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The Relationship of the CLO to the CFO

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Objectives

After attending this session, participants should be able to:

- Describe the desired relationship with the CFO.
- Use at least two strategies to improve the relationship with the CFO.
- Identify at least three strategies to change the CFO's perception of L&D.
- Influence funding in the future with this relationship.
- Plan the next steps.

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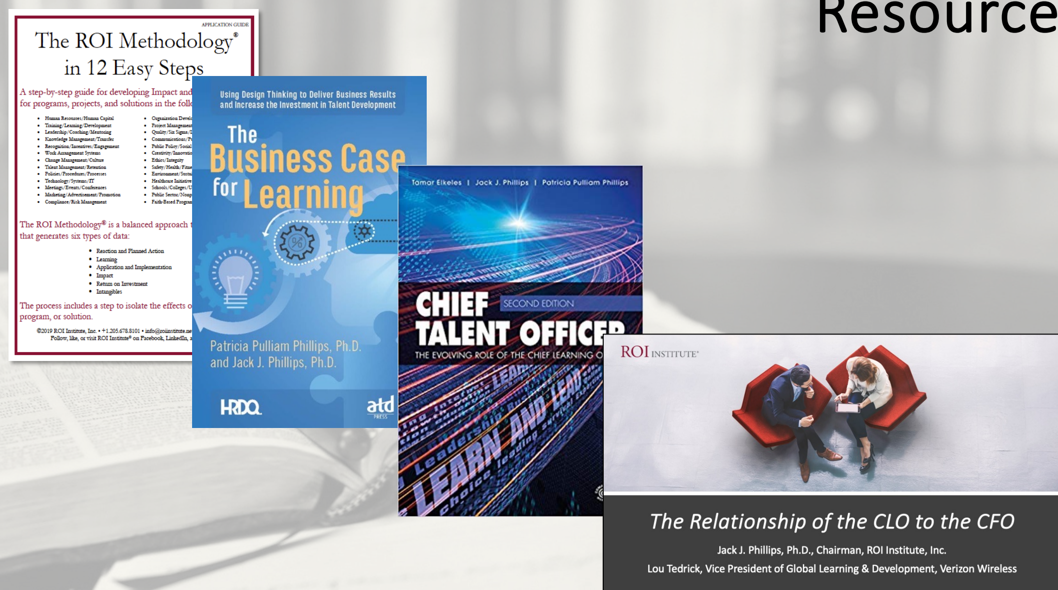
Resources



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In my organization, the relationship between the CLO and CFO (Select all that apply):

- ❑ Is unknown to me
- ❑ Seems to be adversarial
- ❑ Is transactional
- ❑ Is supportive and respectful
- ❑ Has improved our L&D function

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Our Approach

- The CFO’s role and why it’s important to L&D
- How to improve the relationship with CFO
- Our experiences and observations
- How to show the value of what you do

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CFO’s Role

Previous	Now
Protect the vital assets of the company, **ensure compliance** with financial regulation, **close the books** correctly and **communicate value** and risks to the board…	Serve as **chief financial steward**, operator, and strategist, as well as catalyst to **cut costs**, **drive revenue growth**, and **ensure success**…
Deloitte	*Washington State University*

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The CFO’s Role in Capability Building

To **foster job satisfaction**, CFOs should serve as **talent magnets** and **chief inspirers**. They should use data to **identify skills gaps** and **allocate talent** to fill them. Then they should take a holistic mindset, teaching basic financial acumen beyond the finance function to make the entire organization better attuned to what **drives performance**. Empowering employees to do their jobs more effectively can increase satisfaction—and overall performance.

McKinsey

Isn’t that the CLO’s role?

