

# The Manager's Dilemma

## How much training should you invest in employees?

by: Dale Stein, Technology Assurance Group (TAG)

After 40 years of launching, managing, scaling, selling and advising businesses, I have developed a sixth sense for knowing whether a business is destined for success or failure. In fact, it all comes down to a single factor. Best of all, this indicator is reliable regardless of market cycle, industry, management team, etc., and it is almost a comedically simple way to predict the trajectory of a company's future at a glance.

But first I want to share a story. Early in my career, I worked at a company that had a great product, a handful of talented employees and a unique selling proposition (USP) that was strong enough for us to capture plenty of market share. However, the company was still missing something.

As a lifelong learner, I was always reading books, taking workshops and hiring the best coaches I could find to ensure I could compete at the highest levels. So I was shocked when I discovered the company did not have any training programs. Essentially, there was no way to gain education, develop skills or grow.

This was perplexing, because even if the company was able to catch some early success by properly timing a product or two to market, I wondered how it expected to remain a top-tier organization without embodying a culture of training, development, knowledge acquisition and success. Without structured training, the company was relying on luck.

Since I knew it was virtually impossible to build an organization on that type of shoddy foundation, I spoke with the other partners and asserted how vital it was for us to make some changes and to invest in our people. After I met some mild resistance, I finally got the go-ahead and we began developing training programs.

Before long, the other partners noticed how many resources we were putting into the program (which were significant) and they got nervous about the expense, time investment, etc., necessary to make something really powerful. Finally, one day one of the partners could not take



it anymore and said, “What if we spend all this time and money training them and then they leave us?”

I replied: “What if we don't train them — and they stay?”

### Employee Training Programs Reveal Where the Business is Headed

Educated employees can take your company to new heights, whereas uneducated employees can destroy it. A few months after that conversation with the other partners, we had a robust training program for the various teams in the business and we even held an optional four-hour sales training once a month on a Saturday morning.

For more than two years, roughly 80% of the employees voluntarily attended those trainings and the company went on to become the number-one retailer in the country out of more than 500 other competing retailers. It is not that there was anything particularly magical about the training; it was because of how instilling a culture of education, knowledge and success rippled out and improved every other aspect of the business. In fact, we may have been onto something well

ahead of the curve because, recently, LinkedIn shared that “94% of employees would stay with a firm longer if it invested in their learning and development.”

There is a reason that all of the largest, most successful companies in the world invest a tremendous amount into their R&D budgets: They are the mechanism by which you seed success for a company’s future. So, if your company does not have an R&D budget, at a minimum, it needs an education budget.

As the business owner, it is ultimately your job to see the vision and to find ways to align an employee’s personal success with the company’s overall success.

training comes in. It is how you incentivize your team members to invest more of themselves into self-improvement so the business benefits because of their personal growth.

You don’t get more out of people by “squeezing them harder” (at least not intelligent people) but, instead, you get more out of people by building them up. You increase their capacity for output, which improves their futures while it

enhances the company itself.

### How an Education Budget Can Boost (or Deteriorate) Employee Morale

When employees receive elite training, they are far more likely to remain engaged, curious and succeed more in their positions, which only begets more motivation to keep growing. In fact, Axonify found that 92% of employees said well-planned employee training programs have a favorable impact on their level of engagement.

When you foster this type of environment, it produces an upward spiral of momentum and makes things like accountability, quotas, etc., almost redundant. When intelligent people are given the tools and resources they need to flourish, on top of creating an environment that pushes them forward, everyone either starts to perform or they leave the company. Essentially, training programs ensure that employees are having big wins, small wins or wondering what else they need to learn to create more wins like everyone else.

On the flip side, when employees are not trained, they can tell that you do not really care about them or their success. So, they respond accordingly. Why should they care deeply about the company’s success when the company does not care about their personal success?

Without training, employees can become disengaged (aka “quiet quitting”), they can damage sensitive customer relationships (like when they voice their frustrations to customers during interactions) or they may even be so frustrated with the lack of progress that they will try to prevent other high achievers from going the extra mile. If left unchecked, eventually no one will want to work in that type of environment. This can even reach the business owner, making him (or her) resent the very business he started. This downward spiral of negative momentum makes everything a drag, often to the point where it is virtually impossible to inspire the innovation necessary to keep the company thriving.

