



The Investment Value of Training

Training and certification can offer financial benefits to employers, consultants, and clients. Time is money, and numerous reports show that trained and/or certified IT and business professionals deliver cost-saving projects faster and more reliably than non-trained, non-certified staff. Consider how training can provide your organization with substantial returns on investment:

Reduce Costs

- Knowledge and skills development are vital to the health of an organization. According to a Merrill Lynch study, Motorola estimated that every dollar spent on training yielded \$30 in productivity gains within three years. Also, a company with 1,000 employees can save at least \$240,000 per year as a result of an average productivity gain of just three minutes per day.¹

Increase Returns

- According to a report published by ASTD, an increase of just a few hundred dollars in a firm's training expenditures per employee can positively impact the firm's total shareholder return in the following year.²
- Better trained sales people close more deals. Chrysler sales consultants, after receiving training, increased their average sales volume by 1.3 vehicles per month.³

Improve Operational Efficiencies

- Research shows that with a sufficient percentage of team members certified (40–55%), IT organizational performance can increase by up to an average of 11 percentage points.⁴
- Mutual of Omaha found that employees returned the favor of training by reinvesting in the organization with increased skill levels, job levels, commitment, and tenure.⁵

Why Choose Global Knowledge?

As the leader in IT and business training, we can help you maximize your training dollars. Our award-winning training, worldwide delivery capabilities, comprehensive curriculum, highly rated instructors, and personalized service can help you build the training solution you need. Each year, students who train with major IT and Project Management training firms are asked to rate their experience. According to these surveys, we are the leader in overall satisfaction, learning environment, and courseware.⁶

The Value of Human Capital

"Any company has to realize that not only is the human capital of their employees a major asset, it is also a depreciating asset that needs continuing investment."

Gary Becker, Nobel Laureate and Professor of Economics and Sociology,
University of Chicago

Calculating the ROI of Training (An Example)

1. Determine Benefits To Measure (e.g., average annual sales, employee retention, customer satisfaction, absenteeism, etc.)
2. Gather Pre- and Post-Training Statistics for the Benefits Measured
3. Calculate the Dollar Value of the Benefits:
Training for a sales organization generated a productivity increase of 10%. This translated to an increase of \$10,000 in average annual sales per sales person. If 10 sales people were trained, the dollar value of the benefits would equal \$100,000.
4. Calculate the Total Cost of Training:
Training cost per sales person of \$2,500 (including course price, travel costs, and other expenses) for a total of \$25,000.
5. Calculate the Benefit-to-Cost Ratio:
Total benefits ÷ Cost of training = \$100,000 ÷ \$25,000 = \$4.00
For every dollar invested in training, \$4.00 was returned.
6. Calculate the ROI (Net Benefits):
ROI = Total benefits – Cost of training = \$100,000 – \$25,000 = \$75,000

1. *The Value of Training*. IBM White Paper. 2008.

2. *Profiting from Learning*. American Society of Training & Development and Saba Software. 2000.

3. *Measuring Business Impact—Chrysler Dealership Sales Consultant Training*. Human Capital Lab, Bellevue University. 2008.

4. *Impact of Training: Functional Excellence Leads to Operational Productivity*. Doc#215762. IDC. 2008.

5. *The Impact of Mutual of Omaha's Tuition Reimbursement Plan on Key Performance Indicators: Career Mobility and Retention*. Case Study. 2008.

6. *Metrics That Matter* surveys conducted January–December 2009 by Knowledge Advisors.