Exploring How to Build a Training and Development Program in a Search Fund–Acquired Business

For ETA companies to scale in size and geography, they must embrace training and development as one of many tools to support growth

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When a search fund or entrepreneurship through acquisition (ETA) CEO finally purchases a business and settles into the leadership role, they confront many issues, such as capital management, stabilizing operations, and winning new customers. These are some of the early functions that demand hours of effort to placate investors and keep the ship upright; they are urgent demands. However, once the CEO feels comfortable in their new role, there is an opportunity to invest time and energy in areas of the company that are not as urgent but are still particularly important and will yield significant dividends in the future. We explore this theme in our note [The Evolution of a Search Fund CEO and Company](), where we discuss the CEO's roles as the company develops. CEOs generally travel along an arc of doer, manager, and then leader where the CEO's position and tasks advance. One area that is not initially pressing but certainly consequential is training and development (T&D).

ETA CEOs might scoff at T&D as a soft function that does not matter to the same degree as capital allocation or acquisitions. We agree that T&D is not a headline-making board topic and will not have a quick, short-term impact on an enterprise. Still, we believe that T&D is part of the critical infrastructure that underpins a growing and superior enterprise. It falls in the same bucket as having the right ERP system. All those glamorous acquisitions or organic growth can cause chaos without the proper infrastructure, such as an appropriate ERP and T&D, that allows people to do their jobs gracefully.

A dynamic T&D program is an integral part of a company's foundation as it scales in size and geography. It creates connectivity between people in disparate locations and facilitates a small, jalopy-like company's transition into a more professionalized and institutionalized enterprise. T&D is not sexy and is unlikely to captivate board members and investors, but ETA CEOs will be well served to contemplate when and how to stand up a T&D function—if they care about crafting an enduring business.

We rarely hear search fund CEOs discuss T&D programs. This might be because ETA holding periods are relatively compressed at approximately four years.[3] This creates a conundrum of whether it is worth the time and energy to launch a T&D initiative when the results might not be realized during the current ownership's reign. However, for entrepreneurs intent on architecting big, meaningful businesses over many years, a T&D project should absolutely be on their agenda. Perhaps T&D will gain traction as the ETA set gravitates toward the newly popular holding company structure, with anticipated multi-decade time frames for ownership.

In this note, we will explore three prongs related to T&D in an ETA organization (**Figure 1**). While this note is not a comprehensive treatise on all things T&D, we believe it serves as a sufficient primer that can function as a roadmap for curious CEOs. We offer one final thought before we move forward: T&D is a CEO function and a genuine part of small business leadership. That does not, however, mean the CEO must own and touch every program element; rather, the CEO must be the primary engineer and decide the right topics and approaches. Now, let's dig in.

Figure 1: A triad of themes we will explore in this note

1	2	3
Why training and development matters	Breaking down training and development into its constituent components	How to stand up a robust training and development program

Why training and development matters

In our introduction, we briefly laid the groundwork for why T&D matters in an ETA company, but we will go deeper in this section. T&D is fundamentally about investing in and developing people. If an organization values its team members (our moniker for employees) and aspires to be a learning and continuously improving organization, a vibrant T&D program is part of the answer. Training is a reward, not a punishment. It signals to team members that the company cares and is allocating time and resources for their advancement. If a company wants to improve its operations, customer service execution, and financial performance, it will need to upskill its people.

It is naïve and unrealistic to expect different outcomes if the inputs are constant. Regrettably, sometimes we witness ETA CEOs acting as if they can will profits to be higher. We try to remind them that earnings are an outcome, and for them to be different and improved, the inputs are where the CEO should tinker. One way to change the input is to help the team improve through training and education. This benefits the business in many ways and creates fresh internal career paths for team members. Unfortunately, training team members also provides novel external career options. That is just life and is not necessarily a reason to shun T&D. Consider which outcome is worse: well-trained team members who leave or untrained team members who stay. We prefer to take the risk of losing great talent rather than retaining subpar and underdeveloped players.

