

Results Driven: Using the Business Value Approach to Design and Assess Workforce Services

Introduction

Workforce service providers can better design and assess the value of their services by addressing two questions, from the start, with their employer customers:

- What business outcomes does the employer want to achieve by using the workforce service?
- What strategies should be used to determine whether these business outcomes result from the workforce service?

Using a Business Value approach, workforce service providers can develop stronger relationships with an employer, learning more about a company's operating environment and workforce challenges. As a result, providers are better positioned to identify and meet the employer's business needs as well as the needs of the employer's workers.

This paper discusses why and how workforce programs should identify and measure the business value of the workforce services they provide to their employer customers. Business Value Assessment (BVA) – a methodology to assess the business benefits resulting from a workforce development program – was introduced in 2005 by researchers from the Aspen Institute's Workforce Strategies Initiative (AspenWSI), who developed the assessment in collaboration with workforce program leaders and their employer customers.

Program leaders may choose to use parts of the BVA Toolkit without completing a full Business Value Assessment. For a variety of reasons, a program leader may choose not to

collect or may not be able to collect all the data needed to determine final results. Nevertheless, many leaders take a Business Value approach, by using some pieces of the BVA Toolkit – for example, by defining what measures should be used to consider business outcomes.

Here is an example of how a Business Value approach can prove helpful – even if a full assessment is not implemented. (It is based on actual experience, although fictitious names are used.)

In 2008, Fred Jackson, a human resources director for Copperworks, a mid-size manufacturing company in Chicago, needed to improve required safety training for his company's front-line production staff. Supervisors were conducting training based on an off-the-shelf safety program, with limited success. Workplace accidents were increasing, and Jackson thought he needed a professional trainer who could deliver the required training more effectively. He contacted Jane Foster, training director of Windy City Resources (WCR), a community-based organization that provides workforce development programs.

Jackson said his goal for the training was to improve the company's safety record. WCR had considerable experience in manufacturing safety instruction, and Foster was sure WCR could design a training for Copperworks. As the two discussed scheduling, staffing and other details, Foster asked, "How will you know if our training is effective?" After a moment, Jackson replied, "We can compare the number of workplace accidents occurring in the months before and after the training."

The ultimate goal of a Business Value Assessment is to develop measures that reasonably and fairly indicate the costs and benefits that accrue to a firm as a result of training or other workforce services.

Foster also asked Jackson why he thought Copperworks' in-house training efforts hadn't worked in the past. Jackson explained that workers spoke several different languages, and communication between supervisors and workers as well as among teams of workers was difficult.

Jackson went on to explain that worker accidents were frequently a result of a worker not understanding instructions from a supervisor or advice from a co-worker. Further, accidents had financially cost Copperworks in several ways. They caused expenses for non-reimbursable healthcare services required to treat injured workers, reduced productivity, prompted the need to replace workers who were out on disability and led to higher insurance premiums associated with accidents and disability.

After conferring with her staff, Foster proposed a training approach. "WCR can provide Copperworks with English language instruction that draws content from your safety training and procedures and is adapted to your production environment," she told Jackson. She added that delivering an off-the-shelf safety program without a strong emphasis on work-based English language instruction would not likely result in better outcomes.

Highly motivated to improve his company's safety performance, Jackson asked a production supervisor to help Foster develop a customized curriculum.

Jackson was pleased with the training that resulted. He believes that it reduced accidents at Copperworks and – as a result – clearly saved Copperworks money. Jackson chose not to collect all the data to complete the full Business Value Assessment, deciding that the feedback he had received from supervisors about workers' improved adherence to safety protocols was sufficient evidence that the training was of value to the company.

Importantly, early discussion between WCR and Copperworks about how to assess

the training's business value provided a basis for both the training design and Copperworks' positive response to the training. Copperworks subsequently hired WCR to provide refresher safety training and was receptive to hiring new workers trained by WCR, creating a win-win for both institutions.

BVA also offers a powerful tool for workforce program researchers and evaluators. A researcher can work a BVA into a general program evaluation, using it to address questions about the efficacy of workforce programming from a business's perspective. This perspective has been under addressed in workforce program research and evaluation, for a variety of practical reasons.

