**Why Training Matters**

Tip Sheet #14 from *Doing the Right Things Right* by Laura Stack

Regular training for your employees is integral to productivity and profitability, meaning it's something you should never take for granted. Among other things, training:

1. **Improves Confidence and, Therefore, Performance.**When people know they've been equipped to do their jobs properly, it boosts their spirits and reassures them they can achieve levels of competency and productivity they haven't realized in the past. Further, when employees understand why their work matters and how to do it, they're more likely to hit the mark or go above and beyond.
2. **Saves the Company Money.**Well-trained employees make fewer errors and require less direct supervision. Furthermore, they spend less time thinking about problem solving, because they already know what to do. Consistent training also decreases employee turnover—a big drain on corporate costs.
3. **Earns the Company Money.**While money saved is equivalent to money earned, directly fattening the bottom line makes people sit up and take notice. A few years ago, Nations Hotel Company invested heavily in coaching and saw an ROI of 221 percent.
4. **Increases Employee Productivity.** Motorola long since realized that every dollar invested in training can yield as much as a 30% gain in productivity within three years. That let the company cut costs by $3 billion and increase profits by 47 percent in 2000 alone. According to another report—"The 2001 Global Training and Certification Study" by testing firms CompTIA and Prometric—as little as a 2% increase in productivity can result in a 100% increase in training ROI.

Researchers have consistently observed this effect over the years since. For example, Dillon Consulting, an inter­national consulting firm, quadrupled its profits by 2009, after instituting a Project Management Training Program four years previously. Similarly, in 2013, BSkyB, a pay TV service in the UK and Ireland offering broadband and telephone services, reported a significant ROI after delivering 850,000 hours of training to its customer service representatives over a twelve-month period.

**Big-Time Payoff**

Good, consistent training more than pays for itself in terms of employee confidence, performance, productivity, reduced turnover, and dollars earned on the bottom line. Rather than view it as a necessary evil, treat it as a positive expense—just as you would any initiative that promises to increase profits and benefit everyone all the way down the line.

Laura Stack, MBA, CSP, CPAE, aka The Productivity Pro®, gives speeches and seminars on sales and leadership productivity. For over 25 years, she’s worked with Fortune 1000 clients to reduce inefficiencies, execute more quickly, improve output, and increase profitability. Laura is the author of seven books, including *Doing the Right Things Right: How the Effective Executive Spends Time*. See [www.3TLeadership.com](http://www.3TLeadership.com).