As the business owner, it is ultimately your job to see the vision and to find ways to align an employee’s personal success with the company’s overall success. This is where

### Education is an Investment, Not an Expense

Simply put, when you have educated employees, your company grows. This gives you and your team more opportunities to capitalize on, which is how you grow your impact, create “career paths” and expand your business.

Additionally, it keeps your team leaner, because well-educated employees find smarter, more efficient ways of solving customer problems — which is exactly the culture you want; where they will naturally innovate faster than competitors.

Most importantly, it also attracts a different caliber of person during the hiring process. Anyone with a “growth mindset” (as compared to a “fixed mindset”) will be attracted to companies that reward initiative, growth and creativity. A robust training program advertises the values of the people you want to attract.

Our shorthand for this type of person is referred to as a “20,” and he can be spotted easily through the “seven attributes of successful people,” which we wrote about in “Hiring & Mentoring” in the May 2022 issue of Office Technology.

A note here: You do not just train someone once and assume that it is all finished. Human beings need to be trained and retrained. That is why we recommend you carve out an education budget.

### Training Should Be Convenient & Accessible

There is no substitute for live training facilitated by highly experienced experts, which is one reason why we offer more than 35 in-person trainings per year across all areas of business (sales, operations, financial management, HR, technical, etc.) specifically tailored to managed print services, MSP (managed service provider) and IT companies.

However, as mentioned earlier, repetition and “ease of access” play a huge role in whether or not training is embraced. Like most companies, at Technology Assurance Group (TAG), we are big proponents of learning management systems (LMS), which not only put all employee trainings in one convenient place that can be accessed from anywhere, on any device, at any time — but also track

employee progress so owners can monitor which trainings certain employees have completed.

From a management perspective, every time a technician achieves a certification, he is immediately compensated with a financial bonus (like a \$100 to \$200 bonus check) and we note this type of initiative with HR. When annual/quarterly employee reviews come around and there is an opportunity for a long-term promotion, an employee who has demonstrated his desire to grow is much more likely to get the new position, the raise, the additional responsibilities and/or be seen as a potential leader for the future.

As far as “ease of access” is concerned, there are all sorts of mechanisms available to make training convenient and accessible so employees can learn with minimal friction whenever they want to increase their skills.

At the most basic level, there is always YouTube, with plenty of IT channels like ProgrammingKnowledge (<https://www.youtube.com/user/ProgrammingKnowledge>) to check out. Typically, if you have a “20” on staff, he will know which channels are best suited to him already and you should elicit that information from him. At the end of the day, you want to empower your staff members to take the initiative in their self-development.

We are also big advocates of more advanced and sophisticated IT training services. An example is ACI Learning’s ITProTV (<https://www.itpro.tv>), which keeps training very flexible while also providing structured courses with training tests, peer groups, Q&A forums, etc.

Regardless of detail, the greatest way to inspire self-improvement is by paying for employees to train on your dime. This means you need to make training part of their work, not just an extra opportunity. When getting started, we recommend that you give employees two hours per week of paid time for training on whatever subjects they are interested

... The greatest way to inspire self-improvement is by paying for employees to train on your dime. This means you need to make training part of their work ...

in. This is a great way to find out where they want to take their careers and how you can match company opportunities to their natural interests.

### **The More They Learn, the More You Learn**

Training is about so much more than merely increasing profits, but it is important to underscore that, ultimately, more training means more profits. De-

loitte estimates that “comprehensive training leads to a 218% higher revenue per employee” and the American Society for Training & Development notes that “when employers spend \$1,500 per employee (per year) on training, their profit margin increases by 24%.”

Maybe this is why it feels like it is the right thing to do. When we educate, guide and teach others, it uplifts everyone involved. Employee training helps us build stronger organizations, increases profitability and creates an environment that appeals to everyone. ■

*Dale Stein is co-founder of Technology Assurance Group (TAG), an organization of managed technology service providers (MTSPs). Collectively, TAG’s members do \$800 million per year in IT, cybersecurity, telecommunications and video surveillance.*

*They are located in 148 cities across the United States and Canada, and are presently serving more than 780,000 SMBs. He is responsible for developing TAG’s strategic planning and guiding its business development. In addition, Stein is the managing partner for TAG’s MTSP, i-NETT. He is responsible for i-NETT’s*

*daily operations and serves as its president. Stein also founded Westec Security Corp. and served as its CEO. He can be reached at [dales@tagnational.com](mailto:dales@tagnational.com). Visit [www.tagnational.com](http://www.tagnational.com).*

