Welcome!

Learning Measurement Series

Learning Measurement Strategy 201: Measuring Effectiveness
Your Facilitators

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Consulting Manager, Central US
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Webinar Series with HRCI credit

- Efficiency, Effectiveness and Outcomes
  - July 21

- Measuring Effectiveness
  - August 18

- Measuring Outcomes
  - September 22

>>REGISTER NOW<<
Series Objectives

- Identify the key metrics in demonstrating learning efficiency, effectiveness & outcomes

- Determine which metrics help you provide the most actionable insight to the business

- Understand the importance of measuring scrap rate; the leading indicator of program success

Organizations should feel compelled to explore how they can maximize their investments, scale learning to reach more employees and implement solutions that truly enable an agile enterprise.

Jeffrey Berk
COO, KnowledgeAdvisors
Session Objectives

• Identify the indicators of performance improvement
• Learn how to capture data to measure performance improvement
• Measure application rate (learning scrap rate) efficiently
The right metrics matter

“Back up your position with data. You don’t win arguments by saying, ‘I think’. You win by saying, ‘Let me show you’.

Jonathan Rosenberg
High-tech Product Management Executive, Google
Quick Recap: Session 1
Measure Efficiency, Effectiveness & Outcomes

ALIGN & SET GOALS

- Quality
- Change
- Relevance
- Applicability
- Readiness

Efficiency

Optimize

Effectiveness

MONITOR

- Organic Growth
- Customer Satisfaction
- Control Expenses
- Productivity
- Leadership Growth
- Certification

Improved Outcomes

PRIORITIZE & IMPROVE

ANALYZE & REPORT

Measure Efficiency, Effectiveness & Outcomes

- Volume
- Costs
- Processes
- Flexibility
- Scalability

Optimize
Measuring the Impact of your Investment

- How will you measure the business impact of your solution?
- What reporting mechanism will be put in place to capture data?
- How often will you need to present the data?
- Who are the stakeholders reviewing the results?
Top 3 Data Points to Collect

Leading Indicators of Success
- Application Rate
- Scrap Rate
- Use
- Activity
- Implementation
## Business metrics vs. busy-ness metrics

<table>
<thead>
<tr>
<th>DRIVER</th>
<th>LEVEL</th>
<th>ACTIONABLE DATA POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>What the CFO wants to know:</td>
<td>5: ROI: What’s the ROI? (Comparison of monetary benefits from program to program costs)</td>
<td>(Net Benefits ÷ Costs)*100</td>
</tr>
<tr>
<td>What the Executive Stakeholders want to know:</td>
<td>4: Impact: Did it improve the bottom line? What are the benefits? (consequences of the use of the content and materials expressed as business impact measures)</td>
<td>Absenteeism, productivity, quality, sales, time, turnover, efficiency, input/output, penalties/fines, cycle times, downtime, process time, waste, fraud, theft, market share, new accounts, grievances, engagement, churn rate, accidents, complaints, defects, rework, etc.</td>
</tr>
<tr>
<td>What the functional leader wants to know:</td>
<td>3: Application: Did they apply it? (Use of content and materials in the work environment, including progress with actual items and implementation)</td>
<td>Scrap learning, Application, Implementation, Use, Increase/Decrease in Activity, etc.</td>
</tr>
<tr>
<td>What the training team commonly measures:</td>
<td>2: Learning: Did they learn something? (Learning to use the content and materials, including the confidence to use what was learned)</td>
<td>Understanding, Awareness, Knowledge, Skills, Readiness, Confidence, Intent to Use, etc.</td>
</tr>
<tr>
<td>What the LMS captures:</td>
<td>1: Reaction: Did they like it? (Reaction to the project or program, including the perceived value)</td>
<td>Satisfaction, Relevancy, Perceived importance, etc.</td>
</tr>
<tr>
<td></td>
<td>0: Inputs: Did they take it? (input into the project in terms of scope, volume, efficiencies, costs)</td>
<td>Utilization, Completions, Efficiencies, Awards, Volume, Costs, Scalability, etc.</td>
</tr>
</tbody>
</table>
A majority (86%) of Skillsoft learners were able to apply what they learned within 6 weeks of the training. Skillsoft’s scrap learning rate was 14% - far below the norm of 55% to 80%.

