



## Can a Return on Investment ever be proven from having my staff attend Programme and Project Management training courses?

### **Introduction**

Measuring the return on investment on any training can prove extremely difficult, and it is something that many organisations struggle with.

However, to quote Peter Drucker, "If you think training is expensive, try ignorance.", consider how much extra a project costs if it is run by someone who has no project management training or the cost reworks because of bad management.

On the whole, if you get a trusted, recommended trainer and enthusiastic project professionals then you should see improvements in project/programme returns.

But do you prove the business benefits before training or allow some project managers to do the training and build up the case for future training programmes?

### **Measuring the financial return on investment**

Conclusively proving a financial rate of return appears almost impossible. Proof may be difficult in the short term and results may be clouded by other initiatives in the long term.

So how do you justify the cost of training? One way is to measure the performance of project management in terms that matter to your organisation; this might be capital utilisation, accuracy of plans, and the degree of re-planning needed, customer satisfaction or accuracy of forecasts.

Compare an untrained project management group with a trained project management group. If you continue to measure performance as an untrained group starts its training, you should see improvements in performance. You'll need to continue to take these measures to ensure that you are gaining improvements from the training you're running.

However, even these measures are only an indicator. The make-up of the individual could or should be factored into any assumed failure of project management training. If there is no improvement in project performance then we need to consider whether it is the training or the person who is not right; that the skills transfer is not right or that inappropriate methods are being used.

Training Effectiveness models (such as the Kirkpatrick 4 level model) aim to evaluate the long term impact of training.

### **Measuring with confidence**

It is likely to take a substantial number of projects need to be completed over a 2 - 3 year period before training data can be used with confidence. Equally, it is unlikely that you will be conducting training in isolation - It may be part of a raft of changes - better Project Management Offices, new processes, better estimates/bidding, etc. So it is likely that you will need to measure the results of the programme as a whole rather than just the training element.

The return on investment should be noticed in the area of time spent in production, cost of production and quality of your products. It might also lead to strategic management, team building and management and effective communication skills.

### **Looking beyond financial measures**

There are a number of other measures that one might want to employ when assessing the effectiveness of training. These needn't be expensive, time consuming or onerous. A client survey can establish what they think of your project management – your speed of delivery, their engagement in the process, communication and how well issues are addressed. If this is repeated while training is undertaken it should indicate its effectiveness.

Assessing project risks resulting from project management training is another area that you can consider. Also consider the opportunity cost of not having available skilled resources to take on projects, or the impact of delaying a project due to insufficient skills.

If risk is described as the absence and uncertainty of knowledge, then sending programme and project managers to credible training courses to gain, or refresh their knowledge, can be viewed as an act of risk management. Training won't eliminate the consequences of less than adequate project management knowledge, but it can reduce the likelihood.

### **Looking beyond training**

Finally, the term training can cover a multitude of activities, from standardised external courses to internal mentoring. There is evidence to show that the most important factor in ensuring consistent project success is disseminating lessons learnt throughout you project management community. So some sort of "blended" approach, involving external training course, internal workshops, mentoring, recycling of practical experience and lessons learnt, and discussion groups like this, provides the best results.

There is also evidence that project management training courses can have quite a low impact on project outcomes compared to factors such as sponsorship, stakeholder support and leadership skills.

Every training intervention has measurable added value to human capital which translates to shareholder value via ROI. If projects can now be completed on time and within budgets because the project team members received Project Management training what more dividends are you seeking for?

### **Written with contributions from**

Paul Rayner, Kevin Parry, Dean Bennett, John Gordon, Peter Banda, Matt Rawson, Andy Potter, Don McAlister, Patrick Weaver, Andy Jordan, David Hiney, Carol Long, Olumfemi Oyedele, Charles Ben Ami.

**Web briefings**

Web briefings are developed from the APM Community, an online community of Project Professionals. They result from discussions and questions asked within the community, the content is developed from users' responses and edited by APM.

Web briefings are constantly evolving within the online community and are intended as a guide to issues within the profession. To contribute to the discussion and this web briefing, log onto [www.apm5dimensions.com/community](http://www.apm5dimensions.com/community)

Version 1, 05/11/2010