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## DEFINE BUSINESS OUTCOMES

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*"The only reason that learning functions exist is to drive business outcomes."*

—RITA SMITH, *Strategic Learning Alignment*

**I**N THE PALACE OF TRUTH, business managers don't care about training. They care about performance. That's because, in a competitive market, those companies and individuals who perform well prosper and grow; those who perform less well than their competitors fall behind and are ultimately replaced.

Actually, managers *do* care about training, but only to the extent that it helps improve performance. They consider training as simply a means to an end, one strategy among many in the organization's armamentarium. In a corporate setting, learning matters only if it meaningfully contributes to achieving the organization's mission and goals.

That is why effective organizations practice the First Discipline: they **Define the Business Outcomes** *before* they embark on *any* learning initiative. In this chapter we will examine why that is so important and what is required to execute this discipline well. Topics include:

- Performance is the goal, not learning
- Why you need to start with "why"
- A process for defining business outcomes
- How to map the journey
- Managing the learning portfolio
- A checklist for D1
- Recommendations for learning and business leaders



## It Is All About Performance

Anyone at all familiar with the stock market knows that current and future *performance* are investors' overriding concerns. Companies that outperform expectations are rewarded with rising share prices—reflecting increased investor confidence and willingness to invest; those that under-perform are punished by falling share prices as investors abandon them to pursue more attractive alternatives.

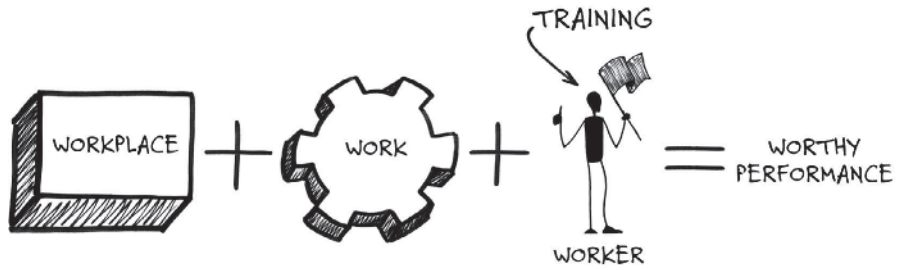
While many factors contribute to a company's success, an organization's performance is increasingly a reflection of the strength of its human capital. "People, not cash, buildings, or equipment, are the critical differentiators of a business" (Fitz-enz, 2000, p. 1). The algebraic sum of peoples' performance over time determines how well the organization performs.

Gilbert introduced the concept of *worthy performance*, which he defined as performance in which the value of the accomplishment exceeds the cost of the behaviors required to achieve it (Gilbert, 1978, p. 17). Gilbert carefully distinguished between mere activity (behavior) and performance. Performance is the more comprehensive concept; it includes not only the activity, but also its consequences (outcomes) and their worth. So "good performance," in the business sense, is activity that produces high-value outcomes at relatively low input cost.

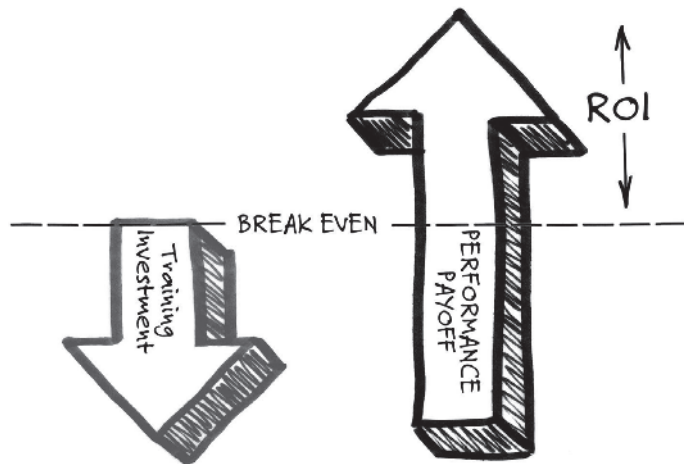
Factors at the worker, work, and workplace levels influence whether performance is ultimately "worthy" or not (Rummler & Brache, 2012; Van Tiem, Moseley, & Dessinger, 2012). Learning initiatives are intended to enhance performance by increasing capabilities and proficiency at the worker level (Figure D1.1). Whether they ultimately succeed in doing so depends on whether training was an appropriate intervention, how well it was conceived and delivered, and, as we will discuss in greater depth in subsequent chapters, the work processes and workplace climate.

The key point here is that corporate-sponsored learning is a business activity pursued for the purpose of improving performance. In a study by *The Economist Intelligence Unit*, 295 executives from around the world chose "increased productivity" as the main justification for investing in workforce development (CrossKnowledge, 2014). Business leaders expect their workplace learning professionals to help them achieve business objectives, not just to provide classes, tools, and learning. An investment in learning is worthy to the extent that it pays a return as a result of improved performance (Figure D1.2).

**FIGURE D1.1. PERFORMANCE IS THE RESULT OF THE INTERACTION OF THE WORKER, WORK, AND WORKPLACE. TRAINING IMPACTS ONLY THE WORKER**



**FIGURE D1.2. TRAINING IS AN INVESTMENT THAT IS EXPECTED TO PAY A RETURN IN TERMS OF IMPROVED PERFORMANCE**



As with any business activity, the performance of the training department itself must be “worthy”—that is, generate outcomes that are aligned with the business goals and have greater value than the cost of the activities required to achieve them. “It’s not about the training; it’s about the results” (Trolley, 2006, p. 101). “To enjoy strategic influence, [learning] leaders must understand their company’s goals and execute their plans to deliver results for the company and its customers” (Wik, 2014).

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It’s not about the training;  
it’s about the performance.

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### Practical Application

- Shift your focus from delivering training to delivering improved performance.
- Keep in mind that performance depends on more than just the worker; do not lose sight of the impact of work processes and workplace policies.

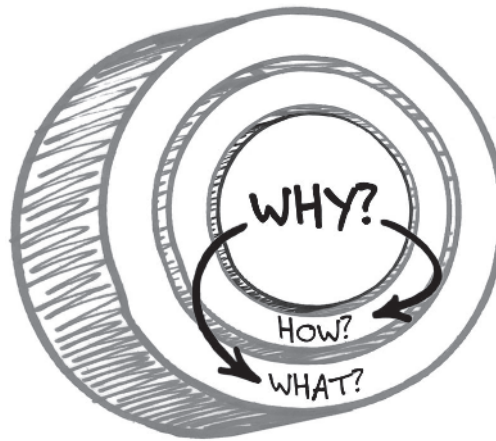


### Start with Why

Simon Sinek’s TED talk, “How Great Leaders Inspire Action” (Sinek, 2009b) is one of the most-viewed TED talks. His message is simple: to inspire people to action, you have to start with *why*. *Why* is at the center of what he calls the “Golden Circle” (Figure D1.3). *Why* should inform what a company does and how it does it. Sinek argues that great leaders and great companies always start with *why* (Sinek, 2009a). They give people a reason to take action. Less effective organizations start with *what* they do or *how* they do it.

The same applies to training. If we want to inspire people to learn and to take action to apply what they learn, if we want to inspire managers to send their employees to training, if we want to inspire supervisors to invest the time and effort to pull the learning through on the job, then we need to start by answering “why?” In corporations, that means beginning the process by defining the business outcomes that learning will help achieve (Figure D1.4).

**FIGURE D1.3. "WHY?" IS AT THE CENTER OF SINEK'S "GOLDEN CIRCLE"**



### The End in Mind

The first and vital step in generating value is to understand what value means, or to use Stephen Covey's famous phrase, "begin with the end in mind" (Covey, 2004, p. 96). But what defines value? For corporate learning, value is defined in terms of the organization's vision and mission.

