



# Boosting Your Bottom Line

How to Maximize Training ROI



# Table of Contents

<b>The Impact of Training on ROI</b>	<b>01</b>
<b>Why Tracking Training ROI is Important</b>	<b>02</b>
<b>What Metrics Should I Track for My Training Program?</b>	<b>03</b>
<b>The Cost of Doing Nothing</b>	<b>04</b>
The Cost of In-Person Training	05
The Cost of Turnover	06
The Cost of Callbacks	08
The Cost of Inefficient Ramp Time	10

## The Impact of Training on ROI

Technicians are the economic engine of your growing enterprise, and investing in quality technical training is essential for managing expenses and increasing revenue. While many organizations continue to approach training as a costly line item on the budget, the most successful ones are leveraging training to increase their bottom line. From onboarding and compliance to upskilling and cross-training, a well-designed program, supported by your training provider, can significantly streamline operations, boosting profits and the company's overall success.

In this eBook, we will demonstrate why training ROI is important for enterprises, discuss the costs associated with inadequate training, suggest ways to track training ROI for your program, and share inspiring examples of customers who have achieved impressive business outcomes by investing in Interplay.





# Why Tracking Training ROI is Important

It's important for organizations to track training ROI for several reasons:



## Cost-Effectiveness

Companies need to know whether their investment in training is generating a positive return. By tracking training ROI, they can evaluate the effectiveness of their program and if it's providing the best value for money.



## Improved Decision-Making

Tracking training ROI provides leadership with data and insights they can use to make better decisions about their program. This includes identifying which programs are most effective, which employees benefit the most from training, and which areas require additional training.



## Competitive Advantage

Organizations that invest in training and development can gain a competitive advantage by attracting and retaining a more skilled and productive workforce. Tracking training ROI helps enterprises to identify the areas where they need to focus their training efforts to grow and stay ahead of the competition.



## Employee Retention

Employees are more likely to stay with a company that invests in their training and development. Tracking training ROI can help enterprises identify their training programs' impact on employee retention rates.



## Compliance

Many industries have regulatory compliance requirements that mandate employee training in specific areas. Tracking training ROI can help organizations demonstrate compliance with these requirements and avoid costly fines, legal penalties, workers comp claims, and increased premiums.



# What Metrics Should I Track for My Training Program?

When tracking the ROI of your training program, there are many metrics you can consider. Here are some examples based on your organization's goals and how to track them:



## Reduction in Training Costs

Calculate the cost savings from reducing the time and resources required for lab and classroom training, sending technicians to offsite or vendor training, and certification training.



## Increase in Customer Satisfaction

Track the level of customer satisfaction before and after the training program. An increase in customer satisfaction survey scores or a higher average score from online review sites would indicate an improvement in the technician's work quality.



## Improvement in Job Performance

Measure increases in productivity and efficiency after completing training milestones. This can be assessed through course completions, skill assessments, and other indicators like ticket completions, sales, ramp times, and promotions.



## Increase in Employee Satisfaction

Conducting surveys before and after training can help enterprises gauge their training programs' impact on employee engagement, knowledge, and productivity. Surveys can also help identify areas where additional training may be needed.



## Reduced Turnover

Track employee turnover rates before and after training to identify the impact of training on employee retention. This can help enterprises estimate the cost savings associated with reduced turnover.



## Improved Safety

Track employee turnover rates before and after training to identify the impact of training on employee retention. This can help enterprises estimate the cost savings associated with reduced turnover.



## Reduction in Callbacks and Third-Party Calls

Track the number of callbacks and third-party calls required before and after the training program. A decrease would indicate an improvement in your technicians' skills and knowledge in-house and a waning need to contract outside expertise.



# The Cost of Doing Nothing

Many companies struggle to establish an effective training strategy due to its cost. From research and sales calls to securing buy-in and implementation, there are considerable expenses to consider. However, the potential cost of not implementing a comprehensive training program can be even higher for organizations.

When your employees are overworked, undertrained, unengaged, and unclear on job expectations, it can negatively impact the work environment and overall bottom line. Companies must weigh the costs of not investing in a comprehensive training program against the investment required to establish one.



