



Paul Kearns defines a new role for a new type of learning professional and business partner.

Part 9: How learning consultants deliver solutions

Despite this whole series being built around the notion of a learning 'consultant', I really wish I could find a better name to describe the role. Having worked as a consultant myself since 1991 I have never been happy with the title but I never managed to find a better alternative. I thought 'resultant' was a better description of what I do but this only incited derision. Yet the term 'consultant' has earned itself a very dubious reputation over the years. Consultants are seen as here-today-gone-tomorrow characters who have no real commitment to the organisation. They are known for having ivory-tower theoretical approaches that often do not work in practice. Worse still, the old

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joke that they steal your watch to tell you the time still has an element of truth in it.

Those who have followed the series throughout will know that none of these criticisms could be aimed at the type of learning consultant (LC) I have been describing. So now I want to really emphasise the practical orientation of LCs and their concern with producing pragmatic solutions and seeing them through to successful implementation. I could almost define an LC as someone who always gets business results from learning solutions.

The key to delivering successful solutions goes right back to our baseline evaluation model (see Part 5). The baseline questions demand that you are absolutely clear about what constitutes 'success' before you start. Therefore, what better way to do this than to draw up a contract with your business sponsor every time you are planning to deliver a learning solution.

THE CONTRACT

I have never been a great fan of simplistic checklists because the people who use them are often tempted to switch off their brains and go onto automatic pilot. This means they are not in learning mode. So please do not see this contract template as simply a checklist. True LCs will never go to a meeting with a prepared solution, but this basic eight-clause contract (see box opposite) should certainly keep the discussion very tightly focused. Let us look at each clause in more detail.



The learning business contract: eight clauses to achieve business objectives through a learning summary

Clause 1

There should be a clear statement of the business objective.

Clause 2

The learning objectives need to be clear to all those involved.

Clause 3

An estimation of costs should be prepared.

Clause 4

The learning team should not be made responsible for measurement and evaluation methods.

Clause 5

Other factors also need to be considered or kept constant.

Clause 6

The return on investment should be calculated.

Clause 7

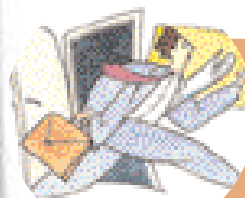
A payback period should be established.

Clause 8

The learning consultant and business sponsor both need to sign the contract.

Clause 1: Business objectives

Right at the top of the list has to be a crystal clear statement of a business objective. *Please note that there should be no mention of training or learning until after this item is completed.* There is always a temptation to discuss possible learning solutions at this stage, but that should wait until clause 2.



People who use simplistic checklists are often tempted to **switch off their brains and go onto automatic pilot**

Also, statements such as 'increasing management capability' or 'improving customer service' do not qualify as clear business objectives. The objective should be expressed in hard business numbers and a timescale should be stated. Take, for example, an LC working for a large supermarket business with its own store card, which believes checkout operators should be able to help in selling more cards to customers. In such a situation you need to know whether this is to be treated as a Box 1 or Box 2 piece of training (see Part 3). For Box 1 the business objective could be something along these lines: ➤

- Some 95 per cent of all checkout operators need to have passed a test covering basic, store card product knowledge within their first two weeks of employment.

This is very different to a Box 2 objective, which could state:

We want to increase the average number of store cards sold per checkout operator by 5 per cent within the next 12 months.

Both are valid objectives but will require totally different learning solutions. For the purpose of this article we will use the second objective as the basis for this contract, but we need some more detail before we can move on to clause 2. Also, before reading on, it might be worth taking a few seconds to consider what other information you think you might need.

First, you want some baseline figures on how many checkout operators you employ and the average number of store cards they have sold over the past 12 months. Let us say there are 20,000 operators and they have sold, on average, five cards each. That amounts to 100,000 cards, so a 5 per cent increase would be equivalent to an additional 5,000 cards being sold. Do you now have a clear business objective? Not quite.



The prime aim of the contract is to make everything in the learning process as explicit and specific as possible

An LC would also want to know how these cards add value – in other words, the average profit per annum on a store card. If it is £100, then the potential profit from achieving this objective will be £500,000 per annum. There are several good reasons why you need to be clear about this information.

- You will need it during clause 6 to calculate the ROI.
- You might conclude this objective is not as big a priority as something else (sales training focused on increasing sales of high margin items might generate £1 million per annum).
- There is a very high probability that your business sponsor has not really considered the value of this training, so you need to check the sponsor's commitment.

