

*KnowledgeAdvisors Case Study*

Data Driven  
Decision Making

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## Case Study at-a Glance

### Company:

Large Mortgage Firm

### Industry:

Financial

### Story:

Data Driven Decision Making— The Importance of Measurement

### Population:

50-300 new hires per month

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Identification of ineffective training saved \$2.4 million per year.

## Training Decision Saves \$2.4 million and Creates a New Measurement Culture

### Overview

A large mortgage firm was spending a significant amount of money on a new hire training program that all participants “enjoyed”. However, there was an extremely high turnover rate in the first 90 days of employment (over 100% annualized) that resulted in approximately 50 to 300 new hires going through this in depth program every month!

During the on-boarding process, all new employees were required to attend a two week intensive class followed by a series of on-demand, one-on-one coaching sessions provided by an external vendor. The goal of this intensive program was to give new employees the tools required to succeed in the mortgage business, even if they had no prior experience, and was ultimately intended to decrease ramp up time and increase production.

Despite this intensive training and on-boarding effort, which was receiving high marks for satisfaction, the turnover rate remained extremely high. This prompted a deeper dive into the program and ultimately led to a \$2.4 million per year savings and an entire analytics initiative.

### What was the problem?

That was a question no one could answer. Without a measurement practice in place no data were available to understand if the new hire program was actually “working”. The only known factor was that turnover was extremely high, placing stress on the on-boarding team as well as the recruiting team.

Because there were no measurement standards, the organization faced major challenges:

- No indicators beyond satisfaction, such as on-the-job application
- No standardization of training results, limiting comparative analysis ability
- No centralization of data, limiting overall performance analysis ability
- No key metrics, limiting trending and goal monitoring ability

Without this information root cause analysis of the new hire situation was nearly impossible. Students indicated a high level of satisfaction based on basic evaluation data but a majority of new hires were not succeeding and were leaving the company. The analytics team had gut instincts about what the problem might be but had no way to prove it.

### The Facts

By gathering data from a number of systems and sources the team found the following:

- \$200,000 per month, or \$2.4 million per year, was being spent on an external vendor to provide individual new hire coaching and training.
- The more an employee leveraged the one-on-one coaching (incurring cost each time) the sooner he or she left – and even sooner than colleagues that had not leveraged personal coaching at all. In addition, that employee’s production rankings were in the lower 25% of the new hires.

# Data Driven Decision Making

Automation of the measurement initiative allowed every program to collect metrics on satisfaction, effectiveness, impact, results, and ROI.

***This result surprised even the team.  
More training means better results, right?  
Not always: You need the right training for the right people.***

## A Deeper Dive

The somewhat puzzling results warranted an even deeper dive into this high profile, high cost program. An examination of learner profiles showed that the employees who leveraged additional training the most were actually the least qualified from the start and the training that was purchased just could not make up for the lack of fundamental skills.

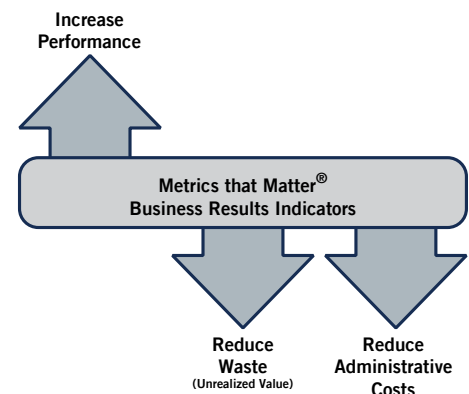
The bottom line: a lot of money was spent on training but it was not the right training for the participants. It also highlighted a clear opportunity to engage recruiting to try and increase the quality of hires.

## A Better Way

After the results were compiled, the contract with the external vendor was discontinued. This resulted in \$2.4 million per year to be allocated toward smarter on-boarding programs and higher impact initiatives like leadership development and investments in High Potentials.

This savings of \$2.4 million revealed the power of measurement and analysis to drive out waste. Realizing this, the organization sought to measure every program and developed a learning analytics team dedicated to improving training performance and reducing wasted training.

By partnering with KnowledgeAdvisors to automate and optimize the measurement process the organization was able to measure all training, from satisfaction through Return on Investment, in a scalable and practical way.



## Contact Us

If you would like to learn more about how KnowledgeAdvisors can help you identify waste, increase performance, and reduce administration for measurement please contact us..

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