Juno Journey

PLANNING YOUR
2024 L&D BUDGET
IN UNCERTAIN TIMES

* Budget plan template included

About this guide

The current business climate presents unique challenges for learning and development (L&D) professionals. Amidst increasing interest rates, a growing number of layoffs, and a universal search for cost-saving strategies, justifying investments in L&D can pose a challenge.

Yet, as L&D professionals, we know that by investing in training and development, organizations can ensure that their employees have the skills and knowledge they need to succeed in a changing world.

In this guide we've gathered the collective expertise of dozens of seasoned L&D professionals we at Juno Journey have partnered with over the year to offer you the utmost comprehensive manual for crafting a strategic L&D budget plan for 2024.

Let's get started!

We'll cover

Objectives

What L&D goals
you must include

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The 4 main categories
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What L&D goals you must include

Objectives are the foundation of any effective L&D budget plan. They help you to focus your resources on the areas that will have the biggest impact on your organization. When planning your 2024 L&D budget, it is important that your objectives address the following three areas:

1. Strategic business needs

Your L&D budget should be aligned with your organization's strategic business goals. This means investing in training and development programs that will help your employees to develop the skills they need to achieve those goals. This will help you to understand where to focus your attention (and budget) and ensure that when you present your budget plan for approval, you can connect each line-item to a critical business objective.

To identify strategic business needs, interview the company's business leadership and them these 3 simple questions:

1. **What is the business growth strategy for 2024 (AKA what are the business goals)?**
2. **In light of the growth strategy, what skills and process gaps do you see that need to be mitigated?**
3. **In order to achieve the growth targets for 2024, when do you need to mitigate each gap you identified?**

Share of budget
Due to its importance, this area should cover 50% of the 2024 L&D budget

2. HR or organizational needs

The L&D budget should also support the organization's people strategy with the aim of either improving employee engagement, or reducing turnover. This could involve creating programs that promote diversity and inclusion, leadership development programs, onboarding programs, global talent distribution (off shore), or tuition reimbursement programs.

Share of budget

This area should include initiatives that cater to no more than 20% of the organization, and correspondingly, should cover 20% of the 2024 L&D budget

3. Company-wide

Finally, your L&D budget should allocate some resources to company-wide initiatives that will benefit all employees. Why? Because employees that feel invested in feel greater satisfaction at work, are more productive and can be retained for longer. Learning experiences is one of the main ways organizations have to invest in their people. This could include creating a mentoring program, offering workshops on soft skills, or providing access to online learning resources.

Creative ways to do this:
Any initiative for #2 should have a long-tail that addresses #3

Share of budget
This area should be by far the most cost-efficient use of L&D budget, receiving the remaining 30% of it.

In order to ensure just 30% of your budget can in fact generate L&D activities that cater to all employees you need to think creatively. An approach we've seen successful in multiple organizations is always creating a more scalable learning experience based on the personalized learning interventions you choose to invest in in #2 HR and organizational needs. For example - if you invest in a leadership development program for a select few highly talented future managers, record the sessions and repackage them as online learning open to all employees.

Pro-tip

While it might seem convenient to shift attention away from the strategic business domain towards HR-related and company-wide, it's the focus on strategic business needs that will make the real difference in 2024 between an L&D department seen as a peripheral asset and one seamlessly integrated into the heart of the business so make sure you spend the majority of your planning time sitting with the business leadership to build an L&D program that directly feeds into their needs.

KPI setting: How to measure success

KPIs, or key performance indicators, are essential for measuring the success of any L&D initiative. By setting KPIs, you can ensure that your initiatives are aligned with your organization's strategic goals and that they are having a real impact on the business.

How to set KPIs

When setting KPI's it is important to make sure that they are:

• Specific: KPIs should be specific and measurable, so that you can track your progress and see how your initiatives are performing.

• Achievable: KPIs should be achievable, but challenging. You want to set goals that are ambitious, but not impossible to reach.

• Relevant: KPIs should be relevant to your organization's strategic goals. They should measure the things that are important to the business.

• Time-bound: KPIs should have a specific time frame for completion. This will help you to stay on track and make sure that you are making progress.

The specific KPIs that you choose will depend on your organization's unique goals and objectives. Here are some examples of KPIs for different L&D objectives:

Strategic business needs:

- Increase the number of employees who are certified in programming with generative AI by 50%.
- Reduce the number of customer complaints by 20%.

HR or organizational needs:

- Develop a leadership development program for highpotential employees that increases their engagement by 15%.
- Create a mentoring program that improves employee retention by 10%.
- Offer tuition reimbursement to employees who complete a certain number of credits per year.

Company-wide:

- Provide all employees with the opportunity to participate in at least one L&D initiative per year.
- Increase the number of employees engaging with nonmandatroy learning experiences by 30%
- Provide access to online learning resources for all employees that increases their knowledge of a specific topic by 20%.