So the objective written into the contract is to increase the average number of store cards sold by checkout operators by 5 per cent in 12 months compared to the previous 12 months. Written in this particular way it should avoid any problems from the number of checkout operators increasing or decreasing during the training period.

Now you can start to discuss possible learning objectives.

Clause 2: Learning objectives and proposals

Under this clause you need to be absolutely clear what the learning objectives are. In effect, the main question is: 'Exactly who needs to learn what?' In our store card example, do checkout operators need to

learn more about the store card itself or something about selling skills? Should they brush up on features and benefits, basic sales techniques or specifically how to overcome objections? This is the time for the business/learning needs analysis and none of this can be established without plenty of information. So what other questions might you need to ask to undertake the necessary analysis?

- What are the actual sales per operator?
- What does the performance curve look like (see Part 6)?
- How many operators have never sold any cards?
- How many do the best operators sell?
- Does performance vary much from store to store (and if so why)?
- What data, if any, do we have from customers about why they do not want a store card?
- What data do we have from existing store card holders about the perceived benefits?
- What process or routine are operators supposed to go through in an attempt to sell store cards and how often do they follow this process?

Of course, an effective LC who has anticipated this contractual discussion will already know how much of this information is available. If any necessary information is unavailable, then the rest of the meeting needs to be postponed until it can be collected.

During clause 2 the LC really tries to start tailoring any possible learning solution. In this case there could be several checkout operators who do not want to have to sell store cards to customers. Once identified, they might be helped to overcome their reluctance through a learning solution. Alternatively, you could decide that you can achieve the same desired business objective by concentrating on those who are quite happy to sell cards and already have the highest sales.

What an LC would not do is suggest a generic solution for all 20,000 employees. It is also worth noting that the business sponsor has to fully understand the reasoning behind any proposed learning solution and be totally committed to it. For example, do checkout operators get any reward for selling store cards? This could have a significant influence on the choice of learning solution.

CASE STUDY: Delivering results-based coaching

Coaching has become incredibly popular over recent years and I have been asked several times to evaluate the results of coaching programmes both by the providers as well as by the recipients of such services. As someone who regularly coaches and recommends coaching in preference to tutor-led training it would be very easy just to assume that coaching is bound to deliver some business benefits. However, the LC in me knows that nothing in life is that simple. It also tells me that trying to measure the benefits of coaching after the event without having any baseline measures agreed in advance is a non-starter.

A government agency was applying for funding of approximately £3 million for a coaching programme for owner managers in SMEs (small- and medium-size enterprises) and I was asked to help prepare the proposal.

The first item was a declaration that the investment in the coaching programme should generate an ROI to be determined by the funding body. The funding body had never previously been asked to do this for a training programme. However, once this was agreed we had to produce some figures that would suggest what percentage performance improvement would be required from the managers who were to be coached. These figures were based on average sales figures for the SMEs and a 4 per cent increase in net profit was expected to produce a 24 per cent net ROI.

The proposal also stated that the coaching providers had to contract to deliver a minimum performance improvement to justify their own fees. This in turn set in train a contractual requirement for the coaches to agree performance targets with their respective coachees at the beginning of the process. This was to serve the dual purpose of keeping the coaching focused and simultaneously enabling the evaluation and ROI to take place.

Feedback from the funding body said the proposal was 'crystal clear', 'well written' and 'the best they had ever seen in terms of deliverables and ROI'.

Let us say that one of the learning objectives here will be to teach the bottom performing 10 per cent (that is, 2,000 checkout operators who have not sold any) how to sell an average of 2.5 cards each in the next 12 months. This would be a very clear basis on which to start the design phase of the learning cycle. However, there are still other contractual considerations.

Clause 3: The costs

How much is any learning solution going to cost? As a rule of thumb, it is worth over-estimating the likely costs (clause 6 explains why), so all possible costs should be included (including the LCs time). Obviously, the actual costs can only be agreed when the learning solution has already been designed (see Part 8), so this item tends to be a 'guesstimate' based on a selection of possible designs.

Whether the learning method is to be an online sales skills session or a short tutor-led programme, some ballpark figures can be suggested. In this case let us say that we choose a tutor-led, half-day programme. So we have to calculate the development costs, tutor time, checkout operator time (2,000 half days), room hire and learning team costs. This might come to £100,000. As with all financial figures the aim is to ensure they are credible rather than perfectly accurate.

