

# Good Training is FREE

By Nanette Miner, EdD



Let me just state my belief up front: it takes money to make money. I think most savvy business people would agree with that. What most business people *don't* realize is that investing in training is as important as investing in your infrastructure. You wouldn't skimp on your telephone lines (so people can purchase your product); marketing and salespeople (so customers know your product exists); or shipping department (so customers can actually receive your product and pay for it), would you? I thought not. Then why would you skimp on maximizing the output of your (human) resources?

I recently heard of a sales group that had a 5% closing ratio. By all types of measurements, that's not all that good. However, this was such a high-priced commodity that a 5% closing ratio kept the organization swimming in money. The CEO wanted to increase the closing ratio to 6%. This one percent increase in closed sales would result in approximately 20 million dollars to the bottom line. With no changes in infrastructure, products, or marketing expenditures. The only necessary change was to make the salespeople that much better at closing the sale. It was estimated that to put the top 200 salespeople through an intensive "boot-camp" kind of

(Continued)

sales training would be a one million dollar investment. One million invested... twenty million in return. That's a pretty good rate of return, no? And let's not lose sight of the big picture: the increased closing ratio is going to happen in perpetuity - that's an extra 20 million per year.

Gee, with an extra 20 million per year, who else could be trained in the organization to make them that much better?

Too often training is seen as a cost-center and not a revenue generator. This is primarily caused by upper management folks who see money going out the door for room rental, refreshments, trainer's fees, reproduction fees, and time lost from the job, and rarely link it back to money coming in the door or money saved by: increased speed and/or accuracy, the removal of redundant, erroneous or *pointless* processes, better communication between departments and teams, and the improved morale of the organization stemming from people being good at their jobs and knowing it.

Much of the blame, I'm sorry to say, falls on trainers who typically don't develop measurements that will track the return on investment for their training program. The other portion of blame, however, falls squarely on the shoulders of management-folks who are unable to correlate cost-benefit ratios unless the plusses and minuses are in black and white and line up nicely.

Jack Welch (of whom, I admit, I am a groupie) spent years instituting the Workout process at GE. Workout was a different approach to problems and problem-solving. It involved many years of training the workforce to approach their problems from a Workout point of view and many more years for workers to become proficient at the process. Jack's goal was a long term, strategic change in the way GE employees did their work. The benefits of Workout took a number of years to come to fruition. At their crux was an *all-out training effort* to change the organization. I don't think I need to point out how well it worked.



---

Nanette Miner, EdD, is founder of The Training Doctor, LLC, a CT-based firm which specializes in the custom-design of training to increase the performance of an organization's personnel assets. Reprinting of all or part of this article is prohibited without the express permission of the author. Please contact Dr. Miner at 800-282-5474 or [nanette@trainingdr.com](mailto:nanette@trainingdr.com). Visit [www.trainingdr.com](http://www.trainingdr.com) for more information.