The Training Transformation: How to Plan, Prepare, and Perform Your Training Transformation

WHITEPAPER | EXECUTIVE INSIGHT SERIES

NIIT®

BUSINESS IMPACT. *Accelerated.*

How can learning leaders quantify the value of their training initiatives? How can they demonstrate the business impact to key decision makers? The solution lies in transforming training into a results-driving enterprise—one that creates quantifiable impact on the business as a whole.

Overview

In this paper, we will reveal:

- The mental shift required to become an effective leader–and agent of change
- Understanding key business drivers and needs for creating an effective training transformation
- How to gain key stakeholder backing for the change
- The phases of the training transformation

Look around. Globalization, intensified competitiveness, rapid technology growth, increasingly nebulous marketing boundaries–all of these things have deconstructed old ways of conducting business. As a result, new paradigms have emerged, forming new expectations and new ways to yield greater value, profitability, and ROI out of every product, service, and operation. Yet, throughout this shift, it appears that one thing has largely remained stagnant: training.

It's time to see the light.

> "THE CHANGE WON'T BE EASY. BUT IT IS ACHIEVABLE. BY LEARNING HOW TO PLAN FOR, PREPARE, AND IMPLEMENT THE TRANSFORMATION, CLOS WILL BE EMPOWERED TO EXECUTE IT–IN ANY MARKET CONDITION–AND DELIVER RESULTS. "

This is not a prescription–it is, simply, a necessity. For training to be viewed as an integral business operation–one that contributes to bottom-line growth and justifies investments made to it–learning leaders need to rethink the way they run, manage, assess, and measure the success of their training initiatives and overall profitability and impact of the training enterprise. Creativity and innovative program design are no longer enough; training has to provide quantifiable results. In short, it needs to be run like an integral business operation, such as marketing or sales departments.

The change won't be easy. But it is achievable. By learning how to plan for, prepare, and implement the transformation, CLOs will be empowered to execute it–in any market condition–and deliver results. In this second part of this three-part *Executive Insights* series, we'll find out how.

The Mental Shift

Without a sense of urgency, "any change effort is doomed," says Harvard Business School professor and leadership expert John Kotter.[1] This means that to overcome the odds of making a change (which are stacked at 9:1, cites one source),[2] leaders must be passionate for their cause and spread this enthusiasm—this urgency—on to every individual throughout their organization. As John Maxwell, internationally renowned expert on leadership, says, "A great leader's courage to fulfill his vision comes from passion, not position."[3]

To make the transition from training as a function to training as a results-driving enterprise, learning leaders must impassion employees, executives, and stakeholders. In essence, they must wield this leadership position to instill confidence that the change will be for the betterment of all, and reinforce the maxim that it requires a collaborative effort to achieve. But first, he or she needs to understand how to build a new kind of training operation—one that shares the core objective of any organization: to create positive, measurable change.

This will require a new mindset and new responsibilities. When training is run like a key business operation, the structure of it morphs to encompass a variety of roles beyond that of traditional training departments. In addition to instructional designers and trainers, this organization may include a manager, business manager, communications manager, administration personnel, publications director, and so forth. In the same vein, the end goal changes to clearly demonstrate not just how employees react to the programs but also how the knowledge they gain impacts performance, sales, and results.

And this is exactly what executives are looking for. One Business Training Library whitepaper puts it this way: "If you plan to be successful in making a business case for training, you will have to think like the person who will decide whether or not to fund the training."[4]

BE THE CHANGE: THINKING LIKE A LEADER

Borrow some of the advice given by business communication coach and BusinessWeek columnist Carmine Gallo in his article "Rally Your Troops Like Churchill"[5]:

1 Be clear.
"You ask, what is our aim? I can answer in one word: victory." Winston Churchill declared this vision on May 13, 1940, to inspire confidence in the American people. This statement still resonates with leaders today and still remains a fundamental truth, or core objective, of any business. While there will be many strategies and processes designed to achieve the end goal, distill your message down to its simplest form to communicate—and gain backing for—your leadership vision.

2 Listen.
As marketing guru Seth Godin tells us, "The less people know, the more they yell."6 Business leaders and financial officers will likely have concerns when you bring up the prospect of change. It can be tempting to show how your plan will overcome challenges, but first, listen to these concerns—and then you can address them appropriately.

