

Running Training Like a Startup

Delivering Unmistakable Value 2.0

By J. Miguez

With forwards by David Van Adelsberg and Edward Trolley, co-authors

Running Training Like a Business

To all that encouraged, advised and supported me on this journey. And to my dog, Charlie, who sat patiently at my feet while I wrote, and took me for long walks when I could not write.

- J.



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Forward: David Van Adlesberg

In 1999, when Ed Trolley and I, with J's able assistance, wrote *Running Training Like a Business*, we did so hoping to address two objectives:

1. To awaken leadership teams to the overwhelming evidence that much of the massive investment (at the time +\$60 billion in the US alone) they were making in corporate sponsored training and development (T&D) was done without clear measurement.
2. To provide some guidance on how to operationalize this investment to ensure ample return.

Our ultimate hope was better human capital development through wiser spending and improved the management and measurement of this important investment. Some 20 years later, although there has been some modest achievement of these objectives, the issues and opportunities are only bigger and bigger by a quite a bit. Consider these three points:

- In fiscal year 2017 - the last year in which full data was available – S&P companies reported spending \$77 billion and it is estimated that the total spend on T&D by US companies materially exceeds \$250 billion each year.
- A grand total of 22 companies - less than 5% - even bothered to report their T&D spending to shareholders in 2017.
- Most importantly, the combination of the state of our educational system, the speed of technological change, the fight for talent, and the further increase in employees' desire to learn and grow, has never been more acute. Companies are under considerably more pressure to ensure their teams have basic skills, are retrained and upskilled when needed, are aligned strategically and are provided opportunities for skill enhancement as a means of recruitment and retention.

Yet despite the spending and the need, management and measurement systems remain scarce at best. What other +\$250 billion annual investment lacks quantifiable ROI metrics?

In steps J. Miguez with a fresh and highly practical solution. Although the change in the title from '*Business*' to '*Start-up*' is subtle, the insights and advice are anything but. In *Running Training Like a Startup*, J. shares details a new approach which is based on the practices and methods of the most successful and fastest growing companies of today. He applies and combines their pragmatism, their relentless pursuit for 'better', their openness to modify on the fly based on feedback, metrics and quantified results into a simple guide for making T&D highly relevant and measurable.

In this important and beautifully written text, J. outlines – step by step – how to embrace new and highly effective T&D practices and approaches the way the Google guys, Zuckerberg and others like them approach their overall businesses. Although the subject matter is about T&D, it is a must read for any business leader - in any position – who seeks to optimize and measure their growing investment in the development of human capital.

Bravo J. and congratulations to all who follow its wise and timely advice.

-David Van Adelsberg

Forward: Edward Trolley

I don't know much about startups as I have never worked in or with one but J. Miguez does and has. He has worked in the startup space for many years and has developed a keen understanding of how they operate, what is important for success, what are the challenges they face, how they deal with the challenges, what makes them succeed and what makes them fail.

J. and I have spoken many times about what startups do that could apply to this new world of corporate training and its need to transform. He has convinced me that there are many parallels to what happens with startups as they move from inception to full on mature operations and corporate training as it moves from understanding the need to transform and actually transforming and that there are many lessons to be learned and approaches to be considered as training transforms itself into a value-creating machine.

In this book, J. walks us thru the life of a startup and along the way, makes the connections to training. He starts, of course, with the founder who in the training world is the CLO. In J.'s words, "Just as the success of a startup is reliant on its founder, the success of the transformation of L&D depends on its leaders acknowledging the need for transformation and then taking on the role of the founders of the new L&D." He puts us into the mind of a founder or entrepreneur. He tells us that, for them, problems are puzzles to be solved, not pain to be suffered and that they are able to start with the end in mind regardless of how daunting the leap to get there. They are curious, have an insatiable drive to deliver and have a high degree of urgency. Wow, if only CLO's could walk in a founder's shoes.

This book tells a complete story of what makes startups tick and what could make training tick. He laces the book with many stories from his experiences working with and talking to founders and they add a great deal of credibility to his big idea of Running Training Like a Startup. I am thrilled that J. has not thrown away the concepts of Running Training Like a Business but instead, has built on them and introduced new dimensions that make so much sense, I wish we had written about them 19 years ago. I encourage all of you who are in need of transforming your training (every CLO?) to read this book and apply some or all of what it talks about to your situation. You and your company will be better off for it!

-Edward Trolley

Preface

I have been talking about the idea of this book for years. I was part of the team that launched *Running Training Like a Business*. An industry staple and game changing approach in the nineties. So why is it that after two decades, Learning and Development is still struggling to deliver unmistakable value? Technology, just emerging when *Running Training Like a Business* came out, is now at the core of the learning organization. The tools used by learning and development practitioners for everything from course creation to measurement have improved. Yet the same problems that stirred the need for the first book continue to challenge Learning and Development organizations around the globe. Recent research by Bersin by Deloitte indicates that, while employee development has never been as important, faith of the organization in the L&D function to deliver value has also never been so low.

In those two decades, the companies that L&D organizations serve have changed. Companies of all sizes, once comfortable in their place in the market, have been disrupted. Innovation, once a source of competitive advantage, is now a business requirement. With all of these changes to the business, how has L&D evolved? Some would say not very much. The use of outsourcing, controversial at the time of the first book, is fortunately now a widely accepted solution for many functions of L&D. Thanks to the migration to digital learning, measurement data, formerly difficult to collect beyond "smile sheets", is now readily available. But, in many ways, L&D has not changed at all. As stated recently by Bersin, "business leaders and employees often cite little or no value coming from the learning organization. An ominous comment about Learning & Development, an organization that we would argue is more important today than ever.

Enthusiasm is defined as "intense and eager enjoyment, interest or approval". My sense, having sat with many industry professionals at all levels and comparing that to the enthusiastic energy inherent in fast growing startups, is that our industry is sorely lacking enthusiasm. While we may experience excitement, a short duration form of enthusiasm, about new tools, technologies or toys, this is the emotional equivalent of a sugar high. As the last two decades have shown us, we are running a marathon, not a sprint, and sugar is not the fuel of success.

The lack of enthusiasm is not entirely unwarranted. The importance of employee engagement in an organization's success is widely recognized. We have all seen the studies on what increases it; mission, leadership, development, among others. Yet, when you talk to learning pros, the focus is often on the lack of funding, limited executive support or latest tool or tactic being deployed. Even the cup of sugar is half empty. And when we hear from executives, we often find they have a low expectation of training. My belief is that is because they really do not know what is possible. If we, as an industry don't have any enthusiasm, how can we expect executives to have any enthusiasm for learning?

Successful startups have enthusiasm in abundance. Founders actually take enthusiasm to the next level, passion. Passion is that intense, driving feeling or conviction and while at points this may be divorced from reason, it sets the highest possible standard for others to follow. Sit with a startup founder for two minutes and they cannot help but tell you what they are building. They will talk fast, as if they have had too many cups of coffee. Most importantly, they will leave you excited about their mission and looking for ways that you might help them. The passion for what they are doing is not only visible when they are talking to investors or potential customers. It comes through all the time. It is on display when they are talking with their teams, standing in line for lunch, sitting around with friends, riding the bus and even walking their dog through the park. If there are ears to listen, they feel compelled, like new parents, to share it. And this is not limited to just the founder.

Successful founders recruit people that share their passion and contribute their own enthusiasm to the mix. Enthusiasm is not solely enjoyment. It is also defined as "intense interest". In this way, enthusiasm leads to curiosity and curiosity often leads to new, novel, more effective or more efficient solutions. Coding engineers at startups frequently spend long days at work only to go home and play around writing code for fun or to test ideas that they might be able to bring back to work. When was the last time you invited some friends over for some barbeque and some brainstorming on how redesign an assessment process or a learning program? Not because you had to, but because you wanted to.

Our industry's path forward is not going to be an easy one and we will need a full tank of enthusiasm to fuel our organizations. We are enthusiastic about the future of learning and development and we think you should be too. We believe that unlocking the enthusiasm that our industry has for learning requires a new approach. An approach built on the timeless principle of delivering value holds huge opportunities for the professionals that practice it and the people and organizations they support.

Enthusiastically yours, J.

Acknowledgements

This book would not have been possible without the guidance, reality checks and no holds barred feedback of Ed Trolley. His support and belief kept me and this content focused, based in practical experience and applicable in the field.

Additionally, this book is the result of the input and influence of an enormous number of people. Let me begin by acknowledging the contribution of all the clients, startups and learning professionals I have had the joy of working with and for of the last twenty years. This book could not be written without the experience and learnings that I have had alongside you. Let me also say thanks to the many people that gave me priceless advice, feedback and support during the process of writing this book Ed Boswell, Craig Wortmann, Valerie Alexander, Judy Hauserman, Chip Cleary, Cassandra Damarcus, David Vance, Siobhan Dullea, Kathleen Mazure, Allan Todd, Jocelyn David, Alicia Angle and the Ochsner Health System learning team.

To the many others that listened to my wild ideas, early concepts and random ramblings, your patience and tolerance were greatly appreciated. Finally, a special debt of gratitude is paid to Pooja Singh Mehta, who edited early versions this book making it possible for others to focus on my content and not my poor grammar.

Introduction

It has been almost 20 years since Running Training Like a Business was published. Even now, its principles are a popular topic at conferences and in conversations, drawing new learning and development professionals into the tale of delivering unmistakable value. Since the book was released, I have had the privilege of working with corporate learning organizations around the world. My experience has confirmed that, at its heart, the message of the book is as important and essential today as it was when it was released. However, I have also come to recognize the increasingly volatile, uncertain, complex and ambiguous (VUCA) environment in which the businesses are operating and the disruption that technology is causing. The changes in business environment create a mandate for L&D to respond to this new environment. Hence, the need to revisit this important industry touchstone.

Running Training Like a Business was published in the late 90's. At that time, the internet was still young and novel, the market environment for many businesses was relatively stable, the disruptive power of technology was yet unseen, and new companies took a long time to even be noticed. There have been many changes both dramatic and subtle since then. High growth companies such as Facebook, Uber, Google, and Airbnb have invaded markets with business models that didn't even exist. 'Grow fast or die slow' has become a revered mantra. Innovation is not a choice; it is now only basic table stakes to stay in the game. Speed and agility are not optional, new competitors are always right around the corner looking for the opportunity to take the market leading position. Digital transformation is not a buzzword, it is real, here and disruptive.

If this is the new reality for today's businesses, then the definition of what it means to successfully run training "like a business" has changed as well. Eric Ries, the founder of the Lean Startup movement and author of the book "Lean Startup" defines a startup as any enterprise where the "unknowns" are greater than the "knowns". Using this definition, today's learning and development organizations are most definitely startups. Therefore, today's L&D leaders must be running training like a startup business. Running Training Like a Startup applies the techniques used by high growth startups to the Learning & Development organizations.

While I was drafting this book some of the feedback I frequently received was, "this is great and needed but I won't be able to do it in my organization." As I mentioned earlier, I recognize that startups have a distinct advantage in implementing these value-adding approaches. By starting with a clean slate, they avoid the inherent challenges of changing an existing system. In fact, in a recent survey by Innovation Leader, the two largest hurdles to corporate innovation were identified as politics and cultural issues. Two barriers not often faced by startups.

As companies continue to find value in supporting corporate innovation through incubator programs, dedicated teams and other approaches, I am confident that these challenges will continue to lessen. Learning and Development organizations are often tasked with supporting innovation initiatives and have the opportunity to lead by example. Leading in this way demonstrates that L&D can be, and must be, a powerful weapon for organizations looking to survive in today's business environment. So, start small, be opportunistic, find a business sponsor and experiment. You don't have to do it all. Just start. Standing still is not an option for your business or for learning and development. My hope is that this book offers you a practical guide for learning professionals operating in today's fast-paced business environment.

A Startup Story

It was the same routine as the prior month as the startup's founder sat down to write her investor update. She had written many before but this one was going to be different. In prior months, the updates had contained exciting news about the product development milestones that had been achieved and the growing list of users lining up to get first access to the product. The launch, while delayed by a couple of weeks had brought a flurry of activity as the team struggled to keep up with the growing user base. Her investors, believers in her product but even more so in her and her team's capability, had read each installment of her updates with growing excitement and anticipation of the returns they would get on their investment.

This month's update, however, would contain news of a slowing flow of new users and a drop in the activity by current users of the product. The founder knew that without continued success the startup would use up its remaining cash and find itself in a dire position. The product was originally conceived to solve a big problem for its market. She had confirmed this assumption through countless interviews and surveys. If the need was there, why weren't the users jumping at the solution? While for some companies this would be the end, for most startups this is just the beginning.

The following day she and her team began the day with their morning huddle. On this morning, the team poured over the signup, user and usage data hoping to glean some insight into what was not working. Analysis tasks were quickly assigned searching for answers to who was signing up, who was using the product most and the least. Each task was put on a sticky note and stuck to the wall. As each team member finished a task it was moved to another spot on the wall before they pulled another. In this fashion, the wall was reorganized throughout the day.

The following morning in the huddle, the findings of the prior day were discussed. The team had discovered that the most active users shared a couple of similarities. They had all used a specific feature of the app and they had all come to sign up through a specific marketing channel. The founder then spent the day adding context and additional data to this insight. Since the active users had found her product through a social network, she was able to see demographic and other information about these users. By reviewing her product's structure, she was able to see the most and least used features. Using the data she had collected prior to launch about the need, she was able to break it apart into its various elements. Now she had a plan.

The next day the team was greeted by an already populated wall of sticky notes. The startup's founding vision had not changed. They were still focused on solving the same problem; however, the product would have to change. And not just the product but the entire business model. What the founder had discovered was which of her product's features had the highest value to her user population. She also

now knew how to best reach them and what messaging worked best. Now it was up to her and her team to focus.

With only 60 days left until the bank account ran dry, her question to her team was simple. “How do we deliver the most value to the most users in the next 60 days.” The product team quickly set out to understand how the users were actually using the product and defining what they could do to get users to high value features in the product sooner. The marketing team began revising the value proposition and marketing materials. At the end of the day each team presented their plan to the founder. Plans were discussed, modified and agreed to. Each plan had several points during the next two months identified for possible course correction and had specifically defined expectations of results in terms of signups, usage or referrals.

After trying multiple new messaging approaches, over the course of the following week the impact of the refocused marketing was again building a pipeline of new users. The product team was releasing a new version of the product highlighting the high value features the following week. The full redesign of the product was on the roadmap but would never fit into a 60-day window. Instead, smaller, weekly improvements were planned. Meanwhile, the founder worked to revise her marketing budget, pricing plan and operating model to reflect the new focus. Her startup would still solve the complete problem. They would just get there by a different path, a path dictated by what her users valued.

At the end of the month as she sat down to write her investor update she reflected on the prior month’s activity. “Our focus on what our users value, as demonstrated by their feedback and behavior, is paramount,” she began. She then went on to review her dashboards showing the key metrics reflecting performance in critical areas. “Without the amazing team we have we could not have gotten through this,” She continued. “Our speed, use of data and understanding of our business model has led us to continue our work to solve our customers’ problem. Our work over the past month has been another opportunity to learn. And I am sure it won’t be our last.”

This story is hardly unique. It is being played out by startups around the world every day. Some of them will create the happy ending but many will not. As we reflected on the countless discussions with learning professionals, learning organization assessments and business leader interviews we have had over the past two decades, what struck us was how different the typical startup was to many of today’s learning organizations. How many times have we heard the L&D professional tout the catalog and linkages to the competencies only to be told by the business leaders they serve that they still had unmet needs and capability gaps that were holding back their business? Time and again we hear L&D provide us with the high perception of value that the businesses hold for training only to find a much lower assessment from line managers or learners. This is not a comparison between good and bad. Rather this

is a focus on getting from good to better to great all by using tools and approaches built for the way business works today.

Self-Assessment

In order to provide a basis for the content contained herein I have created the following assessment. The questions below are based on the key dimensions for running a learning and development organization like a startup. For the quick self-assessment scorecard below, please rate the assumed extent to which your learning organization has attained the goal.

Running Training Like a Startup Goal	Rating
<i>Rating Scale 1 = strongly disagree 10=strongly agree</i>	
We are serving the largest possible user groups	
We are delivering maximum value to the user groups we serve	
We understand deeply what our user groups value	
Our products and services are aligned to what our user groups value	
Our processes are aligned to what our user groups value	
Our resources are aligned to what our user groups value	
We have optimized our processes and activities for speed	
We are collecting and using data to drive improvement	
Our user communication is clear, consistent and compelling	
Our stakeholder communication is clear and consistent	
We have engaged the advisors we need in order to succeed	
We are confident in our reporting of what we are currently investing	
We are confident in our reporting of what we are currently returning	

Total Score:

Once you have completed the self-assessment, look at your scorecard and ask yourself the following questions:

- Where did I rate my organization highly? What existing data supports this rating?
- Where do I not have data to support my ratings?
- How could I collect the data needed to inform my ratings?
- If this scorecard was shared with others in the L&D organization would they provide similar ratings?
- If this scorecard was shared with my customers in the business, would they provide similar ratings?

Organizations with a total rating score of 13-65 are in danger of disruption. This may mean reduced scope of responsibility; budget cuts or high probability of resources being shifted into the business. These organizations should work with high urgency to begin the search for product-market fit.

Organizations with a total rating score of 66-100 are on the path to product-market fit. They may take a more targeted approach to optimize the learning organization and focus on areas rated low.

Organizations with a total rating score of above 100 are exemplar organizations but even these organizations cannot afford to rest. The pace of today's business environment that organizations that scored this high cannot stop running but at least they are not playing catch up.

By starting with an honest assessment of your organization I hope that at the end of reading this book you will not only have a better idea of what it takes to excel at these dimensions, but also have an actionable path towards delivering unmistakable value.

About This Book

This book will attempt to provide learning leaders and professionals with clear examples of how L&D can apply the winning strategies used by startups to their L&D organizations. From mindset to techniques and tools, I hope that Running Training Like a Startup will provide a useful starting point for reimagining the learning organization as a powerful partner in today's business environment.

If you have not read the prior book, Running Training Like a Business, have no fear. This book is designed to stand on its own. In cases where I do reference the first book, I have attempted to provide all the necessary context within this text. This is not to say that I don't recommend everyone read Running Training Like a Business, in fact I very much do. Running Training Like a Startup is not meant to replace the first book. As you will see throughout this book, many of the core tenets of the original remain relevant today.

This book has three sections. The first, Team, explores the new roles and key capabilities needed by the "founding team" including; adaptability, communication and experimentation. The second, Tools, describes four keys to operating like a startup including a product mindset, speed, data driven execution and a dynamic operating model. The final section, Launch, provides some tools for getting started and using the new operating model framework to better understand the current state of your learning organization. It also offers suggestions on how to put your organization on the path of running training like a startup.

The goal of this book is to describe some of the ideas we have for translating successful startup techniques for product development, customer management and people to corporate Learning & Development. Having worked with startups for almost twenty years, I recognize that not every startup is perfect, nor are their tools and practices always ideal for the world of corporate L&D. We believe that the ones presented herein are. And as I stated earlier startups have certain advantages over learning and development organizations. Startups have the benefit of starting from a clean sheet of paper. Startups also do not have pre-existing conditions such as legacy, hierarchies, politics and inertia.

One of the things that I have come to love about the startup community is that it is also known for its transparency. Founders of startups openly share the results of new tools and techniques, both good and bad. As a community of L&D practitioners, we can learn much from startups and from each other as we adapt to this new age of disruption. In the spirit of startups, this book is not about having things perfect. This is about getting started, iterating quickly and collaborating. In this spirit, please join the discussion on this book's blog at RTLAbv2.com and add your thoughts and ideas so that our whole community can better deliver unmistakable value in the world of business 2.0

Section 1: Team

CLO as Founder

"Will the founder always strive to do great work that is legendary, with people who are spectacularly awesome? Will this commitment translate to recruiting amazing people who want to work with the founder and each other? Have you ever been in a situation where you and a team were pursuing total excellence? A great founder will not just seek this or hope for this, he or she will demand this."

- Mike Maples, Founding Partner at Floodgate, Investor in Twitter, Lyft, Sonos....

Today's companies are being transformed by multiple disruptions: technology, digitization, volatility, diminishing geographic boundaries, tougher competition, more demanding customers, and skill shortages. These disruptions are mandating new approaches to all aspects of business. As businesses battle these disruptions, L&D organizations need to go through their own transformation. A transformation that enables them to create unmistakable value for their companies. This transformation is more than just a step change. It will require L&D organizations to think afresh and recalibrate their teams, products & services, value proposition, execution model and stakeholder communication.

Just as the success of a startup is reliant on its founder, the success of the transformation of L&D depends on its leaders acknowledging the need for transformation and then taking on the role of the founders of the new L&D.

The Mind of a Founder

Leaders of an L&D organization that creates value in today's business environment must adopt the mindset of successful startup founders. Case studies show that successful founders are excellent problem solvers. This attribute is the product of a much deeper set of values that drive how entrepreneurs think and act. Ask sports psychologists and they will tell you that the difference between an excellent athlete and a superstar is not technique, physical ability, or strategy, but rather it is their mindset. Much like professional athletes, successful founders have a unique mindset that gives them an edge. Here, we summarize the key dimensions of their mindset that are essential for today's L&D leader to embody and foster in their team.

