



ZEROED-IN
TECHNOLOGIES

Seven Key Learning Indicators Your CEO Really Needs To Know

By Chris Moore
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Seven Key Learning Indicators Your CEO Really Needs To Know

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Forward

I've spent the better part of my career searching for methods and means to help organizations build better performing workers -- an optimized workforce as I call it -- taking what I learn from people like you and putting it into practice in the form of learning technologies. The result: four generations of learning management systems, interactive voice response systems for telephone registration, B2B e-commerce systems for buying, selling, and consuming learning resources, blended learning models, content integrations using the Shareable Content Object Reference Model (SCORM) and Aviation Industry CBT Committee (AICC) learning standards, learning process maturity models, collaboration tools, e-learning web services, and more.

Over the last 15 years I've watched the training industry grow into the learning industry. Training became almost a dirty word, increasingly seen as either a preventive action or a default activity, doled out just like we always have. In the meantime, learning came to the fore as proactive, just-in-time initiatives that were more strongly linked to enhancing performance. The revolutionary change from training to learning brought on a new awareness of measurement. It also brought the quest for the elusive ROI.

We've learned that measuring ROI is not that simple, and when calculated, only gives light to one aspect of our efforts -- usually the cost to benefit ratio of a single initiative. But we can't lead our organizations through a single lens. We need the complete picture so we can monitor the health of our entire organization and make decisions in the context of others, for both people and process.

A scorecard or dashboard approach that measures many factors gives us the complete picture, and helps us align our goals and objectives with the indicators, measures, and work processes they influence. By channeling the energies, abilities, and knowledge of our workforce against those processes, we will not only be managing what we've measured, but leading the way to a world-class learning organization, and in the end, an optimized workforce.

About the author

Chris Moore is the President and Founder of Zeroed-In Technologies, an innovative learning technology company that provides software and services to help visualize, measure, and execute effective learning and performance strategies. Chris is highly regarded as a visionary in learning technologies having pioneered the concept of enterprise learning management and other key innovations throughout the late 1980's and 90's.

Prior to founding Zeroed-In, Chris served as Chief Technology Officer for THINQ Learning Solutions, Inc. where he was the visionary and driver behind the TrainingServer® suite of products. During his 15-year tenure at THINQ, Chris collaborated on learning strategies with dozens of the Fortune 1000 including AT&T, Boeing, and Citigroup. Later, he transferred his experiences and vision into a framework called The Learning Management Maturity Model (LM3)[™]. As a first of its kind, THINQ's LM3 combines organizational process maturity and various technologies to help organizations define and execute on their learning and performance strategy.

His efforts have won him respect as a speaker and author by numerous trade associations and journals including ASTD, CLO Magazine, HR Executive, Training Director's Forum, and The Conference Board. Chris holds a BS in Business Information Systems from the University of Phoenix.

The CLO Landscape

Chief learning officers and learning executives are increasingly under pressure to demonstrate the value of the learning enterprise. You want the organization to view learning as an investment, not an expense. In order to do this, you have to show that the learning you've identified is directly aligned with the needs of the business and that the investment in the learning will show a measurable business return.

You have to satisfy the needs of impatient executives and anxious stakeholders, all of whom know that the consequences of failure could be significant. We've all heard our colleagues sigh, "If this learning initiative isn't successful, I could be looking for a new job". You can't simply hope that everything goes as planned.

So, like other business executives, you outline a strategy. In turn, you must lead and execute the strategy – managing the people, process, and outcomes along the way. Leaders must be able to measure what they manage, but typically there are no consistent approaches or tools in place to do so.

Most learning systems are data rich but information poor, and rarely approach reporting from a *measurement* perspective. The standard reports from learning systems are generally inadequate in how they aggregate and display information. They can easily produce the proverbial "butts in seats", activity-based numbers, but they lack good reports for planning and decision-making.

Put simply, today's learning systems don't store information about business goals, objectives, measures, targets, and projections. As a result, system reports can't link or align your activity back to your strategic initiatives, or can't do so without a lot of external wizardry. Vendors simply assume you will use custom reporting tools to produce the complex business reports you need. Thanks a lot!

Organizations can overcome this challenge when they have the information technology (IT) resources available to build custom reports. However, the technology support needs of the learning organization are typically queued at a much lower priority than those of the rest of the organization, so internal IT resources are often not available. When you do finally get the support, you find the data needed to measure and monitor is stored in various systems throughout the enterprise, and that it can be costly and time consuming to collect and summarize the status of your current and past initiatives. As a result, learning typically compromises with IT in what you're willing to accept. You get more activity-based reports that help you manage your day-to-day business, but not the strategic reports with the information you need to lead into tomorrow.

