



Volume 3
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2004

Pursuing Performance

with EPPIC Inc.

The Enterprise Process Performance Improvement Consultancy Inc.
A Quarterly-Seasonal Newsletter

EPPIC Inc.

Achieve Peak Performance

*to protect and improve
the enterprise*

EPPIC Inc.

3015 E. New York Street
Suite A2-369
Aurora IL 60504 USA

Guy W. Wallace contact info:

Voice— 630-898-9752
Fax— 630-898-9758
Mobile— 630-730-6195
Email— guy.wallace@eppic.biz
URL— www.eppic.biz

Issue Content

- **My Point – EPPI**
– Guy W. Wallace, CPT
- **Step 3– Smooth Segue from Training to Performance**
– Guy W. Wallace, CPT
- **Measuring the Impact of Training**
– Timm Esque, CPT
- **Unfortunate Top 10 Ways to Maximize T&D Expense**
– Guy W. Wallace, CPT

This and over 6 years of EPPIC and CADDI newsletters are available as PDF files on the EPPIC web site



My Point Is

EPPI Embraces Many Improvement Methods

Our EPPI—Enterprise Process Performance Improvement models and methods were developed specifically to embrace and utilize our own, and the many other legitimate, proven approaches to improvement. It is a crowded improvement landscape. And no one is the Renaissance person when it comes to all things improvement-wise.

Our proven, performance-based “PACT Processes for T&D/Learning/Knowledge Management” are a sub-set of the larger method-set of EPPI. As we have done over 200 projects using PACT, and have trained hundreds of practitioners for our clients, we know they are proven. We’ve won awards and recognition for them, and so have some of the practitioners we have helped develop.

But that’s just one of the “ways” to affect the Knowledge/Skills sets and Performance Competence of the individuals and teams, and not always the best manner to address them. Hiring better might be best. And the right “solution” to your new design or repair efforts might not even hinge on addressing the knowledge/skills requirements. Maybe it’s the process itself.

EPPI frames Enterprise Process Performance Improvement “stuff” into three groupings:

- 1– the **Process** itself
- 2– the **Human Assets**
- 3– the **Environmental Assets**

These must be in the “appropriate balance” to enable an enterprise to achieve peak performance. And there may be more than one “right mix.”

The EPPI graphic model, a portion of which is shown on page 21, and presented as the centerfold in the last issue of Pursuing Performance, organizes all processes by functional/departmental owner. All processes are a part of a larger set, bundles, we which label as a system in the EPPI model/

(Continued on page 2)



Guy W. Wallace, CPT

My Point Is EPPIC's EPPI Embraces Many Improvement Methods

(Continued from page 1)

methodologies-set. An entire Enterprise's processes can be organized as such, allowing one to keep the familiar organization chart.

The "white space" referred to by Geary Rummler and Alan Brache in their classic 1990 book "Improving Performance" are "these processes." If you believe the mantra of the early quality movement that "everything is a process" as I do, the trick then becomes getting your arms, figuratively, around them, to manage them better. EPPI gives you the framework to gather and organize your data. Again, EPPI embraces our, and others' improvement approaches.

The Processes can be streamlined using "Lean" approaches and then brought into statistical control using SPC—Statistical Process Control. Use Six Sigma's DAMIC for improving existing processes' and DFSS approaches to deal with the "methods, materials, and machines" from the Ishikawa diagram.

The Human Assets required to enable peak performance can be met by re-aligning the **HAMS—Human Asset Management Systems** and measuring their impact using current, standard, business metrics, closer to the bottom-lines of the key scorecard metrics. The HAMS address:

- Awareness/Knowledge/Skills
- Physical Attributes
- Psychological Attributes
- Intellectual Attributes
- Personal Values

The Environmental Assets required to enable peak performance can be met by can be met by realigning the **EAMS—Environmental Assets Management Systems** and measuring their impact using current, standard, business metrics, the varied bottom-lines of business metrics. The EAMS address:

- Data/Information
- Materials/Supplies
- Tools/Equipment
- Facilities/Grounds
- Budget/Headcount
- Culture/Consequences

Part 4 of our 5-part series on Smooth Segue from Training to Performance reflects the easier, smoother "bolt-on" approach of moving from our PACT methods to our EPPI methods. I hope that you are finding the series and this newsletter helpful!

Cheers!



Our EPPI version of the Cause & Effect or Fishbone diagram derivatives of the original Ishikawa Diagram, frames the enablers of the Process as either Human or Environmental



EPPIC Inc.

Achieve Peak Performance

*to protect and improve
the enterprise*

EPPIC Inc.

Helps you orient your enterprise
Process-orient your systems for

- recruiting & selection
- training & development
- appraisal & management
- compensation & benefits

to insure that they are producing
efficient and effective
performance-based
services and deliverables and
generating ROI and Value Add!

Pursuing Performance—EPPIC's Quarterly Newsletter

Pursuing Performance

is a free quarterly newsletter, published seasonally,
from EPPIC and Guy W. Wallace
on the EPPIC web site under Resources/Newsletters:

www.eppic.biz

Pursuing Performance is for the leaders, managers, and individual contributors of those business functions, systems and processes that ensure that the right human knowledge, skills and attributes are available in a timely, efficient and effective manner in support of the enterprise processes.

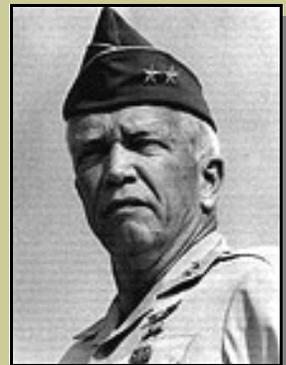
For you we offer our insights and many examples of our integrated concepts, models, methods, tools and techniques regarding our PACT Processes for T&D, our T&D Systems View, and our Enterprise Process Performance Improvement methods. Use! Enjoy!

Contact Guy W. Wallace at:

630-898-9752 or at guy.wallace@eppic.biz

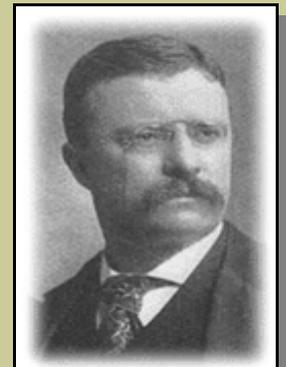
George S. Patton (1885-1945)

*"Take calculated risks.
That is quite different from being rash."*



Theodore Roosevelt (1858-1919)

People ask the difference between a leader and a boss...the leader works in the open, and the boss in covert. The leader leads, and the boss drives.





Part 4 of 5 on Step 3-

A Smooth Segue: Training to Performance Improvement

By Guy W. Wallace, CPT

Introduction

In our last issue I continued with part 3 of an article series on the 3 steps in making a **Smooth Segue from Training to Performance**. This is part 4 in that 5 part series.

Those three major steps for your segue from training to performance are:

1. *Being **very effective in producing performance-oriented T&D** in terms of reducing life cycle costs and increasing returns...Total ROI. If you don't have credibility here yet, don't move on to #2.*
2. *Being **aligned with the enterprise leadership**, and being used in the support of critical enterprise challenges, where there is significant return-on-investment, and value add, and/or for where high-penalty risk issues are at stake. You need to do well in these highly visible arenas with communications and training & development. Here's where being excellent at #1 pays off and enables you to take that final step to #3!*
3. *Being able to easily add to your analysis approach methods/tools to **determine both "the requirements" and the "actuals/gaps" regarding all other process/human performance variables**. Conduct your performance consulting within instructional consulting efforts, all the while delivering excellence in response to instructional needs in critical high-stakes areas. Later, change the name of your department, *after* you've earned it.*

You need to be able to easily add to your analysis approach methods/tools to determine both "the requirements" and the "actuals" and "gaps" regarding all other process, human and environmental performance variables.

This issue will address Step 3, and the series will be summarized in the next issue. Let's now overview the third step.

Step 3– Determine All of the Gaps Compared to the Requirements for Peak Performance

Once you've achieved the first two steps, and you are doing great, performance-based communications, education, and T&D (aka: Learning/Knowledge Management) and you are aligned and working successfully on the top priorities of the Enterprise, you are ready for even deeper water. Come on in!

The 3 key levers for achieving peak performance include:

- 1- the **Process** itself, and/or
- 2- the **Human Assets**, and/or
- 3- the **Environmental Assets**

(Continued on page 5)

(Continued from page 4)

You should have mastered looking at the process and the Knowledge/Skills in Step 1 of this Segue model...now you need to use that same group of Master Performers in your analysis meetings to determine the needs and gaps for the non-Knowledge/Skills variables. Let's quickly look at each of the 3 sets of variables again.

