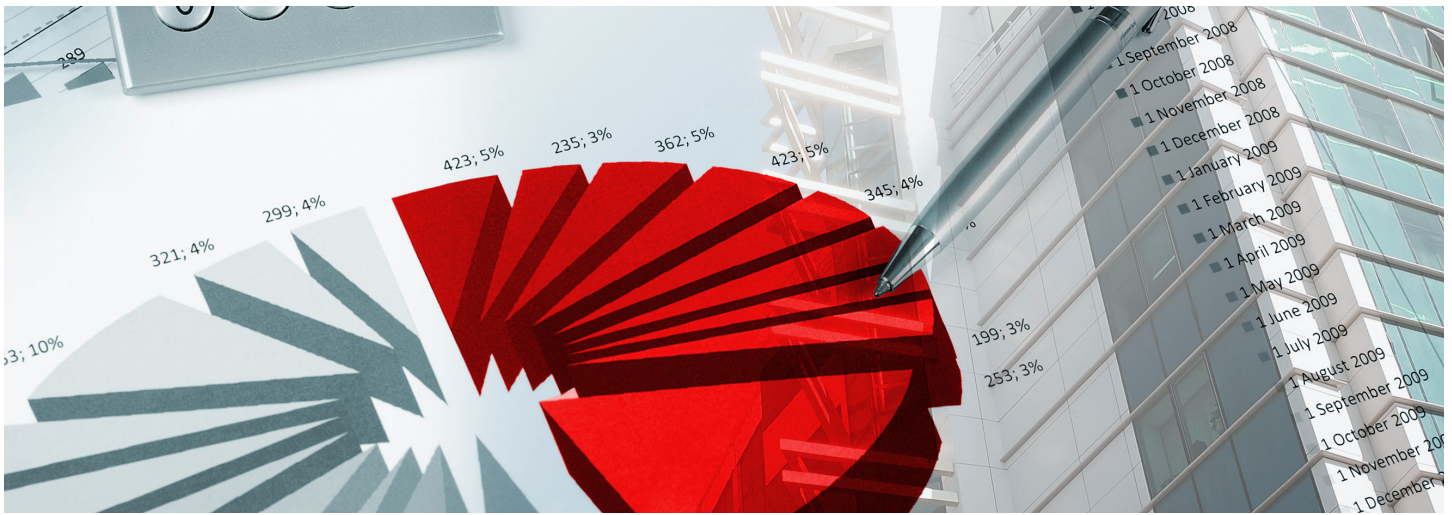


Original

TDRp Whitepaper

With New Foreward

Full Version



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Center for Talent Reporting

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Foreward to September 2015 Release



It is our pleasure to re-publish the original Talent Development Reporting Principles (TDRp) Whitepaper which was written in late 2010 and early 2011 by Kent Barnett and Dave Vance under the direction of an Executive Council of leading practitioners and an Advisory Council of industry thought leaders. (See Appendix III for a list of the Executive Council and Advisory Council members from 2010 to 2012.) Tamar Elkeles from Qualcomm and Kent Barnett from Knowledge Advisors⁽¹⁾ initiated the effort to bring standards to learning and development (L&D) in September 2010. They asked me to provide additional leadership and staff support for the effort. After 24 revisions to the document the councils signed off on this whitepaper at the Knowledge Advisors Symposium on March 9, 2011.

A multiphase approach was pursued to develop the standards. This whitepaper was the culmination of Phase 1. In January 2012, Phase 2 was completed which included the definitions of more than 100 terms and measures for L&D (published in October 2011 as Definitions of Terms and Measures for Learning and Development) and further refinements to TDRp for L&D. Phase 3 extended the principles from L&D in Phase 1 to all of the other primary HR processes like talent acquisition so an organization could adopt TDRp across all HR functions. Phase 3 culminated in the whitepaper titled Approach to Extend TDRp to All Talent Development Processes which was approved by the councils at the Knowledge Advisors Symposium on March 5, 2012. Later in 2012 the Center for Talent Reporting was established as the nonprofit home for TDRp.

This 50-page whitepaper provides insight and in-depth discussion of topics not covered in the current 20-page Introduction to TDRp paper. In particular this paper compares L&D and TDRp to accounting and the Generally Accepted Accounting Principles (GAAP) (see pages 7-10) and provides a more comprehensive discussion of effectiveness measures, especially level 4 and 5 as well as the issue of isolating learning's impact from other factors (see pages 21-27). It also provides more detail on the guiding principles (see pages 14-16).

The Definition of Terms and Measures for L&D document was written after the original whitepaper and provides a more comprehensive treatment of terms and measures so the reader is urged to go directly to the Definitions document for more on definitions of terms and measures rather than pages 16-20 in this document.

A comparison of this whitepaper with current ones will also show how TDRp has evolved over five years. The underlying assumptions, principles, types of measures, and types of reports have not changed. However, we no longer recom-

mend creating the three statements (Outcome, Effectiveness and Efficiency) since much of the information in the statements was repeated in the reports. Instead we now recommend creating lists for each type of measure with a focus on deciding which measures should be actively managed and which are better simply monitored. This is the biggest change since the original whitepaper. Other changes have been relatively minor which attests to the good consul offered by the group of industry thought leaders in the 2010-2012 period.

Dave Vance



Executive Director, Center for Talent Reporting

September 1, 2015

Notes: (1) Kent Barnett has since retired from Knowledge Advisors which was acquired by CEB on March 3, 2014.

Executive Summary



The goal of this project is to develop Talent Development Reporting Principles which will provide a standardized framework for the internal reporting of talent development to executives within an organization.

It is anticipated that the work will be completed in four phases. This report contains Phase 1 and 2 recommendations which focus on a basic reporting framework for learning and development (L&D). The first phase, completed in March 2011, focused on the for-profit sector. The second phase, completed in March 2012, expanded the scope to government and non-profits and also included a number of refinements to Phase 1, including definitions of more than 100 terms and measures. The third and fourth phases will build upon the lessons learned from the first two phases to expand reporting recommendations to all aspects of talent development.

The talent development profession would benefit significantly from a set of commonly accepted principles like those found in the accounting profession. The set of Generally Accepted Accounting Principles (GAAP) provide detailed direction on the reporting of financial data, including how to define and calculate key measures. With this as our inspiration, we propose a basic set of Talent Development Reporting Principles (TDRP) for L&D, and ultimately a detailed guide for talent development in Phase 3.

There are four key recommendations:

- Adopt a set of guiding principles
- Adopt standard definitions and measures
- Adopt three reporting statements
- Adopt three executive reports

These will be applied first to L&D which is the scope of this white paper. In Phase 3, these recommendations will be applied to all elements of talent development and the white paper will be updated.

The first recommendation is to adopt a set of guiding principles. These principles will provide direction for the L&D standards, statements, and reports just as GAAP provides direction for accounting concepts, statements and reports.

The second recommendation is to adopt standard definitions and measures which will provide consistency to common L&D definitions and calculations. The definitions will cover the types and categories of learning as well as the recommended measures. The measures will be extracted and/or calculated from various data sources within an organization, and then housed in a data set or warehouse. Examples of standard measures include unique & total participants,

opportunity costs, Kirkpatrick/Phillips levels 1-5, cycle times, and utilization measures. Since isolating the impact of learning on business outcomes, and the broader issue of linking learning to business outcomes, is so critical to the measure of business impact, special attention is provided to this topic, including a variety of methods to isolate the impact.

The third recommendation is to adopt three reporting statements to organize the standard measures just as the three primary financial statements (income statement, balance sheet, and cash flow statement) organize financial data. The three reporting statements are constructed from the standard measures contained in the data set or warehouse and include the following:

- **Outcomes:** An organization's desired results and learning's impact on those results. Examples include revenue, market share, quality and cost reduction.
- **Effectiveness:** Indicators of how well learning contributes to the outcomes. Examples include alignment to the organization's goals, quality of content and delivery, application to job, and impact
- **Efficiency:** Indicators of an organization's activity and investment in learning and development. Examples include the number of learners attending training, the number of programs delivered and the cost to produce training.

Typically, an organization will produce both high-level or summary statements as well as more detailed statements.

The fourth recommendation is to adopt three executive reports which are constructed from the three reporting statements just as management reports in an organization are constructed from underlying financial and activity reports. The three executive reports include one targeted for use with business executives (CEO, SVP, etc.) and two targeted for use with learning executives (those learning managers with responsibility for programs, budget and people). Each report, its purpose, target audience and frequency, is depicted in the following table.

Report	Purpose	Target Audience Frequency
1. L&D Summary	Convey progress against high-level goals	<ul style="list-style-type: none"> • Business & Learning Executives • Quarterly
2. L&D Program Report	Manage programs and initiatives to deliver planned results	<ul style="list-style-type: none"> • Learning executives and managers • Monthly
3. L&D Operations Report	Manage L&D operations efficiently	<ul style="list-style-type: none"> • Learning executives and managers • Monthly



The three reporting statements are constructed from the standard measures contained in the data set or warehouse.

These three executive-level reports are intended to focus on the most important measures at an aggregate level to aid executives in actively managing the L&D function to deliver planned results. Where greater detail is required to answer questions that are triggered by the reports, the statements, manager-level reports, or underlying data base will provide the data to answer those questions. The three executive reports combined with the three statements and underlying data sets should provide comprehensive reporting on the effectiveness, efficiency and impact of the learning programs.

Of course, the key to successful management of the learning function lies not just in the reports themselves but in the analysis and actionable recommendations which flow from the reports. Consequently, the guiding principles include recommendations on reporting, and further work is planned to provide guidance on using the reports as well as constructing them.



The key to successful management of the learning function lies in the analysis and actionable recommendations which flow from the reports.

Introduction



While the goal is to create a standard to be followed by all, we value progress over perfection.

Goal

The goal of this project is to develop a standardized framework for internal reporting on the current state of talent development within an organization. The hope is that a standard framework will be broadly adopted with common terminology and measures, which in turn will contribute to a greater understanding of successful practices and meaningful comparisons across organizations. Our inspiration is the set of Generally Accepted Accounting Principles (GAAP) which have been used by the accounting profession in the United States since 1973 to provide consistency, clarity and uniformity in the analysis of the financial well-being of organizations. It is our goal to develop the same for the field of talent development, our own Talent Development Reporting Principles (TDRP). The data produced using these principles can then provide a solid foundation for analysis, just as the data produced by accountants according to GAAP provides the foundation for financial analysis. This effort will also support the ongoing work by the Society for Human Resource Management (SHRM) for the external (public) reporting of select talent development measures, and the standard measures defined in TDRP will be consistent with those recommended by SHRM.

Our Approach

We will begin by focusing on learning and development (L&D), a critical component of overall talent development with very broad appeal. With the completion of Phase 2, we will apply the same approach principles to talent development in general.

The goal of the first two phases is to develop general concepts that can be used at all levels as well as an executive-level reporting framework for L&D and senior organization leaders. It is anticipated that the executive level reporting will be used by the CLO or VP of L&D to communicate with the CEO and senior leaders on a quarterly basis, and will also convey information with the direct reports to the CLO and staff on a monthly basis.

While the goal is to create a standard to be followed by all, **we value progress over perfection.** We acknowledge that many different practices exist today and understand that the journey toward uniform standards will be slow. We will respect differences of opinion but continue to push the profession toward common standards.

The Accounting and Management Professions



Assumptions

There are several important assumptions underlying the recommendations contained in this report. Stating these upfront may help eliminate or reduce potential misunderstandings and will provide context for the recommendations.

- Learning and development is broadly defined to include all the programs and initiatives designed to increase human capital to enable greater organizational and personal capacity, effectiveness and efficiency. With this understanding L&D would include formal and informal learning, performance support, leadership, new employee orientation, and tuition assistance. Some L&D functions will have all these responsibilities while others have less or more.
- The primary purpose of learning and development is to build organizational capability that enables the organization to achieve its goals or achieve its goals more quickly or at lower cost.
- Whenever possible, learning will be aligned strategically to the goals of the organization. Learning leaders will meet proactively with stakeholders to discuss and agree on the role of learning in meeting the organization's goals and will set appropriate goals for the learning program or initiative.
- The recommended reports and the underlying data will be used appropriately by competent, experienced learning leaders to manage the function to meet agreed-upon goals and to continuously improve.

The accounting profession, with the help of GAAP, employs standard financial reporting practices using specific guidance on how the elements in those reports must be calculated and presented¹.

The accounting profession, with the help of GAAP, employs standard financial reporting practices using specific guidance on how the elements in those reports must be calculated and presented. Efficiency Statement

- **Income Statement:** The income statement provides information on revenue, expenses and net income or profit over a period of time like a month or a year.
- **Balance Sheet:** The balance sheet provides information on assets, liabilities, and net worth at a given point in time like year end.
- **Cash Flow Statement:** The cash flow statement shows the sources and uses of cash over a period of time.

GAAP provides both the **definitional guidance** (e.g. what constitutes an expense) and the **reporting guidance** (e.g. which financial reports are mandatory and what they must include).

1. The United States will adopt the International Financial Reporting Standards [IFRS] by 2016 which is already used by many countries and provides global consistency.

Having said that, there are instances where GAAP allows multiple approaches for a procedure. For example, GAPP accommodates numerous methods of calculating depreciation expense and the choice of a cash or accrual basis. Even in these cases, though, the definitions for each approach are clear, and the chosen approach must be used consistently in all reporting.

In addition to financial statements, the fields of accounting and management have developed several financial health measures which are typically ratios of items from the financial statements. Examples include return on assets (ROA), return on equity (ROE), and earnings per share (EPS) which combine elements from multiple financial statements.

Numerous other ratios include one element from the financial statement combined with one not contained in the statements. Examples include market share in dollars (requires industry sales), sales per employee, sales per store, days of receivables, and average age of payables.

Just as common in business, however, are measures not drawn from the financial statements. Here, GAAP does not prescribe how the measures are computed, but standard practices have evolved which are applied with great consistency. Examples include the following:

- Volume measures like number of units sold, number of products offered, number of employees, number of factories, number of stores, number of suppliers, and number of customers.
- Ratios like market share in units and share of wallet.

However, there are other measures like customer satisfaction and employee engagement that are widely used but implemented very differently with no overall standardization.

Organizations will typically present some of their results graphically, but not necessarily in standard ways. Examples include pie charts of sales by region or product, line graphs of sales and profit through time, and bar charts showing contributions to sales or expenses. Here again, there is no GAAP to follow, and companies choose the method that best suits their need.



There are other measures like customer satisfaction and employee engagement that are widely used but implemented very differently with no overall standardization.

How Does the L&D Profession Compare?

GAAP and Financial Statements

The L&D profession currently has no equivalent to GAAP and no equivalent to the income statement, balance sheet and cash flow statement.