In order to lead your learning organization, you must have information that tells you what you did prior, what you're doing now, and where you are heading. You can't afford to wait until the end of an initiative to determine if it's been successful. You must be able to correct in mid-stream, to minimize the time spent off course, and to make proactive decisions more likely to keep future initiatives on course.

Leaders need a single, integrated view for monitoring their key initiatives and the measures that define success. This same view must support the ability to drill down into

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each initiative and call out trends, not just anomalies like spikes in attendance. You need to be able to make corrections in advance of unseen failure. You must know if you're meeting your goals, and if not, what you can do to start meeting them.

You must think and act as if you are the Chief Executive Officer (CEO). You have to continually plan, monitor, and react to the changes in your business, the business of learning. You have to lead, not just manage. All of this can be aided through a series of centralized indicators that reflect your progress toward strategic goal attainment. These key indicators of your learning organization will forewarn you when the health of your initiatives decline, and reward you as you reach and exceed your goals.

Key Learning Indicators

A key learning indicator (KLI) measures and predicts goal attainment. Each KLI describes some critical, must-achieve business outcome, such as operational excellence or compliance. Think of each KLI as an end state – what it looks like when you achieve your specific goal. Like your corporate vision is to your corporate mission, your KLI is to your goal. Your goal and mission are statements that define how you'll exert your corporate energy in pursuit of success. The KLI and vision are what it looks like when you arrive.

As the CEO of the learning organization, you establish your strategic goals on an annual or semi-annual basis. Your goals may incorporate operational, compliance, effectiveness, and other initiatives. You can measure and predict goal attainment by assigning a KLI to each. Goals are a collection of outcome-oriented objectives, also known as enabling strategies. These objective level strategies, when accomplished, help you realize your vision for your stated goal. Objectives should be measurable, achievable, realistic, and time-based. Each objective correlates to a key measure. A key measure is a quantifiable, meaningful metric that shows progress in accomplishing the goal. (See diagram 1)

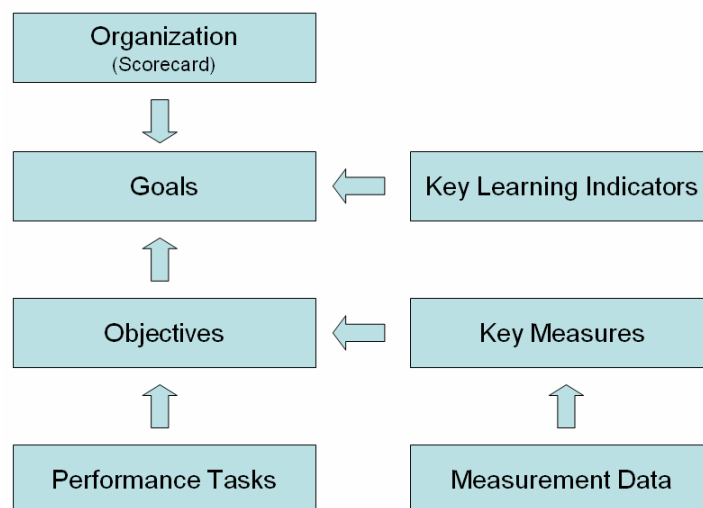


Diagram 1: Relationships of performance-based measurement

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The key measure is driven and influenced by work processes or performance tasks. By collecting the actual measurement data and comparing it against defined targets for each measure, you can calculate your progress in accomplishing each objective.

To measure and predict goal attainment, the KLI is derived from the aggregate of two or more detailed objective-level measures such as “average cost per student day” and “training expenditures as a ratio of full time employees”. You can monitor your KLIs and composite key measures to assess the health of your learning organization and strategy. Meanwhile, corrective actions can alert you when measures drop or exceed define thresholds. Implementing this process offers organizations a performance-based approach to measurement (See diagram 2).