The Process

We use Performance Models and perhaps Process Maps before that to document the requirements of ideal performance and capture info about the gaps and their probable causes. Those probable causes can be analyzed further then to determine if they are truly at the "root" of the issue or not. Again, this is the same as in Step 1.

Think of the process as "THE PLAY."

The Human Assets

The humans, individually and as groups, are an asset. The asset variables that the humans bring (or don't bring adequately) to the performance are:

- Knowledge/Skills
- Physical Attributes
- Psychological Attributes
- Intellectual Attributes
- Personal Values

You can design the jobs a certain way to fit the round and square pegs of humans into round and square jobs. You can bring people into the jobs where they have most of the right stuff, and minimize training/learning/KM costs and cycle time. But if they don't know "it" walking in the door, or "the it of performance requirements" changes on them, then you'll need to address that need with instruction or job aids (paper or electronic). Think of humans as "ACTORS" in the performance PLAY.

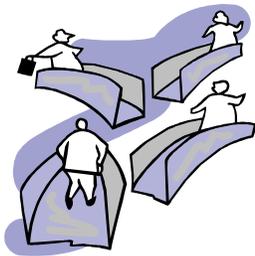
The Environmental Assets

The environment provides resources for the humans to use/manipulate to create the products demanded by the process requirements. These include:

- Data/Information
- Materials/Supplies
- Tools/Equipment
- Facilities/Grounds
- Budget/Headcount
- Culture/Consequences

Conduct your performance consulting within instructional consulting efforts, all the while delivering excellence in response to instructional needs in critical high-stakes areas. Later, change the name of your department, *after you've earned it*

(Continued on page 6)



Step 3-

Smooth Segue: Training to Performance

(Continued from page 5)

Without the right non-people stuff, performance must suffer. Think of the "STAGE and the PROPS" for the ACTORS to use in the PLAY.

Now What?

Analysis of the whole "performance/play" is required as well as it's upstream suppliers and it's downstream customers...and perhaps the customer's customer's customers. And analysis of all other stakeholders and their requirements...stakeholders are "The AUDIENCE." You've got to look at the big picture in order to make sense of the piece parts of performance. Or you might inadvertently optimize a piece and sub-optimize the whole. And that's not good!

Once you've found the "gaps from ideal" you will have to address and fix one, two, or all three of the variable sets. Now let's cover those.

1– Business Process Engineering/Reengineering

The **Process** must be designed to meet the metrics of it's stakeholders. If it isn't getting that job done, then the process can be streamlined using "lean" approaches to process reengineering, and then, where appropriate, can be put under tight statistical process control using SPC and Six Sigma approaches.

Or not such tight control, such as in the case of a comedy writing team, or the new marketing campaign strategists. Looser control is needed there, so as not to inhibit/stifle creativity. As always, it depends.

2- Human Asset Management Systems

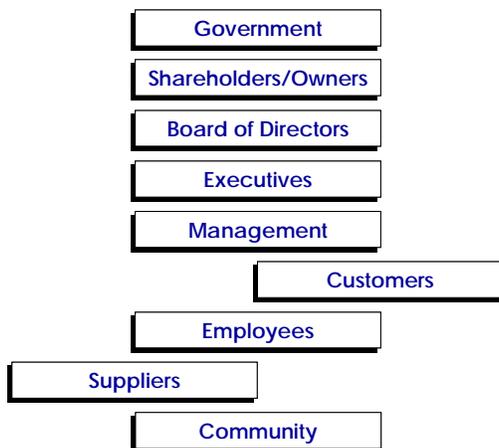
Human assets are acquired, developed organized, managed and retained using the following HAMS...

Performance-based Organization & Job Design

The **Organization & Job (Re-)Design Systems** provide a set of job designs and an organization design conducive to the needs of the process, it's volume, and configured for the likely abilities and capabilities of the human performers who will be selected into those jobs in the locations where the performers will perform.

The **Process** must be designed to meet the metrics of it's stakeholders.

Stakeholder Hierarchy



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(Continued on page 8)

What reviewers have said about:

lean-ISD

"If you want to ground your fantasy of a 'corporate university' with the reality of a sound 'engineering' approach to instructional systems that will provide results, you should learn about the PACT system.

If you are a leader of, or a serious participant in, the design and implementation of a large-scale corporate curriculum, then this book is for you. This system could be the difference between achieving bottom-line results with your training or being just another 'little red school house.'"

Geary A. Rummler, Ph.D.
Performance Design Lab

lean-ISD takes all of the theory, books, courses and psuedo job-aids that are currently on the market about Instructional Systems Design and blows them out of the water.

Previous "systems" approach books showed a lot of big boxes and diagrams which were to supposedly help the reader become proficient in the design process. Here is a book that actually includes all of the information that fell through the cracks of other ISD training materials and shows you the way to actually get from one step to another. Guy adds all of the caveats and tips he has learned in over twenty years of ISD practice and sprinkles them as job aids and stories throughout the book.

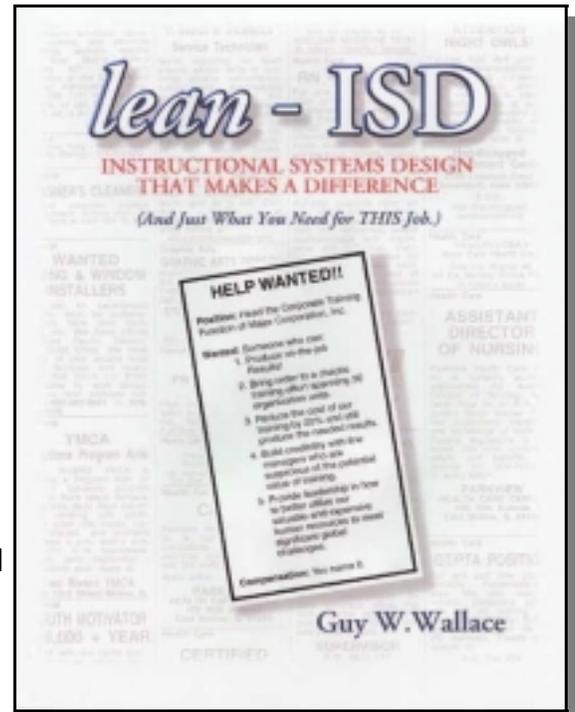
However, the most critical part of the book for me was that Guy included the project and people management elements of ISD in the book. Too often ISD models and materials forget that we are working with real people in getting the work done.

This book helps explain and illustrate best practices in ensuring success in ISD projects.

Miki Lane
MVM The Communications Group

Performance-based
Accelerated
Customer-/Stakeholder-driven
Training & Development™

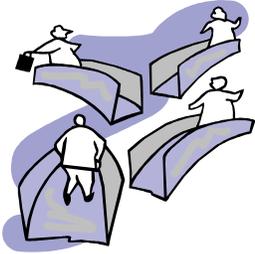
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Recipient
of
ISPI's 2002
Award of Excellence
for
Instructional Communication



*The lean-ISD book is available at
Amazon.com
for \$50.00 plus s&h*



Step 3-

Smooth Segue: Training to Performance

(Continued from page 6)

The Organization & Job Design System takes the totality of enterprise process performance requirements for an organization, and determines all of the ideal human assets required, and then designs the jobs to be most conducive to those realities.

Once the jobs are designed and responsibilities defined, the organization is by definition designed. Just as “form should follow function” we believe that “organization design should follow process performance requirements.”

The job designs then roll up into the organization design. It is a “bottoms-up” approach driven by the visible top down “end goals” of the process performance requirements of the stakeholders.

Performance-based Staffing & Succession Systems

The **Staffing & Succession Systems** provide the strategies, plans and mechanisms for staffing plan development, and succession planning, including the strategies, plans and mechanisms necessary to populate the organization’s jobs with people in an efficient/effective manner, providing career and growth opportunities where possible/feasible.

Staffing & Succession Planning Systems takes the job designs, their process performance requirements, and the human enabler requirements, and determines who to recruit, how many, from where, and how.

Forecasting the needs and reporting that data and feeding it to the other HAM Systems allows for rational succession planning systems/processes that ensures the organization is optimally staffed and that tomorrow’s leaders and performers are being prepared today.

Performance-based Recruiting & Selection Systems

The **Recruiting & Selection Systems** provide the strategies, plans and mechanisms for first recruiting and then selecting the best candidates in the right quantities, consistent with the Staffing & Succession plans, and populating the organization’s jobs in an efficient/effective manner.

