

# DIVIDENDS PAID

## Complex financial services industry presents unique training challenges.

With the possible exception of the commercial airlines industry, one would be hard-pressed to find a business as complex and dynamic as the financial services industry.

Once discrete companies specializing in banking, insurance, and securities, financial services today is dominated by mammoth institutions, each of which can provide customers with a broad selection of services and financial products. As a result, Capital One, Wachovia, Wells Fargo, and Chase are as recognizable to the public as Wal-Mart, Home Depot, and McDonald's.

The resemblance among these businesses doesn't stop at brand names. Like major retail outlets and restaurant chains, financial services companies have to deal with high employee turnover, particularly in customer-service positions. To combat that turnover, companies have to ensure that the appropriate training resources are available to an employee base that, in some cases, is spread throughout the world and is tied to business results.

### Unique training

Financial services businesses are facing significant and unique training challenges. Issues such as compliance with ever-changing state and federal regulations; understanding large, fluid, and complex sets of products; the rapid growth of the industry through

mergers and acquisitions; and the need to protect consumers' privacy rights all color the manner in which financial services companies train their workers. And while the industry has wholeheartedly embraced e-learning, training executives say its greatest value will be in enabling employees to access the information they need when they need it.

The biggest question trainers in financial services face is, "How do I keep employees at every level up to speed in an environment full of constant change in products, policies, and government regulations?"

"As Congress changes its regulations regarding financial services, the training needs of an institution change overnight," says Deborah Dilley, president and chief executive officer of Sage Online Learning, a provider of Internet-based training for the financial services industry.

Less than a decade ago, she adds, the amount of training in compliance was minimal, but with the new, post-Enron era of financial scrutiny, there are so many regulations that the institutions need not only training on the regulations, but training on institutional policies and procedures related to the regulations. Complicating the issue is that each state has its own set of regulations governing banks, brokerages, and insurance companies. In international companies, foreign laws and regulations also have to be factored into training.

With this degree of complexity and the presence of

thousands of people located throughout the globe, face-to-face conveyance of vital information is neither timely nor cost-efficient. Consequently, computer-based training, web conferences, and similar technical methods have proven to be effective solutions.

“For example, under the Fair Credit Reporting Act, our associates need to understand when they can and cannot use credit bureau data,” says Ted Forbes, director of Capital One University, the training arm of Capital One Financial. “We needed to find a way to train 9,000 people in our call centers on this issue, and we elected to develop an e-learning module on the subject, which we can deploy directly to a contact center associate’s desk.”

### **Effective e-learning**

Not only is e-learning a practical way to disseminate the information, but institutions that employ learning management systems are able to track and document which employees have been trained—a requirement under state and federal regulations, says Dilley.

To effectively train financial services employees via e-learning, institutions have to design the courses carefully. For example, modular authoring systems enable users to snap together content stored as modules in a central database. When a change is made to the module, it is propagated throughout the computer-based course. Through the use of metadata on each employee’s role in the organization and location, learning management systems can assemble and deliver the appropriate learning materials to each person.

Because the financial services industry is such a dynamic environment, learning managers need to give careful thought to course design and authoring tools. Denise Link, vice president of professional services for courseware developer Phasient Learning Technologies, notes that some authoring tools, such as Macromedia Flash, are not ideal for building courses in which content frequently changes, since altering Flash presentations can be time-consuming and difficult.

Steve Shaw, chief learning officer for EEDO Knowledgeware, a learning content management system provider, adds that course designers should keep in mind the environment in which users will be accessing the courses. “You can’t have speakers suddenly start blaring audio material if the student is going through the course in a bank branch,” he says.

Sage Online Learning’s Dilley warns that easy-to-use rapid-development tools, such as those that allow users to transform PowerPoint presentations into animated learning modules, pose a potential danger. There’s far more to effective course design than simply being able to throw some glitz up on the web, she

says. Too often, individuals with little or no training and development background get their hands on these tools and churn out dreadful courses.

Since many financial institutions do business internationally, providing training to employees based abroad poses another challenge.