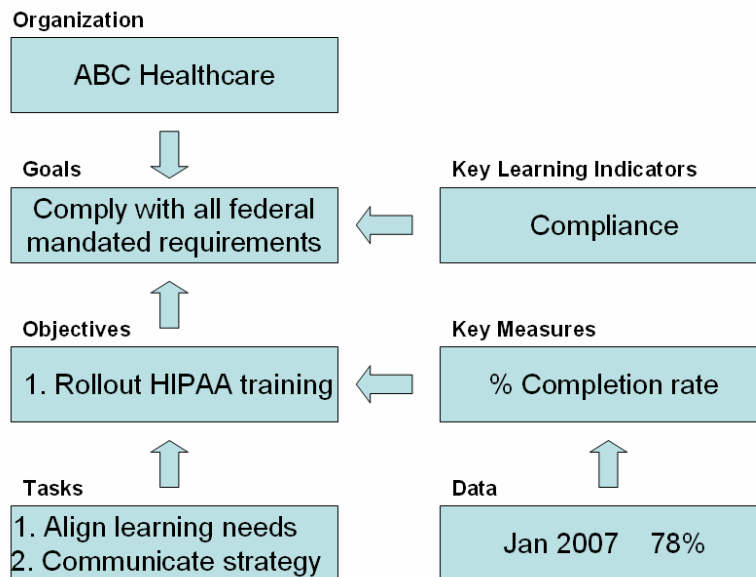


Diagram 2: Example of performance based measurement

Applying tools and technology throughout this process help you forecast trends and identify patterns or anomalies in both indicators and underlying measures so you can see where you are heading. Since the KLI measures goal attainment, your target should always be to reach 100%. However, you may project that you’ll reach certain points along the way. Measuring actual progress in relation to projections and targets lets you make earlier decisions to adjust or reinforce the work processes associated with the underlying measures that ultimately impact your learning goals and objectives.

What follows are seven (7) key learning indicators: what they mean, how they are measured, and examples of how they impact the learning organization. If you consistently monitor and influence these KLIs through effective decision making and leadership, you and your CEO will find them invaluable as you attain your strategic goals and reap the rewards of your learning investments.

Indicator #1 – Operational Excellence



What it means

The learning organization is operating at its optimal efficiency for its level of resources and investment. Your return on effort (ROE) is maximized.

How it's measured

Average cost per student day; training expenditures as a ratio of full time employees; enrollment and fill-rates, learning process maturity level; facility costs; training revenue; staffing levels; delivery models; development timelines; expenses

An Example

The learning organization is mandated to operate as a profit center and use the zero-based budgeting method. Monitoring *Operational Excellence* and its key measures provide actual baselines and projections from which to plan and analyze budgeting decision packages. Obtaining *Operational Excellence* ensures you maximize your resources in pursuit of profitability while minimizing your expenses.

Indicator #2 – Learning Effectiveness



What it means

The instructional design, delivery techniques, and general pedagogy are optimized. Learning is applied during work activities and consistently proving value to the enterprise.

How it's measured

Satisfaction surveys; progress indicators; completions; learning through pre-tests and post-tests; job impact surveys; work-process improvement; business measure variation; return on investment (ROI)

An Example

An organization is instituting Six Sigma, a comprehensive program for building and sustaining business performance. Monitoring *Learning Effectiveness* and its key measures ensure the proper programs are in place to close skill gaps of the workforce; course designers and facilitators are provided timely feedback to increase quality; performance accountability is captured for employees as they complete learning, and on-the-job improvements are verifiable through business results such as error reduction, product improvement and customer satisfaction.

Indicator #3 – Compliance



What it means

The organization is complying with all mandated regulations, both internal and external. Accurate and accessible information streamline the audit process.

How it's measured

% compliant of total population; have versus have-nots; periodicity; average days to recertify; violations; penalties; restrictions.

An Example

A healthcare organization is responsible for educating the workforce and complying with new federally mandated HIPAA (Health Insurance Portability and Accountability Act) legislation. Monitoring *Compliance* and its key measures alerts staff to gaps in certification requirements by category (e.g. business unit, location); timelines for recertification; costs and impact of non-compliance; and the efficiency of recertification and compliance communication processes.

Indicator #4 – Change Readiness



What it means

A workforce is aware and prepared with knowledge and skills to execute a new business strategy, and change swiftly as the new strategy evolves.

How it's measured

Percent of workforce cross trained on alternate tasks; ability to communicate change: channels and timeliness, dispersed workforce; climate surveys: employee trust level of management, management respect level to employee input

An Example

An organization is unable to obtain the level of quality with a particular component during its assembly process due to a change in a supplier relationship. There are alternatives to the component being used but they require different handling and assimilation to the process. Monitoring *Change Readiness* and its key measures makes certain all essential personnel are trained in advance of known deviations in process, and the proper channels and mechanisms are in place to quickly bring personnel to support and execute the changes.

Indicator #5 – Time to Competency



What it means

In the minimal amount of time and with the least amount of difficulty, new employees fully understand how to perform their job roles and responsibilities, and are ready to meet expectations in the job, where supplemental training occurs in line.

