Running Training Like a Business

Delivering Unmistakable Value

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THE FORUM CORPORATION

An Excerpt From

Running Training Like a Business: Delivering Unmistakable Value

by David van Adelsberbg & Edward A. Trolley
Published by Berrett-Koehler Publishers

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Preface

Let's talk about your investments—specifically, your investments in training.

Businesses invest vast sums of money and significant portions of their productive capacity in training and development (T&D). It's common for top corporations to provide from 30 to well over 100 hours of training to each employee every year. Smaller businesses frequently invest even more heavily in training as a percentage of payroll. Reliable sources estimate that, overall, annual U.S. corporate investments in T&D exceed $56 *billion*.[1]

Impressive as that figure is, we believe it is really just the tip of the iceberg. (We'll tell you about the hidden costs of training in Chapter 3.) When executives first glimpse the *true* cost of training, beyond the mere fraction represented in most T&D budgets, they're often staggered by the facts.

Training professionals invest something every bit as precious—their *careers*. We see training people pour themselves into their work day after day. Training is their craft. And for the best of them, it's more than a career; it's a passion. Nothing else can explain why so many trainers give so much to their jobs.

So, whether you're a customer of training or a provider of training, you have a lot at stake. All that time, money, and energy could easily be dedicated to other practical purposes.

Are you satisfied with the return on your investment in training? If you answered No, you're not alone.

Business leaders who buy training recognize that, in a knowledge economy, learning is central to business success. Corporations worldwide have ramped up their investments in T&D. And technological advances continue to fuel executives' excitement about what training might do for them.

But there's a problem. Many business leaders say that T&D remains "out of the loop" strategically, that it too often operates like "something separate from the business," and that they don't see enough tangible returns on their T&D investments. When training is perceived this way, neither the customers who pay the bills nor the professionals who dedicate themselves to the work can feel fully satisfied.

Our solution? Transform training from running as a *function* to running like a *business*. That is the key, we've found, to delivering the kind of value that results-minded executives recognize, appreciate, respect, and increasingly demand.

What does Running Training Like a Business mean? The core of the concept is to make everything training does simultaneously more effective and efficient. Being *effective* means delivering training services that tangibly help businesses to achieve their goals. Being *efficient* means making the true costs of training clearly evident and highly acceptable to its customers.

To become more effective and efficient, training adopts the values of its customers and eliminates the ambiguities that have traditionally clouded its mission. Training's mission becomes unashamedly *economic*. Education is still what training does. But business education is a means to business results, not an end in itself.

Training organizations that run like a business aren't allocated a corporate budget. They in effect sell their services every day, as does any business enterprise. The survival of this training enterprise therefore rests on its ability to address strongly felt customer needs.

For most training organizations, Running Training Like a Business will begin with a transformation. This book explains what is entailed in turning a traditional training function into a training enterprise that pursues missions clearly vital to its customers' business strategies, and offers the range of resources required to fulfill those missions efficiently, consistently, and profitably.

The benefits of Running Training Like a Business are immense. Best of all, this tide raises all ships.

Business leaders get to work with training organizations that are thoroughly attuned to business issues and utterly dedicated to developing the skills, aptitudes, and attitudes executives deem vital for improved business results. Running Training Like a Business also reduces or even eliminates fixed costs for T&D and yields much more efficient forms of training activity. That frees substantial corporate resources for business leaders to invest in enhancing the core competencies of their companies.

Training professionals gain a clearer understanding of how their business customers think, what drives their behavior, and what they truly value. In fact, Running Training Like a Business propels internal as well as external T&D providers into the mainstream of their customers' business strategies, makes their services a more integral and valued resource for fulfilling those strategies, and increases T&D's stature in the business world.

The people who participate in training benefit as well. A training enterprise delivers services that line managers elect to buy. Participants in training will know, then, that their boss *wants* them to be there. Further, they'll be learning skills that business leaders clearly value. That's bound to help them get ahead in a marketplace where employees with practical, vital skills are in demand.