## Potential Direct and Indirect Costs Associated with Ineffective or Non-Existent Training Programs

- 💰 Increased turnover
- 💰 Increased callbacks
- 💰 Slow ramp times for new workers
- 💰 Increased expenses for offsite training
- 💰 Increased third-party calls
- 💰 Lost sales
- 💰 Decrease in calls completed
- 💰 Increased workers comp claims
- 💰 Increased insurance premiums
- 💰 Poor reviews and reputation
- 💰 Low productivity
- 💰 Absenteeism
- 💰 Unprofessionalism
- 💰 Low employee morale
- 💰 Toxic work culture/environment

## Let's Take a Closer Look at a Few of These and Break Down the Costs Associated with Them

In-Person Training 05

Turnover 06

Callbacks 08

The Cost of Inefficient Ramp Time 10



# The Cost of In-Person Training

In addition to the cost of the training itself, which can run thousands of dollars per tech, contractors often pay pricey travel expenses and accommodations for technicians they are sending on-site. Additionally, there is revenue loss from having to cover those technicians while they are off the job.

On average, a typical service technician can work 3 jobs per day, earning \$300 in service revenue per job, which equates to \$900 in revenue per day.

Typical travel expenses amount to approximately \$200 per day for hotel and food expenses and anywhere from \$300–\$400 for airfare.

**3 JOBS**  
per day

**x**

**\$300**  
per job

**=**

**\$900**  
per day

## Traditional HVAC Training Prices per Worker vs. Interplay Learning

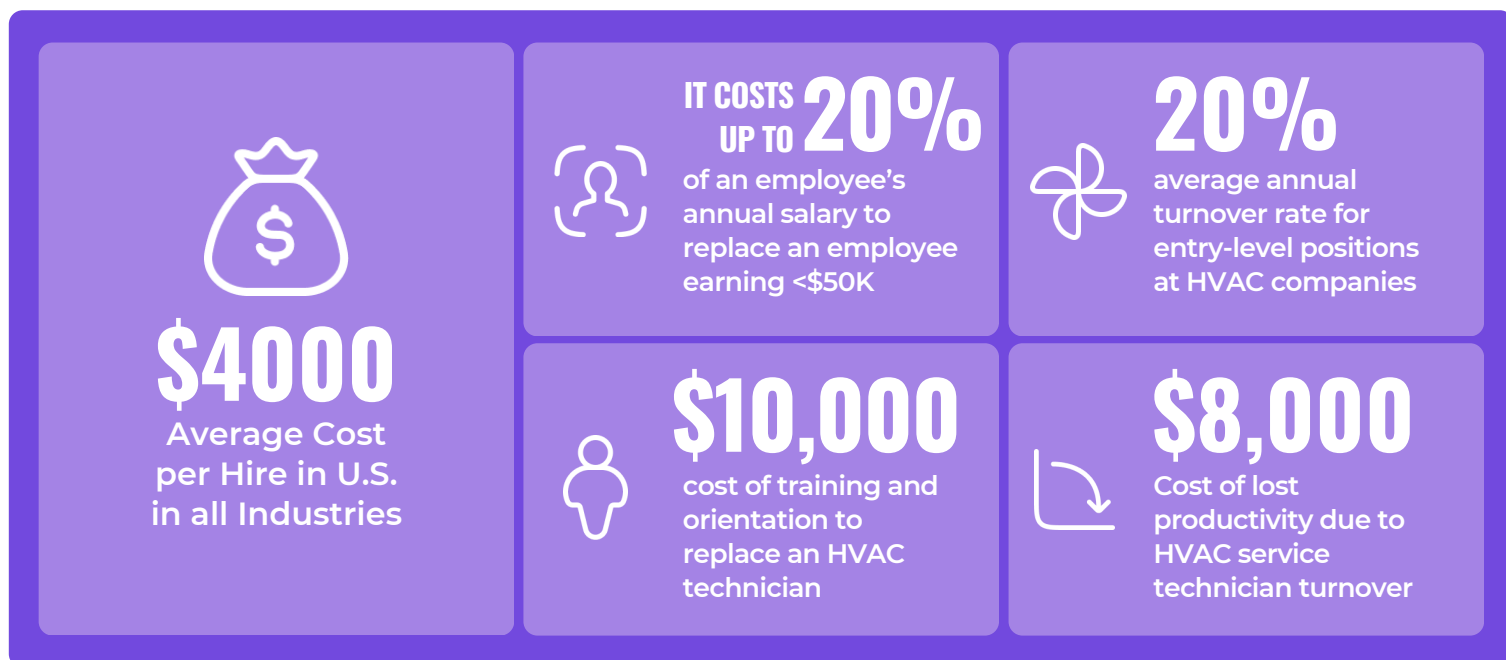
<b>\$1,470*</b> Average Cost for Traditional Training	<b>\$660</b> Average Annual Cost for Interplay
<b>\$800</b> Average Cost for Travel Expenses	<b>\$0</b> Average Cost for Travel Expenses
<b>\$2,625</b> Average Revenue Lost	<b>\$0</b> Average Revenue Lost
<b>\$4,895/yr</b>	<b>\$660/yr</b>

*\*Costs calculated based on the average prices of nationwide collegiate and technical school tuition, industry training expert courses, electrical seminars, and industry-known online training organizations.*

**TRAINING WITH INTERPLAY AMOUNTS TO A COST SAVING OF APPROXIMATELY \$4,200 PER TECHNICIAN/YEAR!**



## The Cost of Turnover



According to a study by the Society for Human Resource Management, the average cost per hire for all industries in the United States is approximately \$4,000.

