



Learning strategy—an investment in the future.

Ghost-written for IBM when learning was a strategic business initiative. The words are mainly mine but every sentence underwent scrutiny before the paper was released. What with interviews and lots of hoops to jump through, this paper took six weeks from inception to final acceptance.

I thoroughly enjoyed this project. It involved figuring out how to sell strategy, searching for examples, interviewing brilliant people, and making an impact.

Jay

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Introduction

Learning drives real business value. A learning strategy is an investment in a future of growth and organizational performance in order to both enable and optimize the workforce during any enterprise transformation initiative.

This paper is about learning strategy—what it is, why you need it and what it can do for you.

A learning strategy links learning initiatives to overall, enterprisewide organizational priorities and goals. The underlying assumption that drives an effective learning strategy is that learning is the critical enabler ensuring that people are continuously refreshing and enhancing their skills and knowledge. People must be enabled and re-enabled with the right skills and knowledge to meet the changing demands of the marketplace, customers and business itself. A learning strategy helps to ensure that a business' learning initiatives are linked to and support the overall business strategy.

Fully realizing the potential of learning by linking it to competitive advantage and business success requires an enterprise to align its learning initiatives to organizational priorities using an effective enterprise learning strategy.

A learning strategy must align with and support an overall business strategy to help ensure that people are enabled to meet the changing demands of business. A learning strategy must align learning investments directly to business results while providing metrics to measure the value of those learning investments.

Do you need a learning strategy?

A learning strategy is required to identify and develop the critical people skills and resources to help establish alignment with business priorities. If you already have a learning strategy, you will find the questions below familiar to you, and you will have plans and actions in place to address them.

If, however, the questions below are unfamiliar, or you don't have plans and actions in place to address them, you should consider developing and implementing a learning strategy.

- *How do I translate learning into business results?*
- *How do I ensure that my learning results provide strategic business value and are effectively measured and benchmarked?*
- *Who needs to have access to what information, when, in order to learn new skills and enhance existing skills?*
- *Are my learning initiatives providing the right skills and knowledge to keep pace with new product introductions for my employees, my suppliers and my customers?*
- *How can I be sure I'm putting my learning investments in the right parts of my business at the right time?*
- *How can I apply learning to increase the rate and volume of sales?*
- *What tools should I be putting on the sales floor to keep the floor's knowledge current and vibrant?*
- *How am I going to make our customer-facing employees smarter about our offerings and at the same time improve their customer relationship skills?*
- *Do I have appropriate learning content that is aligned to my learning strategy?*
- *How do I help my managers manage better and keep them tuned in to company culture and values?*
- *How do I ensure that my learning investments are effectively managed over time and stay aligned with changing business priorities?*

Implementing a learning strategy can help contribute substantially to the effectiveness of your organization's overall business strategy. Developing a learning strategy will help you find answers to the preceding questions.

Current learning strategy insights

In 2005 IBM conducted a Global Human Capital Study (GHCS), which sought to understand how human resource (HR) leaders in organizations are leveraging their people to improve workforce effectiveness and organizational performance. People strategies, practices and metrics were surveyed in 334 organizations throughout 38 countries. Interviews were conducted globally with 106 top HR leaders to understand their people priorities and trends.

This research revealed that companies' primary business objectives include increasing profitability, improving customer responsiveness and reducing costs. It also concluded that people were considered a critical factor to achieving long-term profitable growth.



Selected findings and implications resulting from the GHCS study¹ indicate the value of a learning strategy. Following are some of these findings:

- *Learning activities represent the highest single human capital cost area; most companies, however, are not evaluating their investment in training like they do for other large corporate investments.*
- *Larger companies are more likely to have learning strategies that are aligned with the company's business objectives.*
- *Investments in training days at the senior level appear to have links to greater profits per employee.*

Some of the recommendations based on these findings are as follows:

- *Develop an outcome-focused perspective on learning activities, including an evaluation of return on investment (ROI).*
- *Consider learning investments for high-potential individuals at all levels of the organization.*
- *Identify how blended learning approaches using classroom and distance learning can be used to provide better access to corporate knowledge.*
- *Recognize that as organizations grow, the barriers associated with locating and sharing knowledge and expertise grow as well, requiring additional attention and focus.*
- *Consider the need and the capability of the HR organization to provide knowledge and collaboration support.*

IBM and ASTD's research on the perceptions of learning by C-level decision makers² also provides insight into the role of learning strategy in leading organizations. Chief Learning Officers (CLOs) and other C-level executives from 26 companies across 10 industry sectors were asked to assess the strategic value of learning; how it translates into business results; how it stays in alignment; and how its value is measured.

