



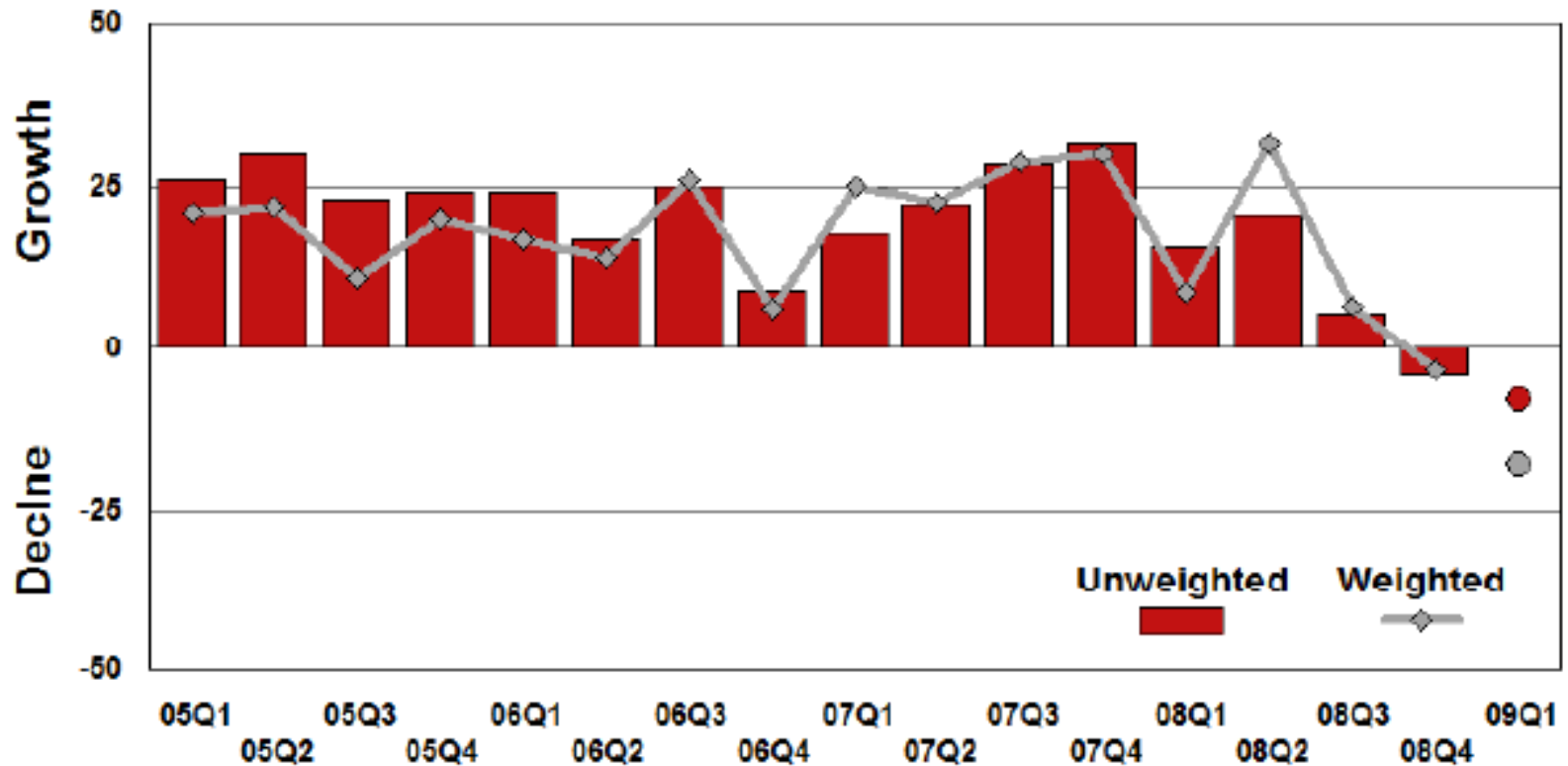
Pulse of the Industry

plus Hot Topics/Issues