GAAP

The learning & development profession today does not have a standard, widely accepted set of principles for reporting. While there are some commonly defined terms, it is not universal and there are no commonly accepted reporting formats.

Financial Statements

We will start with a quick review of the main financial statements and then focus on the income statement.

An income statement equivalent for L&D would require a dollarization of product and service activity and expenses. The expense part is easy and for the most part is already provided in the accounting income statement for the L&D organization. This income statement captures the dollar costs of labor and related expenses and all the external overhead expenses. Some statements may not include the internal overhead charges but these could be added to complete the equivalent of the expense portion of an accounting income statement. The only outstanding issue for L&D is whether to add opportunity costs, costs for participant travel, and any other L&D costs for employees outside the L&D organization.

The income side of the L&D equivalent is conceptually much more difficult. The income shown in an accounting income statement reflects the market value of the products and services sold; after all, it was exactly what willing buyers paid. In for-profit companies the price of a product or service reflects what the company believes it can get for the product or service, and it is usually more than average cost (or else there will be no profit). In contrast, many L&D organizations do not “price” their services at all. Those that do price their services typically use average cost to break even (at least to internal customers). Thus, even if an L&D function has a complete accounting income statement (income, expense and net income), the income shown is not likely to reflect the market value of the services and products provided to the organization’s employees. (There are some L&D organizations which have external sales where the price does reflect market value, and there may be some who price internally above average cost. In the absence of a free market, however, there is no way to know if this above-average-cost price truly reflects the market value.) Since the income on the L&D organization’s accounting income statement is likely to just reflect the average cost of providing the service, it does not represent market value and does not contain any “new” or “independent” information like the income on a traditional income statement. Consequently, the bottom line of the accounting income statement for the L&D organization does not reflect the value added

by the talent development organization. Thus, it is not the equivalent of the net income or profit measures on a typical income statement.

As noted above, many L&D organizations, especially those organized as a cost center do not even have an income statement and may only have an expense statement.

There are also no equivalents to the balance sheet or cash flow statement. One can imagine a balance sheet for L&D that would capture the stock of L&D assets and address their depreciation (or appreciation!) through time, although an equivalent to liabilities is harder to imagine.

Volume and Ratio Measures

The L&D profession, like accounting and management, has numerous volume and ratio measures, but lacks the standardized approach for their calculation and presentation. It also lacks the market-based revenue and profit measures of the income statement as a way to determine bottom line value added.

Let's start with the volume and ratio measures which are just as numerous in L&D as in business (or in government or non-profits) overall. Examples include:

- Volume measures such as number of:
 - > Participants,
 - > Courses taken
 - > Class hours
 - > Courses offered
 - > Employees
- Ratio measures like:
 - > Percent of target audience reached
 - > Percent of employees with development plans
 - > Percent of courses that are e-learning

These measures are routinely calculated and are generally straight forward calculations, but in contrast to financial reports there is not widespread agreement or widely recognized standards for the reporting of these types of measures. Moreover, there is not agreement on precisely what constitutes the different types of learning (for example, is synchronous online learning an example of ILT or eLearning) or how the learning programs should be grouped into categories (like technical, professional, leadership, etc.). Clarity on both is essential for comparisons among organizations,

And, just like organizations overall, results are often displayed graphically but not necessarily in a consistent manner. Examples include pie charts of participation or involvement by unit, region or type of offering; line graphs of courses or



The L&D profession, like accounting and management, has numerous volume and ratio measures, but lacks the standardized approach for their calculation and presentation.

participants through time; and bar charts showing detail by course or participant group.

So, the L&D profession has volume and ratio measures which are not standardized vs. the accounting and management professions which have adopted a more standardized approach. In addition, there is no equivalent of an income statement and a balance sheet within the L&D function. Without an income statement equivalent, there has been no agreement on what constitutes a true “bottom line” for L&D.

Summary of Needs

The preceding section described the similarities and differences between reporting by the accounting & management professions and the L&D profession.

Although the L&D profession has numerous volume and ratio measures, there is no equivalent to GAAP and the financial statements. Therefore, it is safe to say there is no consistency in how these measures are defined, calculated, used and reported. Consequently, the L&D profession would benefit tremendously from a set of guiding principles and from standardizing the definition, calculation, use, and reporting of volume and ratio measures. Questions to be answered include:

- How should the measures be defined and calculated?
- Which ones should always be used?
- Which ones are recommended? In what circumstances?
- How should the measures be reported? What does the report look like?
- How should the data be displayed?
- What are the definitions of commonly used terms?
- What are the categories for reporting?
- Which are comparable across organizations?

The L&D profession would also benefit from a direct equivalent to the income statement and balance sheet. It would be particularly helpful to have a true income statement which would reflect the market or true value of the products and services provided by the L&D function. The value added by learning and development must be captured, even if it is only for key programs. It may never be possible to have a complete, true equivalent of the accounting income statement for L&D but significant progress can be made by this approach. It is simply not acceptable to continue to assume and report that the value of learning and development is merely equal to its average cost. The profession would also benefit from the equivalent of a balance sheet which would capture the stock of L&D assets and their depreciation through time. This might also include a schedule showing the date a course was developed, revision dates, and useful life remaining.



Although the L&D profession has numerous volume and ratio measures, there is no equivalent to GAAP and the financial statements.

Recommendations for L&D

Overview

Four basic recommendations follow from the summary of needs above and constitute the Phase 1 and 2 work plan. These will serve as building blocks for all that follows and will address the most immediate needs.

First, L&D should adopt a set of guiding principles.

Second, L&D should adopt standard definitions and calculation as well as measures with GAAP- like definitions.

Third, L&D should adopt standard reporting statements analogous to the financial statements described above. The profession is not yet at a point to adopt exact equivalents to the three financial statements or even just to the income statement. Instead, and as a starting point, the recommendation is to adopt three foundational statements which will help organize L&D measures into cohesive buckets just as the financial statements do. The recommended three are:

1. Outcome Statement
2. Effectiveness Statement
3. Efficiency Statement.

Just like the financial statements they are mostly, but not entirely, mutually exclusive (e.g., one measure may appear in more than one report).

Fourth, L&D should adopt three levels of executive reports which draw on these three foundational statements in the same way corporate reports and scorecards draw on elements of the financial statements.

The remainder of this paper will focus on the four Phase 1 and 2 recommendations. Figure 1 shows the executive reporting process graphically.



The Guiding Principles provide direction for the entire executive reporting process.

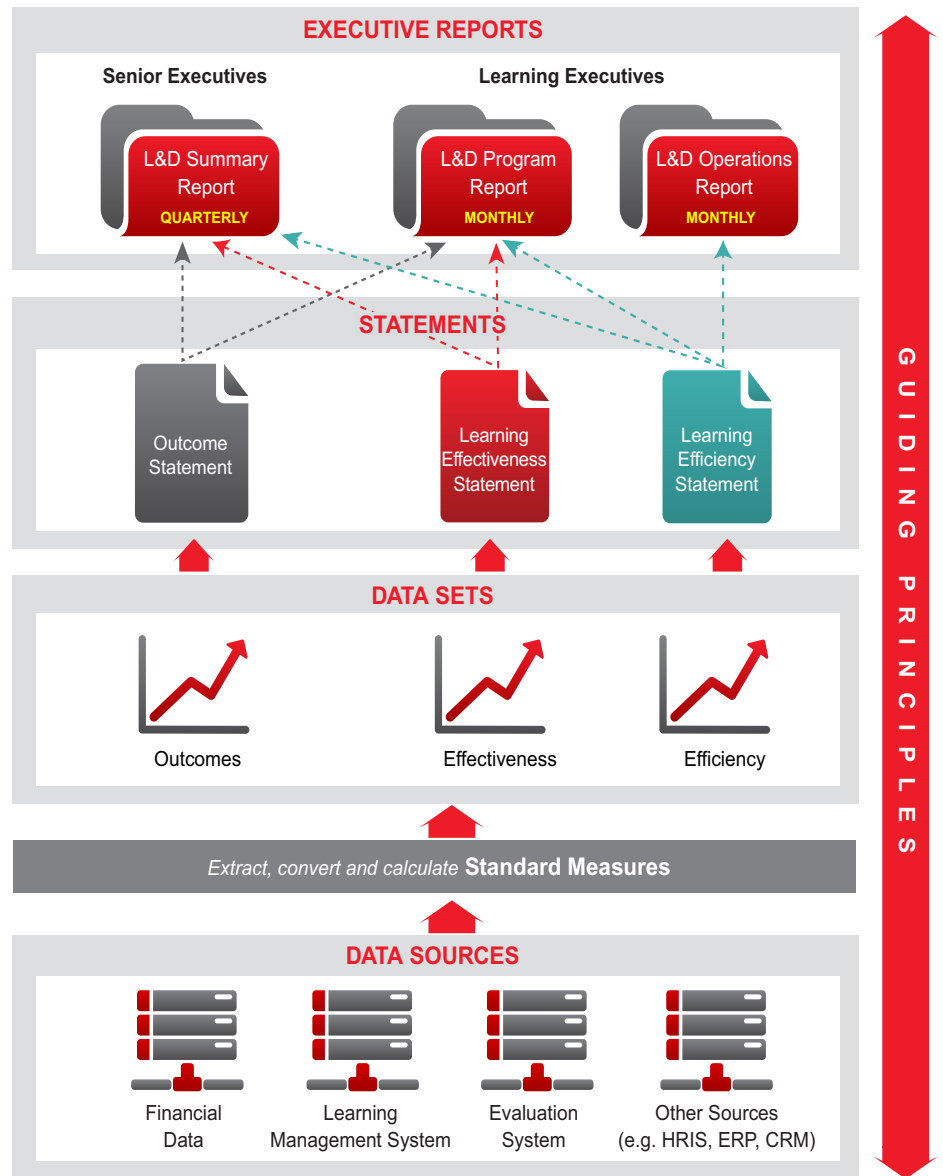


Figure 1: Executive Reporting Process

The Guiding Principles provide direction for the entire executive reporting process.

Data Sources: Multiple data sources will typically be required to support executive reporting. In most organizations these would include financial data (like the income statement for the enterprise and for the L&D function); the learning management system (LMS) and other learning-related systems for data on participants, courses and perhaps levels 1 and 2; evaluation systems for data on levels 1-4; and a variety of other data sources like HRIS, ERP, Talent Management and CRM.



We recommend eight guiding and generally accepted reporting principles for executive-level L&D reporting.

Standard Measures: The recommended standard measures would then be extracted or calculated from these data sources and managed in a data set(s). An example of a calculated measure would be L&D expenditure per employee which would draw the L&D expenditure from financial data and divide it by the employee count from an HR source.

Data Set(s): The standard measures reside in the data set(s) or warehouse which includes all the detailed data required for the statements as well as drill downs to answer specific questions. (For example, which class or instructor is pulling down the overall level 1 rating?)

Statements: The three standard statements will be constructed from the measures contained in the data sets, and in turn will be the basis for the executive reports.

Executive Reports: Three executive reports will be constructed from the statements including one for senior executives and two for learning executives.

We will start our more detailed discussion with the guiding principles.

1. Adopt a Set of Guiding Principles

We recommend eight guiding and generally accepted reporting principles for executive-level L&D reporting.

1. Executive reporting should employ concise and balanced measures that are reported in a consistent and clearly defined format.
2. Executive reports should be produced and communicated with a frequency and thoroughness to enable appropriate management of the function.
3. Executive reporting should include actionable recommendations.
4. Data integrity and completeness should be maintained.
5. Appropriate analytical methods should be employed.
6. The impact and value or benefit of programs and initiatives should be provided whenever appropriate.
7. The full costs of L&D should be captured and reported.
8. Executive reporting and the underlying data bases should support continuous improvement.

Each guiding principle is described in more detail below.

1. Executive reporting should employ concise and balanced measures that are reported in a consistent and clearly defined format .
 - Key effectiveness, efficiency and outcome measures should be reported and tracked on a regular basis. These include organizational goals and the contribution of L&D to those goals; key volume, cost and utilization measures; and level 1-5 measures.



The impact and value or benefit of programs and initiatives should be provided whenever appropriate.

- Goals should be set for key outcome, effectiveness and efficiency measures; performance to goals should be tracked and reported .
 - Executive reports should include, at a minimum, results for last year, current year plan or goal, current year-to-date results, and a forecast for the current year. Management reports, which are more detailed, typically would include just the results which may be daily, weekly, monthly, quarterly or yearly.
2. Executive reports should be produced and communicated with a frequency and thoroughness to enable appropriate management of the function.
 - Business executive reporting should generally occur quarterly. Learning executive reporting should generally occur monthly.
 - Reporting should include analytics, findings and recommendations and be communicated in writing or in person.
 - A one-page executive summary should be provided when the report is communicated in writing.
 3. Executive reporting should include actionable recommendations.
 - Reporting should include analytics, findings and recommendations and be communicated in writing or in person. In other words, the report must provide the “so what”.
 - A one-page executive summary should be provided when the report is communicated in writing.
 4. Data integrity and completeness should be maintained.
 - Historical data should be managed to maintain consistency over multiple years.
 - Data should be managed to enable drill down capability to answer executive questions.
 - Detailed data should be made available to executives as appropriate to enable executive-level analysis.
 5. Appropriate analytical methods should be employed to isolate the impact of learning on organizational results where such isolation is both desirable and practical.
 - Statistical modeling should be used and reported when the expected value justifies the cost and when isolating the impact with a high level of confidence is important to executives.
 - Reporting should enable application of leading analytical models.
 6. The impact and value or benefit of programs and initiatives should be provided whenever appropriate.
 - Employee opinion of value should be tracked and reported.



There are two broad types of learning: formal and informal.

- Manager opinion of value on strategic initiatives should be tracked and reported.
 - Executive sponsor feedback on strategic learning initiatives should be collected and reported.
 - Application should be tracked and reported.
 - Alignment of learning to organizational goals should be tracked and reported.
 - Isolation of learning impact should be reported when supported and validated by the executive sponsor.
 - Financial benefits of learning should be estimated and reported when supported and validated by the executive sponsor.
7. The full costs of L&D should be captured and reported.
 - Both direct and indirect costs should be tracked and reported on a monthly basis.
 - Opportunity cost should be tracked and reported when needed for financial analysis.
 8. Executive reporting and the underlying data bases should support continuous improvement.
 - Efficiency and effectiveness measures by learning type should be tracked and reported on a monthly basis.
 - Tracking effectiveness and efficiency measures by key demographics is critical for “drill down” purposes.
 - Tracking and reporting standard effectiveness measures for Quality, Knowledge Gain, Application Rate, Alignment, Impact, and Value should be done to enable continuous improvement capabilities.

