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SAVE YOUR TRAINING BUDGET!

By Jay B. Bowden

I certainly do not need to elaborate on the financial crisis and its impact on all of us, both as consumers and professionals in the financial industry. However, because we are in the learning side of the business, many of us are taking disproportionate cutbacks.

We have one of the widest client bases in the entire industry, and I've heard everything from nominal budget effects to a 96% cut! What concerns me is that most of the Training functions in financial institutions are *defenseless!*

As I have pointed out in numerous articles, the key executives in our industry are all quantitative thinkers. That is how they became successful. We are in a numbers business. Most Training Departments, however, are often run without the benefit of meaningful quantification. Oh, I don't mean that we don't have numbers, we certainly do. We know how many newly hired Tellers we train, how many days it takes, how many Facilitators, how much we spend on online subscriptions, course development...and the list goes on. Unfortunately, none of these numbers relate to the *positive* side of the business:

- What are the sales from Teller referrals from Tellers enrolled in Teller referral programs versus non-enrolled?
- What is the error rate of Tellers who bypassed training, versus other new hires?
- What are the time savings of loan documents input rates pre and post training?
- What is the cost/benefit ratio of platform training?
- What is the reduction of loss due to Tellers educated in a Fraud or Embezzlement course?
- How was retention improved by well-trained Tellers who recognize the career opportunities?
- How has the customer experience been enhanced by retail staff training?

Believe me; I know how difficult it is to quantify training. Without it, however, the learning expenses of your institution are a *sitting duck!* Recently I read a report from a major consulting firm on cost savings at one of our larger bank clients.

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The first and easiest target was the Training Department. Facilitators, classrooms, administrative staff, Instructional Designers, and eLearning Developers were all cut disproportionately to other areas of the bank. Teller Transaction and Compliance Training areas remained fairly stable. Why? It is intuitively obvious to executives that Regulatory and Transaction Training is necessary, but what about Platform, Leadership, Management, Soft Skills, even sales and referrals. All cut! Some nearly to the point of elimination.

Most of these budget cuts were made without consultation; but even when Training executives were involved in the decision, they simply did not have the data and support to help make equitable budget decisions in an analytic world.

If you have not begun the process of looking at learning from a cost/benefit analysis basis, now is the time. Here are some suggestions as to how to get started:

- First, download “Managing the Training Budget with a Focus on Cost Benefit Analysis” from the TRC Interactive website. It will show you how to calculate various financial Training costs, and how to analyze the cost vs. benefit of your training programs.
- Second, contact your vendors for help. They have a vested interest, so use their resources to assist in quantifying productivity in your organization. If they can’t, it tells you a lot about the vendor!
- Third, begin meeting with various parts of the bank to begin benchmarking, collecting meaningful comparative data, and establishing the need for periodic reports.

Use the current budget concerns as a reminder, but not as a reason. Managing learning benefits should be an ongoing process. It is neither easy nor fast, but please begin the process now. Your senior executives and your learners will ultimately thank you!