**FIGURE D1.4. STARTING WITH "WHY?" (BUSINESS OUTCOMES) INFORMS THE ANSWERS TO WHAT AND HOW**



Learning that helps the organization achieve its goals has value and is worthy of investment. Learning that is irrelevant to the purpose of the organization may still be of great value to the individual or to society, but if it does not create value for the organization, then it does not warrant investment.

The great management guru Peter Drucker summarized the point this way:

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Management must always, in every decision and action, put economic performance first. It can only justify its existence and its authority by the economic results it produces. There may be great non-economic results: the happiness of the members of the enterprise, the contribution to the welfare or culture of the community, etc. Yet management has failed if it fails to produce economic results . . . . It has failed if it does not improve, or at least maintain, the wealth-producing capacity of the economic resources entrusted to it.

Drucker, 1974, p. 37

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Drucker's point was that management has a fiduciary responsibility to "improve, or at least maintain, the wealth-producing capacity of the economic resources entrusted to it." That is true whether or not the organization is expected to produce a profit. Sometimes the expected value of learning is immediate and apparent—such as teaching sales people how to explain the benefits of a new product; sometimes the business benefit is less direct and longer term—such as teaching managers how to give more effective feedback to improve retention and reduce the cost of replacing workers. Regardless, learning that is sponsored and paid for by the organization must have a line of sight to some expected organizational benefit.



### Practical Application

- Start with the end in mind—the business need.
- Always ask "Why? What is the expected benefit to the organization?"

### Benefits of Defining Business Outcomes

The benefits of defining the business outcomes expected from learning initiatives are numerous.



1. A clear understanding of how the business hopes to create value through learning enables you to design more effective interventions. Knowing what learners are expected to do on the job informs the selection of methods, media, timing, sequence, and support. It also helps avoid creating just another “feel-good” training program (Banerjee, Wahdat, & Cherian, 2014).
2. A clear and compelling link between the training and the organization’s mission secures greater support and engagement by participants’ managers, who, as we will discuss in greater depth in D4, have a profound impact on the initiative’s success. Managers who understand the business case for learning are more willing to send their direct reports to training and are more likely to support their efforts to apply what they learn.
3. Being able to state the overarching business objectives helps answer the “What’s in it for me?” (WIIFM) question for participants. As we will discuss in D3, participants’ willingness to learn the material in the first place—as well as to answer “yes” to “Will I?” afterward—is enhanced when the business rationale is clear.
4. Expected benefits provide a sound rationale for prioritizing learning initiatives. Inevitably, there are more requests than there are staff and funds. The decision of which to take forward and which to forego should be based on the magnitude and strategic importance of the benefits, not merely a program’s popularity or the training department’s enthusiasm for a particular approach.
5. The outcomes that management expects from training are the criteria for its success. They are what need to be measured to ensure that the effort is, in fact, meeting its objectives (see D6).
6. A shared focus on business outcomes is the basis for partnership between the learning organization and the business (see Case in Point D1.1). It transitions learning professionals from “order-takers” to strategic business partners and gives them a “seat at the table.”

### Case in Point D1.1 Renewed Partnership at Marathon Pipe Line

When Steve Rodzos accepted the role as manager of human resources and learning & development for Marathon Pipe Line LLC (MPL), his manager, MPL President Craig Pierson, charged him with reviewing hourly training as his first priority.

Marathon Pipe Line moves millions of gallons of petroleum feedstocks and finished products through thousands of miles of pipeline every day. Doing so safely and in



accordance with federal and state regulations requires well-trained and highly knowledgeable employees. Pierson wanted to transform MPL into a “premier learning organization” to ensure that the company maintained its commitment to safely and reliably operating its pipelines and growing the business in the best interest of shareholders.

Pierson visits the field regularly to get first-hand feedback on the connection between MPL’s strategic business plan and the work being performed at all levels. When discussing training with field personnel and managers, he learned that some felt the training programs needed improvement. They noted that training was outdated, not responsive to their needs, or too dependent on lectures and PowerPoint presentations. Pierson determined that these concerns needed to be addressed, and quickly.

Steve held one-on-one meetings with the trainers to gather their perceptions, which, naturally, differed from those of the trainees. While most of the trainers acknowledged that they could use more time to revamp their content, by and large, from their perspective, there were no insurmountable problems, just a disconnect between the trainers’ goals and techniques and the field employees’ expectations of training.

Knowing the trainers were well-intentioned and skilled, Steve diagnosed the most pressing problem as a “fractured partnership.” He took the bold move of shutting down training for a full month to bring in hourly technicians, supervisors, and managers from the field to two “Check and Adjust Forums” to help repair this fracture.

“By shutting down the Training Center for a month, we sent a strong message to the business that training wasn’t going to just be ‘business as usual’ anymore. We wanted all to know that we were serious about making significant and sustainable change by developing a strong partnership with the field.

“During the forum, we planned to ask the trainers and field representatives to review the current training materials together using the ADDIE model. After reading *The Six Disciplines*, however, I decided the 6Ds model was a better fit for the MPL organization. It requires fewer occasions in which field needs are shoe-horned into a learning model. Instead we start with the business objectives and co-create a training plan to meet those objectives.”

The first Forum focused primarily on evaluating the current state of content and delivery against the principles of D2 and D3. Steve knew that the most important step in repairing the partnership was honing in on the business outcomes and building consensus among the business leaders and L&D. The second Check and Adjust Forum included the president and VP of operations and their respective staffs and the L&D staff. It focused on D1: Define Business Outcomes and the vision for MPL as a premier learning organization. The results were exceptional, with the following stretch goals identified and agreed on:

1. Within eighteen months, shorten the time to proficiency for hourly technicians by 25 percent or more.
2. Transform the reputation of the Learning Center so that technicians look forward to attending training there because they know it will be consistently valuable, positive, and practical.





3. Immediately incorporate lessons learned in safety incident investigations into training so incidents are not repeated.
4. Reduce computer-based training time by 50 percent within twenty-four months.

According to Steve, “The feedback regarding L&D is beginning to make a 180-degree turn since the renewed partnership, and continues to improve. By strengthening partnerships between the business and learning professionals and diligently connecting training to business outcomes, Marathon Pipe Line, LLC, will continue to make progress toward becoming a premier learning organization.”

***Everything Depends on Getting D1 Right*** The definition of expected business outcomes is the bedrock on which the design and delivery plans for learning must rest. If that foundation is weak, then the entire edifice is likely to fall. Thus, D1 is arguably the most important of the six disciplines. If you do not get D1 right, you cannot salvage the effort by clever design, brilliant facilitation, or nifty technology. “We will never succeed if we think about solutions first” (Israelite, 2006, p. 210).

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We will never succeed if we think about solutions first.

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Kevin Wilde, chief learning officer of General Mills, underscored this point in his preface to the first edition of *The Six Disciplines*: “I’ve been there—so caught up in crafting the excellence of the learning event that we failed to ground everything in the real business case. When that happens, the results leave you heartbroken, far short of the learning breakthrough you intended” (Wilde, 2006, p. xv).

The learning leadership at KLA-Tencor feels so strongly about the importance of defining business outcomes that they have established the policy that no learning project will be released without a sponsor and a clear outcome, typically one tied to at least one of the company’s four strategic goals: Growth, Operational Excellence, Customer Focus, and Talent. At Qualcomm, the learning and development staff conduct annual business needs assessments with each division’s executive leaders and their staffs (Elkeles & Phillips, 2007). At Ingersoll Rand, learning is prioritized based on the expected business value, just like any other investment option (see Case in Point D1.2).

“The first best practice for creating a world-class training organization is to establish a formal link to the business at all levels, with the intent of becoming a strategic partner” (Schmidt, 2013).





## Case in Point D1.2 Learning As a Business Strategy

One company that really understands the strategic nature of learning is Ingersoll Rand. As Rita Smith, vice president of enterprise learning, puts it: “We’re here for only one reason: to help drive business outcomes. We need to understand the business strategy, key strategic drivers, external threats, and financial metrics. We literally need to be bilingual, speaking the languages of both learning and business” (Smith, 2008).

