

# **The 2017 Business Plan for Learning for XYZ Corporation**

Corporate University

Approved by the Board of Governors  
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## Executive Summary

Learning continues to be a critical driver of our company's success. In 2016 Corporate University initiatives supported all five top priorities and more than half of the remaining corporate goals (See Table 1). Moreover, learning is believed to have had a significant impact on achieving many of these goals and in some cases is thought to have contributed more than any other single factor. (The learning impact estimates below represent the consensus view of the corporate goal owners and university leadership.)

TABLE 1  
**Learning's Contribution to 2016 Results**

<i>Priority</i>	<i>Corporate Goal</i>	<i>Plan</i>		<i>Estimated Actual</i>	
		<i>Target</i>	<i>Expected Impact of Learning</i>	<i>Result</i>	<i>Expected Impact of Learning</i>
1	Reduce Injuries	10%	5%	8%	5%
2	Reduce Defects	10%	5%	11%	5%
3	Increase Sales	5%	3%	3%	2%
4	Reduce Mfg Costs	6%	2%	5%	3%
5	Increase Innovation	4%	1%	2%	1%

Learning is conservatively estimated to have produced net benefits of more than \$2.6 million in 2016, up \$450,000 or 24% from 2015 and just slightly below plan of \$2.7 million. The number of unique participants rose 8% to 4,552, reflecting higher company employment and expanded offerings. The number of total participants rose even faster at 10% to 19,769 as the average number of courses taken continued to rise.

Learning is planned to have an even greater impact on results in 2017. (See Table 2 for a summary.) Once again learning will contribute significantly to the five top goals and to the achievement of the remaining goals. Learning initiatives are expected to account for more than half of the planned reduction in defects and injuries and about half of the planned increase in leadership scores. Learning is also expected to contribute about 30% of the planned improvement in employee retention and 20% of the planned increase in sales.

Learning will also contribute to the achievement of other key goals, including reduction in purchase costs, support complaints, and exposure to fraud and insider trading. In each case learning is expected to account for half or more of the planned reduction, making learning the single most critical driver to goal achievement.

Taken together, these learning initiatives are expected to reach all five thousand employees and yield more than \$3.3 million in net benefits to the company resulting in a return on investment of more than 40%. Total participation in learning is forecast to rise 65%, reflecting the safety initiative with five courses for each manufacturing employee, the drive for every employee to have an individual development plan (IDP), and the comprehensive compliance campaign for fraud and insider trading.

To achieve these results, enterprise-wide expenditures on learning are forecast to increase by \$700,000 or 18% to \$4.5 million. All of the increase will occur at the Corporate University, which will constitute 74% of the total enterprise spending on learning. The remaining 24% (\$1.6 million) will be managed by the business units and is directed primarily at technical skills and other specialties, which are unique to individual units. Corporate University will continue to focus on learning, which can be leveraged across the enterprise or where consistency across units is required.

Staffing is projected to increase modestly to support the increased workload, although most of the increase in demand will be met through greater use of flexible resources, including our partners and part-time (PT) employees. Only one additional full-time (FT) hire is planned in 2017 for the Corporate University. Six additional part-time employees (three full-time equivalents or FTEs) will bring the totals for the Corporate University to 21 FT, 12 PT, and 27 FTEs. No increases are planned in the business units, which have six FT employees and six PT employees.

Evaluation and measurement will continue to be central to our efforts to manage for results and continuous improvement. Application, impact, and bottom-line results will continue to be measured for critical programs to ensure the planned net benefits are delivered to the company. Continuous improvement plans for 2017 include a system-wide upgrade to the LMS, a new knowledge-sharing platform, and improved synchronous online learning capabilities.

Finally, we plan to build on last year's success and continue to invest in our university and company brand by hosting benchmarking companies, publishing articles, speaking at conferences, and entering awards competitions. We are proud of the internal and external awards we have received over the last two years but know we still have a long way to go to be the best we can be.

TABLE 2  
2017 Summary Business Case for Learning

2017 Priority	Corporate Goal	2016 Estimated Actual				2017 Plan					
		Results	Estimated Impact of Learning	Unique Partici pants	Total Partici pants	Total Net Benefits (thous.)	Target	Planned Impact of Learning	Unique Partici pants	Total Partici pants	Total Net Benefits (thous.)
1	Increase Sales	3%	2%	105	105	\$420	10%	2%	100	1,100	\$893
2	Reduce Defects	11%	5%	103	276	\$412	20%	14%	200	800	\$1,018
3	Reduce Injuries	8%	5%	1,167	4,698	\$233	25%	15%	3,100	13,600	\$415
4	Improve Leadership	-2 pts	NA	50	50	NA	+5 pts	+2 pts	180	180	\$316
5	Increase Retention	-4 pts	NA	NA	NA	NA	+5 pts	+1.5 pts	5,000	7,500	\$310
	<b>Subtotal Top Five Goals</b>			<b>1,425</b>	<b>5,129</b>	<b>\$1,065</b>			<b>5,000</b>	<b>23,180</b>	<b>\$2,952</b>
	Subtotal Other Goals			2,421	10,381	\$2,193			1,950	4,725	\$1,028
	Total All Goals			2,997	15,510	\$3,258			5,000	27,905	\$3,980
	Unaligned Learning			3,651	3,859	0			4,000	4,000	\$0
	Other Costs (not included elsewhere)					-\$600					-\$600
	<b>Grand Total for All Learning</b>			<b>4,552</b>	<b>19,369</b>	<b>\$2,658</b>			<b>5,000</b>	<b>31,905</b>	<b>\$3,380</b>

TABLE 3  
Impact of Learning on 2016 Results

2016 Priority	Corporate Goal	2016 Plan				2016 Estimated/Actual					
		Target	Planned Impact of Learning	Unique Partici- pants	Total Partici- pants	Total Net Benefits (thous.)	Result	Estimated Impact of Learning	Unique Partici- pants	Total Partici- pants	Total Net Benefits (thous.)
1	Reduce Injuries	10%	5%	1,200	4,800	\$240	8%	5%	1,167	4,698	\$233
2	Reduce Defects	10%	5%	100	300	\$400	11%	5%	103	276	\$412
3	Increase Sales	5%	3%	120	120	\$720	3%	2%	105	105	\$420
4	Reduce Mfg Costs	6%	2%	1,400	7,200	\$640	5%	3%	1,578	7,256	\$900
5	Increase Innovation	4%	1%	200	200	\$400	2%	1%	188	188	\$383
	<b>Subtotal Top Five Goals</b>			<b>2,260</b>	<b>12,620</b>	<b>\$2,400</b>			<b>2,189</b>	<b>12,523</b>	<b>\$2,348</b>
	Subtotal Other Goals			1,430	2,996	\$912			1,657	2,987	\$910
	Total All Goals			2,874	15,616	\$3,312			2,997	15,510	\$3,258
	Unaligned Learning			3,500	3,500	\$0			3,651	3,859	\$0
	Other Costs (not included elsewhere)					-\$600					-\$600
	<b>Grand Total for All Learning</b>			<b>4,300</b>	<b>19,116</b>	<b>\$2,712</b>			<b>4,552</b>	<b>19,369</b>	<b>\$2,658</b>

## Last Year's Accomplishments

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Learning contributed significantly to our company's success in 2016. Corporate University initiatives supported all five top priorities and more than half of the remaining corporate goals. Learning's impact on corporate goals ranged from a low of 20% to more than 60%. Overall, more than 4,500 employees participated in Corporate University programs, generating more than \$2.6 million in net benefit to the company. (See Table 3 for a summary by goal.)

The majority of participants (12,523) were engaged in learning that directly supported the top five corporate priorities and delivered about \$2.3 million in net benefit. About a quarter as many (2,987) participated in programs to support the remaining corporate goals while the remainder (3,859) pursued learning opportunities not directly tied to the 2016 goals.