Mike Dowsey, CEdMA Europe

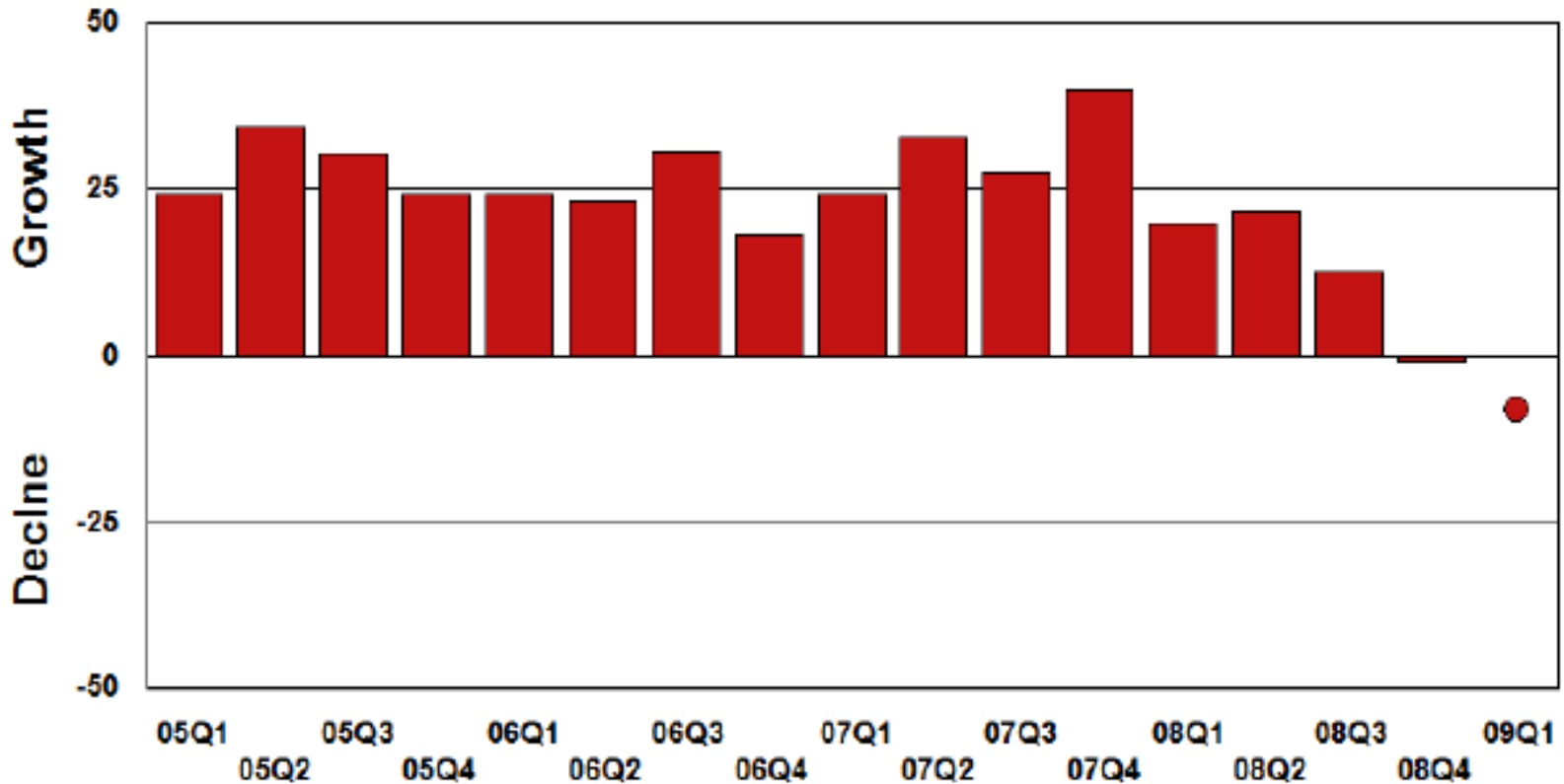
Learning Directors' Network Market Barometer 4Q08