Ingersoll Rand utilizes a governance board to ensure that investments in learning are business-relevant and tied to business-strategy priorities. Every program must have an executive-level sponsor; no sponsor, no program.

Ingersoll Rand’s CEO, Herb Henkel, considers learning a key strategic lever, so much so that he made it an integral part of the strategic planning process: “When we go through the strategic planning process, we come up with ideas, strategies, and visions of where we’re going to be. Then we decide what to invest in to get the things we want. So I look at how many dollars we spend on bricks and mortar; how many on developing new products; and how much training we need to be able to meet our goals. Built into the planning process is the assumption that there will have to be some kind of training. So we consider it no different than we would anything else in terms of investment decisions” (quoted in Bingham & Galagan, 2008).

Unfortunately, too many learning interventions today are still initiated for the wrong reasons. Sometimes it’s because training is the only solution a harried manager can think of (Pollock, 2013) or sometimes it is simply to be seen to be doing *something* (Figure D1.5). Such efforts are doomed to failure. They contribute to learning scrap and undermine support for legitimate learning initiatives. Learning professionals need to constructively challenge proposals whose sole purpose is to “have a program.”



### Practical Application

- Establish a policy that no learning initiative will be designed or delivered without a sound and explicit business rationale.
- Be sure you use the language of business, rather than the language of learning.



**FIGURE D1.5. “WE NEED A PROGRAM” IS NOT A SUFFICIENT REASON TO CREATE ONE**



*“Quick, we need a leadership development program that I can announce to the Board of Directors’ meeting on Friday.”*

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### Learning Objectives Are Not Business Objectives

We want to emphasize that when we speak of business or performance objectives for training, we do not mean learning objectives. We know that learning objectives are prerequisite to effective instructional design; “they guide the remaining steps in the instructional design process by describing precisely what the targeted learners should know, do, or feel on completion of a planned learning experience” (Rothwell & Kazanas, 2008). But therein lies the problem. Although learning objectives are sometimes called “performance objectives” or “behavioral objectives,” their focus is always “on completion of a planned learning experience.” They describe what learners will be able to do at the end of instruction, but they do not explain how that relates to on-the-job performance or the business value that will be created.

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Learning objectives are necessary, but not sufficient.

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In our view, instructional objectives should be used for communication *only among training professionals*. They should not be used to communicate

with management or to learners; they are too internally focused. As a result, they fail to communicate the business benefit or rationale and “it also means that learners are subjected to horrible instructional design jargon” (Dirksen, 2012, p. 72).

We need a better way to communicate with business leaders, learners, and their managers, something that explains the business rationale for the investment of time and resources. We need to explain the *expected business benefit (outcome)* in terms that are familiar to the business leaders and are of interest to them such as:

- Increased sales
- Improved customer service
- Reduced time to proficiency
- Less scrap
- Greater employee engagement
- More efficient use of time
- Fewer accidents

All of these ultimately contribute to either increased income or decreased costs; all of them are the kinds of concerns that keep business leaders up at night.

*Every* discussion of a training initiative—whether in a budget review or in the course catalog—should include reference to its overall business purpose because that ultimately is its reason for being and provides the answer to “why?” Terrence Donahue, director of global learning at Emerson Electric, and his team took this message to heart and included a section in every course description entitled “Business Outcomes: (How You Will Benefit)” (Exhibit D1.1). The response—from both managers and participants—has been overwhelmingly positive.

***Start with the Business Objectives*** For corporate-sponsored learning, the business objectives always come first. Expected outcomes must be defined *before* the learning objectives; learning objectives only exist to support achievement of business goals.

***How Much Detail?*** How detailed do the expected business outcomes need to be? It depends on the purpose of the communication and to whom. In a high-level overview to management or as the introduction to a program, the bullet points above—for example, “the purpose of this program is to help increase sales of product X”—will suffice. In developing a new program and in evaluating its success, a more precise definition is needed that



D1: Define Business Outcomes

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## Exhibit D1.1. AN EXCERPT FROM THE CAREER DEVELOPMENT GUIDE AT EMERSON SHOWING HOW BENEFITS ARE MADE

EXPLICIT.



**Who Should Attend.** Any supervisor or manager responsible for leading a function or department who has direct reports and is responsible for the performance and development of employees. Those with supervisor or manager titles who do not have direct reports may benefit from many of the skills taught in the workshop.

The workshop is well-suited for those who are new to their role; however, it is also valuable for experienced leaders who want to improve their skills and learn Emerson's best management and leadership practices.

**Duration.** 3 days

**Facilitated By.** Learning Center-certified facilitator.

**Strategic Purpose.** This required workshop equips front-line leaders with Emerson's best leadership practices and standards to effectively and efficiently lead people and drive business results.

### Business Outcomes (How You Will Benefit)

The ultimate success of any training investment is measured by the results it delivers to your business. The business and personal benefits that you can expect to receive by applying the skills include:

- Leading your team with confidence and credibility by *applying proven leadership skills.*
- Improving the productivity and effectiveness of your team by *having clearly defined job roles and expectations.*
- Increasing employee engagement through an effective *performance-management process.*
- Building healthy and productive work relationships *through open, two-way communication.*

### Learning Objectives (What You Will Learn)

This workshop will equip you with Emerson's best leadership practices and proven performance tools in order to be effective in the critical competencies required of a leader. You will:

- Communicate to your team how it contributes to the *Emerson mission.*
- Develop performance objectives for yourself and your *direct reports.*
- Determine the motivational drivers for each of *your employees.*
- *Influence others without using formal authority.*
- *Apply active listening skills.*
- *Coach employees to become self-directed in their work.*
- *Delegate work effectively.*
- *Give supportive and constructive feedback.*
- *Resolve employee performance issues and problems.*
- *Lead with integrity.*

### Lominger Competencies Addressed in This Workshop

- 7 – Caring About Direct Reports
- 18 – Delegation
- 19 – Developing Direct Reports and Others
- 20 – Directing Others
- 23 – Fairness to Direct Reports
- 27 – Informing
- 29 – Integrity and Trust
- 33 – Listening
- 35 – Managing and Measuring Work
- 36 – Motivating Others
- 54 – Self-Development



indicates how much by when: for example, “increase employee engagement scores by 5 points on the next annual survey.” Making the business case for an expensive or strategically vital program may also require an estimate of the projected financial value (Basarab, 2011; Smith, 2010; Vance, 2010).

Since individual initiatives target only specific aspects of sales, marketing, management, safety, and so forth, the statements of business outcomes usually need to be qualified by the specific focus of the training: “The purpose of this program is to improve employee retention by teaching shift supervisors to have more effective conversations.” See, for example, the Plastipak case study in the *Field Guide to the 6Ds* (Hinton, Singos, & Grigsby, 2014).

Some authors have suggested defining objectives at multiple levels, for example, reaction objectives, learning objectives, application objectives, impact objectives, and ROI objectives (Phillips & Phillips, 2008) or intention, adoption, and impact goals (Basarab, 2011). While the intent is laudable, we are concerned that that level of detail may seem overwhelming and inhibit efforts to link learning more tightly to the business. Start with something short, simple, and easily communicated.



### Practical Application

- Require that every learning initiative has both (a) a clear statement of expected business outcomes and (b) a well-crafted set of the learning objectives necessary to achieve them.
- Always create the business objectives first.
- Communicate the business benefits to participants and managers.
- Use the learning objectives only for communicating requirements to instructional designers and facilitators.

**The Downside** Oscar Wilde famously wrote that “Nowadays, to be intelligible is to be found out” (Wilde, 1893). The most common objection we hear to being explicit about the expected business outcomes is: “How can we promise those results when we only control the training environment?” We have no sympathy with that argument. Every other unit in a business has to promise—and then deliver—results from processes that it does not entirely control. For example, a product manager is expected to project sales a year or more in advance and then achieve them, even



though he or she has no direct control of the sales force. A plant manager must commit to production volumes and cost per unit, even though he or she has no direct control of suppliers and many of the other variables in production.