3 Know the risks—and persevere to overcome them.
Risk is part of life, including business—and particularly more so during periods of change. As a leader, however, it is imperative to foresee risks and understand how to mitigate them. Perhaps, for example, you are launching into a new training initiative, when the possibility of a company acquisition arises. Understand that this might change the way your training transformation evolves, but continue to forge ahead to make the changes that matter today. You can revise your mission when the time is right.

4 Convey the long-term focus with an inspiring message.
Recession. Unemployment. Budget cuts. These negative messages have been running rampant over the last few years, generating an anxiety among business leaders. But why not take a page from Winston Churchill when he said, "These are not dark days; these are great days"? Because one thing is for certain: the needs for new skills, new technical prowess, and new marketing and sales strategies will continue to grow in today's knowledge-based economy. By preparing for the future today, you can chart the course for long-term, positive growth.

STRATEGIC ASSESSMENT

As any business leader will tell you, creating a new product, service, or organization begins with assessing the marketplace. What does your competition look like? How will you be different? What do you hope to achieve in one, three, or five years?

Similarly, building a new training organization hinges on an initial assessment of where you stand today and where you plan to go in the future. What skills are lacking? What can be developed? What strategies will accomplish the end goals of this endeavor?

Figure 1 is a visual representation of what a strategic training assessment might look like.

The Current State of Training	The Required Future State of Training
• How much is being spent?	• How much should be spent?
• What it is being spent on?	• What should it be spent on?
• What processes and technology are used to support and deliver services?	• What processes and technologies should be in place to support and deliver the services?
• What is the quality of the training products and services?	• How should the training be built and delivered?
• What are the capabilities of current training professionals and how are they being deployed?	• What types of training professionals are required and how should they be deployed?
• How well are customer expectations being met and the results being realized?	• What are customers' expectations?
	• What key business drivers must training support?

Figure 1: Strategic Training Assessment Example
Source: Edward Trolley's *Lies About Learning.*

Making Your Case

According to the Canadian Council on Learning, "Investing in the human capacity of Canada's workforce is paramount to success. . . . [but] we need to focus on the implications of training for workers' wages, firm productivity, and profitability in order to assess whether or not the training investment is an advantageous one."[7] If learning leaders can clearly demonstrate the bottom-line advantages of a new kind of training, they can gain critical backing from key stakeholders and executives.

The strategic assessment is part of this galvanization. It will, of course, be difficult to research and acquire all of the right figures—and to show how investments will yield benefits. You will need to coordinate with multiple departments to uncover budget allocations and expenditures before you can begin to estimate future cost estimates.

The following is a sampling of some of these projected costs and forecasted benefits.

Projected Costs	Benefits
Promotion	Labor Savings
Administration	Productivity Gains
Faculty	Turnover Reduction
Materials	Recruitment Reduction
Facilities	Increased Sales Referrals by nonsales staff
Student costs	Higher success rates in sales pitches
Evaluation costs	New product ideas and successful product launches

In addition to this internal assessment, you may want to bring in external research to further substantiate your call for change. Provide meaningful statistics from reputable agencies, such as the American Society of Training and Development (ASTD). For example: "Firms that invest $1,500 per employee in training compared with those that spend $125 experience an average of 24 percent higher gross profit margins and 218 percent higher revenue per employee."[8] Finding a learning partner can help you find answers such as these and find the right opportunities that will enable you to clearly demonstrate the value of executing a training transformation.

In the end, successfully making your case for change centers on ensuring your training initiatives report like a bottom-line function. You'll need to show what your current spending is, where you can trim it, where you should invest in it, and how you anticipate these investments to pay off in terms of potential firm savings and increased revenues. It's hard work but absolutely essential to make this transformation work. As noted in *Running Training Like a Business,* "Don't expect executives to give training the benefit of the doubt."[9]

Again, partnering with a learning organization can provide critical resources, such as strategic training assessment diagnostics, prognoses, and templates, as well as the guidance to accurately gauge your needs. NIIT offers such benefits and the global know-how to help you define your goals and help you achieve them in any geography or economy.

