

ROI and Training: A Leadership Issue

It is common for CRM projects to exceed their budgets for training. Sometimes, it is a forgotten line item but more often, it is a matter of under budgeting. According to consultants that specialize in this area, the budget can be underestimated by a factor of three to five. The source of these budgeting errors typically pertain to not including basic training to bring skill levels to a common plain, follow-up training, and the need to train new employees.

Too often training is approached as a necessary expense that must be constrained or otherwise minimized. It is true that when training is not tightly coupled with achieving organizational objectives that it can take on the aura of *high priced entertainment*. However, for CRM projects, training tends to be the lynchpin activity that ties change management and learning together in a way that fosters behaviors and attitudes consistent with the purposes of the initiative. Lacking proper funding for these activities results in resistance and knowledge to embrace the new system.

From a superficial perspective, ROI might seem to be diluted by budgeting large sums for training; however, the ultimate project ROI will be negative (not zero) unless employees leverage the system for the purposes it was intended to achieve. Training is very much a pay-me-now or pay-me-later decision. If funds are properly estimated up-front, they are very visible and therefore subject to scrutiny and criticism; whereas, if training is short cut, the budget looks better while the effects of the inadequate training gets muddled in low productivity and finger pointing that surely occurs later in the process.

A number of years ago, a large manufacturing company deployed a CRM system and did an excellent job except when it came time for the rollout, they discovered that their budget would not cover the anticipated training costs. The project team decided to complete the project on budget and short cut training. The result was predictable, users were confused – the help desk was overwhelmed and senior management was very unhappy. It turned out that \$2 million was available through the corporate training budget that could have been used to supplement the project budget.

Successful deployment of major initiatives ultimately revolves around leadership issues. The project team in this situation wanted to be viewed as good managers but they lost sight of the ultimate goal, a system that people use in a productive manner that adds value to customers and the company. Leadership is about doing the right thing for the right reason – it cannot be defined by best practices.

Mr. Petersen can be reached at 505-771-1956 or gpetersen@competitiveperformance.com