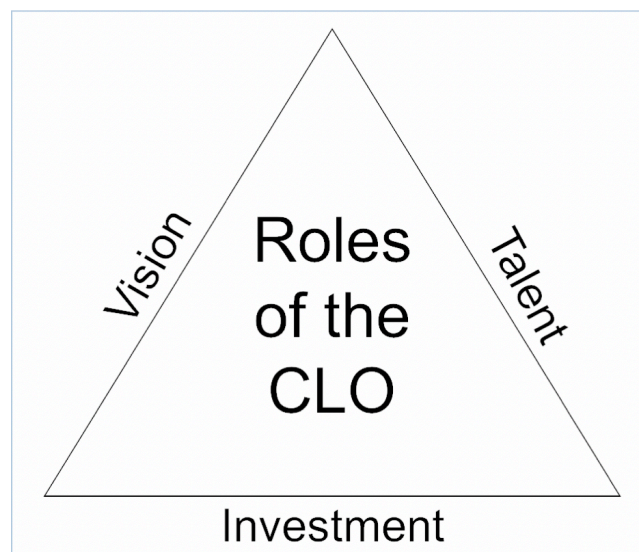
Successful entrepreneurs:

- See the world around them and the challenges ahead of them differently. For them, problems are puzzles to be solved; not pain to be suffered. Customer dissatisfaction is an opportunity for a better solution. In this way L&D leaders cannot focus on unavailable resources or limited support as barriers to their goal. Founders understand and embrace their journey, even when faced with numerous obstacles. Invariably, there are moments of doubt and failure; they recognize these as a part of the process that delivers unmistakable value.
- Are able to start with the end in mind regardless of how daunting the leap to get there. L&D leaders must hold the ultimate vision in their heads at all time no matter where their organization is today. According to HBS Professor Howard Stevenson in his book Breakthrough Entrepreneurship "Entrepreneurship is the pursuit of opportunity without regard to resources currently controlled."
- Have a wide knowledge base and are curious about adjacent domains and seemingly unconnected topics. This parallel thinking often leads to breakthrough innovation in their core domain. Knowledge of game mechanics, neuroscience, virtual reality and design thinking have already begun to provide value to curious L&D organizations. Leonardo DaVinci, the 15th century Italian artist, anatomist, architect, mathematician, engineer, and inventor exemplifies how such cross-domain expertise leads to prolific innovation. His 13,000 pages of notes included sketches for future paintings, designs for wings to help man fly and shoes for walking on water.
- Have an insatiable drive to deliver. Their relentless commitment to making their idea a reality is obvious to everyone around them. L&D leaders need to possess a passion for getting things done. In his latest book, Walter Isaacson, Steve Job's biographer and author of the book 'The Innovators,' describes vision without execution as hallucination. Vision with execution is what successful founders have.

- Have a high degree of urgency. Some startups even keep what they call a "death clock" in their office. This clock counts down the time remaining before a startup runs out of money and will no longer be able pursue its vision. L&D organizations that do not offer continuously growing value have a clock as well. It may not be on the wall for all to see but it is there. CLOs must act with the same urgency as startup leaders, racing to ensure that the clock never strikes zero.

Chief Learning Officer 2.0

In 1991, when Jack Welch made Steve Kerr GE's (and possibly the world's first) Chief Learning Officer, the business world and the world of learning looked very different. A quarter of a century later, it is time to take a fresh look at the position and the key role it plays in ensuring that learning is running at maximum efficiency and effectiveness. There are three primary roles for a founder of a startup that should be the focus for the CLO as well. These are; define and keep the vision and value proposition, attract and retain the best talent for their team and grow the investment.



Role 1: Keeper of the vision and value proposition Startups see vision as a longer term, "how will we change the world" flag. For example, Uber's vision could be "world's leading logistics company". By contrast, the value proposition has a more near-term focus. In this case Uber's could be, "making it easy for people to get from point A to point B." The key is, that while different, the value proposition earns the enterprise the right to progress towards the vision. Therefore, both the vision and the value proposition are critical. For example, focusing on both a long-term vision, making our sales training the best in the industry, and the more immediate value proposition, helping our salespeople close 10% more deals this quarter demonstrates value that build credibility for the vision.

Because of this today's CLO must know and share the answers to two questions. How are we delivering value today? How is that advancing us towards where we want to be tomorrow? By clear answers to these two questions, the CLO makes it clear to all stakeholders why decisions are made and how priorities get set. These answers also provide a roadmap against which progress can be marked and show a commitment to delivering unmistakable value by showing not telling.

Role 2: Attract and retain the best talent

All successful startups depend on a core team of "A" players to actualize their vision and deliver their value proposition. Without an empowered, enthusiastic and skilled team, the CLO will not be able to create the transformed L&D organization. Therefore, there are two parts to the CLO's role with talent: building the team and managing them. Building the team requires the CLO to recruit with enthusiasm for the vision, the value proposition and the opportunity to work with other "A" players.

But who are you recruiting? Running Training Like a Business presented what we at the Forum Corporation affectionately called "the camel chart." The charts rolling humps, almost like two competing sine waves, showed the misalignment we too frequently saw in learning organizations between high value adding activities and where the learning organization was spending its resources (time and money). If the activity is of low value or is of an undifferentiated nature, relative to the L&D organization's vision and value proposition, it is unlikely that a CLO would invest in the development of internal capability. Undifferentiated expertise on low value-add or commodity activities can almost always be bought; as needed, at higher quality, for lower cost. Whether internal or external, the highest standards must be set and monitored for each activity.

The focus of the new L&D team is on the high value-add activities or activities essential to the delivery of the vision and value proposition. For these capabilities, CLO's, like startup founders need to ensure they are hiring two types of "A-players". The first are "Swiss army knives". These are multiple position players who have the ability to add deep value in a variety of situations. They are connectors, coordinators and team players who have the awareness of what is needed. They either have the skills to perform the required tasks or ability to access another expert. The second type is the "specialist". These members are experts in key high value adding activities that provide competitive advantage to the L&D organization.

Once in place, this A-team requires empowerment and support more than management. The CLO must identify the goals and allow the team to experiment and discover the solutions. Experimentation and discovery result in team members developing new skills or deeper capability. In startups, it is not uncommon for a team member completing a search for a solution to have learned a new programming

language or discovered previously unknown opportunities. This mix of empowerment, support and development is crucial. The CLO's focus must be on resource management, ensuring that the team is deployed to best deliver the value proposition and achieve its longer-term vision.

A CLO that recruits, builds and manages their team in this way reaps multiple benefits. The enthusiasm of an empowered team creates engaged co-owners of the vision and value proposition. Multi-faceted talent allows for highly flexible teams that can easily adapt to the changing capacity and capability requirements. Most importantly, building a culture of problem solvers, not solution builders, drives innovation from all directions.

Role 3: Grow the investment

For startup founders, this role is all about keeping money in the bank. For CLO's, managing the investment means looking at your budget as an investment in your organization's ability to deliver returns, not a savings account to be drawn upon. The CLO's investors are the business executives that directly or indirectly control all resource investments. These executives have many investment choices, such as new technologies, R&D, Sales & Marketing, recruitment and many others. Getting these investors to choose L&D as the best investment is the job of the CLO.

CLOs must be able to create robust business cases, tied to the bottom line, that assure executives that the investment made in L&D will deliver positive returns. CLOs must be able to clearly pitch for both funding and support. CLOs who can enthusiastically and clearly communicate are able to rapidly develop new dialogues with their investors. Today's CLO must change the executive's perspective about L&D and move the discussion from one of L&D as a cost to L&D as an investment. Done properly and consistently, these communicators also focus the discussion, not on the activities of program building, but on value and return.

Talk the Walk

Without a good product, communication is cosmetic. Being able to "show" is paramount. No amount of startup tips and tricks can save a startup that delivers no value. But, as mentioned earlier, much of a CLO's job in the new L&D is about communication. Communication is the key weapon for accomplishing the three primary roles for startup founders and CLOs. While presented here for use by the CLO, many of these concepts have applicability for all members of the L&D team.

Tell Me a Story

Successful startup founders engage their investors, customers and teams with powerful stories. These stories are a valuable way to communicate with their audience for many reasons. Craig Wortmann is the author of *What's Your Story?* The book's goal is "to help leaders effectively communicate the things that really matter." In the book, he highlights 10 reasons why stories work. Below are five that are particularly relevant to an L&D organization's communication.

- They provide context – they don't just describe the solution, but also describe how that solution fits into the world.
- They build relationships – listeners become invested in the participants in the story.
- They alter time – stories can compress time to show and connect action and results or slow time down to highlight impact.
- They show multiple perspectives – listeners can see a situation from a variety of angles (customer, customer's company, own company, or other stakeholders.)
- They spread! – stories are shareable and good ones are easily retold.

We are wired for stories. Scientists believe that humans have been telling stories for tens of thousands of years. In today's "attention economy", where the amount of information we encounter every day has been constantly growing, making your message stand out is a survival skill. For L&D, there's a further complexity, the "distraction economy." Business executives might easily be distracted by various operational, financial and product issues; amidst which, the voice of L&D can drown easily.

Note from J.

Craig Wortmann and I worked on several clients together while we were colleagues at The Forum Corporation. There was one time when Craig and I were working on a proposal for a large insurer. We had conducted numerous client meetings and as it always does with clients, the opportunity evolved and changed. It was a long process, even with a great client partner. However, getting the deal signed and the work started always seemed to be "a few days away."

One night, Craig and his wife invited me to their house for dinner. When I arrived, I rang the doorbell and was greeted by Craig's adorable three-year old daughter. She came to the door with a smile and a sheet of paper. As I took the paper from her hand, I realized it was the signature page of the long-awaited contract. A few paces behind stood Craig with an even bigger smile. I have won much larger contracts. Yet, this is the one story that I continue to tell.

The Four Core Stories Founders Tell...and CLOs Need To

Some founder stories are specific and developed for one-time use. For example, a founder might be communicating the product launch campaign results. There are, however, four stories that founders use repeatedly. These stories are adapted, updated and contextualized to address the needs of different audiences and situations. These four stories are:

- Mission - why do you do what you do?
- Customer- who do you do it for?
- Solution - what do you do?
- Execution – what are the highlights on the roadmap of the solution and who is the team driving them?

These four core stories are standalone; yet they are used as building blocks to create narratives for diverse audiences and situations. Depending on the objective, you might emphasize some of these four or omit sharing some of them. For example:

- When recruiting a team member for a learning advisory board, a CLO might emphasize the Mission story to build excitement and ensure alignment.
- When testing a solution with a business sponsor, a CLO might include the Customer and Solution stories.
- When attracting an “investor”, a CLO could emphasize both the Customer and the Execution stories to indicate the opportunity and the skill of your team.

In a fast-moving world of change, each formal presentation, email or chance encounter must yield results. CLOs must have these four stories in their repertoire; honing them every chance they have. This is not about memorization. This is about confidently articulating a clear, credible and compelling message that cuts through the noise. The matrix below highlights the key elements of the stories that startup founders and CLOs tell.

Story	Element
Customer	<ul style="list-style-type: none"> ▪ Detail the portrait of the customer you serve. Be able to put the listener in the chair of your target user. ▪ Describe the "pain" that the target customer is experiencing and the general category of solution that the customer requires. ▪ Describe the "gain" that the customer seeks. This is a benefit, not a feature.
Solution	<ul style="list-style-type: none"> ▪ Define your solution including the features that accomplish the customer's benefit. ▪ Differentiate the solution from other possible/competing solutions ▪ Demonstrate how and why the customer will not simply be happy but delighted* by the solution.
Mission	<ul style="list-style-type: none"> ▪ Create a purpose statement that describes how you are going to change the world. This is an emotional element not an intellectual one. ▪ Provide rationale for why this mission is important to others. ▪ Create a commitment statement that convinces the listener that the idea is important to you and your team. Listeners will not believe in your idea unless your belief is strong.
Execution	<ul style="list-style-type: none"> ▪ Include a "secret recipe" such as proprietary research, special resources acquired and unique elements such as process or approach. ▪ Provide details of your journey so far, including where you have been and where you are going, not simply where you are. Draw a line from inception to launch or through additional development of the solution. ▪ Describe why you will succeed and how the team is the best one to shepherd this solution to reality. Outline the mix of knowledge, skills and experience in the team and how it matches up against the potential challenges.

**Note: The last element, delight is especially important. This is because new solutions require change. Committing to a change requires high motivation, which can come from "delight." When was the last time you changed your routine for something that was "a little bit better?" Similarly, your audience is unlikely to commit to your proposed change, unless there is a potential delight that the change will bring.*

Stories are important because they ensure that founders get the maximum impact out of every communication with a customer, team member, investor or partner. CLOs who are determined to create unmistakable value by running their organizations like a startup will need to have many convincing conversations to garner the sponsorship and support of the business executives, their teams, learners, and other support organizations. Working on these four stories will ensure that they maximize the impact of every opportunity to communicate.

The Value of Your Value Proposition

CLO's cannot embark on their transformation journey without the enrollment of executives, team and other stakeholders. Sharing a story is not always feasible, especially when the listeners have little time and divided attention. To address this challenge, startups have refined the art of the "elevator pitch". This is a 10-20 second explanation of what they are doing, much shorter than a story. The purpose of an elevator pitch is not to tell the listener everything; it is to capture their attention with a quick synopsis and earn the right to continue the conversation. Think of it as a movie trailer for a feature film. It also has the added benefit of being a sound bite that is easy for your audience to pass along. A key section of this elevator pitch is the value proposition.

The value proposition comprises two parts, customer and solution. Both of these are distilled from the core stories. Remember the goal is not to tell the listener everything. The first part, customer, is where the generation of a value proposition begins. By starting here, alignment of the learning organization with the needs of the executives and employees is assured. For the customers you serve, this part of the value proposition addresses the goals they are trying to accomplish, the challenges they face and the expectations of results to be received once the challenges are overcome. An example might be:

"L&D helps our company grow [goal] more quickly [challenge] so that it can capture more market share [expectation of results]."

This succinct statement demonstrates the alignment of the L&D organization with the goals of the company and highlights the benefit of success. Note the use of the word "helps" in the sentence. L&D will most likely not be the sole solution contributing to the achievement of big business goals, but big goals attract executive attention. Hence, it is important for L&D to assess the role that they can play in supporting and accelerating the big business goals.

The second part of the value proposition describes the best approach to meet your customer's challenge. This part contains your solution to the challenge, how it helps to overcome the challenge and the benefits of doing so. To continue our example, this part might be:

***L&D builds, manages and optimizes a core curriculum as well as a rapid skilling program [solution].
This allows employees to proactively and quickly acquire the skills needed [overcome the challenge] to
ensure the growth of the company is not limited by a lack of skilled resources [benefits].***

Notice that in this suggested process, the value proposition is built from the customer backwards, and it does not include the "how". The goal of the elevator pitch is to engage your audience, pique their curiosity and get them to ask, "How do you do that?", "What is the rapid skilling program?" and "What is in the core curriculum?"

The key to a strong value proposition is to anchor the conversation at an aligned and high level. We know from 20 years of talking to executives and learning professionals that you can always get into the weeds later, but if you get in them early, you can never get out of them.

In startups, every team member can readily tell you what the company's value proposition is. In an L&D organization it must be the same. The CLO is certainly not the only person that will come into contact with company executives. In addition, relationship managers and solution architects can use the same template to craft value propositions for the specific business they serve or learning solution they provide.

The Ask

For some of us, asking for something, with its inherent possibility of rejection is an uncomfortable part of communication. However, the ask element of communication is one that startup founders and CLOs, if they want to succeed, get comfortable and get good at, quickly. If the value proposition tells people what you do, the ask tells them what you need. Let's explore the anatomy of an effective ask by looking at a few examples that we are all familiar with.

- Example 1: Ask for inviting someone out, "It's going to be a great party. There will be some real interesting people there that I want you to meet."
- Example 2: Ask for help with household chores. "Because of your allergies, how about I mow the lawn and you do the laundry? That way we can get everything done sooner."
- Example 3: Ask for a new commitment from self. "I am going to go to the gym after work so that I can look great for the reunion next month."

All of these "asks" have a similar structure that includes the "give" and the "get". The "give" is what the person asking wants from the listener. In the prior examples, it is for the person to attend, laundry done and going to the gym. The key to the give is the feasibility check and preciseness of the ask.

The feasibility check is required to ensure that the person being asked has the ability to provide the “give”. While this may be obvious in the examples, it might not always be as clear in business. Maybe your business sponsor doesn't have the authority to provide the needed resources. Ability to provide the give may also inform the timing of the ask. Are there budget cycles or internal influences that might limit your audience's ability to deliver on the give? Clarity and the preciseness of the ask are important so that the person being asked understands the scope of the request. Imagine in example 2, shared previously, the ask had simply been "do some cleaning in the house" in exchange for a mowed lawn. The person mowing may have been disappointed to return to the house to find a pile of dirty clothes in a dust-free freshly vacuumed room.

The second part of the ask is the "get". This is what the person asking can provide in exchange for the “give”. In the prior examples, it is interesting people, a mowed lawn and a fit look. The key to the "get" is knowing your audience. In our examples, the requestor must have known that meeting new interesting people was of value to his or her audience. If the audience had been more interested in food or history, the requestor might have focused instead on the dinner menu or the historic location of the event.

Lastly, it is important to match the value of “get” and “give.” If in our examples, the provider did not have allergies, the yard was small and the pile of laundry was massive, the requestor would probably not have a chance of a deal. For a CLO, this means never failing to include the results, impact and value that are important to the L&D sponsors and partners. Want 200 hours of subject matter expert time from your business sponsor? That better be one heck of a program.

Investor Communications

Drawing on startup founders, I identified the three key roles of the new CLO, one of which was managing the investment. In the case of the CLO, money equates not just to budget but also to support. Nurturing the support of learning's investors is not something that can only be done based on the budget cycle. Too often, executive communication is an annual event. Running Training Like a Business, recognized that while executives were sold on learning, they still harbored doubts about whether their investments in training were delivering value. While there has certainly been some progress made on this front, the doubts still linger.

For startups, keeping money in the bank requires investor communication. The importance of this communication is so widely understood and accepted that an entire vertical of software platforms have sprung up focused solely on it. Early on startups, like L&D, do not have an income statement or balance sheet that reflects the performance of the enterprise. And financials always only tell part of the story. This makes these communications even more essential.

Note from J

Recently, while working with one of my clients, I was shocked that almost all of the senior business and function leaders were oblivious of the products, services, value proposition and success stories of the L&D organization. On reflection, while the widespread oblivion of business leaders was not unique to this organization, the phenomena is quite common across many organizations. L&D is often a closely guarded secret!

Regular communication by CLOs, in a format that is similar to the investor communication made by startup CEOs, is a great tool for the business executives to understand the value created by L&D. Doing this communication once a year, during the annual planning or annual review process, is just not enough. CLOs need to update their investor, the business executives, more often on how the L&D investment is returning value and why the executives should continue to provide their support and continue the investment.

A typical startup's investor report can be a good template for the L&D leaders to follow for creating their executive update. Here is a sample.

Sample Monthly Executive Update Template

1. Progress made since the last update. This can include the achievement of milestones, the launch of a new initiatives or other big wins.
2. Challenges currently being faced. The opportunity here is to introduce issues that L&D may need executive assistance with.
3. Key Performance Indicator (KPI) or scorecard results including prior period, deviation from KPI target and/ or forecast and next period's forecast.
4. General organizational updates such as significant new hires or key vendor selections.
5. What is coming in the next 30-60-90-day time period.
6. A request for any support required such as learning more about a new company strategy. Don't be proud, don't be shy, just ask.

In general, you want to keep these updates short, no more than two pages. Like the pitch we described earlier, the purpose here is to provide headlines and sound bites. If an executive would like to learn more, then it is time for them to ask. Engagement is the goal and a positive outcome from this type of communication.

Co-founders?

There has been much debate, in the land of startups, about the value of a startup having co-founders versus a sole founder. Those that advocate the value of co-founders, cite many reasons.

One reason is that the amount of stress associated with a startup is enormous. More hands to spread it around means less stress per individual. Some advocates cite the need for a wide range of skills rarely held by a single person. Others value having multiple perspectives on the unavoidable problems that will be faced by any startup. And still others simply point to history, calling out Steve Jobs and Steve Wozniack's success at Apple or Bill Gates and Steve Ballmer's run at Microsoft.

Co-CLOs may be too much of a stretch but ensuring that the leadership team of an L&D organization is built for success is not. Building on the Apple and Microsoft examples, we see three key leadership capabilities that contributed to their success: product execution, customer relationship and innovation leadership. Both of these dynamic duos consist of individuals with complementary skills sets. One of them was focused internally, on product execution and the necessary operations, process management

and organizational management needed to deliver it (Wozniak/Gates). The other one was focused externally, on relationships with customers, partners, investors and the industry (Jobs/Ballmer). Finally, one or both of them played the role of innovation leader, searching for what was the next generation, product, service and value proposition.

These three capabilities are the same and equally important for the leadership team of a value-producing L&D organization. Self-awareness appears on almost every list of traits for successful founders. Knowledge of their own skills sets is the driver for many successful founders seeking out co-founders. In this way, weaknesses can be compensated for and strengths can be focused on. As described previously, the role of CLO is certainly about external relationships. It may not be important which of the other two capabilities are provided by the CLO but it is crucial to a L&D organization's success that all the capabilities exist within the leadership team. CLOs have built a career by showcasing strengths. For the CLO as founder, another resume is needed, one that inventories a CLO's capability gaps and weaknesses. It is this resume that can be used as a tool for building the L&D leadership team.

CLO as Founder: Discussion Questions

- How do you see your role as CLO?
- What capabilities does your leadership team have?
- What are your organization's four core stories?
- How do you answer the question, "what does L&D do?"
- How can you make your "asks" more successful?
- What and how often are you communicating to L&D's investors?
- How are you using data to build credibility with your executives?