Source: “Moving the Needle: How Skillsoft Impacts Performance of Individuals and Organizations”
Measuring Effectiveness
WHY: Measuring Effectiveness

Purpose:
Confirm learning transfer has taken place; Identify strengths & opportunities for improvement

Insights:
Is the learning solution working? Are leading and lagging indicators suggesting results will be achieved?

Expectations:
We have every reason to expect the business results will be achieved assuming the skills are applied, coached and refined.
“Scrap Learning” is the tip of the iceberg.

What is hidden is the cost of “Lost Performance” which is many times greater than the cost of “Scrap Learning”.

“Lost Performance” is the loss in productivity, time, revenue, and customers due to lack of transfer of learning into the workplace.
Are you a COST….

<table>
<thead>
<tr>
<th>Annually, for your organization of 1,000 employees:</th>
<th>Savings in Learning Budget Due to Scrap Reduction</th>
<th>Value of Performance Improvement Due to Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your program in 2015</td>
<td>45% scrap(^1) X $1,195 spend per learner(^2) X 1,000 employees = $537,750 of scrap</td>
<td>= $3.6m value of improvement 6% performance improvement(^3) X $60,000 average salary X 1,000 employees</td>
</tr>
<tr>
<td>Your program in 2016</td>
<td>24% scrap(^3) X $1,195 spend per learner(^2) X 1,000 employees = $286,800 of scrap</td>
<td>= $9m value of improvement 15% performance improvement(^3) X $60,000 average salary X 1,000 employees</td>
</tr>
<tr>
<td></td>
<td>$250,950 in Savings</td>
<td>$5.4 million Contribution to Performance Improvement</td>
</tr>
</tbody>
</table>

\(^1\)CEB 2014 Training Effectiveness Dashboard  
\(^2\)ASTD 2013 State of the Industry Report  
\(^3\)KnowledgeAdvisors Analysis 2014
Are you a COST or a VALUE-ADD?

<table>
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<tr>
<th>Annually, for your organization of 1,000 employees:</th>
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</tr>
</tbody>
</table>

The value of your continuous improvement efforts to your organization is **$5.65 million annually**

\(^1\)CEB 2014 Training Effectiveness Dashboard  
\(^2\)ASTD 2013 State of the Industry Report  
\(^3\)KnowledgeAdvisors Analysis 2014
Effectiveness Metrics

Effectiveness metrics reflect the voice of the learners and help managers determine how much coaching & support will be needed on-the-job.

Key insights derived include:
- Is the learning solution adequately preparing the workforce to deliver expected results?
- Informs L&D of strengths and opportunities of the program.

Experience/Satisfaction
- Suggests quality and acceptance of content.

Relevance/Good Use of Time
- Higher likelihood of expected outcomes being achieved when learning is viewed as a good use of time.

Application Rate
- Ensure high knowledge retention and quick use of on the job to limit waste.

Impact to Skill Level
- Stronger skills enables stronger performance.
# Effectiveness: Common Measures

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Steps Required</th>
<th>Data Sources</th>
<th>Resources/Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application rate</td>
<td>1. Establish current application rate.</td>
<td></td>
<td>Populate monthly report to track application numbers OR leverage Impact Analysis</td>
</tr>
<tr>
<td></td>
<td>2. Review external benchmark.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Set internal benchmark level for application.</td>
<td>LMS/Questionnaire report</td>
<td></td>
</tr>
<tr>
<td>Examples of on-the-job use</td>
<td>1. Agree on a data collection approach for collecting evidence of application from learners.</td>
<td>Evaluation summary from projects/action plans or other tool used to compile the evaluation results</td>
<td>Program Manager populate template; interpret and share results</td>
</tr>
<tr>
<td></td>
<td>2. Implement data collection within program components with users/managers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency of use</td>
<td>1. Monitor frequency of use</td>
<td>LMS</td>
<td>Populate a monthly report showing numbers against target.</td>
</tr>
<tr>
<td></td>
<td>2. Review and set targets for required frequency.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barriers/Enablers: Identify what’s helping, what’s in the way</td>
<td>1. Set up a survey for issue 3 months post learning to focus on application and barriers/enablers.</td>
<td>Evaluation Summary – either LMS or other tool used to compile the evaluation results</td>
<td>Program Manager populate template; interpret and share results</td>
</tr>
<tr>
<td></td>
<td>2. Use the data to improve the application environment.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
When Do I Measure Application?
Ebbinghaus Forgetting Curve

Source: Herman Ebbinghaus, *Memory: Contribution to Experimental Psychology*, 1885/1913

- Without context, 50% is forgotten in one hour
- 80% is forgotten after 2 days
- 90% is forgotten after 31 days
Regular interaction builds learner retention

Source: Creative Training Techniques

Without support, learner retention can drop to 10% in 30 days.