This system takes the human enablers that are deemed “required” in the new hire (or the new-to-the-job transferee) and creates recruiting guides/instruments to identify and select candidates. Some enablers will be showstoppers because T&D cannot bridge the K/S and attributes gap. Others will be less important. Some will be ignored. It is situationally dependant.

(Continued on page 9)

The Organization & Job Design System takes the totality of enterprise process performance requirements for an organization, and determines all of the ideal human assets required, and then designs the jobs most conducive to those realities.

(Continued from page 8)

This system must bring humans into the enterprise that have as much of the human attributes needed as possible.

Performance-based Training & Development Systems

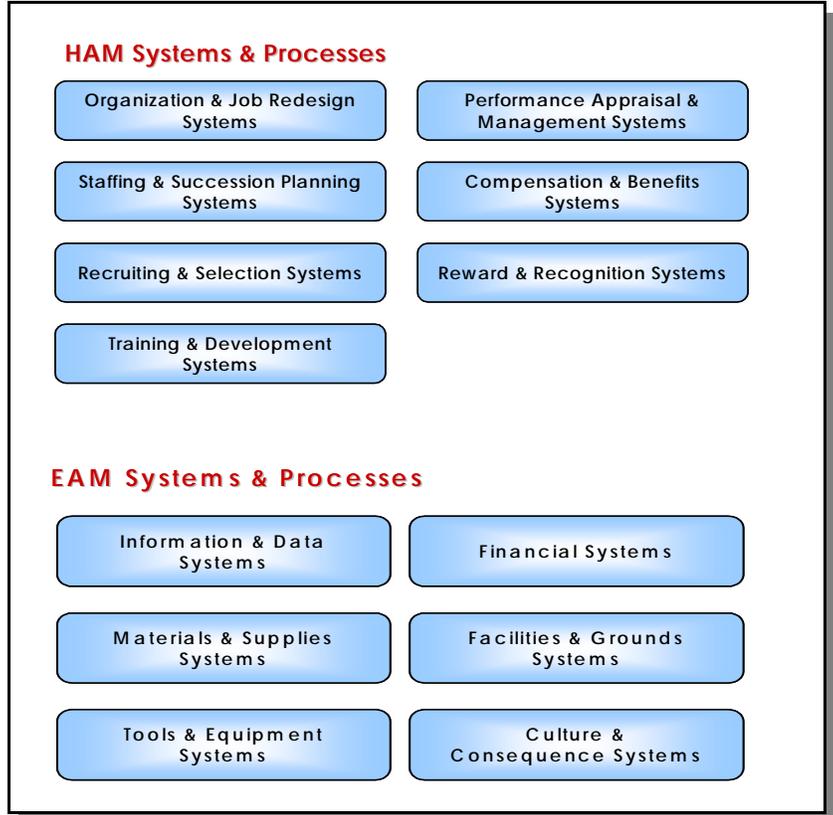
The **Training & Development Systems** provide the strategies, plans and mechanisms to train and develop the new hires and incumbents consistent with their performance requirements in the organization's jobs, as they have been designed.

This system takes the process requirements to "perform tasks to produce outputs" and provides the individual with communications for awareness needs, education for knowledge needs, and training for skill needs. This system *back-fills* the individual with any missing key knowledge and skills not acquired during the recruiting and selection processes.

Sometimes the recruiting/selection system may not be able to hire to the ideal. Missing awareness, knowledge and skill might be reasonably addressed by this system. But some items will be too costly to let go with "Recruiting & Selection" and then expect "Training & Development" to pick it up and fix it.

Examples include an electrical engineer job or a programmer job, both of which require deep technical expertise. It would probably be best to hire an engineer or programmer with a solid base of technical expertise and then teach them new things specific to their job, on top of those knowledge/skills that they should have walking in the door.

There are some things that "Training & Development" should not be expected to resolve, at *reasonable cost*. Physical attributes, psychological attributes, intellectual attributes, and values are somewhat problematic. They might be able to be slightly adjusted/developed. But most likely at too great a cost and too great a cycle time. Better to go back to Recruiting/Selection and handle it there.



Some Human Asset enablers will be showstoppers in the Selection Process because T&D cannot bridge the attributes gap. Others will be less important. Some will be ignored. It is situationally dependant.

(Continued on page 10)



Step 3-

Smooth Segue: Training to Performance

(Continued from page 9)

Performance-based Performance Appraisal & Management Systems

The **Performance Appraisal & Management Systems** provide the strategies, plans and mechanisms for appraising the job task performance and managing all issues (problems/opportunities) as appropriate, and consistent with applicable laws/regulations/codes and enterprise policies/procedures.

This system takes the process requirements to “perform tasks to produce outputs” and provides measurement and feedback to the individual performer and to their management.

Where performance is falling short of the requirements, performance management, including “development planning (back to the T&D System) as well as last resort efforts such as “progressive discipline” and possible “termination” may be required to resolve the issue and meet the process needs.

Performance-based Compensation & Benefits Systems

The **Compensation & Benefits Systems** provide the strategies, plans and mechanisms to ensure that the total pay and benefits attract and retain competent staff, appropriate for the various labor markets for the various locations of enterprise operations, and are consistent with laws/regulations/codes, any labor contracts (if applicable), and enterprise policies/procedures.

This system takes the process requirements to “perform tasks to produce outputs” as well as the “performance measurements results data” and adjusts compensation, in tune with local, or regional, market conditions and other compliance drivers.

Pay for performance, or knowledge, or skills, is fairly easy to structure, build and maintain when you understand clearly the process performance requirements and the human enablers. And it is ultimately more equitable.

Performance-based Rewards & Recognition Systems

The **Reward & Recognition Systems** provide the strategies, plans and mechanisms for providing non-monetary and small-monetary rewards and recognition to appeal to the ego needs of staff, and are consistent with laws/regulations/codes, any labor contracts (if applicable), and enterprise policies/procedures.

This system takes the process requirements to “perform tasks to produce outputs” as well as the “performance measurements results data” and

(Continued on page 14)

There are some things that “Training & Development” should not be expected to resolve at *reasonable cost*. Physical attributes, psychological attributes, intellectual attributes, and values are somewhat problematic.

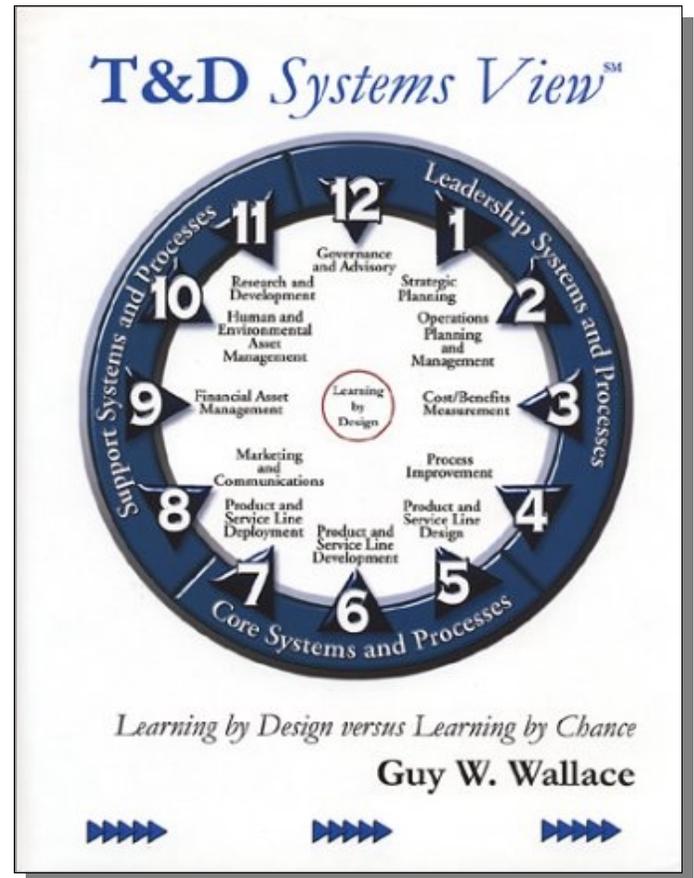
What others have said about:

T&D Systems View

If you are not actively controlling the critical components of your T&D efforts then they are by definition out of control. T&D Systems View provides an extremely comprehensive overview of all of the processes that contribute to a successful T&D System.

Guy Wallace then takes the next step by showing you how to select those processes which are most critical to the success of your organization and how to get them under control before someone else does it for you. This is a must read for anyone interested in more closely aligning the T&D function with the organization's strategy.

