

THE BEGINNING

An effective way to show the value of a training initiative is through return on expectations (ROE).
When done properly, it cannot fail.



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Creating ROE:

THE END IS

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* Nearly every goal-setting philosophy begins with a clear vision of the desired end result. While this principle is quite simple and easy to understand, examples of people ignoring it abound. In the world of training and development, many workplace learning professionals with the best of intentions embark on designing, developing, and delivering training programs without a clear vision of what is expected as a result of the program.

There also is lack of clarity about what qualifies as a “result” of a training program. To achieve maximum organizational impact, the result should lie at the strategic level for the entire company. Examples include increased sales or profitability in a for-profit company and accomplishment of the

organization’s mission for a government or not-for-profit organization. Organizational missions can range from saving lives and protecting citizens to keeping the water supply clean.

Tying a training initiative to the organizational mission means that training is only one of myriad tactics that affect results. This makes it costly and mathematically impossible to isolate the impact of the training program alone on the organizational results attained.

The most practical and effective way to show the value of an initiative is through return on expectations (ROE). ROE is what a successful training initiative delivers to key business stakeholders to demonstrate the degree to which their expectations have been satisfied. When done properly, it cannot fail. This is because it is built on a platform of business partnership and agreement from start to finish.

The steps to achieving ROE are based on the Kirkpatrick Model for evaluating training programs (see sidebar on page 64), with the four levels used in reverse:



1. Focus on the organizational mission (Kirkpatrick Level 4: Results).
2. Identify leading indicators.
3. Define critical behaviors (Kirkpatrick Level 3: Behavior).
4. Determine required drivers.
5. Design learning (Kirkpatrick Level 2: Learning).
6. Monitor and adjust.

Focus on the organizational mission

The first step to showing the value of a training program is to create a program that has organizational value. This is where the simple principle that “the end is the beginning” comes into practice. All training professionals should understand enough about their business and organization to know the highest-level mission and goals.

Discovering the highest-level goal of any organization is fairly simple: check the company’s website for the mission and vision statements (if they exist), as well as a statement of what the company ultimately delivers to its customers.

Identify leading indicators

Many departments and professionals define their highest results as measures such as employee retention, customer service, and product quality. While all of these measures are important, they are not highest-level results. Rather, they are leading indicators that establish whether the organization is on track to accomplish its highest-level mission. Leading indicators are short-term observations and measurements that suggest that critical behaviors are on track to create a positive impact on desired results.

When a training professional receives a request for training, the first step is to schedule additional conversations with

the requestor or targeted department heads to discuss the situation. Often the impetus is a leading indicator falling below target. Leading indicators occupy the gap between the critical behaviors that should be performed on the job and the highest-level organizational results. They are metrics that personalize Level 4 results for departments and individuals, helping them to see how they contribute to the whole.

Leading indicators identified in these initial conversations may be modified after an initiative is under way because they serve as a tracking system to ensure that efforts are producing the desired results. This story of a window coverings manufacturing company illustrates this concept.

Lori (sales manager): Wendy, we would like to have you do some prospecting training at our upcoming sales meeting.

Wendy (training manager): Sure. What’s the problem?

Lori: Our salespeople aren’t bringing on enough new customers. In fact, we are losing customers faster than we are finding new ones. The sales team must not know how to prospect. Can you share some ideas with them?

This is a common way that “needs” are communicated. Lori has identified what she believes is the missing behavior and predetermined that training is the answer. She has even identified what type of training is needed.

Wendy did acquire one important piece of information, though: the company needs more new customers to maintain or grow the business. Because this is a window coverings manufacturer, its highest-level goal is profitable sales. The leading indicator the company wishes to improve is new customer acquisition. If Wendy had taken the request at face value and

simply developed prospecting training, it would have been a tremendous waste of time and resources.

Define critical behaviors

Instead of proceeding with developing the requested training, Wendy sent a brief survey to all salespeople with questions about their current prospecting habits, level of expertise, and any related issues or barriers.

Although 100 percent of the comments about the concept or idea of prospecting were positive, the survey results revealed that 70 percent of the reps believe they do not have enough time to prospect to meet company expectations. Respondents indicated these key barriers to prospecting and new account acquisition:

- 40 percent said they lack confidence in the product, service, or lead time.
- 30 percent said they are spending too much time on customer service, production, and credit issues.
- 25 percent said competitive issues prevented them from signing new customers.
- The remaining 5 percent incorporated a variety of other issues, including not knowing exactly how to prospect.

Based on the survey results, it was clear that spending three hours teaching prospecting techniques would not be helpful to the majority of the reps, nor would it likely increase the number of new customers or support corporate objectives.

Therefore, Wendy requested a conference call with Lori and a few reps to discuss the identified barriers to success. During that call, Wendy discovered that the manufacturing and customer service facility had recently moved, resulting in approximately 90 percent

employee turnover—and, subsequently, many shipping, quality, and service problems. The sales reps had been thrown into reaction mode, trying to manage all of those issues and maintain good relations with their customers—which did not leave much time for prospecting.