2. Adopt Standard Definitions and Measures

Definitions

Types of learning

There are two broad types of learning: formal and informal. We define formal learning as the knowledge and skills transfer that occurs with the help of structured curriculum. We define informal learning as the knowledge and skills transfer that occurs without the help of structured curriculum. While reporting has typically focused only on formal learning, the amount and importance of informal learning is growing and warrants greater attention.



Each organization will define the categories to suit their internal reporting needs.

Formal

- **ILT (Instructor-led training):** An instructor is physically present in the classroom.
- **vILT (virtual instructor-led training):** A real-time instructor leads the class virtually or remotely (synchronous).
- **E-learning:** Training provided electronically without the presence of a real-time instructor. Includes learning hosted on a computer or mobile device (asynchronous).
- **Blended learning:** A combination of types such as ILT and e-learning.
- **Other:** Formal learning not included in the above types.

Note: ASTD has 8 types of ILT and e-learning, and does not include blended. Bersin uses the first three and other.

See Appendix I for the alignment of the learning types across the three taxonomies.

Informal

- **Knowledge sharing:** Sharing of knowledge and information.
- **Coaching and mentoring:** Personal and/or professional guidance and development of one person by another.
- **Performance support:** Physical or electronic aid or support to accomplish a particular task.
- **Other:** Informal learning not included in the above types.

Note: ASTD does not include informal learning in the State of the Industry Report. Wikis, blogs and communities of practice are included in Bersin's Corporate Learning Factbook.

Categories of Learning

Each organization will define the categories to suit their internal reporting needs. For comparison to other organizations, however, the following **nine categories** are suggested:

1. New employee orientation
2. Mandatory and compliance
3. Leadership: Includes all managerial and supervisory-related learning as well as executive development.
4. Profession or industry specific: Examples of profession-specific include engineering, accounting, tax and legal-related learning. Industry specific includes training about the products and services offered by your organization. Also includes non IT-related technical training.

5. Business skills, processes and procedures: Includes business acumen, project management, change management, six sigma, quality, performance management, etc.
6. Sales and marketing
7. Customer service
8. IT and systems
9. Interpersonal and basic skills: Examples include effective communication, writing, speaking, teamwork, language, and other soft skills not elsewhere included.

Note: ASTD reports 14 categories. Bersin reports nine. The above include eight of Bersin's nine (his desktop app training is not included) plus new employee and business skills from the ASTD list. ASTD reports profession and industry specific separately. Both ASTD and Bersin report executive development separately although it is the smallest or next to smallest category in each.

See Appendix I for the alignment of the learning categories across the three taxonomies.

Classes, Courses, Curricula, and Programs

Key terms used throughout this white paper are defined below.

- **Class:** A specific training delivery or event, which may be instructor led in the classroom, online facilitated, or self-paced web-based
- **Course:** A training topic that has classes scheduled for it
- **Curriculum:** A category or group of courses
- **Program:** Strategic training initiative spanning days, weeks or months with multiple classes and potentially other learning components (e.g. informal learning, capstone projects, coaching, self-study) that is typically repeated for cohorts of learners

Programs and Initiatives

Programs and initiatives will be defined to include all the possible ways in which learning and development might contribute to organizational goals as well as personal and professional development. These two words, used together, will cover all the types of learning defined above including both formal and informal learning.

Industry

Although not important for any one organization's reporting, it is recommended that standard industry classifications be used when comparing to other organizations. One such system is the North American Industry Classification System (NAICS) which is managed by the United States' Office of Management and



See Appendix I for the alignment of the learning categories across the three taxonomies.

Budget for economic activity in Canada, Mexico and the U.S. It is updated every five years with the next revision scheduled for 2012.

Size

Use three categories to facilitate comparisons among organizations:

- Less than 1,000
- 1,000-10,000
- Greater than 10,000

Note: ASTD uses 500 as the first breakpoint. Bersin uses the three above.

Volume, Ratio, Cost, and Cycle Time Measures

The following are recommended for consideration and should be applicable for most organizations. It is recommended that organizations not only measure and report the following types of effectiveness measures, but set goals for those select measures to be actively managed using scorecards.

Volume

- Number of participants, both total and unique (If one person attends two classes the total participant count is 2; the unique participant count is 1.)
- Number of participants by program or initiative
- If applicable, number of participants by affiliation (internal, dealer, supplier, customer, other external).
- Number of participants by type of learning (ILT, e-learning, performance support, simulation, Communities of Practice, Coaching, etc.)
- Number of courses, offered and taken
- Number of hours by type of learning and by program
- Number of course hours, offered and taken
- Number of courses by type of learning and by program
- Number of communities of practice, social media sites, etc.
- Number of staff hours available and used for design and training
- Number of hours dedicated to new initiatives vs. maintenance of existing

Ratios

- Percent of employees reached by L&D
- Percent of employees with a development plan
- Percent of total participants (or expenditures or hours) by program, business unit or geography
- Percent of courses designed, developed and delivered on time
- Percent of courses and hours used



The following are recommended for consideration and should be applicable for most organizations.

- Percent of those registered for ILT and vILT who take the class
- Percent of hours by formal and informal learning
- Average class size for ILT and vILT
- Employees per L&D employee
- L&D expenditure per employee

Cost

- Direct cost including labor and associated overhead (both external and internal)
- Vendor cost
- Tuition reimbursement expenditure
- Opportunity cost (the value of participants' time) [see note below]
- Cost reduction (savings from increased efficiencies [switching to e-learning, vendor consolidation, reduced cycle time, etc.] plus reduced opportunity costs from less time spent in ILT and traveling to class)

Cycle Time

- Days dedicated to the performance consulting, design and development of a course

Note: Opportunity cost is an economic concept with tremendous relevance to L&D. It represents the value of what was foregone in order to participate in the training.

At a minimum it should include the labor and related cost for the time the participants spend in training or in training-related travel. For example, if a participant spends 4 hours in class and 1 hour in round-trip travel time, and if her wages and benefits are \$50 per hour, then her minimum opportunity cost for the training is 5 hours x \$50 per hour or \$250. This is the value of her time spent in training. If she were not in training, she should have been producing at least \$250 in value for the organization. (If she is not, then she is being paid too much.) For many the opportunity cost is even higher. For example, the opportunity cost for a salesperson is the additional profit they would have made for the company if they had not been in training. This is almost always greater than their labor and related cost.

For many learning programs opportunity cost will be the single largest cost, exceeding amounts spent on development and delivery. Consequently, it should be managed and reported along with traditional budget costs.



Opportunity cost is an economic concept with tremendous relevance to L&D. It represents the value of what was foregone in order to participate in the training.

Effectiveness Measures: Kirkpatrick/Phillips Levels 1-3

These measures do not have an exact analogy in the business world, but as we have indicated above, there are a number of nonfinancial measures used to assess the health of a business. Kirkpatrick and Phillips have popularized these measures and others have added important extensions (see Bersin for example), but the recommendation will be to focus on these three plus measures for impact and value discussed in the next section.

Like the recommendation for the measures above, high-level goals should be established for the following and scorecards should be used to manage the achievement of the goals.

Level 1: Quality or Reaction (Kirkpatrick)

These measures are recommended for all courses but not necessarily for all participants due to the use of sampling and response rates less than 100%. It is highly recommended that some predictive questions be included such as “Do you believe you will be able to apply what you have learned?”

Recommended measures: Average score, Percent who checked top two boxes on a five-six point scale.

Level 2: Knowledge Gained or Learning (Kirkpatrick)

These measures are recommended where a knowledge or skill test is appropriate. Level 2 measures are highly recommended for compliance-related training.

Recommended measures: Percent of those who pass, Average score

Note: The average score may not be reportable for locations where data privacy prohibits capturing certain information.)

Level 3: Application (Phillips) or Behavior (Kirkpatrick)

These measures are recommended for key courses, especially those with large audiences, large expenditures or long deployments. Implement immediately following the course to determine immediate application (e.g., call center personnel) and 3-6 months after participation to determine sustained application.

Recommended measure: Percent who applied it.

Outcome Measures and the Need to Link Learning to Business or Organizational Outcomes

Outcome Measures

The primary reason organizations invest in L&D is to improve their results (Assumption 2). In some cases (for example, a new employee in a factory or a new recruit in the military) training is an absolute necessity. Without the training, the person simply could not do the work and the organizational objective would not be accomplished. In other cases, an employee would eventually figure out how



For many learning programs opportunity cost will be the single largest cost, exceeding amounts spent on development and delivery.

to do the job satisfactorily but the right training can reduce the time to competency, allowing the organization to achieve its objectives faster and at lower cost. In either case, the appropriate investment in L&D will improve the organization's results. Consequently, it only makes sense to link learning to the organization's desired goals or outcomes.

Organizations create specific, measurable goals and regularly report progress achieving those goals. For example, the goal of increasing sales 10% is a desired business outcome, and reports typically would be generated each month showing year-to-date progress. So, a business outcome measure would be a 7% increase in sales through the first nine months. Similarly, government and non-profits have goals. For example, a government agency may have a goal of increasing number of people served by 5%, or a non-profit may have a goal of increasing contributions by 20%. These are all examples of desired organizational outcomes.

It is important to identify all the important organizational outcomes or goals for the year prior to the start of the year. The learning leader should read the organization's business plan and talk with the CEO and other senior leaders to understand the goals and their priority. The learning leader also needs to discover who the stakeholder or sponsor for each goal who will be responsible for achieving it. Discussions then should follow with each stakeholder to learn more about the goal, challenges and context.

Linking Learning to Organizational Outcomes

In many cases, learning will be able to play a role in achieving one or more of the organization's goals. In these cases the learning leader will have follow-up discussions with the stakeholder to identify the role learning will play. They will discuss the type of learning, the target audience, locations, timing as well as the roles and responsibilities of the stakeholder and the learning function. Importantly, they also need to discuss the expected impact learning may have on achieving the goal. Is learning just one of many factors expected to help achieve the desired outcome or will it be a primary factor? In some cases they may agree on a qualitative measure of learning's expected impact or contribution to achieving the goal (high, medium, low, or essential). In other cases they may be able to agree on a quantitative assessment of learning's expected impact like a 70% contribution toward achieving the goal. In still other cases it may be too difficult or impractical to assess learning's expected impact directly on the business outcome. Instead, the application rate or other measure may be used as proxy or indicator for learning's expected impact on the organization's outcome.

However it is done, it is critical that learning be linked proactively to the desired outcomes and that a learning measure is chosen that shows the contribution or importance of learning to achieving the outcome. The measure used for learning



The primary reason organizations invest in L&D is to improve their results.

may be a level 4 measure although it may be a level 3 or 5 measure. Our discussion turns now to a closer examination of these important learning measures that not only measure learning's effectiveness but link to organizational outcomes.

Effectiveness Measures: Kirkpatrick/Phillips Levels 3, 4 and 5

Level 3 Revisited: Application (Phillips) or Behavior (Kirkpatrick)

There will be learning programs or initiatives where it is not practical or feasible to try to measure the impact (level 4) of learning on a business outcome. It may also be the case that neither the stakeholder nor learning leader is comfortable with a level 4 measure, especially if this approach is new for both parties. In this case, a level 3 measure may be used as a proxy for the contribution or importance of learning. For example, the stakeholder and learning leader may agree that if 80% of the participants apply the three key concepts they have learned (determined by survey of the participants and their supervisors), the desired business outcome (e.g., increased sales) should be achieved. The application rate becomes the measure for learning impact.

Level 4: Impact (Phillips) or Results (Kirkpatrick)

It will be feasible and desirable in some cases to set a quantitative or qualitative goal which requires the isolation of a learning program's impact on an organizational outcome. It is possible that a learning program or initiative may receive very high scores for levels 1-3 and yet not contribute to the desired outcome. Consequently, some learning programs and initiatives should be managed and assessed beyond the first three measures of effectiveness. At a minimum, these programs and initiatives should be managed and assessed for business or organizational impact (level 4), and a few may lend themselves to a determination of dollar value where the benefits are compared to the costs (level 5). The level 4 impact may be assessed quantitatively or qualitatively and may require the isolation of training's impact or not. We will start with measures requiring quantitative isolation since they are the most difficult.

Quantitative Assessment Requiring Isolation

While many would agree that it would be desirable in some cases to determine the impact of learning, the profession has struggled to do so. The primary difficulty has been isolating the impact of the learning program or initiative on the business or organizational result. Typically, learning is only one of several (or many) factors contributing to organizational results. Consequently, even if the overall result can be measured with precision (such as a 10% increase in sales), the question becomes how much of the 10% increase was due to learning. The answer to this question (say 30% of the 10% increase) requires us to isolate the impact of learning on the business result so that learning's contribution can be stated directly (in this example learning would be responsible for a 3% increase in sales [30% x 10% = 3%]).



It is critical learning be linked proactively to the desired outcomes and a learning measure is chosen that shows the contribution or importance of learning to achieving the outcome.



If the organizational goal is not specific and measurable, then agree with the sponsor on an expected impact without reference to an organizational goal.

We recognize that there are numerous approaches to determining the impact of learning. We discuss the framework suggested by Kirkpatrick and Phillips below but other approaches will certainly work as well. Our real focus is on isolating the impact of the learning for high-level reporting, especially for those key programs which have very large budgets or audiences. Other methods may be more suitable for identifying how particular programs may be improved or optimized, and may lead to more actionable recommendations for selecting the appropriate participants, increasing reinforcement and enhancing application. (For example see the success case methodology by Brinkerhoff.)

The process starts with agreement on the organizational goal or business outcome and the learning program's or initiative's likely impact on that outcome. If the organizational goal is specific and measurable, like a 10% increase in sales, then discuss with the goal's sponsor what the expected impact of learning might be given a well designed, developed, implemented and reinforced program/initiative to the target audience. This will become the expected or forecasted impact (e.g. 30% of the 10% increase in sales or a 3% increase in sales due to the program/initiative). You can also use this assumption of 30% impact for monthly reporting as long as you and the sponsor are comfortable with it. (For example, if sales are up 4% through June, and both you and the sponsor are still comfortable that learning is contributing about 30%, then your report would show that learning is responsible for a 1.2% increase in sales through June.) At the end of the program or initiative (or sooner if there is a long deployment) you may choose to do a formal evaluation to see if, in fact, it had a 30% impact on sales.

If the organizational goal is not specific and measurable, then agree with the sponsor on an expected impact without reference to an organizational goal. For example, you might simply agree that the learning program or initiative should decrease injuries by 20% and that the impact should be proportional to the number participants completing it. That is all you need for monthly reporting. (For example, if 200 employees are expected to complete the program and 100 have done so through June, and if injuries are down by 10%, then the report would show a 10% reduction in injuries due to the training. Like above, you can conduct an after-the-fact evaluation to determine if training really was responsible for a 20% reduction.)