The Power of Team

“It doesn’t make sense to hire smart people and tell them what to do. We hire smart people so that they can tell us what to do.”

Steve Jobs, Apple founder

Investors in startups are well-known for prioritizing team over product when writing checks. Just as the CLO must take on the role of founder, the L&D team must see themselves as entrepreneurs as well. Entrepreneurial teams have an adaptable attitude depending on a situation’s requirements. They also have a culture of experimentation where failure is not seen as a negative. As discussed previously, one of the founder’s key roles is building the best team possible. For L&D leaders looking to run like a startup, the right team makes all the difference.

The Startup Attitude

Matt Mayberry is an internationally acclaimed speaker and maximum performance strategist. As Mayberry puts it, "When our attitude is right, our abilities reach a maximum of effectiveness and good results inevitably follow. The right attitude can take you to the top of your profession. The right attitude can create extraordinary businesses and build an everlasting legacy. The good news is that you have ultimate control over your attitude."

One of the things that makes startup entrepreneurs so hard to characterize is that many successful entrepreneurs have what appears on the surface to be conflicting traits. We did a review of hundreds of published lists of traits for successful entrepreneurs and cross-referenced it to actual experience over the past two decades of working with startups. These five attitudinal spectrums emerged consistently in one form or another. High performing entrepreneurs and their teams have the ability to calibrate their attitudes and their actions as needed across five important dimensions. They develop this range in order to match the requirements of their situation. In order to successfully run like a startup, CLOs and their teams must cultivate a similar adaptability.



Exhibit 2

Confident <-> Humble

Startups are scary. It takes a great deal of confidence to take the risk to follow your crazy idea. Without this confidence, many great ideas would remain just that, ideas, forever. This confidence, however, is balanced by a humbleness that acknowledges that:

- The founder and the team don't know everything.
- The startup will only be successful through hard work.
- The startup needs participation of others in order to make the idea a reality.

Committed <-> Open to Fail

Persistence and what we sometimes call "grit" is essential to successful innovation. There will be roadblocks, challenges, naysayers and doubt. Successful entrepreneurial teams doggedly pursue their goals, but not blindly. Entrepreneurs recognize that these roadblocks, challenges, naysayers, and doubts are all data points too. Presented with new information, entrepreneurial teams are always re-evaluating the situation.

Teams constantly compare their newfound knowledge with what they knew earlier. They rapidly assess and reassess how these new knowns affects the solution, the plan and the potential value. They do not treat changes as setbacks, but instead as opportunities to improve their solution and customer value. In these entrepreneurs' minds, the only failure to fear is the failure to miss information that could have suggested a better plan or solution. As Thomas A. Edison famously declared in his pursuit of a filament for the electric light bulb, "I have not failed. I have successfully discovered 1,200 materials that don't work."

Focused <-> Open-Minded

In their endeavor to leverage the available experience, startups cast a wide net for information, advice, knowledge, and input. However, to this ocean of input they apply a tight filter. Recognizing that in this era of Google and social networks one can easily be overwhelmed and even paralyzed by input. Successful teams must quickly process the steady stream of new data, evaluating the accuracy, authority, and relevance. They then use this evaluation to help decide to discard the inputs, assimilate them, or store the data for later.

Visionary <-> Realistic

Imagining a new world full of flying cars is visionary. Being able to understand the time necessary to develop the infrastructure, driver skills, parking challenges and insurance requirements is realistic. Everything new requires change. Understanding the implications and characteristics of this change is essential. It is what allows today's drone manufacturers to understand that while they are tomorrow's flying cars, it has to start with quadcopters and self-driving car. Successful startups work towards their vision using realistic steps that are feasible in the current context.

Organized <-> Adaptable

Launching and running a startup is an inherently messy process. Successful startups are able to provide structure to the long list of tasks required. Being able to prioritize and compartmentalize often means

the difference between diffusion of effort and meaningful progress. While the day may start with lists, project plans and action items, successful teams also recognize that planning is a dynamic process. Startups are much like a traveler setting out to drive cross-country at night. While a map is marked and a route is selected, the traveler can only see as far as his or her headlights. Also, as the journey progresses, the road may dictate detours and other alterations to the plan.

If L&D teams are going to perform at the highest level, they must embrace their new role as learning entrepreneurs. A startup attitude is essential to the new L&D.

Go Ahead and Try

Experimentation is a fundamental activity for startups. Startups are leaping into a great unknown. Does anybody want to use my product? Will anybody pay for my product? How are we going to build this product? Startups are a pile of assumptions. The goal of successful startups is to, as quickly as possible, prove or disprove assumptions and turn them into facts. They do this through experiments. In addition to the value of turning assumptions into facts, experiments are also key to effectively managing resources. They can help minimize the risk of investing too many resources into a product whose need or value has not been validated.

Experiments are simply a formal process for data collection. Why formal? Without the formality, experiments often produce less data, the wrong data, or even worse, no actionable data! When thinking about an experiment, startups must be able to clearly answer the following questions:

- What we believe (our assumption)
- What we will do to verify our assumption
- What we will measure
- What our measurement results need to be if we are right.

Nothing is perfect and innovation only comes from new experiments. With so much newness occurring every day, if L&D is not allowed to conduct some experiments of its own it will be forever behind the needs of its customers. Experiments, by definition, have an unknown outcome. Therefore, while L&D can't know the outcome, it must know the parameters of the experiment and be able to work with the business to set the proper expectations. What does the experiment seek to learn? What is the experiment design? What is the outcome hypothesized and what is the investment required? All of these must be understood to get the most out of every experiment.

Example:

L&D is trying to determine the highest impact skills for your salespeople. We will involve three groups of salespeople, plus one control group for the test. Each group will receive rapid training on a different single sales skill element. After 30 days, we will compare the sales performance results of the three groups. We anticipate at least one of the delivered sales elements to provide a measure of enhanced performance that delivers a return on the investment of time and resource of at least 2x over the ensuing six months. The investment required is the salespeople's time and the resources of L&D.

With a mutual understanding of the goals, structure, anticipated return and resources requirements, an experiment's business sponsor can make a reasoned decision regarding participation in the experiment. Setting expectations is about knowing the risk and understanding that the potential reward is critical for experiments to be accepted in organizations unfamiliar with risk-taking. For L&D, experiments can be used on any number of aspects of their organization. Content is the obvious one. We also believe that those organizations that adopt this approach in areas like process and people will see great return.

The Launch section of this book provides more detail on experiments that L&D can and should run. We recognize that a scientific approach can only take you so far. There are many factors that could influence the results of an experiment and there is not enough time or resources to prove everything. However, experimental results filtered through the experience and knowledge of the L&D organization can greatly increase the confidence level in any decision.

[The Experiment Portfolio](#)

Adopting experimentation as a key activity for your organizations can be difficult, even for startups. Some try it and quickly abandon the process because the experiment didn't work out the way they anticipated. That is exactly the point. As we noted before experiments have unknown outcomes. For organizations, this can become a barrier to adoption. When the results are confirming of assumptions the results are easy to accept. When the experiment's results challenge or even run contrary to an organization's assumption, the impulse may be to discredit or rationalize them away. And when the contrarian results come as part of your first experiment, it can drain the energy for additional experiments.

Experiments are best committed to in bunches, not singularly. This reduces the possibility that a lone experiment can sap the enthusiasm for adopting an experimental mindset. Confirming results builds confidence by proving that a project or initiative is on the right path. Contrarian results may reduce that confidence. It is important to see that both are positive results. The conversion of a core assumption

into an evidence-based fact is the goal. If an organization collects nothing but confirming results, they are likely testing the wrong things. If you already know the answer, don't waste precious resources asking the question.

Failure: It is all in the Definition

The new business context requires L&D organizations to experiment, innovate and transform. However, this requires trying out new ways of structuring the learning organization, designing learning products, delivering learning and partnering with business. Often, L&D leaders shy away from introducing these big, bold new ideas. The key obstacle is that many mature organizations treat failure as a weakness. However, successful startups have adopted a different point of view. For them, failure is nothing more than an evidence based correction to an assumption- better to know sooner, rather than later.

Too often, L&D's limited resources are misspent. As Peter Drucker has been quoted as saying, "There is nothing so useless as doing efficiently that which should not be done at all." It is from this perspective that failure becomes a virtue. None of us likes to fail. Nevertheless, in the context of operating successfully in today's business environment, not only is failure acceptable... it is required.

"Fail often. So, you can succeed sooner."

- Tom Kelley, Ideo partner

Let us begin by acknowledging that experiments can be difficult in a large company. Unlike startups there is often little ability to take a let's-try-some- things-and-see-what-sticks attitude. This can challenge any organization tasked with innovating within an established company. In times to come, we are hopeful that this limiting factor will lessen as more companies, of all sizes, recognize the need for increased innovation in all aspects of the business.

However, for now, L&D organizations in some mature companies may relate to failure with fear. Having worked so hard to build credibility, L&D leaders might consider failure as a step backwards. We strongly recommend that L&D leaders change their perspective on failure. By properly recognizing failures, L&D's successes become even more powerful in generating executive, manager, and learner buy-in. Two keys to this are turning failures into learnings and being transparent.

Steve Blank is a retired serial entrepreneur now teaching entrepreneurship at UC Berkeley, Stanford, and Columbia. He has studied what he calls the stages of startup failure.

- Stage 1: Shock and Surprise
- Stage 2: Denial

- Stage 3: Anger and Blame
- Stage 4: Depression
- Stage 5: Acceptance
- Stage 6: Insight and Change

While failure for L&D is rarely as final as it is for startups, the stages remain relevant, and both startups and L&D must push to achieve stage 6 as quickly as possible. What others refer to as a 'failure' is better described as a 'major lesson.' This lesson is one that can only be learned by trying. L&D must turn its failures into learnings. This is the only way by which the odds of delivering unmistakable value next time improve. According to Nick Casado, a computer networking star who sold his startup for over a billion dollars, the true skill is "to learn to embrace failure -- not only embrace failure, get good at it, and by that, I mean get back up, apply what you've learned, and hit reset."

The final principle of handling failures well is to be transparent. This transparency extends to the L&D team, stakeholders, and even other learning professionals. For startups, this sharing of 'major lessons' has become part of the culture. CB Insights, a research firm "that helps corporations guess less and win more" has amassed and shared over 200 startups' "post mortems" in the hope that startups in the future will make new mistakes, not repeat old ones. L&D conferences are full of best practice case studies and chest thumping showcases. L&D leaders must participate in these conferences, not just to listen to others' successes, but also to fearlessly acknowledge their own failures. How about seminars on "10 ways I screwed up our roll out" or "3 easy ways for upsetting your executive sponsor".

The Power of Team: Discussion Questions

- Which of the attitude spectrums is your L&D team strongest in? Weakest?
- How is your L&D organization embracing an experimental mindset?
- How are you turning failures into learnings?

Section 2: Tools

Product, Product, Product

“Very few startups die from competition, most die because they themselves fail to make something users love.”

Sam Altman, entrepreneur, investor, president of Y-Combinator and co-chairman of OpenAI.

Successful startup teams are extremely product focused because they realize that their product is their connection to their customer. The product drives the experience that either misses, meets, or exceeds the customer’s expectations. Moreover, exceeding customer expectations is the only result that ensures their survival. L&D must adopt a similar perspective. The keys for startup, and L&D, product success lay in seeing the product as a dynamic solution, understanding what is most valuable, and building the product in an efficient and effective way.

This section is not meant to propose a new methodology for instructional design or to suggest that the startup approach to product is best for every project. ADDIE, SAM and Agile all have strengths and challenges. Instead, this section is meant to highlight some of the ways that L&D teams can benefit from adopting a startup product mindset. Any instructional design process can incorporate some or all of these practices. Learning solutions are the products and services that the L&D team delivers to create value for its customers. By taking the product approach of startups, an L&D organization has the opportunity to improve the value it delivers and manage its resources more effectively.

Product as Platform

Startups view products as a living thing, one that will grow and evolve over time. While startups have an end product in mind, elegant and full of high valued features for a wide base of users, they also understand that products cannot start there. There is not enough time or knowledge of the user to invest the resources required to build it. This perspective means that products are launched, updated, improved, enhanced, customized for new user groups and even retired as the need a product solves diminishes or changes. For startups, there is a sharp difference between launching a “half-baked” product and launching a limited feature product focused on the key drivers of value for customers.

Startup Product Development	Skateboard	Bicycle	Scooter	Motorcycle	Car
“Half-baked” Product Development	Chassis	Tires	Steering wheel	Body	Engine

While both approaches to product development result in a car, the startup approach by delivering value to its customers, the ability to get from point A to point B faster, at each stage.

In contrast, L&D often views development of a learning solution as a project and the launch as the conclusion. We frequently find that once a new course is uploaded on the LMS and made available to learners, the L&D resources are redeployed to new projects. With the exception of the occasional update to specific content, the solution sits unchanged. In fact, often times L&D will explicitly aim to build a “timeless” solution by avoiding references to executives, dates or other variables that might change in the future. While this may be an efficient use of resources, it is also a reflection of a static view of a solution. While L&D must avoid the half-baked solution pitfall, being nimble requires that it must view the launch, as startups do, as only the first phase of a product’s life and view the product as a living organism.

Startups accept the dynamic nature of a successful product. For this reason, they are able to launch quickly, learn from users and iterate on the product. Knowing that the initial product launched is not

where that solution will ultimately be, gives startups the ability to avoid the chase for perfection and releases them from trying to please too many user groups at point of launch. Startups see the value of the product growing and evolving over time versus statically defined at launch. They recognize that they will gain product-enhancing data from every interaction a user has with the product. Therefore, they focus resources across the entire product lifecycle to make improvements suggested by new data.

L&D organizations often use a linear process such as ADDIE that includes a pilot process or roll out plan. While this may feel similar, this is not the same as a startup product mindset. Unlike a typical pilot process, a product mindset assumes every user interaction is an opportunity to collect data that can be used to improve the product. Distinct from a roll out plan where the additional modules to be added are assumed to be known at the beginning, a product mindset views the future features to be added as assumptions that need to be verified, could be modified or even removed based on the user data.

After the initial product launch, startups focus on using the data gained from actual users to inform its product roadmap. In addition to current product fixes, called the bug list, a product roadmap is a collection of assumed and validated features and functionality to be added to the platform product. The roadmap is prioritized by release cycles. These cycles are structured as rapid learning cycles. Release the updated product, collect the learnings from users, revisit the roadmap, and repeat. The roadmap, like the product, is a living entity, constantly revisited with new learnings about performance, needs or user.

User's needs change. Overcoming one challenge may reveal other challenges that were not visible before. When we were using dial-up to access the internet, the processing power was not a limiter to the value we had for our computers. With high-speed Wi-Fi everywhere, a slow computer can now be painfully obvious. The environment in which a product is used may change making a product more or less valuable. The ubiquity of smartphones with navigation apps has reduced the value of physical maps for many. However, in regions with limited connectivity, maps remain extremely useful.

L&D's typical process of a single needs assessment guiding the solution design falls short of even the carpenter's age-old adage of, "measure twice, cut once." In L&D's defense, startups have the advantage of residing for almost two decades in a volatile and uncertain world that many of us are just now coming to grips with. This has firmly embedded the concept of the impermanence of assumptions, challenges and opportunities. What was needed yesterday may not be needed tomorrow. L&D organizations must

adopt the startup approach to assessing the need and value for its products. Nothing in today's flourishing companies is standing still. Without thorough data analysis and a robust and dynamic business linkage process L&D risks building today's solutions on yesterday's understanding of the problem.

Product Lifecycle

There is a reason that we use the term lifecycle when describing products. Products die. It happens to all companies. Startups that have launched a new product only to find that it does not deliver enough value to attract a user base generally run out of funding and are quietly forgotten. While the company may no longer exist, the product, be it an app or a web service, may remain. You can see examples of this reality every day. Look in the app store for your phone. If you see an app that has had no updates in the last 12 months, it is highly likely that the company behind it has closed.

In December of 2017, AOL announced that it was shutting down its messaging service AIM. At that time, many still loved, AIM, a twenty-year-old remnant of the first dot-com era. It is estimated to still have had millions of users at the time of the shutdown. So why shut down? Because there is a cost to keep the service running and as AOL stated in its announcement of the decision, "We're more excited than ever to focus on building the next generation of iconic brands and life-changing products." Focus. In an age of Facebook, Snapchat and Slack, there was little opportunity for AIM to deliver huge value to its users. Instead, AOL is investing those resources towards products that can.

Some products do not die, they are updated but unlike an app, where one version automatically replaces the prior, the older version remains. Software as a Service (SaaS) companies like Cornerstone, Salesforce and others release updated versions of their software all the time. The newer version is meant to replace the client's older version. However, change is hard and many clients do not upgrade to the latest release. Upgrades can be fraught with unexpected pitfalls and the older version is familiar and therefore easier for the client to support with its internal users. This means that SaaS companies are usually providing client support across several releases. This draws resources away from building value into future releases and instead requires investment in supporting the waning value of the past releases. Familiarity with legacy solutions is a challenge for L&D as well.

Getting the business sponsors and managers to accept a new solution to replace an older one can take some work. L&D must be prepared to help them see the value. L&D organizations, like all organizations, must always seek to invest their limited resources in areas that will yield the highest return. When a product either fails to deliver a predetermined value threshold, or is superseded by a higher value-adding product serving the same need, it must be retired. Like AOL, L&D must recognize that focusing resources on upgrades for a diminishing user need is a distraction and that continued support for an existing product has costs.

For L&D to adopt a product approach it must acknowledge the dynamic nature of all solutions, continuously assess the value of its solutions, and acknowledge when a solution needs to be retired or upgraded. This requires the support of the business sponsors as well as the awareness that the ...what's missing?

Defining a Valuable Product

When a startup comes to life, it is nothing but an idea. An idea for a solution to a need that the Founder believes exists. The first job of any startup is to as quickly as possible validate the need with potential users. Once validated, the next step is to have a deep understand of the need so that it can define its product. This process, for startups, is often referred as customer development. In the case of an L&D organization, most frequently, the business comes to it with a need. While it may seem that a need expressed by a potential user represents validation, it does not. Without a robust business linkage process, the business often provides only a part of the information that is critical to build a successful product. By adopting the startup approach, L&D can assure that it is building against the true need and that it is doing so in a way that maximizes value.

One way to build successful learning solutions is to look at the problem like a startup. Validating the need is not a binary, “yes there is a need” or “no there is not a need” decision. Startups understand their customer’s need at a deeper level so that they can identify small distinct opportunities for driving outsized value. Startups break down a user’s need into its component parts to determine how to deliver value to its users. Without this level of granularity, startups are unable to properly prioritize the development of their product feature set. For L&D, this can mean deconstructing skill sets like sales, management, and leadership into their component parts.

I began exploring this approach to learning design after reading Josh Waitzken's book, *The Art of Learning* and hearing noted author, Tim Ferriss discuss accelerated learning on Ferriss' podcast. The full method describes the power of techniques such as disaggregating skills and other accelerators such as focusing on sequencing.

For an example of deconstruction, a business need for "Sales Training" could be broken down into:

Sales Training	<ul style="list-style-type: none">• Product Knowledge• Prospecting Skills• Time Management• Tell really compelling stories• Effectively utilize sales technology• Understand what the buyer wants• Establish trust with the buyer• Communicate succinctly• Active Listening• Qualification Questioning• Objection Handling• Product Demonstration• Gaining Commitment• Closing Techniques• Post-Sale Relationship Management
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These 16 skills could then be broken down again.

Active Listening	<ul style="list-style-type: none">• Paying attention• Withholding judgment.• Reflecting• Clarifying• Summarizing• Sharing
Product Demonstration	<ul style="list-style-type: none">• Preparation• Demo design

	<ul style="list-style-type: none">• Highlighting differentiation• Pacing / Time management• Handling questions
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Validating the need not at the level of “sales skills”, or even “closing”, but rather in performance gaps at this more granular level, what startups call features, can help L&D to focus its resources on high impact areas. This is not to say that all elements are not important or that all do not need to be part of the final solution. The startup approach to needs validation provides the data required to build high value products smartly. To L&D this information is helpful in business sponsor discussions regarding scope and timing. A topic we will discuss further in the next section.

L&D organizations and startups must efficiently manage their product building resources for maximum user impact. Therefore, the urgency and impact, not simply the existence of a need for a feature, must be understood. For startups, this is a function of potential value and it is the same for L&D solutions. Potential value of a given feature is a combination of two factors: audience size and impact opportunity. This assumes the product is available at the time of need because a solution delivered too late has already limited or completely missed its opportunity for delivering value.

Putting the Product in Context

Another element of the knowledge-based development process used by startups is an understanding of the context in which the product will be used. The concept of design thinking, the recognition of the value of user emotion in product design, has gained momentum in recent years. While user emotion certainly plays a role in successful product design, startups begin with a more basic view of their users. The first element of context that startups seek to understand is how their product will be used.

Putting the product into the user’s context allows product designers to understand requirements for adoption and barriers to use. In the realm of L&D, this may include platform requirements or content format. Imagine directing a movie that people would watch only on their phones. Not only would that create a requirement based on the need to smoothly stream the content to the viewer but it might also impact the content. For example, scenes may be written to be shorter so that the viewer could pause the film frequently as they went through their day. As the director of this movie, you might choose to

shoot the scenes differently, opting for fewer broad sweeping landscape shots where the detail would be lost on the small screen. The exact same movie shot with a recognition of the viewer's context might receive fewer rotten tomatoes from the audience.

