Training Organizations Go Green: The Role of Efficiency in Reducing Waste
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Who would have thought “greening” the training organization would become the new top issue among senior training leaders? Well, it is. However, this isn’t the classic greening you imagine when you picture organizations reducing their footprint by reducing waste. Instead, this greening refers to how a training organization reduces waste to leave the greatest “footprint” on their employees. So how do companies reduce costs and increase efficiency to produce a lean, green training machine?

Expertus, a provider of strategic training outsourcing, recently sat down with a handful of learning leaders in New York City and Washington, D.C. to explore this topic and other challenges in the training industry.

The theme of cost efficiency is very timely as talk of an economic slowdown increases. Wasting money is never acceptable—but what if we just admitted it? We waste. What if we reduced the waste and turned it into money for better or more training content? That’s the kind of shopping spree that learning leaders dream about.
Many of the findings indicated that “training cost efficiency” is difficult to define—and it’s not a top priority. But when you say, “Your organization wastes money and you know it. Let’s define your cost inefficiencies, find money and spend it on great new things,” faces light up. Here are the seven top takeaways from the sessions:

- If additional funds were found by being more efficient, every roundtable attendee would want to reinvest in additional content and more strategic deployment
- Waste is prevalent in training organizations
- Defining metrics is arguably the biggest challenge in training
- Some organizations are changing content design and deployment in an effort to be efficient
- Learning leaders have completely varying definitions of what “cost efficiency” means within the training organization
- There is an ongoing debate about whether or not the location of the learning and development department in their company is important to its effectiveness
- There are two new hot words in defining training effectiveness—relevance and reinforcement

A spectrum of participants contributed their perspectives, representing a cross-section of industries, company sizes and training responsibilities. Roundtable attendees included:

- **Chief Learning Officer** for a large life insurance company
- **Director of Learning** for a 700-person subsidiary of international financial services company
- **Learning & Development Operations Manager**, responsible for logistical execution of the curriculum at the parent company of a sports club and three other regional brands
- **HR Director** in the USA division of a global advertising network
- **Manager of Online Training** in the education division of a science and technology school
EXECUTIVE ROUNDTABLE INSIGHTS: TRAINING COST EFFICIENCY

Ideas & Insights from expertus®

• Vice President of Learning and Learning Marketing Manager for the largest philanthropic organization in the United States

• AVP/Executive Development, Manager of Learning and Development and Manager of eLearning for the world’s largest credit union

• Director of Training and OD at a global firm that provides services in program management, planning, engineering, architecture, surveying, geographic information services, and the environmental sciences

• Executive Assistant to Corporate VP of Leadership and OD at a global organization specializing in aeronautics, electronic systems, information systems & global services and space systems

• Contractor to the learning and development department of a leading global consulting firm

• Director of Training and Development for an architectural firm

KEY FINDINGS

DETAIL

FINDING #1: Waste is prevalent in training organizations

When asked about minimizing waste, most attendees could identify where they waste money and how they should minimize this waste. One participant said, “Opportunities to minimize waste? We need to evaluate our product and service line. I think we’re in that “request and delivery” mode where we just put the course in the curriculum and don’t look at how it is reaching the population. We have a lot of fluff courses, but are not adding significant value to get employees to manage their career or move through the organization to be more efficient and productive. Most of our programs are one-size-fits-all. We do not tie our offerings into ways that allow employees to grow.”

Another chimed in: “Vendor management: lots of waste there. We are not good at negotiating. When I look at fees versus the value for what we’re paying, we’re not getting anything new.”

Others nodded their heads when discussing that quantity does not equal quality: “When I look at corporate acquisition of online vendor materials, you see huge duplication of materials from different vendors. Many CLOs are so proud of the number of courses they have, but they don’t identify how many of those courses are essentially the same. Many courses overlap or are not significant.”

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Another form of waste is offering high-dollar training when less expensive tools exist (which often works even better for some kinds of learners). One participant said, "I'm a training minimalist. There are multiple ways people can learn. One is through the learning and development organization, but it's not the only way. If a person can go to a webinar and pull the nugget of information they need, that's great. Part of it is giving up control of what we think learning means and not insisting there is a set curriculum one needs to go through."

On the back end, lack of follow-up is often where training is wasted. A participant addressed this issue by observing, "The challenge that makes ROI and follow-up nearly impossible is that the level of accountability is non-existent. Even if you have stronger leaders or individuals that want to demonstrate what they've learned, the culture of the organization does not permit them or support them. What level of accountability do we put on senior-level people to demonstrate what they've learned? There are certain changes that we want to see. However the history is that we still recognize and promote on technical capabilities, and not on leadership competencies."

FINDING #2: Defining metrics is arguably the biggest challenge in training
Recent research conducted by Expertus found that learning leaders often struggle to communicate with executives because they use different terms and metrics. However, a common denominator is always money—cost efficiency speaks to everyone. But most organizations surveyed and present at the roundtables said this common thread doesn't solve the metrics dilemma.

One participant shared, "We measure efficiency in number of people reached, not in effectiveness. We're not geared up to measure effectiveness in a systematic way. Why was that behavior changed? There are many reasons. Training is not a return on investment, but a return on intent. If you have the intent, you're doing your job. Then you can measure it."