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The CFO is the most important executive in an organization.
The Economist
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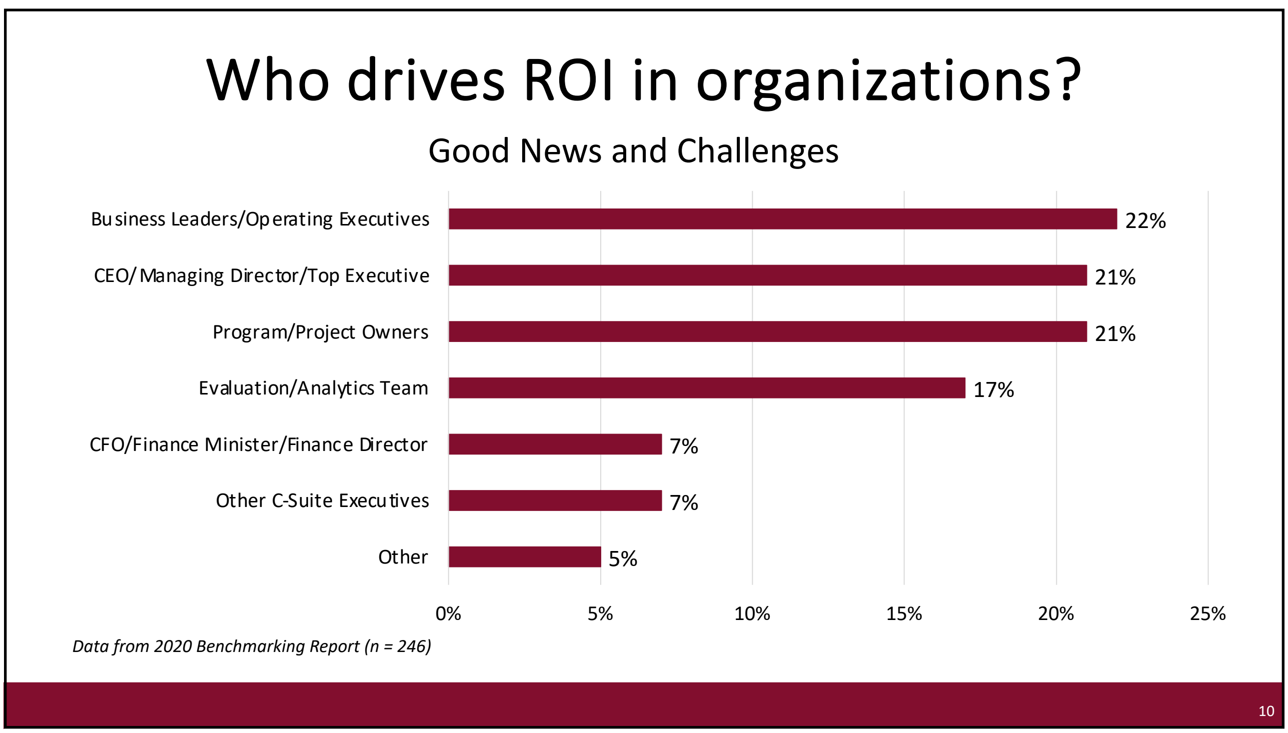
Who drives ROI in organizations?
Good News and Challenges
Business Leaders/Operating Executives
CEO/ Managing Director/Top Executive
Program/Project Owners
Evaluation/Analytics Team
CFO/Finance Minister/Finance Director
Other C-Suite Executives
Other
22%
21%
21%
17%
7%
7%
5%
0%
5%
10%
15%
20%
25%
Data from 2020 Benchmarking Report (n = 246)
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Do leaders/clients view your programs as a cost or investment?

Executive Perception of Learning

Perception	Actions	Consequences
It's a cost	• Control it • Reduce it • Eliminate it	• Partnerships are rare • Influence diminishes • Support is lost • Funding is curtailed
It's an investment	• Maintain it • Enhance it • Protect it	• Business partnerships flourish • Client relationships improve • A seat at the table is earned • Funding is easier

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Lou's Connection to CFO

- 2012 Selected by CFO and COO as the Champion of 1 of 5 inaugural "Verizon Lean Six Sigma Initiatives" focused on Learning Effectiveness
  - CFO endorsed Verizon's Learning Effectiveness Measurement Framework and Business Impact / ROI Methodologies
  - Implemented 28 initiatives delivering $50.4M savings
- 2018 Selected by CFO as the inaugural "HR & Training Zero Based Budgeting" Package Leader delivering $97.8M savings over 3 years
- 2022 Selected by EVP Global Services lead CFO-driven "Fit for Growth" initiative: L&D Transformation
- 2020-Present Engaged by BU Transformation Offices (CFO-led) to support BU-specific transformation initiatives that drive revenue, growth, and cost savings
- Partner with Finance and BT teams on all learning related business cases and impact studies