L&D organizations that ignore the user context run the risk of delivering less value through their solutions. For example, a self-paced course that is not built such that it aligns with the learner's role progression may make retention and application of the new skills more difficult. Even something as simple as font sizing can make a significant difference. Elearning designs built for the desktop screen may prove difficult on the smaller mobile device. Automatic re-formatting may make the content available but what about the graphic that requires a mobile user to zoom multiple times to see the needed detail or the navigation buttons that need child-sized hands to use. For startups, understanding the user's context is essential to building a product that not only can, but also does deliver maximum value to its users. L&D must do the same.

Having looked at the user context, the next element to consider is the product context. No product, or learning solution, is an island. Understanding the other tools or solutions that exist in a user's environment allows startups, and similarly L&D, to produce higher levels of value for its customers. A simple example of product context is when non-Facebook applications allow you to use your Facebook identity to log into their account. For new applications, this solved a number of product adoption challenges. If you needed your new users to have a profile, how could you most simply populate that profile saving the user time and reducing the time required for a new user to begin to see value. Another challenge overcome by the use of Facebook login is the need for the creation of another account name and password by a user that already has too many of them. By recognizing that many of their target users were also users of Facebook, new application developers were able to make their product easier to use.

An often-overlooked value of gaining a deep understanding of the product's context is "learning the language" of the target user. At its most superficial level, L&D has known this for decades. Identical courses offered to different companies may exchange "employee" for "crew", "salesperson" for "business consultant", or "customer" for "partner". L&D organizations must attempt to understand the context of their learning product deeper. Startups do not just listen to what the target customer says about the problem but just as importantly, how they say it. Everyone has likely had the experience of

having someone pitch them, “a multi-protocol, TCP/IP suite based with configurable ports supporting CSS, links, HTML and text for their business,” only to respond “no thanks.” What if that person had said, “email”? Words matter and users must always hear the problem, solution and benefits defined in their terms.

For L&D organizations, recognizing that target learners and the solutions they receive do not exist isolated in a bubble can also help identify areas for the delivery of additional value. If a sales organization has already successfully deployed Salesforce.com to manage its efforts, how can a learner’s existing level of comfort with that interface influence the UI of a learning portal or an eLearning solution? What other business initiatives are touching the learner that could be connected to the solution? By looking for synergies and opportunities to reduce barriers to adoption, L&D can deliver higher value with every solution.

By starting the development of a solution with deep knowledge of the high value skills, user context and product context, startups gain a much-needed edge in attracting new users with a solution that exceeds expectations. However, the work of a startup has just begun. By building on this foundational knowledge, startups, and L&D, can ensure that they are focusing their limited resources on building the maximum value product for its users. A beautifully executed solution that no one needs or uses is a waste of resource that delivers no value.

Building a Feasible Product

As we have mentioned multiple times, a startup’s most scarce resource is time. There is a constant race against the clock. This creates the need for a new approach to building solutions. While L&D organizations may not have the same clock-focused mentality, the tools and techniques used by startups are increasingly valuable in a business environment that places an ever-growing premium on speed and results. We will explore speed in more depth in a later section.

One of the clearest demonstrations of a startup’s focus on time is in the definition of product scope. Let us look at how their project management for the product building process differs from a more traditional approach.

In many typical L&D projects, the scope determines the timeline. A solution is envisioned and the steps to executing that vision are laid out on a Gantt chart with the delivery date that is derived based on the time required for each task. This answers the question when a solution of a known scope can be delivered. Startups turn this process on its head. For startups, they know exactly how much time they have. They have to deliver a product by the end of the month in order to achieve some needed milestone such as receiving additional funding or being able to collect revenue. Therefore, the question startups ask is what product scope they can deliver in the given time.

Posing the question in this way has several benefits for startups. First, it reinforces the urgency required by all team members. Most people unfamiliar with startups often perceive this as creating a hero culture or one where overwork is required. The image of the lonely coder sleeping under his desk often comes to mind for some. While this may be the result for some, in many successful startups the goal here is not to create a stressful environment. In fact, it is quite the opposite. In his book *Rework*, 37 Signals founder and Basecamp creator Jason Fried tells readers that the all-nighter, work through the weekend approach is not a sign of a hero, it is the sign of a poor project planner. Successful project management, at 37 Signals and many successful startups, is balancing the time available and the scope of the deliverable. With time often fixed, this creates a clear focus on scope management. This can be true for L&D as well. Product launch dates, seasonality and initiative milestones can all be planned such that deadlines are met.

By starting with the time constraint, scope decisions become less emotional and combined with a dynamic view on product, feel less final allowing for better tradeoffs and quicker decisions. When desired features of a product are not included in the scope, this is not seen as a rejection of the feature but rather a necessary trade off driven by limited time. With a view of product that involves waves of updates and new features, the feature is not seen as receiving a “no” but rather a “not now”. Treating scope in this way makes it easier for internal teams to align around the selected scope and for easier communication of a more limited scope to external customers.

L&D organizations are often presented with some elements of scope, a half-day leadership course or an eLearning on customer service. In some cases, L&D may impose its own scope requirements based on needs assessment or a historical approach such as management training that has always been a two-day

offsite. By starting with scope, L&D has limited flexibility on time. When the time available is misaligned with the scope, it can result in the sponsors of learning feeling short-changed on value.

By starting with the time available for product development, L&D benefits in multiple ways. Delivering in the time required by the customer is now a win. Because the customer, not L&D, defined the timeline, it is now a feature of the product. By establishing a product constraint, sponsors can now be better engaged in a discussion of need, tradeoffs, priorities and impact. Now L&D and its business partners can reduce scope while still delivering outsized impact. Sponsors are now unable to say they want it all only to be told by L&D that they cannot have it, which is never a great or easy message to deliver. These discussions also make the sponsors more aware of the need to engage L&D early in any process. Tell a sponsor they have to make tradeoffs that would not have been required had they approached L&D at the start of an initiative and hopefully the next time an initiative is launched L&D is already at the table.

Another benefit that startups gain by starting project planning with time, not scope, is that it can encourage innovation. Constraints force us to think differently about how we solve a problem. The day after shopping for groceries we open our refrigerator to a wealth of meal options to satisfy our hunger. Greeted by the abundance of choice, we prepare a meal containing a salad, a side and a main entree. We may even enjoy a dessert afterwards. Delicious? Yes. Filling? Yes. Required? No. Now think about the last day before you go shopping. Faced with the same hunger, your thought process is now very different. You have gone from “what can I have?” to “what can I make with an egg, two pieces of bread and some left overs?” Some people find delicious solutions in never before considered combinations. Twitter is another example. With, originally, only 140 characters to use for a message, users were forced to distill thoughts down to the essential. Users removed adjectives, used clever phrasing and in some cases removed vowels to get in under the limit. They also got creative using hashtags and newly invented acronyms. But they still managed to get their message across.

Understanding the need deeply is essential to defining the full scope, but as a focusing mechanism or as a tool for capacity management, starting with time, not scope can help L&D look at solution development differently. The cadence of business is increasing. Most learning sponsors have an optimal delivery date in mind. ASAP, as soon as possible, is actually not a time constraint. In fact, it is the opposite. L&D must begin to have better timeline discussions with sponsors and with itself.

The New Feature Gauntlet

Carefully limiting product launch features, through needs analysis and a time-limited scope, is one thing for a startup to manage, but with a successful launch comes a new problem, 'scope creep'. Users change their mind. Users have specific needs. The needs, context and priorities of users evolve. A startup's resources can quickly be pulled in a multitude of directions impacting the pace of progress. Successful startups must be extremely disciplined about the features they work on post-launch.

It is common to want to please every customer. Requests for customization, expanded options or even entirely new products are valid responses from a customer that has received value from your product and wants more. This is a good problem to have. By instituting a rigorous process for including a new feature in the product roadmap, startups provide clear and consistent decisions about feature inclusion and prioritization. This prevents startups from diluting the value of the product to the majority of their user base in a search to add value for the minority.

L&D solutions can suffer the same fate. Pulled to support multiple learner bases, the product, either individual solution or a curriculum, can quickly lose its appeal. While it may seem efficient to take a solution developed for one audience and release it to another, L&D must be careful to ensure that the need and context that the product is addressing are the same as the original. This is not to make the case for not reusing existing solutions. I am certainly not a fan of reinventing the wheel. Rather, the point is to smartly reuse existing solutions and to recognize the resource requirement for the extended product.

Too often, requests such as "We want the management course you ran for operations. Just change the title," becomes a black hole for resources and support in an attempt to ensure value to the new audience. Alternatively, the new audience, confronted by a product not designed for them, may not see the same high level of value L&D had carefully built into the original product. This can result in a lowered perception of the value of all learning products. Bad word of mouth, amplified by the hallways of the company campus or the walls of the commissary, can carry a heavy price.

L&D must carefully review each new request with the same clear eyes it did the original product. L&D should ensure that the solution can deliver the same outsized benefits to the new audience as it did the

first. An understanding of the new audience's need and context for the product is essential. Any variation from the original understanding should be explored so that the impact on the value delivered by the product is known. With this knowledge, L&D, like a startup, can more accurately assess the tradeoff between need, value and the new requirements on its scarce resources.

Startup Project Management

With what is being built now defined, the next area that demonstrates a startup's focus on time is how projects are structured and managed. The development of a product through a series of short, rapid, iterative release cycles (sometimes referred to as Agile) required startups to change how they managed that development process. While many methodologies exist, Scrum, a framework for managing work commonly used by software developers but also used in other types of environments, is widely used by startups of all sizes. Like Six Sigma, Scrum comes with a host of tools, techniques and orthodoxy. We have chosen to focus on only two key high-level concepts. We encourage those that are interested to explore the many resources available online.

For L&D organizations, two key concepts of Scrum have significant applicability to learning solution development. Team structure and workflow offer clear demonstrations of how startups are successfully navigating the challenges of limited time and resources. The workflow for a development process operating with the principles of Scrum is based on granularity of task and progress management. The team structure is based on the required workflow.

Just as larger customer needs must be deconstructed to identify the key features of a solution, the development of the solution must be broken down into supporting tasks. These tasks, like almost everything in a startup, are also time delimited. A common rule of thumb for startups is that a developer must be able to take a task from the list and complete it the same day. If the task cannot be completed in a single day's work, it must be broken down further. The rationale for this is that when operating on a compressed timescale, progress must be visible at smaller increments. If you can only gauge progress monthly, or even weekly, by the time a delay is recognized there may not be time to adjust.

The process of deconstruction also makes visible contingencies, assumptions and other risks. A startup might deconstruct the task 'build marketing collateral' and uncover that this task requires a set of

activities related to the production of product photos. It might highlight that the engineering resource required for generating the product specifications to be included is unavailable or that a printer needs to be selected through a specified vendor process. This deconstructed view of a project ensures that roadblocks that might delay launch are anticipated, and if possible addressed, before they have a negative impact on the development timeline.

Breaking a project to this level of granularity also allows resources to be quickly shifted to support tasks that might be behind schedule. By keeping tasks small, any resource shift required has a lessened impact on other streams of activity. Resources do not need to be permanently re-assigned, but rather can simply be asked to pitch in for a day or half day during which they can complete a single task. In more traditional projects, moving resources around may risk a reduction in team member satisfaction. The team member may not be able to feel a sense of ownership or accomplishment because they cannot see a task all the way through. They may feel like they are being taken away from their own exciting work. Scrum's approach to task definition assists in reducing this risk. As teams become more fluid, this approach to the development of solutions increases in value.

L&D organizations can also achieve the benefits of Scrum. To do this, they should start with deconstructing the solution development plan. Many of these projects today are measured in weeks or months and have periodic check-ins scheduled. While this may be the appropriate level of detail for business sponsors, it is a limiting factor in the management of the project in a fast-paced environment. In addition to limiting the visibility of progress, this approach also creates barriers to problem solving and capacity management.

In addition to task granularity, team and visibility are key for L&D organizations looking to thrive in today's business environment. Startups achieve this through the installation of a single mechanism, the standup meeting. Held daily at a company-wide level for small startups or at the team level for growing startups, the standup meeting is designed to replace countless emails or side meetings. While the specific agenda certainly varies, most have a similar approach. Frequently no more than 15 minutes in total duration and with the project tasks both completed and to be completed visible, each team member in turn addresses a number of topics from their perspective.

- What worked yesterday - this allows the individual to receive recognition for accomplishments from the team and/or highlight a positive enabler for getting work done.
- What didn't work yesterday - individuals can share a learning from something that didn't go well or highlight a potential future issue.
- What I am working on today - this identifies the point person for a task should there be changes, questions or contingencies and establishes accountability.
- What help do I require – this aids identification of barriers to completing necessary work or support required by the team.

For project team members, a Scrum-like approach keeps them connected to the project's progress and the team. This is especially important as more work becomes virtual or when the resources engaged have a non-employee connection to the company. For CLO'S and project leaders, the approach can quickly identify resources requirements and additional support, such as executive or departmental support that may be required. For learning leaders, a startup approach to project management offers an easy and efficient way to get a pulse check on the organization's progress and resources.

Product, Product, Product: Discussion Questions

- What tools, roles and processes do we have to support the full product lifecycle?
- How well does our current needs assessment process provide the knowledge we need to build highly valuable products?
- How do we determine the scope of a new product launch?
- What could we deliver against a defined need we have in our current plan if we could only spend four weeks developing the solution?
- How could we be managing our solution building process for greater visibility and granularity?

The Need for Speed

"I've long believed that speed is the ultimate weapon in business. All else being equal, the fastest company in any market will win. Speed is a defining characteristic -- if not the defining characteristic -- of the leader in virtually every industry you look at."

Dave Girouard - Former president of Google Enterprise Apps

With companies changing strategies, modifying business models and releasing new products designed to improve customer value at a rapid pace, the speed with which L&D must operate is increasingly challenged. In *Running Training Like a Business*, opportunities to increase the speed of the organization's response were addressed in two ways: via L&D Business Relationship Manager and via process improvements.

The objective of the L&D Business Relationship Manager role was to place L&D closer to the business; thereby, shortening the communication cycle. The book also highlighted the need for a focus on key processes in order to deliver increased efficiencies and reduced cycle time. From our conversations with executives across companies, we find that speed remains a challenge for L&D organizations. In the pages that follow we will explore this topic in more detail. We will also offer a framework, from our experience with startups, for thinking about speed in today's business environment.

I Feel the Need. The Need For...

Today's business world is moving faster than ever. A few years ago, some of my former colleagues at The Forum Corporation released a book titled "Strategic Speed". In the book, authors Boswell, Davis and Frechette highlight the need to focus on people in addition to process efficiency and systems. They went on to highlight what they see as the essential people factors for driving speed; clarity, unity and agility. Startups have adopted a similar strategy to driving increases in speed.

Speed of execution, not ideas, are the competitive advantage for early-stage companies. Because of this, startups look at three dimensions of speed.

1. Speed to product: This is the time lag between need identification and availability of the solution.
2. Speed to user: This is the time lag between availability of the solution and access to the user. In the case of L&D, the user is the learner.
3. Speed to value: This is the time lag between the user accessing the solution and receiving the intended value.

In order to keep pace with today's businesses, L&D must focus on, and continually improve on, all three of these dimensions. Before we share some ideas for L&D organizations to consider for increasing speed across all three dimensions, let's explore what slows L&D and keeps it from running training at the speed of business.

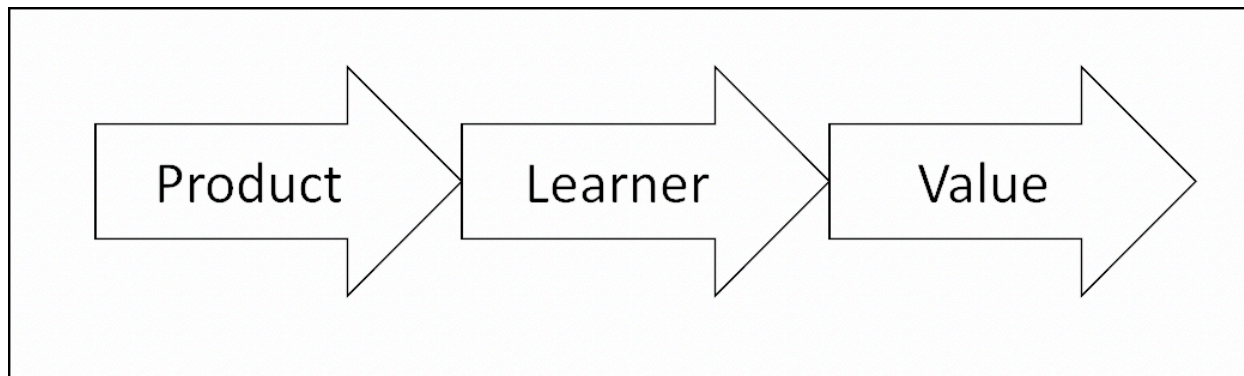


Exhibit 3

The two critical activities that impact the speed to product are needs identification and product development. Needs identification is too frequently a reactive process triggered in response to a business request. In some mature L&D organizations, the learning need is discovered through regular

meetings between a relationship manager and their business counterpart. In most other L&D organizations needs identification this is still an "order taking" process and the need is discovered only when an "order" for training is received from the business. Given this reactive process, L&D is playing catchup right from the beginning. By the time the request for the order reaches L&D, the business is already anxious to implement a solution.

As described in the prior discussion of product, solution development, the other critical activity making up speed to product, still follows a traditional linear instructional design process methodology. This linear process places a huge time requirement on upfront needs assessment, translation of business objectives to learning objectives and learner definition. While still critical to the development of a value producing solution, it is time that most businesses no longer have.

Startups also seek to increase speed to user. How can they get more people to experience the product? What channels and messaging are resulting in new user acquisition? In order to impact this dimension, we believe the mind-set of L&D needs to change from manufacturer to marketer. One look at attendance data will show you that the most attended trainings are frequently mandated, not sold, to their audience. Assuming that learning is solving a real problem, getting users to recognize and "buy" the solution quickly is critical. Running Training Like a Business means L&D must become marketers and packagers of a truly performance-inducing product. Like Gatorade™ for employee performance.

The last dimension of speed is speed to value. While this dimension is greatly impacted by the other two, by keeping it front of mind, it can also help to inform both product and user positioning. Startups focus on user onboarding. In the startup world, this means getting a new user not just up and running with their product or service but actually ready to receive value from it. Similarly, learning and development can think of this as getting a user up and running with the new skills. Why is this critical? For startups, the average app loses 77% of its active users within the first 3 days post install. This attrition can be mitigated by delivering value quickly to users. The same is true for L&D.

In part due to L&D's course based mentality, value is often determined at a macro level rather than a micro level. This delays user perceived value and often causes attrition of the new skills use. A sales program that promises a higher close-ratio in an industry with a longer sales cycle may push the value out too far to drive stickiness of the new skill. Combined with the ever- shrinking half-life of certain skills, speed to value is an important dimension. Speed touches every part of business and L&D is no exception.

Speed to Product

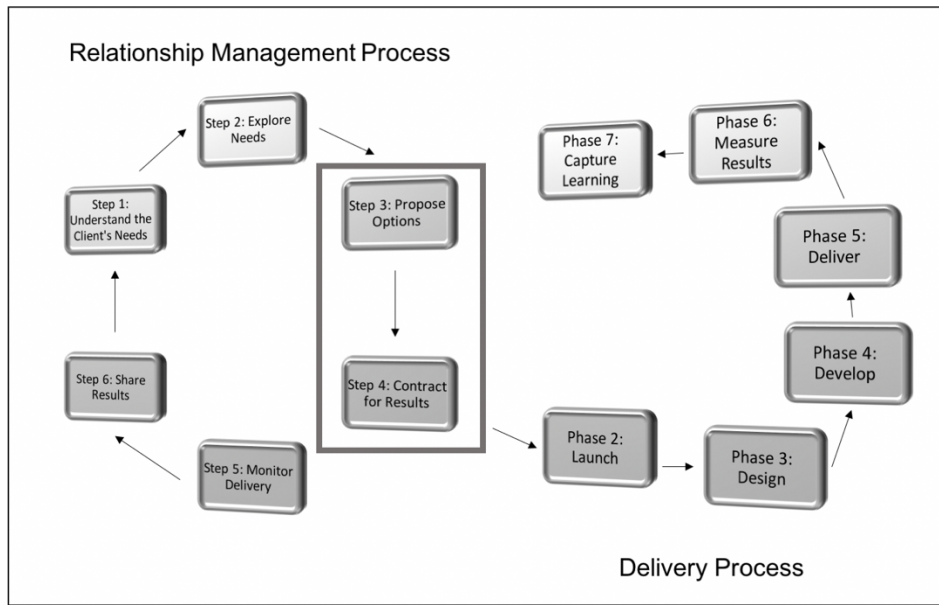
The frequently used process for developing learning solutions is inspired by the traditional “waterfall” method for software development. This is a linear process that starts with intense customer engagement to identify the needs and then a solo run by the product development team to deliver the finished product. At the time of its initial adoption, this process had a number of benefits, including:

- Early identification of customer specifications.
- Easy measurement of the progress against the linear steps.
- Easy management of the resources as the resources could be mapped to each phase in the process.
- Ability to deliver a fully completed solution all at once.

However, in the current dynamic environment business requirements often change soon after the needs identification process is completed. In the traditional process where the customer involvement ends after the needs analysis phase, there is no process for capturing and integrating the new needs. Additionally, the specification process itself can be too burdensome for some customers. Finally, the fully integrated approach takes time, sometimes too much of it.