In their incipient stages, ETA firms can feel like they are being held together with paper clips, rubber bands, and bubble gum. Everything is tenuous, fragile, and dependent on the CEO. When the organization is on a pathway to get bigger, it begins to outgrow its CEO centricity and must stand on its own. This progression revolves around establishing infrastructure, which encompasses a grab bag of systems and processes, one of which is T&D. In other words, T&D is a vital component of a company's professionalization and institutionalization, making the company more stable and valuable.

Unfortunately, we have no data indicating that ETA companies with rich T&D programs outperform those without. We wish we could make that financial argument. Despite our lack of mathematical evidence, our intuition and anecdotal observations suggest that firms with vibrant T&D initiatives enjoy numerous quantitative and qualitative benefits. Those businesses fundamentally think about T&D as an investment

opportunity to lean into, as compared to an unpleasant expense to bear. Additionally, when companies invest in talent development, they position themselves to accelerate growth, which is every ETA CEO's desire.

This section will delve into the key reasons why T&D matters by decomposing the topic into internal and external factors (**Figure 2**). While both vectors are salient, they have different implications worth considering.

Figure 2: How we will explore why T&D matters
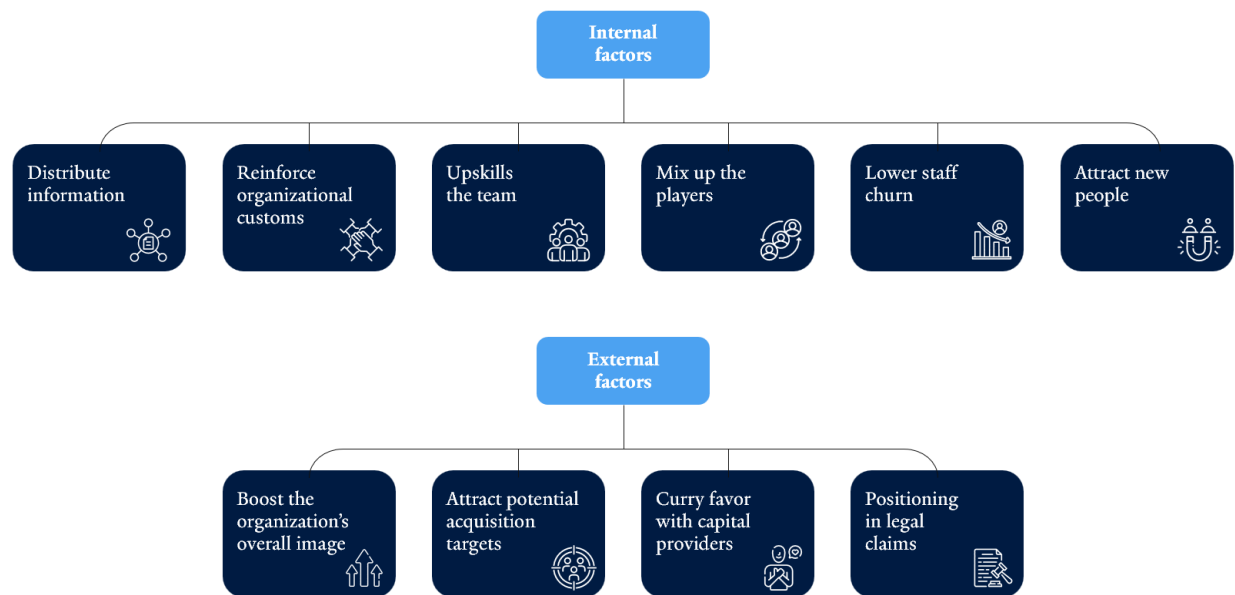
01 *Internal factors*

A robust T&D program can yield numerous benefits for both the organization and its team members. While T&D is not a panacea, it is one of several arrows in the CEO's quiver to create a thriving company that embodies operational excellence and superior customer service, ultimately leading to profitability.