One of the questions asked of C-level executives—including chief executive officers (CEO)s, chief operating officers (COOs), chief financial officers (CFOs), senior learning leaders, business unit heads and CLOs—was, “How does the learning function provide strategic value?” The responses to this question are highlighted below:

Strategic value provided by the learning function

<p>CxO</p> <ul style="list-style-type: none"> • Capability building • Transformation • Innovation • Personal growth • Strategic enablement • Leadership development • Globalization 	<p>“Learning helps us develop bench strength and the competencies needed for the future.” - COO</p>	<p>“Learning’s role is to build the platform to enable us to change the business.” - COO</p>	<p>“The learning function’s role is to help our company learn, adopt, adapt and grow.” - CEO</p>
<p>CLO</p> <ul style="list-style-type: none"> • Performance improvement • Strategic enablement • Business unit enablement • Learning operation efficiency • Talent management 	<p>“Learning will engage early to analyze and improve the design of jobs and processes and technology-based performance support tools.” - CLO</p>	<p>“Learning can help achieve all the critical success factors for our company, not just the people factors.” - CLO</p>	<p>“Our workforce management process ensures that we have the best people at the optimal price in place.” - CLO</p>

The executives in this survey see learning’s strategic value to build the skills necessary to address upcoming challenges facing the organization such as innovation, transformation and globalization.

The learning function must evolve to enable strategic enterprise initiatives in addition to addressing tactical business-unit performance issues. Learning strategies, approaches and infrastructures must become more flexible in order to rapidly respond to both enterprise and business unit level strategic needs.

Examples of developing a successful learning strategy

IBM has helped many organizations develop learning strategies. The breadth of possible outcomes resulting from the development and implementation of learning strategy are described in the examples below.

Federal government agency

Challenge

A large government agency had many learning challenges. Its learning activities and delivery were event-driven and primarily delivered and conducted via one-on-one interaction. They found that their learning initiatives were too expensive and were not meeting required performance-based metrics, that they did not have a learning infrastructure that allowed for the possibility of various blended learning approaches for delivery, and that the organizational control of learning was too centralized.

Solution

The agency wanted to change from a centralized level of control to a dispersed regional level of control in order to build and maintain mutually beneficial partnerships throughout the agency. IBM developed an enterprise learning strategy and competency development approach to drive customized learning across diverse audience groups, while providing the logistics and delivery for a blended learning solution that included both instructor-led and Web-based training. Additionally, the strategy enabled a technology platform that will provide access to embedded learning, virtual classrooms and online collaboration.

Benefits

The agency anticipates a reduction of maintenance costs and previously lost tax revenue as well as reduced loss of life and property damage. Additionally, the agency expects to decrease the amount of public money it spends.

Health insurance firm

Challenge

After performing benchmark analysis against key competitors, a health insurance firm learned that its training investments were not keeping pace with other healthcare companies. It saw it had limited and dispersed training resources while facing an environment of increased competition and customer demand.

Solution

In order to become more competitive, the firm identified several outcomes that were key to its continued success in its marketplace including: the requirement for a dynamic, integrated, easy-to-navigate training system; training that is delivered at the right time, at the right location; and an optimized blend of instructor-led and Web-based training. The firm wanted to ensure these outcomes would be realized over time by implementing enterprisewide training governance and controls.

Benefits

The learning strategy included a learning portal which minimized licensing and maintenance costs. The strategy also helped ensure that people have the skill sets required to do their jobs while delivering better training more quickly at a lower overall cost. The strategy ensured that proven best practices were used for training methods and procedures.

Telecommunications company

Challenge

A telecom company realized that the knowledge of its sales agents was not keeping pace with its new products and services. The company did not keep up with its training investments (in dollars and resources) when compared with world-class training benchmarks and its competitors. Also, several independent, unaccountable training organizations and/or budgets began to appear in individual business units.

Solution

IBM conducted a thorough evaluation of the training operations, content development and management, training infrastructure and technology. The team compared the telecom company's existing practices to world-class training practices within and beyond the telecommunications industry, identified gaps and made recommendations to close those gaps.

The gap analysis revealed an absence of enterprisewide coordination, integration, communication or management of the training function. There also were no standards for course development templates, tools, functionality or processes. Nor were there standards in place for purchasing training from external vendors.

