



5 Steps to Tie Your L&D Budget to Strategic Outcomes

Learning and Development (L&D) has been turned on its head in the last few years. Historic highs of [unemployment during the COVID-19 pandemic](#), the widespread adoption of remote and hybrid work, and the [Great Resignation](#) are factors increasing the need for L&D to move with the wave of change. In recent years, many organisations invested in new training, coaching, and professional development programs in order to gain a competitive edge in a tight hiring market, increase retention, and provide additional support for employees in the new world of work. Today, L&D programs are experiencing budget freezes and cuts due to inflation—but regardless of what’s driving budget constraints, L&D is often the first program to face reductions.

While HR leaders understand how important L&D programs are to their people’s success, leadership teams aren’t always on the same page. More than 54% of HR professionals surveyed for a *2021 Workplace Learning Trends Report* say that [leadership often sees L&D as a cost and not as an investment](#). This mentality can put L&D programs at risk as organisations adjust budgets in light of more modest revenue forecasts. But there is a way to protect your L&D programs, prove their long-term value, and ensure your people continue to get the support they need to thrive—by defining concrete learning outcomes that align with your organisation’s most pressing goals.

Contents

**A Seat at the Table:
Make L&D Part of the
Conversation, not an
Afterthought** [3](#)

**Champion the
Importance of L&D
Initiatives** [5](#)

**Define Learning
Outcomes: What do you
Want to Achieve?** [7](#)

**Measure Your Impact
and Prove ROI** [9](#)

**Position L&D as a
Strategic Partner
During Uncertain
Economic Times** [11](#)



A Seat at the Table: Make L&D Part of the Conversation, Not an Afterthought

L&D programs should be a consistent, non-negotiable investment in your company culture and people. So how do you prove the value of these programs before budget-cut discussions happen? The key is to align your L&D goals—and realign them as needed—with your organisation's goals. By advocating for a spot in the conversation about broader business objectives and strategy, L&D leaders can position their programs as essential for the success of the business, not just a nice-to-have for individuals and teams.

L&D professionals are beginning to see [increased involvement](#) in helping their organisations adapt to change, playing a more prominent part in strategy, and seeing improvements in their roles as cross-functional team collaborators. Getting involved in these conversations with executive leadership will allow you to advocate for L&D as a core component of broader business goals.



Organise your strategy by evaluating these five crucial factors:

1. IDENTIFY BUSINESS GOALS.

- What is the comprehensive strategic plan for the organisation?
- How does L&D fit into your people priorities?

2. ESTABLISH SUCCESS CRITERIA.

- Set realistic goals for achieving success in your L&D programming.
- Outline the tangible criteria for meeting these goals.
- How does success align back to the broader business goals?

3. ASSESS FOR SKILLS GAPS.

- Identify the skill gaps for the overall organisation. What skill gaps are most common?
- Evaluate which skill gaps are a priority for the organisation.

4. IDENTIFY MISSING MINDSETS AND BEHAVIOURS.

- What mindset and behaviour changes are needed to support your organisation's priorities?
- What training can you offer to help people develop deeper principles in addition to tactical skills?

5. COMMUNICATE YOUR GOALS.

- Join the conversation about the organisation's strategic priorities.
- Share your goals. Identify how your L&D program will support those priorities and the bottom line for the budget.



As the world of work continues to evolve and executives redefine strategic priorities to set their organisations up for long-term success, L&D leaders need to be part of the conversation—and invest in the areas that matter most.



Champion the Importance of L&D Initiatives

The makeup of today's workforce requires organisations to reevaluate their approach to professional development. People are **76% more likely to stay with a company if they have continuous growth and learning opportunities**. Today, L&D programs aren't just a nice-to-have benefit—they're a must-have to attract and retain top talent.

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Providing L&D opportunities is even more important during volatile fiscal periods. As hiring budgets become more conservative, executive leaders may turn to quiet hiring, asking their teams to take on more responsibilities and upskill to fill gaps. By assessing existing talent within your business, you can foster opportunities for your people to grow while also supporting your organisational needs. Your team is well-positioned to add value to the organisation by helping people develop the mindsets, skillsets, and behaviours that drive exceptional results as they step into new roles.

When discussing value with leadership, it's essential to show how your L&D programs align with business priorities and will provide tangible value. However, providing context on how L&D fits into the broader business landscape is just as essential. Some key points to consider:

- **Equip your people with new skills for improved performance.**
New data suggests that the demand for skill-building is at an all-time high, with [job skill sets having changed](#) by nearly 25% since 2015, and [upskilling and reskilling](#) have seen a 59% increase in priority for L&D leaders since 2020.
- **Help your leaders build a culture of trust.**
L&D professionals can provide a unique perspective and lasting principles to set their people and leaders up for success. By establishing the foundation and building on a culture of trust, teams can work together to achieve results, even during times of rapid change or internal conflict.
- **Minimise operational impact by retaining top talent.**
Cutting L&D programs may not ultimately save money in the short term. Not only is your organisation at risk of losing great talent, but it costs an average of [150% of a person's current annual salary](#) to replace them if they leave your organisation, which can negatively impact your operating budget.

Investing in people's professional development while aligning with broader business goals will prove the undeniable value of L&D solutions. As you work with executive leaders on building strategic plans for the organisation, continue to voice the impact of short-term cost-cutting versus the long-term benefits of investing in your people.



Define Learning Outcomes: What do You Want to Achieve?

