

# A Smart Investment

Investing in training can be more important than meets the eye. *By Richard Coles*

**A**s a Training and Development Consultant running my own business, I spend significant time with corporate Human Resource (HR) Managers and Training departments discussing initiatives and solution to their needs and problems. I do have successes of course, but at times I receive a variety of answers to proposals that range from, "yes, we know we need it but perhaps next quarter. Budgets, no time, no authority, etc. The paradox to this is that training and development must be one of the best long-term value investments of time and energy an organization can make.

In tougher, lean times in any organization, training needs should NOT be delayed or cancelled. Now

is actually the time to keep your staff capital high. Now is the time to either maintain or even increase spending on training and development. This is the best time to create a mindset of value-based training in your organization. Why?

Let's take customer service as an example.

Reducing or shelving your training budget will delay any progress and improvements in your customer service levels and initiatives. Therefore you are delaying customer satisfaction, loyalty, and retention. In other words you are actually losing money when you delay or cancel training.

When tough times come the training budget is often the first to go in the overall budgets of many companies. Yes, it is usually

reinstated when good times return – slowly. But, what takes place in the meantime? The six months, the year when training was reduced? Lost business, dissatisfied customers, and complaints, loss of momentum, de-motivation and possible loss of business that will be very hard to recover. It has been said that customer retention is one of the most important initiatives that can be taken, but is usually given little thought. When times are tough surely we should be increasing our attention to this activity and it almost always needs training.

Training can sometimes be treated as an extra or only if absolutely needed. The facts is, training is a necessity and always an urgent consideration. Unfortunately, many companies don't take time to consider the implications of not training their staff. This is sometimes the fault of the training provider as they don't always emphasize or campaign the need for training in downturns. They also need to keep a positive attitude.

In the case of customer service, what are the subjects that underpin excellent customer service? Consider these at the foundations:

- Time management
- Problem Solving
- Communication Skills
- Phone Techniques
- Teamwork
- Internal Customer service, and more.

Consider the benefits of timely training programmes in customer service:

- Retains customers
- Motivates staff
- Increases output
- Strengthens teams for the upturn
- Improves performance
- Reduces stress
- Employees feel valued
- Improves recruitment as you are known to value learning
- Fewer errors
- Reduced customer turnover
- Reduced employee turnover, when turnover is attributable to poor supervision
- Proper implementation of new customer strategies
- Higher workplace morale through more effective management practices
- Reduced recruitment costs (because training can create more job-ready candidates for promotions)

Of course, all employees should benefit from training, but at times a company needs to look at areas of greater maximum return for investment. If we targeted all sales persons in a company and they improved their performance by only 6% it could equate in a doubling of revenue gained through better sales techniques, and so forth.

Any decent training provider should be able to create an innovative method to plan and schedule your training so it is not a budget or time sapping exercise. It just takes planning and thought.

A cost/benefit equation can be created that will help you see the return on training investment (ROTI). A two day customer services course can cost your company US\$10,000 for 20 staff.

For the next year this investment equates to US\$833 per month or US\$27.77 per day total cost for the

training. Do you think your staff can create enough positive customer experiences or "Moments of Truth", to at least cover this amount each month? Do you think your staff can retain or attract enough customers to make this worthwhile? Do you think that the 20 staff that attend this training can over a year, cumulatively provide a ROTI that exceeds US\$27.77 a day? The cost

**"Of course all employees should benefit from training, but at times company need to look at areas of greater maximum return for investment."**

of each employee attending the course is about US\$1.38 per day. I would estimate that they would be able to return your investment many times over, plus all the other benefits mentioned.

I created the concept of CARE™ by doodling on a piece of paper one day while preparing for some new courses. My wife was reminding me to "take care with the company's training". So I wrote CARE on a piece of paper and formed this acronym.

C = Comprehension  
A = Application  
R = Results  
E = Excellence


I try and bring CARE to my work. Comprehension and Application from the training brought back to the work place, can lead to results excellence to the companies.

The concept of CARE is to provide a word that clearly describes

our approach to training and development. It is a theory I use in my work with HR and Organizations talent teams to ensure they derive maximum benefit and value from the work we do together. It is about putting more long lasting CARE into the efforts.

We believe in taking CARE with your training budget in order to increase and enhance your employee's performance.

The "Results" and "Excellence" components identify the connection between the training provider and the strategic objectives of the organisation. These include measures to identify the payback on the value of training conducted, the cost and benefit analysis that examines the cost of training versus the perceived or real return. In this, we can conclude that serious results come from serious objectives, and therefore, we can move forward and ask how will these organizations change and what can be done to improve or enhance them.

The CARE approach uses innovative methods of meeting training needs economically and in a timely manner, and may be a simple investment that saves companies a bundle in lost revenue. Furthermore, this is proof positive that companies can certainly opt out of restricting training incentives that are so important for its future, in tough times. 

Coles International Training and Corporate Consultancy is based in the Gulf, Australia and now in Asia, based in Kuala Lumpur. It researches, develops and delivers learning and organizational solutions to client's needs and problems around the world. For more information, please visit [www.colestraining.com](http://www.colestraining.com), or email: [colestraining@gmail.com](mailto:colestraining@gmail.com).



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