



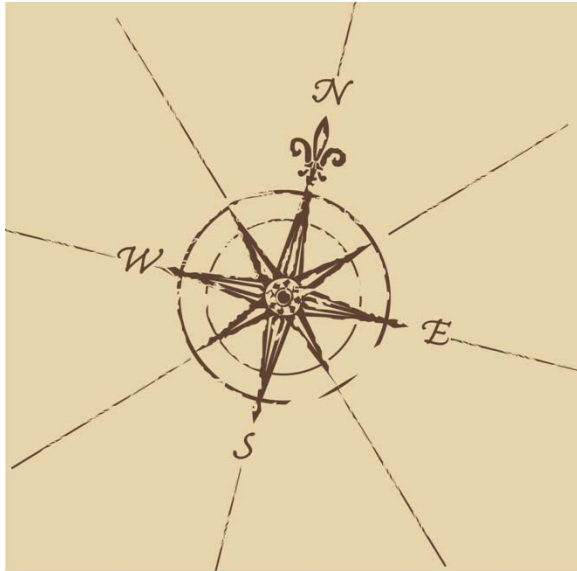
7 Point Plan

Re-engineering the Training Function

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Is your training organization viewed as an expense or an investment for your company? We all want to say “investment”, but many of us would honestly answer “expense”.

During these difficult economic times, it’s an extremely important question for training executives to be asking. No one wants to sit in a corner like Chicken Little waiting for the bad times to go away. We all want to start turning our training organizations into a highly efficient, highly respected, and highly valued part of our company.

So what can we do? It seems many of the traditional business models for corporate training have not worked, and now that the recession has deepened, the pressure is on to find better ways to manage training for less money. The key question we need to ask is how do we transform our

organizations into functions where senior executives ask us to do more training to help save the company money?

We know our companies can’t eliminate the training spend altogether. We still have numerous training obligations to fulfill including certifications and other mandatory training, customer training tied to revenues and career development initiatives that are critical to retaining key employees.

I believe it is time for a new battle cry! It’s time for us to step up and get on with the task of communicating with our executives precisely how we will change the training function, and the difference that change will make. And most important of all, a plan that will not cost new dollars; but one that re-directs spend, and ultimately save money by removing wasteful initiatives and focuses on efforts that benefit everyone.

In short, it’s time to re-engineer the training organization. The days of supply oriented, academically structured training functions must end. The era in which employees are encouraged to design their own learning curricula from catalogues of available courses must shift to a model of highly integrated, short module, demand driven learning programs designed around the company’s business needs.

Today, many of the largest and most successful companies are evaluating their training function. Some have launched a

detailed re-engineering exercise that seeks to determine how much is being spent on training, how the organization is run, the types of training being provided and how that training contributes to the corporation's bottom line. It's a complicated exercise, especially for large firms with training activities distributed around the globe. It's a process that begins with a comprehensive audit of the company's training assets so they can fully appreciate the challenges ahead.

In the months ahead, I'm sure you will hear much more about these re-engineering efforts, especially the move from cost generating activities to those in which the impact on corporate performance exceeds the cost of capital. Doing so will ultimately reduce the total investment in training as a percentage of revenues as learning organizations search for the true impact of every the dollar they spend.

So here is my 7 point plan for re-engineering the learning enterprise. If you follow this approach, I guarantee you will save money! More importantly, I guarantee you will improve how training is viewed by your customers, management team, and employees.

Point 1: Say Goodbye to Supply-Based Models. The classic model for training works like this: Create a portfolio of courseware, publicize a schedule, count how many people register for the courses, charge back the costs to the business, and measure success by the number of attendees and their outgoing comments.

Alas, this has proven to be a popular approach, but a highly inefficient model for the company. As training executives, we must all recognize that companies are in business to make money, and training organizations must focus on supporting the business' objective. Training is about strategically driving performance excellence; it's not an employee entitlement.

The new demand-based model for training looks like this: Training works with the leaders of each of the lines of business to identify the biggest issues they have that's impacting performance or profitability, they create short and tightly focused courses that deal specifically with how to impact those business issues, delivers them to the specific individuals or groups who need them at the precise time they would most benefit, carefully measures how the business is impacted, and moves on to the next business problem or opportunity.

The difference between the two models is dramatic, especially the elimination of large portfolios of courses that cannot be linked to the objectives of the business. The transition will require a huge philosophical shift away from the vintage learning models. It is a shift from delivering and expensing large dollar amounts of non-proprietary training courses, to delivering and investing in short courses tied directly to business problems. Your spending will be more focused on project based activities instead of the procurement of external courseware. When you succeed at this, you can expect significant improvement in how your programs will be valued by your

business partners and the role you play in the strategic future of the company.

Point 2: Consolidate. Virtually every Fortune 1000 company has more than one training department, and some have more than 50 independently managed training groups. That decentralized business model was fine when training was predominantly instructor led and delivered in conference and meeting rooms. With the increased adoption of technologies for learning delivery and administration, the advantages of consolidating resources and technology are increasing.

Consolidation of decentralized organizations eliminates duplication and realigns the service levels. Whether the objective is to reduce costs, increase access to information about training activities and results, or improve economies of scale, you can expect more companies to consolidate duplicative activities. The ultimate goal for most large training organizations is the “federated” model that centralizes certain training processes like administration, and instructional design and technologies, but leaves classroom instruction to on-site subject matter experts.