Total IT Training Revenue



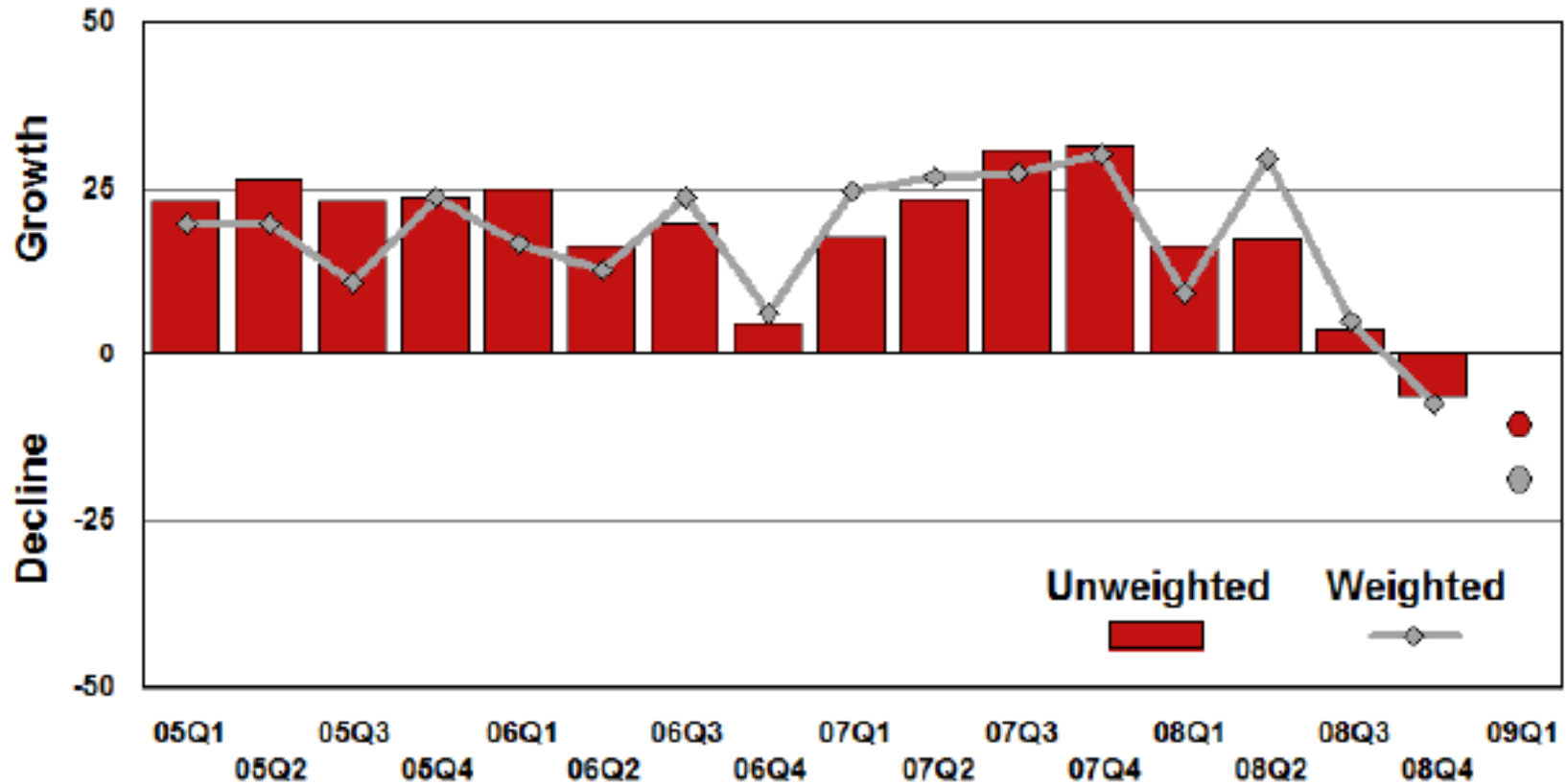
Learning Directors' Network Market Barometer 4Q08