Investors in workforce development programs will be interested in BVA because it helps them learn more about the value employers derive from workforce program services, building the field's knowledge about effective practices. Also, building a base of knowledge about business value outcomes is critical to ensuring that workforce services are relevant to industry and that employers are motivated to use and advocate for these services.

This *Update* begins with a primer on BVA, followed by the benefits associated with a Business Value approach and lessons learned about when and how to implement a BVA. We address issues related to service delivery context that must be considered to determine when a BVA is practical and feasible. We also revise and reprise some of our earlier work on the benefits of conducting these assessments.

The publication concludes with special notes for workforce program researchers and investors interested in learning more about identifying and measuring outcomes of business value from workforce services. A sidebar offers information about the tools that AspenWSI developed to support a BVA.

A BVA Primer

The ultimate goal of a Business Value Assessment is to develop measures that reasonably and fairly indicate the costs and benefits that accrue to a firm as a result of training or other workforce services.

In 2003, AspenWSI researchers began working with a group of workforce service providers and their employer customers to develop a practical way to learn more about and document the business value of services.

Since BVA's introduction in 2005, there have been a range of experiences applying it and AspenWSI has received input from service providers, employers and program investors. We continue to learn about how a Business Value approach can help providers improve services, build better business relationships, generate demand for their services, educate and train staff, and develop business advocates for quality workforce services.

We also have learned about the appropriate conditions and skills required to conduct and manage a BVA. Many valuable workforce services are poor candidates for an evaluation using a BVA. Appropriate data may not be available or on-the-ground conditions at a company may hamper such an assessment. In other cases a BVA may be feasible, but it may require a new survey tool or a level of data analysis that is beyond the capacity of most workforce service providers. In a number of instances, however the business value of workforce services can easily be assessed by a service provider and an employer working together, without help from an outside evaluator or researcher.

The Business Value approach is based on what AspenWSI researchers heard repeatedly from employers—that they often make business decisions about workforce investments based on imperfect (yet timely, relevant and defensible) information presented quantitatively and qualitatively. Thus, the BVA framework provides a flexible set of options and tools for measuring outcomes that can be tailored to a specific employer and workforce service.

The Business Value approach recognizes the need to use both financial and non-financial data to portray the benefits for companies from workforce investments. Many objectives that employers have for using workforce services can be expressed only in non-monetary terms. Moreover, outcomes with financial implications are often challenging to monetize because of limited employer data available, difficulty

isolating financial effects of training from other factors, confidentiality issues and the effort required to identify, collect and analyze new data.

The following example illustrates why business outcomes data can be difficult to monetize and shows how non-monetary data can help an employer make workforce investment decisions and help a workforce program demonstrate a service's value.

A workforce service provider conducted customer service skills training for a company's employees. The company tracks customer satisfaction via regular surveys, and the satisfaction rating increased following the training. Revenue also increased. Determining what portion of the revenue change should be attributed to improved customer satisfaction posed substantial challenges.

While company management believed that improved customer satisfaction improved the company's financial performance, other co-occurring changes (winning a sizeable new contract and adding a popular new product line) also had a likely impact.

In addition, management did not want to share the financial performance data needed to estimate the effect of changed customer satisfaction, considering it too sensitive to be made public.

Management found the change in the company's customer satisfaction rating to be a credible and compelling measure of the business value of its training investment.

The Business Value approach recognizes the need to use both financial and non-financial data to portray the benefits for companies from workforce investments.

A BVA starts by 1) identifying the benefit(s) that an employer expects from a workforce service, 2) determining what measures would indicate that the workforce service did achieve the expected benefit(s), and 3) confirming that the service provided is designed and delivered in order to achieve those benefits.

A Business Value Assessment must be framed around the specific benefit to the individual employer. An employer is most interested in how a service affects results at his or her firm. In order to conduct an assessment, the employer's interest in knowing how the service affects the company's operation is critical. Without this interest, the employer may not be motivated to gather the necessary data that are needed for the assessment, and these data come almost exclusively from the company.

The need to identify relevant benchmarks for assessing costs and outcomes is a key reason why a BVA is a firm-specific process.