Align Training with the Business to Get Buy-In

Bersin & Associates Learning Leaders 2010 states, "Aligning leadership programs with business strategy is absolutely critical for creating a high impact on the business. The stronger the alignment, the better business benefits that will be realized as a result of your leadership programs."[10]

Figure 2: Sample Training Initiative ROI Breakdown

Sample Training ROI Analysis

In his article "Assessing the ROI of training," British training expert Clive Shepherd breaks down the return on investment as a result of a training initiative. The following is an illustration of this sample breakdown:

Duration of training	33 hrs.
Estimated student numbers	750
Period over which benefits are calculated	12 months
Costs	
Design and development	£40,930
Promotion	£4,744
Administration	£12,713
Faculty	£86,250
Materials	£15,000
Facilities	£40,500
Students	£553,156
Evaluation	£872
Total Cost	**£754,165**
Benefits	
Labor Savings	£241,071
Productivity Savings	£675,000
Other cost savings	£161,250
Other income generation	£0
Total benefits	**£1,077,321**
Return on investment	**143%**
Payback Period	**8 months**

To that end, you'll need to determine how your new training initiative supports and carries out the fundamental objectives of your organization. And to demonstrate this, you'll have to have a firm understanding of the business—to think, again, as an executive. In essence, you're treating your training initiatives as any other operation that yields results—just like the sales, marketing, and customer service departments. This is all part of moving training from a peripheral part of the business to an integral one.

WORKING WITH YOUR FINANCE DEPARTMENT AND CFO

Just as learning leaders must demonstrate the quantifiable impact training has—and can continue to have—on an organization to gain executive backing, the finance department is more likely to get on board with continual investments in training if the numbers add up. As Bersin & Associates puts it, "In this year of very tight budgets . . . organizations are still willing to devote tremendous resources of time and effort to building world-class programs—if the problem is defined well."[10]

Again, strategic training assessment analysis is the key to demonstrating these numbers. Perhaps you show how these investments will reduce the time it takes to get new employees in the sales departments to hit their target quotas in less time and, in turn, maximize ROI. Think like a leader and focus not on the costs of training per employee but on how this investment translates into reduced company expenditures and increased performance—in other words, the business impact.

THE ROLE OF HR

"One of the biggest lost opportunities in learning and development is when the training department is totally divorced from the rest of HR," notes Judith Germain in "Who Needs Training Managers?"[11] That's because the HR department may suggest skills enhancement for employees without coordinating with the training team or the training team may initiate programs that don't align with HR and the organization as a whole.

> "EVERYONE IN BUSINESS KNOWS THAT IF YOU DON'T HAVE MARKETING, YOU DON'T GET HEARD. "

Partnering with HR can yield a stronger training curriculum that establishes how employees are currently working and how to leverage applications, technology, and processes to increase their productivity. In essence, you will create a shared services center (SSC), which helps to standardize and consolidate processes to cut costs and increase efficiency.

Leading businesses are already spearheading this new partnership. According to one source, "The main drivers of HR shared services are Cost, Quality, and Organizational Change. HR shared service centers have been implemented by a number of high-profile organizations, such as, Shell, Lloyds TSB and Royal Bank of Scotland."[12]

BE HEARD

Everyone in business knows that if you don't have marketing, you don't get heard. The same is true for training programs—particularly when you're communicating an entirely new way of doing things. Research indicates that "eighty percent of people need to hear a message three times before they buy into it. . . . Thus, key messages should be restated at least three times."[13] This repetition is critical in getting the attention of your audience—and, more importantly, getting them to take action.

"That's what marketers want, and that's what you want," says Johnson Gordon, author of the article "How to Market Training to Your Workforce." "You want the learner to take action—to register for a class, take the class, and benefit from the wonderful services you have to offer."[14]

As Tech Republic contributor Lisa Stephens explains, "When we began to apply marketing principles to our internal training program, we increased enrollment [and] generated positive attitudes toward training, technology, and systems. We also were able to enhance learning and encourage real changes in behavior as a result of training. Our successful marketing was based on key principles, summed up in two phrases: 'Attitude Is Contagious' and 'Perception Is Reality.'"[15]

Getting the buy-in from your marketing department will help you coordinate and execute this initiative. More than that, you need to use marketing internally for your training organization. Just like any business, you will have a marketing aim and thus require the budget to achieve it. Show marketing leaders your assessment and share your end goals—and your road map of achieving them—and you can partner with them to create effective content such as e-mails, webinars, "lunch and learn" seminars, and printed collateral that gets your team excited, interested, and actively involved in your new training business.