While waterfall development remains preferable for some types of projects, a new process called Agile has replaced it in many cases. Agile focuses on speed and iteration, delivering functional components rather than full systems for review by both the customer and the team. This process increases engagement between the customer and the product development team, and ensures alignment with needs. As business alignment continues to be a significant issue for L&D, as evidenced by the prevalence of scrap learning, why does the straight-line development process for learning solutions remain the default methodology?

Focusing on business issues, not training content, and letting demand shape L&D's offerings were all core to the original Running Training Like a Business concept. We even introduced a process, which we called the Do-Si-Do designed to better connect customers and solutions. In a business environment that places a premium on speed, what can we learn from the software development industry's adoption of an Agile process?



Running Training Like a Business described two core processes; one focused on relationship management and one on delivery. It was termed the Do-Si-Do process because of the interlocking “dance” that was described. In a startup, these are equivalent to sales and engineering. In order to take full advantage of the Agile process, innovative technology companies have a third process, product management. Speed to product in these startups is the result of product management. For L&D organizations, the product management activities offer examples of how L&D might improve and speed up the core processes by better defining the role of the solution architect. This new definition includes two main product management functions: connection to the business in order to determine what is most valuable, and overseeing an iterative development process.

Brant Cooper authored *The Entrepreneur's Guide to Customer Development*, which outlines the process by which startups begin to determine solutions to problems. This is where product management begins. As the name of the first part of the Do-Si-Do process implies, relationship managers focus on the relationship with the business. Once a need has been identified, it is the role of the solution architect to get a deeper understanding; of the problem, the ultimate users of a solution, as well as identifying the smallest solutions that can drive the largest value. The solution architect effectively becomes the voice of the customer throughout the lifecycle of that product release. Why the smallest solution? Because fast moving organizations use a concept called minimum viable product (MVP) which can be thought of as minimum viable learning (MVL).

MVP's are built for value and to capture learnings. Jon Atkinson, Founding Director of the Loyola University Center for Entrepreneurship states that, "a true MVP is the smallest (functional) feature set that provides value to a particular customer segment. The key here is that the customer segment can

easily recognize that value...". MVL's have similar characteristics. Product management guides the development of the MVL, captures the learnings from the early users and incorporates the feedback into new components or updates as the team iterates through this cycle as fast as possible.

This rapid iteration replaces the typical linear instructional design methodology. Companies are spending a great deal on training programs that are misdirected and ineffective. By the time they realize it, if they do prior to launch, they often feel like they have committed too many resources to change course. MVL's avoid the development of scrap learning or unapplied learning, which represents approximately 45% of all learning according to past CEB study. This approach allows the learners to co-create the solution through their feedback and actions. In any number of ways learner feedback will help to shape the most impactful learning. Combined with hard metrics, good product management helps an organization to prioritize and grade performance support efforts.

While an iterative development process has a role to play, it is the functions provided by the product manager that are essential. Sitting in between the relationship managers and the designers, developers and vendor resources, the solution architect has a critical role in running training like a startup today. There are certainly some meaningful learnings to be gained by looking at the role of the product manager in fast growing startups.

Speed to Learner

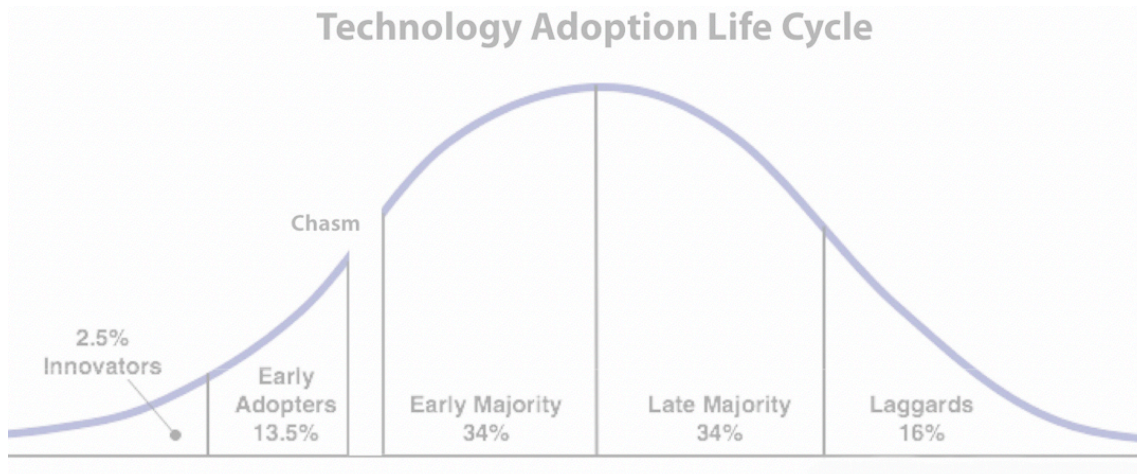
When the idea of Speed to Learner as an important dimension of organizational speed was introduced, it was explained that L&D needed to shift from manufacturer to marketer. But what does this mean? L&D needs to speak, target users, and think, like a startup. While launching a new learning offering can be nerve racking, imagine the stress entailed with launching your new company. The stakes are high for startups. While building a great product is essential to a startup, your target market must still know about it...and use it.

If you sell anything with any success, you know that people don't buy drills, which is a product feature, they buy holes, the product's benefits. So why is the communication and language around learning so feature based. The industry speaks of "sales training" not "close more deals, make more commissions training". Course objectives are often written, "at the end of this course you will be able to..." when the important part is found by adding "so that..." to the end. L&D should lead with benefits. L&D should know what the benefits are for learners and clearly state them in terms that the learner can recognize. For a startup or L&D, this is where all valuable products begin, with a true need.

Consumer advertising gets a bad name because many assume that sizzle replaces the need for quality steak. Many startups feel the same way. You haven't heard about those startups because they very often fail. Winning solely on the basis of a superior product may feel like the high ground but what is missed is that in an age when we are all bombarded with messages every day, cutting through that noise with the benefits of your solution is also needed.

The next step to improving speed to learner is for L&D to understand the road to audience adoption. Startups understand that they can't get everyone right away. Instead they focus on a part of their addressable market called the early adopters. In his 1991 book "Crossing Chasm", Geoffrey Moore described an approach of looking at the way new technologies are adopted by a market that is still used today.

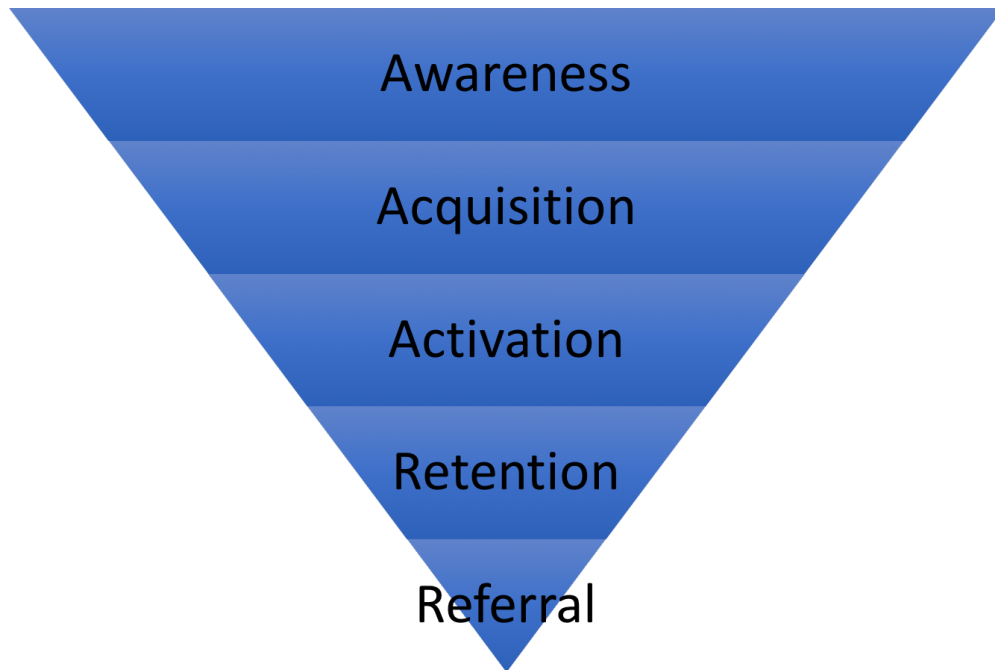
In the book, he divided the market, represented by a bell curve, into five parts. From the thin left edge, he began with innovators. Moving right he identified the market parts as; early adopters, early majority, late majority and laggards. Each part has its own requirements for the adoption of new technology. Innovators value new over perfect, while the early majority requires proof points, value being delivered in situations that look like theirs, in order to embrace the new technology. "Technology" is from the Greek "tekhnologia" which means the systematic treatment of an art, craft, or technique. Sounds like a learning offering, doesn't it?



Geoffrey Moore, Crossing the Chasm

When L&D rolls out a new initiative there is often too little thought given to how it should be rolled out. What parts of the desired audience like new but untested and potentially imperfect solutions? Which parts will require proof points or endorsements? A blanket approach rarely works with anything other than compliance training where attendance can be mandated. Understanding more about your audience's requirements for adoption can make for a much more rapid and successful roll out.

Finally, L&D must move away from its focus on single transactions and shift to one focused on the longer-term relationship that it is building with its learner. Development plans are not a relationship any more than recipes are the same as the connection you have with your favorite corner grocer. Startups frequently use a customer funnel to describe and manage a customer's entire journey from awareness and acquisition through retention and referral. This focus on, and optimization of, the complete lifecycle of a customer, not just the initial transaction, is crucial in building a customer base for future products and turning customers into co-marketers of new solutions through referrals.



- Awareness: How does our target market know we exist?
- Acquisition: How do we get them to come for us for a solution to their problem?
- Activation: How do we get them to try our solution?
- Retention: How do we keep them using our solutions?
- Referral: How do we get them to spread the word about the value of our solution?

What if L&D organizations approached their post-learning communications in a relationship focused way that moved learners further down the funnel? L&D could ask not solely about the learning delivered but could also give the learner recommendations on learning offerings that others who took the one just completed had liked. The communication could ask for referrals to others that the learner thought could benefit from what had just been learned and even ask for a written review which could be used to market the offering to other groups whose requirements for adoption included additional proof points.

Build it and they will come is a strategy that only works in the movies. Many superior technologies have lost out to a lesser one due to a lack of focus on speed to user and inability to turn customers into raving fans.

A Quick Note on Speed to Value

Getting value from new learning quickly is essential for adoption and retention. While the concept of minimal viable learning was introduced in the speed to product section, the focus of this book is not on instructional design methodology. However, there is an interesting analogy worth consideration from the world of startups.

As mentioned before, startups think hard about the onboarding of new users. This is somewhat similar the way companies think about onboarding employees. As defined by Pulkit Agrawal, Editor of The User Onboarding Journal, which analyzes how new technologies are getting their users started, for startups, "Onboarding is the phase between users first coming into contact with your product and them internalizing the value that is being provided." Throughout this phase are user milestones that the startup first assumes, then with data and experience proves, move the user towards deeper engagement. A key area of focus in the phase is first time user experience (FTUE).

To better understand FTUE, think about the last time you learned a new game. If the game is too hard, you may become frustrated and quit, never to return to the game. If the game is too easy, then you see little challenge or value and are likely to quickly lose interest. The key to the best FTUE is to find a way to quickly deliver value. Value that locks the user in to continue their journey. Deconstructing complex skills to allow users quick wins with component skills can often be part of building trust with learners and the hook that brings them back for more.

Obviously, speed to value is intimately tied to the other two dimensions of speed. Improperly designed, the FTUE of a learning offering may not engage the user and limit the adoption of new skills. By keeping speed to value front of mind, L&D organizations can accelerate adoption and deliver unmistakable value sooner.

The Need for Speed: Discussion Questions

- What are you doing to drive speed in your organization?
- How are you managing your new solution building process?
- What novel things are you doing to get your L&D solutions to the learner?
- How are you thinking about building value in your solutions?
- What does your learner funnel look like?

Data Driven Execution

"Whenever people ask me which company I think will win the self-driving car race, I say Tesla. And the reason is that they have more data."

- Fred Wilson, Partner Union Square Ventures, Investor Skillshare, Kickstarter...

At the time of writing *Running Training Like a Business*, the availability of data about the learning occurring in companies was limited to manual collection or use of what was then called Training Management Systems. Also limited was our ability to put the data to work for the L&D organization. At that time, I was working with a financial services company that had L&D staff manually input the level one evaluations. The evaluations were even faxed to the L&D team if the course was off site! All of this data was maintained in complex Excel spreadsheets that were hard to access and even harder to interpret.

Now, almost twenty years later, data is everywhere. Applications such as Tin Can have the ability to capture more kinds of learning data and various data analytics applications are able to represent this complex data into easy to read representations. Yet, there continue to be L&D organizations struggling to put data to work for them. This is not to say that great strides have been not been made. The work of the ROI Institute to capture a clear and credible approach for identifying the impact and return on learning investments is an example. The Center for Talent Reporting (TDRP) has created a proposed approach for describing the learning function that would allow for consistent comparisons and reporting is another.

However, data is the 'what' not the 'why'. It is not enough to simply capture the data but instead L&D must turn that data into actionable knowledge that can be applied to drive increasingly valuable solutions. While in the past, availability and quality data was a challenge, in the current times, ability to make meaningful interpretations from the large volume of available data is today's challenge. In fact, the process of data collection, extraction and analysis can be overwhelming for L&D organizations, especially where resources are limited.

Today's startups have far more data than a typical L&D organization. From pixel by pixel eye tracking to clicks and cookies, there is data everywhere. So how are fast-growing startups dealing with the data tsunami? Successful startups typically practice evidence-based execution. That is, they rely on data to inform their next steps. They give priority to understanding data and analyzing data to convert it into meaningful reports. They reduce the clutter by focusing on a few key parameters that are important for their immediate business goals. Finally, and most importantly, they bring together a collection of inter-related data points in a cohesive, easy to interpret, and actionable format by using dashboards.

For L&D organizations, data will continue to be more and more easily collected. This may result in L&D organizations becoming even more overwhelmed and suffering from analysis paralysis. Using, not collecting data in a productive way has to be the goal for L&D. Focusing on dashboards and remaining committed to acting on that data will be essential to those learning organizations that truly want to deliver the next generation of value to their companies.

Dashboards That Drive Value

Amongst all the best practices that startups apply to effectively leverage data, collections of data points represented as dashboards to understand their current performance, is the one that L&D organizations can most benefit from. The power of data is magnified by the juxtaposition of multiple data points and the data is easy to interpret when represented in visual dashboards.

Dashboards are interrelated collections of key data points targeting critical success factors that drive an understanding of how to better execute. Use of dashboards allows for the determination of where the weakest link is in a given value chain. For startups, a dashboard may track the customer acquisition funnel which follow the progress of a customer from awareness to retention. For a L&D organization, this may mean a series of metrics tracking the performance of the team moving from problem identification to solution.

Focusing only on a select set of key metrics is another way startups use their resources wisely while gaining impactful information. Homing in on key areas for optimization allows for internal and external stakeholders to understand the priorities of the organization. These key performance indicators are not necessarily static. As organizations change, so do their dashboards. Once you know you are delivering quality learning, you may then turn your measurement attention and resources to the speed of delivering a solution or other areas or focus.

Startups look at things like market share and daily active users to see progress. As mentioned previously, having a 5-star rating means nothing if your product isn't being used. Similarly, if the L&D organization is only supporting 50% of the learning that is occurring in the organization, how valuable is the product that it is providing? What are the barriers to acquiring supporting the other 50%? Is it speed, expertise, organizational barriers or something else? If compliance training programs are the only learning events that are being consumed by a high percentage of its L&D's target employee base, then is non-compliance training only seen by the employees as a nice to have and not an important way to truly improve performance? Behavior does not lie. Trying to shield yourself with activity or satisfaction numbers without taking action on the observed behaviors is only a temporary refuge.

While the dashboards should be designed based on the goals and priorities of the specific L&D organization, the following four dashboards that highlight key and actionable perspectives on the operating performance of the L&D organization are recommended as a starting point.

1. Product velocity – how fast is our organization able to provide impact-producing solutions to identified needs?
2. Portfolio management – how well are we managing the catalog of learning solutions for

maximum value?

3. Market share – is our organization impacting the maximum number of learners?
4. Executive – what is the organization investing in learning and what return is it receiving for that investment?

Dashboard 1: Product Velocity

An earlier section described the dimension of speed called speed to product. Product velocity captures the speed or time it takes a L&D organization from identifying training needs to delivering targeted value from learning. L&D must watch this gauge carefully. A perfect solution delivered too late is lost value that may never be recaptured. A dollar a day starting tomorrow is almost always going to return more than waiting for five dollars a day starting in a couple of weeks.

Consider this. If L&D is able to implement a learning solution that delivers 80% of the desired impact in 3/4 of the development time, it takes meaningful time for the 100% solution to deliver more value. If the development cycle for a given learning solution is four months then the 80% solution only requires three months to launch. A month may not seem like much but depending on the shelf life of the learning solution, the value lines may never cross. An imperfect solution sooner is often more valuable than a perfect one later.

Month	1	2	3	4	5	6	7	8	
80% Solution	Development Time			80	80	80	80	80	
Total Value Delivered	0	0	0	80	160	240	320	400	
100% Solution	Development Time				100	100	100	100	
Total Value Delivered	0	0	0	0	100	200	300	400	

Similarly, if L&D is able to reduce the cycle time for a 100% impact solution, by reducing the time to delivery of value by 25%, The learning solution delivers 20% more value over the same period.

Therefore, Product velocity is a key dashboard for any L&D organization looking to deliver more value.

The purpose of this dashboard is to ensure that speed from need identification through solution to value delivery is being tracked and optimized. The process, either the Do-Si-Do recommended in Running Training like a Business or some other, involves multiple hand offs, contributors and feedback-based iterations. All of these activities can slow the process dramatically. This dashboard is designed to provide a means of making the current performance on this key dimension visible.

The following Talent Development Reporting Principles (TDRP) metrics are examples of possible inputs to the velocity dashboard.

Cycle time, hand off to design and development
Cycle time, design and development for ILT and vILT
Cycle time, design and development for e-learning
Cycle time, hand off to delivery
Cycle time, total
Total Number of New Training Implementations
Training Implementation Cycle Time
Courses, developed, number meeting deadline
Courses, developed, % meeting deadline
Average development cost of a new ILT or vILT class
Average development cost of a new e-learning class

In addition, it may be of value to capture the cycle time of the activities that comprise other elements of L&D's solution pipeline. Data on the number of new training needs identified or explored, pilots conducted and others can give L&D a better picture of capacity drivers and possible areas of opportunities for improvement. A growing number of new needs may place constraints of solution architects. Growing time between pilot and final handoff may indicate that the organization is moving too fast and the result is pilot solutions that are missing the mark by more than in prior times.

Finally, all solutions are not created equal. More expansive implementations may appropriately take months to bring to fruition. Performance support tools or standard off-the-shelf offerings can often be selected and purchased very quickly. It is important to not lose this distinction in the averages. Some segmentation of solutions may be required to see the cycle time metrics in the correct light.

Dashboard 2: Portfolio Management

At the time of the writing of *Running Training Like a Business*, the term curriculum management meant the administration of a learning library. With the wave of LMS implementations over the past two decades, the tools have changed, but not the function. Today, when the creation and maintenance of learning offerings is thought of as an investment, it requires a different kind of attention. Portfolio management puts a focus on this essential perspective on a company's investment in learning.

While mix of learning modalities is often held up as an important metric, too often these numbers are skewed with the purchase of a single eLearning catalog or the metrics may be chased after for their own sake. L&D organizations have also too often adopted a quick to add, slow to delete mentality where the size of the catalog is a measure of success. Additionally, there is the definition of active. With one client, there was an extremely robust list of active courses for the prior year. Upon further examination however, it was found that a significant percentage of courses deemed active were attended by fewer than 10 people. In some cases, this is justified (example, a high-end simulation training), but in most it is not.

Looking at today's curricula requires a new lens through which to view it. To be effective, curricula must be dynamic, kept evergreen and highly business relevant. Data from the curricula must be used to eliminate redundancies or identify scrap learning. This data should also provide the basis for discussions regarding modality, need and audience. To this end, metrics capturing new products added, aged content and content retired must replace metrics like hours available, active courses and modality mix as L&D's means of describing the value of the catalog.

The goal of the portfolio management dashboard is to ensure maximum vitality of the curricula. With the businesses that L&D supports rapidly evolving, the curricula must be actively managed. Active management must ensure business alignment, leverage of new learning modalities, evolving ways of working, audience's needs and intended impact. It is no longer acceptable to conduct annual reviews and audits. Instead, continuous analysis and action based on the analysis must be maintained to ensure the highest value producing curricula.

The following TDRP metrics are examples of possible inputs to the portfolio dashboard.

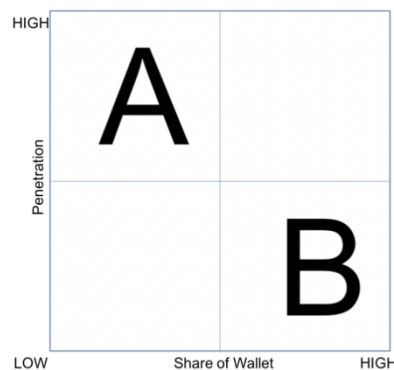
Courses, % used
Courses, total delivered
Unique hours of formal learning used
Unique hours of formal learning, % used
Average Training Hours per Event
Percent of L&D Vendor Licenses Utilized
E-Learning License Utilization Rate
Effort to update existing courses
Training Cost per Hour (TCH)
Amount Learned (Level 2 Estimate)
Percentage of Tests Passed
Scrap Learning

There are many TDRP metrics related to learning solutions and adding standard metrics for impact gives a fairly robust view on the performance of the portfolio. Looking at overall utilization can help to determine the true size of the curricula. Like the old saying about trees falling in a forest with no one around, if a course is in a catalog and no one ever uses it, does it make an impact? In addition to these measures, new metrics related to the age of solutions and solutions retired can help to better guide investments in updates and determine the true lifetime value of a course or curriculum.