### *Highlights*

- More than 1,100 manufacturing employees participated in classes and online learning to reduce injuries in the workplace. Learning is estimated to have reduced injuries by 5% or about half of the corporate goal of 10% and more than half of the actual 8% reduction.
- More than one hundred engineers took part in the first courses created to reduce design defects. The design courses are estimated to have reduced defects by 5% or almost half of the estimated actual 11% total reduction.
- Learning programs to increase sales are estimated to have contributed to a 2% increase in sales, slightly less than the planned impact of 3% but still more than half of the actual increase of 3%.
- More than 1,500 employees took an average of five classes each to learn how to reduce manufacturing costs. The learning is believed to have reduced costs by 3%, one percent more than planned, and contributed almost \$1 million in net benefits.
- Almost two hundred engineers took the innovation workshop, which contributed to a 1% increase in Tier One workable concepts. Although the corporate target of 4% was not achieved, the workshop contributed half of the actual 2% increase and generated almost \$400,000 in net benefits.
- More than 1,600 employees participated in learning to support five of the remaining eight corporate goals. For these five goals learning is believed to have contributed from 20% to 70% of the corporate result, generating almost \$1 million in net benefits.

In addition, the Corporate University staff achieved \$100,000 in efficiency gains by consolidating vendors, standardizing RFPs, and reducing development time. Another \$100,000 in opportunity costs were saved by substituting web-based learning for classroom instruction where appropriate.

The above results were accomplished without exceeding budget for 2016. Expenses came in at \$10,000 below budget, partially offsetting the \$32,000 shortfall in income. Net income was \$22,000.

TABLE 4  
Corporate University 2016 Financial Performance

	<i>Thousands of Dollars</i>			<i>Variance</i>	
	<i>2015 Actual</i>	<i>2016 Plan</i>	<i>2016 Estimate</i>	<i>\$</i>	<i>%</i>
Income	\$3,485	\$3,800	\$3,768	(\$32)	.8%
Expense	\$3,460	\$3,800	\$3,790	(\$10)	.3%
Net Income	\$25	\$0	(\$22)	(\$22)	

## Strategic Alignment for 2017

A business plan for learning starts with the strategic alignment of learning to the company's highest priority goals. This approach ensures that the investment in learning will make the greatest possible contribution to 2017 results.

The process of alignment begins with the 2017 corporate goals and input from the CEO. It ends with specific learning programs aligned to support the company's objectives. Figure 1 contains a brief description of the process, which started in August and concluded with approval by the board of governors in December.

FIGURE 1  
Description of the Strategic Alignment Process

- Interviewed CEO, group presidents, and members of the board of governors with regard to goals and priorities
- Discussed goals in detail with each goal owner or sponsor and explored whether learning could contribute to achieving the goals



- Compiled preliminary findings on goals, priorities, and the appropriateness and impact of learning and identified target areas for learning
- Held detailed discussions with targeted goal owners or sponsors on potential learning programs, impact of learning, requirements, and costs
- Refined impact and cost estimates
- Finalized strategic alignment and shared it with the CEO and the board of governors for review; revised as necessary

The results of the strategic alignment process are shown in Figure 2 and Table 5 on the following page.

FIGURE 2  
**Strategic Alignment of Learning to the Organization's Goals**

Summary Matrix

<i>Corporate Objectives</i>	<i>Learning programs for</i>								
	<i>Sales</i>	<i>Design</i>	<i>Safety</i>	<i>Leadership</i>	<i>Perf Mgt</i>	<i>Product</i>	<i>Purch.</i>	<i>Customer Skills</i>	<i>Compliance</i>
<b>High Priority</b>									
Increase sales	X					X		X	
Reduce defects		X							
Reduce injuries			X						
<b>Medium Priority</b>									
Improve leadership				X					
Increase ee retention					X				
<i>Increase innovation</i>									
Reduce purch. costs							X		
<i>Increase bench strength</i>									
<b>Low Priority</b>									
<i>Open Beijing office</i>									
Reduce tech sup complaints						X		X	
Reduce fraud & insider trading exposure									X

NOTE: Objectives in *italics* not addressed by training for next year.

TABLE 5  
Strategic Alignment of Learning to Organization Goals

Priority	Corporate Goal	Key Learning Programs	Target Audience	Unique Participants	Planned Contribution from Learning	Planned Impact of Learning	Goal Owner	Include In Plan?
1	High Increase sales by 10%	Consultative selling skills (new) New product information (revised) Total key programs	Marketing employees Marketing employees	100 100 100	20%	2% higher sales	Ortega	Yes
2	High Reduce defects by 20%	Four Design courses (3 new)	New, other engineers	200	70%	14% reduct. in defects	D'Agoto	Yes
3	High Reduce injuries by 25%	Five Safety courses (3 new) One Safety course (revised) Two Safety courses (1 new)	Manufact. associates Factory supervisors Office employees	2,500 100 500 3,100	60%	15% reduct. in injuries	Swithe	Yes
4	Medium Improve leadership score by 5 points on employee survey	Intro to supervision (revised) Leadership for managers (new) Advanced leadership (existing)	New, other supervisors Division managers Department heads	100 65 15 180	40%	2 point increase	Wang	Yes
5	Medium Increase employee retention by 10 points	Individual development plans Performance management (new)	All employees Mgt employees	5,000 2,500 5,000	30%	3 point increase	Dreise	Yes
6	Medium Increase innovation by 20% (patent applications)	Establish communities of practice Innovation workshop (new)	Design engineers Design engineers	100 100 100	20%	4% increase in innov.	Chan	No
7	Medium Reduce cost of purchased materials by 5%	Five Purchasing courses (5 new)	Purchasing employees and managers	200	60%	3% reduction in costs	Murphy	Yes
8	Medium Increase internal bench-strength for officers	None			NA		Dreise	No
9	Low Open office in Beijing	Orientation	New employees	25	Low	Not essential	Li	No
10	Low Reduce technical support complaints by 30%	Product training (new) Customer relations skills (revised)	Call center employees Call center employees	50 25 50	50%	15% reduct. in complaints	Salvatore	Yes
11	Low Reduce exposure to fraud and insider trading	One online fraud course (new) One online insider trading (existing)	Select employees Select employees	1,700 1,500 1,700	High	Essential	Omwetti	Yes

Learning has been identified to support all three high-priority corporate goals and three of the five medium priority goals (see Table 5). The planned impact on corporate objectives for this group ranges from a low of 20% for increased sales and innovation to a high of 70% for a reduction in defects. Investment in learning is recommended to support all of these goals except a) innovation, where the planned impact of learning (20%) is simply too low to justify the investment this year for a medium priority, and b) increasing the officer bench strength, which will not require any formal learning next year.

In addition, learning is recommended for two low-priority goals (reduce technical support complaints and compliance) because of its planned high impact (50%+) on achieving those goals. For 2017 learning is not essential to opening the office in Beijing.

Although there will be learning that is not directly in support of the above corporate goals (learning for goals below the corporate level, professional development, and personal growth), the priority for learning will be the learning aligned to the corporate goals.

## The 2017 Business Case for Learning

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The business case for learning starts with the strategic alignment process and adds the costs and dollar benefits of the recommended learning. Costs are forecast for each program, including all direct external costs (for example, contract vendors and room rental) and the internal costs including fully-burdened internal labor costs to develop, deliver, reinforce, and manage the programs. In addition to these budget costs, opportunity costs are calculated for each program to capture, at a minimum, the value of the participants' time (using their labor and related rate). Total cost equals budget plus opportunity costs.

For the business case, dollar benefits have been forecast (where appropriate) by the goal owner and Corporate University based on the planned impact of the corporate goal on net income and on the planned impact of learning on achieving the corporate goal. For example, the corporate goal of a 10% increase in sales is expected to have a bottom-line impact of \$7.5 million. Learning programs, properly conceived, developed, deployed, and reinforced, are expected by the goal owner and by the Corporate University to contribute 20% of the 10% increase in sales. In other words, learning is expected to deliver a 2% increase in sales (10% increase in sales x 20% contribution from learning), which would be worth \$1.5

million to the bottom line. Where the impact on net income was not available for a corporate goal, we worked with the goal owner to derive a forecast of the dollar impact of the learning on net income.

