

Training vs. Education: A Distinction That Makes A Difference

by Jay Cross



JAY CROSS IS OMEGA'S MULTIMEDIA EVANGELIST. HE HAS HELPED MORE THAN ONE HUNDRED BANKS IMPROVE THEIR BOTTOM-LINE PERFORMANCE.

It's tough to manage a bank these days. Restructuring has stretched our staffs incredibly thin. More and more of our employees are part-timers. Cut-throat competition has unleashed a torrent of new and complicated products. Our bankers must become extroverted sales professionals. Many of our people lack the skills to do their jobs effectively. In short, banks are facing a crisis of competence.

And what are bank managers doing to prepare their staffs to meet these challenges? How are they managing the crisis? Not well, I fear.

Last week the president of a major bank's investment subsidiary told me, "Our bank's platform staff have already been educated about mutual funds. They had attended a half-day sales seminar from our third-party provider four months ago, learning the features and benefits of their mutual funds. Not only that, the program was free."

Allow me to explain five places where I think he was going astray.

Training is not education

First of all, training is not education. Education is generally measured by tenure: you spent a day in the seminar or four years in college. Training, on the other hand, is measured by what you can do when you've completed it.

Think of it this way. If your sixteen year-old daughter told you that she was going to take a sex education course at high school, you might be pleased. What if she announced she was going to take part in some sex *training* at school? Would that elicit the same response? Training is doing. Training improves performance.

Seminars don't train

Second, while seminars are entertaining, they're generally not the best way to change behavior. Most of the content in a traditional seminar flows in one ear and out the other. Researchers report that people remember 90 percent of what they do, 75 percent of what they say, and 10 percent of what they hear.

Three hundred thousand bankers have participated in Omega training. They have learned to sell and to make sound decisions. Not one has attended an Omega seminar. Platform bankers who attend BSA/Omega workshops do a lot more than warm chairs and listen. They "inherit" play money so they can identify with wealthy customers, they leave the workshop to shop the competition, they demonstrate their mastery of product information in mock-Jeopardy games, and they practice probing and selling skills on one another. They're active. They learn by doing.

What do you want them to do?

Third, for training to work, you must be clear about what you want people to accomplish when it's over. After all, the only reason to train people is to help them meet specific objectives. You can't afford to leave those objectives unstated or to delegate deciding your people's objectives to others.

A good objective will be actionable, for example

"increase the number of relationships with each customer." A bad objective often describes knowing something rather than doing something, for example, "gain more product knowledge."

You must also decide whether a performance deficiency is really a training problem. The classic instructional designer's test is to ask, "If he had a gun to his head, could he do it?" If the answer is yes, you're facing a problem of motivation, not a training problem. If you do have a training problem, you must explicitly describe the behaviors you expect after training.

To hammer the message home, you must tell the trainees how you expect them to perform at its conclusion. For example, participants in the BSA/Omega workshops are told that, "When you have completed this module and the corresponding classroom experiences, you will be able to:

- Profile the full range of needs during customer interactions, paying particular attention to investment needs
- Explore customer investment needs upon noticing appropriate customer cues
- Determine appropriate referral destination
- Introduce your bank's investment alternatives to customers
- Convince customers that they should meet with Investment or Trust Representatives, arrange the actual meeting
- Handle obstacles to effective investment referrals
- Participate effectively in joint meetings with customers and Investment and Trust Representatives to facilitate close of sale and to gain increased product knowledge
- Follow up with customers to confirm referral and expand the relationship"

Beware of freebies

Fourth, in training as in life, there is no free lunch. "Free" training is often more expensive than no training at all. Putting aside trainee salaries, consider the opportunity cost of people who are not performing at

their best. The cost of effective training pales in comparison to the bottom-line benefits it provides.

Consider this: a platform person at one bank had never made an investment referral in her career. Interviewing a customer a few weeks after taking an Omega workshop, she asked, "How much money are we talking about?" She almost slid out of her chair when the customer responded, "\$1.1 million." She made the referral and the Trust Department has booked the business. Now they're working on her second referral of the month--for \$630,000 worth of business.

Or consider this: within six months of conducting Omega workshops, one bank was startled to find that the average platform banker had generated referrals that led to \$100,000 of new mutual fund business.

The moral of these examples is that effective training is not a cost at all. It is an investment that pays substantial returns.

It never ends

Fifth, training is not a one-shot deal; it's a process. Positive behaviors must be reinforced if they are to be retained. Did you study a foreign language in college? You pore over the books and log time in the language lab. Maybe even travel for a month in France. You become proficient, if not fluent.

As the years go by, and you never have an opportunity to speak or write the language, your skills atrophy. You can't remember anything except how to ask where the toilet is and how to count to ten. Maybe you did practice that language. In that case, tell me, how much geometry do you remember from high school?

Bank training is no different. It takes practice. It takes a pat on the back. It takes a mentor who encourages the good behavior and discourages the bad. It takes a manager who sets realistic goals and monitors performance.

Individual training programs are not enough to create

success over time. Success requires a sustained performance improvement system. Most things are easy to learn but hard to master.

My advice to the senior banker that started me on this rant: Don't mistake action for results. In the course of helping bankers improve their performance over the past two decades, we've found that the only thing worse than learning from experience is not learning from experience.

If your staff is grappling with a crisis of competence, you're hardly alone. Be assured that your organization's performance will improve if your people are properly trained and coached. As Mark Twain once said, "There is nothing training cannot do. No thing is above its reach."