Learning activities occurring 6 times, can raise retention to 90% in 30 days.

Single Event

Learning activity
Journey to the job interrupted
Poor Learning Transfer Environment

**Measurement**
- no tracking or metrics
- no quality assessment of goals or outcomes

**Materials**
- weak or no goals
- unclear or conflicting priorities
- low expectations
- no recognition or reward

**Participant**
- too busy
- past experience
- no recognition or reward

**Systems**
- lack of automation
- lack of visibility into process

**Environment**
- no opportunity to apply
- no reminders
- no feedback
- no follow-up
- peer pressure

**Procedures**
- no support
- no action plan

Scrap Learning
Timing (and support) is everything.
How Do You Measure Effectiveness?
Collect the data.

Data Collection Tools:

- System Records
- Tests
- Surveys
- Questionnaires
- Observation
- Performance Appraisals
- Interviews w/Participants and/or Managers
- Focus Groups
- Action Plans
- Projects
- Performance Contracting
- Performance Monitoring

Factors to Consider:

- Time to proficiency or application
- Time required for participants & supervisors
- Costs of method
- Amount of disruption to normal activities
- Opportunities for cross-functional collaboration
- Accuracy
- Utility
- Culture / Philosophy
Most Common Tool: Questionnaire

**Basics**
1. Did you apply it?
2. How quickly after learning did you apply it?
3. Will you apply it again?
4. Why not?
5. How frequently will you apply it?
6. What prevented you from applying it?

**Actionable information**
1. What enablers, if any, are present to help you use the skills/knowledge/behaviors gained from this program?
2. What additional support could be provided by management that would influence your ability to apply the skills/knowledge/behaviors learned from this program?

**Monetize it**
1. What percentage of improvement in ‘X performance metric’ did you experience as a result of this program?
Other Tools: Action Plan

Pre-Application
1. In what area do you intend to apply this new knowledge or skill?
2. What operational metrics will this improved performance impact?
3. How much improvement will you make in each of the operational metrics listed above?
4. What other factors influence these operational metrics?

Actionable information
1. How much improvement (%) was made in each operational metric as a result of the learning program?
2. What enablers, if any, are present to help you use the skills/knowledge/behaviors gained from this program?
3. What additional support could be provided by management that would influence your ability to apply the skills/knowledge/behaviors learned from this program?

Monetize it
1. What is the value of 1 unit of improvement in each operational metric?

Value of 1 unit x (Actual Improvement x % training was responsible) = Monetary contribution of this learning program to the operational improvements
## Basics
1. What operational improvements will be made with the implementation of this project?
2. How will we know this project has been successful?
3. How much of the knowledge/skill gained in this learning program is required for this project to be successful?
4. What other factors influence the success of this project and the intended outcomes?

## Actionable information
1. Did the project meet its success criteria?
2. What percentage of the success of this project was directly influenced by this learning program?
3. What other factors influenced the success of this project?
4. What barriers prevented this project from being successful?
5. What additional support could be provided by management to influence the success of this project?

## Monetize it
1. What is the value of 1 unit of improvement in each operational improvement?

Value of 1 unit x (Actual Improvement x % training was responsible) = Monetary contribution of this learning program to the operational improvements delivered by this project
Impact Analysis Benchmarks
2016 Benchmarks
Using methodology influenced by industry thought leaders and experts, Skillsoft’s IMPACT ANALYSIS is designed to uncover valuable insight & impact of your investment on our solutions. The insights and benchmarks from this tool come from:

- 76 Organizations
- 19 Industries
- 36,000 + End Users
- 2-year span
  01/01/2014-12/01/2016

The findings can be used to identify strengths & opportunities for growth and will be incorporated into the customer’s tailored SUCCESS PLAN created by its Skillsoft Customer Success Consultant.
## 2016 Benchmarks

Skillsoft’s Impact Analysis is based on the expectation that organization’s believe learning delivers impact to the organization that can be monetized.