“I think the way they’re able to handle this best is to produce generic content and then simply add the country-specific information,” says Kevin Oakes, president of learning systems provider SumTotal Systems. “We see this with large banks like Citigroup and HSBC, which have a presence in dozens of countries. Depending on where you log in to the learning system from, you’ll get content specific not only to your country, but to your job as well. And you’ll get it in your native language.”

Training employees is one thing, but ensuring that they’re actually learning and able to apply their knowledge is another story. Once students leave the learning environment, retention of that information tails off markedly.

“Training is most effective when it’s treated by learners as an ongoing process,” says Madeline Berlin, director of workforce development and organization effectiveness for Hewlett-Packard Financial Services. “To that end, we’re starting to focus a great deal on knowledge management, so our employees will have access to the information they need whenever and wherever they need it.”

Fortunately, the computer-mediated networks that bind a company’s branches and offices together also can host a knowledge management system on which vital information can be stored and retrieved by employees at a moment’s notice.

“If a bank’s customer representative knows that, at 9:15 a.m., Mrs. Smith is coming in to discuss changes in her retirement savings account, the representative may want to brush up on the tax,” says EEDO’s Shaw. “So the representative can go to a computer portal and call up relevant material.”

### **Classroom training**

Since most of its employees are knowledge workers, and nearly every employee has a computer on his desk, financial services has been on the leading edge of e-learning for a number of years, says Oakes. But this does not mean that face-to-face training is dead. Most institutions employ blended learning, and not every institution is able to adopt e-learning as quickly as some learning managers would like. Dean Williams, chief learning officer at Wachovia says his institution still provides about 40 percent of its training in classrooms.

“Our culture says that we want to do more instruc-

## DELIVERING TRAINING

tor-led training, because that is our past. Some people in the organization think that the only way we can deliver training is by having an instructor stand up in front of 35 people," he says.

In at least one company, face-to-face training represents the wave of the future.

Marq James, assistant vice president of sales support for GuideOne Insurance, describes the Des Moines-based provider as a "niche" provider of insurance products for churches and church members. He explains that the company sees knowledge of the marketplace and its needs as a competitive differentiator and has established a corporate university to deliver that training to employees and independent agents. The company has grown reliant on e-learning in recent years, but is getting ready to step up its program of face-to-face training by instituting a series of small, classroom-based courses consisting of advanced training in three or four specialty areas, James says.

"Advanced training is tough to do online, so we think that this can be valuable if it's tightly targeted and delivered economically. If agents in our distribution channel are interested and are willing to pay their way to Des Moines, we'll provide meals and training," he says.

### Business value

Regardless of how training is delivered and absorbed by students, learning managers in the financial services industry are being challenged to tie training directly to overall business value. LMS vendors and training executives are coming at the problem from several directions. Several major systems vendors, including SumTotal, have created analytics packages that enable users to see the cause-and-effect relationship between training and business results. In other cases, users have established their own methods of arriving at this information. For example, GuideOne Insurance compares the results of salespeople who have gone through GuideOne University training against those salespeople who have not.

"Obviously, there are a lot of issues that drive sales, but we look at their participation in training as a significant measure," says James.

And in yet another approach, Wachovia's Williams says measuring the results of training simply shouldn't be the responsibility of his department. Instead, he says, it's the learning department's role to help its internal clients—the line-of-business managers—apply the business measurements they already have to determine whether training is effective.

The next frontier for training in the financial ser-

vices industry isn't about employee learning; it's about leveraging knowledge resources to educate the customer. Using their public websites, email, and other capabilities, institutions can provide their customers with an abundance of information about financial products, recommendations, and alerts about market conditions, new regulations, and new products.

"Very often the same content your employees are using can be slightly adjusted and made available to customers," says EEDO's Shaw.

And, as SumTotal's Oakes noted, there's value to financial institutions in sharing their knowledge. "Financial services companies recognize that, the better educated a consumer is, the more likely he is to be a loyal customer," he says. **TD**

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