The net benefit of learning is simply the gross benefit of learning (like \$1.5 million for the sales example) less the total cost of the learning. For sales, the cost of learning is forecast to be \$607,000 (\$490,000 in budget costs plus \$117,000 in opportunity costs), so the net benefit of sales-related learning is \$893,000. The budget impact of learning is the dollar impact less just the budget cost. So for the sales-related learning the budget impact is \$1.5 million - \$490,000 or \$1.010 million. The budget impact will always be higher since it does not include the opportunity costs.

The 2017 business case for learning is shown in Table 6. Learning is planned to make a significant contribution to all top five goals for 2017:

- **Sales:** Two learning programs are planned for 100 unique participants to increase sales by 2% resulting in a net benefit of \$893,000 and an ROI of 147%.
- **Defects:** One learning program consisting of four design courses is planned for 200 engineers to reduce defects by 14%, which represents a net benefit of \$1.02 million and an ROI of 94%.
- **Injuries:** Three safety programs are planned for 3,100 unique participants to reduce injuries by 15%, resulting in a net benefit of \$415,000 and an ROI of 53%.
- **Leadership:** Three leadership programs are planned for 180 of our leaders to improve the leadership score on the employee opinion survey by 2 points, which will result in a net benefit of \$316,000 and an ROI of 36%.
- **Employee retention:** All 5,000 employees will have an individual development plan in 2017, and 2,500 management employees will receive training in performance management. Together, these two initiatives are planned to increase retention by 1.5 points, resulting in a net benefit of \$310,000 and an ROI of 21%.

The gross benefit of learning on net income for the top five corporate goals is forecast to be \$7.8 million. Subtracting the budget costs of \$2.39 million generates a budget impact of \$5.41 million. Subtracting the opportunity costs of \$2.46 million leaves a net benefit of \$2.95 million for a return on investment (ROI) of 61%.

Learning for the other corporate goals is also expected to have a significant

**TABLE 6**  
**2017 Business Case for Learning**

Priority	Corporate Goal	Key Learning Programs	Target Audience	Unique Participations	Total Participations	Planned Contribution from Learning	Planned Impact of Learning	Thousands of Dollars							
								Gross Benefit	Budget Cost	Budget Impact	Opportunity Cost	Net Benefit	ROI		
1	Increase sales by 10%	Consultative selling skills (new)	Marketing employees	100	100										
		Ten NPI modules (10 new)	Marketing employees	<u>100</u>	<u>1,000</u>	20%	2% higher sales	\$1,500	\$490	\$1,010	\$117	\$893	147%		
		Total key programs		100	1,100	20%									
2	Reduce defects by 20%	Four Design courses (3 new)	New, other engineers	200	800	70%	14% reduct. in defects	\$2,100	\$570	\$1,530	\$512	\$1,018	94%		
		Five Safety courses (3 new)	Manufact. associates	2,500	12,500										
3	Reduce Injuries by 25%	One Safety course (revised)	Factory supervisors	100	100										
		Two Safety courses (1 new)	Office employees	500	1,000										
		Total key programs		3,100	13,600	60%	15% reduct. in injuries	\$1,200	\$410	\$790	\$376	\$415	53%		
4	Improve leadership score by 5 points on employee survey	Intro to supervision (revised)	New, other supervisors	100	100										
		Leadership for managers (new)	Division managers	65	65										
		Advanced leadership (existing)	Department heads	<u>15</u>	<u>15</u>	40%	2 point increase	\$1,200	\$582	\$618	\$302	\$316	36%		
5	Increase retention by 5 points	Individual development plans	All employees	5,000	5,000										
		Performance mgt (new)	Mgt employees	<u>2,500</u>	<u>2,500</u>	30%	1.5 point increase	\$1,800	\$340	\$1,460	\$1,150	\$310	21%		
		Total key programs		5,000	7,500	30%									
<b>Total for Top Five Goals</b>		<b>Learning for Top Five Goals</b>		<b>5,000</b>	<b>23,180</b>	<b>Range = 20%-70%</b>		<b>\$7,800</b>	<b>\$2,392</b>	<b>\$5,408</b>	<b>\$2,457</b>	<b>\$2,952</b>	<b>61%</b>		
<b>Total for All Other Goals</b>		<b>Learning for All Other Goals</b>		<b>1,950</b>	<b>4,725</b>	<b>Range = 50%-70%</b>		<b>\$3,050</b>	<b>\$1,245</b>	<b>\$1,805</b>	<b>\$778</b>	<b>\$1,028</b>	<b>51%</b>		
<b>Total for All Aligned Learning</b>		<b>Total for All Aligned Learning</b>		<b>5,000</b>	<b>27,905</b>	<b>Range = 20%-70%</b>		<b>\$10,850</b>	<b>\$3,637</b>	<b>\$7,213</b>	<b>\$3,234</b>	<b>\$3,980</b>	<b>58%</b>		
<b>Unaligned Learning</b>		<b>Unaligned Learning</b>		<b>4,000</b>	<b>4,000</b>	<b>Assume Net Ben = 0</b>		<b>\$700</b>	<b>\$300</b>	<b>\$400</b>	<b>\$400</b>	<b>\$0</b>	<b>0%</b>		
<b>Grand Total</b>		<b>Grand Total for All Learning</b>		<b>5,000</b>	<b>31,905</b>	<b>Range = 20%-70%</b>		<b>\$11,550</b>	<b>\$4,537</b>	<b>\$7,013</b>	<b>\$3,634</b>	<b>\$3,380</b>	<b>41%</b>		

impact. A learning program to support purchasing is planned to contribute a 3% reduction in costs, and two programs for technical support are planned to reduce complaints by 15%. Compliance-related training is expected to reduce our risk exposure by 70% and is considered essential. In total, learning for these three goals is expected to generate a gross benefit of \$3.05 million for a budget impact of \$1.81 million. After subtracting opportunity costs, the net benefit of learning is forecast to be \$1.03 million for an ROI of 51%.

The business case also includes the cost and expected benefit for the unaligned learning, although the gross benefit has been conservatively forecast to just offset the total costs. All other costs not built into the fully-burdened labor rate (like the office of the CLO and the staff, systems, and vendors for support functions like measurement, planning, and strategy) are included as the last line with no offsetting dollar impacts.

In total, the 2017 business case for learning shows a dollar impact from learning of \$11.6 million. This impact can be achieved through the development of thirty-eight new courses and the revision of five existing courses, combined with successful deployment to more than thirty-one thousand participants, reaching all five thousand employees. The budget cost to achieve the \$11.6 million dollar impact is \$4.5 million, resulting in a planned budget impact of \$7 million. Subtracting opportunity costs, the net benefit of learning for 2017 is conservatively estimated to be \$3.4 million for an ROI of about 41%.

*Note:* The business case in Table 6 represents only the Corporate University investment in learning. Accordingly, the budget cost of \$4.537 million matches the \$4.5 million in Corporate University expenditure in Table 7 (line 1) and in Table 11.

## **Enterprise Learning Expenditures, Budgets, and Statistics**

This section provides a summary of learning expenditures, budgets, and key statistics for both the Corporate University and the enterprise. It answers the following questions:

- How much is being spent on learning?
- What is it being spent on?
- How many resources are dedicated to learning?
- What is the Corporate University budget for 2017?

## How Much Is Being Spent on Learning?

Enterprise spending is shown in Table 7. For 2016 the company spent \$5.4 million on learning, not including opportunity costs. That represents a \$325,000 or 6% increase over 2015. The Corporate University spent \$3.8 million or 70% of the total while business units spent the remaining \$1.6 million or 30%. Half of the business unit spending occurred in manufacturing, where most of the technical training takes place. The other half was spread fairly evenly over marketing, IT, R&D, finance and accounting, and purchasing.