The sales reps admitted to avoiding prospecting even when there was time because they did not feel confident in the product. Additional customers to satisfy would only increase the current problems. These issues clearly needed to be addressed before the reps would be receptive to any type of training.

Gathering this information was an important step in defining what critical behaviors would be required. Here are the three behaviors the group agreed on during the conference call:

- Spend less time on routine tasks and more on key objectives.
- Use prospecting techniques.
- Document new customer acquisition goals and timeline.

Determine required drivers

Required drivers are processes and systems that reinforce, monitor, encourage, and reward performance of critical behaviors on the job. With clarity surrounding what the sales reps needed to be doing on the job, Wendy and Lori discussed what drivers would be put in place to make sure the behaviors happened. Here are the drivers they identified:

- Reps will submit their goals and action plans a week after the meeting (monitor).
- Wendy will build a dashboard into which Lori will enter the new customer acquisition goals for each rep (monitor and reinforce).
- Sales reps will report on customer acquisition in their existing weekly

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sales reports; Lori will populate the dashboard with the data (monitor and reinforce).

- The dashboard will be shared during each weekly meeting (monitor and reinforce).
- Successes will be recognized each week (reward).
- Successful reps will provide ideas and feedback to the group to help everyone meet their individual goals (encouragement).
- A new category will be added to the annual achievement awards—new customer acquisition (reward).

Lori did not attach a specific monetary reward to meeting the new customer acquisition goal because she felt that reps who accomplished their goals would inherently have higher sales—and the compensation plan already rewarded sales increases.

Design learning

At this point, the learning content and other appropriate solutions could be addressed. Had previous steps been skipped, Wendy would have developed a prospecting course that benefited only 5 percent or less of the sales reps. This solution would not have delivered the expected result of an increase in new customers, leading to an increase in overall sales and profitability. Such a course wastes company resources and

creates a negative impression of the value of training.

With properly determined critical behaviors, the course objectives can be written quickly, often with just a few grammatical changes. For example, by the end of this session reps will be able to

- identify specific ways to spend less time on routine tasks and more on key objectives
- explain how to use prospecting techniques
- document new customer acquisition goals and timeline.

Two important issues remained unaddressed at this time: quality and service problems. The company decided to dedicate the first 30 minutes of the training time to company executives to explain the steps being taken to resolve the problems. An open forum for questions and comments also was held. The remaining time was dedicated to accomplishing the learning objectives and explaining the follow-up plan.

Monitor and adjust

Learning creates a strong foundation for success. However, without execution on the job, it does not create ROE. A strong focus on Levels 3 and 4 is required to translate training investments into organizational results. Monitoring the required drivers, critical behaviors, and

Kirkpatrick Model for Evaluating Training Programs

Level 1: Reaction—To what degree participants react favorably to the learning event



Level 2: Learning—To what degree participants acquire the intended knowledge, skills, and attitudes based on their participation in the learning event



Level 3: Behavior—To what degree participants apply what they learned during training when they are back on the job



Level 4: Results—To what degree targeted outcomes occur, as a result of learning events and subsequent reinforcement



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leading indicators acts as an early warning detection system. Metrics falling below the established standard must be analyzed, and targeted solutions must be made to improve them. While planning is critical for successful initiatives, ongoing monitoring may reveal points at which the plan should be modified to keep it on track for accomplishing maximum organizational results.

After the training, Wendy checked back with Lori to see how things were going. Lori reported that she had to follow up with a few reps who had not submitted their customer acquisition goals, but within three weeks she had all goals documented. The team already was good about submitting weekly sales reports, so obtaining the data to populate the dashboard went smoothly.

Lori said that talking about prospecting during the weekly meetings was making a difference. Eighteen of the 25 reps were meeting their plan after three months; the rest were getting good ideas and encouragement.

One unexpected occurrence required them to make some changes. When quarterly sales reports were released two months after the training program, unfortunately, a few sales reps who had been meeting their customer acquisition goals previously had slightly decreased sales volumes. Lori realized that this meant there would be no monetary reward for reaching their goal and worried that reps may change their behaviors for the worse. Thus, she quickly worked with the CFO to adjust

the compensation plan to equally reward overall sales and new customer acquisition.

Return on expectations

After six months, Wendy checked back with Lori, who was pleased to report that 22 of the 25 reps had met their new customer acquisition goals, and company sales were up 5 percent overall. Lori said that reps were more upbeat and positive in weekly meetings and that customer retention also had improved.

Could Lori isolate the training program or customer acquisition techniques as the only reason for the sales increase? No. But what mattered was that she accomplished all of her highest-level goals with the overall effort, and could see the incremental improvements related to the performance of critical behaviors. The company executives were pleased as well, and called the initiative a resounding success.

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