George West
Siemen's Building Technologies



Book available at
Amazon.com and ISPI.org
for \$25.00 plus s&h
and a 10% discount for ISPI member at ISPI.org

Guy Wallace has done it again! After demystifying the ISD process in his "lean-ISD" book he tackles the corporate training and development system and puts it in a business-focused perspective. Whether you are in-house or serving as an external consultant you will find Guy's model an invaluable tool for enterprise training and development.

This analytic and design process ensures that you dot all the i's and cross all the t's when moving your company or client to learning by design, not learning by chance. The elegant clock-faced model helps you develop a clear picture of any organization and clearly helps you map out how best to effectively manage all the elements of the enterprise. Once the elements are mapped out, the model, through enclosed assessment and prioritizing tools helps determine where and when to put corporate assets to maximize corporate return on investment. This is a must have book for any consultant or organization that is concerned about improving the performance of their organization through improving processes and competencies.

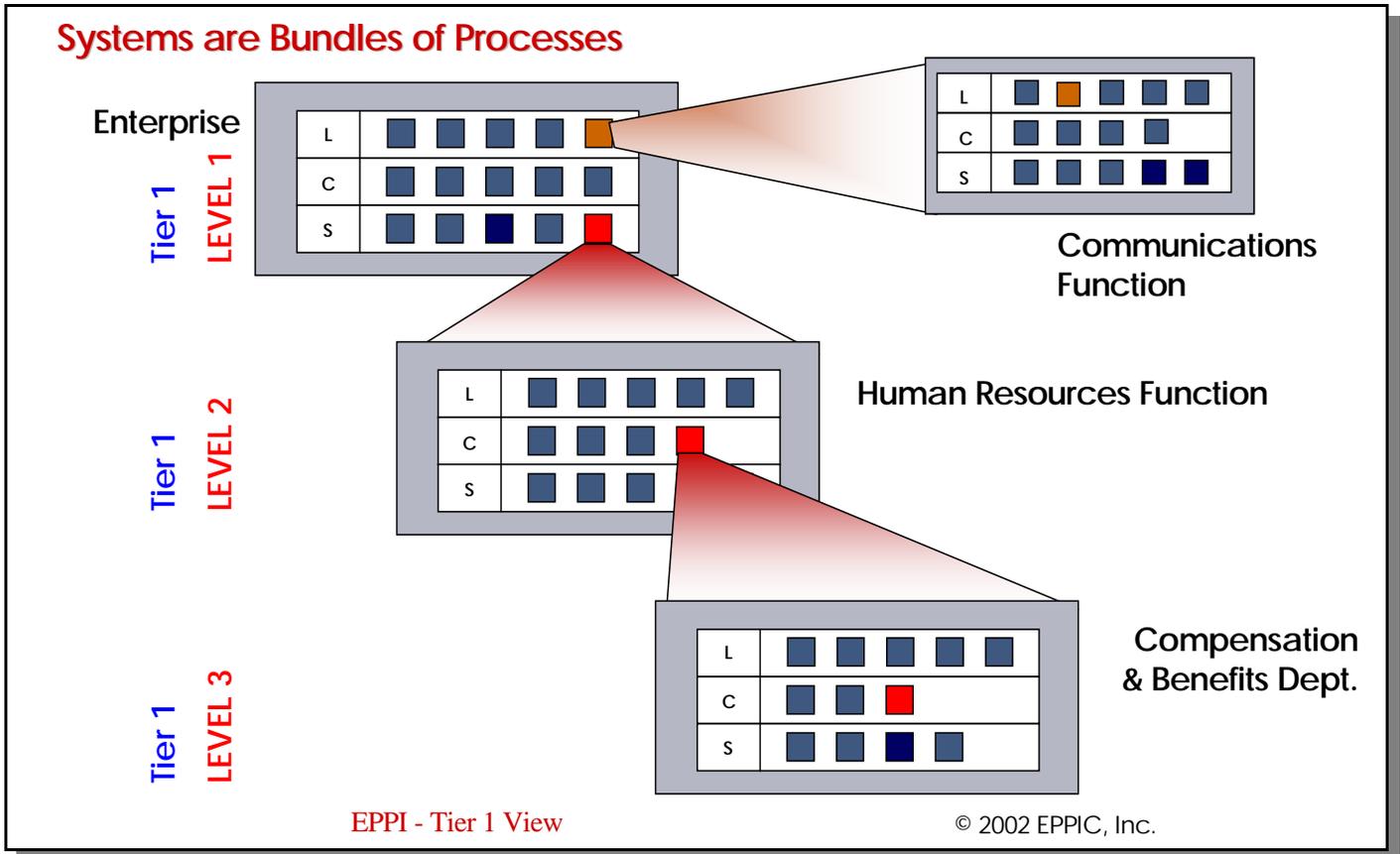
Miki Lane
MVM The Communications Group

Another in a series of EPPI Models

EPPI Tier 1 View

© 2002 EPPIC Inc.

EPPI — Enterprise Process Performance Improvement



Everything is a process. Large and Small. How to organize them to better manage and improve them?

We think of Processes as being bundles in Systems and owned by Departments.

We believe that the inappropriate “functional silo thinking” shouldn’t be replaced inadvertently with “process silo thinking.”

We believe that each function should simply get process oriented.

This graphic intends to show that EPPI’s data logic is scaleable, at the department’s process levels up to the Enterprises. That may be necessary and important if you want a process-orientation to your approach to generate data for your ERP system.

We don’t believe in boiling the ocean and getting trapped in analysis paralysis. But sometimes our client’s need is to orient the entire enterprise systems for human and environmental assets management.

In the **EPPI** model-set Processes are of 3 types:

- 1- Leadership
- 2- Core
- 3- Support.

Core are unique to each department, and may exist within a chain involving one or more other departments.

Leadership and Support Process have the potential to be shared/common across and up and down the Enterprise.

A Process may have "participants" from other organizations, as necessary.