TABLE 7  
**Enterprise Learning Expenditures for 2016 and 2017**

(Millions of dollars)

	<i>2015 Actual</i>	<i>2016 Estimated Actual</i>	<i>% of Total</i>	<i>2017 Plan</i>	<i>% of Total</i>
Corporate University	\$3.5	\$3.8	70%	\$4.5	74%
Business Units	<u>\$1.7</u>	<u>\$1.6</u>	<u>30%</u>	<u>\$1.6</u>	<u>26%</u>
Total	\$5.1	\$5.4	100%	\$6.1	100%

The business plan for 2017 calls for enterprise spending to increase 13% or \$700,000 to \$6.1 million. All of the increase is forecast for the Corporate University to meet the goals described in the last chapter and deliver an additional \$800,000 in net benefits (after covering the additional \$700,000 in costs). With this increase, Corporate University spending will constitute 74% of the total company spending on learning.

## What Is It Being Spent On?

For 2016, more was spent on manufacturing (\$1.4 million or 26% of the total) than any other area, reflecting the high priority given to reducing manufacturing costs. The second largest focus area for 2016 was marketing, where \$540,000 or 10% of the total was invested. Leadership, engineering, and compliance each comprised 6–7% of the total, with safety accounting for about 4%.

Table 8 shows spending for all key focus areas for 2016 and 2017 as well as other, general and administrative. “Other” represents the technical skills not identified specifically elsewhere in the table. “General” refers to learning in support

of employees' general skills, such as writing, speaking, language, team building, and personal growth. "Administrative" refers to learning expenses not otherwise allocated, like the office of CLO and LMS and measurement costs.

TABLE 8  
**Enterprise Expenditures by Area**

	<i>2016 Est Actual</i>		<i>2017 Plan</i>		<i>2017 vs 2016</i>	
	<i>Thous \$</i>	<i>%</i>	<i>Thous \$</i>	<i>%</i>	<i>Thous \$</i>	<i>Change in %</i>
Leadership	\$324	6%	\$582	10%	\$258	80%
Marketing	\$540	10%	\$880	14%	\$340	63%
Engineering	\$324	6%	\$570	9%	\$246	76%
Safety	\$216	4%	\$410	7%	\$194	90%
Manufacturing	\$1,432	26%	\$800	13%	-\$632	-44%
Compliance	\$381	7%	\$230	4%	-\$151	-40%
Purchasing	\$115	2%	\$775	13%	\$660	574%
Other	\$656	12%	\$725	12%	\$69	11%
General	\$846	16%	\$515	8%	-\$331	-39%
Administrative	\$600	11%	\$600	10%	\$0	0%
Total	\$5,434	100%	\$6,087	100%	\$653	12%

The composition of spending shifts noticeably for 2017, reflecting the year's goals and different priorities. The share spent on manufacturing declines to 13% while the share for purchasing increases substantially by 11%. Shares for leadership, marketing, engineering, and safety all increase by 3–4 percentage points. Spending on general or unaligned learning declines significantly from 16% to 8% as resources are redirected to higher-priority goals. The administrative share declines slightly as the dollar amount remains unchanged.



## How Many Resources Are Dedicated to Learning?

In 2016 twenty-six full-time employees, twelve part-time employees, and twelve vendors were employed across the enterprise to develop, deliver, reinforce, and manage the learning to over 4,500 employees and 19,000 participants (Table 9). For 2017 the number of employees and vendors is forecast to increase to meet the additional demand for learning. The plan calls for one more full-time employee, six more part-time employees, and two additional vendors to deliver the additional \$700,000 of learning.

TABLE 9  
Enterprise Learning Resources for 2016 and 2017

	<i>2016 Est Actual</i>		<i>2017 Plan</i>		<i>2017 vs 2016</i>	
	<i>Number</i>	<i>Thous \$</i>	<i>Number</i>	<i>Thous \$</i>	<i>Number</i>	<i>Thous \$</i>
Employees						
Full time	26	\$1,622	27	\$1,685	1	\$62
Part time	<u>12</u>	<u>\$250</u>	<u>18</u>	<u>\$374</u>	<u>6</u>	<u>\$125</u>
Total	38	\$1,872	45	\$2,059	7	\$187
External Resources	12	\$1,978	14	\$2,444	2	\$466
Total	50	\$3,850	59	\$4,503	9	\$653

Table 10 provides detail by the Corporate University and the business unit. All of the increase in headcount is planned for by Corporate University, where the additional six part-time employees will help meet the increased demand for 2017 but not add to the permanent headcount. Corporate University will also manage the increase in vendors.

TABLE 10  
**Corporate University and Business Unit Learning Resources  
 for 2016 and 2017**

	<i>2016 Estimated Actual</i>			<i>2017 Plan</i>		
	<i>Corp Univ</i>	<i>Bus Units</i>	<i>Total</i>	<i>Corp Univ</i>	<i>Bus Units</i>	<i>Total</i>
Employees						
Full time	20	6	26	21	6	27
Part time	<u>6</u>	<u>6</u>	<u>12</u>	<u>12</u>	<u>6</u>	<u>18</u>
Total	26	12	38	33	12	45
External Resources	6	6	12	8	6	14
Total	32	18	50	41	18	59

### ***What Is the Corporate University Budget for 2017?***

The Corporate University budget for 2017 is presented in Table 11. Both income and expense are expected to be \$4.54 million since the university is expected to break even. Income is projected to increase \$769,000 or 20% as significantly higher income from the business units more than offsets a planned decrease in corporate support. External sales (primarily learning for dealers and joint venture partners) also are forecast to increase, doubling to \$200,000.

TABLE 11  
2017 Corporate University Budget

	2015	2016	% Change	2017 Plan	2017 vs 2016	
	Actual	Estimate			\$	%
<b>Income</b>						
Corporate	\$1,400	\$1,200	-14%	\$1,000	-\$200	-17%
Business Unit	\$2,031	\$2,465	21%	\$3,337	\$872	35%
External	\$54	\$103	91%	\$200	\$97	94%
Total	\$3,485	\$3,768	8%	\$4,537	\$769	20%
<b>Expense</b>						
Labor & Related	\$1,235	\$1,354	10%	\$1,560	\$206	15%
<b>IM&amp;E</b>						
Vendors	\$1,287	\$1,376	7%	\$1,842	\$466	34%
Other	\$615	\$704	14%	\$685	-\$19	-3%
Total	\$1,902	\$2,080	9%	\$2,477	\$397	19%
Internal Charges	\$323	\$356	10%	\$450	\$94	26%
Total	\$3,460	\$3,790	10%	\$4,537	\$747	20%
Net Income	\$25	-\$22		\$0	\$22	

Expenses are budgeted to increase \$747,000 or 20%, primarily due to a 34% or \$466,000 increase in spending with vendors. This reflects the corporate university philosophy to outsource development and delivery whenever feasible, which allows university staff to focus on reinforcement and management of the learning. Nonetheless, some additional staff are needed to meet the higher demand and ensure that the planned impact of learning on the corporate goals is realized. Consequently, labor and related spending is projected to increase by 15% or \$206,000 to fund one additional full-time and six part-time positions as well as to provide for a 4% merit pool. The staffing plan is shown in Table 12 and reflects four additional full-time equivalents for 2017.

TABLE 12  
**2017 Corporate University Staffing Plan**

	<i>2016 Plan</i>	<i>2016 31-Dec</i>	<i>2017 Plan</i>
Full-time Associates	20	20	21
Part-time Associates	8	6	12
[Full-time equivalents]	[4]	[3]	[6]
Total	28	26	33
[Full-time equivalents]	[24]	[23]	[27]

## Detailed Work Plan for 2017

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### *Learning Aligned to Corporate Goals*

#### **Sales**

The plan is to deploy one consultative selling skills class (ILT) and ten NPI modules (WBT) to a total of one hundred unique participants in support of the corporate goal to increase sales by 10%. VP Ortega, the corporate owner, and the corporate university agree that this learning, properly developed, deployed, and reinforced, should have a considerable impact (20%) on achieving the 10% goal. In other words, the sales-related training has the potential to increase sales by 2%. Participant reaction for each course should be at least 80% favorable and the actual application rate for each course should be at least 85% to achieve the planned outcome. Furthermore, Corporate University should receive a rating of at least 90% from Ortega for the partnership in designing, developing, delivering, and reinforcing the learning in pursuit of the goal to increase sales 2% due just to learning.