To achieve their targets, managers must learn to influence those elements of the process they do not control directly. They put in place reliable processes and monitoring systems so that they have “early warning” and can take corrective action if they are not on target to achieve their goals. Learning and development organizations need to also commit to targets and achieve them if they are to command respect as legitimate business partners.

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Learning and development departments need to commit to targets.

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## How to Define Business Outcomes

How do you discover what the business really wants from learning? The obvious answer is to ask the business leaders. But it is not quite that simple, for several reasons. The first is that many business leaders have become accustomed to ordering training like they would order a burger. They may not have given much thought to what they really want beyond “training,” or they may have difficulty articulating what they are really looking for.

You will need to develop your active-listening and consultative skills to help business leaders define what they are ultimately trying to accomplish. We have provided some suggestions in the discussion of the Outcomes Planning Wheel (page 55). Dana and Jim Robinson’s book, *Performance Consulting* (1996), also contains helpful advice on the art of performance consulting.

Second, you need to have a working knowledge of business terms and concepts as well as a deep understanding of the specific business of your organization or client so that you can ask intelligent follow-up questions. Use the self-test in Exhibit D1.2 to gauge your current level of understanding.



### Exhibit D1.2 Self-Test of Business Knowledge

Answer the following questions about your business:

1. The most important source of our revenue is:
2. The most important driver of our growth is:
3. The core elements of our strategy are (list):
4. Our main competitor is:
5. The greatest threat we face is:
6. The greatest human capital challenge we face is:

As a workplace learning professional, you are expected to have special expertise in instructional design, adult learning principles, learning technologies, and so forth. But those are not sufficient. Since training is ultimately a business endeavor, you must be able to speak the language of your business if you want to be considered a true contributor. As Jeff Thull wrote in *Mastering the Complex Sale*: “Expected credibility is what you know about your solution. Exceptional credibility is what you know about your customer and his or her business” (Thull, 2010, p. 102).

You don’t need an MBA to be able to speak knowledgeably and credibly about business matters. You just need a healthy curiosity, a genuine interest in learning about how your enterprise creates value, and the willingness to

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You must be able to speak  
the language of the business.

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invest some of your time—an investment that will pay dividends in greater effectiveness, contribution, and appreciation by your business partners.

Start by reading the business or strategic plans for the units you support. Pay particular attention to sections that discuss key opportunities and threats the organization is facing, as these may be situations in which targeted learning can make a significant contribution. Use the Internet or other references to help you with unfamiliar terms and find a mentor or colleague who can help explain parts you do not understand. Ask to sit in on budget reviews and marketing discussions; you will pick up a lot of the business lingo and concepts by osmosis.



### Practical Application

- To gain a “seat at the table,” learn your business—its challenges and language—in depth.
- Speak to business leaders in their language, not learning or HR jargon.



## Outcomes Planning Wheel

A simple device that has proven to be surprisingly valuable is the 6Ds Outcomes Planning Wheel (Figure D1.6). The Planning Wheel is a way of structuring a conversation with business leaders to help you arrive at a common understanding of the results they are trying to achieve through learning and how success will be defined. On follow-up calls after our 6Ds workshops, participants tell us that using the Planning Wheel and focusing on business outcomes are two of the most valuable things they have done. Numerous case examples describing the use of the Planning Wheel can be found in the *Field Guide to the 6Ds* (Pollock, Jefferson, & Wick, 2014).

### Using the Planning Wheel

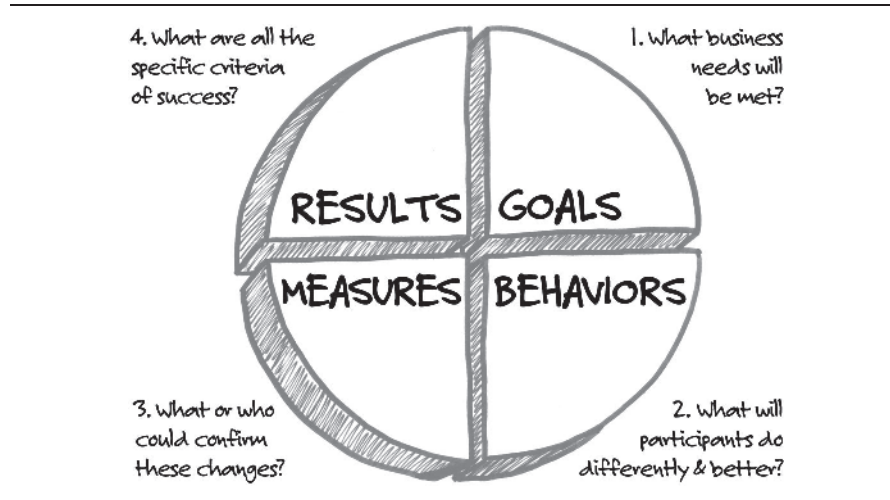
Ask the four questions of the Planning Wheel whenever you receive a request for training, whether you are part of an internal learning and development team, a consultant, or a training provider. The exchange sounds something like this:

*Business leader:* “I need a training program on X.”

*Learning professional:* “I can help you.”



**Figure D1.6. THE FOUR QUESTIONS OF THE OUTCOMES PLANNING WHEEL**



It is important to be positive about your ability to provide assistance, even if you already suspect training will not ultimately be part of the solution. Avoiding unnecessary or inappropriate training is just as valuable as delivering effective training. Stolovitch and Keeps (2004) recommend using the phrase “I can help you solve your problem” in response to any request for training, because it is “friendly, encouraging, and supportive. It shows interest but does not promise training—a professional response” (p. 16).

We then usually say something like this: “Training takes time and costs money. We want to be sure that you gain value from the investment. The better we understand your performance challenge and what you are trying to accomplish, the better an intervention we can deliver. Would you be willing to spend a few minutes to answer some questions and provide additional insight?” When you frame it that way, it is hard for managers to say no, since you have positioned the discussion as being in their best interests.

If the business leader has the time to discuss the issues right then, seize the moment. If not, set up a time to meet for about 30 minutes. Prior to the meeting, do your homework: review business plans or other relevant documents, including guidelines for the interview (Exhibit D1.3).

### Exhibit D1.3

#### Interview Guidelines for Discovering Business Needs

##### Preparation

- Do your homework; read the relevant business plans, reports, and related materials.
- Schedule your interview with the business leader in advance; state the objective, the questions to which you need answers, and time required.
- Know what you want to get out of the interview before you begin.

##### The Interview

- Follow the classic sales opening: meet and greet, state the value, propose an agenda, check for agreement.
- Start on time.
- Summarize what you already know and check your understanding: "From what I was able to read, it seems like the most important things you are trying to accomplish are X, Y, Z. Did I summarize that correctly? What have I missed?"
- Use the Outcomes Planning Wheel (Figure D1.6) to help structure the discussion.
- Use open questions; check for understanding by restating; probe for the deeper issues.
- End on time. If there are still some issues that need to be clarified, schedule a follow-up meeting or resolve them by email.

##### Follow-Up

- Immediately following the interview, summarize the discussion in writing. A sample memorandum is included below as Exhibit D1.4.
- Send a note thanking the manager for his or her time and include a copy of your summary.
- The purpose is four-fold:
  - Summarizing your notes will encourage you to reflect on what you have learned and better cement it in your memory.
  - The document will be a useful reference as the planning process proceeds.
  - Your summary acknowledges that you valued the leader's time and input.
  - Finally, sharing your summary affords the person you interviewed an opportunity to correct any oversights or misunderstandings, which will lead to a superior solution.

There is both a science and an art to using the Planning Wheel. The science is using the questions to structure the interview to help clients stop focusing on the solution (training) and shift their focus to the required performance and results. "The key to a successful reframing discussion is to ask powerful, thought-provoking questions with a compelling logic" (Robinson & Robinson, 2008, p. 172).

