Five Guiding Principles for Measuring the Impact of Training

"Business is a marathon and most of society thinks it's a sprint…They're not focused on lifetime value and retention. They're focused on short-term goals."

~ Gary Vaynerchuk

Running a marathon, for many people, may seem to be an improbability, a feat that can only be accomplished by well-seasoned experts. Marathoners research and train, set measurable and incremental goals, and track their progress. They apply what they have learned from training with the aim of achieving the desired result--finishing the race. Likewise, many people believe that measuring the impact of training demands vast amounts of time, effort and expense and as a result, many don't even attempt it. It's time for a change in thinking. Ordinary people with no special training are conducting meaningful measurement and revolutionizing their organizations in the process. You can too.

During the past several years, Beyond ROI has helped more than 500 companies determine whether their performance development efforts are making a difference. Large or small, all of those organizations valued—and had attempted—some form of training measurement. Some succeeded brilliantly. Others displayed conviction and technical know-how, but stumbled short of the finishing line.

Presented here are five guiding principles proven to be invaluable guideposts for line sales management and training functions alike. Applying these lessons has empowered our firm to complete over 100 measurement projects every year. By following these same principles, your organization can also consistently track its progress in meeting specific business goals, challenges and needs.

Principle 1: Focus on the Business

You've probably often heard that effective performance development must be linked to the goals and objectives of your organization. It's true. This principle is called "alignment" and it also applies to measurement. Strong alignment is the point at which all successful management begins.

Every measurement project we launch with our clients begins and ends with a detailed view of their business goals, challenges, and needs. That sounds deceptively simple. In practice, most failed measurement efforts lack a clear connection to the desired business outcomes. There is a critical distinction between *training* goals, challenges and needs and *business* goals, challenges and needs. Both line and training functions tend to see performance measurement on their own terms.

How does that happen? One reason is that the training group will focus, often exclusively, on measuring participant reaction (smile sheets) and classroom learning (pre- and post-tests). Although smile sheets and pre- and post-tests are not able to truly measure learning, it is tempting to use these instruments as evidence that "training has taken place." That approach may suffice for technical or product training but it isn't an optimal strategy for tracking the effects of negotiation, leadership, consultative selling skills and goals, challenges, and needs. Smile sheets and tests are helpful tools but meaningful measurement demands greater insight into driving business issues.

Another barrier is that sales executives tend to develop bottom-line tunnel vision. They want to measure performance development solely by monthly or quarterly numbers, sometimes to the exclusion of all other indicators of performance. Line and training functions must investigate the underlying forces that affect revenue, customer or client relationships, and business results. There are no shortcuts.

How will you know if your measurement project is focusing on the business results? One sure sign occurs when the director of training and the vice president of sales meet to talk about improving performance and growing the business.

Principle 2: Build a Bridge between Line and Training

Meaningful measurement requires collaboration. A strong focus on your organization's business issues provides a shared purpose and a sense of mission. It is the reason for building a relationship between line and training functions. So why doesn't it happen more often?

There is a common tendency for training professionals to be more reactive than initiative, and for line executives to be more inactive than participatory. Beware of measurement in a vacuum. Often, the training group is made solely responsible for measuring the effectiveness of performance development. Training professionals may try to select specific measures and collect sensitive data on their own. Without insight and involvement from the line organization, they are forced to guess at critical measures and to comb other departments for data and resources. Measurement cannot be delegated to training departments without strong organizational ties.

There is a major difference between management support and management involvement. Training professionals have the responsibility to initiate aggressively, and it's the responsibility of line executives to participate actively. In order to execute successful bottom-line measurement, both line and training functions must be deeply involved in tracking progress toward common goals.

and rightfully shifts it to the people doing the performing.

Principle 3: Track Progress, Not Proof

Few things keep organizations from attempting measurement more than a proof mentality. If your objective is to track the impact of your organization's performance development by seeking absolute proof, you won't find it because it doesn't exist. Those of us charged with performance improvement should ask: "Will this work?" —long before the training is rolled out. We must always look for evidence that a program has worked in other organizations with similar struggles before implementing it. Our detailed view of business goals, challenges and needs becomes the standard against which we collect evidence of progress after the implementation.

Throughout this article, you've seen the phrase "tracking progress" used to describe training measurement. The word *progress* is the Latin root of the English word *evolution*. Ultimately, the idea is to track the evolution of your organization from its current state of performance to a higher, more productive, and more efficient future state. In measurement we gather evidence that progress is taking place.

Listen to discussions in your management meetings. People are asking, "Will we make our numbers this year? Are margins improving?" They are looking for indicators of progress toward a goal. The real questions to be answered by measurement are "Has this helped?" and "How has this helped?" This common sense approach is highly effective.

Tracking progress, not obtaining proof, takes pressure off of the people doing the tracking

Principle 4: You're Probably Already Doing Measurement

There is a widely held perception that bottom-line measurement is arduous and expensive. So often, we've heard that this level of measurement is the most difficult; however, professionals concerned with sales performance development are discovering that the perception is untrue.

You can dexterously complete a fairly rigorous bottom-line analysis if you align performance development with the business. If the line and training teams work together, if you tap into existing data, and if your aim is to track progress –not obtain proof—solid results are easily within your grasp.

Most organizations are aflush with data. These days, companies maintain tracking systems for sales activity, inventory, scheduling, accounting, and prospect management. Most field sales, support and service teams enter and exchange data via laptops and other mobile devices. Additionally, there are also ISO 9000 standards, sales quotas, and performance reviews. In essence every organization in existence is already utilizing measurement.

Fortunately, all of the potentially useful data exists. The challenge is to select a few key performance indicators that are linked to a performance development initiative. Always look for the data that is currently being used to manage the business at the executive level. If that information is important to the company's leaders, then it's critical to performance and is most likely accurate. Requesting executive-level sales reports is a powerful way to promote alignment between a measurement effort and the pulse of an organization.

Principle 5 explains the alternative if the data used by the leadership team is not sufficient for tracking progress.

Principle 5: Measurement is Simply Tracking Cause and Effect

A common question that organizations desiring to develop bottom-line measurement ask is: "What should we track?" The answer is cause and effect –a principle that applies to any type of performance development.

Revenue, for example, is the result of something. We consider it to be a *lagging indicator*—or an effect—of performance in the field. In contrast, *leading indicators*—or causes—of revenue are building new customer relationships, qualifying opportunities, presenting solutions and closing business.

The powerful distinction between leading and lagging indicators definitively reveals the most strategic measures of performance. When combined with deep insight into business issues and knowledge of the specific metrics used by a company's business leaders, it annihilates the guesswork of tracking progress.

Objectives that sound like *galvanizing, synergizing* and *energizing* are judicious but nearly impossible to measure. By tracking both causes and effects, we ensure that a measurement is grounded in the most tangible behaviors and outcomes.

Like running a marathon, meaningful measurement gives training and development staying power in an organization. The best approach is to simplify. Just one or two leading and lagging indicators of improved performance may be all that is needed to run the race and cross the finish line a winner.