### ***Consultative Selling Skills***

Working with a vendor, develop a two-day instructor-led course to significantly improve the consultative selling skill competencies of the primary sales force to enable higher closure rates, higher price realization, a better sales experience for the customer, and increased customer loyalty. This will be a new offering and will use the competencies and proficiency levels already in place for marketing.

The target audience will be the one hundred primary sales associates selected by VP Ortega. Development will be completed by March 31. Input, review, and approval are required from VP Ortega and senior sales leaders. Deployment will be done in four classes with about twenty-five in each at headquarters in April. VP Ortega will develop a reinforcement plan, including incentives to use consultative selling skills.

### ***New Product Introduction (NPI)***

Working with a vendor and relying heavily on subject matter experts in marketing and manufacturing, develop ten one-hour online modules to increase the knowledge of the primary sales force about the features, benefits, and competitive advantages of the ten new products introduced over the last year or coming this next year. These will be new offerings. (A one-day, instructor-led course was developed three years ago with the same purpose, but the material and delivery mode are both outdated.)

Target audience will be the same one hundred primary sales associates. Development will be completed by April 30 *if* subject matter experts make their time and expertise available to the development team. Review and approval are required from VP Ortega and senior sales leaders. The ten modules will be available on the corporate university learning management system (LMS), and progress will be tracked and reported to VP Ortega on a weekly basis, beginning in May. Completion of all ten modules is expected by May 31. Each module will contain an online test, and a score of 85% is required for successful completion.

### **Quality**

The plan calls for the deployment of four design courses for two hundred design engineers to reduce defects in the design and drawings for new products and components. This should make a significant contribution to the corporate goal of reducing defects by 20%. In fact, VP D'Agoto and the corporate university believe that this learning, properly delivered and reinforced, has the potential to reduce defects by 14% (in other words, a 70% impact on the corporate goal).

Participant reaction for each course should be at least 80% favorable and the actual application rate for each course should be at least 85% to achieve the planned outcome. Furthermore, Corporate University should receive a rating of at least 90% from D'Agoto for the partnership in designing, developing, delivering, and reinforcing the learning in pursuit of the goal to reduce defects by 14% due just to learning.

### ***Design Courses***

Four design courses are planned. One currently exists and is in use. The other three will be developed working with a vendor and senior design engineers. Each will be a two-day instructor-led course designed to teach and reinforce best-in-class design methods to prevent design defects and support defect-free manufacturing. Each course will incorporate examples of actual design defects and visits to the factory floor. The target audience of two hundred consists of newly hired engineers and junior engineers as well as others chosen by VP D'Agoto. Each engineer will take all four courses. Development of the three new courses will be completed by April 30. Completion of all four courses is expected by July 31. A test will be administered at the end of each course, and a passing score of 90% will be required. Biweekly progress reports will be provided to VP D'Agoto.

### **Safety**

The plan calls for deploying eight safety courses reaching 3,100 unique participants in support of the corporate goal to reduce workplace injuries by 25%. The corporate goal owner, VP Swilthe, and the corporate university agree that the planned learning coupled with strong reinforcement should reduce injuries by 15% this year. In other words, safety training by itself should account for 60% of the reduction in injuries. Participant reaction for each course should be at least 80% favorable and the actual application rate for each course should be at least 95% to achieve the planned outcome. Furthermore, Corporate University should receive a rating of at least 90% from Swilthe for the partnership in designing, developing, delivering, and reinforcing the learning in pursuit of the goal to reduce injuries by 15% due just to learning.

### ***Courses for Manufacturing Associates***

Five one-hour online modules are planned for all 2,500 manufacturing associates. With the assistance of a vendor, plant supervisors, and subject matter experts, the three new modules should be developed by February 28. Two mod-

ules are already live. The five modules will cover injuries to the hand, foot, back, and head, as well as whole body injuries. Time will be made available at work to take all five modules by April 30 and will involve some overtime. Modules may also be taken from home by accessing the corporate learning management system. The successful completion of each module requires a score of 90%.

### ***Course for Factory Supervisors***

An existing course will be revised for the one hundred factory supervisors to improve their competency in managing for safety, including identifying safety risks, providing reinforcement, and being an effective sponsor and change agent. The one-day instructor-led course with role playing will be available on February 1 and will be offered seven times in February. VP Swilthe has required all supervisors to complete it by the end of February. Weekly progress reports will be provided.

### ***Courses for Office Employees***

Two new one-hour online safety courses will be purchased for office employees. The goal is to increase awareness of safety issues and to teach employees to avoid accidents and injuries. The two courses will be available on February 15 with completion expected by April 15. Successful completion requires a passing grade of 90% on the test at the end of each module. The target audience consists of five hundred office employees identified by VP Swilthe who have not taken office safety in the last two years or who work in areas with high injury rates. VP Swilthe will send a memo to employees and their bosses. Progress will be tracked biweekly.

## **Leadership**

The 2017 plan includes a focus on all levels of leadership in support of the corporate goal to improve overall leadership and specifically to increase the leadership score on the semi-annual employee opinion survey by five points. The three leadership programs are expected by HR VP Wang and the corporate university to contribute 40% or two points of the five-point increase. Participant reaction for each course should be at least 85% favorable and the actual application rate for each course should be at least 80% to achieve the planned outcome. Furthermore, Corporate University should receive a rating of at least 90% from Wang for the partnership in designing, developing, delivering, and reinforcing the learning in pursuit of the goal to increase the leadership score by 2 points due just to learning.

### ***Course for Supervisors***

The existing five-day instructor-led course will be deployed to one hundred new and existing supervisors to share the corporate leadership philosophy, framework, and competencies and to explore practical issues of leadership. Since this is the first time many participants will have had leadership responsibilities, the course will include a significant amount of role-playing and group discussion. More senior leaders also will serve as teachers. Since this course was not offered last year, all new supervisors over the last year and the coming year are required to take the course. In addition, forty other supervisors with fewer than five years of experience are expected to take it voluntarily or at the request of their manager. The course is offered at headquarters every month. Existing supervisors are expected to take it by March 31 and new supervisors within sixty days. Corporate university staff will provide reinforcement ideas.

### ***Course for Division Managers***

A new two-day course is planned for division managers to increase their proficiency in leading and managing leaders. The course will be developed in conjunction with a vendor and will explore the leadership framework in much greater detail, including a 360-degree assessment and follow-up action plan for continuous improvement. All sixty-five division managers are expected to take the course, which will be available in May. The course will be offered each month through November. Corporate university staff will work with the division managers and their bosses on reinforcement.

### ***Course for Department Heads***

A new two-day instructor-led course is planned for all fifteen department heads to provide advanced leadership education with an emphasis on strategic planning, leading large-scale change, and increasing effectiveness of your department. Company officers will do much of the teaching, and there will be a significant use of simulation and role-playing. The course will be developed in conjunction with a university partner and with significant input from the executive office. It will be offered once in July at a corporate retreat.

## **Employee Retention**

Two important initiatives are planned in response to the corporate goal to increase employee retention by five points and in response to the results of the employee opinion survey last year on employee engagement and learning and



development. These two initiatives are expected by the goal owner, VP Dreise, and by the corporate university to increase retention by 1.5 points or 30% of the 5.0-point goal. Corporate University hopes to receive a rating of at least 90% from Dreise for the partnership in deploying the IDPs and for designing, developing, delivering, and reinforcing the performance management learning.

### ***Individual Development Plans***

The first initiative is not formal learning. Since few employees currently have an individual development plan (IDP) and since the employee opinion survey shows the importance of development and specifically having a plan for development, the 2017 plan calls for the creation of an IDP for each employee by the end of the year. The IDP will include formal and informal learning as well as developmental assignments, reading, serving on committees, and professional association involvement. The IDP will include development for higher proficiency on the current job as well as preparation for possible next positions. The corporate university will create the template for the IDP on the learning management system and pre-populate all relevant sections. VP Dreise and corporate university staff will create a change management plan and work closely with all levels of leadership to provide guidelines and facilitate the discussion between employee and supervisor. Progress will be tracked monthly. By December 31 all employees (expected to be five thousand) should have a plan in place and at least one development discussion with their bosses.