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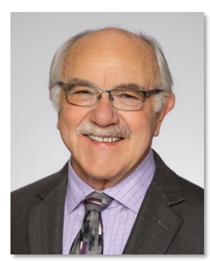
Jack's Connection to CFO

- First two-day ROI workshop co-facilitated by CFO (Eskom, South Africa, 1992)
- Inside my organizations: the CFO connection
- Focus groups with CFOs after absorbing HR role
- In many ROI evaluation executive briefings—the CFO attends



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The Value Chain

	LEVEL	ISSUE	MEASURES	TARGETS†
This is easy Always measured	0	Inputs	Volume, Hours, Convenience, Cost	100%
This is easy Almost always measured	1	Reaction	*Relevance, Engaging, *Important, Useful, *New Content, *Intent to Use, *Recommend to Others	100%
Not difficult Usually measured	2	Learning	Concepts, Trends, Facts, Contacts, Skills, Competencies	90%
Possible Often measured	3	Application	Use of content, Frequency of Use, Success with Use, Barriers, Enablers	30%
Not so difficult to connect Sometimes measured	4	Impact	Productivity, Time, Quality, Costs, Image, Reputation, Engagement, Compliance	10%
Possible for many programs Rarely measured	5	ROI	Benefit Cost Ratio or Return on Investment, Expressed as a Percent	5%

*Can predict

Executives prefer

Must take a step to isolate the effects

†Best Practice: Percent of Programs Evaluated at this level each year.

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What CEOs Want

Measures	Currently Measure	Should Measure	Importance
Inputs and Indicators	94%	86%	6
Efficiency	78%	82%	7
Reaction	53%	22%	8
Learning	32%	28%	5
Application	11%	61%	4
Impact	8%	96%	1
ROI	4%	74%	2
Awards	40%	44%	3

ROI Institute and ATD research show that the data CEOs receive are not demonstrating what they want out of their talent investment. (N=96)

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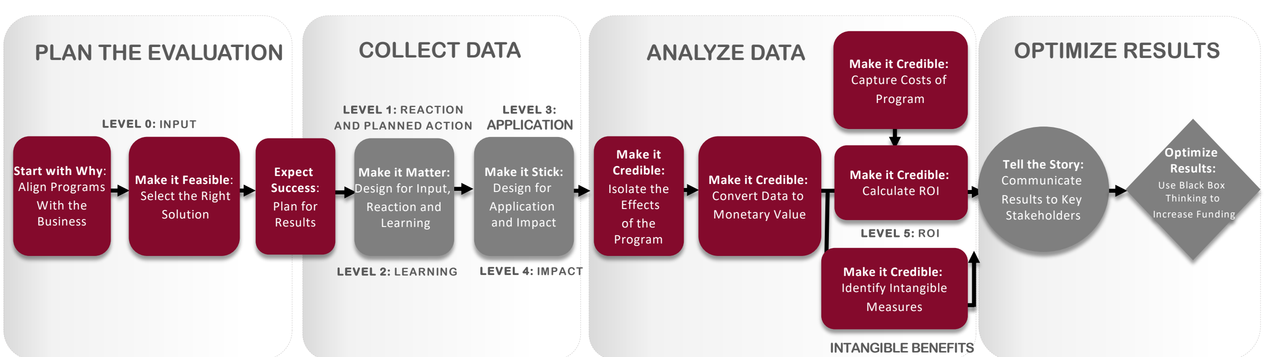
The ROI Methodology Process Model

Designing for the Delivery of Business Results



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Measurement Targets

Benchmarking Percentages

	Level	*Recommended	**Benchmarking %
0	Input	100%	100%
1	Reaction	100%	80%
2	Learning	90%	70%
3	Application	30-40%	49%
4	Impact	10-20%	37%
5	ROI	5-10%	18%

*Percentage of projects evaluated at each level per year.
**ROI Institute Benchmarking Report 2020

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Characteristics of Investments Suitable for Impact & ROI