In order to understand the results of a training, an assessment must have some benchmark to compare against, and again, the most relevant benchmark is almost always internal to the company. For example, if a company is investing in a training and expects reduced employee turnover to result, the relevant benchmark relates to the turnover experience for that specific company; the typical rate of turnover for the industry is not, on its own, a useful benchmark. The need to identify relevant benchmarks for assessing costs and outcomes is a key reason why a BVA is a firm-specific process, as the following example illustrates.

A local human service company that struggled to recruit and retain qualified counselors sought help from a workforce agency. The company generally hired only about one out of four candidates whose credentials were reviewed. The company spent significant resources on this recruiting challenge. In addition, about one-quarter of the new hires did not stay beyond three months, in part due to difficulties passing a required competency exam.

To address these issues, the workforce agency proposed a recruitment and pre-employment orientation service. At the same time, the agency proposed that data be gathered to ensure that the service was having the desired outcomes. The company agreed with the

workforce agency to compare the performance of workers hired before and after the agency's service was delivered. The company knew that its hire rate and retention rate varied over time. Thus, they also agreed to compare the performance of workers hired from the workforce agency to a group of workers hired from a different source. Because the workforce agency would provide most new workers for the company's city location, however, the comparison group consisted primarily of workers at the company's suburban locations, which meant there were also some important differences between the workers hired through the agency and the workers in the comparison group.

Looking at only before and after results or only at a comparison between employees from the agency and those working in other locations would likely have left the company uncertain about the benefits of the workforce service. Taken together, however, the company felt it had a credible set of data to use to evaluate how the workforce service improved its recruitment and retention process.

Many valuable workforce services are not amenable to being assessed for business value. For example, a BVA works best when one employer is involved. But many pre-employment training programs place participants across a range of employers, placing only one or two employees with an employer at any given time. While the training provider may do an excellent job preparing workers, if the impact of the work is spread across several employers, individual employers and workforce providers may find it difficult to capture the impact using a BVA. In addition, small employers who hire one or two people from a program do not need this type of assessment to determine whether they are satisfied with their new hires.

Workforce service providers' relationships with their various employer customers vary, with some customers receiving more intensive services than others. While the BVA is a firm-specific process, the information that workforce service providers gain through the BVA process about service design and delivery can provide insights that strengthen services provided to other employers.

What outcomes does a Business Value Assessment measure? Value from a company's perspective almost always looks different than value from a service provider's perspective. Workforce investors and service providers typically evaluate their performance using metrics, such as the number or percentage of individuals completing programs and the number or percentage of individuals obtaining or retaining employment. Evaluations also often analyze program participants' earnings before and after training.

Employers who use workforce services often share the interest of workforce investors and providers in helping their community and local employment. But the questions they want answered about workforce services more typically include:

- Will this service help me find candidates with the skills I need?
- Will this service help my employees be more efficient or productive?
- Will the employees I hire from this service provider perform as well as or even better than employees I hire from other sources?
- Will the employees I hire from this service provider stay on the job?
- Will this service save me time or money or allow me to use staff or other resources more efficiently?
- How much will it cost me to implement this service?

Companies are interested in improvements in productivity, product or service quality, customer satisfaction, employment retention, and the cost and revenue implications related to workforce investments. Viewing the potential impacts of workforce development services through the employers' lens is the first step toward changing the dynamic and tenor of marketing and planning discussions between a service provider and an employer.

Benefits of the Business Value Approach

A workforce program can benefit in a variety of ways from incorporating a Business Value approach in its work with employers.

Taking a Business Value approach helps develop relationships with businesses. Service providers

report that using the Business Value approach helps them more effectively communicate with their employer customers and better understand their customers' workplace challenges. In particular, they report that this approach plays an instrumental role in clarifying what outcomes employer customers want and what services are needed to achieve those outcomes. Providers who approach employer customers by identifying specific workforce challenges and discussing how to assess whether these challenges have been addressed have found this process key to clarifying what services are in fact needed. Providers who demonstrate to customers that they want to learn about their services' business outcomes shift the conversation from sales pitch toward joint problem-solving.

Clearly defining expected results from workforce services can help set realistic expectations. Employers often express a need for workers with specific attributes such as a positive attitude, good communication skills and a good work ethic. But this doesn't always provide enough guidance for a workforce service provider striving to develop a program that meets an employer's needs. Providers often can get more useful information when employers talk about the specific business outcomes they wish to achieve by having workers with these specific attributes.