T&D is one of the key communication channels a CEO has in their arsenal. It provides a structured opportunity to convey a message to team members consistently over time and across various locations. Whether the CEO delivers the message or not is irrelevant. What does matter is that the team is hearing a coherent theme. We are not proposing that training is limited to a top-down, one-on-many lecture; it is not. However, training is an effective avenue for distributing information. We discuss communication techniques and strategies in our note On the Nature of CEO Communication Patterns in a Small Business.

Culture is a nebulous notion and a powerful force that takes time to develop within an organization. We like to think of culture as the connective tissue that binds the people in a group together. It is comprised of both the written and unwritten rules that govern how people behave and how things get done. Establishing, changing, and building culture can be pretty tricky, and we would not suggest that T&D is a remedy for culture woes. However, one way to influence culture and create alignment around norms is through T&D, as it sets the bar for acceptable organizational customs.

T&D level sets the skills and behaviors of the team and establishes a floor of knowledge. For example, training focused on reading the company's financial statements provides the business's laborers and poets with sufficient understanding to comprehend the meaning of the words and concepts. Similarly, training on operations and ERP systems enables the quants to understand the production side of the house and the activities that drive the numbers. Training upskills everybody on the team to a base level.

Every business undergoes iterations of operations and changes in how work is done. The result of these endless reprises is the establishment of best practices. Getting everybody to embrace best practices can be arduous when a company has multiple locations. Training is the educational tool that helps drive the adoption and implementation of best practices. Keep in mind the training will need to happen multiple times; once will likely be insufficient.

T&D is a wonderful way to mix up the company players. When a session includes team members who are cross-hierarchical, cross-functional, and geographically diverse, it is an opportunity for team members who might not typically interact to meet and connect. When training programs have a diverse audience (compared to just the sales team), participants bring their unique perspectives to the conversation, providing enriched learning opportunities and a deeper understanding of how other parts of the company operate. Additionally, when senior executives lead and participate in the training session, they interact with people who might not normally be on their radar screen. This is an advantageous way to identify up-and-coming talent. That operations gal from the Baltimore office asked great questions and had sharp insights; let's give her a tryout as the customer service manager in Florida if she is interested. Not only is training a place where leadership skills are developed, but it is also where leaders emerge and start to shine, in addition to their everyday operating responsibilities.

When team members believe they are valued and the company invests in their personal and professional development, they are likely to be happier and more content in their job situation. This could lower team member attrition rates, resulting in lower people-sourcing and onboarding costs, which can lead to improved customer service and increased profits. We are not implying that training can overcome basic hygiene requirements for job satisfaction; team members will not be happy if they are not paid fairly and do not enjoy the core work. However, robust training might lead to lower staff churn at the margin. Additionally, it can be one feature that attracts new people to the organization in the recruiting process.

02 *External factors*

T&D is primarily an internally oriented function that yields benefits within the organization, and internal needs should be the underlying force for embracing T&D. However, like many things in life, when CEOs do the right thing (and we think training the team is definitely a right thing), there are derivative and unexpected benefits. Some of those unplanned paybacks are external in nature. We will now discuss why T&D is essential externally.

Being in business is rough. There is endless competition and negotiation; it can cause even the most ebullient CEO to flag. We like to find any possible advantage to make the contest easier and tilt the odds in our favor. In other words, we want an uneven playing field for our benefit. While we will not propose that T&D is a cure-all, we believe it is one of many factors that can help a CEO and business navigate the jungle.

For example, discussing product and service features and benefits is standard fare when pitching to customers. Next on the list is pricing, and woe is the salesperson or CEO who is boxed into only pitching based on price. Finally, those in the selling trenches can attempt to differentiate themselves through the strengths of the company. Talking about the great things a business does is one way to curry favor with a prospect, and highlighting training is just one of those talking points. We are not implying that T&D will close the deal; that is unlikely to be true. Instead, we suggest that it is one of many elements that help create an overall image and impression of the organization, presenting it in a more favorable light. Furthermore, no one can be against a training program.