**Exhibit D1.4**  
**Sample Follow-Up Memorandum.**

Date: \_\_\_\_\_

Subject: Summary of Our Discussion

Dear \_\_\_\_\_:

Thank you for taking the time yesterday to meet with me to discuss your training needs. I am writing to confirm my understanding of the business drivers and the criteria for success.

The underlying business need that this program is designed to address is

\_\_\_\_\_.  
If the training is a success, then the trainees will do (more/less) of \_\_\_\_\_  
and \_\_\_\_\_ in their work.

These changes will be evident to \_\_\_\_\_ and will be measured  
by \_\_\_\_\_.

To ensure these actions and behaviors occur on the job, the following steps need to be  
taken by their managers: \_\_\_\_\_; and the follow-  
ing changes need to be made in the work environment: \_\_\_\_\_

\_\_\_\_\_.  
The program will be considered a success if \_\_\_\_\_

\_\_\_\_\_.  
Please let me know if I have correctly summarized our discussion so that we can work  
together to maximize the return on this investment in learning.

Sincerely,

\_\_\_\_\_

The art is how to ask follow-on questions that help business leaders clarify their thinking about what they really want. Throughout the interview, use open-ended questions (as opposed to those that can be answered yes or no). Stop and restate frequently, both to illustrate that you are listening and also as a check to be sure that what you think you heard is what they think they said.

“*Help me understand ...*” is a very useful phrase that can be used to genuinely seek understanding, and also as a graceful way to point out inconsistency or confusion, as in: “*Help me understand how the training course you have requested will help address your business needs.*”

Specific suggestions about using each of the four questions follow.



**1. What Business Needs Will Be Met?** The goal of the first question is to shift the focus from the discussion of a particular solution (training) to an exploration of the underlying business drivers—the real business issue or



opportunity behind the request. Such understanding is critical to make sure that training is even appropriate.

The better you are able to link a learning initiative to specific business needs, the greater the buy-in you will enjoy from participants and their managers. Learning organizations that have shifted their focus to business outcomes instead of learning objectives also enjoy much greater support from management. According to Patricia Gregory and Steve Akram at Oracle:

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The statistic that most tellingly demonstrates the value of this approach is this: when we began the initiative to shift our focus from courses to business needs, 70 percent of the sales training programs were open enrollment and only 30 percent were VP-sponsored. Now, several years into the process, the ratio has completely reversed: 70 percent of the courses are VP-sponsored and only 30 percent are open enrollment.

Another telling metric is that requests for training have actually *increased* as a result of doing a better job of addressing business needs up front, as well as reporting the impact of training on the job.

Finally, as training directors, we are now viewed much more as business partners than simply training providers. We are brought into discussions earlier, we receive greater management support for training, and our opinions are more highly valued.

Gregory and Akram, 2014, p. 283

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Surprisingly, many business leaders struggle to answer the business-needs question because they have not thought about training in those terms. You will probably need to ask a series of clarifying questions to reach a specific enough definition of the business need. For example, when asked about the business need, some managers simply re-assert the need for training: “We need a training program on the order-entry system.” The challenge in such cases is to help the client *reframe* their focus. Training is not a business need; training is one of many potential solutions. Continue to probe for the ultimate goal—the business-relevant outcome behind the request for training: “*Can you help me understand the business driver behind your request for training?*” or “*Assuming that the training is successful, what will the benefit be to the organization?*”

The perceived need for training usually originates because management believes that something is not happening that should be (“the



sales clerks are not asking customers about related supplies”) or because something is happening that should not be (“too many mistakes,” “inappropriate behavior,” and so forth). Your goal is to clarify the perception of the problem and why it has to be addressed. You could ask, for example, “*What is the gap between our current performance and what it needs to be?*” or “*What is the cost of the current level of performance?*”

Books on performance improvement often use the idea of “filling a performance gap”—for example, Robinson and Robinson (2008) or Gupta (1999)—but that does not mean that training is only useful for solving a performance problem. Learning initiatives can help an organization seize new opportunities, such as entering a new market or launching a new product. Indeed, when Herb Henkel was CEO of Ingersoll Rand, he required that every business plan include a section on training and development because he felt that any plan worth its salt included new initiatives, and that the success of any new initiative depended on ensuring that employees had the knowledge and skills needed to execute it (see Case in Point D1.2).

Alternatively, the business leader may state the business need in terms too broad and general to be operationalized, for example, “We need to increase sales.” In such cases, you need to probe for details, for the intermediate steps or aspects of the process that require attention: “*You have been very clear about the urgent need to increase sales. Can you say more about the specific areas that you feel we most need to address or improve? Where is the process breaking down?*”

If the business manager still struggles to clearly define the business need, you can do what one of our global partners—Conrado Schlochauer of AfferoLab in Brazil—does and ask about the desired behaviors (Question 2). Business leaders often have a very clear idea of what they want employees to do better and differently. Conrado approaches the discussion this way: “*Imagine you had a magic pill that would cause all employees to perform optimally. What would that look like?*” He then follows up by asking “*and what would be the benefit to the business?*” He has discovered that asking about the benefits of optimal behavior is a good way to help leaders clarify the business objectives for the training.



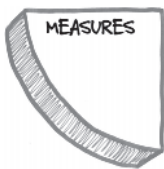
**2. What Will Participants Do Better and Differently?** The second question of the Planning Wheel is designed to identify the vital behaviors or actions needed to achieve the desired results. This reflects what Brinkerhoff (1987) called the “fundamental logic of training.” That is, the purpose of learning initiatives is to help employees *perform* better—to do their jobs in new and more effective ways. Behavior change is key because, as Einstein



supposedly quipped, “One definition of insanity is to continue doing the same thing and expect a different result.” To use learning to improve results, you have to know what behaviors are required and then design learning and transfer environments that support them.

Ask the client to describe the desired changes in behavior: “*If the training is a success, and we were to watch how people perform their jobs afterward, what would we see them doing that is different and better?*” Another useful approach is to ask about the behaviors of better performers: “*What do the better performers do that lesser performers don’t? If the goal is to have more people do what the top performers do, what would that look like?*”

Of course, one conversation is not a complete performance analysis. But we think it is essential to start with the perspective of the business sponsor, as he or she will ultimately judge the success of the initiative. You will need to follow up with additional interviews and observations to truly understand the performance required and the requisite skills and knowledge (see Case in Point C.1, page 282). For detailed descriptions of performance analysis, see Van Tiem, Moseley, and Dessinger (2012), Addison, Haig, and Kearney (2009), Kaufman and Guerra-López (2013), and Robinson and Robinson (2008).



**3. Who or What Could Confirm These Changes?** The goal of the third question of the Planning Wheel is to start the dialogue about how to validate whether or not the initiative is producing the desired outcomes. The principle is that success is defined *by the customer, not by the training department*. The latter phrase is in italics because, as we will explain in greater detail in D6, it is the sponsor who ultimately decides whether the initiative was a success or failure. That assessment depends on whether the change in performance met their expectations or fell short. Engaging the customer (which, in business, usually means the department that is paying the bills) in a discussion of what *could* be measured (Question 3) facilitates the discussion of what *should* be measured and their criteria for success (Question 4, below). The right time to discuss the criteria for success is *as the project is being defined*, since the definition of success affects everything else—from program design to evaluation strategies.

The initial discussion of Question 3 should be a shared brainstorming session: “*How can we be sure the initiative is producing the desired results? Who will notice the changes first? What will change or be observable?*”

Try to focus the discussion on what changes will be detectable first (leading indicators, see page 259), because you want to know as soon as possible whether the intervention is working or not. In the discussion of



Question 3, you may need to “prime the pump” by offering some suggestions to help your client think about potential outcomes and how they could be confirmed. Examples include:

- *If we were to actually observe participants doing their jobs following the program, would we be able to see the change? What would we look for?*
- *Who would notice a change as part of his or her normal interactions with the participants—for example, customers, managers, or direct reports?*
- *Would any of the business metrics that we track routinely (sales, quality, customer satisfaction, and so forth) change? Which?*

It turns out that, while there are as many different potential outcomes as there are kinds of training, there are a relatively small number of *types* of outcomes and ways to assess them. Use Table D1.1 to help guide your brainstorming.

