

May / Jun 2012



## Welcome to our Winter Edition

*"Your rewards in life will be determined by what you do, how well you do it, and the difficulty of replacing you."*

This edition is all about making smart decisions in business to gain your best results through your people. We focus on training staff for results, applying sound learning principles and turning those challenges around that tend to keep us up at night. Don't overlook some great photos in this edition where we showcase our training efforts in Adelaide and on the Sunshine Coast of Queensland.

### If training is expensive, what's the cost of ignorance?

**If you want to keep your training dollars, now's the time to get out and investigate the cost of non-performance rather than the cost of training. If you want to raise your credibility and justify your position, present the Return on Investment and payback period, not just what good training you deliver.**

An investment in training is not a cost. A company does not want training; they want competent employees performing their job function to a designated standard. Training is one of those variable inputs. This is how we cost-justify it...

1. **Assess training needs** via a series of questions to ascertain the cost of employee downtime and management intervention. Eg. What knowledge do they require to do the job, how do you give people the knowledge to do the job, what is the staff turnover, what are the likes/dislikes of the job, how long does it take for a new employee to become proficient, how much time is involved in coaching and training an employee, what is your definition of an ideal team player?
2. **Analyse the cost** of non-performance to produce a training cost/benefit relationship and simple Return on Investment, eg. \$60K salary, it takes one month for a new staff member to be up to speed representing a cost of \$5000; the managers time of 3 days over that month @ \$1500; staff turnover of one every 6 months totals \$13,000. A good training program will reduce this turnover to every 12 months and half your costs.
3. From these figures **calculate your Return on Investment** and payback period.
4. **Concentrate not on the cost of providing but on the cost of not providing.** Which has the greater impact when you present to your management? "We have saved \$xxx in training 50 employees" or "The cost of training 50 employees was \$xxx."

### If training is expensive, what's the cost of ignorance?

With the Australian Government supporting employers by paying them at least \$4000 per person to complete an Australian recognised qualification, it effectively means you don't pay a cent for training out of business budgets. Now your Return on Investment is looking even better! There are no limits on staff numbers. Both new and existing staff are funded. Contact us for more qualifying details. The cost of your ignorance may be rising every day you let pass before following through with this.



Congratulations to the team at McLaren Vale Hospital in Adelaide, who recently graduated with a BSB40807 Certificate IV in Frontline Management. Here they are with our trainer Sam Donato and Target Training Adelaide, Business Manager, Jodie Duncan.

## Top 5 Issues keeping CEO's awake at night

*"People are your most valuable asset. Only people can be made to appreciate in value."*

### 1. Sourcing and retaining skilled staff ie. keeping "millennial generation" employees interested.

This perennial issue was top of mind 12 months ago and still is now. Despite a reasonably high unemployment rate, CEOs are having a hard time getting young talent on board – and keeping them. Millennial generation just don't stay at companies too long. This is really problematic in developing leadership and talent pipelines.

### 2. Achieving top-line growth

Top-line growth is all about customers and sales - the concern is about activities to acquire new customers, increase customer loyalty and increase retention. It's tough right now for CEOs dealing with changing customer needs and expectations. They are trying to develop strong sales and marketing strategies to grow sales and to sustain and develop steady top line growth. Many of our members are talking about developing new processes and products to stay ahead of the competition – to build and maintain their competitive advantage. And if you can't get top-line growth and can't increase new lines, you really have to maintain costs.

### 3. Reducing costs

While the Australian dollar is at levels good for importing, it's not great if you are trying to export. The cost aspect – in particular wage and salary increases and the potential impact of the Carbon Tax - are a big concern to members.

### 4. Improving operational efficiency

If you can't increase sales, to reduce costs you need to run a very efficient business. CEO's are concerned about making sure their strategies are appropriate for the business and managing risks effectively. This is an important one given businesses in tough industries (retail, manufacturing) may consider a move out of their normal area to take advantage of boom industries (mining, resources) – there are risks involved with diversification or taking on big projects.

### 5. Managing increasing competition

Competition is fierce – CEOs are constantly asking "how are we managing our customer service?" as their competition puts them under the pump. Business leaders need to know they are positioned to seize opportunities in the right place at the right time. CEOs' focus is on getting their business models right and many are recognizing that the sources of growth may well be very much local. Changing customer demand is the biggest driver of change to corporate strategy. Success involves understanding customer segmentation and the dynamics driving it.

## Why does training fail?

*"Intellectual capital is the most valuable of all factors of production"*

There are a multitude of reasons why training can fail. It may be that there was no learning need to begin with, or the training was not supported by the business or maybe the program just didn't hit the mark. Sound familiar? However, all of these reasons can be reduced or even avoided through effective learning design.

What does it take to create effective learning design? It goes beyond simply executing the steps within an instructional design model. It is about taking a holistic approach and considering the end user, the learner, and how they learn. An understanding of adult learning principles, individual learning styles and learning theory will ensure the learning intervention has a theoretical basis and will assist with learning transfer.

#### 1. Learning Theories.

Understanding how people learn forms the basis of effective learning design.

#### 2. Adult Learning Theory.

Having an understanding of this and the difference between adult and child learners, is important to ensure content is developed in a way that will engage and motivate the adult learner.

3. **Learning Styles.** It is also important to consider how the individual learns. It is widely accepted that there are three main learning styles: visual, auditory, and kinaesthetic. Applying a blended delivery approach, which caters for these three styles, will help learners engage in the learning topic and help learning transfer occur.

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