Similarly, acquisition prospects select prevailing bidders based on a mix of qualitative and quantitative dimensions. Sellers want to feel confident that they are putting their employees in good hands, knowing they will be treated fairly and appropriately. Rattling off all the training courses is one way to convey culture and how employees will fit in. A deal closer? Probably not. One more positive impression? Absolutely.

Equity investors and creditors are hard-nosed, numbers-oriented types. They care about things like valuation, covenants, and expected returns. Despite this, all capital providers seek and like to think they are investing in great companies that are market leaders and do right by their customers and team members. It is the CEO's burden to convey this, and more examples are better than fewer and might create a warm and fuzzy feeling for the money folks. Once again, T&D will not overcome a lousy financial story, but it can (amongst many other factors) help position a business for best-in-market terms from debt and equity providers. Similarly, board members tend to focus on monetary results, but it is always nice to be able to share why the company is unique and special, and to work on inputs to improve.

Unfortunately, there will be times when a company will be accused of misdeeds. An employee gets hurt, an OSHA incident occurs, or a manager interacts inappropriately with a subordinate. Lawyers will represent the aggrieved and seek compensation for their clients. While this is unavoidable, the company is better positioned to defend against the OSHA claim when there is documented training on preventing workplace injuries. Similarly, pointing toward training on appropriate manager–subordinate behavior helps create a defense that there was a bad actor and not a systemic problem. This is likely to result in lower costs and damages.

Jockeying for a position in the industry hierarchy can be difficult, but earning a lofty perch can yield valuable benefits like early scuttlebutt and access to deals, customers, and information. No company can claw to the top of an industry through bare-knuckled grit; if they do, it will be resented by their peers. However, burnishing a company's reputation through speaking gigs at industry conferences is a more subtle pathway. But what is there to talk about at those hour-long presentations? Things like T&D fit the bill perfectly, and other industry players will seek to emulate the program.

Breaking down training and development into its constituent components

Before we move into our crescendo section discussing how an ETA CEO can launch a dynamic T&D program, we need to present what exactly T&D is and its constituent components. This will help readers and CEOs better understand how to categorize various types of training in an organized manner and develop a curriculum accordingly.

Generally, T&D falls into a quartet of groupings (**Figure 3**). These are broad categories, the program can be further parsed into narrower slivers, but most content will loosely fall into one of these four silos. Compliance and technical training are table stakes and hygiene-centric. They are base level and a foundation to build upon. However, developmental and company-centric training is truly value-added and what makes a T&D program differentiated and special. Additionally, developmental and company-centric training pave the way for a career growth pathway. For example, it readies team members for the inevitable difficult manager situations that require complex and awkward conversations.

When team members are exposed to content from these tracks in a balanced manner, a holistic T&D offering begins to emerge. Furthermore, embracing T&D serves as a risk mitigation strategy, as well-trained team members can step into more complex roles when a vacancy arises. In other words, when someone leaves voluntarily or needs to be let go involuntarily, well-trained team members can more smoothly transition into the open position. We will now describe each type more fully.

Figure 3: A foursome of T&D categories
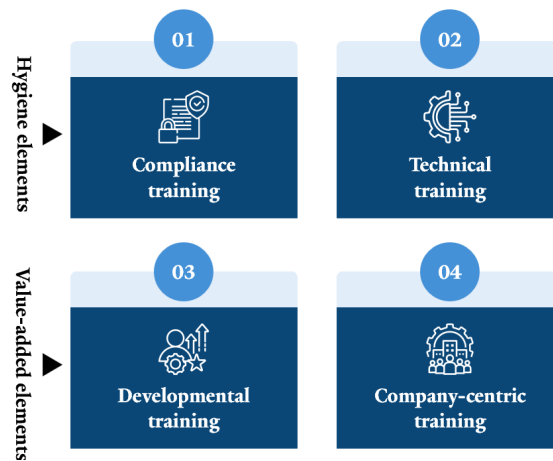
01 *Compliance training*

Compliance training is the bedrock of any program and tends to be the material nobody gets overly excited about. It is not unique to the enterprise in any way and is either mandated by law or established as a standard practice. For example, sexual harassment laws and policies, as well as safe lifting skills, are universal and are either required by law or strongly encouraged by insurance companies or law firms. This content is typically generic and relevant to a wide range of companies; nothing in it is proprietary.