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Score</th>
<th>Result Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>9/10</td>
<td>End users would recommend Skillsoft</td>
</tr>
<tr>
<td>#1 Top Outcome Influenced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career Development</td>
<td>8/10</td>
<td>Applied what they learned within 6 weeks</td>
</tr>
<tr>
<td>#1 reason to for using Skillsoft</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50% relevance of content to job role</td>
<td>8/10</td>
<td>Applied what they learned within 6 weeks</td>
</tr>
<tr>
<td>#3 Top Outcome Influenced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Satisfaction</td>
<td>15% average Skill Gain</td>
<td></td>
</tr>
<tr>
<td>#2 Top Outcome Influenced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>8/10</td>
<td>In the areas studied</td>
</tr>
<tr>
<td>#4 Top Outcome Influenced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productivity</td>
<td>50%</td>
<td>5 hours per month Time Save Finding Answers</td>
</tr>
<tr>
<td>#1 reason to for using Skillsoft</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50% relevance of content to job role</td>
<td>8/10</td>
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<tr>
<td>#3 Top Outcome Influenced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 hours per month</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>#4 Top Outcome Influenced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 hours per month</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>#4 Top Outcome Influenced</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 hours per month</td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

Data from 36,000+ learner responses 01/01/14 to 12/01/16
35% Self-reporting Bias Adjustment guidance from CEB Metrics That Matter
5 hrs per month Time Save Finding Answers from Skillsoft’s Books24x7 ROI study (2012)
NOT ALL PROGRAMS need ROI analysis