The concept of Running Training Like a Business evolved from our work with a wide range of organizations over the past six years. Some (but not all) of those organizations are cited in this book. Our experiences with Moore Corporation, Mellon Bank, Texas Instruments Materials & Controls, NCR, NatWest UK, and Oracle offer excellent insights into why some organizations choose to pursue this transformation. They also serve as practical examples of what one must do in the first several phases of the transformation.

We've often worked with customers through a construct we call an Insourcing Alliance, by which a business brings an outside training resource *inside* its company, merging the best of its existing T&D staff with those of the external training organization to form a training enterprise. This new organization—the Insourcing Alliance—replaces the former T&D function. Because most of our experience is based on this construct, we'll refer often in these pages to these alliances, which are now operating or taking shape in a handful of pioneering businesses.

We will also stress, however, that the Insourcing Alliance is but one of several options for pursuing the transformation to Running Training Like a Business. We'll describe, for example, an approach Kaiser Permanente of California calls an Alliance Network, as well as successful transformations implemented almost entirely from within at Motorola and General Electric.

In sum, we don't have all the answers. Nor can we offer absolute best practices for Running Training Like a Business. Those practices are still being shaped. What we can do is describe an emerging concept, one which we're still learning about ourselves, but which has already demonstrated remarkable power to make training significantly more valuable to everyone in business. We can also share experiences and insights from organizations that have embraced these principles and are turning them into reality. Finally, we can help your organization start down this path, too, if that is what you choose to do.

Toward those ends, we've divided this book into three sections. Chapters 1 through 3 make the business case for transforming traditional training organizations into training enterprises. We wrote these chapters for every executive who buys training services, and for all the professionals who provide them.

Chapters 4 through 8 are more prescriptive. They explore, in some detail, the major phases of transforming a traditional training function into training that runs like a business. They also delineate the key steps to successfully completing each phase.

Chapters 9 and 10 describe the fully formed training enterprise. They offer a glimpse into how Running Training Like a Business yields satisfying returns to all the investors in training—training providers, training participants and, most important, training's customers.

PART I

The Business Case for Transformation

In Chapter 1 we'll ponder the opportunities as well as the risks that now confront training, in light of T&D's often paradoxical relationship with results-driven executives.

In Chapter 2 we'll consider how T&D may unintentionally distance itself from the business mainstream, thereby limiting its capacity to produce more tangible returns on customers' investments in training.

In Chapter 3 we'll explain how Running Training Like a Business enables T&D to deliver more of the unmistakable value its business customers demand.

1

Sold on Learning

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"It was the best of times, it was the worst of times." Say, that's not a bad way to start a book! Too bad Dickens beat us to it. The celebrated opening line from *A Tale of Two Cities* aptly describes the bittersweet world of training today.

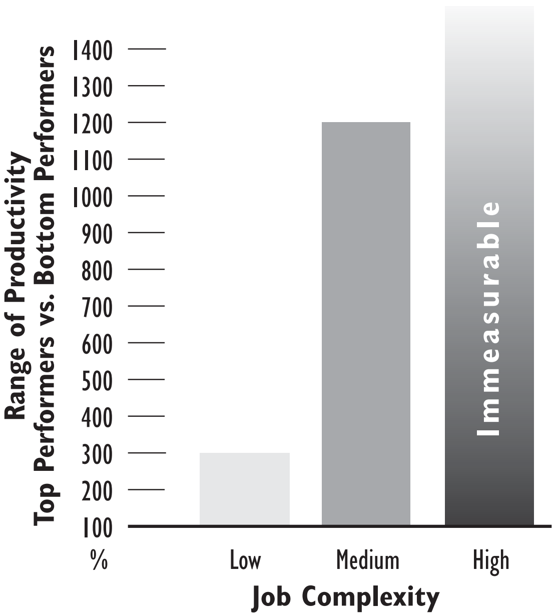
This certainly *could* be the best of times for T&D. Executives see a widening gap between the skills and knowledge that businesses require versus those that the workforce can offer. "The need for skilled employees has never been keener," declared a recent article in *Fortune.* "One-in-ten information technology jobs sits unfilled, and companies are almost as hungry for workers adept at so-called soft skills."[1]