- Cost of the project
- Linkage of project to operational goals and issues
- Importance of project to strategic objectives
- Top administrator/executive interest in the evaluation
- Visibility of the project
- Size of target audience
- Investment of time required

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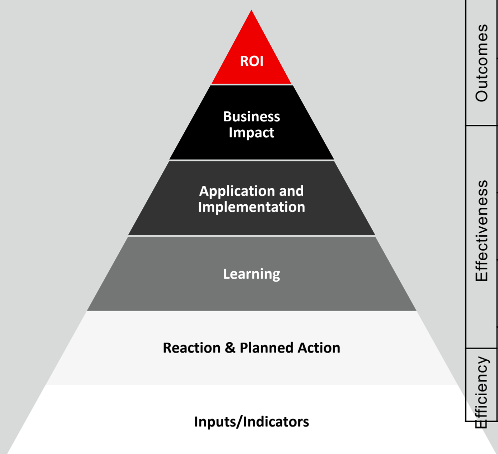
Verizon's Learning Effectiveness Measurement Framework^



		Level	Tracked	Outputs
Outcomes	5	**Return on Investment (ROI)** Compares program monetary benefits to costs.	15%	ROI Case Studies
	4	**Business Impact** Captures changes in business impact measures.	30-35%	Business Impact Case Studies; New Hire Scorecards; Trainer Dashboard; Initiative Specific Scorecards
Effectiveness	3	**Application and Implementation** Measures changes in on-the-job behavior and progress with application and skill development..	25-30%	Post-training surveys/focus groups to learners and their leaders; observations
	2	**Learning** Measures changes in knowledge, confidence, and attitudes.	75%	Knowledge Checks; Assessments
	1	**Reaction & Planned Action** Measures participant satisfaction and captures planned actions.	95-100%	Course Evaluations (ILT/OLT); STAR Ratings (OLT)
Efficiency	0	**Inputs/Indicators** Measures inputs into learning and development. Examples: completions/percent complete, number of programs, attendees, audience.	95%	L&D Quarterly Dashboard; Completion Reports

^Credit: Measurement framework - Phillips & Kirkpatrick

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2023 ELEVATE Retail Sales Program

2,501 existing consumer retail specialists

This face-to-face training experience introduces frontline teams to Verizon's retail location sales process & equips them with the necessary knowledge and skills to elevate the customer experience while driving sales results. The training incorporates instructor-led discussion, virtual activities, video, hands-on practice, & assessments over the course of six hours to set them up for success with selling at Verizon.

Did they like it?

4.87 out of 5 instructor
4.70 out of 5 content

Did they learn it?

85% assessment scores
98% pass rate

Did they apply it?

89% of participants said they improved in the seven key targeted behaviors
90% of managers said their teams improved in the seven key targeted behaviors

Did it affect the business?

$12.86 higher ARD for trained vs untrained
11.0 higher Setup & Go Quantity for trained vs untrained

Was it worth it?

132% ROI

finance approval 6.22.23

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2023 Verizon Velocity Selling Foundations

2,125
existing business sales account managers

This instructor-led training experience introduces frontline sales teams to the Verizon Velocity Selling System. VVS equips sales reps with the necessary knowledge and skills to effectively engage with customers using Verizon Velocity Dialogues. Sales reps will learn how to deep dive into Pain and Vision vitals.

Did they like it?

4.90 out of 5
instructor

4.81 out of 5
content

Did they apply it?

5.6%
more opportunities scored (PVPVC) for trained account managers vs untrained per month when comparing the post and pre training period

Did it affect the business?

6
more New Logo Gross Adds for trained vs untrained account managers per month

Was it worth it?

101% ROI

**finance approval 10.10.23*

Addressing Impact Measurement Challenges

Shareholder Value

Leverage established industry frameworks (luminafoundation.org)

Talent Management Benefits/Costs

- Turnover
- Promotions
- Internal Transfers
- Absenteeism

L&D Training Costs

- Internal
- External

Training Cost Calculator^

Fully-loaded costs of training:

- Designer time
- Development time
- Trainer delivery time
- Participant/learner time
- External vendor IP
- External vendor delivery
- Equipment & material
- Travel
- Administrative

^CFO Approved

Synthetic Control Groups

Understanding the impact of nomination / response-based HR programs is critical to investing constrained resources.