IT Training Profit



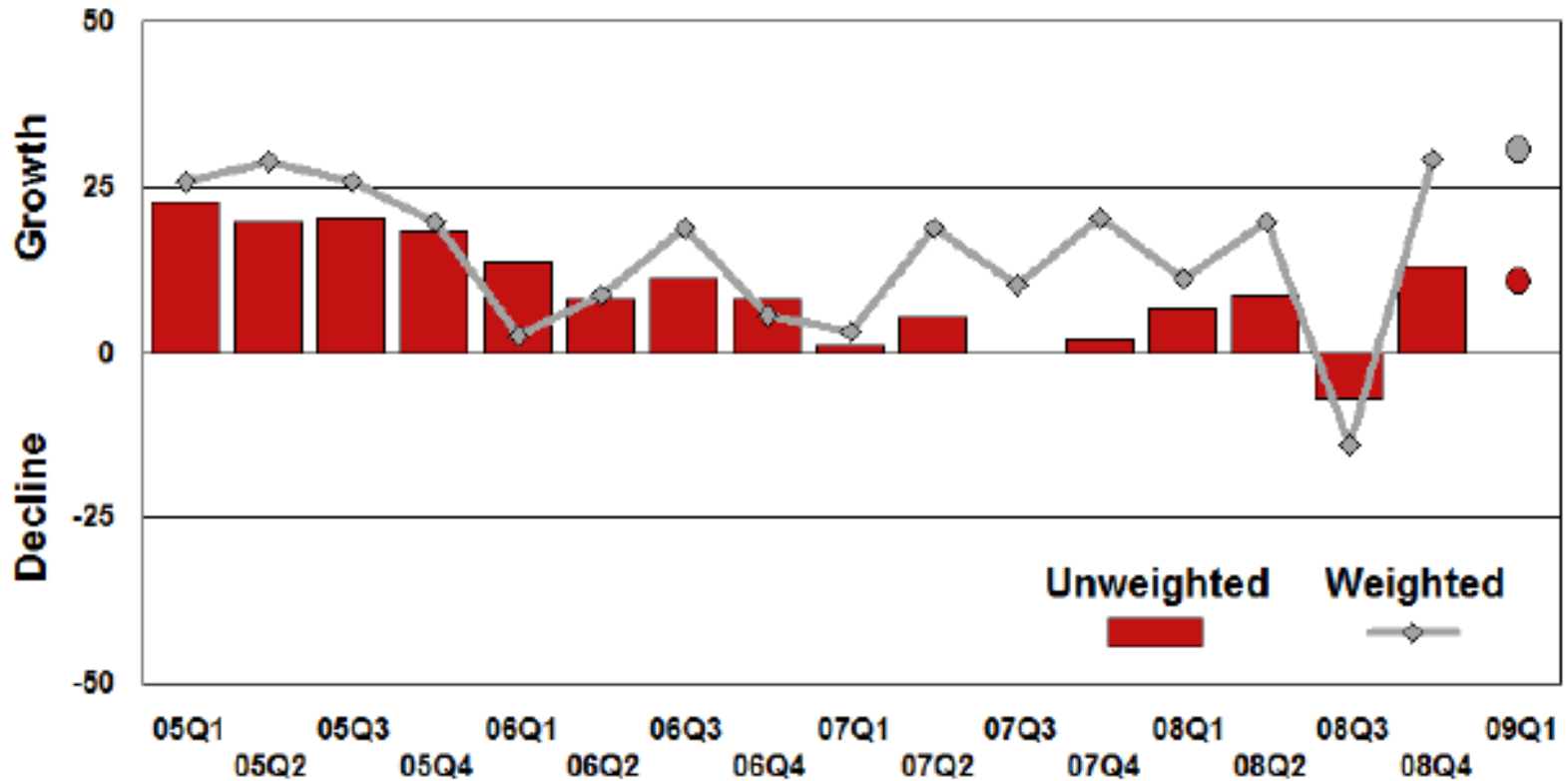
Learning Directors' Network Market Barometer 4Q08