The goals of Question 3 are to (a) explore a variety of potential ways in which the outcome could be assessed, (b) generate buy-in, and (c) gain a sense of what matters most to the client.

It's important to explore a variety of options since some will be much easier or quicker to assess than others. For example, the ultimate goal of the program might be to enhance employee retention. However, that would not be the best measure of whether the training is having an effect because it would take months to become evident. At that point, it would be nearly impossible to ascribe the change to the training and not to other factors, such as changes to the economy or the benefits package, and it would be too late to make adjustment to the initiative if it is not producing the expected results.

Finding ways to get an “early read” on the output is important to be sure things are working as planned and to identify potential improvements. Also, early changes can be more credibly ascribed to the training. The discussion might sound like this:

*“We agreed at the beginning of our discussion that improving retention is a long-term business need and goal. The problem with relying solely on that to measure the impact of the program is that we won't see a significant change in retention rates for months. By then it will be hard to figure out whether it was the training or something else. What could we measure sooner that would give us an indication that the initiative is having the desired effect? A survey? Employee commitment scores? 360-degree feedback?”*



**TABLE D1.1. MAJOR CATEGORIES OF POST-LEARNING OUTCOMES AND WAYS TO DOCUMENT THEM.**

<b>Type of Outcome</b>	<b>Potential Data Sources</b>	<b>Potential Data Collection</b>
Change in behavior	Customers	Surveys
	Co-workers or direct reports	Interviews
	Participants themselves	Observation
	Participants' managers	
	Trained observers	
Improved opinion by key stakeholders	Customers	Satisfaction surveys
	Direct reports	Interviews
	Managers	Focus groups
	Others	
Improved business metrics	Company IT system/ reports	Data extraction
	Independent tracking agency	Data purchase
Improved work product (writing, strategic plan, computer code, presentation, etc.)	Samples of work	Expert review
		Comparison to standards/ rubrics
		Observation



**4. What Are the Specific Criteria of Success?** Once you have explored the possible outcomes that *might* be measured, it is time to agree on what *will* be measured and when, as well as how much of a change is required to consider the program a success. It is vital to reach agreement on the “conditions of satisfaction” *in advance*, since these are the deliverables section of the contract between the learning organization and line management (see Case in Point D1.3). If you don’t know how the business leaders define success, you are likely to miss the mark. Nothing is more discouraging than to present the results of an initiative that you feel was a runaway success, only to find out that the results you tracked were not what the customer was looking for.

For example, we know of one company that spent over \$100,000 on an ROI study only to have the chief financial officer say: “These data are worthless; that is not how I define ROI at all” (see Case in Point D6.6).

The point is not whether ROI is a valuable measure. The point is that it was the wrong measure for *their* stakeholder. They should have asked the management team *during the planning stage* how they would define success.

The discussion of Question 4 should be primarily a selection process, winnowing down the possible choices identified in Question 3 (who or what?) to the critical few. It should include a high-level discussion of what the sponsor considers credible (believable, trustworthy) evidence. For example, will self-reports suffice? Do the raters need to be completely independent? The goal at this point is to understand what the business leaders consider relevant and credible outcome measures, not to create a detailed evaluation plan—that is the work of D6. Nevertheless, you have not completed D1 until you have a clear idea of how the sponsor defines success. There is no one right answer; the conditions of satisfaction are defined *by the customer*. That is not to say that learning professionals should have no say in setting the criteria. Defining the measures of success should be a “give and take” discussion. Blindly accepting impossible targets guarantees failure.

Committing to specific levels of achievement may be uncomfortable for many learning professionals, but it is, as Basarab (2011) points out, the norm in business. Having a specific target allows the learning organization to optimize the learning experience, to influence the transfer climate, and to implement continuous improvement. Perhaps most important, an agreed-on target for expected business results enhances the credibility of the learning organization, earns it a seat at the table, and achieves its long-sought goal of being embraced as a true business partner.



### Practical Application

- Use the Outcomes Planning Wheel to structure the discussion about the business purpose of any proposed learning initiative.
- Supplement the insights from the Planning Wheel with a more detailed performance analysis.

### Case in Point D1.3 Conditions of Satisfaction

When we asked Richard Leider, award-winning co-author of *Whistle While You Work* and *Claiming Your Place at the Fire*, about the importance of defining objectives, he told us it was vital:

“We teach leaders how to create what we call COS—conditions of satisfaction. What are your conditions of satisfaction? What is it that we are supposed to do differently after this and by when? What is it that you want delivered by when?”

“You could call it accountability, but when leaders lead, they are customers. For leadership development, the line leader is a customer. She makes a request; she puts out certain conditions of satisfaction. And so this whole notion of leader as customer translates into the training, and therefore the follow-up practice; leaders have certain conditions of satisfaction for training.

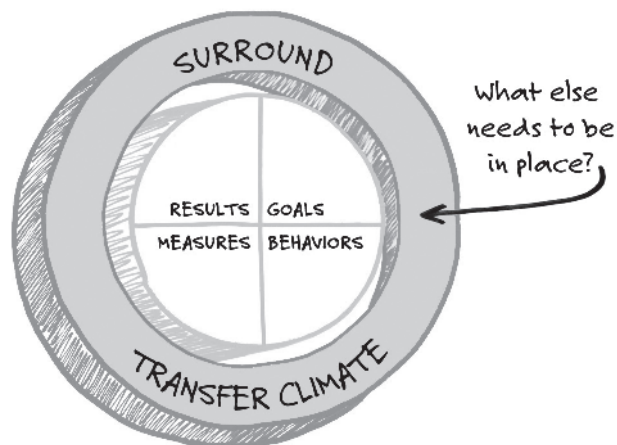
“So often leaders are not clear about their conditions of satisfaction. There is a certain language and a certain rigor that leaders need to learn in order for meetings and training and transactions to be effective. It really clears up all that murkiness. You could say it is common sense; well, the fact is—look where the breakdowns are.”

### Create Co-Ownership

There is actually a fifth question to the Planning Wheel, but you should wait to broach it until you have explored the first four. It is this: “What else needs to be in place to ensure these behaviors and results?” (Figure D1.7)

The conversation sounds something like this: *“I genuinely appreciate the time you have taken to clarify the business outcomes you are looking for and the*

**Figure D1.7. THE FIFTH AND CRITICAL QUESTION FOR THE PLANNING DISCUSSION**



*behaviors needed to achieve those results. I have just one last question: 'What else will be required to ensure those behaviors and results?' I am thinking of things like reinforcement by supervisors, recognition for application, consequences for not adopting the new behaviors, and so forth. We will make sure that when people leave the class, they can answer 'Yes, I can.' But whether they will use what they learn or not depends on their work environment. What do we need to do together to be sure the new skills and behaviors are reinforced back on the job?'*

Having just given the manager the opportunity to say what he or she considers to be the necessary and important business results from learning (the first four questions), now is a perfect time to point out that whether or not learning improves performance depends as much on the post-training environment as on the learning itself. Unless the desired behaviors are supported and reinforced on the job—which is management's immediate sphere of influence—then the initiative is likely to have little effect. Recall that worthy performance depends on the quality of the work processes and workplace policies as much as on the skills and efforts of the workers (Figure D1.1, page 41).

Once you shift your focus from delivering learning experiences to delivering improved performance, then you appreciate the importance of what has been called the “learning ecosystem” (Frielick, 2004)—the environment in which the learner is embedded (see Table D1.2). Unless the approaches that people learn are supported by the performance management system, the incentive structure, and especially managerial practice and style, they will wither and die, like a plant transplanted into unsuitable soil. Since management owns the post-training work environment, they are either part of the solution or part of the problem. You need to plant that seed with the sponsor now because you will need management's support for changes in the work processes and work environment to optimize learning's impact.