As a result, there is now virtual consensus among executives that learning must be a major factor in their ongoing strategies for business success. Even Wall Street, never a noted fan of T&D, has caught scent of this trend. "A tsunami of cash is poised over the [training] industry," trumpets an article in *Training & Development* magazine. "Within two years, it will have reshaped everything."[2] *Training Magazine* reports, "The prevailing thesis on Wall Street is that knowledge workers will require more education and more training than ever before. As a result, corporate training budgets will increase substantially, which will mean more money flowing into the coffers of companies that sell training."[3]

Investors who sense a link between growing demand for knowledge workers and increased demand for corporate education are definitely on to something. Research reported in the *Journal of Applied Psychology* showed that the productivity differential between top performers and low performers in a given job grows exponentially as job complexity increases (Figure 1-1).

The best worker flipping burgers in a McDonald's, for example, might be as little as three times more productive than the worst, whereas the best performers doing skilled work on an auto assembly line (a job of medium complexity) might be 12 times more produc-

Figure 1-1: Productivity Range by Job Complexity



tive than certain others doing the same job. At the high end of the complexity scale, where knowledge workers such as investment bankers and engineers operate, the productivity differences between top performers and bottom performers reportedly grow so vast, they are virtually immeasurable.[4]

This means that in a knowledge-based economy, improving worker performance could yield unprecedented improvement in the overall productivity, competitiveness, and long-term performance of a business. That's why so many of today's business leaders are sold on learning.

Jack Welch is a prime example. "In the end," says the Chief Executive Officer of General Electric, "the desire and ability of an organization to continuously learn from any source anywhere and rapidly convert this learning into action, is its ultimate competitive advantage."[5] More than a few executives now share this point of view—a circumstance that should make this "the best of times" for T&D.

Ends and Means

With such powerful trends combining to thrust learning into the spotlight, what could instead make these "the worst of times" for training?

Executives are keenly aware that training is but a means to learning. And while most business leaders are now sold on the idea that *learning* is crucial, some harbor serious doubts about whether the *training* in which they invest consistently yields learning that truly helps the business.

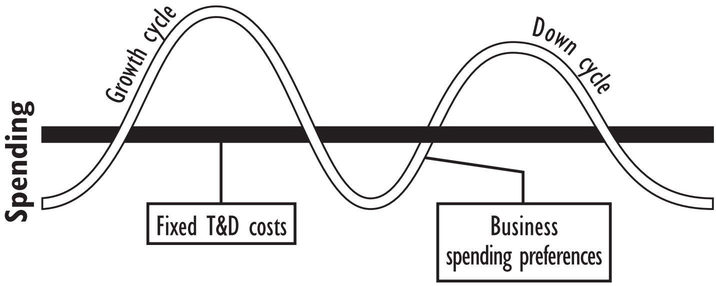
An attitude survey conducted in 1997 by U.K.-based Oxford Training, for example, asked line managers and their T&D counterparts in 65 major companies to react to 76 statements covering Training and Development services. A key finding of the study was summarized this way: "Line managers are significantly more reticent about the actual strategic impact of training than are training managers and professionals."[6]

We've encountered plenty of anecdotal evidence to corroborate that finding. "Our CEO says, 'When it's all said and done, the one competitive advantage is the employee.' And I can tell you, when he says that learning is vital, he means it," says Denny McGurer, Vice President for T&D at Moore Corporation. "But for a lot of years, T&D had just about no credibility here. Management resented paying for it. They didn't question the relevance of learning. They questioned the relevance of *T&D*."