ILT Revenue



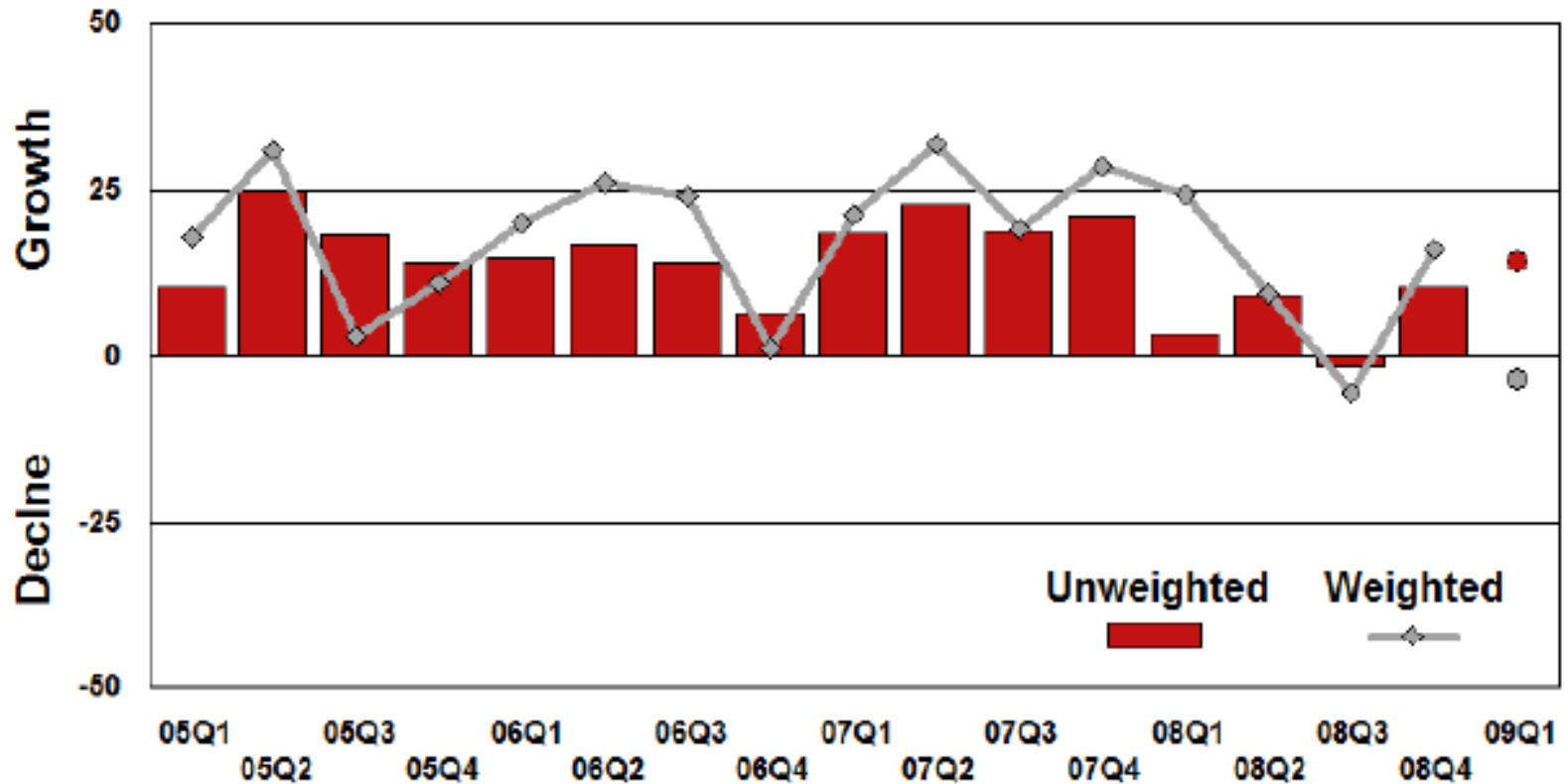
Learning Directors' Network Market Barometer 4Q08