Point 3: Reduce Fixed Resources. As corporate executives focus on improving balance sheets and income statements, a continuing priority for managing costs is the reduction of fixed resources in non-core functional areas.

Training organizations are increasingly included in this shift toward a more virtual and on demand workforce for design and delivery. Instructors and instructional

designers are easily sourced on an as-needed basis, while the ability to reduce administrative resources will grow as more training goes online. You will see increased emphasis on eliminating real estate and moving to variable classroom space.

Concurrently, procurement organizations will drive variable sourcing models. More companies will move beyond the use of contract instructors and instructional designers to out-tasking and outsourcing of training administration, vendor management, tuition reimbursement, and more.

Point 4: Embrace Informal Learning.

Informal learning, historically known as on-the-job training (OJT), is about accessing information when it’s needed. The introduction of the computer and internet raised expectations about the potential of formal e-learning courseware. Yet an unexpected benefit of that technology has been the abundance of less formal but equally vital information available online.

The search for knowledge on the internet has become much more accepted than the formal delivery of knowledge. It will become even more so with the emergence of web 2.0 capabilities such as social networking and ever more sophisticated search engines. Indeed, cutting-edge training organizations already incorporate informal assets such as file shares and virtual universes within their learning infrastructure. Consider it a peek into the future.

Informal learning improves how employees and customers gain access to information

when and how they need it. As we move toward the use of mobile technologies, social networking and innovative asynchronous learning environments, remember that it's not only about how learning is delivered. It's also about the design and packaging of that information.

Point 5: Create New Outlets for Experts.

The future core of online learning is user generated content from subject matter experts (SMEs). Experts within your business have vast amounts of knowledge that needs to be shared among the rank and file of the organization. Every company has tremendous amounts of intellectual property that needs to be leveraged by employees, customers and suppliers. In the past, we lacked efficient ways to do this. Fortunately, new authoring tools and delivery technologies are being introduced which enable such experts to create rich media-based content even if they are novices in the use of these tools.

This empowers SMEs within the lines of business to create rich media training for their peers at a much lower cost, without anyone from the training organization having to touch the material. Your job as the training leader is to bring these tools to the SMEs, allow them the autonomy to create content, and then provide the environment for them to share their intelligence and others to gain access. Remember, our role as leaders of the training function is not always to teach, but to facilitate learning. Consider it a win-win for business savvy training organizations and eager learners.

Point 6: Focus on Compliance Training.

The rise in expensive litigation from employees and customers who contend they were not properly trained is producing an increase in compliance-based training to mitigate these risks. In the healthcare industry, for example, compliance training has become the standard for employees at all levels. This growing demand means continued growth for companies that provide testing and assessment services. In the past, many companies have steered away from measuring the skills of the employee after training for fear of liability of not testing correctly. We have learned that the liabilities are much greater if we do not provide the right training and measure the employee's proficiency to ensure they have the skills required to perform the job. I believe our job is to create training programs where employees are held accountable for completion and application of skills. And if they fail to meet the requirements, we are responsible for providing them ample opportunity to meet the standards, and to evaluate how we can improve the learning experience so they can meet the requirements. This does not mean eliminating the assessment or lowering the standards. We must embrace our responsibility to know what skills they need and currently possess.

Compliance training is also an important marketing tool. For example, automotive companies have used compliance training for years as a marketing tool for repair and maintenance technicians. Look for even greater compliance training requirements for individuals who hold professional skilled

jobs, prompted by new testing and assessment mandates.

Point 7: Protect Your Business Through Customer Training. Even as the total expenditure for training declines, the average corporate spend for customer training has grown to more than 59% of a company's total budget for training. A principal reason is the need to train customers to properly use the growing array of technology oriented products and services entering the marketplace.

Indeed, liability costs associated with *not* training customers continues to grow as courts hold companies accountable for properly preparing and notifying customers of risks associated with the improper use of their products. Often classified as "product information," it's about influencing the behavior and use of the product. Failure to train customers on the proper use of a product and associated risks is quickly becoming more expensive than the training itself.

If you are not already involved, I suggest you build a close relationship with your marketing and product management teams. Our role is to make sure our company is delivering the necessary information to customers in a manner that not only communicates the information, but provides it in a way that will impact the use of the product. It could also include demonstrating and verifying that the customer knows how to use the product the way it was intended to be used.

There you have it, a succinct plan to align your training operation to meet today's

business demands. It isn't a complete list of required changes, of course. Every situation is different. But it does address the critical elements, based on many years of personal experience with some of the best – and worst – training operations around.

So if you think this plan can apply to you and your company, go tell your boss that you've devised a 7 point plan to transform your company's training organization. Take all the credit you want. I promise to keep it our little secret.

About Training Industry, Inc.

Training Industry, Inc. is an objective and trusted expert on the marketplace for learning. Its mission is to make the marketplace more efficient through the world's largest online community of training communities and through services such as Training Industry Conferences, Training Industry Quarterly Ezine, Training Industry Webinars and Training Industry Research. Through these channels, Training Industry, Inc. provides news, articles, strategies, practices and processes.