Getting Outside Help

According to *Entrepreneur* magazine, organizations investigate outsourced training to, in part, "free up resources for other purposes, gain world-class training competencies, manage difficult functions, improve company focus, reduce operating expenses, reduce risk, benefit from resources not available internally."[16] Of course, the needs of every organization are unique.

> "ULTIMATELY, DECIDING WHAT'S BEST TO OUTSOURCE DEPENDS ON YOUR COMFORT LEVEL AND WHETHER OUTSOURCING WILL ALLOW YOU TO FOCUS ON BOOSTING YOUR BOTTOM LINE."

Ultimately, deciding what's best to outsource depends on your comfort level and whether outsourcing will allow you to focus on boosting your bottom line. So how do you decide what and when to outsource? Consider the following:

1. Does your staff currently have the knowledge and expertise to develop capabilities?
2. What is your internal capacity?
3. Does content change rapidly?
4. Have you researched external trainers? Can they adapt to your culture?
5. Do you need help capturing the ROI?

OUTSOURCING WISELY

BEFORE YOU RESEARCH AND SELECT YOUR OUTSOURCING PARTNER, DETERMINE YOUR IN-HOUSE CAPABILITIES. FROM THERE, YOU CAN MAKE SENSE OF WHAT TO RUN INTERNALLY AND HOW OUTSOURCING WILL BEST SUPPORT YOUR OVERALL TRAINING BUSINESS.

When tapping on outside support, you first need to have a clear understanding of what you're capable of and what benefits you will reap from outsourcing certain functions. "When considering outsourcing the focus should be on keeping core activities in-house and outsourcing non-core activities only," suggest Linda Stroh and Deborah Treehuboff from *Entrepreneur* magazine. "This will help ensure that focus is retained on the company's most vital functions. . . . there is little reason to outsource if contracting out the function incurs more time and money than keeping the activity in-house."[16]

In addition, you'll want to ensure your outsourcing partner is in the business of training as a core function, acts as a business partner, and understands the business culture of your organization.[17]

The Phases of a Training Transformation

Breaking down your new training business into the following steps will help you maximize the effectiveness and results of this transformation—you can choose to tap on external support during any of these phases:

1 Assess

As detailed early on in this paper, a strategic training assessment will provide you with the foundation for analyzing your current position and progress and creating a roadmap for future success. NIIT offers this service for training organizations, which can help address the following:

- Business needs
- Current organization issues
- Company goals
- Process or people concerns (e.g., skills gaps)
- Best practices—current and future
- Survey of change options
- Costs of making a change
- How the change will be executed
- Benchmarking
- What it will deliver

As ASTD suggests, "Assess these organizational readiness issues—organizational and cultural context, the mental mindset of leaders and staff, and core strategic planning and thinking competencies—of the business before you design and deliver your training program."[18] Then, and only then, will you be equipped with the information you need to plan and develop your training business.

2 Present

In this phase, you will document and define the scope of your training business and present the blueprint to executives. This is part of making your case for the training transformation—and it's when gaining executive support is most important. Remember, showing how this change impacts the organization is how you can gain attention—and support—from key stakeholders.

Also bear in mind how you approach and continue to work with these stakeholders. As Forrester Research blogger Nigel Fenwick suggests, "Develop training programs in partnership with center-of-excellence inside business units, and seek business sponsorship of training offerings. By demonstrating increased employee productivity and satisfaction, business units will be willing to pay for effective training and development of their staff."[19]

This might be a good time to tap on an external partner for support in creating a best-in-class architectural plan—and deliver the presentation.

3 Plan

Just like any business plan, creating a new training initiative involves scoping operations, structuring operations, developing employee transition plans, and organizing communications. The following is a basic sample breakdown of this planning process:

Figure 3: Creating a New Training Initiative through Effective Planning

4 Execute

After you have assessed, gained backing, and planned for your training initiative, it's time to put it into action. This is when you build the training infrastructure, select, align and train staff, and implement your communications plan, documents, and procedure development. There is a lot involved in the execution process, and it might be best to work with a partner to help you best implement this change.