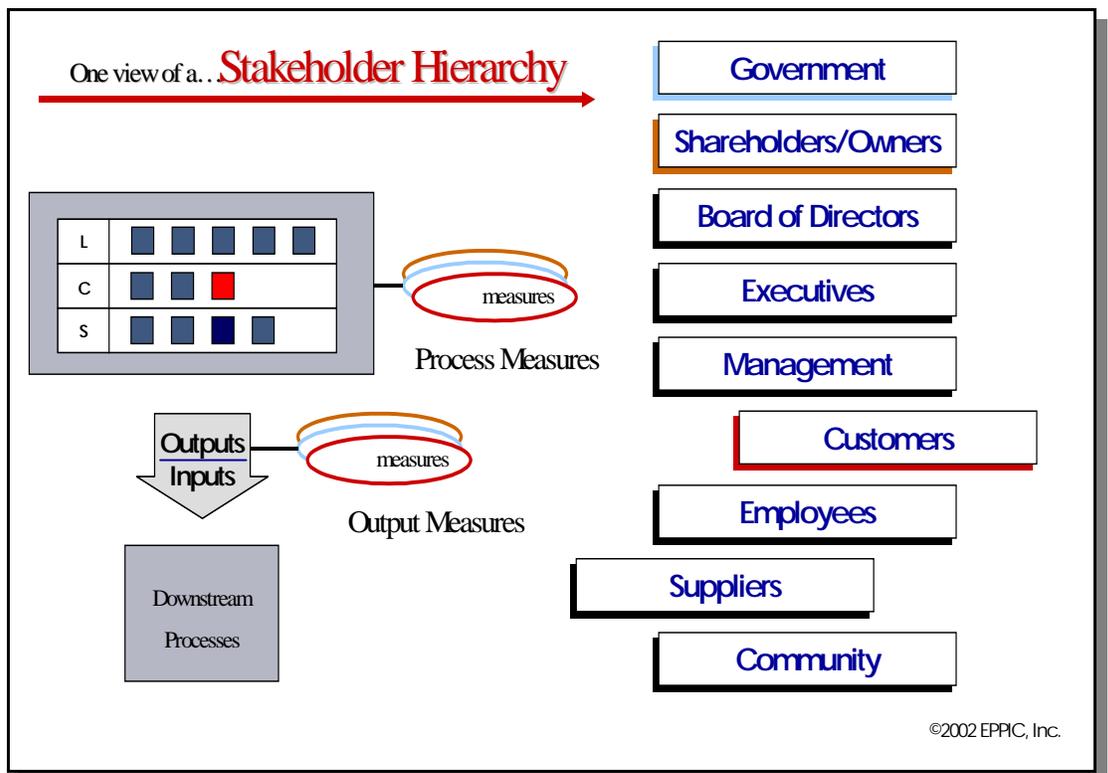
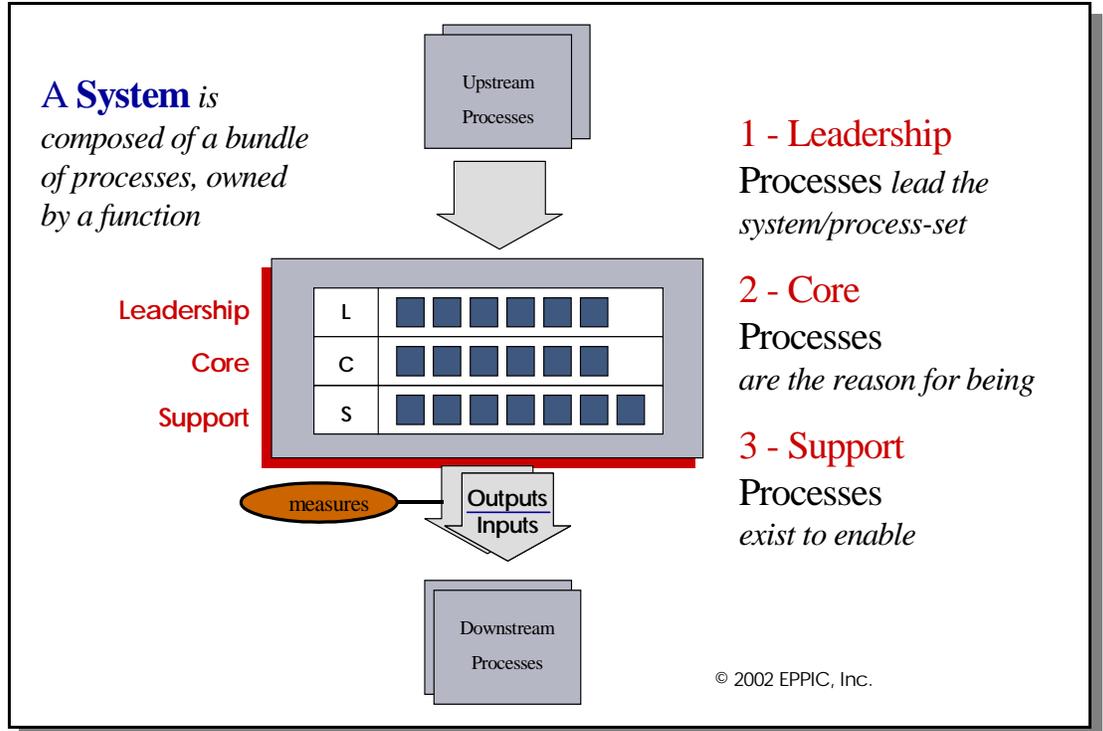
Each Process has potentially a multitude of Stakeholders, whose "requirements" of the output and/or the process may or may not conflict.

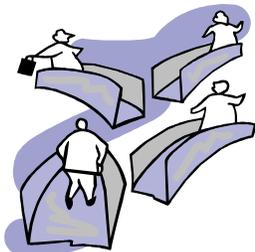
How to balance those requirements that conflict?

We see the Stakeholders and their requirements in a hierarchy. Your view may need adaptation from the graphic presented, but you have a hierarchy.

Are you aware of it? Are others in your Enterprise?

Are you truly aligned to the Voice of the Stakeholders in the right balanced manner?





Step 3-

Smooth Segue: Training to Performance

(Continued from page 10)

provides non-monetary (or small monetary) rewards and recognition to motivate the performers.

Recognizing a job well done requires understanding what *a well done job* looks like.

Environmental Asset Management Systems

A quick overview here...

Recognizing a job well done requires understanding what *a well done job* looks like.

Performance-based Data & Information Systems

The **Data/Information Systems** provide all of the work orders and instructions, the policies/procedures, strategies and plans, and all data/information needed to enable job holders to perform at a level of mastery. Information Technology/"e" may be used to store and access this data, or it may use paper or verbal systems. The brake shop staff may use both paper job aids and electronic procedure manuals to guide their performance, after reading the work order that's on paper or on screen.

Performance-based Materials & Supplies Systems

The **Materials & Supplies Systems** provide all of the materials and supplies needed to enable job holders to perform at a level of mastery. Most trainers use flip chart paper and pens in classroom/group settings. The performers relining your car brakes will use brake pads.

Performance-based Tools & Equipment Systems

The **Tools & Equipment Systems** provide the tools, equipment, machinery, and vehicles needed to enable job holders to perform at a level of mastery. The old brake repair garages used hydraulic lifts to get the performer under the car. Today many performers simply walk down into the "pit."

Performance-based Facilities & Grounds Systems

The **Facilities & Grounds Systems** provide the buildings, grounds and facilities (communications/power/water/etc.) needed to enable jobholders to perform at a level of mastery. The brake shop needs a shelter to conduct the work within and a parking lot for employees and customers, and the "pit."

Performance-based Financial Systems

The **Financial Systems** provide the capital and expense budgets, and the headcount budgets to management, needed to enable and support job holders in performing at a level of mastery. The brake shop management

Think of the Play analogy...where all of the story lines of the three ACTS need to connect and flow

(Continued on page 15)

(Continued from page 14)

needs money to buy supplies, make change for the customers paying in cash, and to make payroll. They'll need funds to pay the electrician too after a storm wipes out the breaker box.

Performance-based Culture & Consequence Systems

The **Culture & Consequence Systems** provide enterprise cultural norms, and all of the management reinforcements (and extinguishments) needed to encourage (or discourage) and enable job holders to perform at a level of mastery. The brake shop management needs to provide a shop culture and the balance of consequences (+/-) to ensure that the crew doesn't show up late everyday, or sometimes not at all.

Planning and Organizing the Fixes

Does the process need to be streamlined first, and new Environmental Assets put in place and then the jobs redesigned and the Human performer's selected differently...and then trained, but only as needed?

Going Beyond the Current State Ideal

If the Enterprise need is to improve beyond that of current level of Mastery, then all three of the 3 EPPI key variables will need to be looked at for potential "discontinuous improvement," more of a radical change than an incremental change.

Summary

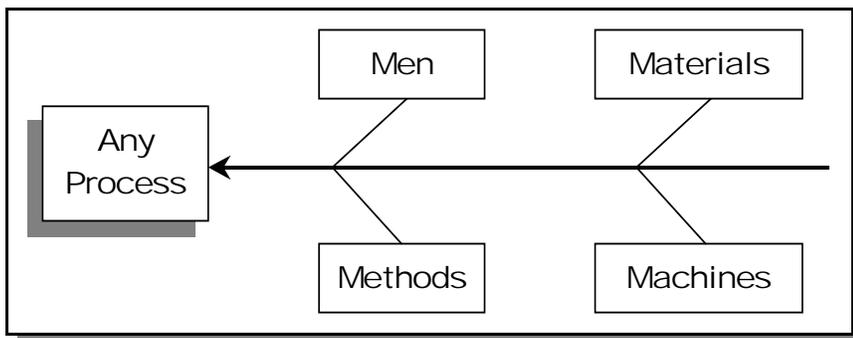
Addressing any of the process, human or environmental gaps from ideal in either a *new build* effort or in a *repair* effort could lead to sub-optimization unless one understands the impacts to downstream and upstream efforts. It's a system, interconnected and dynamic.

Think again of the Play analogy...where all of the story lines of the three ACTS need to connect and flow.

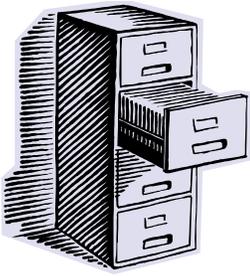
Next issue, the Series Summary!

If the Enterprise need is to improve beyond that of current level of Mastery, then all three of the 3 EPPI key variables will need to be looked at for potential "discontinuous improvement"

Addressing any of the process, human or environmental gaps from ideal in either a *new build* effort or in a *repair* effort could lead to sub-optimization unless one understands the impacts to downstream and upstream efforts. It's a system, interconnected and dynamic.



Ishikawa Diagram



This project won an International Society for Performance Improvement (ISPI) Award of Excellence for Best Instructional Product in 1989 for my client, Gerry Kaufhold and me, for both its instructional design and the results achieved.

Curriculum Architecture Design is a service mark of EPPIC, Inc.