This cost includes job ads, background checks, and recruiter fees. For HVAC service technicians, the cost could be even higher due to the specialized skills required.

**Training and Orientation Costs:** A report by the Center for American Progress estimates that replacing an employee earning less than \$50,000 per year can be up to 20% of the employee's annual salary. An HVAC service technician earning \$50,000 per year would equate to \$10,000 in training and orientation costs.

**Lost Productivity Costs:** When a HVAC service technician leaves, the remaining staff typically work harder to maintain the workload. This can result in lost productivity and increased stress levels. A Center for American Progress study estimates that the cost of lost productivity due to turnover can be up to 16% of the employee's annual salary. A technician with a \$50,000 salary equates to \$8,000 in lost productivity.

By the same study, the average annual employee turnover rate for HVAC companies was around 20%, with turnover rates for entry-level positions such as installers and technicians being higher than those for management positions.

**THE ESTIMATED TURNOVER COST FOR A SKILLED WORKER MAKING \$50K ANNUALLY IS \$22,000!**



## 70% of Interplay customers agree that Interplay Learning has increased their employee retention rate—Mid-FLA Heating and Air Conditioning boasts a technician retention rate of 88%!

Travis Lyons is an HVAC Contractor and the VP of family-owned Mid-Florida Heating and Air.

Training became impromptu and unsystematic as his business expanded, leading to gaps in their new hires' fundamental knowledge. Inadequate training led to low confidence levels and apathy, resulting in a turnover rate of over 20%.

Since rolling out Interplay, Travis has been able to dedicate more time to personalizing the onboarding process for his new hires without sacrificing his business responsibilities. After a one-day orientation with Travis, he immediately puts technicians on a 'New Hire' custom learning path through Interplay, where he can monitor their progress from his desk while focussing on running the business. After completing the pathway, his techs head out on the job and conduct a ride-along process.

Since implementing this learning pathway, his new hires are far more confident, prepared, and productive during ride-alongs. This new process has also helped minimize constant interruptions to their senior technicians.

Travis reports their new hire training pathway has greatly impacted retention. In their first year, they reduced their turnover rate from 20% to approximately 12%.

*"Lack of training turns into lack of care, which leads to turnover. Interplay's ability to fill in those educational gaps again and make techs feel confident about what they're doing has really helped us with retention."*

– Travis Lyons, VP  
Mid-FLA Heating and Air



By decreasing the number of turned employees by just two people per year using Interplay,

**YOUR COMPANY CAN SAVE APPROXIMATELY  
\$44,000 IN TURNOVER COSTS!**



# The Cost of Callbacks

According to a survey conducted by the Service Roundtable, a callback can cost an HVAC contractor between \$200 and \$500 per occurrence. Here is a breakdown of some common costs associated with a callback:

**Labor Cost:** The cost of additional labor to fix the issue is one of the most significant direct costs associated with a callback. The amount of labor required will depend on the nature of the callback, but it can range from a few hours to several days of work.

**Material Cost:** Additional materials may be needed to fix the issue that caused the callback. This can include replacement parts, refrigerant, or other supplies. The cost of these materials can vary depending on the specific components needed.

**Overhead Cost:** The overhead cost associated with a callback includes administrative work, such as scheduling, dispatching, and follow-up calls.

**Lost Productivity:** When a technician is called back to fix an issue, it can disrupt their schedule and cause delays in completing other jobs. This can result in lost productivity, which can impact the bottom line.

**Customer Dissatisfaction:** A callback can damage the relationship between the HVAC contractor and the customer. Unsatisfied customers may be less likely to use the contractor again or recommend them to others, which can result in lost revenue.

**Decreased Employee Morale:** Repeated callbacks can lead to frustration among technicians and reduced morale. This can result in increased turnover and recruitment costs.

**Opportunity Cost:** Finally, there is the opportunity cost of not being able to complete other jobs while the technician is working on a callback. This can result in lost revenue and missed opportunities for new business.