### ***Performance Management***

The second initiative to increase employee engagement and retention is to focus on performance management. The target audience for 2017 is all 2,500 management employees, including associates and leaders. A new one-day, instructor-led course is planned, which will include group discussion and role-playing. Each class is expected to include associates and leaders. Topics to be covered include goal-setting, performance reviews, the evaluation process, feedback, listening, and conflict resolution. The course will be developed in conjunction with corporate HR and a vendor and will be ready by May 31. Pilot classes will be conducted in June, with the final class ready in July. Classes will be offered every month in multiple locations through October. Monthly progress reports will be prepared for all leaders. VP Dreise and corporate university staff will share the change management plan in February and will follow-up with reinforcement tools and suggestions. Participant reaction for each course should be at least 75% favorable

and the actual application rate for each course should be at least 80% to achieve the planned outcome.

## **Purchasing**

Five new purchasing classes are planned in support of the corporate goal to reduce purchase costs by 5%. Corporate goal owner, VP Murphy, and the corporate university agree that these five new courses, properly developed, deployed, and reinforced should reduce purchase costs by 3%. In other words, learning has the potential to contribute 60% of the planned reduction in purchase costs. Participant reaction for each course should be at least 80% favorable and the actual application rate for each course should be at least 80% to achieve the planned outcome. Furthermore, Corporate University should receive a rating of at least 90% from Murphy for the partnership in designing, developing, delivering, and reinforcing the learning in pursuit of the goal to reduce purchase costs by 3% due just to learning.

### ***Courses for Purchasing***

Since most of the experienced purchasing professionals retired years ago, the plan calls for development of five two-day, instructor-led courses for the two hundred purchasing professionals to increase their proficiency in all aspects of purchasing. The courses will be developed in conjunction with a vendor, senior purchasing managers, and in-house subject matter experts. The five courses will be sequential, beginning with basics that apply across the industry and finishing with advanced topics for our company. The first course will be ready in February, the second in March, the third in April, the fourth in June, and the fifth in September. A passing score of 85% will be required for successful completion. Each class will be offered ten times over the three months following rollout, and employees are expected to complete the class by that time. Progress will be tracked monthly. There will be one set of make-up classes at year's end for employees hired during the year. VP Murphy will work closely with his leaders to ensure timely completion by all participants.

## **Technical Support**

Two courses are planned in support of the corporate goal to reduce technical support complaints by 30%. Needs analysis reveals that the current high level of complaints is due to a lack of product knowledge and customer relationship skills on the part of the call center employees. The corporate goal owner, VP Salvatore, and the corporate university believe that effective learning to address these two

issues combined with effective and meaningful reinforcement can reduce complaints by 15% or half of the corporate goal of 30%. Participant reaction for each course should be at least 80% favorable and the actual application rate for each course should be at least 90% to achieve the planned outcome. Furthermore, Corporate University should receive a rating of at least 90% from Salvatore for the partnership in designing, developing, delivering, and reinforcing the learning in pursuit of the goal to reduce complaints by 15% due just to learning.

### ***Product Training***

Ten new one-hour online modules are planned to provide call center employees the product knowledge they need to address technical support issues and complaints more effectively. The ten modules will be developed in conjunction with a vendor, senior call center managers, and subject matter experts. The first two modules will be online by February 28, the next four by March 31, and the final four by April 30. The target audience is all fifty call center employees, who are expected to complete the modules in the month they come online. A score of 85% on the integrated online test will be required for successful completion. Monthly progress reports will be provided.

### ***Customer Relationship Skills***

An existing customer relationship skills course will be updated and revised for the twenty-five call center employees less than two years on the job who have not completed this type of training previously. The two-day, instructor-led course will contain a significant amount of role-playing and simulation. The course will be ready for deployment in March and will be offered off shift (paid) in three classes (one in March and two in April). All twenty-five participants are expected to complete the course by the end of April.

### ***Compliance Learning***

Two courses are planned to address the corporate objective of reducing exposure to fraud and insider trading. Although difficult to measure, the goal owner, Director Omwetti, believes that learning will be the most important factor in meeting this goal and will contribute at least 70% of the reduction in exposure. Participant reaction for each course should be at least 80% favorable and the actual application rate for each course should be at least 95% to achieve the planned outcome. Furthermore, Corporate University should receive a rating of at least 90% from Omwetti for the partnership in designing, developing, delivering, and reinforcing the learning to reduce corporate exposure to fraud.

### ***Course on Fraud***

One new one-hour online course is planned for select management employees to increase their understanding and awareness of fraud and its potential impact on the company. The course will also teach employees how to recognize potential fraudulent activity and what actions to take. The course will be developed in conjunction with a vendor, internal subject matter experts, internal security, and members of the ethics committee. It will be available in June. The target audience is 1,700 management employees in departments and positions selected by Director Omwetti as being most at risk. Director Omwetti will provide initial and ongoing communication. Completion is expected by September 30 and requires a score of 90% on the integrated test. Monthly progress reports will be provided to the director and all affected department heads.

### ***Course on Insider Trading***

One existing one-hour online course will be deployed for select management employees to increase their understanding of insider trading. The course also will cover the potential criminal and civil penalties that may accrue to them and to the company for engaging in insider trading. The course is already online, and Director Omwetti will launch the 2017 compliance campaign with this course in February. The target audience is 1,500 management employees in select departments and positions. Completion is expected by April 30. A score of 90% on the integrated test is required for successful completion. Monthly progress reports will be provided to the director and all affected department heads.

## ***Unaligned Learning***

The plan also includes the development of two new instructor-led courses, revision of one existing instructor-led course, and the annual review of usage, feedback, and effectiveness for all other courses. The two new courses are Communication in the Web 2.0 Age and Managing Your Career. Both courses will be available March 1. The project management course will be revised and reduced in length from five days to three days. The revised course will be available October 1.

The annual review includes both instructor-led and web-based courses. Particular attention will be paid to the library of two hundred online courses provided by our vendor. Since 20% of the courses may be changed every quarter, frequent reviews are necessary to ensure all the courses represent the best value for our investment.

## Measurement Strategy

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Measurement is a key component of our strategy to run learning like a business. Our measurement and evaluation strategy is designed to manage the function for results and to identify opportunities for continuous improvement. Only a rigorous and disciplined strategy will ensure that we deliver the promised results and the maximum return on the corporate investment in learning.

Following is our measurement strategy for 2017. It represents the next step along our path to become a world-class corporate university by fully integrating our LMS with the capabilities of our measurement partners to automate the collection and analysis of data. This will allow us to gather and analyze more data much more efficiently and effectively with no additional staff.

The discussion is organized by the Talent Development Reporting Principles framework for efficiency and effectiveness measures and by the six levels of measurement commonly employed in the learning field, progressing from the most straightforward to the most complex.

### *Efficiency Measures*

#### **Level 0: Volume or Activity Measures**

Data on the number of unique and total participants are collected for every course. Completions are also tracked. For informal learning, we track participation in our communities of practice, the mentoring programs, and our virtual books program.

All costs of development and delivery are tracked and compared to industry benchmarks. The duration of the development is also tracked and compared to benchmarks. Actual completion dates for development and delivery are also tracked and compared to planned dates. LMS uptime, the number of complaints, and the speed of complaint resolution are tracked. Key efficiency measures to be managed are reported monthly and compared to plan.

## ***Effectiveness Measures***

### **Level 1: Satisfaction or Initial Reaction**

Level 1 measures the initial satisfaction or reaction of the participants to the learning. Level 1 measures are collected for every course to answer the following types of questions:

- Was the learning relevant to your work?
- Would you recommend this course to others?
- How would you rate the instructor?
- Were the materials helpful?
- Was the length of the class appropriate?
- How would you rate your overall satisfaction with the course?

