

**LEARNING
EXECUTIVE
THINK TANK**

LEARNING EXECUTIVE THINK TANK ROUNDTABLE INSIGHTS

**Top 5 Ways to Ready Your
Training Organization for a
Troubled Economy**



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INTRODUCTION

“Like everyone else, the learning development industry is standing on rather tenuous ground and faces the growing pressure of doing more with either the same amount as last year or less.”

What are the top three things you’re doing right now to ready your training organization for a troubled economy?

With the recession now a reality, the training industry may be one of the hardest hit. Research from Bersin & Associates report that in the second half of 2008 corporate training departments cut their spending on learning and development by 12% to 18%. However, according to other industry research, investment in learning development appears to be a mixed bag. While some companies are decreasing their spending on training, far more are at a status quo or have even increased their spending slightly.

So, what do these somewhat conflicting statistics mean? Like everyone else, the learning development industry is standing on rather tenuous ground, and faces the growing pressure of doing more with either the same amount of money as last year or less. Learning executives are finding the need to come up with some new and innovative ways to keep their training programs alive and well—and at the same time prove their business value.

Expertus, a provider of strategic training outsourcing, sat down across the virtual conference table with a handful of thought leaders in the learning management industry to get the straight-talk about what’s happening in their training departments and learn how they’re weathering the economic storm.

KEY FINDINGS

“Much of our roundtable discussion underscored the need for training departments to take a closer look at their operational efficiency.”

Much of the discussion from this roundtable underscored the need for training departments to take a closer look at their operational efficiency. At first glance, you may think this means cutting the budget—but not necessarily. These Learning Executive Think Tank participants are using a much more creative and strategic approach to making their departments more lean and mean:

#1. Informal Learning

Building low-cost programs around informal learning and/or encourage the tactics that are already working.

One participant uses its managers as team instructors. Managers provide practical application requirements training and then have participants “practice” their new skills and provide feedback. Not only does this extend the learning opportunity to outside the traditional learning event, it provides a forum for team members to comment on what’s working and what’s not.

Another roundtable participant is also developing a teaching culture, where they’re taking advantage of internal talent to extend their knowledge and expertise. Blogs, webinars, white papers and other informal learning situations are ways that internal experts are extending the learning beyond the classroom.

A third participant indicated that a big focus right now is skill development—narrowing the skill development to those that are most critical to the department and/or organization. In this instance the training may last up to 9 months, with more formal training occurring frequently at the beginning; and then informal training continuing on a regular, but less frequent basis, between the manager and employee. This training model is reinforced with e-learning and is so effective and popular that it is being used not only for new hires but existing employees.

#2. Re-Alignment

Organizations are taking a second look at whether their training programs are properly aligned with the goals of the company.

Most of our roundtable participants agreed that there is an increasing focus on showing how investment in training impacts ROI.

One participant indicated that if training is not aligned with company goals, then those programs are cut or they need to re-align the training so that it positively impacts the enterprise’s investment. In agreement, another participant pointed out that his company was in the process of de-vesting whereby everyone is going through efficiency reviews to find out which programs are the weakest or least valuable. This is to ensure that the right “fat” is trimmed from the budget.

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#3. Consolidation

Training operations are heading for major consolidation around job functions or content overlap.

One participant indicated that he’s seen a big push toward learning consolidation. There’s likely to be dual reporting or overlap in training content between departments; therefore, training is being integrated into a single reporting structure for greater efficiency.

#4. Increased e-Learning

Continuing to move away from higher-cost instructor-led training programs.

There seems to be an increased reliance on e-learning among roundtable participants. One participant indicated that they get a 98% compliance with their e-learning program. Employees appreciate the convenience and are enjoying the content.

One roundtable participant indicated that they’re working with sales and marketing to create context or video coaching to add value to the e-learning. The incremental cost is zero with the exception of a license.

#5. Increased Job Cuts

Executive management is reducing jobs regardless of how efficient the training operation is.

It’s a sad reality of the times—companies are cutting employees to add to the bottom line. Almost all of our roundtable participants indicated that this was the case in their organization. One participant indicated that lay-offs are okay, if they’re done in a planned way and add to the efficiency of the organization.

An idea that goes hand-in-hand with job cuts is efficiency. Improving the general efficiency of training operations and programs should be a precursor to cutting employees. One participant indicated that his company is focusing on talent management. The reality is that there is likely to be cuts within the organization—but the question is: what is the “optimal” organization you can afford.

Six additional roundtable discussions are being planned for 2009. To find the latest results from each roundtable discussion, visit [www.TrainingEfficiency.com](http://www.trainingefficiency.com) <<http://www.trainingefficiency.com/>> .

This roundtable discussion was sponsored by Expertus www.expertus.com, a learning services firm with over 500 learning specialists who help companies like Cisco, ADP and Lockheed Martin optimize every aspect of their learning organizations.