Another participant represents training organizations everywhere, employing learning-focused metrics. "We use the Kirkpatrick Method—how did we change the company through training and put numbers to that."

As a whole, learning leaders admit that their metrics are hard to gather and even harder to validate. "We track hours and participants. People aren't really asking for that. However, if you don't have a systematic way of gathering that information, it's hard to gather. We do pre- and post-training assessments, evaluations, talking to managers to get feedback. Assessments make people think about the impact of training. We interview people and try to get them to complete evaluations."

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But are those metrics helping to define and eliminate waste and effectively measuring efficiency? The answer is often a resounding "no."

**FINDING #3: If additional funds were found by being more efficient, every roundtable attendee would want to reinvest in better content and more strategic deployment**

Across the board, all participants would love more money—who wouldn’t? But no matter the organization, they all would reinvest in more and better content and new ways to deliver it to their organization. A sampling of where funds would go:

"I would add more just-in-time training; more highly flexible, modular content."

"I would set up electronic support systems for individuals who need just-in-time training. If you make training readily available when they need it, it's more efficient."

"I would work with the line to determine their needs and prioritize it and make it more collaborative. Give them an opportunity to speak about the type of learning they want...and then develop training."

"I would enhance our programs. Try to offer programs more globally. Enhancing what we already offer, not add new programs."

"I would enrich our current programs for new hires, emerging talent, high performers, senior and executive leadership; create more consistency in our programs from start to finish; create strong partnerships with external institutions and executive development groups so we can keep the talent that’s coming through. I’d add reinforcement of our current pipeline and create stronger relationships with partner universities and institutions."

**FINDING #4: Some organizations are changing content design and deployment in an effort to be efficient**

"Greening" is definitely happening in some training organizations. Efficiency can be found in many ways, including making sure that content is right—the right choices, the right amount, and the right places.

One woman shared, "We’re trying to reach more people than we have before. We’ve reinvented our catalog; we slimmed it down and rewrote descriptions in an effort to increase the number of touch points via our marketing materials to make more people aware. Now we have to improve our metrics and find out if we’re reaching the right people."
Content design also plays an important role. “Another thing about efficiency with respect to learning is the way the content is designed. Efficiency in how the student will be trained for different levels of knowledge. If training is self-directed, then the student needs to be able to access any level of knowledge needed. Design of the course is part of the efficiency process.”

FINDING #5: Learning leaders have completely varying definitions of what “cost efficiency” means within the training organization
One participant defines it this way: “Initially, it means running a training organization like a business—making sure the products I provide are exactly what my client needs and wants. I deliver them in the most cost efficient and creative way.”

Another observed, “It’s more about maximizing the training that you’re offering. Making sure we get the most out of what we’re doing—the biggest bang for the buck. We don’t want to reduce our training. It’s making sure we’re offering the right courses and the right people are there.”

Yet another said, “Centralization. We’ve centralized many of our functions, tracking, production, etc. This has impacted the consistency of our training delivery.

FINDING #6: There is an ongoing debate about whether or not the location of the learning & development department is important to its effectiveness
All learning leaders, no matter where they are housed, have a common goal—they want to make an impact on the people of their organization. But there is an ongoing question in the industry: Where should training and development be located to maximize efficiency.

Some people believe it doesn’t matter. “Despite where L&D is housed, if the person or learning organization is running their business like a business and what they are delivering is meeting what the line wants, then it can work either way. The onus is on the people within the learning organization. They need to understand ‘what are we doing?’ ‘What is the business doing?’ ‘How do we make money, how can we mirror that in the products and services we provide?’ It’s important that people who work in learning know that it is a business.”

Human Resources? One opinion: “HR is not tied to profitability or business demands. It’s usually tied to employee requirements rather than the structure of bottom line. From my perspective, (if training is in HR) it’s in the wrong place, but that’s changing.”
Stand alone? One professional grapples with this question daily, “These are the questions we’re asking. Should the CLO position or any lead role be removed from HR and stand on its own because they are so different from the business units? Where should training really be? We are with HR fighting for a seat at the table. From an equitable standpoint, we have a long way to go. Before we can answer these questions, we need to evaluate our processes and then decide.”

FINDING #7: There are two new hot words in defining training effectiveness—relevance and reinforcement
In one simple statement, quite a bit of waste could be eliminated by making the content relevant and reinforce what was covered. For example, this belief was reflected in the following statement: “Years ago everyone thought e-learning was the answer. But today, it seems that training ‘relevance’ is what is important; the right training (modality) at the right time. An LMS seems to be more relevant.”

Another participant piped in with the importance of relevance. “I’d put ‘relevance’ into the training efficiency bundle. Training Efficiency is not about quantity; it’s about getting training to the right person at the right time and getting them to embrace it.” But if it’s not reinforced, all is lost. “If you don’t have a process in place to reinforce training, your efficiency or effectiveness drops exponentially.”

The greening of these organizations will take on different forms. Some need to define where waste exists. Some need to act on minimizing the waste they admit to having. Others will be driven by executive pressure to spend less green. Overall, “cost efficiency” in training may not be the buzzword—yet. But its principles resonate far and wide in the training world. Lean, green training machines are in the not-too-distant future.

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www.expertus.com

Email: efficiency@expertus.com
Phone: 1-803-802-9971