That distinction seems to be lost on some in T&D. Why else would the profession spend so much time touting the business value of learning, when it is the business value of *training* that executives have been known to question? Indeed, executives' growing appetite for learning—combined with their doubts about the business value of training—is leading more than a few business leaders to look hard at their T&D investments.

"Fixed" training costs—those that are embedded in the business—are likely to come under especially intense executive scrutiny because, these days, fixed costs might as well walk around wearing a "kick me" sign. Salaries and permanent training facilities are two examples of "fixed" T&D costs. They can't be quickly dialed up and

Figure 1-2: Fixed Costs vs. Spending Preferences



down by executives to fuel growth in times of opportunity or to protect profits when sales dip, as can the cost of vendors and other "variable" costs.

Executives are under relentless pressure to show strong earnings. So even when a business falters just slightly, fixed costs can look like a knife poised inches from the CEO's heart. Many executives will then look to slash budgets for any and all items not directly linked to short-term revenue and profit generation. When they come to the line item for T&D, they may simply chop 20 percent or more off the top. That is often not a great decision, mind you, but what choice do they really have? No one has offered them data or analysis to demonstrate the business value training delivers. And there's that earnings number to hit at the end of the quarter. . . .

Recessions have always been among "the worst of times" for training. But as the emerging knowledge economy raises expectations of T&D, executives' patience with training of uncertain business value may be just as strained during periods of business growth. T&D should not expect to receive the benefit of the doubt. Rather, it should assume that executives will demand more unmistakable value in return for their training investments.

Comparisons to Information Technology

The recent past of Information Technology (IT) may offer some sound lessons for making the future "the best of times" for T&D. Consider these similarities between where IT was a decade or two ago and where T&D is today:

- Both are traditionally “backwater” functions thrust suddenly by the changing demands of business toward the top of executives’ strategic agendas.

- Neither function is very well understood by executives.

- Both are “big budget” items, made up largely of fixed costs.

- The economic impact of both is difficult to measure.

- Both functions are staffed (and often led) by people perceived to have plenty of “technical know-how” but a questionable grasp of business in general.

- Both operate as distinct subcultures within the larger business culture.

- Both are known to frustrate executives, who see practical business application lagging behind breakthroughs in available technology.

That last comparison may be the most significant. In the 1970s and 1980s, executives were excited about the *potential* of emerging computer and telecommunications technologies to serve their businesses. They were sold on the idea that IT, effectively applied, could drive business success. We can say with confidence, though, that many executives were impatient for IT to deliver clear efficiencies, new opportunities, and decisive competitive advantages to the business.

Successful IT organizations saw this. They didn’t waste much time trying to sell business executives on the potential of technology. Rather, they focused on making information technology more relevant, accessible, and practical for business application. Today, businesses use computers for everything from prospecting for customers to designing new products to keeping their books. Information Technology has automated repetitive tasks, dramatically speeded business operations, linked businesses electronically to their customers, opened vast new electronic marketing and distribution channels (like the Internet), and created lucrative new categories of products.

Such tangible contributions earned IT a place at the table where important business decisions are made. Most sizable companies now have a Chief Information Officer among their top executives. In sum, IT professionals made this "the best of times" for their field. And they did it by turning their technology's potential into unmistakable value.

Top business leaders appear to be every bit as sold on learning today as they were sold on information technology two decades ago. And more than a few seem determined to make learning an equally explicit component of their business strategy. General Electric, Coca-Cola, Prudential, and other major corporations have appointed Chief Learning Officers. General Motors tapped the respected former president of its Saturn division, Richard "Skip" LeFauve, to lead its new General Motors University. And at PepsiCo, Vice Chairman Roger Enrico co-designed and now personally leads a leadership development program for up-and-coming PepsiCo executives.

Yet, as noted in *Fortune* not long ago, the Chief Learning Officer remains "a rare bird." Probably less than a fifth of the Fortune 500 companies have created such a role.[7] This leads us to believe that while the door to a more formal strategic role is now open to T&D, training must make more meaningful and tangible contributions to capitalize on the opportunity.

