

Training tips

Internalizing training for cost effectiveness **Interviewed by Jason Lloyd**

The new wave of competitive advantage relies on technology. Accomplishing business objectives depends on the efficiency and functionality of operating systems. While technology is becoming more and more automated, it still relies on people to perform. Encouraging employees to learn the necessary skills to keep your company competitive is a simple, yet effective, technique. To keep your technique smart, there should also be resource overlap in order to avoid a critical dependence on key personnel.

Trusting business intelligence with IT is like trusting money with the Accounting Department. Odds are you wouldn't let an accountant without formal training handle your reports and checkbook. What if your accountant left: Would you let someone with no prior experience take over? Probably not.

One of the biggest mistakes that companies make is relying only on key individuals to manage the complexities of systems that run behind the scenes and support business processes. Would the loss or absence of one individual potentially devastate your company? Not only do companies experience knowledge loss, but the cost and time associated with hiring a new employee can be immense. Training is often expensive; however, it is unlikely that it will outweigh the opportunity costs of low performance and inexperienced employees.

Smart Business spoke with Chris Ruel, an instructor and consultant at Perpetual Technologies Inc., about what businesses can do to reduce soaring costs of training.

How can companies utilize internal training methods to reduce the cost of training?

The first thing that comes to mind is documentation. I don't simply mean the manuals that come with the systems. Documentation also means your respective technicians thoroughly document all procedures and practice disciplines and then distribute them to personnel within the department. Of course, this is always easier said than done.

Documentation should be a required component of each employee's job description. Our clients insist that all services provided



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are documented and delivered on timely intervals. They use this data for budget justification; we use it for an opportunity to transfer internal knowledge. Too often, companies do not mandate this type of thorough documentation. As soon as one person goes on vacation and a nightly batch process fails for some error that is easily remedied, certain business processes can be put on hold for hours or days.

Rewarding employees who volunteer to provide or receive cross-training with peers is another great method. For example, holding technical training seminars for employees and customers over lunch or after hours is a cost-effective training strategy. By providing the presenter a small token of appreciation for his or her time and providing lunch or dinner to the group, companies can cross-train dozens of staff members using limited training dollars.

These methods help reduce problems associated with loss of key personnel and work force weariness. All the while, it promotes cross training and facilitates better communication.

How can management be certain that training dollars are going to benefit the company?

Attending vendor or skill-specific training

can be one of the more costly methods of learning. Often, these classes include enrollment fees, travel and living expenses, and a loss of manpower for the duration of the course.

Although cost justification might be difficult, it is necessary to examine and quantify both the benefits and the results of out-of-date information. For example, learning about a new piece of software that will speed up the system allows for additional units of work to be done in a given time period. On the other hand, being outdated may restrict future business opportunities or partnerships that could be formed with more progressive companies.

There is also the issue of depth of talent within the organization. Referring back to the first topic, having employees cross-trained allows for a more solid organization.

Lastly, having vendor trained and certified employees will give the company a competitive edge.

Are there any in-between choices, as opposed to the internal or costly vendor supplied training?

Of course. Your company's technologies may have local user groups and/or meetings. By becoming an active member, you can help influence speakers, topics and meeting formats.

Lastly is using the Internet for computer-based training. Electronic training provides you the same material that vendors would supply minus the instructor. Motivating your employees to buckle down and learn from readings and demonstrations is a cost-effective training approach. Plus, the employee will have the option of learning at his or her pace and time. Just don't forget rewarding the employee; it'll be worth it for your company.

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