At this point, then, a goal has been set for the expected impact of learning on the goal or organizational outcome, and the expected impact has been used in monthly reporting. For some programs and initiatives, this expected or forecasted impact of learning on the organizational outcome may be all that is required for assessment and management. At the end of the project, the goal's sponsor may be comfortable with either the originally agreed-upon expected impact or a revised impact, and senior leaders may be comfortable if the sponsor is comfortable.



In many cases, a more objective and rigorous assessment may be desired, and there are a variety of techniques available to meet that need.

However, in many cases, a more objective and rigorous assessment may be desired, and there are a variety of techniques available to meet that need. More expensive and sophisticated techniques are recommended for programs and initiatives with high impact or expense, or large target audience, while less expensive and complex techniques can be used for less important or smaller scale interventions. The following is not intended to be an exhaustive list but should illustrate the variety of techniques that are available.

We will start with statistical modeling which can be the most rigorous and is also typically the most expensive. Statistical modeling uses some or all of the available data to isolate the impact of learning on organizational outcomes with very high confidence. For example, in our discussion above, a robust statistical model might conclude that learning contributed to a sales increase of 2.5%. Statistical models vary in complexity from those that just try to identify the relationship between two variables (like sales and training) to those that include all the factors which may influence sales. Although statistical modeling can be a very powerful technique to isolate the impact of training, it can require a significant amount of data and may represent a large investment in staff time and budget.

The next category represents the self-reporting or opinions of those involved with the training program. The following can all provide valuable insight into the business impact of an L&D program:

- Sponsor or stakeholder
- Participants in the program
- Managers of the participants
- Executives and other senior leaders
- Detailed case study

We discussed above the critical role of the sponsor or stakeholder in setting the goal for the learning program or initiative in terms of its expected impact on the business outcome. The learning leader should seek continual feedback about the impact of learning from the sponsor both during the deployment and at its conclusion. This feedback can be obtained through a survey or focus group of participants to determine how much impact they believe training had on the desired outcome. Further, the managers of the participants can be asked how much impact they attributed to the training as well. Additionally, there may also be other executives who have some knowledge of the program and its impact. Last, a detailed case study could be performed which combines feedback and insights from all of the above with analysis to isolate the impact of training.

Bottom line, there are numerous ways to isolate the impact of learning on the desired outcome even if statistical modeling is not a viable option. The sponsor's opinion is the single most important subjective assessment, and this can be obtained for any L&D program at low cost. Feedback from participants, managers

and other executives will reduce that subjectivity and increase the confidence of business results, especially if the sample sizes are large.

Quantitative Assessment Not Requiring Isolation

Sometimes there will be level 4 outcomes where the learning measure is quantitative, but not in the same terms as the desired organizational outcome. Consequently, no further refinement (isolation) of the measure is required. For example, suppose the goal of a coaching program to increase the employee opinion survey (EOS) leadership score was to have leaders spend one hour each week coaching direct reports. A needs analysis indicated leaders were willing to spend the time but were not doing so solely because they lacked the necessary coaching skills. Further suppose a system has been created to allow leaders to enter their actual coaching time each week. The level 4 impact would be the actual coaching time. (Note: this example may be considered a subset of the above discussion where the isolation factor is set to 100%.) In these cases the level 4 impact (coaching time) is not expressed in the same terms as the business outcome (increase in EOS score), but both the stakeholder and the learning leader agree that the increased coaching time should result in a higher EOS score. In this sense, the level 4 impact serves as a proxy or indicator of learning's contribution to the goal.

Qualitative Assessment

Often the stakeholder will not be comfortable agreeing to a measurable goal for learning's impact or it will simply not make sense given the organizational outcome or the particular learning program or initiative. In this case it should be possible to agree on a qualitative measure for the expected impact of learning which can be as simple as "high", "medium" or "low". A high impact would indicate that learning is the primary driver for the desired outcome while a low impact would indicate that there are many other factors, some of which may be more important than learning. There may be some cases where it is simply agreed that learning will be "essential" to achieving the goal. This may be the case with compliance training and some basic skill training.

Reports throughout the year would continue to use the agreed upon qualitative measure until/unless the stakeholder asks to change it. While it does not carry the precision of the quantitative measure, the qualitative assessment still makes clear the importance of learning in achieving the organizational outcome.

Conclusion

For level 4, there is no 'correct' method for all organizations or even within one organization. It will depend on the importance, reach, and expense of the learning program as well as on the organization's resources and willingness to set quantitative goals and conduct the analysis. Invariably, trade-offs will have



Feedback from participants, managers and executives will reduce subjectivity and increase the confidence of business results, especially if the sample sizes are large.

to made between precision (and confidence) and cost. The goal is to set goals and craft an evaluation strategy that is right for your organization and meets the needs of your senior executives, sponsors and learning executives.

Level 5: Value or Net Benefit (Phillips)

Level 5 is a measure usually reserved for a few, select program or initiatives. It is usually done in combination with Level 4.

In practice, the level 4 impact is the toughest of all five levels. Once the impact is available, it is usually not too difficult to translate the impact into gross benefit dollars. Net benefit dollars is calculated as gross benefit less total cost which includes all the budget costs (design, development, delivery, reinforcement, management) plus the opportunity costs of the participants' time. Return on Investment (ROI) can be found as net benefit/total cost. For purposes of monthly reporting, however, net benefit dollars are easier to use and may be aggregated across key programs and initiatives.

We can now make the analogy to the accounting income statement. Gross benefit is comparable to revenue or sales. It represents the market or true value of the learning to the organization. Total cost is comparable to total expense in an income statement except that we have added the opportunity cost which does not appear in an income statement. Last, net benefit is like net income or profit in that it represents the bottom line value to the organization (actually understates the net income impact since opportunity cost has been included).

It should go without saying that it may not always be possible, or desirable for that matter, to calculate the gross benefit, particularly in the case of non-profits or government agencies. Furthermore, since work is required to calculate it, it does not make sense to do it for all programs. So, it is recommended for the top three or five programs and initiatives where it does make sense. If it is done for the most impactful interventions and is in concert with the sponsors' goals, it will typically show clearly that the value added by L&D far exceeds the cost. It will also provide great insights into opportunities for lowering costs and improving effectiveness.

3. Adopt Three Foundational Statements

The third recommendation is to organize the recommended measures into three data sets, each of which will support a standard statement. Each statement will have a unique focus and the three together will fully describe the current state of L&D just as the three financial statements fully describe the current financial state of an organization. Measures from all three are required to optimize the investment in learning.



The goal is to set goals and craft an evaluation strategy that is right for your organization and meets the needs of your senior executives, sponsors and learning executives.

The three primary data sets and their associated statements are:

- **Outcomes:** An organization's desired results and learning's impact on those results. Examples include revenue, market share, quality and cost reduction.
- **Effectiveness:** Indicators of how well learning contributes to outcomes. Examples include alignment of learning to goals, quality of content and delivery, application to job, impact, and value.
- **Efficiency:** Indicators of an organization's activity and investment in learning and development. Examples include cost; number of participants, hours, and courses; utilization rates; and development cycle times.

Typically, an organization will produce both high-level or summary statements as well as more detailed statements. High-level statements will contain data aggregated to the division or enterprise level, focus on the most important measures, and include year-to-date and annual data. The annual data would often include last year's results and the plan for this year. Detailed statements may focus on lower levels in the organization (business units, regions, districts, etc.), on specific programs or initiatives, or on higher-frequency data (weekly, monthly, or quarterly). The higher frequency data are especially important for detecting trends within the year and often may be displayed graphically.

For executive reporting (recommendation 4), key measures from each statement should be included to provide a complete picture of how well L&D is performing and impacting business objectives. It is also important to note that compiling and managing these comprehensive data sets is vital in addressing questions that arise from executive level discussions.

Let's look at each statement in greater detail.

The Outcome Statement

The outcome statement brings together the key goals or desired outcomes (results) of the organization along with the impact L&D is expected to have on achieving those outcomes. (The name may be modified to reflect the type of organization: business outcome statement, agency outcome statement, etc.) The report should include the primary goals of the organization (e.g. a 10% increase in sales) for the year (whether supported by learning or not), any other goals which will be supported by learning, and the expected impact or importance of learning on achieving those goals. Goals might include revenue, market share, cost, profit, operating efficiencies, productivity, cycle time, quality, safety, customer satisfaction, employee engagement, retention, and risk mitigation. The goals should be shown in descending order of priority.

As we discussed in the measures section, impact of learning may take the form of a level 3 measure (application rate), a proxy like hours of coaching, or a level 4 measure which may or may not require isolation (like a 30% contribution



Typically, an organization will produce both high-level or summary statements as well as more detailed statements.

towards the 10% sales increase). Furthermore, there may be cases where the impact cannot be quantified and will be described qualitatively as “high”, “medium” or “low”, or just “essential” to achieve the goal. The key is to identify all the relevant organization goals and explicitly show the connection of learning to the achievement of those goals. Typically, there also will be some high-priority goals for which learning has no expected impact.

Measures of learning impact also may include level 5 where year-to-date results will typically represent an estimate made by the stakeholder and learning program manager based on data from the effectiveness statement.

Statements may be presented in many different formats and will typically be provided at both a detailed and summary level. Operationally, the measures are likely to be organized first into a detailed statement which may show lower-level data and/or the frequency of the underlying measures such as monthly or quarterly. The high-level or summary statement will show data aggregated to a higher level and will typically include year-to-date (YTD) and annual data.

Figure 2 provides an example of a High-level Business Outcome Statement for the **private sector**. Key business outcomes such as revenue, leadership, and safety are shown in priority order. The statement also illustrates a variety of impact measures for learning.

- Priority 1 (Revenue) employs a level 3 measure (application rate) for the impact of training
- Priority 2 (Leadership) uses a proxy metric (hours of coaching).
- Priority 3 (Safety) employs the isolated impact of learning (level 4)
- Priorities 4 and 5 illustrate the use of qualitative outcome measures.
- Priority 6: There is no training planned for this business priority



Statements may be presented in many different formats and will typically be provided at both a detailed and summary level.

Learning & Development
Sample High-level Business Outcome Statement
for the Private Sector
Results through June 2012

Priority	Business Outcomes and Learning Impact		2011	For 2012		
			Actual	Plan	Jun YTD	% of Plan
Included in Business Plan						
1	Revenue: Increase in Sales					
	Corporate Goal or Actual	%	10%	20%	17%	85%
	Application of Training: % Applying 3 key concepts	%	NA	80%	85%	106%
2	Leadership: Increase in EOS (1) Leadership Score					
	Corporate Goal or Actual	points	0 pts	5 pts	3 pts	60%
	Impact of Training: Time spent coaching direct reports	min/wk	NA	60	50	83%
3	Safety: Reduction in Injuries					
	Corporate Goal or Actual	%	10%	20%	15%	75%
	Impact of Training: 70% reduction in injuries due to L&D	%	5%	14%	11%	79%
4	Call Center Satisfaction: Improve Score					
	Corporate Goal or Actual	points	1.6	4.0	2.9	73%
	Impact of Training: High, Medium, Low	H/M/L	NA	High	High	
5	Comply with New Regulations					
	Corporate Goal or Actual	% in compliance	100%	100%	100%	
	Impact of Training: Essential for compliance		NA	Essential	Essential	
6	Innovation: Increase in New Patents					
	Corporate Goal or Actual	#	4	10	7	70%
	Impact of Training		NA	NA	NA	

Figure 2: High-Level Business Outcome Statement for the Private Sector

Note at the bottom of the statement learning is planned to contribute to two goals which are not included in the company's business plan. However, leaders agree it is important and the stakeholder has set the goal of a 10 point increase in the acumen score in the semi-annual employee opinion survey. Further, the stakeholder believes that the planned business acumen program will have a high impact on achieving the 10 point increase. Likewise, it is believed that having all employees take at least two courses will have a medium impact on increasing the employee engagement score by 3 points. In this example, the high-level and detailed statements both feature the same business outcomes, but the high-level statement includes learning's impact on those outcomes as well as annual data, including the plan for the year.

Figure 3 is an example of a detailed Business Outcome Statement for the private sector. Notice that this detailed statement includes just actual business results for multiple periods (quarterly data in this case). This particular sample statement also shows the percentage change over the same quarter from a year earlier which is helpful when there are seasonal patterns in the data. Although the impact of learning could be included in this detailed outcome statement as well, it would appear in the detailed effectiveness statement and is not repeated here.



At the bottom of the statement learning is planned to contribute to two goals which are not included in the company's business plan.

This sample statement includes a YTD column (not required) but does not include a column for plan which is typically reserved for the high-level statement.



This sample statement includes a YTD column (not required) but does not include a column for plan which is typically reserved for the high-level statement.

Learning & Development									
Sample Detailed Business Outcome Statement									
for the Private Sector									
Results through June									
Priority	Business Outcomes	2011				YTD	2012		
		Q1	Q2	Q3	Q4		Q1	Q2	YTD
1	Revenue								
	Millions of \$	\$774	\$689	\$764	\$825	\$3,052	\$890	\$821	\$1,711
	% change over year earlier	7.2%	8.8%	10.7%	13.3%	10.0%	15.0%	19.2%	17.0%
2	Leadership								
	EOS (1) leadership score (points)	68.1	67.3	68.0	68.5	68.5	69.5	71.5	71.5
	Change over previous quarter (pts)	-0.4	-0.8	0.7	0.5	0.0	1.0	2.0	3.0
3	Safety								
	Number of injuries	143	157	174	165	639	125	130	255
	% change over year earlier	-8.5%	-10.5%	-9.4%	-11.6%	-10.0%	-12.6%	-17.2%	-15.0%
4	Call Center Satisfaction								
	Satisfaction score	79.1	78.4	80.1	80.5	80.5	81.5	83.4	83.4
	Change over previous quarter (pts)	0.2	-0.7	1.7	0.4	1.6	1.0	1.9	2.9
5	Comply with New Regulations								
	% in compliance	100%	100%	100%	100%	100%	100%	100%	100%
6	Innovation								
	Number of new patents	9	7	10	12	38	11	12	23
	Change over year earlier	1	-2	2	3	4	2	5	7
High	Business Acumen								
	EOS (1) business acumen score	57.6	58.4	56.9	55.8	55.8	57.3	60.8	60.8
	Change over previous quarter	-0.3	0.8	-1.5	-1.1	-2.1	1.5	3.5	5.0
Medium	Employee Engagement								
	EOS (1) total score	65.1	64.9	65.3	66.4	66.4	67.1	68.3	68.3
	Change over previous quarter	-0.3	-0.2	0.4	1.1	1.0	0.7	1.2	1.9

Note: 1. EOS is quarterly Employee Opinion Survey

Figure 3: Detailed Business Outcome Statement for the Private Sector

Detailed statements, by definition, will vary considerably in their level of detail, organization and data frequency. A detailed business outcome statement could also be created by division, region, or business unit. One could also be created with monthly data. In contrast, the high-level statements will have greater uniformity and should include very aggregated data with columns for last year's results, this year's plan, and this year's YTD results.