Service providers report that using the Business Value approach helps them more effectively communicate with their employer customers and better understand their customers' workplace challenges.

For example, one employer may want employees with a positive attitude or good work ethic. When asked how this will change business outcomes, the employer may say that a positive attitude would result in less overtime paid because workers will arrive on time, enabling the previous shift to leave on time and not have to work overtime.

Another employer may say employees with a good work ethic would result in greater customer satisfaction, since the employees will be more cheerful and responsive to customers. Or the employer may say employees with a good work ethic will result in fewer accidents or safety violations because employees will have the confidence and communication skills needed to bring issues to their supervisor's attention in a timely way. Or the employer may expect the number of grievances filed by employees to decline. Understanding the specific results desired provides much more information and can also lead to a discussion of whether or not the anticipated service is likely to affect the desired outcome.

Program leaders report that BVA helps frontline staff understand how their clients perform on the job and is a valuable staff development tool.

Business Value Assessment activities can be a tool for a service provider's staff development. Gathering information about the performance of workers who participate in a workforce program that addresses the employer customer's expectations can educate a provider's frontline staff on how a workforce program's client and business needs intersect. In many programs, some staff work with employers on marketing and job development activities while others work with participants on training and job-readiness activities. Bridging these two functions can be challenging because of resource constraints and the practical fact that the skill sets needed for the activities are different. When a workforce program gets feedback from employers about the performance of candidates referred to them, staff working more directly with participants can learn about the competitiveness of their participants relative to other employees and job-seekers, a company's rationale for hiring decisions, and retention experiences. This type of information helps the frontline staff working directly with participants to provide services and design approaches that prepare their participants to compete effectively.

The Business Value approach can help a service provider get specific feedback that can be used for marketing, promotion activities and fundraising. An employer engaged in identifying desired workplace outcomes and determining whether those outcomes are achieved is likely to feel invested in the program's success. When an employer customer clearly sees value in the workforce provider's services, that employer is more likely to provide a testimonial, advocate for continued funding for the workforce agency, or provide other assistance that can be valuable for a workforce organization in its marketing or fundraising efforts. If this satisfied employer gives permission, a workforce services provider can use the assessment results to demonstrate its services' business value to other potential employer customers or for other promotional purposes. Some employers have publicly advocated for programs – citing specific benefits they received. In other cases, service providers receive permission to mention an employer-client's business outcomes in their self-advocacy activities, materials and fundraising.

Lessons Learned and Issues to Consider

We developed the Business Value Assessment Toolkit (see box on page 11) as a resource for workforce service providers to use in conducting their own assessments. While the purpose of this paper is not to provide a how-to on conducting an assessment, here are a few key points that someone planning this type of assessment should consider.

Business Value Assessment planning should be incorporated into discussions with employers about their workforce challenges and opportunities. Workforce service providers frequently ask questions about how much staff time the assessment will take. Providing a precise answer is difficult because the type of data needed and the time period for data collection can differ greatly depending on the service and desired outcome. However, much of the planning can be worked into standard

conversations with an employer customer used to build a relationship and design services. Several workforce organization leaders note that planning a Business Value Assessment is easily worked into ongoing program activities. In addition, providers often report that specific discussions of outcomes – which are part of BVA planning – improved the quality of conversations with employers. That said, the completion of all the data collection activities and analysis that a particular BVA might require often requires the dedication of at least some staff time outside of everyday activities.

The issues of scale of service and strength of existing business relationship are key factors to consider in identifying an opportunity for a Business Value Assessment. Scale in workforce programs relates to how many employees are served, what proportion of the company's workforce these employees comprise and the intensity of services provided. If a service is not provided at a sufficient intensity level or scale, it may not be a good candidate for a BVA. For example, a program may train and place a large number of unemployed individuals in a particular occupation. However, not enough of these workers are placed with any one company to enable meaningful data collection on outcomes for any specific company. Or a program that trains incumbent workers might train a small number of workers relative to a company's total workforce, and these workers might be scattered across several different work units. Small numbers of workers in a workforce program such as this would limit the ability to measure differences resulting from the training in either company-wide or unit-specific productivity measures.