Past Project Review

Product Management Process Training

NS 1251: Product Management Process Training, an eight-day keystone course in an overall curriculum of more than 120 modules of training, had greater than 400 percent ROI for my client. This project won an International Society for Performance Improvement (ISPI) Award of Excellence for Best Instructional Product in 1989 for my client, Gerry Kaufhold and me, for both its instructional design and the results achieved.

It all began in 1986 at the taxicab stop at the San Francisco airport immediately following the ISPI (then NSPI) conference. We bumped into one of the key training managers of AT&T Network Systems who had a project on which he wanted us to bid. They liked the engineering approach of my CAD – Curriculum Architecture Design methodology, and I ended up with the contract to first conduct a CAD project for the 1,100+ product managers of AT&T's Network Systems' 4 business units, and then I designed and built many of the courses within that Curriculum Architecture Design.

NS 1251 finally ended for us in 1993 with our 31st delivery of the eight-day course. I, with the help of other business associates, facilitated in each of the 31 deliveries of this intense, simulation exercise-centered, structured learning experience; and it was a draining session for all.

Network Systems (NS), now Lucent Technologies, began as Western Electric, the equipment manufacturer for AT&T and all of the subsidiary Bell Operating Companies—Illinois Bell, New Jersey Bell, Southwestern Bell, etc. NS, with the support of Bell Labs engineers, was the main source for telephone equipment for each of the Bell operating companies and many other non-Bell phone system operating companies.

NS's need to better develop its product managers was a residual result of the 1984 modified final judgment (MFJ), Judge Greene's plan after the U.S. Justice Department's antitrust action to break up the monopoly of AT&T succeeded. AT&T would no longer own its primary customers. The product manager role would be much more important in the non-monopoly days, because the marketplace would not be owned by the manufacturer, who would no longer be in a position to sell whatever they manufactured and sell at whatever price they could justify to each of the states' regulators. The product development and management decisions would no longer be based on an "extend the technology" mindset, as the Bell Labs engineering world had grown accustomed to during the past century.

It was a major sea-change for AT&T Network Systems and Bell Labs. It required marketing insights into what the new customers would buy if the decisions were left up to them (as they now were), and business and financial decision-making preempted all views, versus the technology decision-making

(Continued on page 17)

(Continued from page 16)

that formerly dominating management's time and attention. It was an exciting series of projects. The eight-day NS 1251: Product Management Process Training course was the *keystone course* in the entire curriculum architecture for the product managers responsible for decisions with hundred million dollar implications for a giant corporation. The stakes were high for the client. The needs of the diverse target audience were varied—hence, the highly modularized approach of the curriculum design.

NS 1251 taught and provided ample practice opportunities for both seasoned and rookie product managers regarding the basics of business case development, product life cycle management, financial forecasting and monitoring, cross-functional team leadership, and a varied set of interpersonal skills. The interpersonal skills included team-time management, active listening, and verbal communication behaviors appropriate to the job of wrangling with the representatives of many different organizations, each with different goals, agendas and opinions on what to do and why, how and when to do it, and who exactly will do it.

All of this was accomplished during the eight days through a series of short lectures and participation in five phases of an ever-expanding/increasingly difficult simulation exercise focused on managing a product through its life cycle stages. The NS 1251 simulation exercise taught product management via the fictional cases, but using real video products and emerging technology. NS 1251 participants were paired to manage five different video products through the typical issues associated with that phase of the life cycle, and then watched four other product management teams do the same on other products in the product family, while they sat in other "functional chairs" and brought out their typical issues/concerns.

The class held 20 student participants. Ten participants were put into two major teams, Alpha and Omega, who would run through the exercise in parallel. The class could be run for any number of groups of ten, each requiring one facilitator.

The NS 1251 project was one of many projects over a seven-year span where my colleagues and I were involved in the development of more than 25 days of group-paced training, plus more than 3,000 pages of self-paced instruction and information.

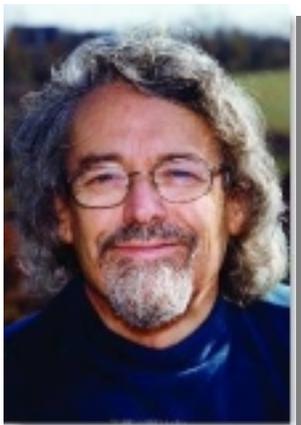
The last ten deliveries of NS 1251 included six in The Netherlands. The very last delivery was for the Wireless business unit of NS in January 1993.



The 5-Phase life-cycle game board and the "breaks cards" (as in "those are the breaks!") I designed, and NS built, ensured that each round in each phase of the life-cycle was different and from session to session was different. 2/3 of the breaks were not good breaks.

We were trying to keep former learners from sharing their business cases, the outputs of the exercise, with future learners, giving them "unfair advantage" and a reason for others to resist the intense meetings and intense business planning efforts and readouts.

Sneaky trick #12 as friend John Swinney might say.



My Favorite Guru Series Neil Rackham

Born in England, he grew up in the jungles of Borneo. At age 18, he returned to England and survived a crash course in civilization that prepared him to enter Sheffield University, where he earned a degree in experimental psychology.

While a post-graduate research fellow at Sheffield, he developed a range of behaviour analysis techniques that allow precise statistical measurement of interactive skills. He began to use these research tools to study areas such as selling and negotiating where success depended on complex interpersonal skills. From watching top performing salespeople in action, Neil became convinced that much of the traditional wisdom on how to sell was inadequate and often downright wrong.

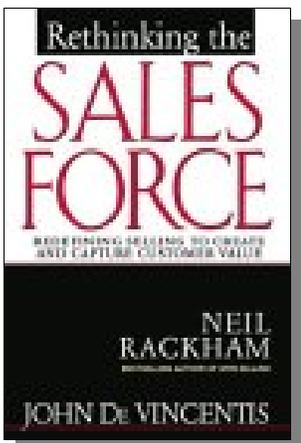
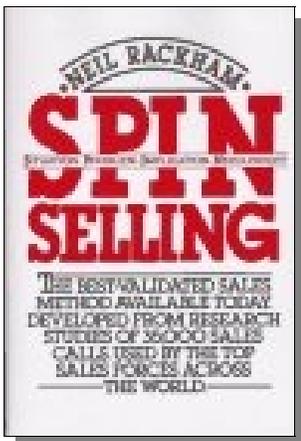
He put together a research consortium, supported by Xerox and IBM, raising the funds to mount the largest ever research study of successful selling. This massive project involved a team of 30 researchers who studied 35,000 sales calls in over 20 countries.

From the results of these studies he published the groundbreaking SPIN® Selling [McGraw-Hill, 1988] and Major Account Sales Strategy [McGraw-Hill, 1989]. His books regularly rank among business bestsellers, and SPIN® Selling is McGraw-Hill's best selling business book ever, its sales increasing each year since its publication. Neil Rackham has worked closely with many leading sales forces such as IBM, Xerox, AT&T, Citicorp and McKinsey & Company.

Neil is a Distinguished Research Fellow at the Kelley School of Business at Indiana University.

He's a sought-after conference speaker who received top reviews from participants for his capacity to take complex issues and make them accessible and interesting. He uses a combination of humor, passion, and group interaction to stimulate and challenge his audiences.

To arrange for Neil as a speaker at your event contact Eagles Talent Connection



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Book Review

Six Sigma for Managers

"Six Sigma for Managers" by Greg Brue is one of McGraw-Hill's "Briefcase Books" series and is an excellent introduction for managers and to-be practitioners of this proven approach to significant value add improvement.

The ten chapters and 177 pages cover:

- 1– What Is Six Sigma?
- 2– Why Do Six Sigma?
- 3– Setting Business Metrics
- 4– Implementing Six Sigma
- 5– Roles and Responsibilities
- 6– The Core of Six Sigma
- 7– Quick Overview of Six Sigma Tools
- 8– Selecting Six Sigma Projects
- 9– How to Sustain Six Sigma
- 10- Six Sigma Proof Positive

It is an easy read, uses helpful graphics and icons and ends each chapter with a reminder/checklist of key points.