Conclusion

The combination of executives' growing appetite for effective learning, their skepticism about the business value of the training their people actually receive, and their relentless drive to reduce fixed costs has thrust T&D into the corporate spotlight. This constitutes an enormous opportunity as well as a significant challenge to everyone in Training and Development.

Touting the virtues of learning, per se, will only get T&D so far, because business leaders have heard and, for the most part, have bought into that message. They recognize that T&D has the potential to make a significant difference for the business. Now they're waiting for T&D to step up and make such a difference. They're waiting, in other words, for T&D to deliver more unmistakable value.

Keys to Making These "the Best of Times" for T&D

- ➤ Seize the opportunities and accept the challenges posed by the emerging knowledge economy.
- ➤ Challenge T&D to make more relevant, tangible, and accessible contributions to business performance.
- ➤ Remember that training is but a means to business ends.
- ➤ Proactively factor learning and training strategies into overall business strategies.
- ➤ Don't expect executives to give T&D the benefit of the doubt.

2
Missed Connections

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When Ed Trolley, a career line manager, was tapped to lead T&D for a Fortune 500 company, he asked each of his new T&D colleagues, "What value would you say our function adds to the business?" Several stared back at him as if to say, "Come again?" A little embarrassed for them, Trolley rephrased his question: "How does T&D help this business make, sell, and distribute products that satisfy customers and earn profits?"

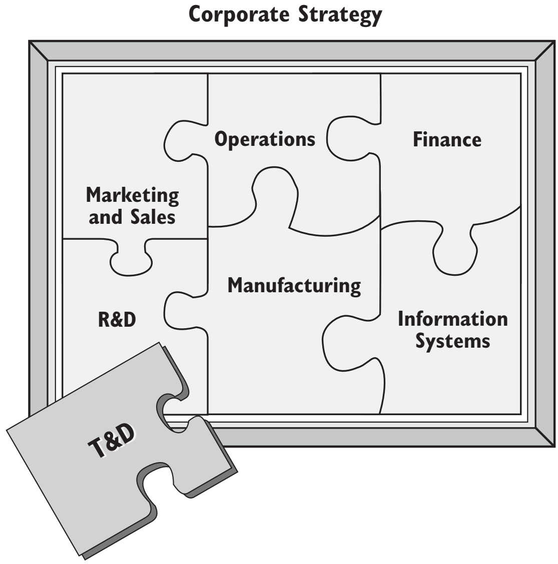
They'd then nod, seem to catch his drift if not his precise meaning, and start to tell him about their work, often with great passion. "Haven't you read the reports?" they'd ask. "We offer thousands of programs around the world. And the evaluations show that participants love the content and the instructors." T&D was stimulating minds, building skills, and making people happy.

That seemed adequate to the folks in T&D, perhaps, but not to some of the company's executives. One told us, "Training here was very program-oriented. Some trend popped up out in the literature, and all of a sudden we were doing a training program in it, even if no one asked for or particularly wanted such training. It was almost as if training was something separate from the business."

Something separate from the business. That phrase speaks volumes. The truth is, T&D has often struggled to find its place in the corporate strategy.

In the chapters that follow, we'll outline how training can move closer to its customers. But for now, let's focus on understanding why savvy, hard-working training professionals so frequently strain to connect with the business executives they serve. Let's consider, as well, how T&D's separation from mainstream business culture often makes it difficult for training professionals to provide unmistakable business value.

Figure 2-1: Where Does T&D Fit In?



Training and Development hasn't always fit cleanly into corporate strategy.

Roots in Education

The heart of the training mission is to *teach,* and the T&D psyche seems more deeply rooted in education than in business. We believe training's roots in education explain, in large part, why T&D professionals and business executives are often out of sync.

Back when we were in school, students were seldom challenged to find practical applications outside of the classroom for the multiplication tables, spelling words, or poems we studied. In fact, we were immersed in an educational system that held purely practical—that is, "vocational"—education in relatively low regard.