Another factor for a provider of a workforce program to consider is the strength of its relationship with a company. In conducting an assessment, the company must be engaged substantially in the design in order to identify meaningful indicators and must also be engaged in gathering data. While the time and resources a company needs to put into this process can vary greatly, planners of a BVA should consider whether the relationship is strong enough to ask for this additional effort. The assessment may also show less than positive results. A strong

relationship between a provider and a company is needed to have a constructive discussion on the interpretation of those results.

When possible, a Business Value Assessment should be planned concurrent with service design. The value of the process of thinking through what outcome(s) a firm wants to achieve from a workforce service and what indicators will be available to measure this outcome(s), cannot be overstated. When this deliberative process begins before service delivery, both the workforce service and the ability to credibly evaluate its outcomes improve. For example, in some cases, pre-service data needed to evaluate post-service outcomes must be identified and collected before the service is delivered. In addition, having a conversation early-on about outcomes helps prevent misunderstandings about what a trainee will be expected to learn and how that learning will apply in the workplace.

In conducting an assessment, the company must be engaged substantially in the design in order to identify meaningful indicators and must also be engaged in gathering data.

The timing of a service must be considered in planning an assessment. Events or changes unrelated to a workforce service can influence actual outcomes and/or the data needed to evaluate outcomes. For example:

A workforce service provider was planning an assessment of changes in productivity that were expected to result from training current workers at a manufacturing company to use new equipment in a new work group format. The company hoped the new training, equipment and process would reduce the amount of material scrapped during production. While planning the training and assessment, the service provider learned that the company was scheduled to move to a new location almost immediately after the training, likely causing a disruption that would affect productivity on all

fronts post-training. As a result, the provider and company decided that they could not measure outcomes of that particular training.

Also, many companies' activity fluctuates or is predictably cyclical. For example, some seasonal or cyclical industries layoff and hire workers in a pattern that has little to do with worker performance. While it is impossible to understand or account for all non-service related factors in play within a company, it is important to consider the effects of those factors that can be identified.

Companies may not want to make public (or even share confidentially with the service provider) detailed information about issues such as productivity or financial performance.

Employers may be constrained from providing data that would answer an outcomes question due to company confidentiality policies.

Companies may not want to make public (or even share confidentially with the service provider) detailed information about issues such as productivity or financial performance. A company may also take a very strict stance on employee privacy issues and be unwilling to share data on retention, performance, wages or promotions for individual workers. In some cases, negotiating a confidentiality agreement may be all that is required to move forward. In other cases, an employer may be willing to independently complete assessment tools designed collaboratively with a service provider and share findings in terms that are more relative than absolute, for example, by providing the change in a productivity or turnover indicator as a percentage, rather than as an exact figure.

A workforce program's employer contact may not have access to the data needed to assess the expected outcomes of a workforce service.

More than one manager or supervisor from the company may need to cooperate in order

to gather needed data. For example, a human resources contact would have access to employee retention data but not data to calculate the cost of turnover. To get this, the human resources contact may need help from front-line supervisors involved in the hiring processes to estimate the time they spend on hiring or the cost of lost productivity due to staff vacancy. Similarly, if the objective of a workforce service is improved job performance, supervisors and employees may need to provide feedback on their proficiency or confidence using specific new skills.

To answer relevant questions about outcomes, new data may need to be collected via questionnaires. Data from questionnaires are intended to answer questions that will help employers assess important outcomes of training for which they do not have an existing data source. A common example is the need to develop questionnaires to query supervisors in a standardized way about trainees' application of specific new skills in the workplace.

Notes for Workforce Program Researchers

AspenWSI researchers identified the need for the type of practical assessment approach represented by BVA as a result of our own experiences evaluating industry-based workforce programs. We found that the data most programs collect, which is generally oriented around evaluating improvements in workers' employment and earnings situations, is not well-suited for naming or measuring the benefits that motivate employers to use a program's services. Programs rarely seemed to collect data in order to assess the value of their services to companies. In cases where programs did attempt to measure the benefits of their program for their business customers, they typically used employer satisfaction surveys and, in some cases, counts of repeat customers. While trying to determine whether business customers are satisfied is a helpful first step, it does not provide much information on which services companies value, how these services are of value, how services could be improved and what other services might be needed.

