Think about the last box of pens you bought. Have you spent hours since that transaction contemplating whether the purchase of that particular box of pens was truly worth it? Unless you are like the TV character Monk, described as “America’s favorite obsessive-compulsive detective” on the USA Network website, you probably haven’t spent a whole lot of time thinking about it.

Let’s take a second and analyze the impact of the purchase of this box of pens. Assuming that the pens actually work and aren’t filled with fluorescent pink ink, there isn’t much to consider beyond relative price (versus alternatives) and lifespan of the pens (so that you know when to order the next box). In other words, because pens are commodities and not a strategic part of your business, you just need to know the cost...
DON’T FALL INTO THE EFFICIENCY TRAP!
HOW TO MEASURE TRAINING EFFECTIVENESS

Figure 1
Framework for Measuring Training Impact

and have a general sense of how long they will last.

Now imagine the training that your department provides. Your department likely has a good handle on how much you spend on training activities and approximately how many people you train. While obviously important to know, these two aspects are equivalent to knowing the price of the box of pens and how long they will last. The much harder question to answer is, “How effective is the training?” While many training departments capture perspectives (the ubiquitous post-training ‘smiley sheets’ used to capture training participant feedback come to mind), very few training leaders are able to provide the business managers outside of their own department with a comprehensive view of the effectiveness of their training activities.

Instead of tackling this question head-on, training departments often deal in the language of efficiency rather than effectiveness. The language of efficiency is perfect when you are buying 20,000 pens but falls short when trying to communicate the impact of an investment of millions of dollars into a training department (not to mention the opportunity cost of time-out-of-territory).

At this point, it is important to recognize that there are numerous techniques and philosophies for measuring the impact of training. From Kirkpatrick’s levels to the Phillips ROI Methodology, there are sound models available to measure training at an individual event or program level. Yet, many training departments in the pharma space have literally dozens of different events, programs, and training modules that they are constantly conducting. Investing the time and resources into measuring the impact of each of these is akin to getting a haircut one hair at a time. It will yield precise outcomes, but it is unrealistic to do.

In this article, we will discuss the importance of measuring both training efficiency and effectiveness, and we will introduce a framework for doing so. We will also suggest an approach to aligning this measurement effort to the business priorities that training’s stakeholders care about. Our observation is that successful training leaders establish an ongoing dialogue whereby they communicate the impact of training efforts as it pertains to business priorities. The measurement framework and approach that we introduce in this article is indeed the rest of the story, as it enables training leaders to focus on what is important to the business, rather than getting caught up in measuring the minutiae of a particular training program.

THE NEED TO MEASURE TRAINING EFFICIENCY AND EFFECTIVENESS

Why is it important to measure both training efficiency and training effectiveness? Let’s define training efficiency and training effectiveness within a framework suitable for training departments, which we’ll call the Training Impact Framework. This framework borrows from the Balanced Scorecard Framework, a performance management framework introduced in 1993 by Robert S. Kaplan and David P. Norton, which began as a concept for measuring whether the smaller-scale operational activities of a company are aligned with its larger-scale objectives in terms of vision and strategy (see Figure 1).

TRAINING IMPACT FRAMEWORK

Training efficiency really focuses on the operational and financial aspects of a training department’s efforts. From the operational perspective, it answers such questions as, “How
many people did we train over a given period of time?” From the financial perspective, it answers questions like, “How much did it cost to train them?”

Let’s use a bit of an off-the-wall analogy to shed light on why measuring efficiency isn’t enough. For those readers who have had a baby, answer the following two questions: “How many babies did you have over a nine-month period of time?” and “How much did it cost to have each baby?” The typical answer to the first question is one baby over nine months. Answering the second question requires an analysis of many things, such as childbirth costs, cost of maternity leave, necessities (e.g., diapers, car seat), childcare, and doctor’s visits.

If these were the only aspects people considered when having a baby, few people would have one! It would be similarly absurd to analyze the impact of training by just examining operational and financial considerations.

The missing piece of the equation is training effectiveness. Training effectiveness focuses on the performance and cultural aspects of a training department’s efforts. Looking at performance answers such questions as, “How well are we training our constituencies on those things that drive sales (e.g., product knowledge and sales call effectiveness)?” The cultural review answers questions like, “How well do we drive engagement through training (through means such as leadership commitment and awareness of training needs)?”

We often hear training leaders talk about the need for their training department to be less reactive and more of a strategic partner within their commercial organization. Without measuring training effectiveness, this is nearly impossible to do. If all we measure and communicate are efficiency metrics, then the organization will often see training as a “vendor-like” support function. If training leaders are able to leverage performance and cultural information to have meaningful dialogue with their stakeholders, then the organization will begin to see the training department as a strategic partner.

A STRATEGIC APPROACH TO MEASURING TRAINING IMPACT

Now that we have a framework in place for measuring training impact, we are ready to act. Yet, training leaders have to be very careful not to get bogged down in the process of measurement. Rather, they should follow an approach that aligns training to the business priorities of its constituencies. By staying in tune with these business priorities, training will be able to keep its efforts relevant and manageable.