e-learning Revenue



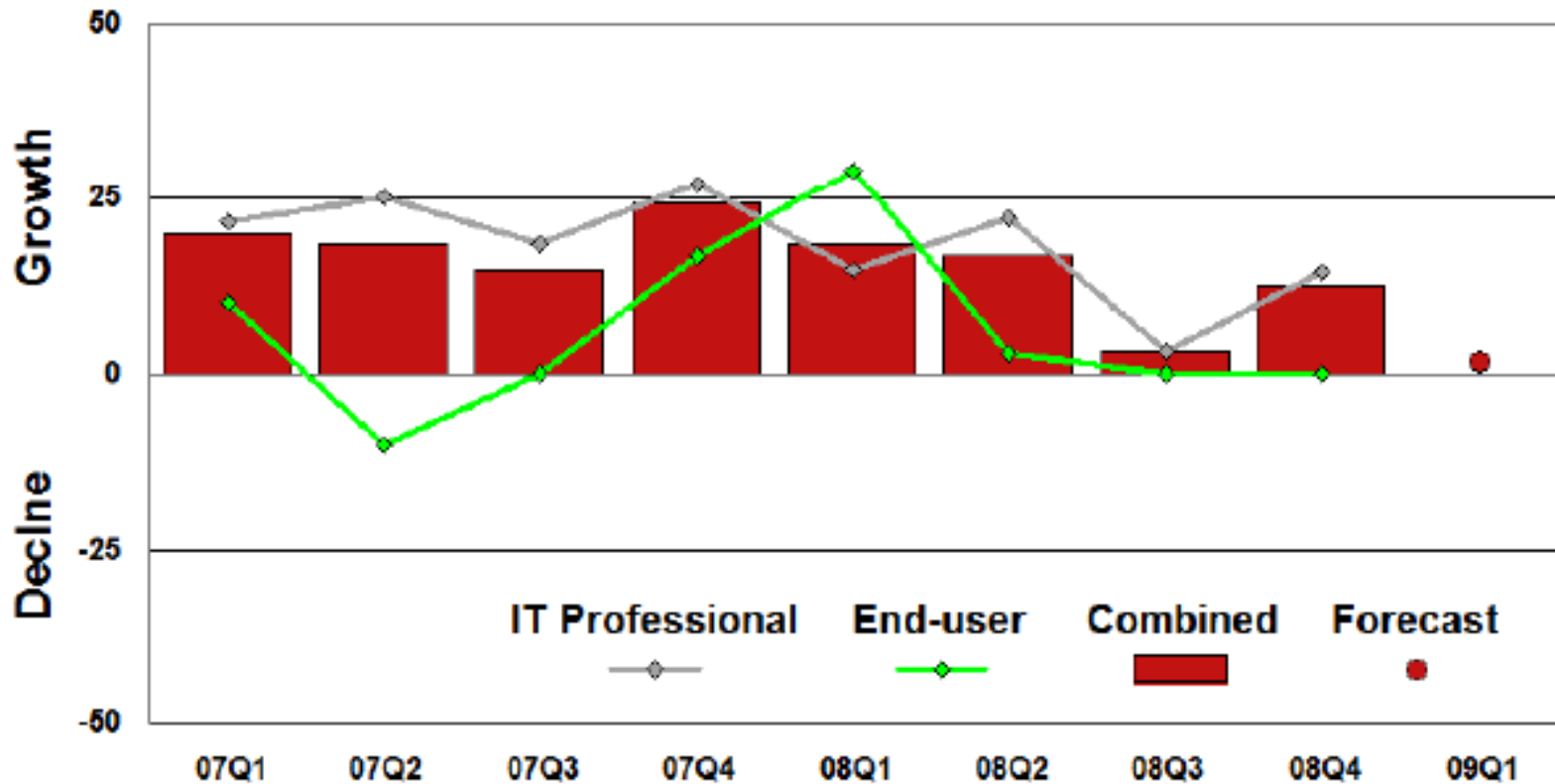
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Training Support Services Revenue