How it's measured

Ratio of time spent on the job to time spent learning; duration of orientation programs; proficiency levels; usage of “just-in-time” learning; job impact and productivity surveys

An Example

A retail organization hires seasonal employees that must be quickly integrated into the store environment to assist customers in the selection and buying process during peak periods. Monitoring *Time to Competency* and its key measures ensures your orientation and “on boarding” programs give new employees the minimum knowledge they need to be confident in their new role, and that the resources they need ongoing are available and useful in driving the desired results.

Indicator #6 – Workforce Proficiency



What it means

Employees have all the knowledge they need to perform their jobs in the time required. Human error and inconsistencies are non-existent throughout the work procedures and processes.

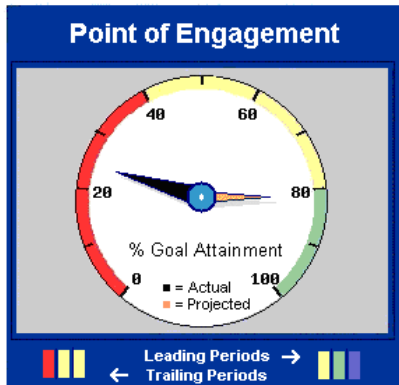
How it's measured

Proficiency levels; test scores; skill gap analysis; 360-degree surveys; productivity; quality ratings

An Example

An organization is preparing a proposal for a major contract that requires justification of experience and credentials. Monitoring *Workforce Proficiency* and its key measures shows where the strengths and weakness of the organization are by category (e.g. business line, product, service) and alerts managers where gaps exist so that programs can be implemented proactively to close skill gaps and increase proficiency in order to meet customer commitments and differentiate the organization among its competitors.

Indicator #7 – Point of Engagement



What it means

Employees are energized, motivated, and committed to the success of the organization. Leaders and employees are meeting each other's needs. Trust levels are maximized and integrity is a cornerstone of the organizational culture. The human capital practices of the organization positively affect the corporation's market value.

How it's measured

Employee lifecycle assessment process (Gallup Q12); retention; attrition; punctuality; feedback to learning as a retention tool; commitment index; customer surveys; business results

An Example

The organization wants to attract and retain top talent, and market itself as an organization that invests in its employees' success. Monitoring *Point of Engagement* and its key measures empowers you with real information to show both candidates and shareholders the positive attitude and results your learning efforts help create through the cultivation of "engaged workers".

Summary

By aligning the goals and objectives of the learning organization with the strategic goals of the greater organization, these indicators will give you valuable insight to the direction your efforts are steering the organization. But remember, you're not steering a go-kart. You are driving a race car, a competitive machine with paid sponsors and onlookers. Go-karts have few controls and no dashboard. The pace is slow and the mechanics are simple. A race car is a complicated system with electronics and devices to aid the driver in maneuvering and decision making. The dashboard is the central monitoring center for the driver. You are the driver of your learning organization.

The Learning Dashboard

Learning executives need a dashboard that allows them to visualize their key learning indicators to ensure that the direction and effort of the learning organization are in balance. The learning dashboard helps you visualize and quantify your initiatives across the various perspectives of the organization. Your perspectives may include viewpoints of finance, customers, process, and employees. Learning managers need access to more detailed information such as project-based goals, key measurements, trends, and process areas that influence measures.

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As you plan your dashboard, think who will see it and how the information needs to be displayed to most clearly communicate meaning. Dashboards should be visual. Remember, a picture is worth a thousand words. Your key learning indicators are best represented as gauges while key measures are best expressed in terms of time-based graphs with multiple Y-axis plots for current, target, and projected values.

Consider different views for the different audiences. For senior management, you'll want at-a-glance indicators that quickly tell you whether you're hitting the mark or not. For middle and line managers, you'll want to drill down into each indicator to see its key supporting measures. And for each key measure, you want to drill down again to see how the measure is performing over time.

Your learning dashboard will put the measurable impact of learning at your fingertips. It will give you the insight to drive your learning initiatives. Use it in the boardroom and use it on the corporate battlefield. Your learning dashboard is your strategic weapon to measure, manage, and lead your learning organization at all levels with precise command and control.

This paper provided compliments of Zeroed-In Technologies.

Zeroed-In Technologies markets CLO Dashboard™, a strategic reporting and decision making system designed specifically for chief learning officers and training executives. Zeroed-In provides software and services that help visualize, measure, and execute effective learning and performance strategies. By combining sound strategy with proven process and advanced technologies, Zeroed-In helps customers optimize their business by achieving the most effective, high-performing workforces.

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