5 Run, Measure, and Improve

Now it's time to lead and manage your new organization. To achieve maximum efficiency and effectiveness—and continually improve your organization—ensure that you execute ongoing analyses. In addition to monetary measurements, remember that your training programs will deliver intangible benefits, such as leadership development, increased organizational commitment among employees, improved customer satisfaction, and reduced complaints, conflicts, and grievances.

Choosing Your Future State

In *Running Training Like a Business: Delivering Unmistakable Value,* Edward Trolley and David van Adelsberg write, "It is essential that training leaders understand clearly the future state requirements of their products and services and have a strategy and action plan to close the gap between the two."[9] In other words, consider what your new training operation will look like and how it will be operated and detail the roles of everyone involved, including the manager, business manager, communications manager, administration personnel, publications director, and so on.

Making the Transformation Happen

Throughout these steps, you'll need to be the enterprise leader, understanding that change takes time—perhaps up to a year.[9] You'll need to continue driving home the message that the transformation will require hard work, but in the end, everyone will reap the benefits of a more productive, profitable business.

Best practices, such as collaborating, sharing information, and identifying communication breakdowns, can help you get there. Clearly documenting issues as you progress will legitimize your program to business executives. "As a result," says Robert Cross in his *McKinsey Quarterly* article, "the company [will know] exactly where it [makes] economic sense to invest in tools, training, and team-building efforts."[20]

"YOU'LL NEED TO CONTINUE DRIVING HOME THE MESSAGE THAT THE TRANSFORMATION WILL REQUIRE HARD WORK, BUT IN THE END, EVERYONE WILL REAP THE BENEFITS OF A MORE PRODUCTIVE, PROFITABLE BUSINESS."

According to the Canadian Council on Learning, "Commitment to the skill and training of its employees are far and away the most powerful predictors of improvement in company's productivity and profitability."[7] Lead the change in your training to make sure this commitment is supported by key stakeholders, followed through by key personnel, and delivers the results that positively—and measurably—impact your entire organization.

Conclusion

You can begin this transformation today by using the tools and resources provided in this paper. Stay tuned for the third part of this *"Executive Insights"* series, where you will learn how businesses have successfully transformed their training organizations to run as a value-producing machine. In the meantime, you can get involved in this ongoing discussion now by joining our LinkedIn discussion group, subscribing to our blog, and ordering your free copy of Edward Trolley and David van Adelsberg's book *Running Training Like a Business: Delivering Unmistakable Value.* You can also reserve your copy of the upcoming NIIT report "Running Training Like a Business: The 2010 Research Update and Framework Revealed."

About NIIT's Enterprise Learning Solutions Business

NIIT's Enterprise Learning Solutions Business delivers innovative strategies that help clients accelerate business impact. NIIT Managed Training Services are a suite of best-in-class training processes that enable customers to reduce costs, sharpen their business focus, and drive quantifiable results. Our Managed Training Services deliver more relevant training to organizations, bring proven best practices into business processes, and redirect surplus training capital into core business functions.

Known worldwide as a leader in learning outstourcing, with presence in more than 44 countries, NIIT's Enterprise Learning Solutions Business offers products and services including curriculum design and custom content development, learning administration and operations, learning delivery and management, learning technology development and administration, learning management systems, virtual labs, student retention services, and strategic assessments. Together with its organization, Cognitive Arts, NIIT's global talent development programs help clients achieve real-world skills to better compete in today's market.

Established in 1981, NIIT is known globally as the number-one choice for strategic learning solutions. NIIT has earned more than 50 awards, including 13 Brandon Hall awards.