Figure 4 provides an example from the government sector. Note that the same format works for the government sector as the private sector. While some goals will be different for nonprofits and government agencies than for the private sector, the impact of learning can be handled the same way.

Learning & Development Sample High-Level Outcome Statement for the Government Sector Results through June

Priority	Agency Outcomes and Learning Impact	2011		For 2012	
		Actual	Plan	Jun YTD	% of Plan
Included in 2012 Operating Plan					
1	Efficiency: Reduction in Costs				
	Agency Goal or Actual	%	3%	10%	7%
	Impact of Training: 50% reduction due to training	%	NA	5%	4%
2	Customer Service: Increase in CSS (1) Score	points	0 pts	5 pts	3 pts
	Agency Goal or Actual				60%
	Impact of Training: Application Rate of Training	% who applied it	NA	75%	78%
3	Leadership: Increase in EOS (2) Leadership Score	points	0 pts	3%	2%
	Agency Goal or Actual				67%
	Impact of Training: Time spent coaching direct reports	min/wk	NA	60	75
4	New Employee Orientation: Increase in Unit Satisfaction	%	-2%	10%	7%
	Agency Goal or Actual				70%
	Impact of Training: 70% increase in satisfaction due to L&D	%	NA	7%	5%
5	Successful Launch of Initiative A: All Deadlines Met	% deadlines met	NA	100%	90%
	Agency Goal or Actual				90%
	Impact of Training: High, Medium, Low	H/M/L	NA	High	High
6	Comply with New Regulations	% in compliance	100%	100%	100%
	Agency Goal or Actual		NA	Essential	Essential
	Impact of Training: Essential for compliance				
7	Agency Reorganization: Complete by End of Year	% complete	NA	100	40
	Agency Goal or Actual		NA	NA	NA
	Impact of Training: Not applicable in 2012				
Not Included in Operating Plan					
High	Business Acumen: Improve EOS (2) score	points	-2.1	10.0	5.0
	Agency Goal or Actual				40%
	Impact of Training: Increase acumen score on EOS	H/M/L	NA	High	Medium
Medium	Employee Engagement: Increase in EOS (2) Total Score	points	1.0	3.0	1.9
	Agency Goal or Actual				67%
	Impact of Training: Provide 2 development courses per ee	H/M/L	Low	Medium	Medium
Note: 1. CSS is quarterly Customer Satisfaction Survey 2. EOS is quarterly Employee Opinion Survey					



The keys to success for the outcome statement are: capture all the important organizational goals, work with stakeholder to agree on some measure of impact.

Figure 4: High-Level Outcome Statement for the Government Sector

The keys to success for the outcome statement are:

- Capture all the important organizational goals
- Work with the stakeholder to agree on some measure of impact. If agreement cannot be reached or the above approach will not work, include the number of participants.

The Effectiveness Statement

The effectiveness statement focuses on how effectively or how well the desired outcomes are achieved. An effective organization is one which delivers the intended results, and the effectiveness statement focuses on the components or intermediate steps necessary to achieve the intended result.



Learning leaders need to view all measures holistically and use the entire suite of measures to effectively manage and gauge success.

Effectiveness measures largely come from survey data, and the scores enable L&D to ensure that learning content and delivery meets the following criteria:

- Acceptable quality
- Aligned with organizational objectives
- Being applied to the job
- Impactful
- Creates value

Moreover, effectiveness measures enable the L&D organization to continually improve performance.

Since there are multiple, important measures of effectiveness, the learning leader needs to view all measures holistically and use the entire suite of measures to effectively manage and gauge success. In practice, it will typically be necessary to make tradeoffs since it may be impossible or undesirable to maximize achievement of all measures given that not all measures are of equal importance. The measures may also be used to manage and mitigate the risk faced by the learning manager.

Recommended effectiveness measures include the following:

- Level 1: quality of content, instructor, environment; alignment to goals; expected application and impact
- Level 2: learning or knowledge/skills gained
- Level 3: application to the job (may include measurement of reinforcement)
- Level 4: impact
- Level 5: value

Levels 3, 4 and 5 may appear in both the outcome and effectiveness statements.

A well designed learning survey completed at the end of the course or shortly thereafter should have several level 1 questions and at least one question as a forecast for levels 3-5. Although the respondent has not had time yet to apply the learning, he/she can provide intent to apply, and likely impact and value. Answers to these questions tend to be excellent indicators or predictors of actual level 3-5 results.

In addition to the data from the learning survey described above, many courses will contain a level 2 test of knowledge either embedded in the course or to be taken at completion. Likewise, more substantive Level 3-5 data may come from a survey administered several months after the course to all participants or to a sample. Alternatively, level 3-5 data may also be gathered from a focus group or one-on-one interviews with a sample of participants.

It is also possible to combine results from all five levels into a single measure of learning effectiveness.

There will be multiple levels of the effectiveness statement. Just as business unit income statements roll up into a consolidated income statement for the enterprise, detailed effectiveness statements by program, college or unit would roll up into a consolidated, high-level effectiveness statement for enterprise L&D.

Figure 5 provides a sample High-level Effectiveness Statement with data from multiple programs and initiatives aggregated at the enterprise level. Notice that in this sample statement, Level 1 measures cover all programs and initiatives, but level 2-5 measures are for select programs only (which will differ for each level). Since it is a high-level statement, it includes annual data for last year's actuals and this year's plan as well as year-to-date results.



Figure 5 provides a sample High-level Effectiveness Statement with data from multiple programs and initiatives aggregated at the enterprise level.

Learning & Development					
Sample High-Level Effectiveness Statement					
Results through June					
		2011	For 2012		
		Actual	Plan	Jun YTD	% Plan
Level 1: Employee (All programs and initiatives)					
Quality	% top two boxes	80.0%	85.0%	85.6%	100.6%
Alignment	% top two boxes	76.8%	85.0%	87.3%	102.7%
Amount learned	% top two boxes	81.9%	85.0%	90.4%	106.4%
Intent to apply	% top two boxes	80.9%	85.0%	86.5%	101.8%
Impact estimate (select programs)	% top two boxes	82.8%	85.0%	85.4%	100.5%
Value estimate (select programs)	% top two boxes	77.8%	85.0%	85.3%	100.4%
Total for Level 1	Average of measures	80.0%	85.0%	86.7%	102.0%
Level 1: Sponsor (Select programs)					
	% top two boxes	75.0%	80.0%	77.0%	96.3%
Level 2 (Select programs)					
	Score	78.0%	85.0%	83.0%	97.6%
Level 3 (Select programs)					
	% who applied it	61.0%	75.0%	78.0%	104.0%
Level 4 (Select programs)					
Impact	% impact on business outcome	4.2%	5.0%	4.8%	96.0%
Sponsor estimate of impact	5 point scale	2.3	2.5	2.4	96.0%
Level 5 (Select programs)					
Gross benefit	Thousands \$	\$985	\$1,452	\$689	47.5%
Total cost	Thousands \$	\$748	\$1,014	\$482	47.5%
Net benefit	Thousands \$	\$237	\$438	\$207	47.3%
ROI	%	31.7%	43.2%	42.9%	99.4%

Figure 5: High-Level Effectiveness Statement

Figure 6 provides a sample Detailed Effectiveness Statement showing results for both the national and regional levels by quarter.

Learning & Development									
Sample Detailed Effectiveness Statement									
Results through June									
		2011				2012			
		Q1	Q2	Q3	Q4	Q1	Q2	YTD	
Enterprise									
Level 1: Employee (All programs and initiatives)									
Quality									
Content	% top two boxes	74.1%	74.9%	77.2%	82.9%	86.6%	87.4%	87.0%	
Instructor	% top two boxes	76.2%	78.5%	80.4%	83.9%	84.2%	85.4%	84.8%	
Delivery	% top two boxes	77.7%	81.9%	84.5%	83.7%	86.1%	85.3%	85.7%	
Environment	% top two boxes	77.8%	78.9%	81.5%	85.4%	85.1%	84.3%	84.7%	
Subtotal for quality	Average of measures	76.5%	78.6%	80.9%	84.0%	85.5%	85.6%	85.6%	
Alignment	% top two boxes	74.8%	75.4%	77.8%	79.2%	86.9%	87.7%	87.3%	
Amount learned	% top two boxes	77.8%	79.4%	82.5%	87.9%	90.2%	90.6%	90.4%	
Intent to apply	% top two boxes	78.8%	78.7%	81.2%	84.9%	86.2%	86.8%	86.5%	
Impact estimate (select programs)	% top two boxes	81.7%	81.9%	83.0%	84.5%	84.9%	85.9%	85.4%	
Value estimate (select programs)	% top two boxes	74.1%	75.4%	79.4%	82.1%	84.8%	85.8%	85.3%	
Total for Level 1	Average of measures	77.3%	78.2%	80.8%	83.8%	86.4%	87.1%	86.7%	
Level 1: Sponsor (Select programs)									
		% top two boxes	73.1%	73.0%	76.8%	77.1%	76.9%	77.1%	77.0%
Level 2 (Select programs)		Score	74.8%	75.4%	79.4%	82.4%	82.9%	83.1%	83.0%
Level 3 (Select programs)		% who applied it	58.0%	59.9%	61.5%	64.5%	76.1%	79.9%	78.0%
Region 1									
Level 1: Employee (All programs and initiatives)									
Quality									
Content	% top two boxes	75.1%	75.9%	78.2%	83.9%	88.6%	89.4%	89.0%	
Instructor	% top two boxes	77.2%	79.5%	81.4%	84.9%	86.2%	87.5%	86.9%	
Delivery	% top two boxes	78.1%	82.9%	85.5%	84.7%	88.1%	87.3%	87.7%	
Environment	% top two boxes	78.9%	79.8%	82.5%	85.5%	87.1%	86.3%	86.7%	
Subtotal for quality	Average of measures	77.3%	79.5%	81.9%	84.8%	87.5%	87.6%	87.6%	
.....									
Region 2									
Level 1 Employee: (All programs and initiatives)									
Quality									
Content	% top two boxes	72.1%	72.9%	75.9%	80.9%	85.6%	86.4%	86.0%	
Instructor	% top two boxes	75.2%	77.5%	79.5%	82.5%	83.2%	84.4%	83.8%	
Delivery	% top two boxes	75.7%	79.1%	82.5%	81.7%	85.1%	84.3%	84.7%	
Environment	% top two boxes	75.8%	76.9%	79.5%	83.5%	83.5%	82.4%	83.0%	
Subtotal for quality	Average of measures	74.7%	76.6%	79.4%	82.2%	84.4%	84.4%	84.4%	
.....									
Region 3									



Figure 6 provides a sample Detailed Effectiveness Statement showing results for both the national and regional levels by quarter.

Figure 6: Detailed Effectiveness Statement

It shows the subcategories of the Quality component of level 1 (not included in the high-level statement). Notice also that it does not show levels 4-5 which typically would not be available on a quarterly basis. A detailed effectiveness statement might also be produced just for one program area (like leadership) or just one unit (like manufacturing).

This data displayed in Figure 6 could also easily be displayed graphically to better see trends. See Figure 7 which provides one graphical approach to displaying the data.

Detailed Effectiveness Statement: Graphical Output

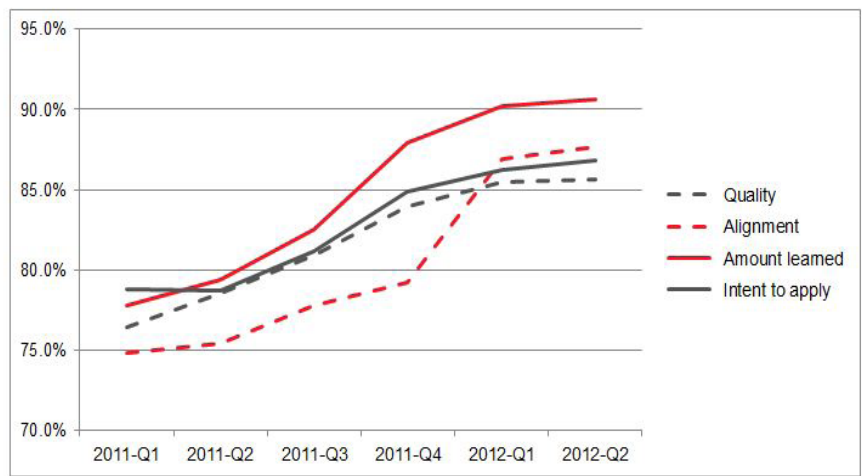


Figure 7: Detailed Effectiveness Statement: Graphical Output

The Efficiency Statement

The efficiency statement brings together all the activity and cost elements necessary to judge how efficiently the outcomes were achieved. An efficient organization is one which achieves its outcomes at least cost. Efficiency measures will come primarily from the learning management system (LMS) or other learning-related system, other back office systems, and the income statement or department expense report. These measures are used to ensure the function is well managed and reaching the desired audience.

Like the effectiveness measures, the efficiency measures should be viewed holistically. The learning manager should use the selected measures to manage efficiently and to gauge success, realizing some are more important or more relevant than others.

Consider the following cost, program, reach, utilization and volume measures. Each organization will need to select those which make sense for the coming year given the organization's goals, reporting capabilities, maturity, and budget. No organization will employ all these measures. See the Definition of Terms and Measures document for a complete list, including definitions.



Like the effectiveness measures, the efficiency measures should be viewed holistically.

