

Training Budgets Step-by-Step

**A Complete Guide to Planning and Budgeting
Strategically-Aligned Training**

Diane C. Valenti

Pfeiffer
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About This Book

Why Is This Topic Important

This book was written because training professionals and department managers are often assigned the task of coming up with a training plan and corresponding budget. They often don't know how to perform the needs assessment necessary to come up with numbers they can defend.

What Can You Achieve with This Book

The purpose of this book is to walk readers step-by-step through the process of developing a training plan and budget. The book comes complete with questions to ask, a case example to review, and templates to fill in. It tells the reader how to use the information gathered in one step as a building block for the next.

By reading this book and completing the templates, readers can develop a training plan and budget that are linked to strategic business objectives.

How Is This Book Organized

This book is organized around a ten-step process for generating a realistic training budget. Each step is described in detail and includes a case study and sample templates. Blank copies of the templates are included at the back of the book as well as on the accompanying CD-ROM.

About Pfeiffer

Pfeiffer serves the professional development and hands-on resource needs of training and human resource practitioners and gives them products to do their jobs better. We deliver proven ideas and solutions from experts in HR development and HR management, and we offer effective and customizable tools to improve workplace performance. From novice to seasoned professional, Pfeiffer is the source you can trust to make yourself and your organization more successful.



Essential Knowledge Pfeiffer produces insightful, practical, and comprehensive materials on topics that matter the most to training and HR professionals. Our Essential Knowledge resources translate the expertise of seasoned professionals into practical, how-to guidance on critical workplace issues and problems. These resources are supported by case studies, worksheets, and job aids and are frequently supplemented with CD-ROMs, websites, and other means of making the content easier to read, understand, and use.



Essential Tools Pfeiffer's Essential Tools resources save time and expense by offering proven, ready-to-use materials—including exercises, activities, games, instruments, and assessments—for use during a training or team-learning event. These resources are frequently offered in looseleaf or CD-ROM format to facilitate copying and customization of the material.

Pfeiffer also recognizes the remarkable power of new technologies in expanding the reach and effectiveness of training. While e-hype has often created whizbang solutions in search of a problem, we are dedicated to bringing convenience and enhancements to proven training solutions. All our e-tools comply with rigorous functionality standards. The most appropriate technology wrapped around essential content yields the perfect solution for today's on-the-go trainers and human resource professionals.

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To my husband, Steve, who always believed in me.

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Introduction

Purpose

In most cases, the goal of training is to solve problems, achieve goals, and resolve issues to support your organization in achieving its strategic objectives. This guide walks you step-by-step through the planning process, so that you can develop a training plan and budget that supports your organization's efforts to achieve its objectives. It comes complete with questions to ask, a running case study, and templates to fill in.

In some situations, though, training alone will not be enough to solve the problem, achieve the goal, or resolve the issue. This guide also allows you to determine whether training is the appropriate response.

How to Use These Materials

This guide consists of three parts:

- Instructions on how to perform each step
- A case study that illustrates the process
- Blank templates for your use

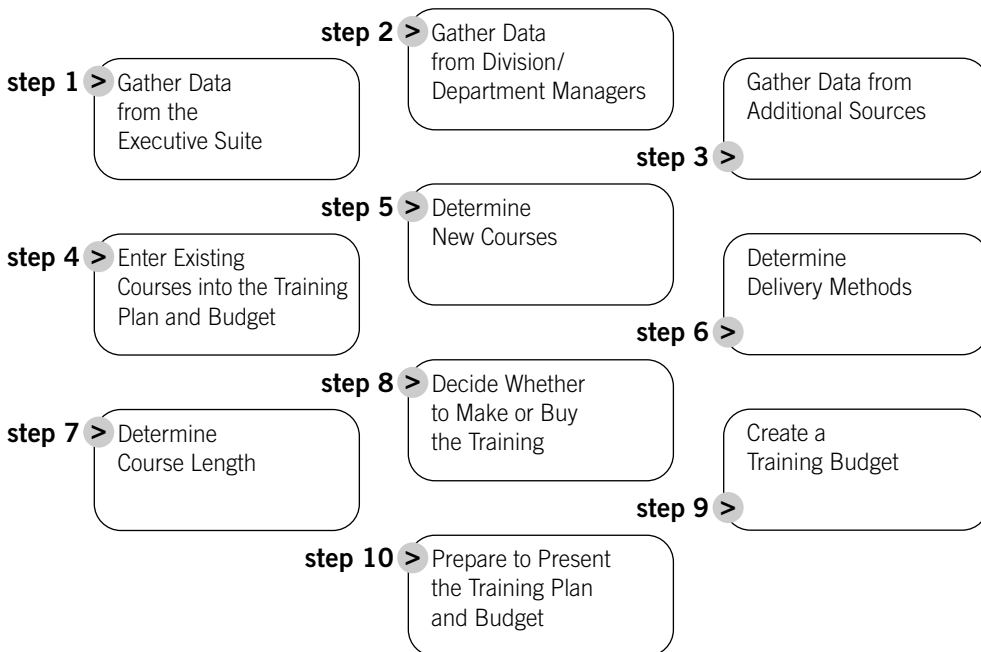
To get the most from this guide, review the example of the finished plan shown in Template 14 beginning on page 108. Then return to the beginning and read the instructions and review the intermediary examples to see the output of each step. Italicized text shows how the output of previous steps is used in the current step. With the exception of the first step where all information is new, shaded text shows new information that results from the current step.