For more information about NIIT's Enterprise Learning Solutions Business, please visit niit.com or facebook.com/niitels. You may also contact Kimberley Kelly, Director of Marketing, at Kimberley.Kelly@niit.com

SOURCES

1. **Kotter, John P.** *A Sense of Urgency.* s.l. : Harvard Business Press, 2008.
2. **Deutschman, Alan.** Change or Die. *fastcompany.com.* [Online] December 19, 2007. http://www.fastcompany.com/magazine/94/open_change-or-die.html.
3. **Maxwell, John.** 21 Indispensable Qualities of a Leader. *coachbergstrom.com.* [Online] http://www.coachbergstrom.com/21%20Qualities%20of%20a%20Leader.pdf.
4. **Halagera, Ray and Pitchee, Dean.** Using ROI to Make the Business Case for Training. *bizlibrary.com.* [Online] Business Training Library, September 2005. http://www.bizlibrary.com/ContactUs/DownloadROIWhitePaper/tabid/328/Default.aspx.
5. **Gallo, Carmine.** Rally Your Troops Like Churchill. *businessweek.com.* [Online] March 19, 2008. http://www.businessweek.com/smallbiz/content/mar2008/sb20080319_865714_page_2.htm.
6. **Godin, Seth.** Willfully ignorant vs. aggressively skeptical. *sethgodin.typepad.com.* [Online] August 15, 2009. http://sethgodin.typepad.com/seths_blog/2009/08/willfully-ignorant-vs-aggressively-skeptical.html.
7. *Profiting from Learning: Do Firms' Investments in Education and Training Pay Off?* **Bassi, Laurie J et. al.** s.l. : American Society for Training and Development, 2000.
8. **van Adelsberg, David and Trolley, Edward A.** *Running Training Like a Business.* s.l. : Berret-Koehler Publishers, Inc., 1999.
9. **Bersin & Associates.** *Learning Leaders(R)* 2010 - Lessons from the best. April 2010.
10. *Business Intelligence Industry Report.* **Human Capital Media.**
11. **Echols, Michael E.** Creating a Successful Learning Culture. *clomedia.com.* [Online] December 2009. tbd.
12. **Germain, Judith.** Who needs training managers? Isn't training HR's job? *trainingzone.co.uk.* [Online] June 28, 2010. http://www.trainingzone.co.uk/topic/strategy/who-needs-training-managers-isn-t-training-hrs-job/142244.
13. **Scorecard Metrics for HR.** HR shared service centers. *Scorecard Metrics for HR.* [Online] April 22, 2009. http://www.hr-scorecard-metrics.com/hr-shared-service-centers.htm.
14. **BNet.** Improving Communication with Your Team. *bnet.com.* [Online] http://www.bnet.com/cp/improving-communication-with-your-team/68775.
15. **Johnson, Gordon L**. How to Market Training to Your Worforce. *cedma-europe.org.* [Online] http://www.cedma-europe.org/newsletter%20articles/TrainingOutsourcing/How%20to%20Market%20Training%20to%20Your%20Workforce%20(Apr%2006).pdf.
16. **Stephens, Lisa.** Think like a marketer to sell your training program. *techrepublic.com.* [Online] TechRepublic, August 15, 2000. http://articles.techrepublic.com.com/5100-10878_11-1033255.html.
17. **Stroh, Linda K. and Treehuboff, Deborah.** Outsourcing HR functions: when--and when not--to go outside. *entrepeneur.com.* [Online] Summer 2003. tbd.
18. **Anderson, Cushing.** Business Intelligence: Outcoursing Increase in 2010? *clomedia.com.* [Online] September 2009. www.clomedia.com/includes/printcontent.php?aid=2722.
19. **Russell, Jeffrey and Russel, Linda.** *Strategic Planning Training (ASTD Trainer's Workshop).* s.l. : ASTD Press, 2005.
20. **Fenwick, Nigel.** Ten Steps To Increased Productivity Through Effective Training. *blogs.forrester.com.* [Online] March 31, 2010. http://blogs.forrester.com/nigel_fenwick/10-03-31-ten_steps_increased_productivity_through_effective_training?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+forrester%2Fcio+(The+Forrester+Blog+For+CIOs).
21. **Connecting the Dots...Linking Training Investment to Business Outcomes and the Economy.** *ccl-cca.com.* [Online] Canadian Council on Learning., April 2007. www.ccl-cca.ca/NR/rdonlyres/F6226BEA.../0/connecting_dots_EN.pdf.
22. **Cross, Robert L.** Mapping the value of employee collaboration. *mckinseyquarterly.com.* [Online] McKinsey & Company, August 2006. https://www.mckinseyquarterly.com/Mapping_the_value_of_employee_collaboration_1827.