In AspenWSI's view the "best" workforce programs (meaning, in this case, programs that achieve high placement of trainees in employment and/or whose trainees retain and advance in employment over time) are those that have in-depth knowledge of specific labor market needs. In interviews with the employer customers of these "best" workforce programs, we hear comments such as "The program sends us the right people" or "The program provides us with services that make our workers more productive" or "The program saves us money." The Business Value approach provides us with the tools we need to turn at least some of these anecdotes into credible, evidence-based documentation of demand-side benefits from workforce programming. For other programs, BVA can provide guidance on the work that needs to be done to become one of these "best" programs.

Researchers will find opportunities to conduct a BVA during the course of an overall program evaluation. BVA is something researchers can work into an evaluation and can be fairly straightforward to do. We strongly believe that doing many more of these assessments will contribute to the collective knowledge base about outcomes from workforce services for companies and will be of great value to the field.

Here are questions that researchers likely will consider as they explore Business Value Assessment opportunities:

What level of rigor is required to draw conclusions about business value?

The standard of proof required for a credible Business Value Assessment is set by the employer. Some employers use "back of the envelope" calculations to inform their decisions, based on what AspenWSI's original BVA development employer group in 2004 described as "imperfect, yet timely, relevant and defensible information." Other employers will be more exacting and want to follow more formal research protocols. An employer is usually interested in BVA because he or she must decide to use one service provider over another or to invest in training or other services to address an identified problem. How much an employer will invest in a workforce service and/or the magnitude of the workplace

challenge that must be addressed usually affects an evaluation's level of rigor. These factors also influence the amount of resources devoted to measuring outcomes. Other factors that affect an employer's desire for higher or lower standards of proof include the time-sensitivity of the need for information about outcomes and the degree of risk the company will assume if a bad decision is made about investing in a particular workforce service.

For public or philanthropically funded workforce services, however, a government agency or foundation may provide the resources for the evaluation, and the funder may want a more rigorous business value assessment than the employer. Those involved in planning an assessment should take the time in the design phase to see if the employer is willing to accommodate this more rigorous assessment. As mentioned earlier, the employer has the data required for an assessment. Gathering data places some burden on the employer and can cause some discomfort about sharing sensitive information about company operations. These issues should be explored fully before proceeding with an assessment so that all parties are clear about what is possible and practical in the context of ongoing business operations.

We strongly believe that doing many more of these assessments will contribute to the collective knowledge base about outcomes from workforce services for companies and will be of great value to the field.

What data are available to conduct a Business Value Assessment?

As previously mentioned, companies vary greatly in how they measure their performance. They also keep data that may be relevant to assessing the outcomes of a workforce service in a variety of departments. Human resources, payroll, operations management, sales, accounting and other

departments may all have useful data for an assessment. The best approach is to start by fully exploring the data already collected by the company. This is not only easier but indicates that the data is of some value or importance to the company.

An outside researcher can play a helpful role in identifying different data sources up front and how the data sources can triangulate findings and provide a credible picture regarding training results.

Often however, the data needed to assess outcomes may not be available or may have restricted access or may, alone, be unlikely to yield a compelling result. In such cases, it may be more feasible to conduct brief interviews with a range of people familiar with both the operating environment and the employees receiving workforce services, getting their impressions of how a workforce service impacted performance. Documenting observations from staff who perform different functions (supervisory and non-supervisory) increases confidence in the results. It is important to think through how specific skills taught in training are linked with a broader outcomes goal such as improving efficiency. For example, in a recent evaluation we conducted at a Philadelphia hospital, managers learned that nurse supervisors observed and reported improvements in their front-line staff's communication and patient charting skills (following a training service). They linked this to improved efficiency, even though there was not a separate measure of efficiency, explaining that they know their nurse supervisors now can more easily allocate work among staff.

In sum, an outside researcher can play a helpful role in identifying different data sources up front and how the data sources can triangulate findings and provide a credible picture regarding training results. In addition, ensuring that all parties know what the data collection process will be and minimizing the impact of this process on ongoing business

operations are critical to consider in designing a workable assessment.

Notes for Workforce Development Investors

Today more than ever, public and private workforce development investors seek ways to build service providers' capacity to design and deliver services that respond to industry needs for skilled workers by providing superb training, education and employment-readiness services to unemployed and under-employed Americans. Incorporating a Business Value approach to communication and relationship-building with employers is a promising way for service providers to increase their effectiveness in meeting industry needs.