Dashboard 3: Market Share

The market share dashboard captures a set of metrics associated with L&D's customers and the behaviors of those customers being served by the L&D organization. Market share runs both horizontally, across the company, and vertically, within a business unit. For startups, there are two important ways to describe market share: penetration and share of wallet. Penetration describes the number of potential customers touched versus the addressable market. Share of wallet is a monetary descriptor showing how much of the overall spend in your category you are capturing. For example, while grocery stores have not lost penetration, we are still shopping, they have lost share of wallet as we spend less on groceries and more on dining out. Both of the dimensions are important for startups and L&D to understand.

Not every L&D organization has the mandate for all learning. This means the addressable market is reduced perhaps by geography or by content focus. However, there is value in many cases for a unified L&D organization and L&D should be able to earn the right to it. For the purpose of this example, let us assume that the L&D organization does have a global mandate both geographically and for content. Since we all know that the top right quadrant of any four-box chart like the one presented below is the best and the lower left is never good. For this reason, let us focus on the other two. This example is not meant to provide a universal diagnosis but simply illustrate how the market share dashboard can provide actionable insights.

**Quadrant A** – High penetration / Low share of wallet

This quadrant may represent a L&D organization that is serving a large percentage of the addressable market but a high percentage of learning spend is going elsewhere. This could be a reflection of a specialized group (i.e. new hire, leadership or compliance training focused). This may also be an indicator of business leaders' lack of desire to let go, believing that no one else can understand their

business. The willingness to sacrifice quality of learning for control and perceived credibility is often a hidden cost for organizations. This cost may show up in lost buying leverage with vendors or lost productivity from SME's pressed into learning duties and not to mention ineffective learning.

Quadrant B – Low penetration / High share of wallet

Touching a small part of the market but being deeply part of their learning efforts might be the result of L&D staff having a strong familiarity with that business or an executive in the business that “gets it”. L&D organizations, not unlike all of us, tend to go where they are welcome. Rather than take the long road to converting non-believers, organizations may focus their resources on parts of the company with fewer barriers. The problem with having a narrow customer base in L&D is the same as in business, if those few customers leave, the business is in trouble.

The goal of the market share dashboard is to provide insight on the audience currently served by L&D and offer possible ways in which those relationships might be deepened. By showing the audience currently served, this dashboard also may highlight opportunities for broadening that audience. Whether market penetration and/or share of wallet is the goal, this dashboard makes L&D's progress against those goals visible.

The following TDRP metrics are examples of possible inputs to the market dashboard.

Unique Participants
Total Participants
% reached by L&D
Participants registered for ILT
Participants completing ILT
Participants, % completing ILT
Participants registered for vILT
Participants completing vILT
Participants, % completing vILT
ILT Attendance
Total Participant Hours of Training
Training Hours per Learner

As presented earlier, there are two dimensions of market: penetration and share of wallet. While the TDRP metrics focus on the existing captured market (participants), both penetration and share of wallet occur in the broader context of the entire company. For this reason, understanding the % of employees that are participants and how the training provided through the L&D organization, whether internally developed or sourced, compares to other utilized sources is an important data point. Understanding how much learning comes from sources outside of the L&D organization such as developed in the business, delivered by subject matter experts or directly procured, are important additions to this dashboard. What can you infer about an L&D organization that only serves 30% of the employees or delivers only 25% of the learning consumed in a company? Based on the charter of L&D, these results may be either appropriate or a sign of the company not recognizing the value that L&D can bring.

Dashboard 4: Executive

Sharing data with executives is a key element in building relationships, credibility and support. After decades of relying on intuition and goodwill now that L&D has the data, the urge is to show it off. All of it. L&D is can be too eager to demonstrate the many facets of the organization and its performance. While sharing data is a key to enhancing credibility, it must be the right data, delivered in the right value adding way.

Note from J.

After the release of the first book, when Ed Trolley and I started doing L&D organization assessments together, I was tasked with compiling and analyzing the collected data. I would spend days reviewing and crunching numbers, survey responses and other information we had collected from the client. I would take hours to painstakingly build charts and graphs representing the results, juxtaposing multiple data points to support our findings. Then when the draft presentation deck was ready, I would present it Ed. I would sit there as he studied my masterpiece then he would pause and ask one simple question. "So, what?"

The executive dashboard needs to be a "read and react" dashboard. Unlike activity-based measures that show you what you have done, the executive dashboard provides key operating metrics that allow the CLO and executives to see how L&D is performing and how it might do so better. In a car, this is the difference between the odometer showing you how far you have driven, and the speedometer showing how fast you are going right now. KPI's must be actionable and must be acted upon.

As a learning leader, you are submerged in the operations of the L&D organization. CLOs understand the context and implications of the metrics without needing to have it explained. Business executives on the other hand are submerged in their own business not L&D. Make sure that when you are sharing data with your stakeholders that they understand why the data is important and what you are going to do as a result of it.

A Final Note on Dashboards

Dashboards like the examples presented here are meant to help provide an actionable base of data for strategy development and to track progress towards the organization's goals. These example dashboards are not meant to be the only dashboards watched by L&D or that the four examples

presented are of equal importance to every L&D organization.

Every L&D group must determine the highest value performance indicators for its company and focus its attention and efforts there. If the company is going through a period of rapid change, perhaps the product velocity metrics are the highest priority. If cost is paramount to an organization, then the L&D organization may turn its attention more towards the portfolio management dashboard. If fragmentation in the sources of learning solutions and the resulting poor quality that often accompanies is the focus, then L&D's focus may be on market share.

This section does not mean to imply that these dashboards stand independent from one another. In fact, like the collection of data points that make up each dashboard, the dashboards themselves are also very interrelated. Insights from the portfolio dashboard may help in determining the drivers of market growth or loss. An increase in solution velocity may be contributing to the vitality of the curricula. Growth in market share may create a more robust pipeline of new learning solutions to be designed, developed and delivered. Drawing insight not simply from a single data point or dashboard but from all can help a CLO to better understand how L&D's service delivery model is working.

A colleague once told me that you cannot tell the direction a car is moving, if at all, from a snapshot. Dashboard results must be put into the context of historical performance and future goals. The addition of dashboard trends over time is critical to adding this context. Data is valuable, not when it is captured, but rather when it is put to work to drive improved value.

Data Driven Execution: Discussion Questions

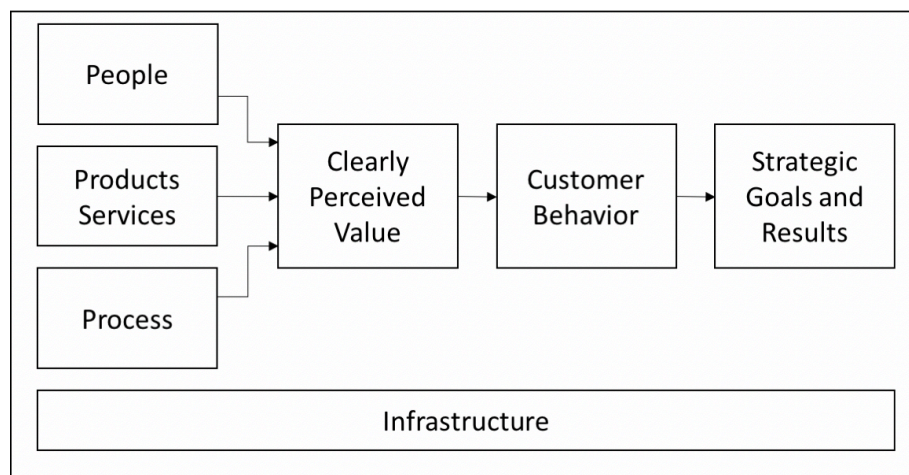
- What are your customers (learners, managers and executives) telling you through their behavior?
- What metrics are you watching? How are you putting your data to work for you?
- How is your L&D organization tracking velocity?
- How is your organization managing the curricula?
- How much of the learning in your company is your L&D organization supporting?

A New Framework

One picture is worth ten thousand words

- Chinese proverb

Running Training Like a Business introduced a framework called Dynamic Business Scorecard (DBS). DBS was developed by a colleague, Bill Fonvielle. Bill saw that while the business world has grown enamored with the work of Norton and Kaplan on Balanced Scorecard, that metrics work best when the drivers and dependencies of the various elements could be made more visible. The DBS displays the drivers of results, not simply the results. This makes diagnosis and communication more straightforward. Using the DBS, organizations could determine how they were performing across the value chain and when something goes wrong, root cause is easier to determine.



Running Training Like a Business

Throughout this book, I have sought to explain why I believe that the new L&D organization has new requirements. They must be able to consistently deliver the measurable value needed. In order to do this L&D must:

- Be characterized as the experimenters.
- Create an organization that tries, fails and tries some more.
- Acknowledge that in this period of rapid change, one way to serve their company is to embrace a process of rapid releases with a quick iterative feedback cycle.

For this reason, the framework by which we view learning organizations must support these new requirements and this iterative process as well. While the dynamic business model has served L&D well, it too is in need of an update.

The Learning Model Canvas

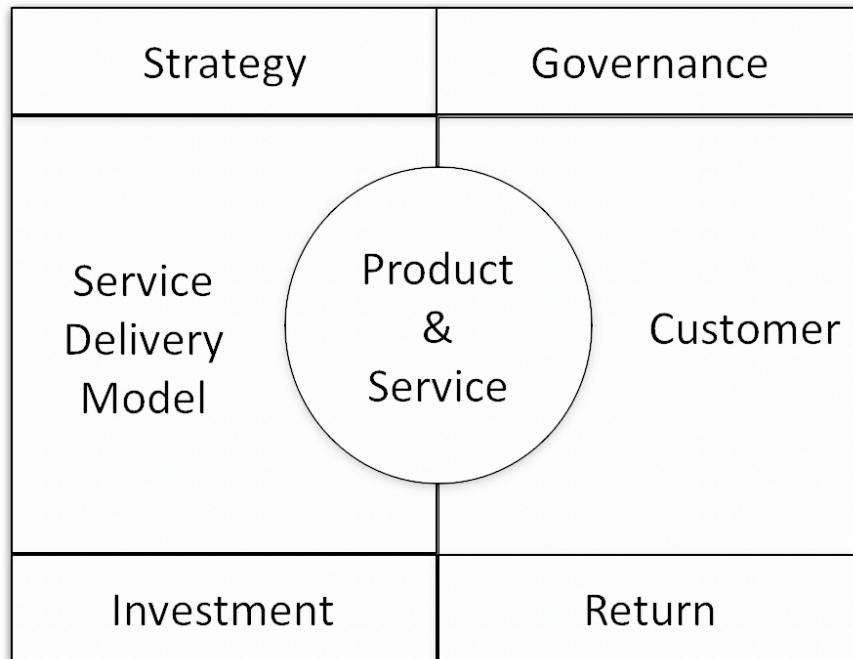
Many of today's fastest growing startups have addressed the need for supporting rapidly changing business requirements by abandoning multi-year business plans in favor of the Business Model Canvas (BMC). The BMC was developed by Alexander Osterwalder, a Swiss business theorist, consultant and author of Business Model Generation.

Startups find that the canvas is a powerful tool for focusing, creating a common language, making the system visible and driving stakeholder alignment. The BMC is also multi-purpose, serving as: an assessment tool, an action checklist, a communication tool, and an ongoing scorecard. The BMC is treated as a living document, continuously evolving in this fast-moving world of business. Adapting the approach and learnings from the BMC, a new framework for thinking about a company's learning organization is also in order.

The Learning Model Canvas

Similar to the BMC, the Learning Model Canvas (LMC) is anchored by the value proposition we described in the discussion on CLO communication. The model contains five core areas. For each area, a brief description is provided below. The pages that follow will provide additional detail on each area. In this section, each of these areas will be used to help you better understand the current state of your organization's model. The five core areas are:

- Customer
- Products and Service
- Service Delivery Model
- Strategy and Governance
- Investment and Return



Customer

A learning organization's customers fall across multiple segments; learners, managers and executives. Each of these segments has its own set of requirements and needs. By clarifying the expectations of each of these customer segments, a learning organization can smartly inform its value proposition. By identifying the customer experience required, L&D can optimize its channels to learners and improve its products to drive better business results for the whole company.

Products & Services

This area of the Learning Model Canvas brings the value proposition to life. What you are offering drives the delivery of the value proposition to your customers and defines what your service delivery model looks like. This area also includes the management of the products and services required to support the entire lifecycle of a learning solution.

Service Delivery Model

This area describes how the learning organization operates in a way that meets the requirements defined by the customer expectations, the resulting value proposition, and the products and services that deliver on the value promise. This area includes what needs to be done, how it will be done and who will do it. The service delivery model area of the LMC also challenges us to ask what new activities, like curation or social media facilitation, not currently encompassed by the learning organization, need

to be included based on the results that customers expect.

Finally, this area requires L&D to re-evaluate doing it yourself versus outsourcing. When the way in which you accomplish key activities is rapidly changing, companies often push the burden of that change on partners rather than taking it on themselves. A global technology company I worked with had a goal of turning over a certain percentage of its software engineers every year. This allowed them to bring in knowledge of current programming technologies instead of utilizing outside partners to scale up and down and gain access to new expertise and experience. I think we can all agree that use of partners rather than driving turnover is a much better long-term approach.

Strategy & Governance

Alignment and management of the learning organization is described in this area of the Learning Model Canvas. Through strategic governance and steering committees, dashboards and communication strategies, this area ensures what the company needs are being met in the most efficient and effective ways possible. This area also brings into focus the need to keep key stakeholders engaged and informed in order to continuously improve the value delivered by L&D.

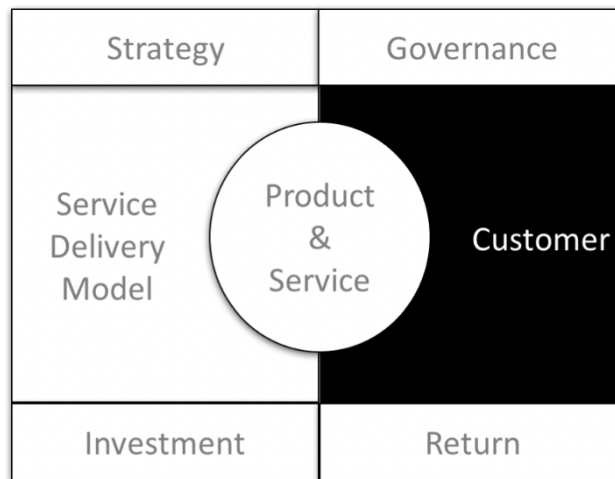
Investment & Return

The final area of the LMC captures the value being delivered and the total investment that the larger enterprise is making in order to deliver on the value proposition. Frequently, organizations look only at the direct cost line items related to learning such as payroll, travel and third-party spend. These organizations frequently fail to capture the investment made in the form of subject matter expert time, lost employee productivity caused by being away from job, and other less obvious costs. In one organization, an assessment found that while their training staff to employee ratio reflected a highly efficient organization, the company was investing more than the entire training department's payroll in subject matter experts' time alone. L&D had effectively transferred one budget to another making itself look better while making the investment being made in learning by the company more difficult to capture and manage.

Still Dynamic

Similar to the BMC, a learning organization's Learning Model Canvas is meant to evolve as the needs of the organization and its customer change. Ongoing conversations with customers, as well as feedback from steering committees and metrics dashboards, must continuously be used to ensure the required value proposition, the product, services and the organization to support it all continues to deliver unmistakable value.

Customer Domain



We begin our dive into the domains of the Learning Model Canvas with the customer. The first step to delighting your customers is understanding who they are. Not unlike enterprise software companies, L&D has three distinct customer segments, each of which must be satisfied in order to succeed. For software, these segments might be the payor, who funds the purchase (executive), the buyer, who selects the software (senior manager) and the user (employee). For L&D organizations, they are; executives, managers and learners. While both executives and managers are often also learners, for our purposes we will treat these as roles, not titles.

- Executives are investing resources, which is often competing with other possible areas of investments that can help them advance their business' goals.
- Managers are investing their people's time (lost productivity, replacement cost, etc.) in order to advance their unit's goals.
- Learners are investing their time in order to advance their personal goals (promotion, increased productivity, etc.).

For each of these customer segments, the L&D organization must work to understand the expectations of the customer and based on that determine L&D's performance.

Expectations

It is widely accepted that dissatisfaction comes not from absolute performance but from missed expectations. You need look no further than your last budget airline experience for proof. Delays, small seats and poor service would usually lead to complaint calls and refund demands. Instead, when asked

about service from a low budget airline, most of us would say, "It was OK." The reason for this is the same one that is seen, far too often, in L&D. As part of the many assessments conducted over the years, hundreds of interviews have captured the level of executive satisfaction with L&D. Our reports repeatedly contain a phrase Ed Trolley coined long ago at Forum, "Executives have low expectations of L&D and they are being met."

It is for this reason that it is important to not only identify current expectations but to also understand them by asking "why?" Without an understanding of the expectations, all L&D has to gauge its current performance against is the customer feedback. "It was OK." While this may feel good to some, it distorts the true perception of L&D by the company. The true perception can likely be seen indirectly in budget reduction, tepid executive support for initiatives and learning being done within the businesses rather than utilizing more skilled L&D resources. The job of the learning organization is not to simply meet the expectations that currently exist but to work to raise those expectations. L&D needs to be saying, "You should expect more and we can deliver it."

While the executive customer segment is used in the example above, this principle applies to all customer segments. Managers frequently just want to get their staff back more quickly to minimize their investment. Learners may bring negative expectations into a compliance session because they feel it is a "check the box" session that requires nothing more than their butt in a seat. Falling short of high expectations is better than meeting low ones. Peter Diamandis, founder of Singularity University and X Prize, a non-profit organization that designs and manages public competitions, intended to encourage technological development that benefit humanity, states that getting half way to a billion-dollar goal is far better than getting all the way to a million dollar one.

Experience

Software startups talk about "total cost of ownership" (TCO) as a way to describe true cost to a customer. There are a multitude of factors that need to be included in cost, which will be discussed further, in the section on the Investment and Return area of the Learning Model Canvas. But the concept of TCO applies to the experience any of the three customer segments have had with L&D. It is not just what got done, but how it got done.

Think about calling your cable company to get a \$10 errant charge off your bill. You may accomplish the goal of removing the charge. But the how, which included an hour on hold followed by 30 minutes on the phone and three representative escalations each resulting in the re-explaining the problem, needs to be considered as well. Was it worth it? When the customers' expectations have been properly captured these "how" costs can then be included in the measurement of the experience.

Customers of L&D may feel that the training was great but finding the right course and signing up for it was time-consuming or difficult. Managers may feel that the learning delivered was great but the use of SMEs was too time-consuming. Startups recognize 'UX', user experience, as being an important part of their success. This serves to focus the startup on the entire experience, not simply the transaction. L&D must do the same.

Performance = Experience - Expectations

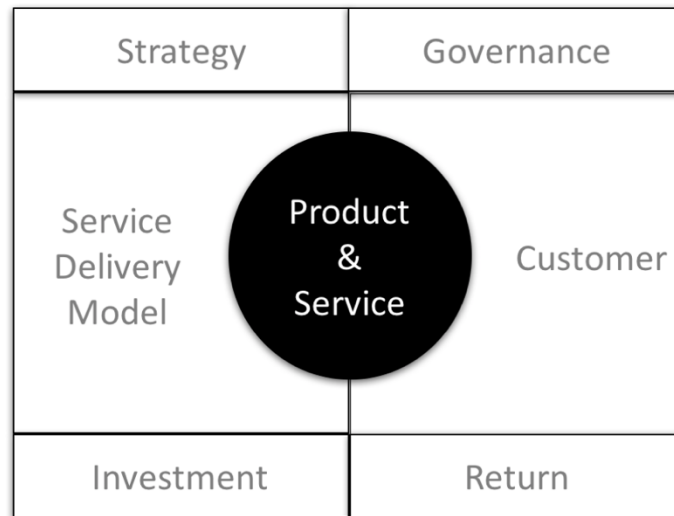
While performance may look like the result of a simple equation, it is in the combination of the performance results from various customer segments where the insight can be found. Let us take a high-level look at how combining performance data from various customer segments provides additional insight. As always, these are not meant to be a universal diagnosis but simply examples of possible causes. The perceptions of each of the audiences, when combined, can be directional. Such as when executives are impressed by a shrinking budget or learners are the only ones cheering for learning.

Executive	Manager	Learner	Possible insight
+	+	+	Great job...or low expectations?
+	+	-	Mostly compliance training?
+	-	+	Too long?
-	+	+	Too expensive?
-	-	+	Misaligned
-	+	-	Short but poor and expensive?
+	-	-	Cheap but poor?
-	-	-	Total scrap learning?

+ positive perception - negative perception

Whatever the performance results for a L&D organization, having a clear set of customer expectations is critical. It is from these expectations that CLOs can design the products and services needed and the service delivery model that will deliver the best experience to the customers of L&D. Beyond the initial design, it is from these performance results that L&D can continue to improve and optimize them.