### Practical Application

- Use the fifth question—“What else needs to be in place?”—to educate managers about their part in the shared responsibility of ensuring that learning pays dividends.
- Always consider the work environment of the learner; it will make or break any initiative.
- Call out the key points of “what else needs to be in place” in your written summary of the discussion (see Exhibit D1.4)

**TABLE D1.2. EXAMPLES OF “WHAT ELSE NEEDS TO BE IN PLACE?”**

<b>Category</b>	<b>Notes</b>
Feedback	People want and need feedback to improve their performance. Feedback can come from many sources, including their manager, peers, and even self-assessments.
Recognition	Recognition for effort is a powerful motivator; it is one reason gamification works. Simple acknowledgement by managers is, in general, more motivating than material rewards.
Incentives	The motivation provided by material rewards is not so great as often supposed, but incentives can facilitate change, provided they reward the behaviors taught in training. Surprisingly often, what is taught and what is rewarded are in conflict, or only the result is rewarded without regard for how it was obtained, which can lead to all sorts of undesirable behaviors.
Performance Management System	The performance management system, annual reviews, and any employee rating forms must all be in synchrony with what is being taught, or the training will end up as learning scrap.
Managerial Practices	“I hear what you say, but I see what you do. And seeing is believing.” Unless the supervisors of those being trained actively practice and model what was taught, the training is likely to have limited impact. As Mosel pointed out more than fifty years ago: “It is top management, through the organizational climate or reward structure it creates, that is <i>really</i> doing the training, regardless of what the training staff does. The training administered by the training staff ‘sticks’ only if it coincides with what top management is teaching every day” (Mosel, 1957, emphasis in original).
Consequences for Non-Use	Just as there need to be incentives and recognition for applying the training (carrots), there need to be consequences for not making the effort to perform as taught (sticks). As the saying goes: “People respect what you inspect.” If no one cares whether the learning is applied or not, it won’t be.



## Map the Journey

Going from learning to improved performance is a journey. Creating a map of the journey helps designers, participants, and stakeholders visualize the process and its rationale. It’s what Dan Roam, in *The Back of the Napkin* (2013), calls “visual thinking.”

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Visual thinking means taking advantage of our innate ability to see—both with our eyes and with our mind’s eyes—in order to discover ideas that are otherwise invisible, develop those ideas quickly and intuitively, and then share those ideas with other people in a way that they simply “get” (p. 3).

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A logic model is a way of mapping the critical elements of an initiative to illustrate their interrelationships, and how they are expected to contribute to the desired outcomes. A logic model makes explicit the “theory of change”—the assumptions behind the initiative—as well as what needs to be evaluated. The approach is widely used in illustrating and evaluating programs in general (Frechtling, 2007) and has proven to be valuable for designing and evaluating corporate learning initiatives in particular (Parskey, 2014).

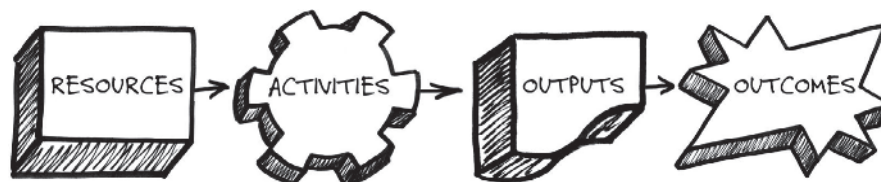
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A logic map makes explicit the theory of change.

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The generic form of a logic map is shown in Figure D1.8 and illustrates the rationale for company-facilitated learning: **resources** (time and money) are invested in **activities** (training, action learning projects, performance support, etc.); these generate **outputs** (number of people trained, number of coaching sessions, number of participants in social networks, and so forth), which contribute to the **outcomes** of interest (such as increased customer satisfaction, higher sales, faster cycle time). It is important to note that, although the map is usually drawn in time sequence from left to right (resources to outcomes), developing an effective intervention proceeds in the opposite direction, beginning with defining the desired outcomes (Frechtling, 2007).

**Figure D1.8. A HIGH-LEVEL, GENERIC LOGIC MAP**





We will return to the concept of a logic map throughout *The Six Disciplines*, enriching it and illustrating how all of the components need to work together to achieve the desired outcomes. At this point in the process—when you have completed the Planning Wheel discussion with the sponsor(s)—your map will be very incomplete. Only the outcomes will have been defined. But the destination will be clear, which is prerequisite to selecting the right route and investing the right level of resources.



### Practical Application

- Construct a logic map to illustrate the relationships among activities, outputs, and outcomes.
- Use it to guide both planning and evaluation.
- Develop the map in concert with key constituencies so that everyone is clear about the destination and the journey required to get there.



## Manage the Portfolio

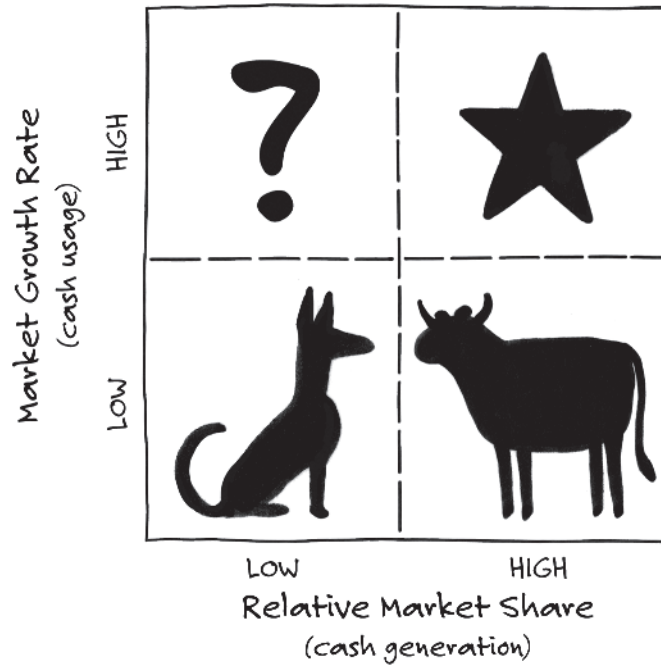
According to the great military strategist Clausewitz, the essence of strategy is to concentrate resources on the “decisive point.” One of the principal tasks of a business manager is to manage the company’s portfolio of products and services, matching investment to potential. Not all products are created equal; some have more potential to contribute to growth and profitability than others, for a variety of reasons, including market size, competition, and where they are in their life cycles. Products with greater potential deserve greater investment and nurturing; those with little potential should be ignored or dropped.

One of the best-known classification schemes for classifying business portfolios is the Boston Consulting Group (BCG) grid, which classifies lines of business along two dimensions—market growth and market share. It is divided into four quadrants or types of business/product (Figure D1.9).

- **Stars.** Entries with a high market share in a fast-growing industry or segment. Stars need high rates of funding to maintain their growth and maximize their potential.
- **Cash cows.** Have high market share in a slow-growing segment. They are called cash cows because they can be milked for cash to support investment in stars and new ventures. They require a limited amount of



Figure D1.9. THE BOSTON CONSULTING GROUP GROWTH-SHARE MATRIX



investment, since their potential for growth is low, but they mustn't be starved to death. Cash cows are critical to any company and should be valued appropriately.

- **Dogs.** Have low market share in a mature, slow-growing industry. They have no real strategic value since they typically contribute little cash, have limited potential for growth, and consume time and resources that could be more profitably deployed elsewhere. In his essay, "What Is Strategy?" Michael Porter pointed out that choosing what *not* to do is just as important as choosing what to do; there are always tradeoffs (Porter, 1996). Dogs should be sold or otherwise disposed of and the resources redeployed.
- **Question Marks** (also called **Problem Children**). Products or businesses positioned in high-growth markets, but which have failed to live up to their potential to achieve significant market share. They need attention. If they can be turned around, they might become stars and eventually





cash cows; otherwise, they will turn into dogs and be a continuing drag on the organization.