This is accomplished electronically via a survey at the conclusion of an online course and within two days for an instructor-led course. We employ the Metrics That Matter program from our partner CEB to gather, compile, and parse the data. Random samples are used in many cases for established courses to lessen the survey burden on participants. Surveys are designed to be completed in less than three minutes and are managed internally and in an ongoing basis throughout the year, with real-time reporting. Results are used to identify course content that needs to be reworked and instructors who need to be coached or replaced. Summary results are captured in monthly reports, with details available online. We will also send a short survey to each sponsor or goal owner to solicit their feedback on working with us.

### **Level 2: Knowledge or Skill Acquisition**

Level 2 measures the knowledge or skills gained by the participants from the learning program. A test of knowledge is appropriate for about 50% of our courses. Many times, the sponsor or goal owner wants to ensure that the participants have a firm grasp of the subject matter and have established a minimum passing score. This is especially true for online courses and compliance-related courses for which a permanent record of successful completion is important. The sponsor and subject matter expert assist in developing the test, approve the final version, set the minimum passing score, and determine the number of unsuccessful attempts allowed.

Level 2 knowledge checks are planned for the following courses: New Product Introduction, Design, Safety, Purchasing, Product Training, and Fraud and Insider Trading. The checks are managed internally and on an ongoing basis throughout the year, with real-time reporting. Summary results are captured in monthly scorecards, with details available online.

### **Level 3: Application**

Level 3 measures the application of the new knowledge, skills, or behaviors by the participants when they return to their job. Application of the new knowledge and skills is critical if learning is going to achieve the intended impact on corporate results. Learning professionals design learning to maximize its application, but the sponsor or goal owner is ultimately responsible for the required change management, incentives, and reinforcement to ensure its application.

The survey at the conclusion of the online course or the post-event survey at the conclusion of an instructor-led course will be designed to provide data on the *intent* to apply the learning. Best practice is to follow up with participants three to six months later to determine whether they have, in fact, applied it. This is done through a survey, phone conversation, or focus group with a random sample of participants. Since it is time consuming and more expensive than levels 0–2, it is not conducted every year for every course. Through time, though, level 3 will be done on all key programs.

Intent to apply data will be collected for all programs. Actual application will be measured the second half of 2017 by a specialized consultant for the following courses: Consultative Selling Skills, Design, Leadership (Division Managers and Department Heads), and Purchasing. Results will be used to make changes to the course content, delivery, change management, incentives, or reinforcement.

### **Levels 4 and 5: Impact and ROI**

Level 4 measures the actual impact of the learning on the company's goals. For example, the business plan calls for sales to increase by 10% in 2017 and learning is planned to contribute 20% of the 10% increase, resulting in a 2% increase in sales due just to the training. Level 4 measures the actual impact of training on sales. Doing so, however, requires the impact of training to be isolated from all other possible contributors to higher sales such as growth in the economy, introduction of new products, adoption of a new salesperson incentive plan, and a failed competitor. We will use the industry-standard practice of col-

lecting estimates of isolated impact from participants and their supervisors and then adjusting for their confidence in those estimates.

Level 5 begins with the level 4 isolated impact of learning and assigns a dollar value to that impact. We will work closely with the goal owners and accounting to calculate this dollar impact of gross benefit of the training. Next we will subtract the total cost of the learning to find the net benefit. Return on investment (ROI) in learning is simply the net benefit divided by the total cost expressed as a percentage.

Since the process for obtaining level 4 and 5 measures is resource intensive and specialized, a consultant will be employed to conduct a level 4 and 5 evaluation on two high-priority programs (Consultative Selling Skills and Design for engineers), using randomly selected samples and/or control groups. The study is to be conducted in the third quarter, with results available by October 31 to be incorporated in next year's business planning. Results also may indicate that changes need to be made to the course content or delivery, change management, incentives, or reinforcement. Disappointing results may also indicate a misdiagnosis of the underlying issues, leading to a thorough reexamination of the performance issue and needs analysis. An initial estimate of impact will be obtained for both of these programs plus Purchasing, Product Training and Customer Relations Skills.

## **Summary**

Table 13 provides a summary of the measurement strategy for each program.



TABLE 13  
**Measurement Strategy Matrix for Course-Specific Measures**

Corporate Goal	Effectiveness Measures				Efficiency Measures					Delivery Completed on Time
	Level 1	Level 2	Level 3	Levels 4 & 5	Number of Participants	Costs	Completions	Cycle Time	Development Completed on Time	
	P,S	X	I,A	IE,A,I,R						
Consultative Selling Skills	P,S		I,A	IE,A,I,R	U	X	X		X	X
NPI	P,S	X	I,A		U,T	X	X	X	X	X
Design for Manufacturing	P,S	X	I	IE,A,I,R	U,T	X	X	X	X	X
Safety	P,S	X	I,A		U,T	X	X	X	X	X
Introduction to Supervision	P,S		I		U	X	X	X	X	X
Leadership for Managers	P,S		I,A		U	X	X	X	X	
Advanced Leadership	P,S		I,A		U	X	X			X
Performance Management	P,S		I		U	X	X	X	X	X
Purchasing	P,S	X	I,A	IE	U,T	X	X	X	X	X
Product Training	P,S	X	I	IE	U,T	X	X	X	X	X
Customer Relations Skills	P,S		I	IE	U	X	X	X	X	X
Fraud Detection	P,S	X	I		U	X	X	X	X	X
Insider Trading	P,S	X	I		U	X	X	X		X
General (unaligned)					U		X			

Legend:  
 P = Participant  
 I = Intent to apply  
 A = Actual application  
 IE = Initial estimate of impact  
 AI = Actual impact  
 R = ROI  
 U = Unique participants  
 T = Total participants (used when there is more than one course in the program)

## Communication Strategy

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Good communication is critical to our success. The communication strategy describes how we plan to interact with the Board of Governors, sponsors, officers, employees, the learning community, and our partners.

### ***Board of Governors***

Corporate University senior leadership will meet with the Board of Governors quarterly to share progress, review the scorecard, solicit feedback and counsel, and secure board approval for key items. An in-depth presentation on one topic will also be made at each board meeting. We will provide advance materials to the board. Each governor will receive a copy of the annual business plan for learning.

### ***Goal Owners or Sponsors***

Corporate University leaders meet with goal owners or sponsors several times during the business planning process to secure agreement on programs, target audiences, timelines, expected impact, reinforcement, and roles and responsibilities. The program manager will continue to meet with the sponsor throughout the year. The CLO will meet with the sponsor for a midyear review and a wrap-up review. The sponsor will be asked for formal feedback twice a year through a short survey.

### ***Officers***

The CLO will visit all officers who are not sponsors semi-annually to update them on progress and issues and to understand their issues and concerns better. Each officer will receive a copy of the annual business plan for learning.

### ***Employees in the Corporate University***

The CLO and senior leadership will communicate with university employees formally on a monthly basis through town hall meetings, which will include progress updates, scorecard reviews, upcoming special events, topics of general interest, and question-and-answer sessions. Each leader will also hold weekly or monthly staff meetings with their direct reports. In addition, all university leaders will meet monthly for lunch to discuss leadership issues. An internal Facebook is also planned for 2017.

Informal communication and performance feedback are encouraged on a real-time basis. Formal performance reviews are conducted quarterly.

The Corporate University website provides another avenue for communication. The calendar of events will be updated in real time, and new articles will be published monthly. The annual business plan for learning will be provided to all leaders and will be available to any employee who requests it.

### ***Employees Outside the University***

The CLO and senior university leadership will communicate with all employees through periodic postings and articles on the corporate website and real time through the corporate Facebook. The corporate LMS also provides a medium for short messages to employees. The CLO and senior university leaders will also make numerous presentations to employee groups throughout the year.

