Learning Transformation
Optimizing your learning operations to Reduce Costs or Fund Investments

You can INCREASE THE VALUE OF YOUR LEARNING SPEND by improving the effectiveness of your learning programs, efficiency of your learning operations, and alignment of your learning and business strategies.

The Learning Landscape

- 62% of organizations surveyed believe spend occurs outside their learning budgets.
- 70% of organizations surveyed believe they are spending on learning.
- 69% surveyed rated themselves poor or adequate on visibility into, tracking of, and reporting on learning spend.
- Annual L&D spend is typically 1.5 - 3x greater than the amount visible to the learning function.
- Only 21% of organizations surveyed rate themselves excellent or good on value and ROI of learning spend.
- ...and 73% believe they spend too little on learning, and should be spending more.

Drivers for Transformation

- Effectiveness: Integrate learning operations with talent management strategies to address critical talent gaps.
- Efficiency: Create a central learning shared services function to eliminate duplicative activities.
- Alignment: Partner with lines of business to allocate learning budgets to programs with the greatest business impact.

Organizations that benefit most from transformation

- Large
- Complex
- Global
- Decentralized
- Emphasis on Talent Needs
- New Business Strategy Requiring New Operating Methods

Drill down into the organizational, curriculum, vendor, and technology components to understand what changes should be made to our operating model.

- Organizational:
  - What changes should we make to our operating model?
- Curriculum:
  - What capabilities do we need to serve the business?
- Vendor:
  - How do we optimize relationships with third parties?
- Technology:
  - How can we best leverage learning technologies?

Deloitte Consulting LLP, Survey of learning and finance professionals, 3/2014
Transformation in Action

Framework

Leading organizations are transforming their learning functions to reduce costs, improve the learning experience, and align with the CEO’s strategy.

Deloitte utilizes a four-part framework to assess the current state of a company’s learning and development operations.

Organization
Moving to a centralized or federated model, standing up shared services, and establishing governance can optimize operations and create accountability and transparency.

Curriculum
Harmonizing and rationalizing curricula can reduce redundancies, improve user experience, and facilitate alignment to business objectives.

Vendors
Implementing a structured vendor management process including preferred vendors and negotiated rates can reduce costs and improve quality and efficiency of services.

Technology
Simplifying and upgrading learning technologies can reduce costs, improve learning outcomes, and facilitate ability to quantify business outcomes.

Timeline

Weeks 1-5  COLLECT DATA
Activities
- Validate project objectives and timeline
- Identify data sources
- Modify data collection tools as needed
- Collect data
  - Request HR, finance, and procurement data
  - Deploy survey
  - Conduct interviews
Deliverables
- Modified data collection tools

Weeks 4-9  ANALYZE FINDINGS
Activities
- Create data model and cleanse system data
- Compile and analyze survey results
- Compile and rationalize interview findings
- Benchmark findings against Bersin data
- Assess maturity against Bersin maturity model
- Validate initial findings and insights with data owners and key stakeholders
Deliverables
- Interactive Tableau dashboard
- Summary of qualitative data
- Comparison of findings to relevant benchmarks

Weeks 8-12  DEFINE OPPORTUNITIES
Activities
- Document findings
- Identify improvement opportunities
- Quantify potential cost savings
- Define recommendations on next steps and areas of focus
Deliverables
- Roadmap for realization of savings

Outcomes

Global Pharmaceutical Corporation  Global Manufacturing Conglomerate  North American Confectionary Company

Opportunities Identified
- $180m annual spend
- $528 L&D FTEs
- Duplicative administrative activities
- Inflated payroll & benefits costs
- $300m annual spend (vs €150m est.)
- 1,600 L&D FTEs
- 21 LMSs
- 40+ manager development programs
- $15m annual spend (vs $3m est.)
- Underinvestment in technology
- Overinvestment in vendors
- High use of ILT versus WBT

Benefits Realized
- $62m first year savings
- Transitioned to federated model
- Stood up learning shared services
- Rationalized curricula and vendors
- $45m first year savings
- Transitioned to federated model
- Consolidated LMSs to one system
- Rationalized learning programs
- Savings $2M-$4M identified to date
- Moving to federated model
- Self-funding to include new LMS
- First focus on vendors and curricula

These companies decreased their spend AND increased their return on investment – spend less, get more