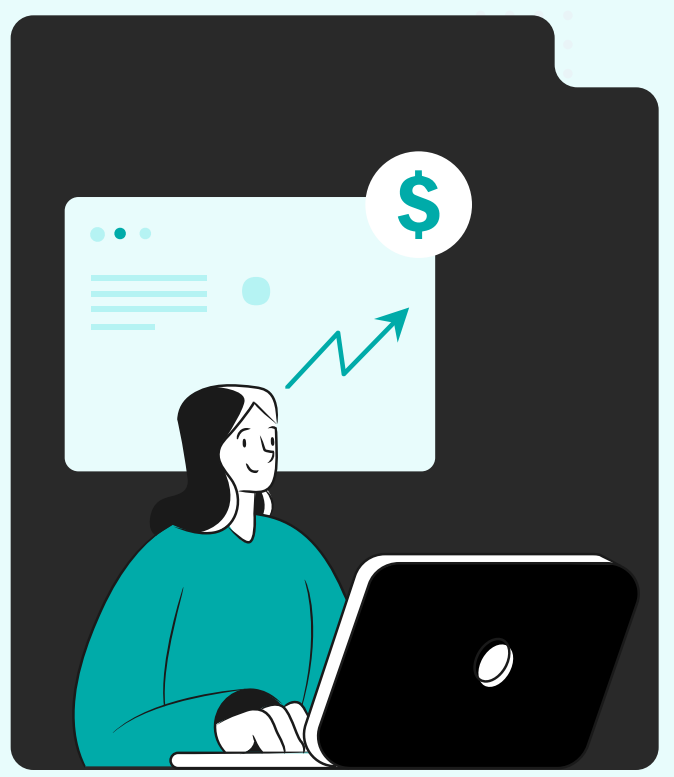


# Managing the L&D Budget for a Billion-Dollar Organization in 2024



## The Challenge

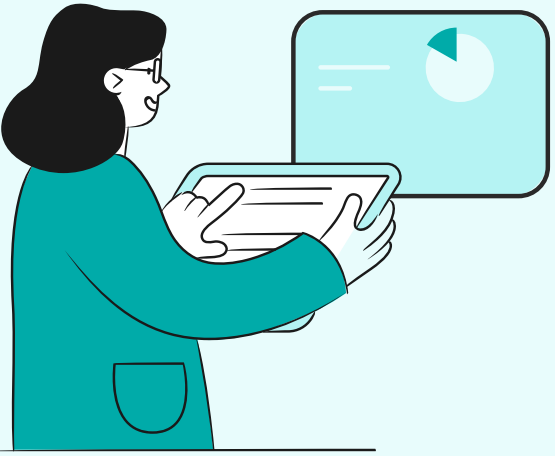
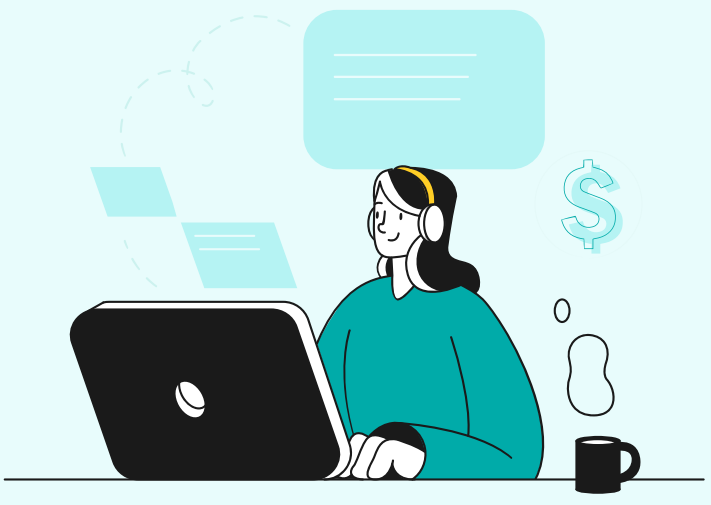
41% of L&D leaders expected increased spending power in 2023. Total global L&D investment was estimated at \$395.2 billion.

L&D leaders prioritize maximizing the impact of their large budgets but find it challenging, especially within billion-dollar organizations.

## The Solution: Strategies for L&D Budget Optimization

### Key Filters for Budget Allocation

- Core Operations:** Maintain essential functions efficiently and cost-effectively.
- Strategic Initiatives:** Prioritize L&D investments that support business goals.
- Experimentation:** Allocate resources for pilots and new ideas, as budget allows.



### Manage Cost Pressures

- Optimize Costs:** Streamline training expenses, e.g., improve trainer utilization.
- Engage Stakeholders:** When facing budget cuts, ask them which L&D activities they value least. This helps them understand the impact of their decisions.

### Optimize Fixed Vs. Variable Costs

- Adaptable Staffing:** Use Managed Learning Services and outsourcing to scale resources up or down, access diverse skills and promote innovation.
- Operational Optimization:** Streamline processes to maximize efficiency and reinvest savings for improved financial health.

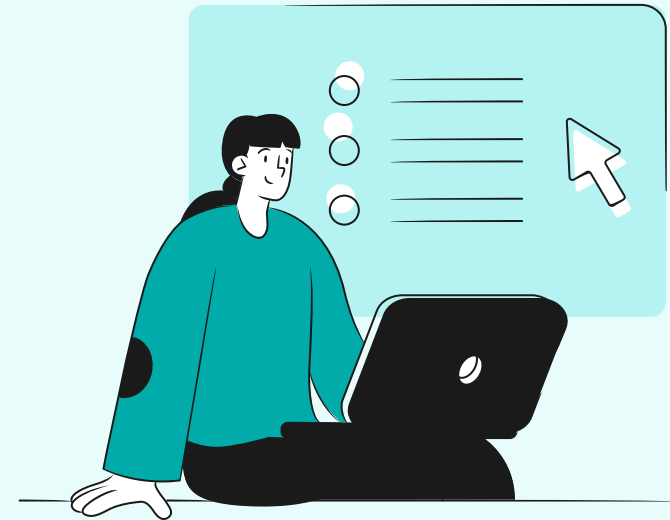


### Focus on Revenue Generation

- Test and Learn Approach:** Pilot programs before major rollouts to assess potential ROI.
- Data-Driven Decisions:** Use the results of these pilots to determine if you should scale up or terminate programs.
- Track Sales Impact:** Show how L&D initiatives increase revenue to justify spending.

### Manage Global Complexity

- Idea-Sharing over Control:** Great ideas come from anywhere. Build relationships globally to share best practices and facilitate collaboration.
- Strategic Alignment:** Prioritize global L&D strategy and technology alignment over budget control.



### Develop a Chief Financial Officer (CFO) Mindset

- Foster Resource Sustainability:** Find ways to cut costs in core operations and reinvest those savings back into the business.
- Strategically Ask for Funds:** Earn trust by managing budgets responsibly. When requesting more funds, present a clear justification and a strong business case.
- Consider the Optics:** Ask yourself this question regularly to be accountable: Would the CFO view your L&D operations as efficient?

Are you unsure where your L&D budget goes? The podcast **'From the Lens of An Expert: How Do You Manage L&D Budget for a Billion Dollar Organization?'** has the answers.

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