## Let's Look at the Potential Costs of a Callback:

Let's assume that a technician is called back to fix a problem with an HVAC system they installed. The callback takes four hours to complete and requires a replacement part that costs \$100. The technician earns an hourly wage of \$25, and the company has an overhead rate of 25%.

Direct Costs	
Labor Cost	4 hours x \$25/hour = \$100
Material Cost	\$100
<b>Total Direct Costs</b>	<b>\$200</b>

Indirect Costs	
Overhead Cost	25% x (\$100 + \$100) = \$50
Lost Productivity	Assume the technician could have completed another job worth \$300 during the time spent on the callback.
<b>Total Indirect Costs</b>	<b>\$350</b>

<b>Overall Cost of Callback</b>	<b>\$200 Direct Cost + \$350 Indirect Cost</b>
	<b>\$550</b>

*\*This cost estimate does not include the potential cost of customer dissatisfaction, decreased employee morale, or missed opportunities for new business. These indirect costs can be difficult to quantify, but they can significantly impact the long-term success of an HVAC contractor.*



## 1 in 3 Interplay customers reduced callbacks by as much as 18%

HVAC contractor T.E. Spall and Son decreased callbacks by a whopping 25%!

In 2019, the first year of training with Interplay, T.E. Spall experienced a “bad weather year.” Instead of an expected operating loss, the company saw a profit. President Tom Spall attributed it to lower numbers of callbacks due to Interplay Learning’s enhanced training curriculum.

In March of 2020, COVID-19 interrupted their training regimen. When the season came back into full swing, there was a marked increase in callbacks.

Tom realized the only significant difference between 2019 and 2020 was the lapse in regular Interplay training.

The lapse in training provided a rare opportunity to compare company performance with and without regular training. It served as a valuable reminder of the impact that a focused team training program can have on the company's bottom line.

*“2019 was a bad weather year for our business, which typically means we operate at and expect a loss. Last year was different. We were profitable. We decreased callbacks by 25% and had less advanced tech assists, which kept our costs down.”*

– Tom Spall, President  
T.E. Spall and Son.



By decreasing callbacks by 2 per technician per year using Interplay, your company can save approximately \$1,000 in costs per tech.

**WITH A TEAM OF 100 TECHS, THAT'S A COST SAVING OF APPROXIMATELY \$100,000/YEAR!**



## The Cost of Inefficient Ramp Time

Most HVAC companies expect entry-level technicians to become profitable (or ramped) within the first 6-12 months of employment. During this time, these technicians typically receive on-the-job training from experienced technicians and attend formal training sessions to develop the necessary skills and knowledge to perform their duties effectively.

Inefficient training processes, however, can lengthen ramp times, leaving money on the table in lost revenue potential. Green technicians typically have less experience and skill than more senior technicians. They may be assigned simpler and less complex tasks, such as routine maintenance and basic repairs yielding average service and maintenance tickets of around \$100. As a result, their revenue contribution may be relatively modest compared to more experienced technicians who can handle more complex and higher-value projects.

A field-ready, entry-level technician with adequate training should be able to complete an average of three service and maintenance tickets daily, with an average ticket of \$300.

### The Technician's Daily Revenue Contribution Should Be:

$$\begin{array}{rcl} \$300 & \times & 3 \\ \text{per ticket} & & \text{per day} \end{array} = \begin{array}{r} \$900 \\ \text{per day} \end{array}$$

### Assuming a Typical 5-Day Workweek, the Technician's Weekly Revenue Contribution Should Be:

$$\begin{array}{rcl} \$900 & \times & 5 \\ \text{per ticket} & & \text{days/week} \end{array} = \begin{array}{r} \$4,500 \\ \text{per day} \end{array}$$

### Assuming a Typical 4-Week Month, the Technician's Monthly Revenue Contribution Should Be:

$$\begin{array}{rcl} \$4,500 & \times & 4 \\ \text{per week} & & \text{weeks/month} \end{array} = \begin{array}{r} \$18,000 \\ \text{per day} \end{array}$$

Assuming the technician works 50 weeks per year, with two weeks of vacation time, their annual revenue contribution should be:

$$\begin{array}{rcl} \$4,500 & \times & 50 \\ \text{per week} & & \text{weeks per year} \end{array} = \begin{array}{r} \$225,000 \\ \text{per year} \end{array}$$



In addition to lowering turnover rates, Mid-FLA Heating and Air was also able to cut their ramp time down from 12 months to 3 months on average.