Compliance-driven training programming can often be purchased from third-party solution providers in video or in-person formats. Additionally, some company vendors might offer parts of compliance training for free in an effort to reduce risk or as a value-added service. For example, professional employment organizations frequently provide a suite of compliance training as part of their comprehensive service offering. Additionally, insurance brokers and underwriters may offer training products to clients and insureds as part of a risk mitigation and education strategy. Finally, law firms might also have off-the-shelf compliance training for corporate clients.

Although this training category is absolutely necessary, it adds the least value and feels more like playing defense than offense. Unfortunately, a primary reason for embracing compliance training is to demonstrate that a company has implemented policy and education efforts around issues where team members might misbehave. The goal is undoubtedly to compress destructive behaviors and shift blame from the company to the individual when things go awry.

02 *Technical training*

Technical training is next for climbing the T&D ladder. This type of training is often centered around how a company conducts its core operations. While not necessarily proprietary, it is part of the firm's infrastructure and how things get done. One example is how to use the ERP system if it is an industry-specific solution. ERPs can often be complex and unwieldy; both new team members and veterans alike will require ongoing training to achieve fluency and become confident users. The software company or internal experts can do this training.

Another example might be how to onboard new customers smoothly and efficiently. This may involve multiple processes and software products, such as CRM, ERP, and accounting, and can set the tone for a successful launch. Since this might be a cross-functional process, with the baton passing from sales to operations to accounting, training will likely require an internal champion.

Yet another example might be sales training. This will likely have some generic elements, such as features and benefits pitches, listening skills, probing for pain points, and closing techniques. However, parts of sales training can include proprietary components germane to the company, such as specific products and services, market positioning, and pricing protocols. The more common parts of sales training can be outsourced or purchased for professional solution providers, but the secret sauce aspects are likely to be internally crafted and led.

Although technical training is not necessarily flashy or glamorous, we believe it is essential because it establishes the foundation on which the business operates. It attempts to standardize and distribute best practices, tilting toward uniformity, which can enhance the company's ability to scale more gracefully. Additionally, it provides a common vocabulary, shared metrics, and a consistent approach for how the firm operates. This area of T&D is where a company starts shifting from an owner-operator-driven shop to a systems- and process-dependent enterprise.

03 *Developmental training*

The next rung on the ladder is developmental training, where we and team members get excited. This T&D section is people-centric and focused on helping team members improve their managerial, leadership, financial, and personal development skills. In other words, it is about helping the company's people improve and nudging team members up a notch, transforming C players into B players. By the way, no company is populated exclusively with A players; that is unrealistic and cost prohibitive.

Common training examples include how to be a first-time manager when a line worker is promoted to a supervisory role. Or how leaders can develop people on their team in a remote world, or best practices for time management skills. Additionally, many people sadly lack basic personal financial knowledge and skills. A training module to help these individuals understand the cost of carrying credit card debt or how a car

lease works can help them improve their financial situation and better comprehend how a for-profit company approaches money and finance. An offshoot here might be 401K education and why it is so important to participate at least up to the company match.

The general theme here is helping people perform their jobs more effectively and preparing them for increased responsibility. Team members are often especially appreciative of this type of T&D because it directly relates to and benefits them. Some of this training is general enough to be purchased or outsourced, while other aspects are directly linked to the company and must be developed and deployed internally. Even if the basic content is outsourceable, this training will be more powerful and impactful when constructed and delivered by company personnel. That is because some of these vectors bleed into the culture and tone of how the company wants to behave and treat its crew.

Developmental training can also encompass bespoke one-on-one non-technical coaching for key executives. This training is typically facilitated by external professional coaches who collaborate with team members to evolve and grow alongside the company. This can be particularly valuable in an ETA company where top-tier talent might be prohibitively expensive, making it the CEO's responsibility to recruit diamonds in the rough as talent and invest in their personal growth.