A Business Value Assessment can strengthen a workforce program, as described earlier, by helping a workforce service provider build relationships with employers, design better services and maintain or enhance financial support for the workforce development program. Many workforce services (even very good ones) are not viable candidates for a BVA. But conducting a BVA, when possible, can help build program capacity and potentially improve the services that were not subject to assessment.

Requiring a Business Value Assessment from all workforce service providers or for all types of workforce services is not feasible, since not all workforce services are amenable to a BVA. Measuring business value requires companies to invest time and other resources in the process. Workforce service providers cannot provide meaningful business outcomes information without the collaboration of their employer customers. For this practical reason, requiring data from service providers on business outcomes is not feasible as a standard reporting requirement. On the other hand, service providers should be encouraged and supported to build their capacity to explore this approach with employers. Developing simple documentation with employers about the goals of services and the employers' perceptions about the extent to which services effectively address those goals would help both

providers and employers meet their short- and long-term goals.

Supporting Business Value Assessment will help us make progress toward the goal of better aligning workforce services with employer needs. A number of publicly and privately funded initiatives encourage closer relationships between workforce service providers and employers, with dual goals of improving worker competencies and increasing employment opportunities for individuals, as well as helping businesses build the skilled workforces they need to compete effectively. Service providers and their employer customers should be encouraged to more clearly define existing workforce challenges and determine more collaboratively the types of interventions and services needed to address these challenges. The Business Value approach offers a practical methodology for addressing this issue.

Specific funds are needed to encourage greater uptake of Business Value Assessment. Building parts of the Business Value Assessment process into a workforce training program's employer-engagement process is sensible. But the kind of relationship-building and other activities this requires is difficult for service providers to fund consistently over time. Often, investors consider these employer engagement activities as part of an initial planning or design phase, not as an ongoing activity. Training funds often are budgeted only to pay for participant class time, with limitations on what can be spent on administrative costs. Resources to pay for staff time to follow-up with employers and have the conversations needed for a BVA or ongoing relationship-building are often limited or nonexistent. Some programs manage to raise resources to cover some of these other functions, but many struggle with limited and restricted resources. In order to

The Business Value Assessment Toolkit was developed by AspenWSI in collaboration with a group of workforce service providers and their employer partners. The group developed and tested practical measures and tools for implementing case test assessments.

The BVA Toolkit is available for download, free-of-charge, at <http://www.aspenwsi.org/WSIwork-BVA.asp>.

The Toolkit includes:

- **Employer Discussion Tool**, a detailed set of questions to help learn about a business's workforce opportunities and challenges.
- **BVA Planning Handbook**, which includes step-by-step guidelines for planning and determining the feasibility of an assessment, discussion of business and service implementation environmental factors that affect assessment feasibility, information about developing benchmarks for interpreting results and basic instructions for developing

questionnaires to collect new data such as feedback from employees or supervisors.

- **Assessment Planning Worksheet**, including conversation prompts, checklists and simplified data collection hints.
- **BVA Excel Tool**, an automated package of forms for data entry, tracking and generating reports. The tool guides the user in calculating commonly requested business outcomes such as turnover and measures of productivity, and also provides a worksheet to identify costs to business of a workforce service. The Excel Tool can be used to enter data and produce reports comparing data for more than one set of employees and/or over multiple time periods.
- **Guided Audiovisual Tour** of the key features and functionalities of the Excel Tool.
- **Case Examples** of Business Value Assessment applications.
- **Frequently Asked Questions** about Business Value Assessment.

build more effective programs, funding for workforce service providers must allow for reasonable amounts of information-gathering, relationship-building and follow-up work with employers (including BVA) in order to support effective practices.

Conclusion

Equipping workforce service providers with tools and resources to develop new ways of determining their employer customers' business needs and make sure their services meet those needs is critical. Not only do

many people need skills that prepare them for viable employment, but businesses need a higher skilled workforce. The Business Value approach offers an important tool for assessing employers' business needs and documenting service outcomes delivered. The Business Value approach can help service providers strengthen and deepen relationships with employer customers, and assessment results can help providers to promote their services and win more customers. Ultimately, learning to gather and use the type of information gleaned from a BVA will help workforce service providers serve their clients more effectively.



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