



**WHITE PAPER**

# **Slaying the Twin Dragons Costing Your Organization Thousands: Inefficiency and “Scrap Learning”**

**SIMULTANEOUSLY MAXIMIZE YOUR  
TRAINING INVESTMENT AND  
BUSINESS PROCESSES**



The numbers are staggering.

## Scrap Learning

### ABSTRACT

*Organizations spend billions on wasted training for their employees every year. At the same time, process inefficiency is costing those same organizations dearly in employee morale and revenue lost. However, both can be addressed through an innovative, cost-effective training strategy focused on employees and an organization's business processes.*

*Metrics that Matter* reports that “scrap learning” – learning not applied to an organization’s operations following delivery – wastes roughly 45% of the average training budget.<sup>1</sup> By nature, scrap learning is training that delivers a zero Return on Investment (ROI) for the organization that purchased it. *Training* magazine estimates that in 2018 organizations spent an estimated \$86.6 billion on training.<sup>2</sup> If almost half of that training was scrap learning, that is almost \$40B in waste. That’s a lot of scrap! Other studies have suggested the waste associated with scrap learning costs even more, approaching 80 – 85% of training budgets.<sup>3</sup>

In addition to financial waste, scrap learning has other serious impacts on organizations. When training is not applied, employee morale suffers as employees feel their time, energy, and talents are wasted.<sup>4</sup> Scrap learning can contribute to employees feeling unmotivated, disengaged and unappreciated which, in turn, can contribute to employee turnover.

## Process Inefficiency

Additional adverse impacts to organizations come from process inefficiency, i.e. using outdated business processes, systems or both. Organizations large and small, in the private and public sector, suffer from poorly defined, poorly operationalized, poorly executed, and poorly implemented business processes. Most organizations just “want to get the work done”. But organizational inefficiency significantly impacts organizations in tangible and intangible ways.

Inefficient business processes severely effect organizational morale (again) as employees can’t get things done due to red tape, unclear responsibilities, excessive

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<sup>1</sup> [https://comdev.osu.edu/sites/comdev/files/imce/Metrics\\_that\\_Matter\\_Whitepaper\\_-\\_Confronting\\_Scrap\\_Learning.pdf](https://comdev.osu.edu/sites/comdev/files/imce/Metrics_that_Matter_Whitepaper_-_Confronting_Scrap_Learning.pdf)

<sup>2</sup> <https://trainingmag.com/trgmag-article/2018-training-industry-report>

<sup>3</sup> <https://www.td.org/insights/how-much-is-scrap-learning-costing-your-organization>

<sup>4</sup> <https://getlighthouse.com/blog/low-employee-morale/>



bureaucracies and redundancies. HR interacts with Finance who consults with Development who provides guidance to Marketing, who does what? Coupled with poor data and outdated or misaligned systems, it is no wonder that inefficient processes can cost organizations 20% - 30% in revenue every year.<sup>5</sup>

So, at least half of your training budget is wasted and you're losing as much as 30% of your revenue to inefficient business processes. What can be done?

Scrap learning often results from a lack of post-training support to employees. More often than not, employees take a training course and are left alone once it is completed to implement what they have learned. They have no options since access to the material, instructor, examples, etc. all disappear once the training is completed. If the training was static, through an in-house LMS for example, the option for post-training support was probably never there in the first place. Further, employees are often hesitant to implement what they have learned since, being left alone to do so, they fear a negative result or consequence, so why take any chances? To effectively counter scrap learning, organizations need to help employees utilize their training so the taught techniques can be implemented, operationalized, and integrated into their everyday work.

### **Post-Training Support**

Thus, a key strategy for countering scrap learning is to provide post-training support to trained individuals. Providing employees such support allows them to integrate the taught techniques into their everyday work in a safe, guided manner thus maximizing the learned behaviors and taking full advantage of the training. This, in turn, significantly reduces scrap learning and helps organizations significantly increase their training ROI.

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<sup>5</sup> <https://www.entrepreneur.com/article/286084>



Organizational efficiency is one area where post-training support is particularly effective.

### **Organizational Efficiency**

All organizations need to regularly examine their business processes to streamline their operations, improve their performance, and make them more efficient. Through the regular review and improvement of their business processes, organizations will improve efficiency and enhance quality and delivery.

### **Lean Six Sigma**

Lean Six Sigma (LSS) are techniques dedicated to improving organizational efficiency. They are proven methods for helping organizations examine their internal processes and identify strategies for their improvement, in terms of delivery schedules, quality, and performance. Unfortunately, traditional Lean Six Sigma training is not designed to support employees in the improved execution of everyday business processes. Instead, it is designed to create a limited cadre of “belts” who, typically, can only focus on one organizational process at a time. Further, traditional LSS training usually features intensive instruction on LSS techniques that are not applicable to many organizations thus making much of this instruction of little use, and running the risk of contributing to your scrap learning pile.

With its emphasis on data analysis and statistical equations, traditional Lean Six Sigma training often goes to waste. Many (most) organizations lack the data necessary to effectively use LSS statistical techniques. Further, many LSS trainees are not adept at mathematics or statistics. Thus, the chances are your LSS training is of limited use to your organization and is wasting training resources.

To counter this, organizations need a new training strategy; one focused on a far broader set of employees that features affordable post-training support. Specifically, an LSS training approach geared more towards supporting a broader swath of an organization’s employees in



improving their everyday business functions, can significantly improve organizational efficiency across the enterprise. Such training, coupled with affordable, post-training implementation support where the trained individuals are guided in using the taught techniques to improve their everyday functions, can significantly support both operational efficiency and a reduction in organizational scrap learning. Why? Because many LSS techniques are practical, commonsensical approaches for process analysis and improvement that can be taught, understood and implemented by anyone within any organization. If properly taught, these techniques, with their emphasis on overall process analysis, employee empowerment, teamwork and collaboration, defect reduction, and process flow enhancement, can significantly help organizations improve process efficiency and their net revenue. And, when coupled with affordable post-training implementation support, organizations are assured of reducing their scrap learning, improving organizational efficiency, and enhancing employee productivity.

### **Productivity Gains**

Employee training has long been recognized as one of the best strategies' organizations can undertake to enhance employee productivity.<sup>6</sup> Typically, virtually any organization can be assured of receiving a 10% increase in productivity at a minimum from training<sup>7</sup> – in any organizational component of their business. When training focuses on helping employees execute their everyday business processes more efficiently – and supporting them in doing so through affordable, post-training implementation support – it can be a “win-win” for the organization and employees. Inefficiency is addressed through the training and scrap learning is reduced through the post-training implementation support.

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<sup>6</sup> <https://www.yourtrainingedge.com/how-can-training-help-in-increasing-employee-productivity/>

<sup>7</sup> <https://www.ibm.com/services/learning/pdfs/IBMTraining-TheValueofTraining.pdf>



Organizations need to tackle the “twin dragons” significantly impacting their operations: inefficient business processes and scrap learning. Combined, these are costing tens of thousands of dollars annually. A strategy of training employees to execute their everyday business processes more efficiently and supporting them once their training is complete, is an innovative, highly cost-effective strategy to slay these twin dragons.

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