Similarly, T&D professionals sometimes equate learning with mastering content, whereas most business leaders equate learning with improved job performance.

In pursuing its education-based mission, T&D has traditionally approached its work with priorities fundamentally different from those that guide its customers—the business executives who pay for training. The following table sums up the differences.

Training's Traditional Focus Is on . . .	Business Executives' Focus Is on . . .
• Training content	• Business results
• Cost	• Return on investment (ROI)
• Skills	• Performance
• Programs	• Initiatives
• Volume	• Value
• Participants	• Markets

Perhaps most significant is T&D's traditional focus on training content. Training people habitually think and speak in conceptual terms like *leadership skills, team building,* and *negotiation skills.* Business people, on the other hand, think and talk about results—*increased market share, improved earnings, profitable growth.* This difference in focus probably irritates executives more than most training people recognize.

"That was a main complaint about training here," says Ken Broker, a Vice President of Texas Instruments responsible for Human Resources in the Materials & Controls division. "Some of our managers even called T&D 'a commodity house.' It was not a compliment."

"That's the case in a lot of places," comments Denny McGurer of Moore. "Ask line managers in most companies about what they get from their T&D—whether it's from internal or external T&D sources—and they'll tell you that most training is 'activity-driven.' It's not tied to any clear business purpose."

Further, T&D has traditionally operated under different premises than does the typical free-market business. We've summarized the different viewpoints in the table below.

Some executives must consider T&D's operating premises less than rigorous. We've encountered more than a few who believe they are held to much tougher standards and are asked to take much greater professional risks than are their counterparts in T&D. Who can doubt that such perceptions further separate T&D from the businesses it exists to serve?

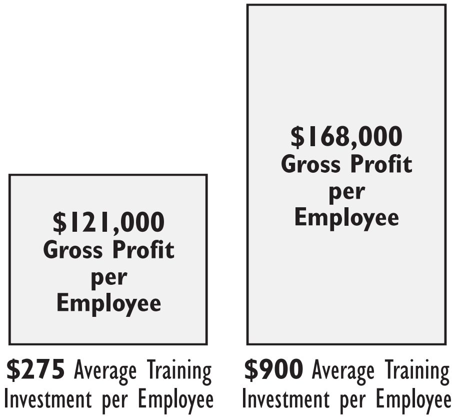
Training's Traditional Operating Premises	Free-Market Business's Operating Premises
• Demand for training is assumed	• Live with risk
• Must operate within budgets	• Must maximize profits
• Sustained by corporate edict	• Sustained by customers
• Fixed cost: Business units pay corporate allocation for training, even if they don't use it	• Variable cost: Customers pay only for services they use
• Job is to convey content, teach skills, build competencies	• Job is to meet customer needs
• Measure success by activity levels (e.g., number of people trained) and budget compliance	• Measure success by customers' success and profitable growth

Demands for More Measurable Results

Measurement is the issue that most clearly illustrates T&D's separation from the business mainstream. The gauntlet thrown down by executives—in essence, "Prove your worth"—has launched training on a veritable measurement crusade. This is evidenced by the torrent of measurement articles in the popular training periodicals and by the overflow crowds that any presentation on measuring training's impact draws at conferences. The training community has taken up the measurement cause with a fervor worthy of Arthur and his knights.

There is, in fact, substantial evidence correlating investment in training with superior business performance. In 1998, for example, the American Society for Training & Development (ASTD) published a report based primarily on a major survey of training practices and expenditures. The sample included 540 U.S. firms, all with 50 or more employees, representing such diverse industries as heavy manufacturing, insurance, transportation, high tech, customer service, and health care. ASTD also drew on the 1995 Bureau of Labor Statistics survey and a handful of other surveys to compile its findings. While ASTD's researchers cautioned that "the evidence at this point is only indicative," not conclusive, they found that "A solid relationship does exist between a company's performance and its work-