Measures Recommended for Efficiency

Cost Measures	
<ul style="list-style-type: none"> • L&D expenditure • Direct costs <ul style="list-style-type: none"> > Labor and related > Overhead including external providers > External service provider > Tuition reimbursement • Learner's travel-related and fee expenses 	<ul style="list-style-type: none"> • Opportunity costs • Cost reduction by L&D department • L&D expenditure per employee • Average development cost for ILT (per hour or participant) • Average development cost for e-learning (per hour or participant)
Courses by Type of Learning	
<ul style="list-style-type: none"> • ILT • vILT • E-learning 	<ul style="list-style-type: none"> • Blended • Total
Courses by Program or Initiative	
<ul style="list-style-type: none"> • Program or Initiative 1 • Program or Initiative 2 	<ul style="list-style-type: none"> • • Program or Initiative 10
Cycle time	
<ul style="list-style-type: none"> • Performance consulting, and design and development for ILT or vILT 	<ul style="list-style-type: none"> • Performance consulting, and design and development for E-learning
Effort: New vs. Maintenance	
<ul style="list-style-type: none"> • Performance consulting, design and development for new programs or initiatives 	<ul style="list-style-type: none"> • Performance consulting, design and development for existing programs or initiatives
Hours by Type of Learning	
<ul style="list-style-type: none"> • ILT • vILT • E-learning • Blended • Performance support • Communities of practice 	<ul style="list-style-type: none"> • Social media • Other • Total hours • Subtotal for formal learning • Subtotal for informal learning
Hours by Program or Initiative	
<ul style="list-style-type: none"> • Program or Initiative 1 • Program or Initiative 2 	<ul style="list-style-type: none"> • • Program or Initiative 10
Participants: Total and Unique by Learning Type	
<ul style="list-style-type: none"> • ILT • vILT • E-learning • Blended • Performance support • Communities of practice 	<ul style="list-style-type: none"> • Social media • Other • Total participants <ul style="list-style-type: none"> > Subtotal for formal learning > Subtotal for informal learning
Participants: Total and Unique by Program or Initiative	
<ul style="list-style-type: none"> • Program or Initiative 1 • Program or Initiative 2 	<ul style="list-style-type: none"> • • Program or Initiative 10





Learning leaders need to decide what measures are important enough to include in the high-level statement.

Program Management	
<ul style="list-style-type: none"> • Courses> Total developed <ul style="list-style-type: none"> > Of total developed, number and % meeting deadline > Total delivered > Of total delivered, number and % meeting deadline 	
Reach	
<ul style="list-style-type: none"> • Number of employees with a development plan • Number of employees 	<ul style="list-style-type: none"> • Percent with development plan
Utilization	
<ul style="list-style-type: none"> • Courses (for ILT, vILT and E-Learning) <ul style="list-style-type: none"> > Offered > Taken > Percent taken > Percent ILT > Percent vILT > Percent E-learning > Percent blended • Hours for all Types of Learning <ul style="list-style-type: none"> > Percent formal > Percent informal • Hours for Formal Learning <ul style="list-style-type: none"> > Offered > Taken > Percent taken > Percent ILT > Percent vILT > Percent E-learning > Percent Blended 	<ul style="list-style-type: none"> • Usage <ul style="list-style-type: none"> > Total registered for ILT or vILT > Number completing ILT or vILT > Percent completing ILT or vILT • Staff <ul style="list-style-type: none"> > Total learning staff > Total learning staff hours available > Total learning staff hours used > Percent total hours used • Communities of practice <ul style="list-style-type: none"> > Total communities > Active communities (where knowledge sharing has occurred) > Percent active communities > Total participants > Active participants > Percent active participants
Other Indicators	
<ul style="list-style-type: none"> • Average ILT class size 	<ul style="list-style-type: none"> • Employees per L&D staff member

Figure 8 provides a sample High-level Efficiency Statement. Since it is a high-level statement, it includes aggregated annual data for last year as well as plan and YTD results for the current year. Remember, learning leaders need to decide what measures are important enough to include in the high-level statement. Only those measures which are going to be **actively managed** (goal set and progress against goal monitored monthly) should be selected. Other measures can be tracked through the detailed statements. High-level statements should not exceed two pages.

Learning & Development Sample High-Level Efficiency Statement

Results through June

Cost Measures		2011	For 2012		
		Actual	Plan	Jun YTD	% Plan
L&D Expenditures	Million \$	\$15.8	\$20.2	\$9.9	49%
Opportunity Cost	Million \$	\$3.4	\$2.9	\$1.3	45%
Cost Reduction	Thousand \$	\$63	\$295	\$168	57%
Total Participants					
ILT only	Number	8,956	8,000	3,745	47%
vILT only	Number	784	2,500	1,012	40%
E-learning only	Number	28,921	35,500	15,567	44%
Blended	Number	<u>1,460</u>	<u>4,000</u>	<u>1,689</u>	<u>42%</u>
Total Participants	Number	40,121	50,000	22,013	44%
Unique Participants					
ILT only	Number	4,523	3,680	3,312	90%
vILT only	Number	396	1,150	951	83%
E-learning only	Number	14,606	16,330	12,560	77%
Blended	Number	<u>738</u>	<u>1,840</u>	<u>1,584</u>	<u>86%</u>
Total Unique Participants	Number	20,263	23,000	18,407	80%
Courses Taken by Type of Learning					
ILT only	Number	80	76	76	100%
vILT only	Number	5	16	13	81%
E-learning only	Number	50	72	66	92%
Blended	Number	<u>8</u>	<u>14</u>	<u>12</u>	<u>86%</u>
Total courses	Number	143	178	167	94%
Courses Taken by Type of Learning					
ILT only	% of total	56%	43%	46%	107%
vILT only	% of total	3%	9%	8%	87%
E-learning only	% of total	35%	40%	40%	98%
Blended	% of total	<u>6%</u>	<u>8%</u>	<u>7%</u>	<u>91%</u>
Total courses	% of total	100%	100%	100%	100%



Figure 8 provides a sample High-level Efficiency Statement.

Figure 8: High-Level Efficiency Statement

Note: See the complete (2-page) High-level Efficiency Statement in Appendix II.

Figure 9 is an example of a Detailed Efficiency Statement using monthly data and focusing largely on participant counts. Detailed statements could also be produced with a focus on courses or hours, or for each program, geographic area, or business unit.

Note: The complete (two-page) Detailed Efficiency Statement is included in Appendix II.

Learning & Development Sample Detailed Efficiency Statement Results through June 2012

Cost Measures		Jan	Feb	Mar	Apr	May	Jun	YTD
L&D expenditure	Million \$	\$1.5	\$1.6	\$1.6	\$1.7	\$1.7	\$1.8	\$9.9
Opportunity cost	Thousand \$	\$171	\$187	\$210	\$229	\$244	\$260	\$1,300
Cost reduction	Thousand \$	\$16	\$21	\$28	\$35	\$33	\$35	\$168
L&D expenditure per employee	Annualized \$	\$723	\$764	\$754	\$789	\$781	\$823	\$772
Headcount Measures								
Employees (FTEs)	Number	24,895	25,142	25,456	25,869	26,123	26,243	25,621
Learning staff (FTEs)	Number	85	87	87	88	90	90	88
Employees per learning staff	Number	293	289	293	294	290	292	292
Total Participants by Type of Learning								
ILT only	Number	596	647	624	624	631	623	3,745
vILT only	Number	84	102	156	196	223	251	1,012
E-learning only	Number	2,189	2,345	2,498	2,671	2,849	3,015	15,567
Blended	Number	<u>123</u>	<u>178</u>	<u>299</u>	<u>345</u>	<u>355</u>	<u>389</u>	<u>1,689</u>
Total Participants	Number	2,992	3,272	3,577	3,836	4,058	4,278	22,013
Unique Participants by Type of Learning								
ILT only	Number	596	458	612	601	598	547	3,312
vILT only	Number	84	96	145	187	214	236	951
E-learning only	Number	1,874	2,145	2,236	2,489	2,568	2,789	12,560
Blended	Number	<u>121</u>	<u>167</u>	<u>289</u>	<u>324</u>	<u>342</u>	<u>375</u>	<u>1,584</u>
Total Unique Participants	Number	2,675	2,866	3,282	3,601	3,722	3,947	18,407
Total Participants by Program or Initiative								
Program/Initiative 1: Sales	Number	0	534	292	0	0	0	826
Program/Initiative 2: Leadership	Number	12	35	46	58	17	0	168
Program/Initiative 3: Safety	Number	386	1,012	1,078	1,086	988	1,276	5,826
.....	Number	:	:	:	:	:	:	:
Program/Initiative 10	Number	0	0	0	400	460	540	1,400
Total for top ten	Number	1,798	3,012	3,150	2,985	3,128	3,195	17,268
Unique Participants by Program or Initiative								
Program/Initiative 1: Sales	Number	0	134	73	0	0	0	134
Program/Initiative 2: Leadership	Number	12	35	46	58	17	0	168
Program/Initiative 3: Safety	Number	302	480	502	514	506	596	1,986
.....	Number	:	:	:	:	:	:	:
Program/Initiative 10	Number	0	0	0	400	460	540	800
Total for top ten	Number	1,695	2,842	2,896	2,874	2,984	3,001	15,012

Figure 9: Detailed Efficiency Statement

The Three Statements

All three statements are necessary for a complete and balanced picture of the L&D organization, just as all three financial statements are needed to know the complete financial status of a company. To achieve the desired outcome in an effective and efficient manner, a learning program or initiative must:

- Be strategically aligned to the goals of the organization. In other words, be the ‘right’ learning (Prelude to the creation of the Outcome Statement and also measured in the Effectiveness Statement).
- Employ the form of learning best suited to achieving the goals (Evidenced by high scores on the Effectiveness Statement).
- Be well received, facilitate the desired learning, be applied, and have the intended impact on the business goal (Evidenced by high scores on the Effectiveness Statement and high contribution on the Outcomes Statement).



All three statements are necessary for a complete and balanced picture of the L&D organization.

- Be executed at least cost to accomplish the outcome (Evidenced by appropriate cost, volume, ratio measures, and utilization rates on the Efficiency Statement)

These conditions imply the following:

- Even if a program or initiative is effective (well designed and achieves high level 1-4 scores), if it is not aligned to the goals of the organization it will not necessarily contribute to the desired outcomes (i.e., it was the “wrong” learning). Resources should have been directed instead towards learning that would directly support organizational goals
- A program or initiative may be effective but inefficient if the same impact could have been achieved at lower cost
- A program or initiative may be efficient but not contribute to the desired outcome if it is the lowest cost intervention to meet a need which should not have been met in the first place



It is recommended that senior executive reporting occur at least quarterly and as needed for strategic initiatives.

4. Adopt Three Executive Reports

With the measures now defined and organized into three foundational statements, we are ready to recommend how they should be reported. There are two primary audiences for executive level reporting:

1. **Senior Executives:** CEO, CFO, COO, line of business executives, VP of HR, Members of Board of Governors, etc.
2. **Learning Executives:** CLO or VP of L&D, Directors, Deans, Program Managers, and senior learning leaders with responsibility for programs, people and budget

It is recommended that senior executive reporting occur at least quarterly and as needed for strategic initiatives. The report should be concise and limited to one or two pages with support material available as appropriate. The report should include a select and focused set of measures from each category of outcomes, effectiveness and efficiency. The report should be interpreted for the audience either in a face-to-face presentation or in writing with a focus on summary conclusions and actionable recommendations.

It is recommended that learning executive reporting should occur at least monthly and as needed for strategic initiatives. It should have a core set of outcome, effectiveness and efficiency measures that are more comprehensive and more detailed than the business executive reports. Support materials should also be made available as appropriate. This enables learning executives to ensure the operation is effective, efficient, impactful, and continually improving.

- L&D Summary Report
 - > Target audience: Senior and learning executives
 - > Purpose: Convey progress against high-level goals

- L&D Program Report
 - > Target audience: Learning executives and managers
 - > Purpose: Manage programs and initiatives to deliver planned results
- L&D Operations Report
 - > Target audience: Learning executives and managers
 - > Purpose: Manage L&D operations to deliver planned results

The L&D Summary Report is intended to serve as a stand-alone report for the business executive while the learning executive is expected to use all three reports to manage the function. Typically, the learning executive would also share the Summary Report with learning leaders and staff so they know what is being reported to senior management.

The L&D Summary Report should contain the most important measures from each of the three statements. While this will differ for each organization, every summary report should contain the key organizational outcomes and learning's impact on them, levels 1-3, and key efficiency measures including total participants.

L&D Program Report should be generated for each major program being managed by the L&D group. The assumption for executive reporting is that L&D is being run like a business, meaning that its programs are aligned to specific, measurable organizational outcomes, and it is expected to produce measurable results contributing to the achievement of those outcomes.

With that in mind, the executive and management (more detailed) program reports should include the following:

- The key organizational outcome(s) supported by the L&D program(s) or initiative(s)
- Impact of L&D on these outcomes
- Key volume measures
- Effectiveness measures (levels 1, 2 and 3)
- L&D Cost
- Cost reduction achieved by L&D internally
- Other key efficiency measures

The L&D Operations Report will include some or all of the elements from the high-level efficiency report.

Like the statements, reports may be high-level or detailed. The high-level reports will be referred to as “executive” reports while the more detailed will be referred to as “management” reports in recognition of the intended target audience for each.



The L&D Summary Report should contain the most important measures from each of the three statements.

Executive reports, should include the following for each measure:

- Last year's results
- Current year plan
- Year-to-date results
- Forecast for the current year
- Comparison of current year plan to last year's results, current YTD results to last year's YTD results, current YTD results to plan, and forecast to plan are optional.

This constitutes the minimum recommended for executive reporting with the understanding that organizations will add other measures of relevance to them where applicable. It is also understood that management (detailed or lower-level reports) will exist to provide greater detail. Management reports may contain just actual results by week, month, quarter or year and not include plan, year-to-date results, or a forecast. In addition, some may choose to display data visually in a dash board or graph and provide analytical commentary. It is recommended that a quarterly Learning & Development Summary Report be generated with data, visuals, and analysis to enforce a discipline similar to financial reporting.

Learning and Development Summary Report

Figure 10 provides a sample Executive L&D Summary Report for the private sector incorporating key measures from the three statements. It is designed for business and learning executives and would be generated at least quarterly. This summary report contains the most significant measures from the outcome, effectiveness and efficiency statements aggregated at the highest level. These measures will vary by organization and vary year to year within any one organization as priorities change. Since the Summary Report contains multiple, important measures from all three underlying statements, the report must be read holistically to obtain an accurate picture of progress against goals. In practice, it will often be impossible to achieve all the stated goals as the year progresses requiring that tradeoffs be made among goals. Moreover, changes in the external environment (economy, market, competition) or internal environment (company goals and priorities, or learning department resources) may impact the achievement of planned goals.



The L&D Summary Report should contain the most important measures from each of the three statements.

This sample report is organized into four sections: impact, effectiveness, efficiency, and L&D investment:

- Impact
 - > Key volume measures for the organization (total and unique participants)
 - > Total participants, application rate and sponsor-estimated impact for the top 10 programs
 - > Business outcomes, learning impact, and total participants for the top three programs.
- Effectiveness
 - > Participant and sponsor feedback (level 1)
 - > Learning (level 2)
 - > Application on the job (level 3)
- Efficiency
 - > Percent of courses developed on time
 - > Percent of employees reached by L&D
 - > Percent of employees with a development plan
- E-learning course utilization rate
 - > L&D investment
 - > L&D expenditure
 - > Opportunity cost
 - > Cost reduction (internal to L&D)



Since the reports are highly customizable, the measures chosen and the section or category headings will differ for each organization.