04 *Company-centric training*

Finally, the best stuff and the top of the ladder. The company-centric topics are truly what a robust T&D foray is all about. This is the company's magic and what differentiates one firm from another. As excited as we are about this tranche, however, it is also the most challenging to formulate and provision because it must be developed internally, as it is unique. Furthermore, internal folks must also teach it; preferably, the more senior, the better. This is hard stuff but also extremely powerful.

Examples of company-centric T&D content include the company's origin story and history, its values, culture, and strategy. How is the company performing financially and on a customer service basis? This is the time to share the stories that speak directly to the principles the organization is celebrating or combating.

This bucket helps bring people together and builds upon a shared knowledge base and culture. When values are discussed and emphasized by senior executives, they mean something to the troops. When leaders discuss financial performance honestly and transparently, team members begin to better understand how the business operates and why the company makes the decisions it does. They also get pumped when things improve and are going well; we all want to be part of a winning team. We specifically discuss financial training in our note [Exploring Open-Book Management in a Search Fund–Acquired Small Business](#).

Company-centric training is the secret sauce that makes a workplace special. Warning: This will require time and patience to develop and deliver. It will not be simple or easy. Furthermore, team members may be slow to embrace and understand the concepts and practices. That is okay; CEOs just need to stay the course to see results over time.

## How to stand up a robust training and development program

While we believe launching a T&D program is worthwhile, it is not a painless task. It is certainly manageable, but it will require time, effort, and intentionality, as numerous decisions must be made.

Furthermore, operationalizing the plan will involve logistics and coordination with other people. The good news is that any positive movement forward, no matter how minuscule, is a win and better than doing nothing; there is only upside. Patience is a guiding principle in an inherently iterative process that requires feedback loops on what is working well and what needs modification and tweaking.

A T&D program should be fun and celebratory, including milestone events like graduations, even if training is a perpetual activity. Mock graduations can be a real cultural boost and bring a dose of fun and mirth to what otherwise could be a dry function.

A straightforward approach to organizing the curriculum is to utilize the framework presented in **Figure 4**. This elementary skeleton will provide structure and clarification. We will next decompose each vector before discussing further tips or fleshing out a T&D program.

Figure 4: A basic scheme to shape a T&D undertaking

| Who | What | When | Where | Why |
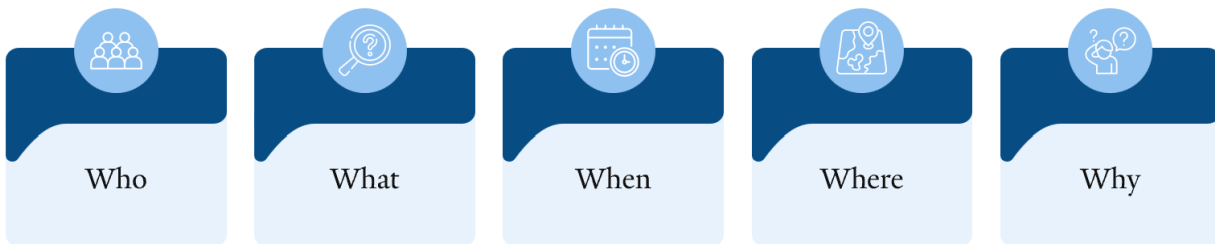
01 *Who*

The *who* has two dimensions, both of which are consequential. The first question is who the audience is, and who the target is for the training module. Some courses may be suitable for the entire team, while others should target a specific subset, such as the accounting department or line operations supervisors. The second question is who is the instructor. Who will deliver the curriculum? Some tracks are better suited to external, third-party facilitators. These programs tend to be more compliance-centric and general in nature. Other modules require internal leaders who embody and live the company ethos. Courses that fall into this category are more personal development, company-centric, and technical. Additionally, the T&D architect should consider who is a lively instructor who can bring energy and enthusiasm to a conversation. Someone plodding through the session will undermine the content compared to a vivacious teacher who is leaning in and enthusiastic about the topic and the opportunity to discuss it.