Products and Services



Following the release of the first book when the DBS was introduced to clients, I used to always say that it operated from left to right. People and process drove products to customers that delivered the business results. I added that it had to be built from right to left, anchored by the business results desired by the customer. Although the model has changed from the dynamic business scorecard to the Learning Model Canvas, the core principle is the same. Your products and services must all start with the customer's expectations.

For startups, the alignment between a customer's need and the solution offered is called Product/Market Fit (PMF). PMF occurs when a startup finds a significantly sized set of customers that resonate with its product. The PMF concept was developed and named by Andy Rachleff, co-founder of Benchmark Capital, a billion-dollar venture capital fund that has invested in more than 500 startups. Rachleff says, "If the dogs are eating the dog food -- then you can screw up almost everything in the company and you will succeed. Conversely, if you're really good at execution but the dogs don't want to eat the dog food, you have no chance of winning."

An L&D organization's products and services are the tangible embodiment of the value proposition that delivers the solution that is required and has been defined by the customer. There has been plenty written about curriculum evaluation, catalog management and modality mix. All are important. The caveat is that while things like quality and administration can be judged in the abstract, dimensions such as modality and content selection can only be evaluated in the context of customer requirements. By recognizing the difference between best practice, benchmarks or generic targets, and those that are customer defined, you avoid chasing goals that may inadvertently move L&D away from PMF.

So how does an L&D organization know if its products and services have achieved the PMF promised by its value proposition? There are two very straightforward ways for a CLO to measure the level of PMF. One measurement is addition-based and the other is subtraction-based.

In 2003, when Fred Reichheld published "The One Number You Need to Grow" he changed the world of measuring customer satisfaction for a second time. He had first done so when his book "The Loyalty Effect" proved that top-box scoring was meaningless and that only customers that rated you the highest showed any behavioral difference to those in the middle. Bad was still bad, of course. Net Promoter Score (NPS) was his next customer satisfaction bombshell.

Reichheld's recognition that in order to grow and solidify its customer base, a company must turn its customers into salespeople stems from his Loyalty Effect work that termed these highly loyal customers "evangelists". Therefore, the number of these evangelists, less the number of detractors, as a key metric is a simple, measurable and now widely adopted approach. NPS applies to internal organizations, such as L&D, as well. Word of mouth is only possible if you have delighted your customer. You cannot delight your customers, all three segments, unless you have PMF. Additional customers, additional interactions, additional value, it all adds up. With some companies like Jet blue and Vanguard reporting net promoter scores in the 70's, according to Deloitte, the NPS for L&D is -31 at the time of this writing!

The second test of PMF is based on subtraction. Over the past two decades, a number of client companies have struggled with bloated catalogs of offerings. Thousands of courses, while good for meaningless metric benchmarking, tend to suffer from low utilization due to aging irrelevance or business strategy shifts. Many clients will often cite yearlong initiatives to evaluate and make recommendations regarding the fate of individual offerings within the curricula. Recognizing that compliance offerings are a separate animal, a simpler approach is simply, "stop it all and see what is missed".

L&D often appears to be too focused on, "what more can we do?" rather than, "what can we stop doing?" This may stem from decades of budget cuts or it may be the result of what startups call "vanity metrics". For startups; this equates to metrics such as new sign-ups or new features pushed, both of which do not reflect the value delivered. Did a sign-up become an active user? Is the customer getting more value from those features and can you tell that from their behavior? For L&D, the hours delivered metric is one of these vanity metrics. With the prevalence of what the industry calls "scrap learning", how does this measure value? Number of available learning offerings is another similarly useless metric. Size really doesn't matter.

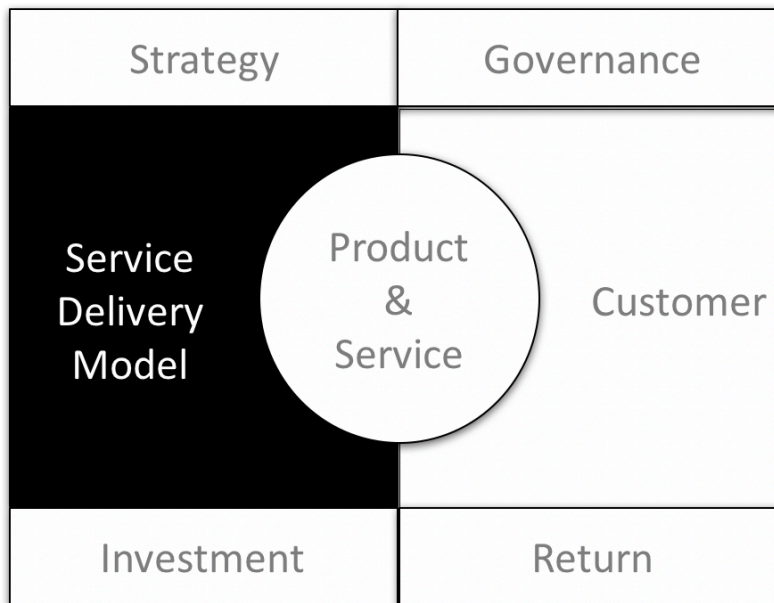
In the spirit of NPS, simple and easy to collect, perhaps L&D needs to adopt another simple metric. The Perceived Value Score (PVS). PVS is used to determine how many customers would be distraught if they couldn't have your product/service anymore. Like the NPS, it relies on a single question.

"On a scale from "extremely impacted" [10] to "would not notice"[1], how would your business be affected if our L&D solutions went away?"

This metric can be used at the single offering level, with managers regarding all the learning provided to their business unit, or with executives to capture the value of L&D as a whole. This metric is scored similarly to the NPS. Only the most impacted count as L&D evangelists and then that number is reduced by the number of respondents on the "would not notice" end of the spectrum.

These two simple questions are crucial to understanding the level that L&D's products and services have achieved PMF.

Service Delivery Model



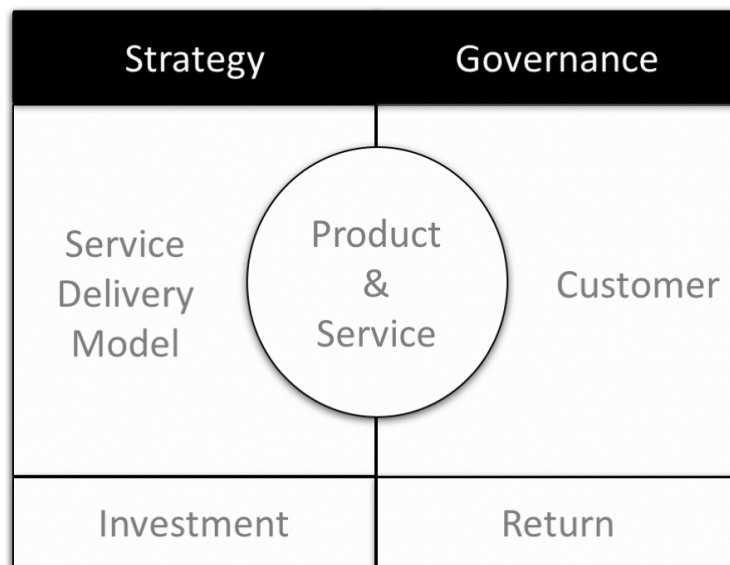
The Service Delivery Model (SDM) area of the LMC ensures that the organization is designed from top to bottom to deliver the products and services required to fulfill the value proposition. Because customer expectations, and therefore value propositions, for L&D will be company specific, every L&D organization may look different. The SDM has five core areas; process, technology, suppliers, people, and management.

- **Process:** In Running Training Like a Business, the various processes essential to the L&D organization were highlighted and discussed. While the processes have evolved since, the need to have clearly defined and documented processes is even more important today. Fluid teams, an increased pace and the continuous push for optimization make process existence and management a required core competency for today's L&D organizations.
- **Technology:** When the first book was released, eLearning was still in its infancy. Today, new learning technologies seemingly launch every week. From delivery platforms to tools for development, communication, feedback collection and collaboration, L&D must always be on the lookout for new technologies. Not for the sake of having a new "toy" but rather to identify more efficient and effective ways of delivering its value proposition.
- **Suppliers:** The landscape of service providers to L&D organizations is in constant motion. The selection, evaluation and management of suppliers is of great importance. This importance is amplified by the requirement to achieve better focus and leverage from the internal L&D organization.

- **People:** The makeup of the typical L&D organization is changing. Once full of instructional designers and developers, today's L&D organization requires technologists, curators, data scientists and people skilled in product management. Ensuring that the team's capabilities, structure and roles are in alignment with the value proposition is essential.
- **Leadership:** The top of the organization must contain the three capabilities (product execution, customer relationship, innovation leadership) described in the earlier Team section. The leadership of L&D must contain the internally focused skills to lead initiatives such as process improvement and data strategy and the leadership style to manage a team in a time of rapid change and experimentation.

Service delivery model design is a key for the success of startups, often determining the feasibility of their business. L&D organizations are no different. Only with a clear view of what is needed to deliver on the value proposition can a CLO confidently recruit or reskill their team, organize and allocate resources, select partners, and choose outsource providers. L&D built in this way is designed to deliver the value its customers require.

Strategy and Governance



Running Training Like a Business focused on the important challenge of effectively ensuring business linkage. One of the tools suggested for increasing linkage described in the book was governance boards. This emphasis was because, without the clear linkage to the objectives of the business, the opportunity to drive value is severely limited. A decade after being published, Corporate University Xchange conducted a survey of over 150 companies. The survey found that only 60% were using an executive governing board and only 10% saw it as highly effective. So, while having a board is recognized as valuable, ensuring it performs well is even more important.

As an industry, the talk of getting a "seat at the table" continues almost two decades after the first book was released. So, what is limiting the effectiveness of L&D's governing bodies? Why is it that Corporate University Xchange concluded that "the business linkage of learning and development dwindles as issues become more strategic"? In work with many companies, the governance process has proven to be a powerful connection to the business. If the Service Delivery Model is seen as the "body" of the L&D organization, then the governance process is the "head".

In addition to their investors, startups typically have a second group of outside support, the advisory board. Advisors can be industry experts, individuals with strong networks relevant to the startup's goals or simply well respected fellow entrepreneurs. As you can imagine, many of these advisors are sought out by multiple startups putting a strain on an advisor's time. In order to set clear expectations, many startups use a formal advisor agreement that includes specifics concerning the commitment, number of meetings/calls/emails, and services expected from the advisor, such as promotion, recruiting, contacts

and project support. While the formality of a contract is also required due to the stock compensation many advisors receive, the clarity for both the startup and the advisor is invaluable.

For L&D organizations we will look at governance in three-tiers. Each tier of advisors has its own participants and objectives.

Strategic
Tactical
Operational

The first tier is strategic. More than senior level moral support for L&D, this group of senior executives ensures strategic alignment and provides important organizational feedback. Meeting once or twice a year, this group ideally consists of executive champions with strong credibility amongst their peers. The objective of this tier is to provide strategic direction for the L&D organization. Typically held in the fourth fiscal quarter, this strategic group meeting and the associated annual report can be an important precursor to budgeting.

The second tier is more tactical and consists of senior business managers. This group meets quarterly. In addition to facilitating feedback collection on performance and key indicators. The quarterly meetings are focused on discussions involving the prioritization of needs and, where appropriate, removal of any barriers to L&D's performance that may exist within the business. These barriers may include limited manager engagement or additional access to needed subject matter experts for solution development.

The final tier of governance is operationally focused. Participants in this tier frequently meet monthly to provide program level feedback. Consisting of line managers and key L&D resources, including relationship managers and solution architects. This group's meetings are primarily focused on near-term actions that can be taken to improve results and on capturing learnings from current activities to improve future activities.

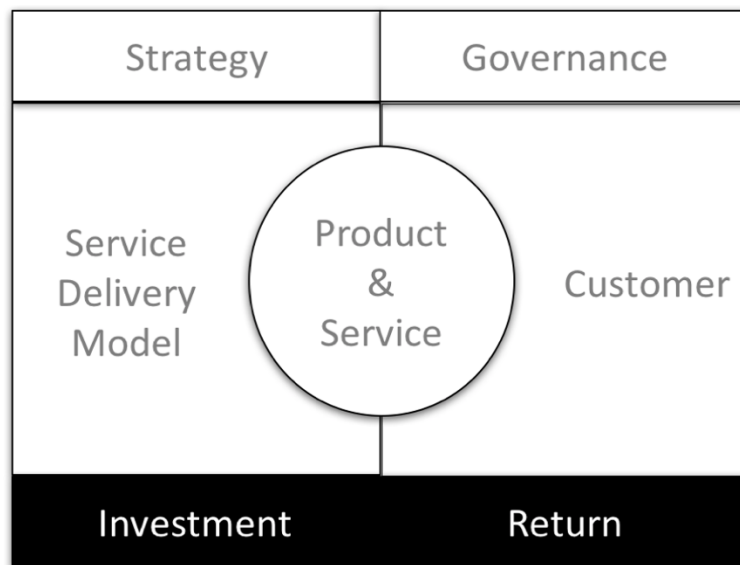
Fast growing startups must use their advisors to their best advantage in order to succeed. At the strategic level, startups work with their investors to capture value from them beyond monetary such as key customer introductions. At a more tactical level, leading founders collect a group of key advisors to

help them solve complex problems. Finally, at the operational level, frequent meetings that include solutions leads and key customers are critical to accelerating product improvements.

As highlighted by the Corporate University Xchange report, L&D must focus on not just having groups of stakeholders but must ensure that it is getting the most from these important groups. If L&D fails to do this they are wasting the time of these important stakeholders as well as their own. Below are startup best practices that can help L&D get the most out of Strategy and Governance structure.

- **Use all levels of advisors' time wisely** - All the participants in these three tiers have many demands on their time. This raises the bar for all meetings with them. Preparatory materials, focused agendas, and strong facilitation are all required to avoid advisory meetings from becoming a victim of the busy calendars of the members.
- **Don't stay local** - While it may be easy to select participants based on location, it is important that the advisory groups reflect geography of L&D's customer base. With technology now widely available for virtual collaboration and meetings, there is no reason to settle for a good advisor who is nearby rather than the best advisor elsewhere in the company.
- **Get diversified** - Groups need to accurately represent the customers being served by L&D. Make sure that participants are contributing diverse points of view, especially, in the tactical and operational tiers of advisors, L&D can benefit greatly from these diverse perspectives.
- **Set the ground rules** - L&D has to set up clear ground rules in order to get maximum value from its advisors. Candid and productive conversations are necessary to achieve the objectives of each group. Establishing a shared set of rules of engagement, captured in an advisor agreement can mean the difference between a feel-good meeting that results in no value and an honest one that delivers results-producing input.

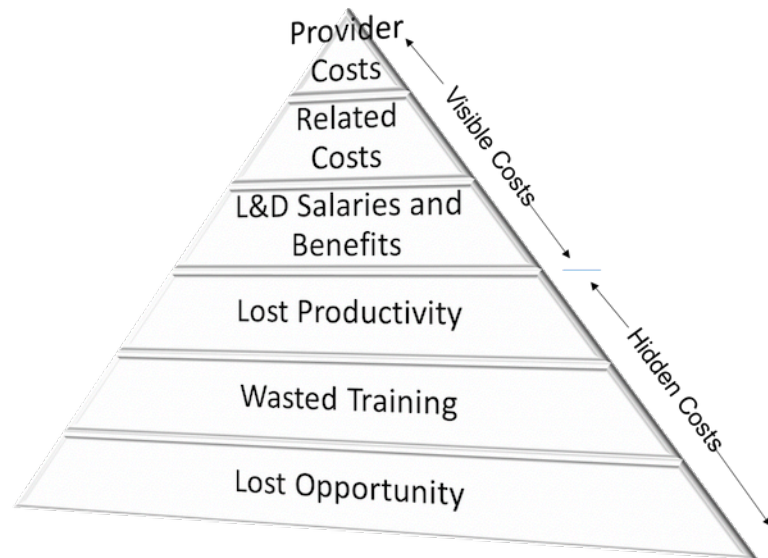
Investment & Return



The keys to this area of the Learning Model Canvas (LMC) are:

- changing the discussion from cost to investment,
- understanding the true costs of training,
- and using the information in an active, rather than historical, way.

Running Training Like a Business discussed the importance of uncovering the true full costs of training. Visible costs, such as third party spend and the salaries of L&D staff, are commonly recognized. It also presented three categories of hidden costs that are often not included in the discussion. These hidden elements are essential to reframing the dialogue as one of investment and worth revisiting here. Early stage companies are well versed in the economics system of their market. Hidden costs can often mean the difference between adoption and extinction. Making hidden cost visible on the other hand can often unlock the true value being delivered.



Running Training Like a Business

Let's begin with the cost of lost opportunity. This element of cost is usually not included in the investment discussions. The opportunity cost captures the loss associated with not receiving the value that comes with improved performance. This performance improvement opportunity may include; additional sales, lower hiring costs, decreased time to productivity and reduced attrition. This represents the cost of doing nothing. Turning this lost opportunity into value through the provision of learning is the return that is being sought. For example, if a company's sales close ratio is below the industry average and learning can be used to improve this ratio, then the opportunity cost is the delta between the current performance and the industry average.

Example 1

- Sales audience (A) 100 sales people
- Average sales(S) \$500,000
- Close ratio (C) 15%
- Industry average close ratio (I) 25%
- Opportunity cost per salesperson (O) = $(I - C) * S$ or $(25\% - 15\%) * \$500,000 = \$50,000$
- Total opportunity cost = $O * A$ or $\$50,000 * 100 = \$5,000,000$

In this case, the Opportunity Cost or cost of doing nothing is \$5,000,000 in lost sales revenue!

Calculating lost opportunity for non-sales roles is possible as well. For service roles, efficiency in the form of calls handled or another activity can be converted to a dollar amount by taking the full cost of that employee (salary, benefits, space, etc.) and dividing that by the capacity of an individual contributor.

Example 2

- Customer service representative audience size (A) 1500
- Customer service representative cost (S) = \$30,000
- Average annual call capacity per CSR (C) = 2,000
- High performer call capacity (H) = 2,600
- Cost per call (P) = \$17.50
- Opportunity cost per CSR (O) = $(H-C) * P$ or $(2600-2000) * \$17.501\% = \$10,500$
- Total opportunity cost = $O * A$ or $\$10,500 * 1500 = \$15,750,000$

In Example 2, if a learning solution can be delivered such that it results in a 20% improvement in efficiency (more calls handled per CSR) the result is over \$15M in cost savings, or recaptured opportunity. Similarly, we can also calculate the opportunity cost for softer skills. If management is a driver of attrition, then the opportunity cost is a function of the hiring, onboarding and time to productivity for replacement staff. The cost of doing nothing to address sub-par performance is never nothing. It is important that L&D is able to frame the existing costs as context for the proposed investment.

Now that we have identified the current state costs, we can turn our attention to understanding the full investment required to address the performance gap. In addition to the visible expenditures, we must also capture the hidden ones. While wasted or scrap learning is a more subjective hidden cost, lost productivity is quantifiable and an important part of the equation that is often overlooked. The simplest way to determine lost productivity is by taking the annual revenues of the company and dividing that by the employee base. This is a standard economic measure used by businesses, financial markets and governments to reflect the value of output per input, in this case input is an employee. This can then be used to determine the lost productivity while the employees are away from their jobs and in training.

Example 3

- Company annual revenues (R) = \$10,000,000,000
- Employees (E) = 20,000
- Revenue per employee (P) = \$500,000
- Working days per year (D) = $(365 - \text{weekends} - \text{holidays} - \text{vacation time}) = 220$

- Productivity per day = P / D or $\$500,000 / 220 = \$2,272$

Note from J

Making the cost of lost productivity visible is also a powerful tool in demonstrating the value of modality changes that result in time compression or less time away from the job. Consider working with a client to convert a high volume eight-hour classroom session to a three-hour eLearning solution. With over 10,000 learners every year the reduction of five hours of time away from the job returned over 10 million dollars' worth of unproductive to the business, far outstripping the cost of conversion.

Using our Example 1 from above, we can now have a true investment discussion with a business sponsor.

"Our current sub-par sales performance is costing us five million dollars a year. L&D can close that gap through delivery of a learning solution. The half-day solution including development, deployment and other costs for your 100 salespeople will require an investment of \$125,000. Even if the solution only closes half of the gap, you are still recapturing \$2,500,000 of the lost opportunity for revenue. Is a 20X top line return on investment in training your team something you might be interested in?"

With L&D now looking at investment and return in the full light, how L&D uses this information is the final point to cover. To do so, we again look at how high performing startups are managing their investment in building and delivering product to their customers. For startups, this is best exemplified by "burn rate". Burn rate is the pace at which a startup is consuming the investment funding. Much like L&D, startups are operating on a fixed budget prior to generating significant revenues. Unlike L&D, startups use this fixed budget as a daily focusing mechanism, not a historical accounting.

Investments in startups are generally made at several points during the life of the startup. These points are often delineated by the achievement of important milestones such as product launch, number of customers acquired or revenue targets. What a burn rate does for startups is place a time limit on the achievement of those milestones. Because time once spent cannot be regained, startups are vigilant in tracking where they are every day on the progress towards milestones (value delivered) versus investment. Startups cannot wait for the clock to run out and then look back to see how they did.

For L&D, the milestones are almost always based on the budget cycle and the implied burn rate is simply a division of the budget across the year. The goal of L&D, at any given point in the year, is to have delivered more value than investment burned. While this is not always possible, project kickoffs or large initiatives may temporarily cause the investment amount to be above the value delivered amount, it should be a focus of the organization. For example, an L&D organization with a \$10 million budget has a burn rate of \$45,000 per day. This means that in order to be on the positive value side by the end of January, L&D should have delivered at least a million dollars of value to its customers. By keeping burn rate top of mind, L&D avoids getting to its annual milestone only to realize that it has not delivered enough value and cannot get the time or investment back.

