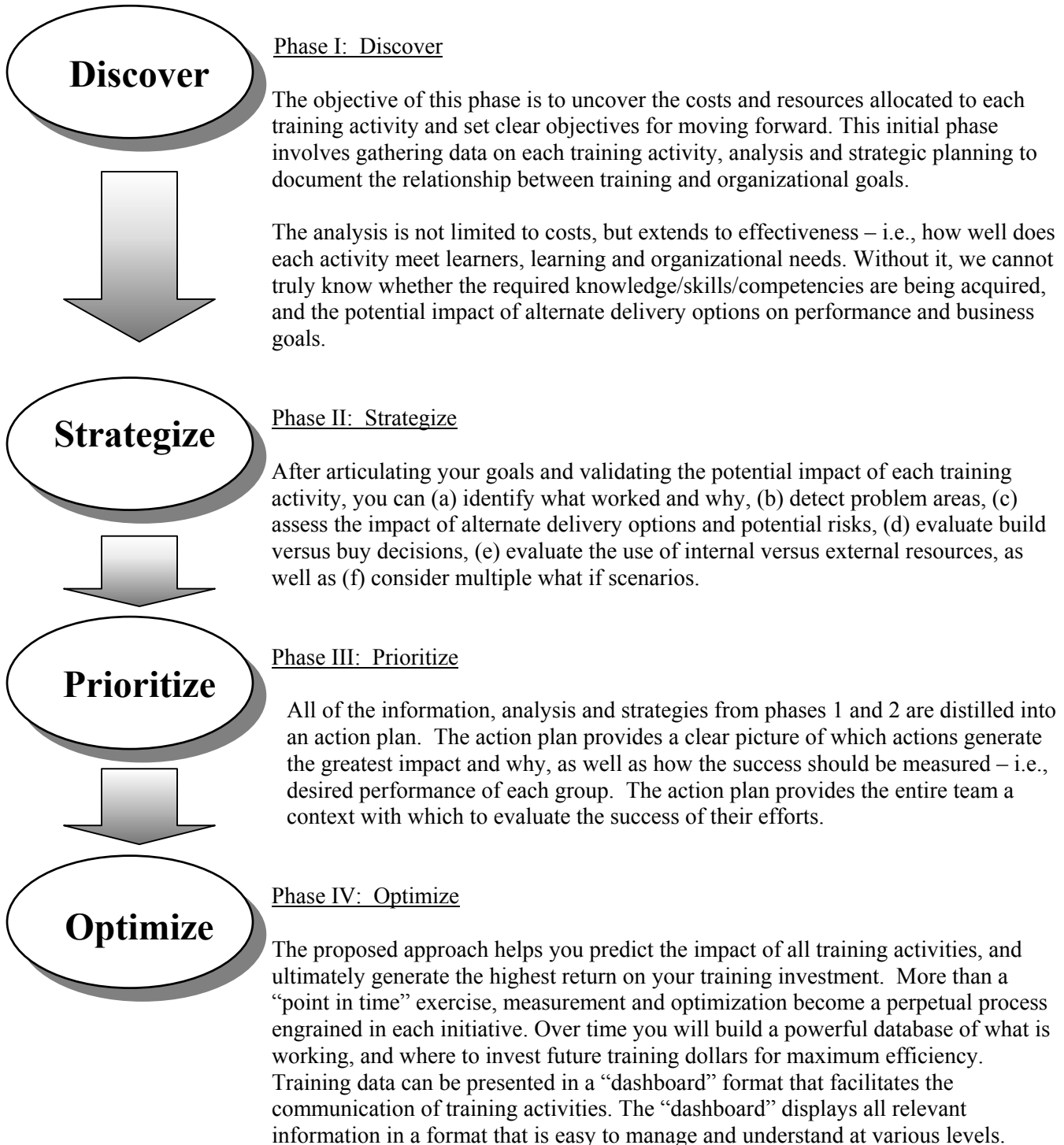
Hierarchy of Training Organization



Step 6. Prioritize recommendations and prepare a plan of action. By comparing the costs, benefits and potential return on investment (ROI) of various training initiatives within your unit, division or across the entire organization, you can determine which initiatives will generate the greatest impact and why. This in-turn would help you allocate money and resources to areas of greatest impact and generate a plan of action.

A One Step Approach

The strategies are combined in a one step approach to help you maximize the impact of training budgets and resources. Why is the proposed approach so effective? Because, (a) your training dollars are maximized, (b) your objectives are achieved faster, and (c) facts support your decision making process, helping you create consensus to stay the course. The proposed methodology unfolds in four phases.