Their VP made an interesting comparison between two new hires with the same entry-level starting knowledge. One began with the company before they invested in Interplay, and one started with Interplay pathways immediately.

Over the same three-month period, the tech who took Interplay courses generated 22% more revenue than the non-Interplay hire, averaging \$370 for true service and maintenance tickets compared to \$100 for the other tech. Additionally, the tech that went through Interplay scored better on routine “happy calls” conducted by dispatchers to monitor service performance.

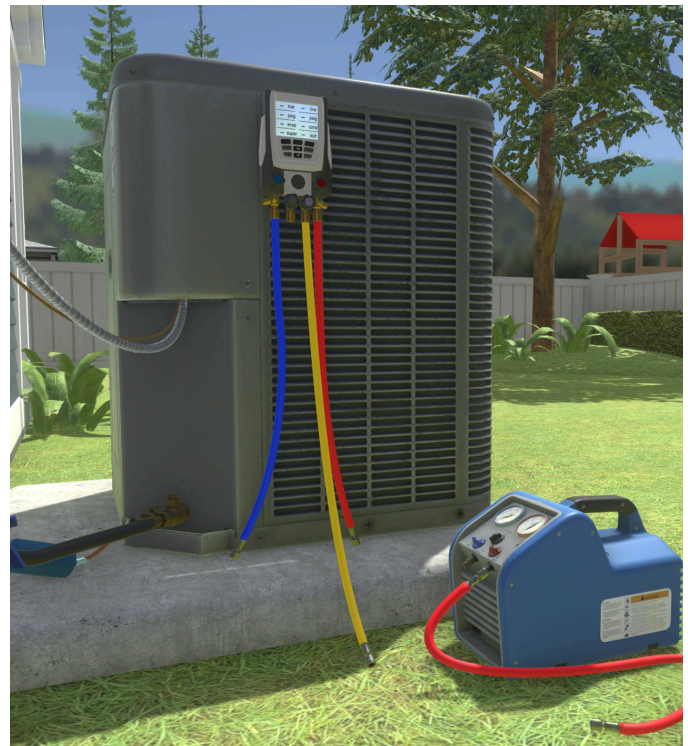
*“We took a 20-year-old guy this year; in fact, he was the first one we put through Interplay and was able to get him from knowing nothing to earning his EPA certifications and completing in-house troubleshooting. He started running calls, and now he’s making the most money he’s ever made. As for the company, he’s already generating somewhere between \$18,000-\$23,000 per month on average as an entry-level tech, which is phenomenal.”*

\_ Travis Lyons, VP  
Mid-FLA Heating and Air.

Southern Home Services is another outstanding example of how standardizing and modernizing technical training with Interplay can improve tech ramp time.

David Minor, the company’s Operations Manager, shared how Interplay has helped them cut down “time to truck” (the time it takes for a green tech walking in the door with zero skills to run their own trucks).

“Interplay helps with ramp-ups because it puts the technicians in the scenarios before they even get there. So, if it takes a year to get a technician in a truck, with us having Interplay and being able to put them in situations and get them more comfortable, we can put them in a truck instead of a year, in six months.”



Mid FLA Heating and Air	With Interplay	Without Interplay
Average Ramp Time per Tech	3 months	12 months
Average Ticket Cost	\$300	\$100
Monthly Revenue	\$18,000	\$6,000

**89% OF CUSTOMERS SAY THAT INTERPLAY HELPED THEM TRAIN THEIR TECHS FASTER.**



## A decrease in ramp time of just four weeks using Interplay could mean \$12,000 in additional revenue generated per technician.

## Summary

Quality technical training is a crucial investment for enterprises seeking to manage expenses and increase revenue. In doing so, companies can streamline operations, boost profits, and achieve overall success. This ebook has highlighted the significance of tracking training ROI and revealed the costs of inadequate training. The success stories of Interplay's customers serve as a testament to the advantages of investing in training and provide actionable strategies and valuable insights for enterprises looking to optimize their training programs and achieve better ROI.

Revenue	With Interplay	Without Interplay
Daily Revenue	\$900	\$300
Weekly Revenue	\$4,500	\$1,500
Monthly Revenue	\$18,000	\$6,000

## Try Out Our Training ROI Calculator

[Click here](#) to calculate your estimated ROI for training costs, employee turnover, callbacks, and ramp time using Interplay.

### ROI Calculator

General Inputs | ROI Questions | Your Info | Results

#### General Inputs

**Company Specific**

Number of Learners:

Number of Locations:

Number of Service Managers per Location:

[CONTINUE >](#)