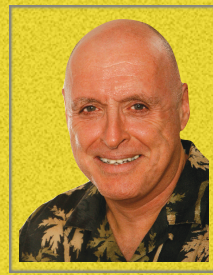


# THE EXTRA POINT

BY JERRY ROBERTS



## # 77 Coming Up With Your Training Budget

What's your philosophy on training and development? Who gets it and how often? How much should you invest? I'm Jerry Roberts and today, a topic most organizations have trouble with. That's right now, on The Extra Point.

I've been in the training field for over 20 years and in that time I've heard a lot of business owners and senior managers chew over the issue of training and development...and costs.

Right up front let me say that generally, Guam employers don't train workers nearly as often as their mainland counterparts do. Most local companies spend much less in developing talent. That's just a fact.

Some folks try to suggest a training budget should be a percentage of gross revenue, or net profits, or even payroll. I don't believe in any of those.

I believe your training budget should be based on the business plan of the organization, and to fill the gaps in learning from where your team is now and where you need them to be by a certain date. So, the actual training amount is likely to be different from employer to employer, even those of similar size.

Further, the organization should have two budgets; one for technical training and direct job skills, with the other for human relations, or what they call "soft skills."

Training can also be used as an employee benefit, and the newest generations of workers, the Millennials and Generation Z, their younger brothers and sisters, want more of it than did their parents in Generation X, and their Baby Boomer grandparents.

There's more to it, and I recall a story I came across on a family business forum a couple of years ago.

One company owner was commenting on his training regimen, that he outspent his competition two- or three-to-one — and that he did so for three good reasons.

One, he referenced training as an employee benefit, and that it set them up as an employer of choice across all age groups, particularly with younger workers.

Two, he promoted their training achievements to their clients and vendors, which he felt was an advantage and made training a marketing benefit as well.

Three, when team members did leave for other opportunities, they became walking, talking billboards for how his company treated their workers. That made training a recruiting benefit.

Which he claimed ended up saving him money. He said that over many years he hadn't spent a dime on ads to fill open positions. Jobs were taken by existing employees or by referrals from past workers.

What this boils down to is a reality you may never have considered. Training is more than learning, it also can be strategic.

Consider where you're headed and what you hope to accomplish. Then, and only then, put your numbers together.

That's The Extra Point. Get out there and make something good happen today. For 93.3, I'm Jerry Roberts.

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For information on training and consulting services from Jerry Roberts, please click this link: [guamtraining.com](http://guamtraining.com)