Figure 2-2: Bigger Investments, Much Bigger Profits



ASTD research showed that companies investing more in training per employee generated an average of $47,000 more profit per employee.

place learning and development practices. Companies that use innovative training practices are likely to report improved performance over time and better performance than their competitors."[1]

Other research published by ASTD correlates investments in training with superior sales and profitability. ASTD sampled 40 publicly traded firms, which they split into two groups according to how much they invested in training. The group of heavier spenders invested an average of $900 per employee in 1996, compared with an average training investment of just $275 per employee for the group of lighter spenders. During the first half of 1997, the companies that invested more in training averaged an annualized net sales per employee of $386,000, compared to just $245,000 in sales per employee for the light spenders. The heavy spenders also earned more than $168,000 annualized gross profits per employee, as compared with gross profits of just $121,000 per employee for those that had invested less in training.[2] Figure 2-2 illustrates the difference graphically.

Another study—"Predicting the Performance of Initial Public Offerings: Should Human Resource Management Be in the Equation?"—found that similar correlations also hold true in newly public firms. The researchers divided a sample of companies that had recently made initial public offerings of stock (IPOs) into two groups: those that made extensive use of HR and training, and those that did not. Nearly 80 percent of the former group survived the challenging years following an IPO, compared with just 60 percent of the latter.[3]

There are reams of such data. Yet measurement remains something of a bugaboo for T&D. Even ASTD, in reporting the research findings cited above, acknowledged: "Despite the growing importance of human capital to companies' survival and success, the measurement of corporate human capital investment—such as workplace training—has been inconsistent at best. The absence of such information makes it difficult for corporate decision makers to make well-informed choices about how much money to spend on training or what types of training to offer."[4]

The training profession has certainly *tried* to provide measures that would satisfy business leaders. As far back as 1959, Donald Kirkpatrick proposed a system for assessing a specific training activity's value to a specific business. This famed "Kirkpatrick model" suggests that training can and should be measured at four levels:

- *Level 1: Reaction*—Did the participants like the program?
- *Level 2: Learning*—What knowledge, skills, and so on did the participants gain?
- *Level 3: Behavior*—Do the participants behave differently as a result of the program?
- *Level 4: Results*—Did the program effect results like costs, quality of work, productivity, and so on?[5]

The Kirkpatrick model is elegantly logical and undoubtedly useful. In fact, it remains the mostly widely accepted framework for measuring training's impact. Our question is, Given all the energy subsequently focused on training measurement, why is a model proposed in 1959 still the standard today?

It is not because Kirkpatrick provided the perfect measurement solution. Anthony P. Carnevale and Eric R. Shultz, writing in a 1990 issue of *Training & Development,* noted, "It's difficult to isolate the beneficial organizational results (that is, Level 4). Most employee training is still evaluated only at the reaction level."[6]

More recently, a Conference Board research report concluded: "Kirkpatrick's approach to evaluation is rarely fully implemented. Only 51 percent of the companies in this study use the Kirkpatrick evaluation model, and they rarely get measures that link training effectiveness to business results."[7]

That's true even of many of the most sophisticated and highly capable training organizations. Oracle's Customer Education division, the world's second-largest provider of IT training, certainly fits that category.

"We've always measured Level 1 in the classroom. We hand out 'smile sheets' at the end of each session, to see what people liked or didn't like about the training experience," says Jackie Stephens, Vice President in charge of Europe, the Middle East, and Africa (EMEA) for Oracle Customer Education, which provides training services to customers using Oracle solutions. Stephens's region alone sold and delivered about $150 million in training services last year.

"For a while now," she says, "we've also done Level 2 measurement, which is built into our courseware. And last summer, we ran our first-ever Level 3 evaluation." Oracle Customer Education conducted a worldwide telephone survey, Stephens explains, contacting customers roughly six months after their Oracle training event to gauge how thoroughly they were applying what Oracle Customer Education had taught them.

"Measurement is definitely a concern of our customers," Stephens says. "It becomes even more of a concern as the transaction size increases. In those instances, we tend to interact with clients at a high level. And people at high levels generally want a clear return on their investments."