### ***The Learning Community***

The CLO and senior university leadership will meet with the leaders in the enterprise learning community, including those not directly reporting to the Corporate University, via teleconference on a monthly basis. This affords an opportunity to update the entire community on learning initiatives, issues, budgets, and challenges. It also provides an opportunity to hear directly from others in the enterprise involved in learning and to share successful practices. The CLO will meet individually at least semi-annually with learning leaders who are not part of the Corporate University. The Corporate University website also serves as a resource for the enterprise learning community. Each leader outside the university will receive the annual business plan for learning.

### ***Partners***

Since the Corporate University relies on many partners for development, delivery, and measurement, it is important to keep them informed as well. The CLO or other senior university leaders will meet at least twice per year with all key partners to discuss the relationship and look for ways to improve it. Strategic partners will be invited to the Partner Symposium in the fall, where the emerging needs for the next year will be discussed along with the overall business and planning climate. Partners will be asked to provide formal feedback twice per year with the goal of improving the partnership.

## ***Outside the Company***

There is also value in communicating outside the company to build the brand and make the company more attractive for prospective employees and partners. Toward this end, leaders and employees are encouraged to participate in professional learning organizations like ATD, to attend and participate in industry conferences like ATD's International Conference & Exposition, CLO Symposia, Bersin & Associates Impact Conferences, and others, and to write articles for learning publications. In order to learn more about best practices and to improve continuously, it is our goal in 2017 to compete in two award competitions in the learning field.

## **Continuous Improvement Strategy**

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Our vision to be a world-class corporate university can only be achieved through continuous improvement. We have been working on a number of initiatives to move us closer to that goal.

For 2016 we focused on the systems and change management that would be required for each employee to have an Individual Development Plan (IDP) in the LMS in 2017. This required various system enhancements and a tremendous amount of integration to allow for automated inputs to that plan from corporate (requirements to take compliance-related courses, for example), from discipline leaders (accounting requirements from the CFO), from business unit leaders, and from the supervisor. The system is now ready to be launched on January 1<sup>st</sup>, although a tremendous amount of change management will still be required to ensure all employees are using the system and meeting frequently with their supervisors.

In the second half of 2017, another LMS system upgrade is planned to take advantage of the latest version offered by our vendor. The release of V12.4 is expected in January, but we have chosen to wait until the second half of the year to be sure the new version is stable and to avoid a conflict with the IDP rollout. This new version will support two more languages and will meet the upcoming European Union privacy requirements as well as offer greater speed for integrated platforms such as ours. With these improvements to our LMS, the goal is to reduce the number of complaints by 50%, increase uptime to 99%, and reduce the support ticket resolution time by 25%.

In 2017 we will introduce a new platform for knowledge sharing that will support more communities of practice with greater search functionality by area

of interest and expertise. The platform also supports much more robust report generation. A new synchronous learning platform is also planned for the fourth quarter to support our fastest growing medium. This will allow each participant to see all other participants and will support virtual breakouts.

Cycle time is another area targeted for improvement in 2017. The adoption of a common performance analysis process and better design/develop training for our staff should reduce the average time for performance analysis by two days and the time for development by eight days, for a total cycle time reduction of 10 days.

Lastly, based on feedback and focus groups last year, we plan to modify our sponsor and partner surveys to elicit their actionable feedback more readily so that we can do our part in improving these relationships.

## History

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Significant progress has been made since the Corporate University was founded five years ago. A brief history highlights the most important developments and milestones.

### **Corporate University founded January 1, 2012**

- CEO Stratham establishes the Corporate University to provide enterprise leadership to learning, to ensure that learning is aligned with the company's highest priorities, to increase the impact of learning and its return on investment, and to capture synergies through centralized leadership.
- The university absorbs predecessor organization and two other learning functions.
- The Board of Governors is established with the CEO as a member.
- The first three colleges are established: business, engineering, and leadership.
- The first enterprise-wide learning leaders' conference is held.
- The Corporate University bench marks best in class corporate universities.
- At year's end, staff size was thirteen, and annual expenditures were \$1.8 million.
- Unique participants total 3,589 and total participants 12,369.

### **2013: Second Year**

- Corporate LMS is upgraded and extended to 70% of the enterprise.
- The College of Marketing is added.
- The first business plan for learning is completed.
- The Board of Governors approves the long-term strategy.
- Two more learning organizations are integrated.
- The implementation of best practices from benchmarking begins.

- At year's end, staff size was seventeen (nineteen FTE), and annual expenditures totaled \$2.6 million.
- Unique participants stand at 3,974, with total participants at 15,897.

#### **2014: Third Year**

- Corporate University does its part to reduce expenses in response to the global recession. Spending is cut by 15%, three positions are left unfilled, and the use of partners is scaled back.
- The first special meeting of the Board of Governors to reprioritize and approve spending cuts is held.
- The remaining business unit learning organizations are integrated into the Corporate University.
- Online learning grows rapidly as instructor-led offerings are curtailed because of the recession.
- Corporate University provides leadership for knowledge sharing, using communities of practice.
- The Learning Council is established.
- The first entries in national and international award competitions for learning are submitted.
- Corporate LMS reaches 80% of the enterprise.
- At year's end, staff size was seventeen FT (also seventeen FTE) and annual expenditures were \$2.3 million.
- Unique participants stand at 3,789, with total participants at 14,985.

#### **2015: Fourth Year**

- Corporate University is well positioned to respond to the economic upturn by scaling up the use of partners, rehired retirees, and part-time employees.
- All colleges are growing.
- The first benchmarking of our university by others occurs.
- Corporate University receives internal recognition from the CEO for being a well-run, strategic partner in the company's success.
- Corporate University receives recognition from ATD, IQPC, and *Chief Learning Officer* magazine for strategic alignment, measurement, and specific programs. The university is named one of the one hundred best corporate universities by ATD and *Training* magazine.
- The Board of Governors approves a strategy for the university to become a continual learning organization.
- Corporate LMS reaches 90% of the enterprise.

- At year's end, staff size was eighteen FT (twenty-one FTE), and annual expenditures were \$3 million.
- Unique participants stand at 4,233, with total participants at 17,895.

### 2016: Fifth Year

- The College of Manufacturing (technical skills and safety) is split from the College of Engineering (design, engineering skills, quality) for a total of five colleges.
- Growth accelerates across all colleges in response to significant increases in sales, new hires, and expansions into new lines of business.
- Board of Governor meetings are extended to three hours.
- Corporate University wins first and second place awards from Corporate University Xchange and *CLO* magazine.
- Corporate LMS reaches 97% of the enterprise.
- At year's end, staff size was twenty FT (23 FTE), and annual expenditures were \$3.8 million.
- Unique participants stand at 4,552, with total participants at 19,369.

## Contact Information and List of Learning Groups and Staff

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### Contacts for questions or additional information:

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Donna Jones, VP for Learning at xxxxxxxx@yyyy

### Corporate University

	Name	Email	Phone
Administration			
VP for Learning	Donna Jones	xxxxxxx@yyyy	541.235.8759
Administrative assistant			
College of Marketing and Purchasing			
Dean			
Senior Program Manager			
Program Manager			
Performance Consultant			
Performance Consultant			
College of Leadership and Business			
Dean			
Senior Program Manager			
Program Manager			
Performance Consultant			
Performance Consultant			

College of Manufacturing and Engineering

- Dean
- Senior Program Manager
- Program Manager
- Performance Consultant
- Performance Consultant

College of General Studies

- Dean
- Manager
- Performance Consultant
- Performance Consultant

Business Support (financial, LMS, measurement and evaluation, business planning, communication)

- Manager
- Business Manager
- Planning Manager
- Measurement Analyst
- Systems Manager
- Systems Analyst
- Communication Manager

**Other Learning Groups**

Name

Email

Phone

Manufacturing

- Director of Learning
- Learning Manager for U.S. Plants
- Learning Manager for European Plants
- Learning Manager for Asian Plants
- Performance Consultant
- Learning Analyst

Purchasing

- Learning Manager

IT

- Learning Manager

Marketing

- Learning Manager

Engineering

- Learning Manager

Accounting

- Learning Manager

Corporate HR

- Learning Manager