Since the reports are highly customizable, the measures chosen and the section or category headings will differ for each organization. Moreover, since this report is for non-learning executives, the category headings do not even need to conform to TDRP terminology. For example, in Figure 9, the impact category includes participants which is normally not an impact measure. Choose measures and group (and label) them in a way that resonates with your organization.

Learning & Development

Sample Executive Summary Report for the Private Sector

Results through June

Impact		2011	For 2012			Forecast
		Actual	Plan	Jun YTD	% Plan	
Total Participants	Number	40,121	50,000	22,013	44%	48,000
Unique Participants	Number	20,263	23,000	18,407	80%	24,000
Top Ten Programs and Initiatives (1)						
Total Participants	Number	25,000	30,000	17,268	58%	32,000
Application Rate	% who applied it	65%	75%	71%	71%	73%
Sponsor Estimate of Impact	On 5 point scale	2.3 pts	2.5 pts	2.4 pts		2.4 pts
Top Priority Programs and Initiatives						
Marketing						
Increase in Sales						
Corporate Goal or Actual	%	2%	20%	17%		20%
Application of Training (application rate)	%	NA	80%	85%		85%
Total participants	Number	386	1,000	826	83%	1,115
Leadership						
Increase in Leadership Score						
Corporate Goal or Actual	points	0 pts	5 pts	3 pts		4 pts
Impact of Training (time spent coaching)	minutes/week	NA	60	50		50
Total participants	Number	0	400	168	42%	400
Effectiveness						
Participant Feedback	% favorable	80%	85%	87%	102%	85%
Sponsor Feedback	% favorable	75%	80%	77%	96%	78%
Learning	Score	78%	85%	83%		84%
Application rate	% who applied it	61%	75%	78%		79%
Efficiency						
% of courses developed on time	%	82%	95%	88%		94%
% of employees reached by L&D	%	85%	88%	72%		88%
% of ee's with development plan	%	82%	98%	95%		96%
E-learning course utilization rate	% taken by 20+	83%	97%	91%		97%
L&D Investment						
L&D Expenditure	Million \$	\$15.8	\$20.2	\$9.9	49%	\$20.2
Opportunity Cost	Million \$	\$3.4	\$2.9	\$1.3	45%	\$2.9
Cost Reduction (internal to L&D)	Thousand \$	\$63	\$295	\$168	57%	\$325

Note: (1) The top ten programs include the following:
Marketing, Leadership, Safety, Fraud Detection, Business Acumen,
Engineering, Performance Mgt, New Employee Orientation, and Innovation.

Figure 10: Executive Summary Report for the Private Sector

Notice that the corporate goal is shown for the top three programs along with the expected impact of training on achieving that goal. The first program (marketing) uses the application rate as a measure of success or impact and the second (leadership) uses time spent coaching. The third program (safety) uses expected impact. (The number in parenthesis (70%) reflects the expectation of the sponsor for the impact of safety programs on the reduction in injuries. If this expectation changes during the year, then the YTD results and forecast would be adjusted accordingly.)

Figure 11 below provides an example of a L&D Summary Report for a government agency. The format is the same as for the private sector and many of the same types of measures are applicable.



Since the reports are highly customizable, the measures chosen and the section or category headings will differ for each organization.

Several other volume and ratio measures are recommended for annual reporting at the business executive level. These might be included in the annual report for learning or the business plan for learning and would include a breakdown of unique participants by program (leadership, marketing, orientation, etc.), business unit, geography and affiliation (employee, customer, dealer, supplier, other external). The breakdown should also be provided for expenditures.

In accordance with Guiding Principle 3, this report in particular needs to be interpreted for the audience, especially since most will not be in the L&D function. The presenter (or writer) needs to focus the audience's attention on the most important lines, provide summary conclusions, and offer actionable recommendations. In other words, it should be abundantly clear to senior leaders what the key take-aways are and how the report is being used to manage the function to deliver the planned results.



In accordance with Guiding Principle 3, this report needs to be interpreted for the audience, especially since most will not be in the L&D function.

Learning & Development Sample Executive Summary Report for the Government Sector

Results through June

Impact		2011	For 2012			Forecast
			Actual	Plan	Jun YTD	
Total Participants	Number	95,023	105,000	49,785	47%	103,000
Unique Participants	Number	25,689	27,000	23,569	87%	27,000
Top Ten Programs and Initiatives (1)						
Total Participants	Number	50,001	54,500	29,423	54%	54,500
Application Rate	% who applied it	67%	75%	73%		74%
Sponsor Estimate of Impact	On 5 point scale	2.7	3.0	2.8		3.0
Top Priority Programs and Initiatives						
Efficiency						
Reduction in Costs						
Agency Goal or Actual	%	3%	10%	7%		10%
Impact of Training (50% in '11)	%	NA	5%	4%		5%
Total participants	Number	1,589	10,000	5,986	60%	10,000
Customer Service						
Increase in Customer Service Survey Score						
Agency Goal or Actual	points	0 pts	5 pts	3 pts		6 pts
Application of Training (application rate)	%	NA	75%	78%		80%
Total participants	Number	0	5,000	4,200	84%	5,000
Leadership						
Increase in Leadership Score						
Corporate Goal or Actual	points	0 pts	3 pts	2 pts		3 pts
Impact of Training (time spent coaching)	minutes/week	NA	60	75		70
Total participants	Number	0	1,000	642	64%	1,100
Effectiveness						
Participant Feedback	% favorable	77%	80%	78%	98%	79%
Sponsor Feedback	% favorable	68%	75%	74%	99%	75%
Learning	Score	78%	82%	83%		84%
Application rate	% who applied it	61%	75%	78%		79%
Efficiency						
% of courses developed on time	%	76%	90%	84%		90%
% of employees reached by L&D	%	85%	95%	82%		84%
% of ee's with development plan	%	67%	80%	77%		80%
E-learning course utilization rate	% taken by 20+	83%	97%	91%		97%
L&D Investment						
L&D Expenditure	Million \$	\$55.8	\$55.0	\$24.7	45%	\$54.0
Opportunity Cost	Million \$	\$12.5	\$10.0	\$3.9	39%	\$9.0
Cost Reduction (internal to L&D)	Thousand \$	\$247	\$500	\$278	56%	\$600

Note: (1) The top ten programs include the following:
Cost Reduction, Customer Service, Leadership, New Employee Orientation, Technical Training for New Initiative A, Comply with New Regulations, Technical Training for Existing Initiative B, Safety, Performance Mgt, and Business Acumen.

Figure 11: Executive Summary Report for the Government Sector

L&D Program (or Initiative) Report

Figure 12 provides a sample Executive L&D Program Report to be used by the CLO with senior leaders and staff in the L&D function to manage program and initiative results on a monthly basis. This sample includes the following measures for a key learning program/ initiative like safety:

- Corporate goal supported by the learning program or initiative
- Impact of the learning program or initiative on the corporate goal
- Number of participants
- Number of courses
- Completion date
- Levels 1 for employees and sponsor
- Level 2
- Level 3
- Sample size for levels 1-3

The rows focus on the courses or initiatives in support of a particular goal. Goals appear in the top half of the report with year-to-date results and the forecast in the bottom half.



Figure 12 provides a L&D Executive Program Report to manage program and initiative results on a monthly basis.

Learning & Development										
Sample Executive Program Report										
For a Safety Initiative										
Enterprise Goal	# Measure	Value	Process Owner	Impact (at 70%)	Metric	Program Goals				
						Value	Level 1 Employee Sponsor	Level 2	Level 3	
Safety	1 Injuries	-20%	Swithe	-14%						
Deliver Phase 1 Courses					Unique Participants	3,000	80%	90%	90%	65%
					Total Participants	6,000				
Develop Phase 2 Courses					Compl by 5/30	6		90%		
Deliver Phase 2 Courses					Unique Participants	1,000	80%	90%	90%	70%
					Total Participants	3,000				
Develop Phase 3 Courses					Compl by 9/30	3		90%		
Deliver Phase 3 Courses					Unique Participants	500	80%	90%	90%	70%
					Total Participants	2,000				
Develop Phase 4 Courses					70% Compl by 12/31	2		90%		
Total						====	====	====	====	====
Courses Developed						11	80%	90%	90%	68%
Unique Participants						4,500				
Total Participants						11,000				
Cost					Thousand	\$1,350				
Net Benefits					Thousand	\$532				

June Year-To-Date Results														
Enterprise	Measure	YTD '10	Versus Jun '10	Versus Jun '10 (at 70%)	Impact	Metric	Program Performance					Current Forecast		
							Value	Plan	Employee	Sponsor	Level 2	Level 3	Value	Plan
Safety	Injuries	-15%	-18%	-10.5%										
Deliver Phase 1 Courses						Unique Participants	2,800	93%	85%	88%	95%	62%	3,200	107%
						Total Participants	5,542	92%	n=1872	n=3845	n=270		6,300	105%
Develop Phase 2 Courses						Compl by 5/30	6	100%	90%				7	117%
Deliver Phase 2 Courses						Unique Participants	100	10%	80%	90%	92%	69%	1,100	110%
						Total Participants	284	9%	n=39	n=98	n=23		3,200	107%
Develop Phase 3 Courses						Compl by 9/30	1	33%					3	100%
Deliver Phase 3 Courses						Unique Participants	0	0%					450	90%
						Total Participants	0	0%					1,800	90%
Develop Phase 4 Courses						70% Compl by 12/31	0	0%		60%			1	50%
Total							====	====	====	====	====	====	====	====
Courses Developed							7	64%	83%	82%	94%	66%	11	100%
Unique Participants							2,900	64%					4,750	106%
Total Participants							5,826	53%					11,300	103%
Cost						Thousand \$	\$995	74%					\$1,300	96%
Net Benefits						Thousand \$	\$532	53%					\$532	103%

Figure 12: Executive Program Report



Since it is an executive-level report, it focuses on just the most important programs and initiatives for safety. In some cases there may be many programs and courses in support of a single initiative. In this case, the report may contain a summary line(s) before Total showing the number of participants or courses not explicitly shown above in the detail.

Figure 12 is just one way to format a program report. There is no single right way. Remember that reports are by definition highly customizable and should be designed with your organization and needs in mind. That said, two rules should be observed:

- Show the corporate goal and results on the SAME page as the L&D program goal and results. This is critical to remind the learning managers and staff why the learning program is being undertaken. Don't break the connection between the two!
- Bring the goals and results for the elements of the L&D program together on the same page. Don't show results without referring to the goals!

Since the report is organized around a particular organizational goal, the format should work regardless of how the L&D function is organized. If the L&D function is organized by a college or program structure, then one Dean or Director will be responsible for all of the elements and courses listed. Alternatively, if L&D is organized by function with one Director responsible for performance consulting, another for design & development, and another for delivery or implementation, then multiple Directors will be responsible for success of the programs in support of a single organizational goal. Since this report is used to manage individual programs and initiatives in the L&D function, it contains a much greater level of detail than the L&D Summary Report. It also contains learning jargon since all its users will be learning professionals. Like the L&D Summary Report, however, it continues to highlight the connection between the learning program or initiative and the organizational goal as well as the impact learning is having on the goal.

A separate program report would be generated for each business outcome containing the programs aligned to that particular outcome.

Management (detailed or lower-level) reports could also be generated which would provide weekly, monthly or quarterly results for trend analysis, or alternatively provide results on a more granular level. Figure 13 provides a sample Management Program Report for the safety initiative in Figure 12. The monthly data in Figure 13 sum (or average) to the YTD results in Figure 12.



Reports are highly customizable and should be designed with your organization and needs in mind.

Learning & Development
Sample Detailed Program Report
 Safety Initiative Results through June 2012

Deliver Phase 1 Courses	<u>Measure</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>YTD</u>
Unique participants	Number	302	480	502	514	506	496	2,800
Total participants	Number	386	1,012	1,078	1,086	988	992	5,542
Level 1 - employee	% favorable	84%	83%	85%	85%	85%	85%	85%
Level 1 - sponsor	% favorable			86%			90%	88%
Level 2	ave score	94%	94%	95%	94%	96%	93%	94%
Level 3	applic rate	61%	61%	61%	61%	62%	63%	62%
Develop Phase 2 Courses								
Courses complete	Number	0	1	2	4	6	6	6%
Deliver Phase 2 Courses								
Unique participants	Number						100	100
Total participants	Number						284	284
Level 1 - employee	% favorable						80%	80%
Level 1 - sponsor	% favorable						90%	90%
Level 2	% favorable						92%	92%
Level 3	% favorable						69%	69%
Develop Phase 3 Courses								
Courses complete	Number	0	0	0	0	0	1	1
Deliver Phase 3 Courses								
Unique participants	Number							0
Total participants	Number							0
Level 1 - employee	% favorable							0%
Level 1 - sponsor	% favorable							0%
Level 2	% favorable							0%
Level 3	% favorable							0%
Develop Phase 4 Courses								
Courses complete	Number	0	0	0	0	0	0	0

Figure 13: Detailed Program Report

L&D Operations Report

Figure 14 provides a sample Executive Operations Report to use in managing the efficiency of the L&D operation. The measures are drawn from the High-level Efficiency Statement; however, the forecast column has been added since it will now be used to actively manage results to plan. The report may be only a subset of the High-level Efficiency Statement, or it may include all the same measures.

A list of potential measures was provided for the Efficiency Statement and is not repeated here. The Operations Report should focus on just the select few which will be actively managed throughout the year. The measures appear as rows in the report and include cost, volume, utilization, program management, reach, and other indicators.



The Operations Report should focus on just the select few which will be actively managed throughout the year.



Figure 13 provides a sample Management Program Report for the safety initiative in Figure 12.