02 *What*

What addresses the specific content that will be covered in each session, which scaffolds into a broader, more comprehensive curriculum. The what is fundamentally the four constituent components we discussed earlier (compliance, technical, personal development, and company-centric). More specifically, the T&D champion will need to outline the various syllabi that make up the entire program. Each team member should experience elements of the four buckets over the course of a year. Loosely described, a thoughtful T&D program evolves into a learning experience over time, built around curated content. It mimics an educational arc similar to that of a university but without a definitive endpoint. Participants are exposed to various content tranches that reinforce the company's values, culture, and strategic and operational objectives. The what is the heart of any T&D agenda.

03 *When*

When addresses the frequency and cadence of the training. Ideally, T&D is not lumpy, with too much of it jammed into Q3. Instead, it is smooth and consistent throughout the year, allowing for a constant messaging drip that stimulates team members and reemphasizes the company's story on a steady, periodic basis. Within the when, there is a mix of what and where. For example, for a frontline worker, there may be a blend of compliance, technical, personal development, and company-centric content spread throughout the calendar. Additionally, the when needs to integrate the heterogeneous *where* we will discuss next.

04 *Where*

Where is the training channel for each unit. Some classes are best suited for live and in-person instruction, while others might fit better with a live online structure, and still others might be offered in an individual, at-your-own-pace format. An amalgamation is perfectly fine. The where needs to be realistic and consider travel costs, time away from core job responsibilities, and family implications. The right approach is to choose a balance of the menu options. If everything is online and asynchronous, some of the qualitative benefits of the T&D program will be lost. There is a lot of value in team members getting to know each other, as well as the hallway chatter. However, constantly moving people around for training can be costly and disruptive. Generally, lower-value training that is more compliance-oriented can be delivered asynchronously or online, while higher-value training is best delivered in person.

05 *Why*

Each training segment requires a compelling *why*. Why is it part of the curriculum, and what are the desired outcomes and learning objectives? There must be a legitimate reason for each individual section, and it must be worth the time and effort. Ideally, each session enhances employees' (and instructors') skills. Examples include better safety, prospecting in selling, less rework in operations, or better interviewing skills. However, some courses are a bit more qualitative and touchy-feely. The why behind many of the company-centric offerings will be rooted in culture, values, alignment, and a shared language. While these sessions are not focused on hard skills, they are essential and valuable parts of training and have a clear and relevant why.

We hope this note has been persuasive and that you are now eager to build a world-class T&D initiative. However, we would still caution the eager and ambitious to start and think small, at least initially. It is better to lay a foundation and establish a rhythm on a smaller scale than to attempt to roll out a fully developed program from the outset.

Establishing the initiative's goals up front will help the architecting process by determining the targets. For example, is the goal targeting a specific group of team members, and what is the content focus? To give the program structure and parameters, the chief designer (preferably the CEO) will need to clarify the objectives. These can be multifaceted; for example, what are the training hour targets per year by job function, and within that hour budget, how will the training be allocated among compliance, technical, developmental, and company-centric objectives?

Some mechanism for tracking training hours per person per time period will need to be established. This can be as simple as an Excel spreadsheet or a fancier T&D management software solution. Monitoring

whether the training plan is on target is impossible unless quantitative outcomes are tracked. However, total hours alone is a shallow aim. After each training module, participants should be encouraged to evaluate the session through an anonymous survey reflecting the content value and delivery. This will provide insights into what is working and what needs to be tweaked. The session leader should also complete a survey to evaluate the session's effectiveness.

A crucial decision point is what content will be developed and delivered proprietarily and what will be purchased from third-party solution providers. As a general rule, the lower the rung on the training ladder, the more acceptable it is to use an external product and vendor. Conversely, the higher the rung on the ladder, the more important it is to develop and deliver the content internally. All content should be set up in a way that ensures each training experience is as consistent and reproducible as possible. Once it has been determined which content is to be proprietary, someone needs to be a module champion and actually create the program.