Benefits

The company realized the following benefits as a result of gap analysis recommendations:

- *Reduced time-to-productivity for new agents*
- *Improved agent product knowledge*
- *Increased available informal learning and knowledge*
- *Reduced time to release new products and processes*
- *Integrated enterprise learning management, content management, and virtual classroom solution, with tangible payback over two years*

Internet services company

Challenge

An Internet services company wanted to tie training to its overall business goals. Faced with an uncertain and changing business environment, it sought an understanding of critical learning initiatives needed to support its business model while continuing to operate through change.

Solution

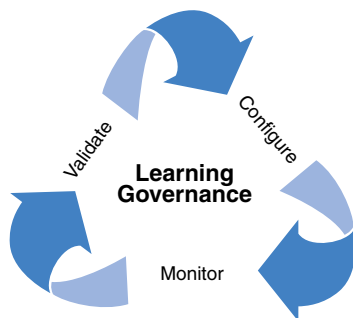
The company assessed the practices of its learning and development group in order to identify its overall impact on the business and understand how to address the business culture changes it was facing. This assessment resulted in the creation of key learning and development initiatives that covered business benefits and prioritized recommendations, a timeline, risks and success factors.

Some of the recommendations included: the creation of enterprise-level learning governance and a requirement to focus training on staff with the greatest need. Additionally the blend of instructor-led versus Web-based training became a 20 percent to 80 percent mix.

Benefits

Benefits included a new learning strategy aligned with business objectives that provided increased control over budgets and strategic purchases, a 10 percent cut in training spending, and a reduction in travel costs by using virtual meetings and collaboration. Additionally, the strategy established new processes for annual learning planning supported by strategic learning plans and service level agreements (SLAs) with business groups.

As you can see, there are many ways IBM can help create a learning strategy that is unique to an organization's needs.



The role of learning governance

Often a learning strategy recommends implementing a new, or enhancing an existing, learning governance model.

Learning governance consists of planning for learning, allocating investments to learning and managing those investments³. A governance structure supports these actions by defining the rules, processes, metrics and organizational models needed for effective decision making, steering and control of learning to achieve business goals.

IBM's research on the perceptions of learning by C-level decision makers⁴ provides insight into the role of learning governance in leading organizations. Following are some of the key findings that have emerged from the research:

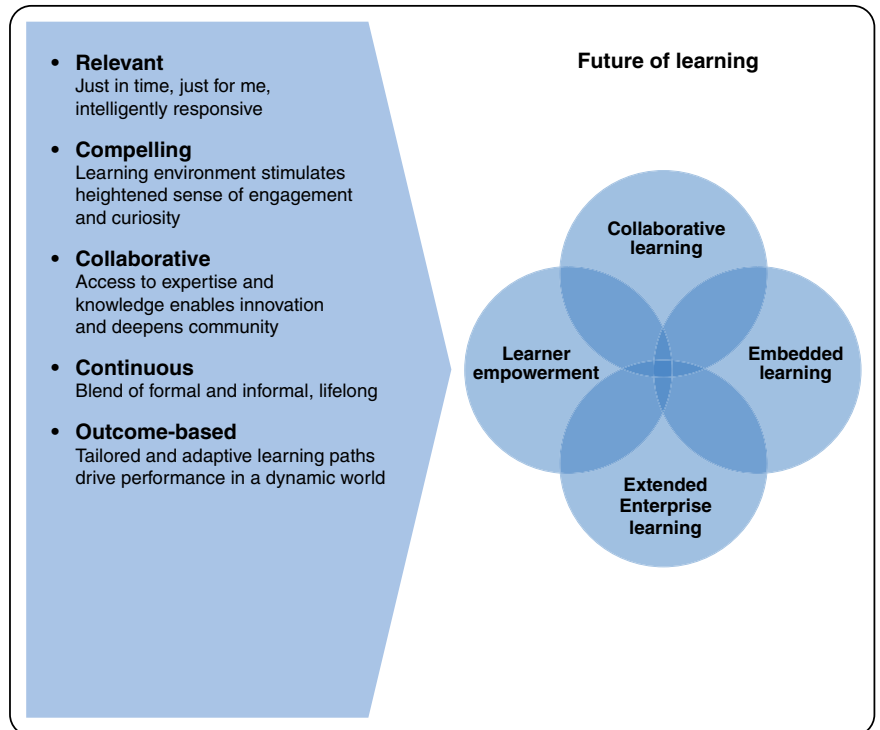
- *Governance of learning is no longer optional. Learning has become too strategic, critical and costly to manage without an ongoing effort.*
- *There's no one-size-fits-all. Successful governance structures balance the efficiencies of central control and the effectiveness of making decisions close to the line of business.*
- *Governance models evolve. The role of governance evolves through identifiable stages from inception through maturity.*

Learning vision is a key element of learning strategy

IBM's point of view on the future of learning³ can help organizations understand how people will learn and work in the future and how to develop a set of priorities that guide the evolution of learning within their enterprises.