Learning & Development						
Sample Executive Operations Report						
Results through June						
Cost Measures		2011	For 2012			
		Actual	Plan	Jun YTD	% Plan	Forecast
L&D Expenditures	Million \$	\$15.8	\$20.2	\$9.9	49%	\$20.2
Opportunity Cost	Million \$	\$3.4	\$2.9	\$1.3	45%	\$2.9
Cost Reduction	ousand \$	\$63	\$295	\$168	57%	\$325
Total Participants						
ILT only	Number	8,956	8,000	3,745	47%	8,000
vILT only	Number	784	2,500	1,012	40%	2,200
E-learning only	Number	28,921	35,500	15,567	44%	34,000
Blended	Number	<u>1,460</u>	<u>4,000</u>	<u>1,689</u>	<u>42%</u>	<u>3,800</u>
Total Participants	Number	40,121	50,000	22,013	44%	48,000
Unique Participants						
ILT only	Number	4,523	3,680	3,312	90%	3,800
vILT only	Number	396	1,150	951	83%	1,300
E-learning only	Number	14,606	16,330	12,560	77%	17,000
Blended	Number	<u>738</u>	<u>1,840</u>	<u>1,584</u>	<u>86%</u>	<u>1,900</u>
Total Unique Participants	Number	20,263	23,000	18,407	80%	24,000
Courses Taken by Type of Learning						
ILT only	Number	80	76	76	100%	76
vILT only	Number	5	16	13	81%	15
E-learning only	Number	50	72	66	92%	70
Blended	Number	<u>8</u>	<u>14</u>	<u>12</u>	<u>86%</u>	<u>13</u>
Total courses	Number	143	178	167	94%	174
Courses Taken by Type of Learning						
ILT only	% of total	56%	43%	46%	107%	44%
vILT only	% of total	3%	9%	8%	87%	9%
E-learning only	% of total	35%	40%	40%	98%	40%
Blended	% of total	<u>6%</u>	<u>8%</u>	<u>7%</u>	<u>91%</u>	<u>7%</u>
Total courses	% of total	100%	100%	100%	100%	100%

Figure 14: Executive Operations Report

Note: See the complete (2-page) Operations Report Appendix II.

Classification by Outcome, Effectiveness and Efficiency

L&D Summary Report

- Outcome: organization goals, priorities, impact of learning, net dollar benefits
- Effectiveness: feedback, learning, application, impact, net dollar benefits
- Efficiency: number of participants, cost, cost reduction, percent of employees reached by L&D, and percent of employees with a development plan

L&D Program (or Initiative) Report

- Outcome: organization goal, priority, impact of learning, net dollar benefit (if applicable)
- Effectiveness: feedback, learning, application, impact, net dollar benefit
- Efficiency: number of participants, number of courses, completion dates

L&D Operations Report

- Outcome: none
- Effectiveness: none
- Efficiency: unique employee breakdown by ILT, eLearning, etc.; all utilization measures; all program management measures; vendor management measures; and all other indicators
- Participant, course or expenditure breakdowns in the annual report by affiliation, business unit or geography would also be efficiency measures.

Appendix I



Definitions and Taxonomy Alignment

Definitions

Key terms used throughout this white paper are defined below.

- **Class:** A specific training delivery or event, which may be instructor led in the classroom, online facilitated, or self-paced web-based
- **Course:** A training topic that has classes scheduled for it
- **Curriculum:** A category or group of courses
- **Program:** Strategic training initiative spanning days, weeks or months with multiple classes and potentially other learning components (e.g. informal learning, capstone projects, coaching, self-study) that is typically repeated for cohorts of learners

Learning Type Alignment

The table below depicts the alignment learning types across ASTD, Bersin and TDRP.

Type	ASTD	Bersin	TDRP
Formal Learning			
ILT	X	X	X
ILT Online	X	Combined Into vILT*	Combined Into vILT*
ILT Remote	X		
Self-Paced Online	X	Combined	Combined Into eLearning
Self-Paced Non-Networked	X		
Self-Paced Print	X		Included in "Other"
Blended			X***
Non - Computer Technology	X		
Other	X	X	X
Total Formal Learning	8	4	5
Informal			
Knowledge Sharing			X
Coaching & Mentoring			X
Performance Support			X
Other			X
Total	0	0	4

Notes:

* vILT is Virtual ILT

** Includes learning hosted on a computer or mobile device

*** Used for course count (number and percentage of blended courses) but not calculation of total hours

Category Alignment

The table below depicts the alignment of the various categories of learning as defined by ASTD, Bersin and TDRP.

Category	ASTD	Bersin	TDRP
Managerial & Supervisory	X	X	Combined Into Leadership
Executive Development	X	X	
Profession or Industry Specific	X	X	X
Mandatory & Compliance	X	X	X
New Employee Orientation	X		X
Business Skills, Processes & Procedure	X		X
Sales & Marketing	X	X	X
Customer Service	X	X	X
IT & Systems	X	X	X
Interpersonal	X	X	Combined into a Single Category
Basic Skills	X		
Desktop Application		X	
Other	X		
Total	12	9	9

Appendix II

Complete Statements and Reports

Complete High-Level Efficiency Statement

Learning & Development					
Sample High-level Efficiency Statement					
Results through June					
		2011	For 2012		
		Actual	Plan	Jun YTD	% Plan
Cost Measures					
L&D Expenditures	Million \$	\$15.8	\$20.2	\$9.9	49%
Opportunity Cost	Million \$	\$3.4	\$2.9	\$1.3	45%
Cost Reduction	Thousand \$	\$63	\$295	\$168	57%
Total Participants					
ILT only	Number	8,956	8,000	3,745	47%
vILT only	Number	784	2,500	1,012	40%
E-learning only	Number	28,921	35,500	15,567	44%
Blended	Number	1,460	4,000	1,689	42%
Total Participants	Number	40,121	50,000	22,013	44%
Unique Participants					
ILT only	Number	4,523	3,680	3,312	90%
vILT only	Number	396	1,150	951	83%
E-learning only	Number	14,606	16,330	12,560	77%
Blended	Number	738	1,840	1,584	86%
Total Unique Participants	Number	20,263	23,000	18,407	80%
Courses Taken by Type of Learning					
ILT only	Number	80	76	76	100%
vILT only	Number	5	16	13	81%
E-learning only	Number	50	72	66	92%
Blended	Number	8	14	12	86%
Total courses	Number	143	178	167	94%
Courses Taken by Type of Learning					
ILT only	% of total	56%	43%	46%	107%
vILT only	% of total	3%	9%	8%	87%
E-learning only	% of total	35%	40%	40%	98%
Blended	% of total	6%	8%	7%	91%
Total courses	% of total	100%	100%	100%	100%
Utilization					
		2010	For 2011		
		Actual	Plan	Jun YTD	% Plan
E-learning Courses					
Available	Number	60	74	70	95%
Taken by more than 20	Number	50	72	64	89%
% taken by more than 20	%	83%	97%	91%	94%
Reach					
% of employee reached by L&D	%	85%	88%	72%	88%
% of employees with development plan	%	82%	98%	95%	96%
Program Management					
Courses					
Total Developed	Number	22	36	24	67%
Number Meeting Deadline	Number	16	33	21	64%
% Meeting Deadline	%	73%	92%	88%	95%
Total Delivered	Number	143	178	167	94%
Number Meeting Deadline	Number	89	160	139	87%
% Meeting Deadline	%	62%	90%	83%	85%
Cycle Time					
Performance consulting	Days	39	30	33	67%
Design and Development for ILT	Days	56	45	44	109%
Design and Development for WBT	Days	48	40	39	113%

Appendix II

Complete Detailed Efficiency Statement

Learning & Development								
Sample Detailed Efficiency Statement								
Results through June 2012								
Opportunity Cost	Thousand \$	2011	2012	2013	2014	2015	2016	2017
Cost reduction	Thousand \$	\$16	\$21	\$28	\$35	\$33	\$35	\$168
L&D expenditure per employee	Annualized \$	\$723	\$764	\$754	\$789	\$781	\$823	\$772
Headcount Measures								
Employees (FTEs)	Number	24,895	25,142	25,456	25,869	26,123	26,243	25,621
Learning staff (FTEs)	Number	85	87	87	88	90	90	88
Employees per learning staff	Number	293	289	293	294	290	292	292
Total Participants								
by Type of Learning								
ILT only	Number	596	647	624	624	631	623	3,745
vILT only	Number	84	102	156	196	223	251	1,012
E-learning only	Number	2,189	2,345	2,498	2,671	2,849	3,015	15,567
Blended	Number	123	178	299	345	355	389	1,689
Total Participants	Number	2,992	3,272	3,577	3,836	4,058	4,278	22,013
Unique Participants								
by Type of Learning								
ILT only	Number	596	458	612	601	598	547	3,312
vILT only	Number	84	96	145	187	214	236	951
E-learning only	Number	1,874	2,145	2,236	2,489	2,568	2,789	12,560
Blended	Number	121	167	289	324	342	375	1,584
Total Unique Participants	Number	2,675	2,866	3,282	3,601	3,722	3,947	18,407
Total Participants								
by Program or Initiative								
Program/Initiative 1: Sales	Number	0	534	292	0	0	0	826
Program/Initiative 2: Leadership	Number	12	35	46	58	17	0	168
Program/Initiative 3: Safety	Number	386	1,012	1,078	1,086	988	1,276	5,826
.....	Number	:	:	:	:	:	:	:
Program/Initiative 10	Number	0	0	0	400	460	540	1,400
Total for top ten	Number	1,798	3,012	3,150	2,985	3,128	3,195	17,268
Unique Participants								
by Program or Initiative								
Program/Initiative 1: Sales	Number	0	134	73	0	0	0	134
Program/Initiative 2: Leadership	Number	12	35	46	58	17	0	168
Program/Initiative 3: Safety	Number	302	480	502	514	506	596	1,986
.....	Number	:	:	:	:	:	:	:
Program/Initiative 10	Number	0	0	0	400	460	540	800
Total for top ten	Number	1,695	2,842	2,896	2,874	2,984	3,001	15,012

(Page 1)

Learning & Development

Sample Detailed Efficiency Statement

Results through June 2012

		<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>YTD</u>
Courses Taken by Type of Learning								
ILT only	Number	12	13	13	13	13	13	76
vILT only	Number	1	1	2	3	3	3	13
E-learning only	Number	9	10	11	11	12	13	66
Blended	Number	1	1	2	2	3	3	12
Total courses	Number	23	26	27	29	30	31	167
Courses Taken by Type of Learning								
ILT only	% of total	52%	51%	46%	44%	42%	40%	46%
vILT only	% of total	5%	5%	7%	9%	9%	10%	8%
E-learning only	% of total	40%	39%	39%	39%	40%	41%	39%
Blended	% of total	4%	5%	8%	8%	8%	9%	7%
Total courses	% of total	100%	100%	100%	100%	100%	100%	100%
Utilization								
E-learning courses								
Available	Number	51	59	61	63	66	70	70
Taken by more than 20	Number	20	31	42	53	59	64	64
Percentage taken by more than	%	39%	53%	69%	84%	89%	91%	91%
All formal learning								
Unique hours available	Number	495	485	515	525	535	535	515
Unique hours used	Number	445	445	475	490	510	520	481
% unique hours used	%	90%	92%	92%	93%	95%	97%	93%
Participant Completion Rates								
ILT	%	88%	89%	90%	89%	91%	90%	90%
vILT	%	76%	77%	79%	78%	81%	81%	79%
Reach								
% of employees reached by L&D	%	11%	20%	32%	45%	58%	72%	72%
% of employees with development plans	%	76%	87%	93%	95%	95%	95%	95%
Program Management								
Courses								
Total Developed	Number	0	3	7	6	4	4	24
Number Meeting Deadline	Number	0	2	6	5	4	4	21
% Meeting Deadline	%	NA	67%	86%	83%	100%	100%	88%
Total Delivered	Number	18	28	31	30	29	31	167
Number Meeting Deadline	Number	12	21	26	26	25	29	139
% Meeting Deadline	%	NA	75%	84%	87%	86%	94%	83%
Cycle Time								
Performance consulting	Days	38	35	32	32	31	30	33
Design and Development for ILT	Days	48	44	47	42	43	42	44
Design and Development for Wf	Days	42	40	37	38	39	37	39
Average Class Size								
ILT	Number	15	18	19	18	20	18	18
vILT	Number	17	23	27	28	25	28	25

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Complete Operations Report

Learning & Development Sample Executive Operations Report

Results through June

Cost Measures		2011	For 2012			
		Actual	Plan	Jun YTD	% Plan	Forecast
L&D Expenditures	Million \$	\$15.8	\$20.2	\$9.9	49%	\$20.2
Opportunity Cost	Million \$	\$3.4	\$2.9	\$1.3	45%	\$2.9
Cost Reduction	housand \$	\$63	\$295	\$168	57%	\$325
Total Participants						
ILT only	Number	8,956	8,000	3,745	47%	8,000
vILT only	Number	784	2,500	1,012	40%	2,200
E-learning only	Number	28,921	35,500	15,567	44%	34,000
Blended	Number	<u>1,460</u>	<u>4,000</u>	<u>1,689</u>	<u>42%</u>	<u>3,800</u>
Total Participants	Number	40,121	50,000	22,013	44%	48,000
Unique Participants						
ILT only	Number	4,523	3,680	3,312	90%	3,800
vILT only	Number	396	1,150	951	83%	1,300
E-learning only	Number	14,606	16,330	12,560	77%	17,000
Blended	Number	<u>738</u>	<u>1,840</u>	<u>1,584</u>	<u>86%</u>	<u>1,900</u>
Total Unique Participants	Number	20,263	23,000	18,407	80%	24,000
Courses Taken by Type of Learning						
ILT only	Number	80	76	76	100%	76
vILT only	Number	5	16	13	81%	15
E-learning only	Number	50	72	66	92%	70
Blended	Number	<u>8</u>	<u>14</u>	<u>12</u>	<u>86%</u>	<u>13</u>
Total courses	Number	143	178	167	94%	174
Courses Taken by Type of Learning						
ILT only	% of total	56%	43%	46%	107%	44%
vILT only	% of total	3%	9%	8%	87%	9%
E-learning only	% of total	35%	40%	40%	98%	40%
Blended	% of total	<u>6%</u>	<u>8%</u>	<u>7%</u>	<u>91%</u>	<u>7%</u>
Total courses	% of total	100%	100%	100%	100%	100%
Utilization						
E-learning Courses						
Available	Number	60	74	70	95%	74
Taken by more than 20	Number	50	72	64	89%	72
% taken by more than 20	%	83%	97%	91%	94%	97%
Reach						
% of employee reached by L&D	%	85%	88%	72%	88%	88%
% of employees with development plan	%	82%	98%	95%	96%	96%
Program Management						
Courses						
Total Developed	Number	22	36	24	67%	35
Number Meeting Deadline	Number	16	33	21	64%	33
% Meeting Deadline	%	73%	92%	88%	95%	94%
Total Delivered	Number	143	178	167	94%	178
Number Meeting Deadline	Number	89	160	139	87%	155
% Meeting Deadline	%	62%	90%	83%	85%	87%
Cycle Time						
Performance consulting	Days	39	30	33	67%	32
Design and Development for ILT	Days	56	45	44	109%	45
Design and Development for WBT	Days	48	40	39	113%	39

Appendix III: TDRp Contributors 2010-2012 (not included in original paper)

Executive Council of Leading Practitioners

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