T&D content creation should be a centralized function where the curriculum and calendar are established. It can and should be delivered locally, but expecting an operations manager in a field location to do anything other than deliver pre-created content is unrealistic. Strategy and logistics should be a shared services responsibility.

Content can be distributed in person, online synchronously and asynchronously, in groups, and individually. Within each goal function, a matrix for delivery format must be created, bearing in mind that, while not all modules require an in-person presence, some definitely do. Furthermore, while each module might have a champion, that champion does not need to deliver all of the training for that specific module. Once the content is crafted, other trainers can lead a session. This implies that for each course session, a trainer needs to be identified. It can be fun (and funny) to ask trainers to go outside of their domain function expertise as a champion or trainer. For example, the sales manager could train on the financials, or the operations head could lead the values session. This forces people out of their comfort zone and pushes them to learn more about a topic that falls outside their wheelhouse. Hint: Being a champion or a trainer should be viewed as a status ask, not a burden.

Training can be mandatory or voluntary. The program goals should designate some topics as compulsory and some as optional. Observing who opts in for additional training and who passes is interesting. Anecdotally, individuals who desire more training are more fully invested in the company and culture, while those who skip it are going through the motions.

Like any aspect of an entrepreneurial business, the training program should have a specific dollar investment target. This should include all third-party purchases, an allocation for internally developed materials, all travel expenses, and all technology costs. There needs to be a hard cap on the investment, along with a clear way to measure a return, regardless of how vague or subjective it may be. Return elements might be customer attrition, team member retention, total human capital costs, customer service, quality, and team member satisfaction. We are not naïve enough to think T&D is the sole influencer on these issues, but it probably influences and nudges the outcomes. Additionally, ETA CEOs can contemplate return on knowledge. This is a squishy notion of investing in the intellectual components of the company's human capital, with the assumption and anticipation that the business will reap future benefits. This might be a challenge to sell to fiscally oriented board members. Finally, we recognize that realized returns might be deferred as the T&D program seasons.

One atypical training opportunity we love is book clubs. This format can bring together team members from different geographies, departments, and ranks in a Zoom format. The book can be either a graduate-level volume or a breezy airport bookstore type. A twist can be to have a junior person in the club lead the session, rather than the most senior person. If multiple clubs are reading the same book in packs of five to eight, discussion topics and conversations can be scripted centrally for the facilitators. This is a simple way for the team to engage in an intellectual discussion and pick up some innovative ideas and concepts. The company provides the books; participants are allowed to keep them for their personal library.

Senior executives have a unique opportunity for specialized training through executive education courses at leading business schools. Imagine the impact and appreciation of offering to send and pay for the CFO to attend a three-day program on balanced scorecards at a prestigious academic institution.

Conclusion

T&D is one of many strategies ETA CEOs can embrace to build a superior and differentiated company. Although it is not an urgent function in the CEO's portfolio, it can help shape a company's trajectory over time. Training is predominantly an internally focused endeavor, but there are desirable spillover effects that extend externally, making the potential rewards multifold. Training in an ETA company is typically built on four categories: compliance, technical, personal development, and company-centric. While all play an essential role in upskilling and transmitting values, culture, and strategy, compliance is more general and less company-specific in nature. The technical, personal development, and company-centric components are more value-added and drive tangible skills and the company's principles and secret sauce.

When launching a T&D curriculum, it is best to start small with baby steps and use a "who, what, when, where, and why" framework to build out the plan. This will help ensure that all participants have a complete and meaningful experience that aligns with the company's needs and goals.

As educators, we want you to build exceptional companies that are good for customers, capital providers, and team members. We believe that team members are not only the backbone of the organization but also its unsung heroes. They deserve training to perform their jobs effectively and to help the company thrive. Profits are an outcome in a business. To boost them, experiment with the inputs, and remember that training is a critical input to help team members perform at their best.

We wish you good fortune in your voyage and are optimistic that T&D will help you build the type of firm you will be proud of. Have fun, and we are rooting for your success!

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Exhibit 1: Additional resources

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Endnotes

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