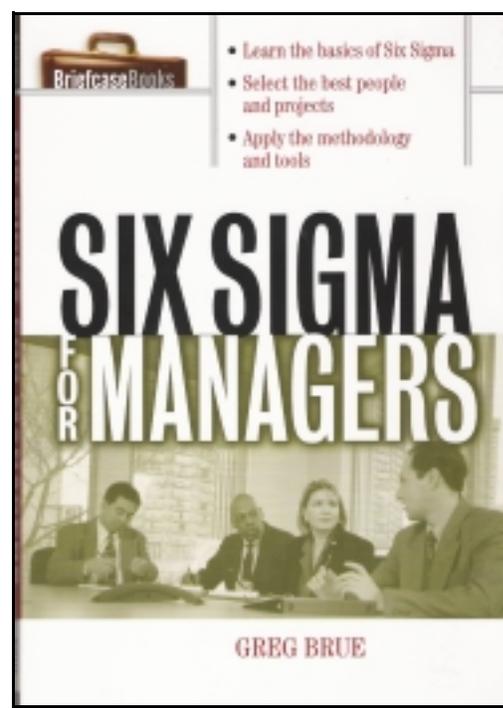
While it won't prepare one to be a black belt, or even a green belt, it can help prepare one as an "advanced organizer" prior to any in-depth training or even diving deep into more detailed books on the philosophies, tools and techniques of Six Sigma.

The author is an experienced Six Sigma Master Black Belt practitioner who regularly trains Corporate Champions and mentors CEOs and support the internalization of capability.

For more on Greg Brue and his company, visit: www.sixsigmaco.com

The book's ISBN
#0-07-138755-2

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A Pragmatic Approach to

Measuring the Impact of Training

By Timm J. Esque, CPT

The emphasis on proving the worth of training and documenting ROI has been quite high lately.

There is plenty intuition, emotion and politics that go into deciding which enterprise IT solution to buy and which new product and service ideas to fund or not to fund. But funding training is much less an economic decision than these other business examples.

The Value of Training

The emphasis on proving the worth of training and documenting ROI has been quite high lately, at least within the training and performance profession. This is partly due to the gradually strengthening link between training and performance.

But the larger reason for this emphasis is probably the economic downturn that began in 2000. It is during these times (and pretty much only these times) that the cost of training gets scrutinized outside of our profession and training departments feel obligated to justify their existence. My assertions here are aimed primarily at training in the for-profit organization, but apply at least partially in other environments as well.



Timm Esque, CPT

The reason that justifying the cost of training is a periodic focus and not a constant one is because funding for training is NOT simply an economic decision. Of course, even in business, nothing is purely an economic decision.

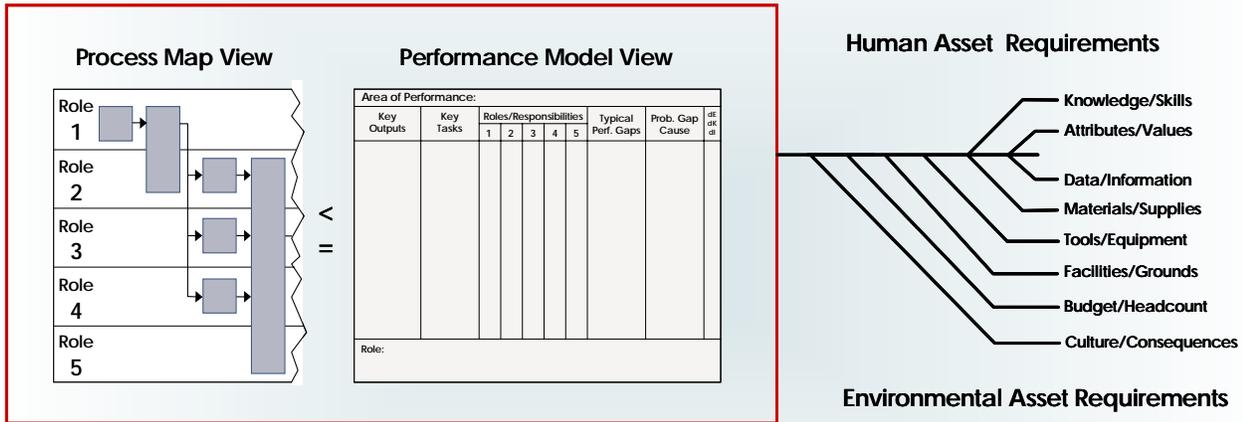
There is plenty intuition, emotion and politics that go into deciding which enterprise IT solution to buy and which new product and service ideas to fund or not to fund. But funding training is much less an economic decision than these other business examples. In addition to the potential impact to organizational performance, training is, and is largely considered, an employee benefit. This is not something our profession should be ashamed of. We also do not serve ourselves or our clients to ignore these facts when we make decisions about training evaluation.

Given the opportunity to spend 20% of allotted training funds on training evaluation, or to forego evaluation and get 20% more training, I'm quite confident the majority of business managers would choose the latter.

Mind you, by business managers I don't just mean the few who make training funding decisions. I mean of all the managers in a business organization. This is important because our clients include all the managers and their employees, not just the few managers who make training funding decisions. The vast majority of our clients are not asking us to show a quantitative re-

(Continued on page 22)

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Measuring the Impact of Training

By Timm J. Esque, CPT

(Continued from page 20)

turn on every dollar spent.

Equally important, the approach communicates to business managers what they really want to know, which is whether performance is improving and if so, to what extent.

This, of course, isn't the only thing we should consider when developing our evaluation strategies. Because training is an employee benefit, we better keep our finger on the pulse of what our students desire and appreciate out of this benefit. Equally, if not more important, we are a profession, and our evaluation strategies need to generate feedback about which of our methods are making an impact. Given the above assertions though, it is not clear to me that much, if any, of our limited resources should be spent showing quantitatively that the benefits of individual training programs outweigh the costs.

The purpose of this article is to suggest an alternative approach for measuring the impact of training. It is an alternative to other approaches to Kirkpatrick's level 3 and 4 evaluation. When implemented well, this alternative requires minimal resources, so clients don't need to trade off much training for it. Equally important, the approach communicates to business managers what they really want to know, which is whether performance is improving and if so, to what extent.

Measuring Impact

Defining the target audience is one of the early and elementary steps to effective instructional design. Let's assume for the moment that the training being evaluated is targeted towards one particular job position, such as "call center technician" or "finance administrator". The first step is to understand what the performance expectations are for this job position. This is best determined with a few informal interviews with members of the target audience and their direct supervisors. Below are the relevant interview questions and example answers. These questions can of course be interwoven with the rest of the needs assessment data collection.

The first step is to understand what the performance expectations are for this job position.

Effective performance expectations (as demonstrated in the responses to question 3) are clearly aligned to the business goals and specify what an individual performer needs to do to support achieving those goals on a short interval (daily, weekly, maybe bi-monthly, depending on the nature of the work) basis. If performance expectations are already clear and in place, a few 5-10 minute interviews is all it should take to document them. If performance expectations have not been aligned to key business objectives and clarified down to the individual performer level, helping nail down the expectations may require some further conversation. However, there is little reason to expect the training to add value on the job when job expectations are not clear,

(Continued on page 23)

(Continued from page 22)

so it is completely in the interest of trainers to make sure expectations are in place.

Very simply, the measure of training impact becomes whether or not performance against the defined expectations improve once the training is implemented. If the training department thinks in terms of justifying the cost of training they will naturally want to own and control this measurement component. But, from a performance improvement perspective, it is much better for the performers (and their manager) to track and monitor their performance against their own expectations.

In other words, **the clients should be the ones telling us whether the training had a positive impact on training or not.**

In practice, the client can often use some help getting simple tracking mechanisms in place to ensure that each performer knows whether they are meeting the expectations or not. Continuing with the same example jobs, the modern call center has been designed around sophisticated measurement systems. Where the client may need help is recognizing that the performance data is most effective when it is fed directly back to the performers. It is also important that the feedback is specifically related to the 2-3 defined individual performance expectations, and not every piece of data the measurement system is collecting. The frequency of feedback is also key. If the "system" has been set up to roll up and report data every 24 hours, the performers may need to track their own calls per hour in order to know if they are meeting their expectations throughout their shift.

Sometimes there will be no other choice than self-tracking. In the case of financial administrators, there are usually systems to track budget variances

<i>Interview Question</i>	<i>Example response for Call Center Technician</i>	<i>Example response for Finance Administrator</i>
1. What key business objectives does this job impact?	Customer Satisfaction Customer Service	Cost Control
2. What are the specific outputs (accomplishments) of the target audience that contribute to these objectives? (2 or 3 key ones)	Completed calls Customers satisfied with service	Budgeting Calendar Published Budget Targets Early Warning of Potential Budget Variances
3. At what rate and/or quality are these outputs expected to be produced?	8 Calls per hour < 3 minutes wait time < 5% drop off rate Avg. service rating of 4 or above	95% performance to quarterly budget 99% performance to calendar Potential variances resolved In 48 hours
4. Which of the above output measures is the training expected to impact?	E.g. training on navigating the troubleshooting scripts should impact all of the above output measures, certainly the top 3	E.g. training on reading variance reports would most directly impact the speed of resolving variances.