Potential Benefits

In addition to the overwhelming antidotal evidence that supports the need for a new venue for managing training, the six strategies introduced in this booklet address the following critical issues that are draining over 90% of training budgets and resources:

- Ford and Weissbein⁴ estimated that less than 10% of training expenditures actually result in transfer to the job. By focusing on the most important initiatives, you can reduce waste and maximize the impact of training.
- Broad and Newstrom⁵ observed that most of the knowledge and skills gained in training (well over 80% by some estimates) is not fully applied by employees on the job. And more recently, Robinson⁶ reported that on average, less than 30% of what people learn (in training) actually gets used on the job. By focusing on solutions that resolve clearly identified performance deficiencies you can minimize waste and maximize performance.
- Lance Dublin⁷ observed that over 90% of training is conducted through informal means such as web searches, chats, reference materials and mentoring. Providing the right information to the right individuals at the right time “learning at the speed of work” can significantly increase the competitive advantage of the organization – allowing individuals to do things they have not been able to before.
- Hundreds of published case studies by IBM⁸, Cisco, and many others have demonstrated that using the right blend of delivery options can reduce the costs and maximize the impact of your training program.
- In an effort to reduce costs and focus on core business, tens of organizations including Nortel Networks, Goodyear and many others are outsourcing the management, development, delivery, administration and support of their training. By capitalizing on the strengths of internal and external resources the impact of training programs can be maximized while reducing costs.
- Identifying and replicating high performance programs “centers of excellence” have been effectively used by hundreds of organizations to improve performance and reduce costs. By computing and comparing the costs of training activities among divisions, units, managers or any user defined criteria you can reduce costs and maximize the impact of training. As a result, training programs that are running efficiently can be identify and duplicated, and problem areas corrected.

⁴ Ford, J.R. & Weissbein, D.H., “Transfer of Training: An Updated Review and Analysis”, *Performance Improvement Quarterly*, 10 (2), 22-41, 1997.

⁵ Broad, M.L. & Newstrom, J.W., “Transfer of Training: Action-Packed Strategies to Assure High Pay-Off from Training Investments”, Addison-Wesley Publishing Co., Reading, MA, 1992.

⁶ Robinson, D.G. & Robinson, J.C., “Moving From Training to Performance: A Practical Guidebook”, Berrett-Kohler Publishers Inc., San Francisco, CA, 1998.

⁷ Lance Dublin, “The Blended Learning Tune-up: Getting to Peak Performance”, CSTD Online Symposium, April 26, 2004.

⁸ Tom Gram, “Basic Blue for Managers: An innovative eLearning Solution”, OSTD e-learning Symposium, April 23, 2001.

In practical terms, if your organization spends \$1 million annually⁹ on formal training, the total training costs will add up to over \$6 million¹⁰ once support staff, overhead, equipment and lost productivity are accounted for.

A modest 10% annual savings, would translate into \$600,000, in this case. Better yet, what would a 10% increase in productivity, revenue and market share, or a 10% reduction in employees' turnover, operating or legal costs add to your bottom line?

⁹ Training Magazine Industry Report 2002, October 2002.

¹⁰ Laurie J. Bassie, Amanda Ahlstrand, The 2000 ASTD Learning Outcomes Report, Second Annual Report on ASTD's Standards for Valuing Enterprises' Investments

ADVISOR Enterprise: Tools You Can Use

ADVISOR Enterprise is an Internet/Intranet based decision support tool to help organizations effectively manage training budgets and resources from a central location as well as identify ways to run training programs more effectively and economically.

ADVISOR is made up of modules – that correspond to the six strategies outlined in this booklet – and may be used separately or in combination.

With data from all training activities residing in a central database, managers can (a) determine how much money and resources are required to run one or multiple training programs, (b) find out where the money is being spent (salaries, travel, etc.), (c) identify what worked and why, (d) detect problem areas, (e) assess the impact of alternate delivery options and potential risks, (f) evaluate build versus buy decisions, (g) evaluate the use of internal versus external resources, as well as (h) consider multiple what if scenarios.

For an overview of ADVISOR Enterprise main features, please visit the following URL to access 6 short video clips: <http://www.bnhexpertsoft.com/english/products/advent/tour.htm>

For additional information on ADVISOR Enterprise, please contact BNH at:

info@bnhexpertsoft.com

1 (800) 747-4010 USA and Canada

1 (514) 745-4010 International

or visit the ADVISOR web site at:

www.bnhadvisor.com

About the Author

Dr. J. (Jay) Bahlis obtained his Bachelor in Engineering from Dalhousie University and Ph.D. from McGill University. Over the past seventeen years, Dr. Bahlis assisted hundreds of organizations in evaluating their training programs, developing learning strategies and aligning learning with business goals. Moreover, Dr. Bahlis, evaluated several synchronous and asynchronous training technologies, directed research on application of adult learning theories in CBT/WBT, and managed the design and development of needs assessment/ analysis, media selection, performance support, management and return on investment (ROI) tools. Dr. Bahlis is the author of "Technologies in Distance Learning & Workplace Training" Reference Guide and given numerous presentations in the eLearning field.

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