Initiatives: The 4 main categories of L&D activities

L&D initiatives fall into one of 4 main activity categories: Product, Process, Tools and Skills. Keep in mind that the initiatives you choose to invest in within these activity categories must directly.

Product:

Deep product understanding is critical for the majority of roles within the company, from the developers or engineers who continuously develop the product offering, through the customer success team who support customers in effectively using it, to the sales team that need to sell its value to prospective customers.

Examples:

This could include training on new features, user experience (UX) design, or product management. L&D can also help employees stay up-to-date on the latest trends in their industry.

Process:

Improving processes can help organizations save time and money. L&D can help managers implement new ways of working and identify areas for improvement to streamline employee work.

Examples:

This could include training on process improvement methodologies, Lean Six Sigma, or Six Sigma. L&D can also help employees develop the skills they need to work in a crossfunctional environment.

Tools:

New tools can help organizations automate tasks and improve efficiency. L&D can help employees learn how to use new tools and get the most out of them.

Examples:

This could include training on specific software applications, cloud computing platforms, or social media tools. L&D can also help employees develop the skills they need to be effective remote workers.

Skills:

In today's rapidly changing world, it is important for employees to have the skills they need to succeed. L&D can help employees develop new skills and stay up-to-date on the latest trends.

Examples:

This could include training on data analytics, artificial intelligence (AI), or machine learning. L&D can also help employees develop the soft skills they need to succeed in the workplace, such as communication, teamwork, and problem-solving.

The budget-planning process:
A step-by-step guide

After discussing the 3 key areas you must cover with you L&D budget plan, now let's put it all together into one coherent step-bystep process:

→ **Step 1:** Interview stakeholders

→ **Step 2:** Assess needs and put them on a timeline

→ **Step 3:** Identify potential L&D solutions and estimate/ research their costs

→ **Step 4:** Prioritize L&d initiatives based on business & HR objectives as well as cost

→ **Step 5:** Set L&D objectives and their corresponding initiatives including budget needed for each

→ **Step 6:** Set KPIs

Requirements: the building blocks of ongoing success

There are three key requirements that you need to meet in order to ensure that your L&D budget is effective and you are not setting yourself up for failure:

1. Ongoing business alignment:

Your L&D initiatives need to be aligned with the strategic goals of your organization in order to be effective. This means that you need to be in constant communication with your business leaders to understand their needs and priorities. You need to know what skills they need their employees to have in order to succeed in the future. You also need to know what challenges they are facing and how L&D can help them overcome those challenges.

By staying aligned with the business, you can ensure that your L&D initiatives are making a real impact on the organization. You can also help to ensure that your L&D budget is being used effectively.

2. A seat at the decision-making table:

In order to have a real impact on your organization, you need to have a seat at the decision-making table. This means that you need to be involved in strategic planning discussions and have a say in how resources are allocated. You need to be able to advocate for the importance of L&D and make sure that it is included in the overall planning process.

By having a seat at the decision-making table, you can ensure that L&D is not an afterthought. You can also help to ensure that L&D is funded adequately and that it is aligned with the strategic goals of the organization.

3. A top-down orientation:

L&D leaders have to orient themselves top-down, or, in other words - always start from a wide organizational perspective before trickling down to how to create experiences that cater to individual employees. This business-first approach will ensure you are recognized as a business-critical department that garners the support of senior leadership.

With the support of senior leadership, you can ensure that L&D is given the resources it needs to be successful.

Budget template

Budget	%	Main gaps to mitigate	Success goals example
Strategic company level - top down	50%	Here you should collect the 2-4 main knowledge & skill gaps in company level that should be mitigated to meet the company strategic goals	1. 100% of the company employes will complete a new values workshop. 2. 100% will be trained on Change MNG (process, new product, new org. change)
Organization level	20%	Usually includes "softer" more HR & MNG oriented	1. 100% of mid-level MNG will complete new evaluation tool training. 2. 100% of senior managers will complete public speaking training
Personal development bottom-up training & development	30%	Triggered by the team leaders or personal level, knowledge, and skills gap	At least 80% of the employees experienced at least one training plan (not including compliance) can be either internal plan or external plan

Final words from us at Juno Journey

We hope you found this guide valuable. Once you've completed the planning stage and are ready to move to the execution stage, you may find yourself looking for a strong dependable yet versatile co-pilot to bring your plans to life.

We at Juno Journey have helped dozens of mid-size organizations across industries launch and manage countless of ROI-positive L&D initiatives. To receive an offer customized to your needs, book some time with us here.

JunoJourney

Onboard. Train. Develop. Engage

Juno Journey is a one-stop-shop learning & development operations platform helping organizations onboard, train, develop and engage their people automatically and at scale. The Juno Journey platform includes four different modules - an LMS, an LXP, a talent development module and an engagement module. Organizations can pick and choose the right package for them so they can build & shape their employees' professional journeys in a personalized way.

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