



## Get the Most Out of Your Training Budget

According to the *2012 American Society for Training and Development (ASTD) State of the Industry Report*, training is a \$156.2 billion industry, and 30% of that is spent on external training services.

Despite economic pressures, organizations continue to invest in employee learning, as they find that by partnering with outside learning and development providers they can deliver learning solutions to more employees, regardless of the size of their training departments.

As resources continue to be scarce, the questions on most executives' minds are "How can we do more with less?" and "How do we maximize our output?"

**What if you aren't sure what you should be spending on training? How do you know you are making a good investment? Here's a guide that will help you determine how to get the most out of your training budget.**

Whether you have an in-house training department or you contract with outside providers for supplemental training, your training budget should be determined by *need and investment*.

### Determining the Need

Employee training spend should align with the organizational needs or the desired outcome. The first step in this alignment is to identify goals and then determine how learning plans can help the company achieve those goals. Organizations can get incredible results with small training budgets. However, according to the 2012 ASTD State of the Industry Report, the best-in-class companies generally make a larger investment in employee development. Before deciding on the level of investment, leaders can begin by asking these questions:

- What does my workforce need to learn to maintain a competitive advantage?
- What specific skills will give us the greatest return on investment?
- How can working with a provider augment or supplement our internal learning systems?
- What's the best delivery method for learning in my organization?

Based on answers to these questions, organizational needs can be determined and learning solutions can be explored.

## Making the Investment

An organization's goals are achieved through its employees, the company's most valuable asset. Employees need ongoing training to ensure that they are learning new and best practices while contributing to the success of the company. Best-in-class organizations place high value on the development of their people. Consider the availability and capabilities of your internal resources and the need to engage an outside learning solutions partner.

Outside providers can bring subject-matter expertise, creativity and fresh perspective. An initial investment of time will help create a partnership that can have lasting benefits to your organization. As you consider training providers, meet the individuals that will work directly with your employees. Focus on those who offer feasible solutions to your company's immediate and future needs. Gain a full understanding of service offerings and associated fees. For organizations with employees in multiple worksites, identify providers with the flexibility to adapt training schedules and delivery methods to address such challenges.

## Maximizing Your Return on Investment

You don't need a huge training budget to make substantial changes in your organization. Though it can be argued that the more you invest, the more return on your investment you are likely to see. Consider these methods to stretch your training dollars.

### Consider Low-Cost Ways to Achieve Learning Targets

If you have in-house expertise, don't be afraid to use it. Your internal experts could serve as coaches and mentors. Leaders could also form self-directed learning teams with clear learning goals.

For example, form a team of learners, give them a task and a purpose, and leave it to the group to determine how to achieve the learning goal you outlined. Hold them accountable and have them update you on what they are learning. This could be accomplished without spending money; groups could attend webinars, hold brown-bag lunch and learn sessions, form monthly discussion groups, or read a book. If a budget is necessary, the group can seek approval from their supervisor. People are natural learners; they just need to be directed and given the time to learn.

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## Create a Partnership

Partner with a local university or other providers that will help you help yourself. Universities not only utilize innovative training methods, they develop best practices and create future leaders. A university can help you create a learning system within your organization. You don't have to have a large staff or resources, but you do need knowledge.

## Remove Barriers and Measure Success

Once you commit to training your people, stick with the program and remove barriers that might keep them from using the skills or best practices they learned in training. Support should come from the top.

As you develop operational and training goals, identify what you want to change and why it is important. Select one or more metrics to track progress against these goals. At the end of the training program, you should be able to review those metrics and determine whether you achieved your goals and if appropriate changes have been made. If the changes have not been made, or behaviors have not been adjusted, ask why. Sometimes learning is effective but obstacles prevent the desired change. This often has to do with leadership. A company's leadership team has to remove barriers, support training and "good" behavior, and hold people accountable.

## Still Not Sure Where to Start? Let Us Help!

The University of Louisville's Professional Development team provides blended and strategic learning solutions to help companies credentialize employees, solve problems, create efficiencies and reduce waste.

Let us partner with you to create learning strategies that enable your company to grow, develop your employees, and exceed goals. Contact us today and we can help you move your organization forward.

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