The business manager's task is to continually assess the portfolio and adjust the level of investment to ensure that time, energy, money, and creativity are expended on those lines of business with the greatest potential.

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The essence of strategy is to concentrate resources on the decisive point.

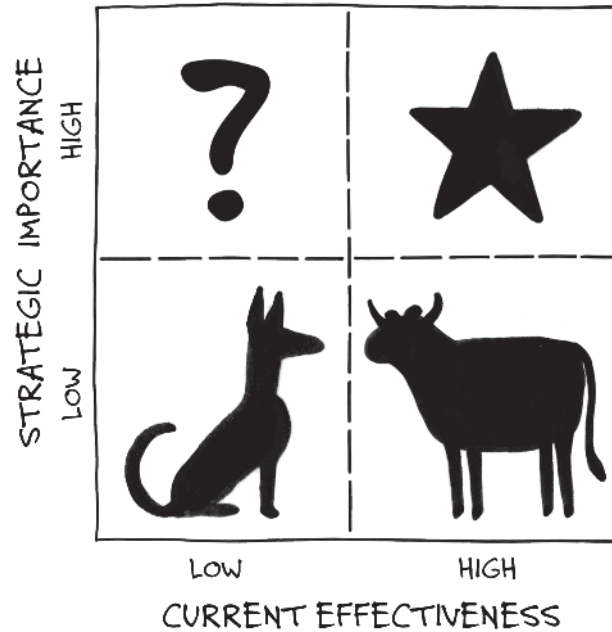
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These concepts should be applied to the learning portfolio. Not all learning initiatives have equal potential to contribute to organizational success. The most effective learning organizations practice portfolio management, maximizing their investments in those programs that are stars and killing off low-value or ineffective programs. The BCG grid can be adapted to the management of learning initiatives by modifying the axes to “potential business contribution” and “current level of effectiveness”—to create the Training Potential/Actual or TP/A Grid (Figure D1.10). Programs would then fall into the same four categories with the following definitions.

- **Stars.** Highly effective programs in areas of key strategic importance to the business, such as leadership effectiveness, new product introductions, new market penetration strategies, and so forth. They deserve the best talent, creativity, and highest levels of investment.
- **Cash cows.** Very effective programs that are not necessarily sexy or glamorous, but are nevertheless essential to organizational effectiveness, such as safety training, on-boarding, and compliance training. Like cash cow products or businesses, they must not be starved, but they should not be overfed either.
- **Dogs.** Programs that either are simply not working or that make a minimal contribution. It may be that they were created some time ago to address an issue that is no longer relevant, or it may be that training was not the right solution to begin with. Regardless, programs that are dogs should be discontinued; they sap the organization's resources, energy, and morale.
- **Question Marks.** Training initiatives that should be making a much greater contribution than they are currently. They need to be studied to determine whether the issue is an overstatement of their potential, a misdiagnosis of the problem, ineffective training, or lack of transfer



**Figure D1.10. THE TP/A GRID FOR ASSESSING LEARNING PORTFOLIOS**



support. If they have the potential to become stars or cash cows, they should be fixed. Otherwise, they should be discontinued and their resources redeployed in more productive areas.

Effective management of the learning portfolio requires a periodic (quarterly or annual) prioritization process that includes business leaders as well as learning professionals, since learning is a business-support function. Many organizations maintain learning advisory boards or committees for this purpose. Learning professionals should be active contributors to the process. They should come forward with a point of view and recommend specific programs to eliminate in order to free up resources to invest in new or more promising initiatives.

It is important to note here that responsible prioritization of training investments is based on their potential and actual contribution to business outcomes—not their learning objectives, reaction ratings, or whether they're the latest fad in instruction. Training is a business function that



needs to be managed as such. The first step in managing learning like a business is clearly defining the expected outcomes (D1).



### Practical Application

- Remember that not all learning is equally valuable.
- Maximize your contribution by investing in initiatives with the highest potential for payback.
- Use the TP/A grid to identify your stars as well as your dogs; make strategic decisions about what to keep and what to eliminate.



### Summary

The first, crucial, and frequently underdeveloped discipline in successful learning and development is to define the desired outcomes in business terms (D1). Successful learning organizations focus on performance and always start with why. In collaboration with the key stakeholders, they define the rationale for the program in terms of the business benefits to be delivered, rather than just the learning objectives to be achieved. They prioritize their efforts and resources, concentrating on initiatives that will have the greatest impact and probability of success. Together with the sponsors, they agree, *in advance*, on the criteria for success before they embark on design.

Defining business outcomes is the keystone for the success of any learning initiative. When learning professionals don't make the effort to articulate the expected business outcomes, they put the success of the initiative, and perhaps the company itself, at risk.



### Exhibit D1.5 Checklist for D1

Use the checklist below to ensure that training is the right solution and that the objectives for the learning initiative are stated as business outcomes.

#### Overall

- The proposed initiative addresses a performance issue related to lack of knowledge or skill.
- Non-training solutions have been explored or tried and rejected.
- A needs analysis has identified the specific knowledge and skills that must be mastered to improve performance.
- Environmental factors that will affect successful implementation (such as accountability, consequences, coaching, and so forth) have been identified and discussed.
- A high-level logic map has been drafted to illustrate the proposed relationship between learning activities and expected outcomes.
- Management understands the impact of the transfer climate on the success or failure of learning initiatives.
- Management accepts its responsibility and role in creating a positive environment for learning transfer.
- The “conditions of satisfaction” of the sponsor(s) have been spelled out.

#### Each Program Objective

- Is clearly linked to a high-priority, high-value business need or opportunity.
- States the actual performance that will be achieved (as opposed to knowledge, ability, or capability).
- Specifies the performance standard that will be met and by when.
- Uses business terms, concepts, and language.
- Clearly indicates how success could be measured.



## Recommendations

### *For Learning Leaders*

- Read and understand the business plan. Be proactive in identifying areas in which learning and development can contribute.
- Never offer a program simply because you were asked to offer a program.
  - Always ask: “Why? What is the expected benefit to the company?”
- Use the Outcomes Planning Wheel to help negotiate a clear “contract” with management that specifies, in advance, the business objectives and how success will be assessed.



## D1: Define Business Outcomes

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- Use the “What else needs to be in place?” question to help business leaders understand that training will fail unless supported by managers, incentives, and so forth.
- Review all the programs for which you are responsible to be sure each has objectives that are credibly linked to business imperatives.
- Be proactive in managing the learning portfolio.
  - Use the TP/A Grid to categorize initiatives by their strategic importance and effectiveness.
  - Propose redistribution of resources as appropriate to maximize value.

*For Line Leaders*

- Tell your learning professionals the results you want—not the solutions (e.g., a one-day workshop); it’s their job to propose the best solution.
- Review the portfolio of learning and development initiatives in the business unit for which you are responsible.
  - Are they clearly aligned with the most pressing needs of the business?
  - Are there critical needs that are not being addressed?
  - Are resources being squandered on low-value programs that could be profitably redirected to higher-value initiatives?
- If the current learning initiatives are not aligned with the business needs, work with your learning leader to ensure that they are.
- Rebalance your learning and development portfolio to redirect resources to the initiatives with the greatest potential payoff for the business.
- Identify a business need that you believe requires training to achieve.
  - Confirm that training is an appropriate part of the solution.
  - Work through the Outcomes Planning Wheel with your learning and development partners.
  - Agree on the behavioral changes that are needed to achieve your objectives and how they can be confirmed.
  - Be clear about your “conditions of satisfaction”—the results necessary for you to consider the initiative a success.
- Ask learning and development to propose a plan for achieving these results.
  - Review it critically, using the 6Ds Scorecard (Exhibit I.2, page 36).