Learning Directors' Network Market Barometer 4Q08

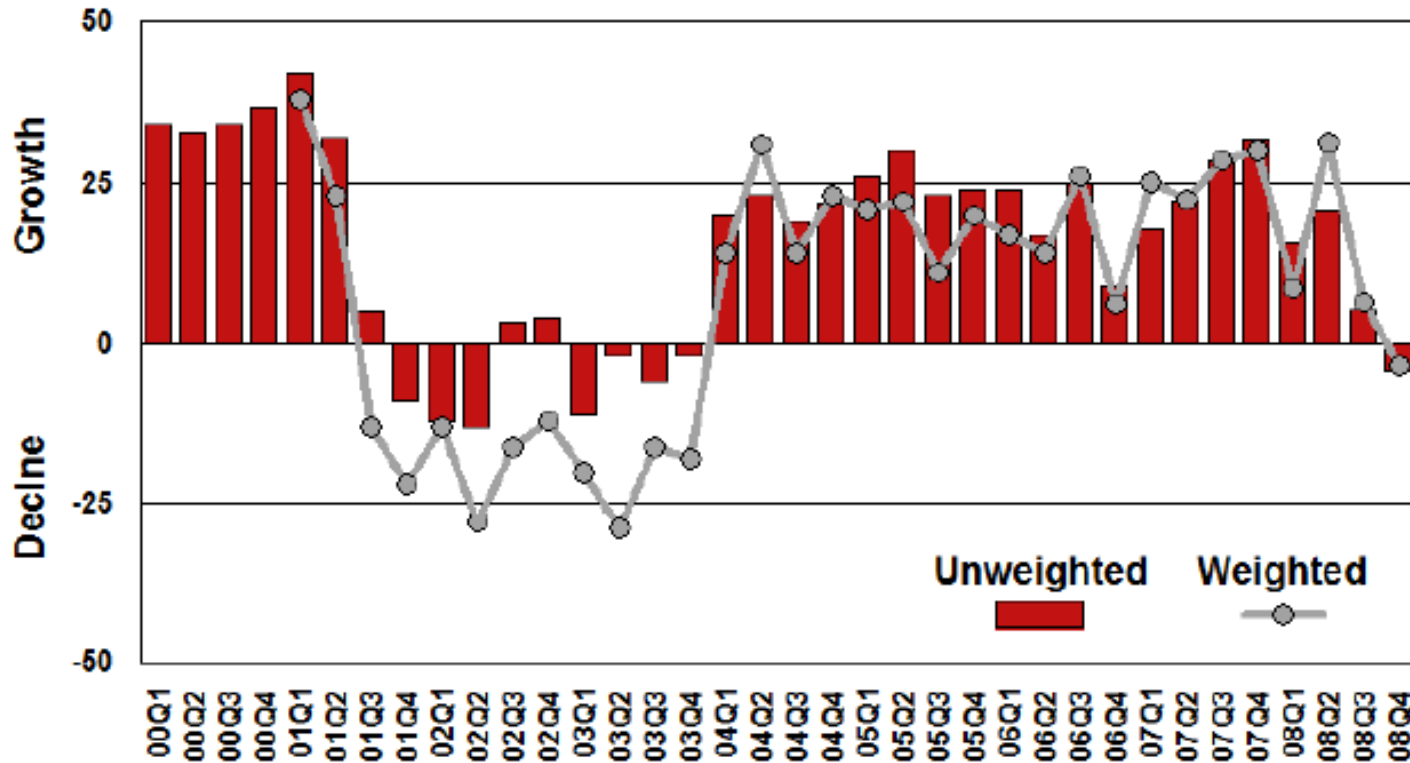
IT Certification



Learning Directors' Network Market Barometer 4Q08

What does history tell us?

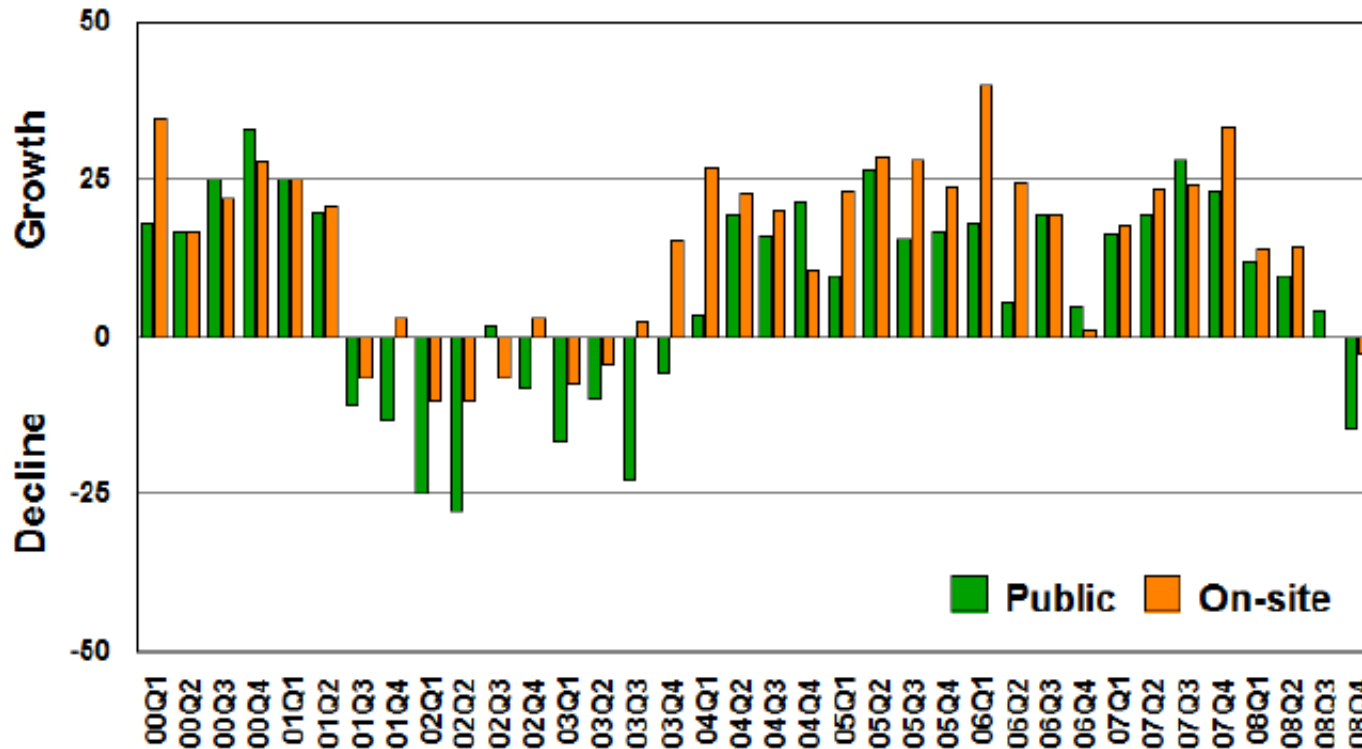
Total IT Training Revenue



Learning Directors' Network Market Barometer 4Q08

What does history tell us?

