



Allocating Training Dollars

Planning and Prioritizing

Milbank, Tweed has not yet settled on a training budget for 2002. There are two initiatives that the firm would like to achieve during the year.



Initiatives

- ◆ Compliance training
- ◆ Cohesiveness amongst directors

The two initiatives the firm wants to achieve are to make sure that all directors and managers have received training on all compliance issues, such as sexual harassment, FMLA, FLSA, ADA, EEOC and local compliance requirements.

The second initiative is to move the directors group toward a level of cohesiveness that will allow them to function better as a team. The group is currently not functioning well as a team and their effectiveness suffers for it.



Alternatives



- ◆ BLM Training Manual
- ◆ Leadership Concepts Seminars
- ◆ Directors Training with M/B
- ◆ Off-site Directors Retreat with M/B
- ◆ SHRM Training Session

The alternatives available to achieve the goals varied. Some involved training manuals, some were hands-on and one even involved an off-site retreat.



Alternatives

- ◆ Labor Counsel Training Sessions
- ◆ In-house Training Sessions
- ◆ On-line Training Software

Ratings

Intensity Name	Priority
Absolutely will help	1.000
Likely to achieve goal	.394
Helpful to achieve goal	.293
Neutral to achieve goal	.111
Won't help to achieve goal	.060

I created a ratings table using verbal names. I then sat down with the Human Resources director and we discussed (using pairwise comparisons) the priorities given to the intensities.

Ratings

Alternative	Costs	RATINGS
		Relevant Labor law issues address (L:162)
BLM Training Manual	7500	Absolutely will help
Leadership Concepts	25000	Likely to achieve goal
Directors Training with M/B	7500	Helpful to achieve goal
Off-site Directors Retreat	25000	Neutral to achieve goal
SHRM Training Sessions	5000	Likely to achieve goal
Labor Counsel Training	5000	Absolutely will help
In-house Training Sessions	3000	Helpful to achieve goal
On-line Training Software	18750	Likely to achieve goal

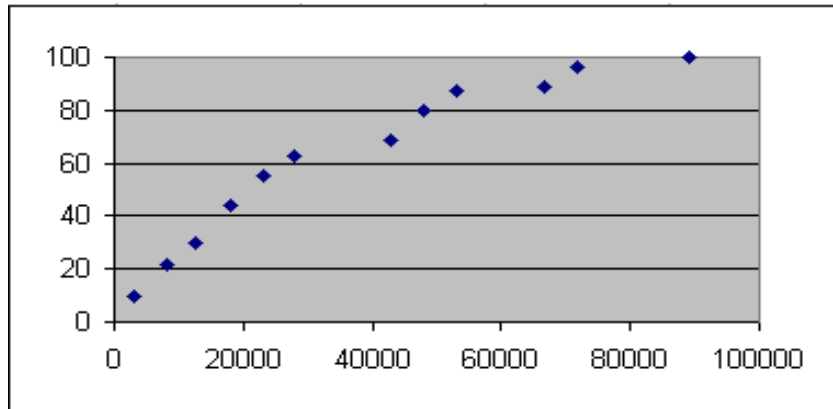
The ratings were then used on each of the alternatives as it compared to an objective. This slide is an example of the process, showing the objective “Relevant Labor law issues addressed”

Resource Allocation

HPSDA PROJECT RESOURCE ALLOCATION.AHP		Ideal mode				
AID	Alternative	Benefits	Costs	DVS	F. Benefits	F. Costs
A1	BLM Training Manual	0.393	7500	1	0.393	7500.0
A2	Leadership Concepts seminar	0.618	25000	0	0.000	0.0
A3	Directors Training with MVB	0.458	7500	1	0.458	7500.0
A4	Off-site Directors Retreat with MVB	0.542	25000	0	0.000	0.0
A5	SHRM Training Sessions	0.186	5000	0	0.000	0.0
A6	Labor Counsel Training Sessions	0.291	5000	1	0.291	5000.0
A7	In-house Training Sessions	0.241	3000	1	0.241	3000.0
A8	On-line Training Software	0.224	18750	0	0.000	0.0
					1.383	23000.0
						25000.0

Once all the ratings had been entered in Expert Choice, it was time to do some resource allocation using Excel's Solver. The total cost of all the training items is \$96,750. The current training budget was \$0, so I needed to decide what amount I should ask for. Given historic data, \$25,000 seemed like a reasonable number to start with. I entered that amount into solver and the above result was achieved. The results involved mainly in-house training and only one item was specifically addressed to the director cohesiveness issue.

Increase in Funding



The next step was to run an increasing budget table to see how alternatives got funded at increasing levels. It might be possible to convince the firm that a higher level of funding would be more beneficial. The graph clearly shows that as the funding increases the number of objectives achieved increases as well. There is a break in the line between \$28,000 and \$42,000 and again between \$53,000 and \$67,000.



Budget Request

- ◆ The budget request submitted is for \$43,000 which will include the following items

\$43,000 Budget Request

43000
43000
68.53707415
1.71
BLM Training Manual
Leadership Concepts seminar
Directors Training with M/B
Labor Counsel Training Sessions
In-house Training Sessions

This selection allows us to have two items devoted mainly to the development of the directors team skills and three to handle compliance training. It also allows us to suffer a cut at the hands of the Executive Committee back to \$25,000 and still achieve almost the same benefits ratio (1.59 vs 1.71).