Below we have outlined a five-step strategic approach to measuring training impact. This approach assists in identifying a training department’s key constituencies, their desired business outcomes, and the key trainable capabilities required to drive the outcomes. It then focuses on identifying and gathering the evidence required to demonstrate impact on these capabilities. Finally, it guides us to communicate the impact to those key constituencies.

Let’s work through these steps using a concrete example. Our firm worked with the training lead for a large pharmaceutical company. This training lead faced a difficult environment of scarce resources in 2008, which led to an increasing need to justify training investment. At the same time, the commercial organization had high expectations of the training department, due in large part to the high-quality performance of the training department over the recent past.

The training lead felt squeezed from both sides—both efficiency and effectiveness—and saw the need to increase the discipline within the department around deployment of resources and measurement of the impact of those resources. Additionally, the training lead wanted to increase the level and nature of dialog between the training department directors and the various groups that they supported. The training lead invested time and effort around training impact measurement and communication, following a process very similar to the one above.
**STEP 1. INTERNAL CONSTITUENCIES**

The first step that the training lead conducted was to pull together the training leadership team. The team then defined the key internal constituencies who the training department either provides training for or partners with to develop and deliver training. These included franchise heads, sales leadership, managed markets personnel, and marketing team members. The training lead assigned ownership of the relationship with these people to the members of the training leadership team.

As part of this exercise, the team conducted a summary analysis of the current nature and quality of the relationship between training and the constituency to determine whether it was ideal.

**STEP 2. DESIRED BUSINESS OUTCOMES**

The second step undertaken was also conducted in part during the training leadership team meeting. This was simply to hypothesize the two to three desired business outcomes of each key constituency. Examples of business outcomes that the training leadership team identified included a successful new indication launch, increased clinical differentiation of products, and increased coaching effectiveness within the sales management team. It is important to note that coming out of the meeting, the training leadership team made it an action item to hold discussions with key leadership within each of the constituency groups in order to validate the desired business outcomes for the group. Gaining buy-in and validation from constituencies is an important part of being seen as a “partner.”

**STEP 3. TRAINABLE CAPABILITIES**

Often, one of the most difficult tasks for training departments is to figure out what the focus of training should be. The training lead in our example asked each of the directors on the team to identify the specific capabilities related to the desired business outcomes. In other words, what should the training program enable the trainee to do? For the new indication launch, the capability cited was the ability to articulate the new indication’s value proposition to existing customers using the appropriate approved message. This indication launch also required the sales force to have a foundation of knowledge about the disease state, patient types, treatment options, and product differentiation.

**STEP 4. EVIDENCE TO DEMONSTRATE IMPACT**

Translating trainable capabilities into evidence of the impact of training requires planning ahead to ensure that data are gathered during and after the training. This can be done by revisiting the Training Impact Framework and listing out potential metrics that fall within each category (i.e., Operational, Financial, Performance, and Cultural). The next action is to select the most important metrics to capture (see the table below for example metrics by category), while also defining the process by which to capture these metrics. It is critical to also spend the time and effort to define the specific standards (the target) by which success will be measured for each metric.

The training leadership team from our example began this process during a facilitated session and then had regular update meetings to check on progress. The training lead emphasized the importance of each director collaborating with his or her key constituencies to agree upon the metrics, standards, and training to conduct to achieve the standards. A byproduct of this step was that the directors gained alignment with their constituencies around priorities and standards, which helped...
to increase the perception of training as a strategic partner within the commercial organization.

**STEP 5. COMMUNICATION OF IMPACT**

The last step of the approach is the most important one. Just as sales representatives are typically expected to pre-call plan and leverage clinical evidence during their interactions with physicians, Training departments should take a similar, robust approach to preparing for their interactions with their key constituencies.

If a training department delivers extremely high-quality training that enables the business to achieve its desired outcomes, yet the department doesn’t communicate this impact effectively, then the department is missing an opportunity. By establishing a mechanism to communicate this impact, a training department can help key constituencies understand the strengths and opportunities for improvement that can help drive performance even higher.

The best way to communicate this impact is to tell a story using a holistic set of metrics and feedback. Since the link between any one specific training metric and results is nearly impossible to establish, the training department that is able to point to a broad set of data and tell the story of impact will establish a much higher level of credibility with commercial stakeholders.

The training department in our example did just this and told a holistic story using a mix of quantitative data (e.g., skill assessments) and qualitative information (e.g., perceptions of participants). Each training director told a different story based upon the desired business outcomes of his or her key constituencies, yet each used a similar framework to do so.

The training lead put together a department-level story that leveraged pieces of each director’s story. The department then established an ongoing set of touch points with its key constituencies to keep the interaction alive. The feedback from the key constituencies has been overwhelmingly positive, as they see the training department as a partner to help them achieve their strategic goals.

Training is a significant investment for commercial pharmaceutical and biotech organizations, and training departments owe it to the business to provide a complete picture of the impact of their efforts. By combining a Training Impact Framework with a strategic approach to measuring training impact (see Figure 4), training departments will make better decisions on how to use their limited resources. Ultimately, training departments that follow a disciplined approach to measuring and communicating training impact should be rewarded with a more strategic role in the business.

George Schmidt is Vice President, Sales Practice, Campbell Alliance.
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