Clause 4: Measurement and evaluation methods

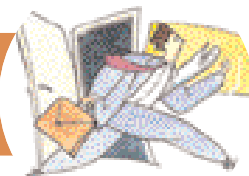
Although a specific item is included in this contract to cover measurement and evaluation methods you will notice immediately that most of this is taken care of in earlier items. All that has to be agreed now is how the increase in store card sales will be tracked.

However, this should be the responsibility of the business sponsor, *not the learning team*. Why? Because performance is their responsibility and they should already have a data collection system in place to monitor this.

This clause is also intended to cover the practicalities and mechanics of measurement. In practice there would need to be a system to measure sales from the trainees on an individual basis. If there is no computer system to do this, then someone will have to extract this information from all store card sales. This might necessitate the attachment of the employee number to every store card application handed out.

Clause 5: Other factors to be considered or kept constant

Contracting with the business obviously gives a clear impression that **LCs are there to deliver**



While the evaluation method is being agreed there is sometimes a request, from any stakeholder, to isolate the effects of this particular learning solution. We briefly discussed this question of attributability in Part 5 and suggested it was a red herring. Nevertheless, if it is an issue for you then clause 5 is the time to address it – but beware being sucked into a situation in which you spend an inordinate amount of time setting up a sophisticated control group experiment.

In this particular case you might want to ensure there is no new ►

► advertising or marketing campaign planned for the store card or a complete revamp of the card itself. You might also want to exclude stores where there is a history of non-cooperation from particular store managers.

If this is not a serious issue then just ask the simple question 'Do we want to isolate the effects of this training?' and if the business sponsor states this is not an issue, then just put 'not required' and move on.

Clause 6: Return on investment

The first thing to point out about return on investment (ROI) is that it will not usually apply if the contract is for Box 1 training. It only really applies where there is a measurable business improvement. That improvement has to have a £ sign and normally results from a cost saving or a revenue (profit) increase. If you work in the public sector, therefore, you mainly use ROI when the training is focused on a business objective associated with cost savings.

The formula for calculating ROI is:

$$\text{ROI} = \frac{\text{Benefit} - \text{Cost}}{\text{Cost}} \times 100\%$$

So, using the figures we established in clauses 1 and 3 above:

$$\text{ROI} = \frac{\text{£500,000} - \text{£100,000}}{\text{£100,000}} \times 100\%$$

producing a net ROI of 400%.

These figures should impress any business manager as long as they are credible and the manager has agreed them. Ideally, the figures will have come from them; managers always trust their own data.

Having said that, it would be unwise to commit, in the contract, to this level of ROI. The principle to follow is always 'under-promise, over-deliver', so the agreed ROI should only be what the LC is confident s/he can deliver and as low as the business sponsor will accept.

Clause 7: Payback period?

ROI is normally calculated over one year but on occasions it is useful to consider a longer period, as with some e-learning projects. In such cases the initial start-up costs are significant and the returns might not accrue until at least the second or third year. So the anticipated payback period, when the initial investment is repaid (otherwise known as the break-even point), should be agreed and should match the timings in the evaluation method.

Clause 8: Signed by the LC and business sponsor

Although it might appear to be a minor detail, the official signing of a contract with the business sponsor is to be recommended. There is a world of difference in ownership and commitment between a verbal agreement and a contract that has the full weight of a written and signed document.


Action points on how learning consultants deliver solutions

- Choose a piece of Box 2 training and try to produce your own contract to support it.
- When you have produced a provisional contract, arrange a meeting with the putative business sponsor and take that sponsor through the contract step by step.
- Find anyone in your organisation who is regarded as a 'contracts' expert and ask them to review the contract to see if it could be improved in any way.

WHO DELIVERS WHAT?

The prime aim of the contract is to make everything in the learning process as explicit and specific as possible so everyone can see that the intended deliverables are all actually delivered. It is also critical to specify individual responsibilities and accountabilities. Otherwise, important tasks might not happen and so learning will not take place. In addition to the items specified in the contract you may want to agree who is responsible for:

- putting any systems in place (for example, putting operators' personal numbers on applications)
- collecting relevant data (store sales performance)
- collating data and producing reports (designing the spreadsheets and charts)
- reinforcing learning (for example, supervisors have to follow up training with each individual), and
- feeding back results to supervisors, store managers and senior management.

Contracting with the business obviously gives a clear impression that LCs are there to deliver. However, you only get a chance to produce such a contract if you are consulted in the first place – the subject of Part 10 in the October 2004 issue of *Training Journal*. 

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