**Efficiency**
- Volume
- Costs
- Processes
- Flexibility
- Scalability

**Effectiveness**
- Quality
- Change
- Relevance
- Applicability
- Readiness

**Outcomes**
- Growth
- Customer satisfaction
- Productivity
- Leadership pipeline

90-100% of programs
80% of programs
30% of programs
## Executive Summary

**HISTORICAL**

<table>
<thead>
<tr>
<th></th>
<th>Full Year 2012</th>
<th>Full Year 2013</th>
<th>Full Year 2014</th>
<th>Full Year 2015 Goals</th>
<th>Actual YTD</th>
<th>% of Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EFFICIENCY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total unique employees participating</td>
<td>4,273</td>
<td>4,071</td>
<td>4,877</td>
<td>5,852</td>
<td>3,802</td>
<td>62%</td>
</tr>
<tr>
<td>Aggregate number of accesses</td>
<td>15,672</td>
<td>12,328</td>
<td>14,699</td>
<td>17,639</td>
<td>9,424</td>
<td>53%</td>
</tr>
<tr>
<td>Aggregate accesses per unique participant</td>
<td>3.2</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>2.0</td>
<td>97%</td>
</tr>
<tr>
<td>Total duration</td>
<td>27,484</td>
<td>24,596</td>
<td>25,107</td>
<td>30,000</td>
<td>15,892</td>
<td>53%</td>
</tr>
<tr>
<td>Duration per unique participant</td>
<td>6.4</td>
<td>6.0</td>
<td>5.1</td>
<td>3.1</td>
<td>4.4</td>
<td>86%</td>
</tr>
<tr>
<td>Total completions</td>
<td>6,076</td>
<td>6,219</td>
<td>4,393</td>
<td>8,640</td>
<td>5,272</td>
<td>61%</td>
</tr>
<tr>
<td>Completions per unique participant</td>
<td>1.4</td>
<td>1.5</td>
<td>0.9</td>
<td>1.5</td>
<td>1.5</td>
<td>99%</td>
</tr>
<tr>
<td><strong>EFFECTIVENESS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommend to Colleagues</td>
<td>96%</td>
<td>96%</td>
<td>97%</td>
<td>98%</td>
<td>97%</td>
<td>99%</td>
</tr>
<tr>
<td>Relevance to current role</td>
<td>50%</td>
<td>50%</td>
<td>52%</td>
<td>60%</td>
<td>55%</td>
<td>88%</td>
</tr>
<tr>
<td>Skill Gain</td>
<td>15%</td>
<td>17%</td>
<td>18%</td>
<td>20%</td>
<td>16%</td>
<td>90%</td>
</tr>
<tr>
<td>Application Rate</td>
<td>54%</td>
<td>52%</td>
<td>58%</td>
<td>60%</td>
<td>59%</td>
<td>98%</td>
</tr>
<tr>
<td>Time to Apply</td>
<td>6.0</td>
<td>4.9</td>
<td>5.3</td>
<td>4.9</td>
<td>5.2</td>
<td>94%</td>
</tr>
<tr>
<td><strong>OUTCOMES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased quality</td>
<td>5.00</td>
<td>10.00</td>
<td>8.00</td>
<td>10.00</td>
<td>9.00</td>
<td>90%</td>
</tr>
<tr>
<td>Increased revenue</td>
<td>2.00</td>
<td>4.00</td>
<td>3.00</td>
<td>5.00</td>
<td>4.20</td>
<td>84%</td>
</tr>
<tr>
<td>Increased renewal rate</td>
<td>4.00</td>
<td>3.00</td>
<td>5.00</td>
<td>5.00</td>
<td>3.40</td>
<td>68%</td>
</tr>
<tr>
<td>Increased market share</td>
<td>1.00</td>
<td>1.50</td>
<td>1.50</td>
<td>1.75</td>
<td>1.60</td>
<td>91%</td>
</tr>
<tr>
<td>Increased employee satisfaction</td>
<td>1.10</td>
<td>0.70</td>
<td>0.90</td>
<td>1.20</td>
<td>0.90</td>
<td>82%</td>
</tr>
<tr>
<td>Increased customer satisfaction</td>
<td>1.00</td>
<td>0.90</td>
<td>1.00</td>
<td>1.30</td>
<td>0.80</td>
<td>75%</td>
</tr>
<tr>
<td>Decreased product support tickets</td>
<td>5.00</td>
<td>7.00</td>
<td>9.00</td>
<td>9.50</td>
<td>8.70</td>
<td>92%</td>
</tr>
<tr>
<td>Decreased support resolution cycle time</td>
<td>7.00</td>
<td>9.00</td>
<td>9.50</td>
<td>9.50</td>
<td>8.90</td>
<td>94%</td>
</tr>
<tr>
<td>Decreased risk of erosion</td>
<td>11.00</td>
<td>11.50</td>
<td>13.00</td>
<td>13.00</td>
<td>12.20</td>
<td>94%</td>
</tr>
<tr>
<td><strong>INVESTMENT SUMMARY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual investment in Skillsoft</td>
<td>$234,280</td>
<td>$234,280</td>
<td>$249,022</td>
<td>$249,022</td>
<td>$249,022</td>
<td>100%</td>
</tr>
<tr>
<td>Total employees using Skillsoft</td>
<td>4,270</td>
<td>4,071</td>
<td>4,877</td>
<td>3,852</td>
<td>3,602</td>
<td>62%</td>
</tr>
<tr>
<td>Average Skillsoft investment per employee</td>
<td>$54.87</td>
<td>$57.55</td>
<td>$51.06</td>
<td>$42.55</td>
<td>$68.13</td>
<td>62%</td>
</tr>
<tr>
<td>Value of Hard Cost Displacement savings</td>
<td>$-</td>
<td>$-</td>
<td>$2,581,954.00</td>
<td>$2,581,954.00</td>
<td>$2,581,954.00</td>
<td>0%</td>
</tr>
</tbody>
</table>
The path forward...

If you seek to complete your efficiency-based strategy...

1. COLLABORATE WITH YOUR CSC
   - Schedule a session with your Customer Success Consultant (CSC) to determine which Effectiveness & Outcomes apply.

2. CREATE A BASELINE
   - Create a baseline using the data you have.
   - Use the Estimated Value Summary to complete the baseline.

3. SET GOALS
   - Set growth goals.

4. BUILD YOUR STORY
   - Conduct an Impact Analysis to confirm strengths and identify additional growth opportunities.

5. SOCIALIZE
   - Share your story & metrics with key stakeholders.
Suggested Next Steps

• Ask your Skillsoft Consultant to begin the Impact Analysis
• Join us for part 3 of the Webinar series:
  • Learning Measurement Strategy 301: Measuring Outcomes
  • Thursday, September 22, 12-1 p.m. ET
    • When and why you should measure the impacts of certain programs
    • How to pinpoint the business outcome that can be measured based on the learning’s intended impact
    • Ways to measure impact of learning
    • Tools available to aid in measuring learning’s impact

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