We developed a machine learning-powered approach for creating apples-to-apples synthetic control groups for dynamic responder populations.

The approach allows us to normalize across dimensions that correlate with People outcomes and ensure the program's impact is isolated.

verizon

What's Your CFO Strategy? Our Suggestions

- Remember the relationship between CFO and CEO.
- What's on CFO agenda?
- Be proactive (quietly).
- Use your CFO-assigned representative and their data.
- Present results to CFO.
- Ensure the business leader partners with the CLO.
- Ask CFO for help on complex projects.
- Show examples of business alignment and priorities (e.g., revenue/growth, CX).
- Present more studies.
- For major projects, present results with CFO and business leaders present.
- Have CFO speak to your ROI network.

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Be Proactive

Remember, when it comes to delivering results:

- Hope is not a strategy.
- Luck is not a factor.
- Doing nothing is not an option.

Change is inevitable.

Progress is optional.

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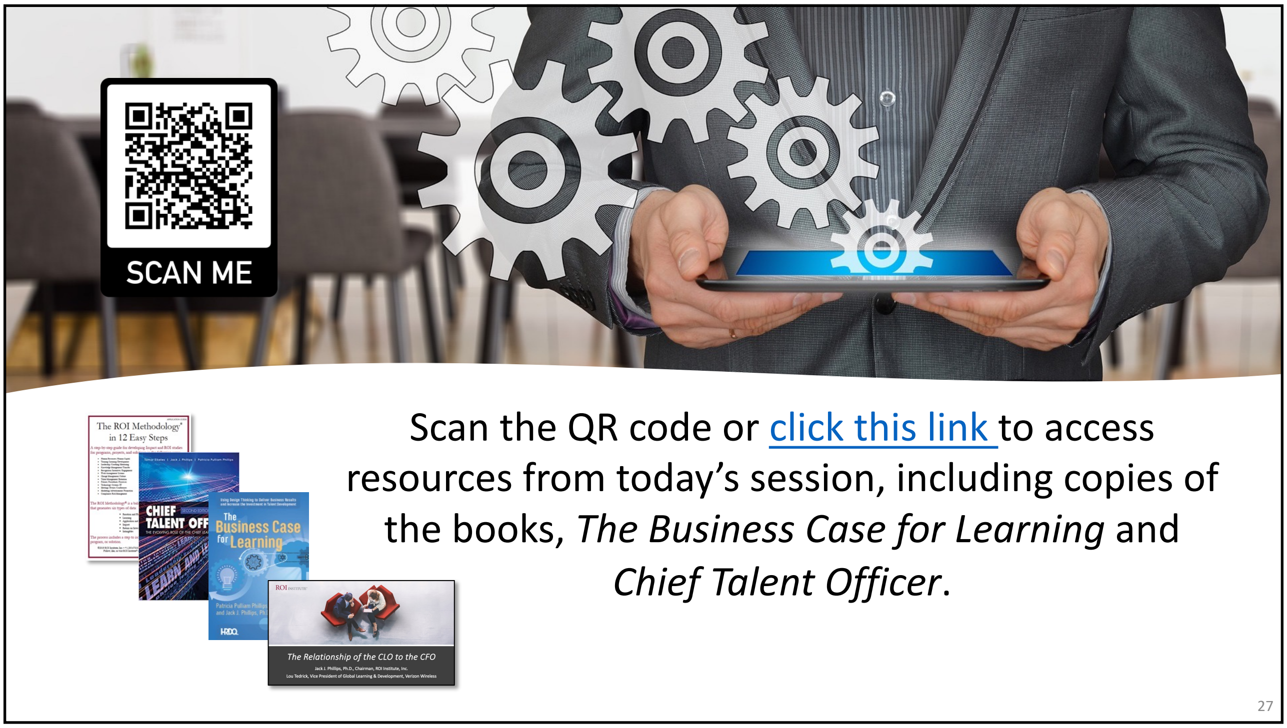
SCAN ME
Scan the QR code or click this link to access resources from today's session, including copies of the books, *The Business Case for Learning* and *Chief Talent Officer*.
The ROI Methodology in 12 Easy Steps
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The Business Case for Learning
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