The journey toward the future of learning is different for each organization, driven by different starting points, different objectives and different organizational imperatives. This point of view can be tailored or tuned to an individual organization to help identify and prioritize appropriate recommendations.

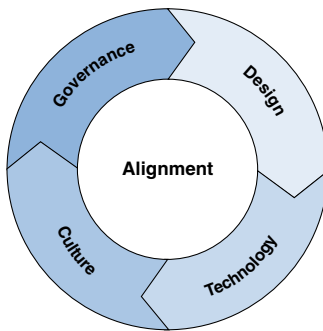
What will learning look like in the future?



Successful execution of a learning strategy—and the transformation it enables—requires a shift in thinking and different execution across five core dimensions. IBM Learning Strategy solution provides a framework for thinking about learning across these five core dimensions during the development of a learning strategy.⁵ These five dimensions are outlined as follows.

Organizational alignment

Organizations that target learning investments to areas that really impact the business use a rigorous learning strategy development process that identifies business goals and then links these business goals to learning investments.



Design and delivery

Expanding instructional design to include more focus on learning that is embedded in work, informal learning has always played a larger role than most people imagined. Now it's becoming increasingly important as workers take greater responsibility for their own learning.

Technology

Technology helps companies move beyond automation of formal learning to the creation of pervasive learning environments that support vibrant learning cultures. Many of the technologies that do this already exist in an organization, they just may not be thought of as potential learning tools.

Governance and management

Reinventing the role of learning by enabling a governance and management system delivers real business value. New leadership and governance models will drive accountability and accelerate organizations' migration to the future of learning.

Culture and behavior

Recognizing this is a major change initiative with a need to focus as much on culture as on technology is key to a successful learning strategy. The world's elite organizations share one thing—corporate cultures that value people and how they learn.

Aligning learning with business objectives

A business case is a key learning strategy deliverable. The business case explains how the learning strategy will support overall business objectives, and can include recommendations for:

- * *Transforming a product-based firm into a services-based business*
- * *Keeping up with explosive growth and new markets*
- * *Decentralizing to better serve the needs of customers*
- * *Improving response to regulatory demands*

The business case enables executive decision makers to evaluate the worthiness of investments in learning relative to other key business investments. In quantifying a variety of benefits, it can articulate the cost benefits of closing existing learning gaps as well as the acceleration of future learning initiatives.

Some potential benefits of a business case include:

- *Development of concrete, top-priority actionable steps*
- *Cost reductions for upgrades, staff and infrastructure*
- *Improved employee-to-employee and employee-to-expert collaboration*
- *Ensuring that people have the right skill sets required to do their jobs*
- *Increased training productivity—delivered faster, better, and ultimately less costly*
- *Support of the idea of “Build upon our greatest strength—our people”*
- *World-class standards for training methods and procedures*
- *Measurement and reporting on the effectiveness of training*
- *Elimination of duplicate training activities, job roles and activities*
- *Assessment of learning effectiveness through benchmarking*

Conclusion

Consider developing an enterprise learning strategy if you see imminent change such as a merger or acquisition, downsizing or growth. Organizations are recognizing that learning accelerates change and that the right learning strategy can help speed time-to-competency and achieve greater business results.

When organizations ask their workforce to change, with new job roles being created and existing roles being redefined, new skills are required and learning can play a critical role in transforming the organization.

Even if you already have an enterprise learning strategy in place, an engagement with a learning strategy vendor can be of value. Many IBM clients already understand the importance of a learning strategy and have developed a vision that is aligned with their business goals. Often, however, they still don't know the best ways to implement it.

IBM has extensive experience and expertise in developing and implementing learning strategies. IBM's experience, its learning specialists, proprietary toolset and systematic methods increase the odds of project success and a lower cost of delivery. More than 3,000 IBM experts focus on organizational learning. They are ready assist you by sharing best practices from strategy development to content customization and development, hardware and software technologies, world-class partner alliances and innovative IBM research.

You can rely on IBM's experience and proven solutions to help your organization align learning with business strategy to optimize performance. Our extensive industry knowledge and expertise in learning enable us to provide you with the appropriate learning solution for your unique organizational and transformational needs.

Your success is our success. To learn more about how IBM can help you transform your organization and enable success through learning innovation, please contact your IBM representative, or visit:

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 - 4 2005 IBM/ASTD Research Study
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