



## CLO Dashboard™ - Case Study

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Client: Tyco International.



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Tyco International Ltd. is a global, diversified company that provides vital products and services to customers in four business segments: Electronics, Fire & Security, Healthcare and Engineered Products & Services. With 2006 revenue of \$41 billion, Tyco employs approximately 240,000 people worldwide. Training is a critical function in an organization of this magnitude. Hence, the process to plan, budget, and manage the numerous training projects for the business segments must be carefully orchestrated. This effort ensures that investments in training are spent wisely and the internal resources to carry out the tasks are utilized effectively. One of the key exercises during the planning and budgeting phase of each project is the comparison of external market costs to internal development costs. The comparison determines how much it will cost Tyco to outsource the project to an outside vendor versus utilizing their internal resources. As projects are broken down into key tasks and milestone, each component is assessed to determine the external versus internal cost impact. The resulting analysis provides training and development leadership with measurement criteria used to make the best decisions around investment funding and resource planning. "It's a typical build versus buy scenario that we constantly evaluate for projects." says Don McDougal, Director of Learning Technology for Tyco International, "There are many development tasks that we find we're more efficient and better at. As a result, we can offer our stakeholders a choice: lower cost through internal development which is subject to our current priorities and resource loads; or sometimes a quicker turnaround through outsourcing but at higher cost."

Without the rigor and financial analysis that McDougal and team run each project through, there are fewer facts from which to make good decisions. As projects are evaluated, additional effort is placed on monetizing the business impact. Hard and soft dollars are estimated from business benefits such as reduced liability costs, increased sales, increased profit margins, improved customer relations, company reputation, improved quality, reduced service call backs, internal process efficiency, employee safety, employee satisfaction, and customer retention. As a result, Tyco is able to consistently weigh the benefits of its learning projects and use the information to prioritize initiatives and secure funding.