Now that you've positioned L&D as a critical support mechanism for your organisation's top priorities and initiatives, the next step is to evaluate your programs and define concrete learning objectives that ladder up to those broader goals. The following questions can help you develop a clear list of outcomes for your training and coaching programs:

- What do you want your people to learn or be able to do as a result of a training investment?
- How do these identified skillset gaps help progress your business objectives?
- How will you identify programs to help your people achieve those specific outcomes?
- How will you measure success and impact to report back to leaders?



Based on the answers to those questions, the programs you have in place currently may or may not be the right fit. The current programs may also need to align with ongoing budget constraints. This is where you have to be flexible with your L&D programming. Cutting doesn't have to mean all or nothing. If you need to pivot your L&D plans, you can tailor programs to provide the most value and support your people's most pressing needs to maintain budget efficiency.

In addition to content changes, you may also need to explore alternative delivery mechanisms to support your L&D programs. Having technology that delivers learning content to people in different locations is a must-have to support today's distributed workforce—but for an outcome-driven program, it's not enough. You also need technology that supports tailored learning objectives for your teams' specific needs, provides accountability measures that help people achieve those learning outcomes, and offers customisable reporting that you can use to show progress and impact to your leadership team.



IMPACT PLATFORM:

Automated Learning and Reinforcement

The FranklinCovey Impact Platform™ has built-in mechanisms to ensure learners engage with facilitated sessions, application challenges, and automated reinforcements to generate lasting impact for your people and your organisation.



Measure Your Impact and Prove ROI

You've led discussions with executive leadership about the value of L&D programs in the short and long terms. You've identified learning outcomes for your programs that ladder up to your organisation's key objectives. You've adjusted your programming to align with your updated goals and budget. The last step to protect your L&D budget is to prove the impact of your programs with data that shows how your programs move your organisation's strategic initiatives forward. There are many ways you can measure the effectiveness and sentiment of your people to build your report. Set yourself up for reporting success with these three steps:

- **Establish benchmarks for success ahead of time.** Before you launch a new program, it's important to establish benchmarks. For example, if your goal is to uplevel the skillsets of your people to increase business value, you could benchmark what in-house limitations your team encounters on a given project versus in-house skillsets utilised after training. Evaluating the current state of your L&D programs and getting some baseline learner data is essential. This allows you to set outcomes and measure the change between where you started and how you're progressing.



- **Define how you will measure the impact of your learning programs.**
Reflect on your established outcomes. What are the key results that pair with the objectives you've set? How do you measure those results? By establishing measurable goals, you can provide tangible evidence of program effectiveness. One example of measurable outcomes is accelerating time to close across new deals where a key result is reducing the time between an initial call and a sent proposal by 25%. These measurable results should align back to your stated business goals.
- **Provide expectations for reporting—and let leaders know.**
Identify how often you report on L&D outcomes and what these reports will include. Will you report monthly, quarterly, or semi-annually? If there are ongoing budgetary pressures, you may want to consider a more frequent reporting cadence to keep leadership updated on learning progress. Setting this expectation with leadership ahead of time will ensure you capture all necessary data to show the impact of your programs.

For L&D professionals, programmatic feedback is essential to evaluating your impact and will often be a mix of qualitative and quantitative data. Partner closely with internal leaders to outline reporting priorities and structure at the beginning to set yourself up for success. Work with them to identify the right mix of analytics to satisfy stakeholders while still making sense for the objectives of your program.

To effectively measure your programs' impact, you'll need the right tools in place. Look for vendor partners who provide built-in measurement and analytics capabilities. Gathering data on learner activity, progress, engagement, enjoyment, and efficacy provides actionable data for strategic decision-making.



IMPACT PLATFORM:

Integrated Assessments and Reporting

The FranklinCovey Impact Platform™ tracks learner engagement and efficacy data, facilitates 360 diagnostics, and provides industry benchmarks to help you make data-driven L&D program optimisations and investments.



Position L&D as a Strategic Partner During Uncertain Economic Times

Economic uncertainty ebbs and flows over time, but learning and development remains a core component of organisational success. By following the steps outlined in this guide—and staying flexible—you can future-proof your L&D programs and find ways to get the most out of your programs, even with budgetary constraints. You can successfully protect your L&D budget by leaning in to outcome-focused programming:

- Finding effective ways to lead people through change.
- Retiring Command & Control leadership tactics in favor of [Trust & Inspire](#).
- Delivering feedback and communicating openly and candidly.
- Adopting a repeatable system of [execution](#).

L&D leaders have a massive opportunity ahead of them. People are hungry for opportunities to learn and grow—and executives are looking for ways to improve performance against key organisational goals, particularly when financial outlooks remain uncertain. You can better serve your people and your organisation by investing in high-impact, outcome-focused programs, both now and in the future. Make a lasting impact with FranklinCovey.



Level Up: Build an Outcomes-Driven L&D Program With the FranklinCovey Impact Platform

An effective L&D technology suite does more than simply deliver content. It provides a framework that supports lasting behaviour change at scale. The FranklinCovey Impact Platform provides an effective way to equip everyone in your organisation with the mindsets and behaviours needed to do their very best work. Our technology supports the needs of both learners and L&D leaders, providing actionable data to improve learning outcomes and make strategic program decisions.

[LEARN MORE](#)



Make a Lasting Impact With FranklinCovey

FranklinCovey is the most trusted leadership company in the world, with operations in over 160 countries. We transform organisations by building exceptional leaders, teams, and cultures that get breakthrough results. Available through the [FranklinCovey All Access Pass®](#), our best-in-class content, experts, technology, and

metrics seamlessly integrate to ensure lasting behaviour change at scale. Our approach to leadership has been tested and refined by working with tens of thousands of teams and organisations over the past 30 years.

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