When you are ready to create your own training plan and budget, you can photocopy the blank templates in the Appendix or print them out from the accompanying CD-ROM. Then follow the instructions to complete them.

One caveat—if you do not have the time or resources to complete each step, do what you can. Also feel free to divide the work involved among several people.

How This Book Is Organized

The flowchart in the following figure provides an overview of the process of creating a training plan and budget. A brief description of each step follows the flowchart.



Step 1: In this step, you'll meet with the executive team to learn about problems that need to be solved and goals that need to be achieved for the organization to be successful.

Step 2: In this step, you'll meet with division/department managers to learn more about the role these divisions/departments will play in solving the problems and achieving the goals that the executive team has identified. You'll also learn about any issues that each division/department is facing that are preventing it from meeting its goals.

Step 3: In this step, you'll identify existing training offered through the training department and independently within specific divisions/departments. You'll also determine whether or not training, or training alone, is the appropriate response to solving the problems, achieving the goals, and resolving the issues that have been identified.

Step 4: In this step, you'll determine which existing courses to include in this year's training plan.

Step 5: In this step, you'll determine what new courses you'll need to add to the training curriculum to solve the problems, achieve the goals, and resolve the issues that have been identified.

Step 6: In this step, you'll determine how new courses will be delivered. For example, should Interviewing 101 be delivered in the classroom or over the company's intranet?

Step 7: In this step, you'll make an educated guess on the length of each new course.

Step 8: In this step, you'll decide whether to make or buy new courses.

Step 9: In this step, you'll cost out the training you need to buy or develop.

Step 10: In this step, you'll prepare to present the first draft of the training plan and budget to your supervisor for approval.

STEP 1

Gather Data from the Executive Suite

1.1 > Ask About
Organizational
Problems

1.2 > Ask About
Organizational
Goals

1.3 > Conclude the
Interview

1.4 > Summarize the
Interview Data

Purpose

To begin the process, you'll need to interview the executive team to learn about problems that need to be solved and goals that need to be achieved for the organization to be successful. This will give you the information you need to ensure that the training plan you create is aligned with organizational objectives.

Templates

You'll need the following templates to complete this step:

- Executive Interview Summary—Organizational Problems (Template 1)
- Executive Interview Summary—Problem Worksheet (Template 2)
- Executive Interview Summary—Organizational Goals (Template 3)
- Executive Interview Summary—Goal Worksheet (Template 4)

Ask About Organizational Problems (1.1)

Interview members of the executive team one at a time. Use the questions below to ask about organizational problems.

1. What critical problems is the organization facing?
2. How would you prioritize these problems? Please begin with the one most critical to organizational success and go from there.

For each problem, ask the following questions:

1. What is the problem? Please describe the problem in detail.
2. What operational results will indicate the problem has been solved?
3. Why is solving the problem critical to achieving organizational success?
4. Which divisions or departments will be involved in solving each problem?
5. What will the employees in these divisions or departments need to do or do differently to solve each problem? How are employees performing today? How will they need to perform to solve the problem?
6. What, if anything, will employees in these divisions or departments need to learn so that they can solve each problem?
7. Besides employee performance, what other factors contribute to each problem?