



## COST BENEFITS ANALYSIS

### Introduction

Many organisations incorrectly believe that staff turnover is mainly due to salary. Research suggests that lack of training and personal development opportunities are one of the key reasons for staff turnover. With the high costs associated with recruiting new staff perhaps now is a good time to review your current employee training policy and training programme. Training and retaining existing staff is far more cost-effective and beneficial to your organisation than recruiting new staff.

Instructor-led training off the job, formal education courses and on-the job are the methods judged to be most effective. Coaching and mentoring is a fast becoming a key employee development tool and a major element of the overall training strategy.

Dynamic Customer Solutions has developed this template to assist its clients with their costs benefits analysis in respect of employee training and development. We developed this document from the results of research and client feedback. This cost benefits analysis questionnaire asks relevant questions, which will assist you when assessing your organisations training needs and return on investment delivered by your current training provider.

<b>Your Organisation</b>	<ul style="list-style-type: none"> <li>▪ What are the organisations key business issues?</li> <li>▪ Would better-trained staff address any of these issues?</li> <li>▪ Are any of the following factors a barrier to upskilling employees - cost, lack of interest from the management team, employee reluctance?</li> <li>▪ How many customers does the organisation lose each year?</li> <li>▪ What more could the organisation do to retain customers?</li> <li>▪ Number of employees?</li> <li>▪ What is the staff churn rate?</li> <li>▪ What is the organisations annual training budget?</li> <li>▪ What is the organisations current policy regarding staff training and development?</li> <li>▪ Is training available to all employees or just nominated managers and staff?</li> <li>▪ How is the selection process applied?</li> <li>▪ Is the organisation moving towards coaching and mentoring by experienced staff, rather than formal training events?</li> <li>▪ Have coaches/mentors attended a train the trainer course to help them to transfer knowledge effectively?</li> <li>▪ Does an in-house training team, external training providers or a combination of both, currently provide your organisations</li> </ul>
--------------------------	--

	<p>training?</p> <ul style="list-style-type: none"> <li>▪ Are the salaries of in-house trainers covered by the training budget to ensure an accurate price comparison can be made?</li> <li>▪ Are the business benefits of staff training measured?</li> </ul>
<b>Your Requirements</b>	<p>The organisation provides staff training to address the following. Select the criteria relevant to your organisation:</p> <ul style="list-style-type: none"> <li>▪ Increase profitability</li> <li>▪ Ensure the organisation has a multi-skilled and empowered workforce to achieve the organisations business objectives</li> <li>▪ Reduce staff churn</li> <li>▪ Ensure customers find the organisation easy to do business with</li> <li>▪ Ensure all managers and staff have the skills and knowledge to do their job</li> <li>▪ Improve individual performance</li> <li>▪ Deal with underperformance</li> <li>▪ Improve productivity and staff efficiency</li> <li>▪ Deliver business benefits</li> <li>▪ Training that is fit-for-purpose and addresses specific business needs</li> </ul>
<b>Overall Aim</b>	To enable the organisation to enjoy the maximum benefit of staff retention and customer loyalty
<b>Objectives</b>	<p>Select the objectives relevant to your organisation:</p> <ul style="list-style-type: none"> <li>▪ To improve sales and profitability by % within a defined timescale (organisation to define)</li> <li>▪ To ensure all employees have the skills, knowledge and attitude to do their job effectively</li> <li>▪ To reduce staff churn by % within a defined timescale (organisation to define)</li> <li>▪ To increase customer loyalty by % within a defined timescale (organisation to define)</li> <li>▪ Improve corporate image</li> </ul>
<b>Suggested Approach</b>	<p>A diagnostic assessment/audit of current training provisions. Things to consider:</p> <ul style="list-style-type: none"> <li>▪ Total number of days in the annual training budget</li> <li>▪ Is the training budget adequate to meet the organisations business needs?</li> <li>▪ Breakdown of how the training budget is spent (e.g. technical training, management training or soft-skills training)</li> <li>▪ Which employees are given training and personal development opportunities, and how is this decision reached?</li> <li>▪ Number of days training allocated to individual members of staff</li> <li>▪ Return on investment in terms of staff retention. Are you losing the staff you invest in or the ones that are not given training and personal development?</li> <li>▪ Business benefits from current training efforts</li> <li>▪ Review training plan to ensure planned programmes will address key business issues</li> <li>▪ Who is providing the training?</li> </ul>

	<ul style="list-style-type: none"> <li>▪ External training providers charges</li> <li>▪ Total costs of internal trainers (including hidden costs e.g. pension, employers NI contributions etc)</li> </ul>
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>▪ Comprehensive audit findings report</li> <li>▪ Action plan to reduce staff churn</li> <li>▪ Action plan to improve customer loyalty</li> <li>▪ Full costs benefits assessment of internal and external training providers</li> <li>▪ 12 month rolling training plan</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>▪ Buy-in of a critical mass of staff working in core roles</li> <li>▪ Reduction in staff churn</li> <li>▪ Increased profitability through improved customer loyalty</li> <li>▪ Best value training that meets the organisations needs</li> </ul>
<b>Costs Benefits</b>	<p>Training pays. The average cost of a Dynamic Customer Solutions in-house training programme is £800 (training event + VAT + expenses) for 8 delegates. The average cost of recruiting one person is £4,000.</p> <p>For the cost of recruiting 1 person you can purchase 2.5 Dynamic Customer Solutions in-house training programmes. Our training programmes pay for themselves. If 8 people attend one of our training programmes, and each stays with the organisation for just one extra year, you have saved £32,000 in recruitment costs</p> <p>If staff training resulted in just a 1% increase in sales consider how much the return on investment would represent for your organisation based on your annual turnover.</p> <p>The current market rate for public training courses, on average, ranges from £150 to £500 per person per day. Based on 8 people attending public training events this will cost your organisation between £1200 and £4,000 for one day's training. Our in-house solutions provide a programme tailored to your specific business needs for approximately £100 per employee.</p> <p>We are confident that we offer first class training, developed and delivered by subject matter experts, at a very competitive price. Please compare our costs against your existing training provider.</p> <p>If your current training is supplied by an in-house training team is there anything we can do to add value to the contribution they make to the organisation?</p>

We hope you find this document useful. As part of our performance measures to exceed client expectations we welcome feedback (positive and negative) as this helps us to help you achieve your business goals ([enquiries@dynamiccs.co.uk](mailto:enquiries@dynamiccs.co.uk)).