Where the client may need help is recognizing that the performance data is most effective when it is fed directly back to the performers.

(Continued on page 24)



Measuring the Impact of Training

By Timm J. Esque, CPT

(Continued from page 23)

real time and to the penny, but it is unlikely there will be a system to track the budgeting calendar or response time to variances. To meet their expectations, the administrators must monitor these things themselves, formally or informally.

Let' take a more generic skill such as running effective meetings...to measure the impact of this training, the interview questions still need to be answered relative to specific job positions.

Because training is both a service and an employee benefit, it is important not to lose track of who the customers are, and what they desire out of this service/benefit.

Managers are often reticent to make this type of tracking formal (standard and required) because they think it feels like micromanagement. But as long as the performers are both the collectors and the users of the data it is effective self-management, not micromanagement. And as an added bonus, it enables the client and Training to know whether training is having its intended impact. From the clients perspective, the training department who uses this approach is concerned about whether business goals are being met, but spending the vast majority of its limited resources on effective design and implementation, rather than cost justification.

When Training is Not Specific to a Job

This approach to measuring impact is most straightforward when the training is targeted at the outputs of one particular job. But that is not the only time it applies. Let' take a more generic skill such as running effective meetings, which would likely be targeted at everyone in the organization that leads meetings. To measure the impact of this training, the interview questions still need to be answered relative to specific job positions.

As mentioned, there are benefits to making sure each job position has expectations delineated before implementing the training. However, for the purpose of measuring training impact, a subset of the job positions participating in the training could be pre-selected and followed up on by the training department. So even though the effective meetings course is being offered as open enrollment, the impact evaluation might be focused on finance administrators and sales team leaders.

Some training (e.g. basic communication skills) is too general to link to specific job expectations. From the pragmatic perspective, the evaluation emphasis here should probably be more on client satisfaction and less on impact. Other training (i.e. environmental health and safety) is very important and yet focuses less on performance outputs and more on behavior in the workplace. Sometimes there will be existing and obvious output measures (e.g. recordable accidents) for measuring the impact of these courses. When there is not, again the emphasis can probably shift from impact to client satisfaction.

(Continued on page 25)

(Continued from page 24)

Troubleshooting the Training

When training and the client can look at the performance against expectations and conclude that performance has improved with the implementation of training, the pragmatic approach requires no additional evaluation. Instead, the discussion should focus on the next level of performance improvement, or improving performance in another area.

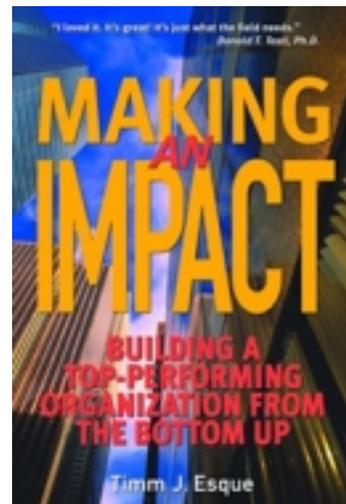
When performance against expectation measures are not showing improvement the focus needs to remain on improving the performance at hand. If the training has required a relatively large investment of resources, it *may* make sense to conduct a more in-depth analysis to determine if the problem is due to ineffective training.

However, performance-oriented models (Gilbert's 6 boxes, Mager and Pipe's analyzing performance problems) advise that all things being equal, something other than ineffective training is likely preventing an improvement in performance. This is where training can and should cross over into performance analysis. It is the author's experience that getting the client focused on their own performance expectations prior to training improves the opportunity for helping the client with non-training interventions as well.

Conclusion

Business is a pragmatic endeavor. To add value in this environment, we must not lose sight of the reasons training is valued even while we strive to have a more strategic impact on our client organizations. Because training is both a service and an employee benefit, it is important not to lose track of who the customers are, and what they desire out of this service/benefit. It is no accident that "student reaction" measure is by far the most common and continues to be expected by our customers and sponsors.

At the same time, if training is to have a strategic impact on the organization, we must determine the mission-oriented training needs in the organization and demonstrate a linkage between that training and the desired performance outcomes. Accomplishing this does not require sophisticated measurement techniques or ROI analyses. Student reaction" and "performance impact" are the two pragmatic emphases of training evaluation in a business environment. It would behoove those of us training in a business environment to make them our priority.



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Timm J. Esque is Principal
of Esque Consulting, LLC.
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For more information about linking training and other interventions to performance outputs, see Timm's new book

**"Making an Impact:
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The *Unfortunate* Top 10 Ways to **MAXIMIZE T&D Expense** *and Minimize or Eliminate ROI and Value Add*

1- Create every training product as a “one-off”

- *Instead of as a component of a deliberate, systemic, program management approach to ISD, to minimize critical gaps and overlaps and ensure ROI and Value Add*

2- Don't deliberately re-use/share content

- *Instead of managing the T&D product line's modularity and increasing the reuse of content , to reduce 1st and life cycle costs, while developing a common enterprise language and greater shared understandings*

3- Base the T&D product line on surveys

- *Instead of determining the unique performance requirements of your processes and practices, and then determining the enabling competencies specific to your process performance*

4- Base the T&D product line on generic competencies models

- *Instead of determining the unique performance requirements of your processes and practices, and then determining the enabling competencies specific to your process performance*

5- Assess knowledge to assess learner competence and training effectiveness

- *Instead of evaluating performance fluency in a high-fidelity simulation and/or back on the job*

6- Assume everyone should get equal training and development opportunities

- *Instead of targeting key Target Audiences for ROI for T&D “push” and developing content in a modular manner and then warehousing electronically to enable “pull” access for non-Target Audiences*

7- Make the key decisions on behalf of your customers and stakeholders

- *Instead of systematically engaging all of your key stakeholders in the business-decision making process inherent in the T&D system*

8- Consider only the “first cost” of training development

- *Instead of managing for “total life cycle costs and returns — ROI” including administration, deployment, maintenance and lost-opportunity costs for the learners*

9- Measuring “butts in seats” or “butts on sites”

- *Instead of measuring performance impact using enterprise metrics, including revenue enhancement, cost or risk avoidance, ROI, Value Add, RONA, etc.*

10- Enable anyone and everyone to create content for your LMS/LCMS or e-warehouse, despite the future cost implications of administration and maintenance or legal risk

- *Instead of carefully developing and deploying “content” that has a visible + ROI, and not a hidden - ROI*

So please avoid these approaches to T&D/ Learning/ Knowledge Management if you can!

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1982–1989

ALCOA, ALCOA Labs, Ameritech, Amoco, Arthur Anderson, AT&T Communications, AT&T Microelectronics, AT&T Network Systems, Baxter, Burroughs, Channel Gas Industries/Tenneco, Dow Chemical, Exxon, Ford, General Dynamics, HP, Illinois Bell, MCC Powers, Motorola, Multigraphics, NASA, Northern Telecom, Northern Trust Bank, and Westinghouse Defense Electronics.

Project Overviews for each project are available at www.eppic.biz

Guy W. Wallace has been in the T&D field since 1979 and a training and performance improvement consultant since 1982. His clients over the years have many of the Fortune 500, plus NASA, BP, Novacor, Opel, and Siemens.

He has analyzed and designed/ developed training and development for almost every type of business function and process.

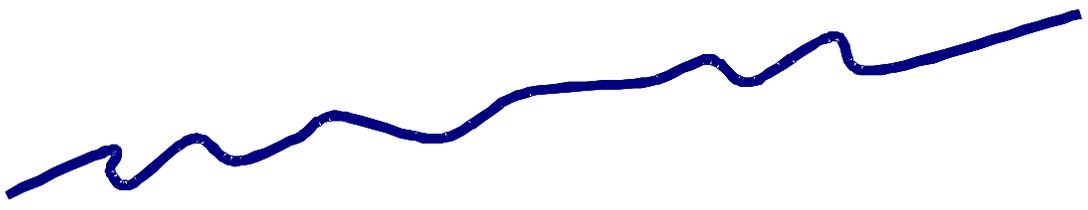
He is the author of three books, several chapters, and more than 50 articles. He has presented more than 50 times at international conferences and local chapters of ISPI, ASTD, and at IEEE, Lakewood Conferences, the Conference on Nuclear Training and Education, and at the Midwest Nuclear Training Association.

He has served on the ISPI Board of Directors as the Treasurer on the Executive Committee (1999–2001) and later as the President-Elect for 2002-2003, and President for 2003-2004.

Guy's biography was listed in Marquis' Who's Who in America in 2001. He was designated a CPT – Certified Performance Technologist in 2002.



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