A New Framework: Discussion Questions

- How are you thinking about the operating model your L&D organization?
- How are you and your team managing the expectations of your customers?
- How do you think your customers would answer to the PVS question? What do you think are the keys to improving that score?
- How have you designed your L&D organization to deliver the value your customer requires?
- How are you keeping L&D connected at all levels of the company?
- Is L&D seen as an investment or a cost in your organization? Why do you think that is the case?

Section 3: Launch

Get Started

"A good plan violently executed now is better than a perfect plan executed next week"

- George S. Patton

Running Training Like a Business outlined the phases of the Learning Organization's transformation. The transformation phases; assessing, planning, installing and running, detailed in the book, are still relevant. However, what has changed is that the transformation process is no longer linear. Transformation in today's environment is achieved through a fast-moving iterative cycle. The journey you are about to undertake is one that does not have a destination other than "better than yesterday."

"Asking the right question is half the answer."

- Aristotle

The first book included a set of key questions in the transformation section. This section will provide you with additional key questions that are focal points for experiments and assessment. This section will continue to use the Learning Model Canvas to organize our efforts and again we will take our cue from the best practices of startups. Using this model, you can look at ways that you can quickly gain the information you need to drive improvement. Since transformation is an iterative process, the focus will be on getting "just enough" to start the process. As you proceed, your organization should continually revisit and revise your canvas. This section will also initially look at using data or resources already available to L&D. In cases where new data is required, the suggested process has been extremely sensitive to optimizing the use of L&D and other resources. The goal is to make the process simple and fast.

The hope is that the principles introduced in this book have you enthusiastic about seeking out and capturing opportunities to optimize your L&D organization. So where to begin? Simple. A core principle of both startups and effective learning organizations is to start with the customer.

It Starts with a Question

Earlier this book focused on the importance of experimentation. All good experiments start with asking the right questions. Building on the assessment from the beginning of this book a number of key questions that each L&D organization must ask itself in order to deliver next generation value has been outlined. These questions then provide a focus for the experiments, which in turn lead to more questions. These questions are organized to allow for quick iterations and fast failure (better seen as learnings). As presented in the discussion on experiments, all well designed experiments have a similar structure.

- What we believe
- What we will do to verify
- What we will measure
- What our measurement needs to be if we are right

This last piece, what does the measurement need to be if our assumption is correct, is critical. Startups sometimes wait until the results are in to define success. All too often, this leads to rationalization of the data to support the desired outcome. If a startup thinks that 70% of the customers need to be willing to pay for its product, then that is the hurdle that the startup needs to cross. If only 60% express this willingness, the response should not be "close enough," but rather the question, "why not?" Deciding the hurdle objectively and prior to the experiment assures that this issue is avoided.

To help with this process we included a quick self-assessment at the start of this book that captures your current assumptions around the performance of your learning organization. In all cases, unless there is a data basis for the rating it is only an assumption. All assumptions, positive and negative, must be turned into 'knowns' through experiments. This section has a number of approaches to get you started.

The first place for us to begin the assessment process is the quest for product-market fit. To do this, we have to define our market. Therefore, the very first question is “whom can L&D serve?”

Whom can L&D serve?

Geography, mandate and history all contribute the answer to this question. The key here is to focus on who could get value from L&D. Perhaps your organization's focus is only on soft skills or only for parts of the business. The answer to this question defines what is called the addressable market. While having a larger addressable market is better for startups, recognizing the limitations allows us to concentrate our value creation on our true potential customers.

Now, having defined the full potential market for our products and services the next question we need to ask is “Who does L&D service today?”

Who does L&D service?

This is the market share question that L&D has to ask itself. Of the X number of employees L&D could deliver value to, how many does L&D actually reach? A review of data from an LMS or other registration systems can often be helpful. It is not uncommon to find that although L&D says it is for a certain defined market, it is usually focused on a subset of that market. This may be the result of history, executive support and business drivers. We are not suggesting this is a conscious choice to exclude. Knowing the true answers to these first market share questions is an important foundation.

Answers to these first two questions regarding addressable versus actual market populations have potential insights to offer to an L&D organization. For the addressable market that is currently not served, the L&D organization must ask itself two simple questions:

- Why don't we?
- How could we?

Focusing on L&D's current market, the next question is, "Are we adding value?"

What value?

The two simple survey questions we detailed in the earlier section can help find answers to this question. It is tempting to want to send out a survey requesting feedback on all the various facets of the L&D offering and soliciting suggestions for improvement. We are supporters of loving data, remember?

L&D must remember that this first phase of running training more like a startup is about speed and efficient use of resources. Once we know more, we can double down on resources more confidently. In addition, we all know how survey weary most companies are. Two simple but powerful questions, the Net Promoter Score and the Perceived Value Score require less than thirty seconds of your customer's time...that is all it takes to determine if your L&D organization is adding value.

By allowing the data to drive the process, startups quickly get the input they need which in turn dictates the next step. If your L&D organization gets a net promoter score of 50%, stop reading this and get back to whatever it is that you are doing. Stop wasting your time on data collection, you are doing fine. If not, read on.

The responses to these two questions, collected from all three customer constituencies; executives, front line managers, and learners is the first step towards defining if there is a problem and if there is a problem, how big it is. If you believe you add value, (hopefully you do) what score do you anticipate? Then take a deep breath and ask the questions. You may not like the answers but now you have the data and you can start doing something about it.

NPS question:

"On a scale of 0 to 10, how likely are you to recommend the value of working with the L&D organization to a colleague?"

Perceived Value Score (PVS) question:

"On a scale from "extremely impacted" [10] to "would not notice"[1], how would your business be affected if all of our L&D solutions went away?"

When reviewing the data, one of the dimensions to be considered is what the results across customer segments tell about how L&D is serving each. Line managers and learners valuing L&D but executives scoring it lower could be an indication that L&D needs to do a better job communicating with the top.

Line managers who are less likely to recommend L&D than learners may indicate that the learning is of value but takes too much time away from the job or the line manager is not seeing performance improvement. Also, look for inconsistencies between the two scores for each segment. Highly valued but unwilling to recommend is a polite answer. This is true for the reverse results as well. People don't recommend something in which they don't see value.

Expect Great Things

Let us assume, for the sake of this section, that your scores are lower than your assumptions. Now it is time to roll up your sleeves and get to work. Defining the gap in L&D's product-market fit, the critical goal that validates the value being delivered to the customer, starts with our next question.

What value is needed?

To answer this question, I recommend two approaches; executive interviews and an expectations mapping process. Executives interviews provide important data regarding the expectations of the buyers of L&D's products and services and initiate the process of changing the discussion from cost to investment. Combined with the expectations map these generative tools will provide the requirements and specifications to compare against the current state.

Talking to the Top

Having conducted many executive interviews, there are two keys to collecting insightful and actionable data that stand out. First is that the discussion must not be about L&D, until the very end. This can be a bit confusing for some executive interviewees who wonder when you are going to ask them what training they need. You can assure them that you will get there but L&D is for solving business problems so that is where you are going to start. This can also be a challenge for the interviewer who in their earnest attempt to fix things, wants to jump right to the "what can L&D do better" questions.

The second key to the executive interviews is that L&D must try hard to get candid feedback. Your colleagues are not predisposed to tell about all things that are wrong or that they believe what you are doing is a waste of time and money. It can feel too personal. This dynamic makes it very important to set the context for the discussion and to manage the interview in a very open way. If you get defensive, or they are not candid, the L&D organization will not get the data it needs.

Startups use interviews like this one all the time to validate a problem they believe needs solving, to define a solution they are building or for making improvements to an existing product or service. We have adapted some of the questions typically used in these interviews for this purpose. Examples of the types of questions we include in executive interviews are provided below.

The typical interview structure used is:

- **Introduction** - The setup to the interview provides the purpose, benefits and process while also setting the tone for an open conversation. This is usually included in the communication used to request the interview as well.
- **Customer** - You must understand who your customer is. It may be interesting to ask questions about their career path within your company and in any previous companies. We all have different paths and working in other business units and companies can influence your customers' expectations and perception of L&D.
- **Business** – Most likely, you are very familiar with your executive's business. Even so, asking about structure, size, growth (real and targeted) and priorities can allow the executive the opportunity to provide the business backdrop as they see it, which may be different than how it was described in the latest annual report.
- **Problem Identification** – The objective of this section is to provide an anchor for business alignment. Asking about challenges faced or barriers to the business achieving its goals ensures that L&D is focused on the business issues and is able to communicate that in business' own words.

- **Capabilities** - With the business context now better understood, the questions can now turn to the capabilities the people in the business need to overcome the challenges and pursue opportunities. In addition to the capabilities required, asking about which populations have the greatest need for capability improvement can help to set priorities for L&D. Understanding these gaps can help ensure that L&D is delivering the value that the business needs.
- **L&D** – Finally, it is time to discuss the executive's expectations of L&D. By asking about the executive's "ideal" L&D partner, L&D can create a picture to be validated. Asking questions to help describe this "ideal" L&D's role in the business, desired interaction, and opportunity for value creation. The response to this question reveals a lot about the executive's perception of L&D.

In some cases, an interview will also include a quick numeric scale question at the end of a section to provide a quick snapshot. A question like "if ten is ideal L&D organization for supporting your business, where is L&D today?" can be helpful in base lining improvement as you move forward. Depending on the answer, this simple data point can also be useful in communication and generating buy-in for change.

Who should be interviewed is going to be determined by the structure of your company and the customers your L&D organization serves. As with any data collection effort, CLOs will want this to be a group that is reflective of the market L&D can serve. One way to start thinking about the interview list is to think back to the Strategy & Governance section of the Learning Model Canvas. Who would you want to have on your L&D board of directors?

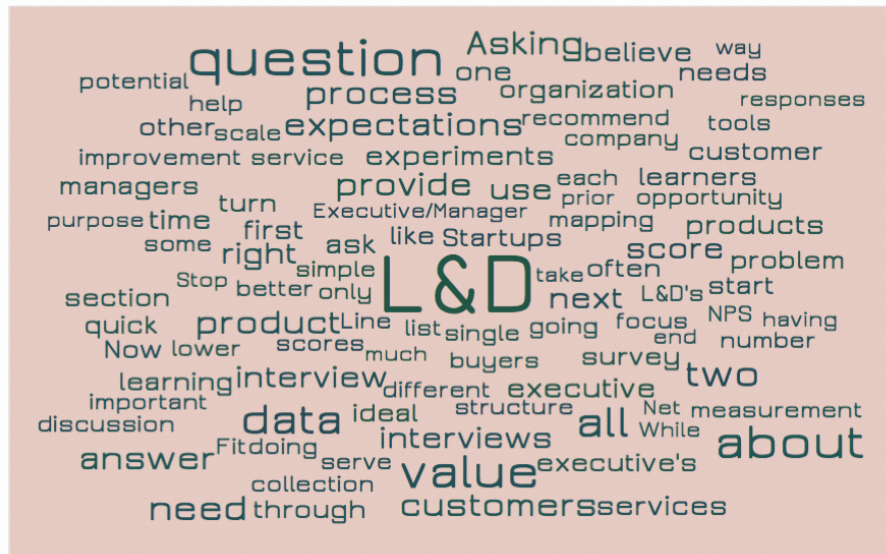
Expectations Mapping

Now that L&D has captured the expectations of its executive customers through executive interviews it is time to learn more about the other two customer segments. For the other two segments, managers and learners, another quick and easy survey-based tool can be used to collect that data. One simple, open-ended question is all that it will take to get to the next iteration of the learning cycle.

The approach to expectations mapping is a modified application of Nominal Group Technique (NGT), originally developed by Andre Delbecq and Andrew H. Van de Ven. Starting with a single question, the approach generates a list of characteristics describing the ideal L&D function. Unlike traditional NGT, which removes duplicates and then uses a voting technique to determine the most favored response, this process simply uses frequency as a vote. Also, since there is not a need to select a single favored response, the responses can be subjectively organized, based on experience, to help in understanding the customer's expectations.

This approach requires a slightly different question to be used for each of the two remaining customer segments. For line managers the question is, "What adjectives would you use to describe the ideal L&D organization for your business?" For learners, "What adjectives would you use to describe the ideal learning and development for you?" In both cases, respondents are encouraged to supply three responses with an option to contribute up to 10.

Once the expectation data is collected, each customer group is analyzed separately but in the same way. First, frequency of each adjective submitted is tabulated. Dropping the adjectives in one of the free online Word Cloud tools is an easy way to generate this result. I dropped this section of the book into one of these free online tools. The exhibit below is what was returned. This will immediately help to identify the most common expectations. The specific words are also valuable as organizations look to drive increased speed to learner through more compelling communications.



The next part of the expectation mapping process is synthesizing results to determine the essence of the desired value proposition of L&D to that customer. This is definitely more art than science but generally takes the following steps. First, look to remove or combine similar terms, keeping the most frequently used one as the headline. Second, look at the ones that can be grouped. For learners, this may mean bundling terms referring to channel expectations (mobile, on demand, offsite) or product expectations (short, interactive, video-based). For manager responses regarding the organization, a bundle might be process focused (fast, responsive, flexible) or organizational (embedded, business savvy, local). After the bundling, the rest of the analysis process is summarizing what your customers have told you about their desired value drivers.

With three survey questions, a handful of interviews and some light data analysis, L&D organizations can answer the four foundational questions faced by all startups and essential for running training like a startup. At the end of this process, L&D will better understand expectations from all three of their customer segments. L&D now also knows what a valued product, the L&D organization and desired results look like to the customers. Now it is time to deliver it.

Assessing the Situation

With the goal now defined in the customer area of the Learning Model Canvas, L&D now has the foundational information required to take a fresh look at the products and services offered. Armed with its customer expectations, L&D can now begin to explore the implications for the organization itself. In the section on data, we identified a number of key dashboards. We will revisit them here as tools for assessing the current state.

In addition, the process will continue to focus on iterating quickly and focusing resources on the highest areas of impact. In the last two decades, I have conducted a significant number of organizational assessments for L&D groups of all sizes. During that time, I have sat in war rooms full of boxes of data and information. While at one time, it made sense for organizations to go all in on huge change initiatives laying out five-year plans and committing enormous resources, the world does not work like that anymore.

This section is not about benchmarks. There are plenty of other places to find those. Benchmarks can also be dangerous. Startups sometimes look around for comparators. Looking at how fast another startup is growing or how much money was raised. Like benchmarks, these comparators can be misleading. There is nothing wrong with using benchmarks but remember, being in the same industry or the same size does not necessarily mean you are in the same cohort. Are your comparators solving a similar sized problem? Does their market have similar characteristics such as customer expectations and buying cycles? Instead of benchmarks, our touchstone will be the customers, their business and their expectations.

While some questions are connected, the ideas in the section are not designed to require all the questions to be answered at once. Each one can be stand-alone and done when the time is right. As a CLO, maybe your customers have told you that there are opportunities for L&D to add more value. The goal of this section is to help you make a data-driven decision on how to proceed. Most L&D organizations have a pretty good idea where the pain points are. Pick a spot, collect some data and get to building. The goal of this section is to provide a way to get you started smartly in the direction of delivering the unmistakable value your customers demand.

The process will continue to use questions to help focus on the key elements to be assessed. This is not a complete set of questions. As with this entire section, these questions are only the first round. Based on the answers, you may proceed to implementing changes immediately or you may need to ask more questions. The questions are organized into the following areas of the Learning Model Canvas:

- Product & Services
- Service Delivery Model
- Strategy & Governance
- Investment & Return

Products & Services

How aligned are our products with the expectations of our customer segment?

While this may feel subjective, I recommend taking a more objective approach to answering this question. CLOs can assess the curriculum against the expectations map and capability requirements. What percentage of the learning portfolio is "on-demand" or how many "interactive" solutions are offered? Is there a common theme to products and services that are and are not hitting the mark? Themes may be a specific content type, business partner or even solution architect. By taking this view, CLOs can quickly identify areas for further exploration and action.

What processes do we have, or need to implement, to ensure a portfolio of products and services are aligned with our customer's expectations?

How will alignment be managed moving forward? Does expectation alignment get included alongside business alignment in design guides? Is there a need for quarterly or annual reviews? In today's business environment, customer expectations are a moving target; it is best to have a dynamic process for ensuring the portfolio keeps up with them.

How are we managing our products for maximum value?

This question returns to the Portfolio Management dashboard discussed earlier. L&D needs to be clear on how to best manage the entire lifecycle of a solution from release to termination. Are there policies or standards regarding expiration and updates? Is there an identified owner for managing this?

Service Delivery Model

What are the activities L&D must execute to deliver the products and services required by the value proposition?

The focus here is on all the different activities related to the creation of the value promised to your customers. Solution types, delivery channels and infrastructure all require a set of activities related to creation, administration and maintenance. Keep in mind the concept of Total Cost of Ownership (TCO) as well. What engagement, relationship or support activities are necessary? Activities associated with the role of the CLO, such as stakeholder engagement and recruiting should also be included.

Where should those resources come from?

Whether a needed resource should come from inside or outside the L&D organization is a function of three variables. The necessary resource volume and the certainty of that volume is the first. Whether the resource requires specialized expertise or is it a more general skill set, is the second. The third variable is the extent to which the resource's performance is critical to the delivery of the value proposition. The answers to these questions provide a framework for clear and consistent decision making regarding how to best source needed capability.

What additional resources does L&D need to perform those activities?

In addition to the capabilities needed by the team, the answer to this question needs to identify all types of resources including budget, facilities, people, tools and support. For example, is a data warehouse or an analytics tool to provide metrics required by your customers? Are special facilities required to enable VR training?

How aligned are the current resources and activities with the expectations of L&D's customers?

Deployment of L&D resources should be a reflection of what the organization feels is important. A simple review of where L&D staff's time is spent can offer insight into needed reallocation of time, possible inefficiencies and opportunities for delivering more value with the same team.

Strategy and Governance

To what extent do all levels of the company understand the value proposition of L&D?

As the CLO, it is one thing to know what L&D's value proposition is. However, it is entirely another thing to have your customers know your value proposition. All of your customers and stakeholders should not just know your value proposition; they should experience it in every interaction. The answer to this question supports improved communication strategies and other touch points such as materials or portals. The first step, however, is for everyone in the L&D team to understand the value proposition.

Has L&D engaged the right executives and managers as its advisory board?

L&D needs champions, evangelists and influencers many times during the year. Who do you have that can be a reference for building a relationship with a new executive? Remember the new technology adoption curve illustrates that moving to the early and late majority segments requires different value drivers than for early adopters. References and proof points are a couple of those drivers.

Investment and Return

What are we spending?

The keys to understanding total investment, or spending, were covered in the LMC section. Making the two elements of learning spend, visible and hidden, known to all is an important step in getting buy-in for new approaches. I have not done a single client assessment where the slide containing the true investment figure was not greeted by surprise from the business sponsors. Returning to our share of wallet concept, it is also important to review the learning spend that businesses are making without involving L&D. Fragmented spend can often mean loss of pricing leverage, lack of consistency and loss of quality. It is also indicative of the level of value currently seen by the businesses in L&D.

What are we getting for it?

Everyone agrees that learning delivers value. Even the first book recognized that companies acknowledged the value of learning. The question is, what data your L&D organization has to prove it? Is that data credible to your customers? How is L&D sharing the data with its customers? L&D organizations and the solutions they deliver are an investment. An investment that is competing with other uses for budget and resources. If the business sponsors are surprised by the spend on L&D, they are equally surprised by the lack of credible return on investment data for that spend.

Final Thoughts: Embrace the Journey

"I'm convinced that about half of what separates the successful entrepreneurs from the unsuccessful ones is pure perseverance."

- Steve Jobs, co-founder, Apple.

I offer a final learning from the world of startups. Startups are hard work. So too is the path to run training like a startup. This journey is a marathon, not a sprint. While the path may be unknown, what is certain are the setbacks, hurdles, and risks that will be faced. Successful founders know this and yet they continue building.

Amy Rosen, former President & CEO, Network for Teaching Entrepreneurship says that, "high performing entrepreneurs see problems as temporary obstacles on a worthwhile journey for which they are highly motivated to see through." CLOs and their teams must accept the realities of change and uncertainty, take calculated risks, learn from failure (and success) and never stop being curious. The future is built by people and learning and development helps build better people. It is time for all of us to get back to building.

About the Author

J. Miguez

A seasoned strategist, consultant and serial entrepreneur, J. Miguez has spent his entire career driving growth for companies through innovative solutions. He has spent the last 20 years at the intersection of Learning & Development and innovation. He was the architect and lead consultant for the Forum Corporation's strategic training assessment offering working with global 1000 companies such as Oracle, Goldman Sachs, E.on, and Natwest Bank. He designed and launched the Training Outsourcing offering by Franklin Covey, later acquired by Mellon. J. has previously held the position of Senior Talent Solutions Architect for Aon Hewitt focused on bringing new approaches, solutions and partnerships to clients. Throughout his career J. has worked with clients around the world on optimizing their learning organizations to meet today's business challenges of speed, flexibility, efficiency and effectiveness.

J. has also founded two successful startups, was a founding organizer of StartItUpDE (a public-private partnership that launched the Delaware tech ecosystem) and is an advisor to investors, founders and large corporations. He has taught entrepreneurship as part of accelerator and university programs. For the last 7 years he has authored Growing Up, a slightly off-centered blog for startups and innovation.

Currently, J. is focused on bringing the best practices used by fast growing startups to Learning & Development functions in large organizations and authors several blogs.