When we pressed Stephens on the feasibility of measuring Oracle Customer Education's value out to Level 4, the actual return on investment (ROI), she was candid. "We're experimenting with Level 4 measurement," she said, "but I can't say we've yet isolated the ROI on our training. Oracle Customer Education frequently works as part of a comprehensive IT solution, through which our clients buy a combination of Oracle software, consulting, and IT training. And quite often, we can measure the impact of this *total* Oracle solution. After we work with a client to install a new financial applications suite, for example, we may see their cycle time for closing accounts at year end reduced from three weeks to just five days. But could we strip out the client's ROI on the training component alone?" Stephens gives the question thought. "Perhaps," she ventures, "but only if the client worked very hard at it with us. I don't see how we could do it on our own, do you?"

No, we don't. And when push comes to shove, few business leaders seem willing to work terribly hard to measure training's impact.

Measurement vs. Confidence

This leads us to suspect that measurement has been something of a red herring for T&D. When executives ask T&D for "proof" that training provides good business value, we believe they may really be looking for *confidence*. After all, if executives were confident that T&D was meeting the important and strategically significant needs of the business, would they pound the table and demand precisely measured value? Probably not. Measurement is hard work. It can also be expensive. Executives who are already confident in the returns on their training investments wouldn't want to expend resources "proving" that training is valuable any more than they'd want to waste resources "proving" that safety programs are worth maintaining, or precisely measuring the ROI on their investments in modern telephone equipment.

In fact, we suspect it's not the lack of a workable measurement approach, per se, that blocks many training functions from measuring their ROI. Rather, it is that the traditional training organization was conceived to develop and deliver training content rather than to provide unmistakable business value. Since training often sets its priorities using fundamentally different criteria than those line managers operate by, many of the activities T&D struggles to measure are largely irrelevant to the very people who demand measurement. How can you measure the "business impact" of an irrelevant activity? You can't.

Small wonder, then, that so many competent, well-intentioned training professionals are falling farther and farther behind in their race to keep pace with customers' rising expectations for documented value. They have been thrust into the equivalent of the Kentucky Derby, but their mount is more a camel than a thoroughbred. No matter how hard they kick the beast, it will only move so fast.

We believe that what business leaders want most—even those who scream for measurement—is for their colleagues in training to think and act more like business people. Measurement is part of the solution, but it is far from the whole solution.

To think and act more like business people, training professionals must accept that being good at one's craft is important only to the extent that it delivers value to the business, just as advertising copywriters must accept that they won't be valued for writing fine poetry, and engineers have to understand that they won't be valued for inventing clever but useless gizmos.

Being good business people means understanding the customer's needs. It means consistently translating those needs into learning solutions. And it means ensuring flawless delivery of those solutions, day in and day out. Most of all, it means fitting cleanly into the business strategy and being able to credibly show one's customers—through measurement and through everyday business experience—that they are receiving unmistakable value.

To do all those things well, most T&D organizations—be they internal or external, working in large companies or small—will have to go through a fairly radical transformation. They will have to look forward rather than back. It is time to add a new chapter to the training tradition. It is time for Running Training Like a Business.

Conclusion

Is T&D connected? In many ways it is not. It is distanced from the businesses it serves by its roots in education, by its focus on training content, and by its distinct set of operating premises. And though T&D has worked hard to move closer to the business mainstream, a gap clearly remains—a gap that T&D must close to deliver unmistakable value to business.

Keys to Connecting T&D to the Business

- ➤ Consider whether T&D fits cleanly into your corporate strategy.
- ➤ Recognize how training's traditional values differ from those held by most business executives.
- ➤ Retain the best of training's traditional approach while moving decisively closer to T&D customers' business values.
- ➤ Make measurement part of a broader strategy to build executives' confidence in T&D.
- ➤ Encourage training people to think and act more like business people.

this material has been excerpted from

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