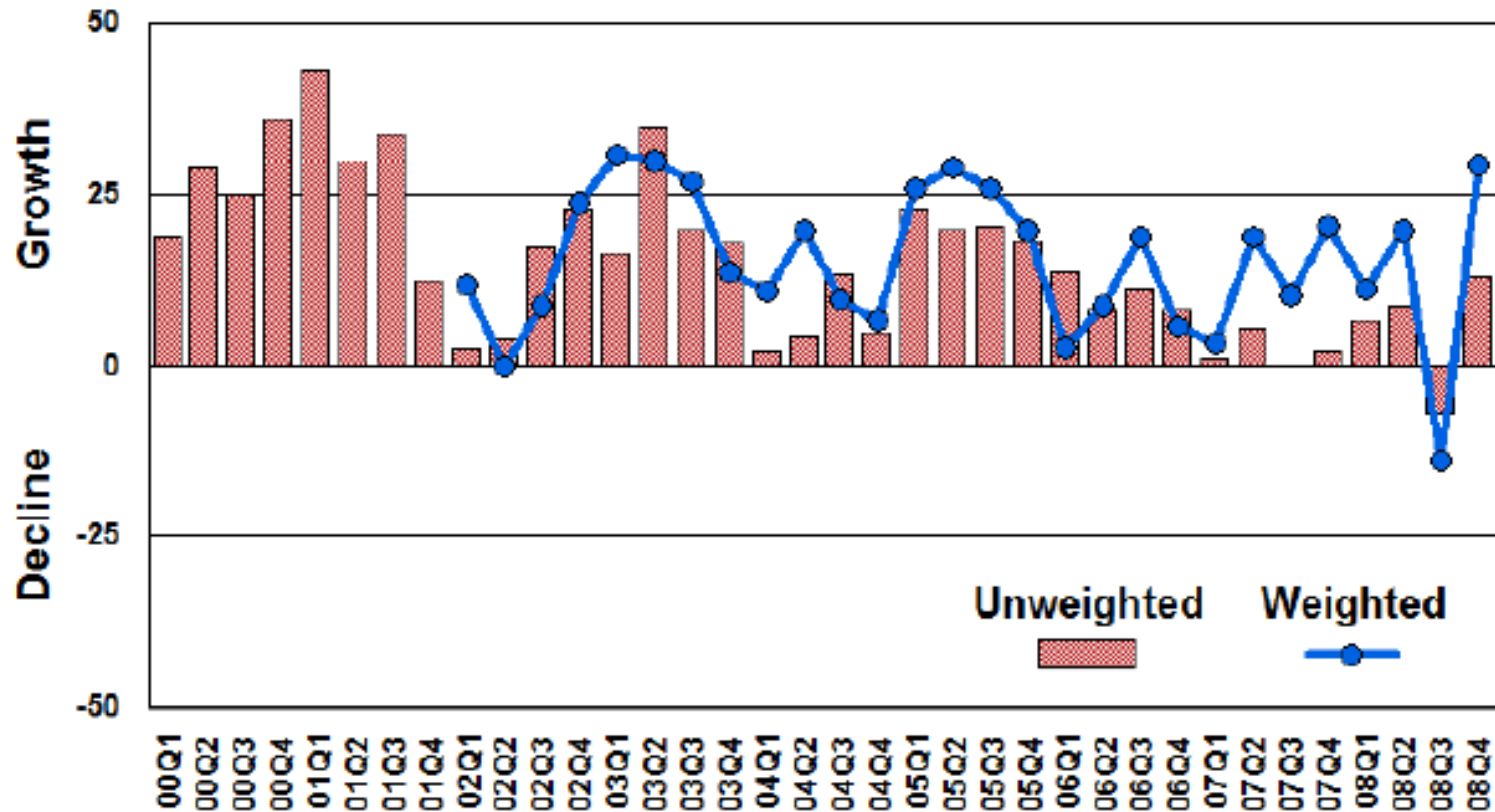
Public v On-site



Learning Directors' Network Market Barometer 4Q08

What does history tell us?

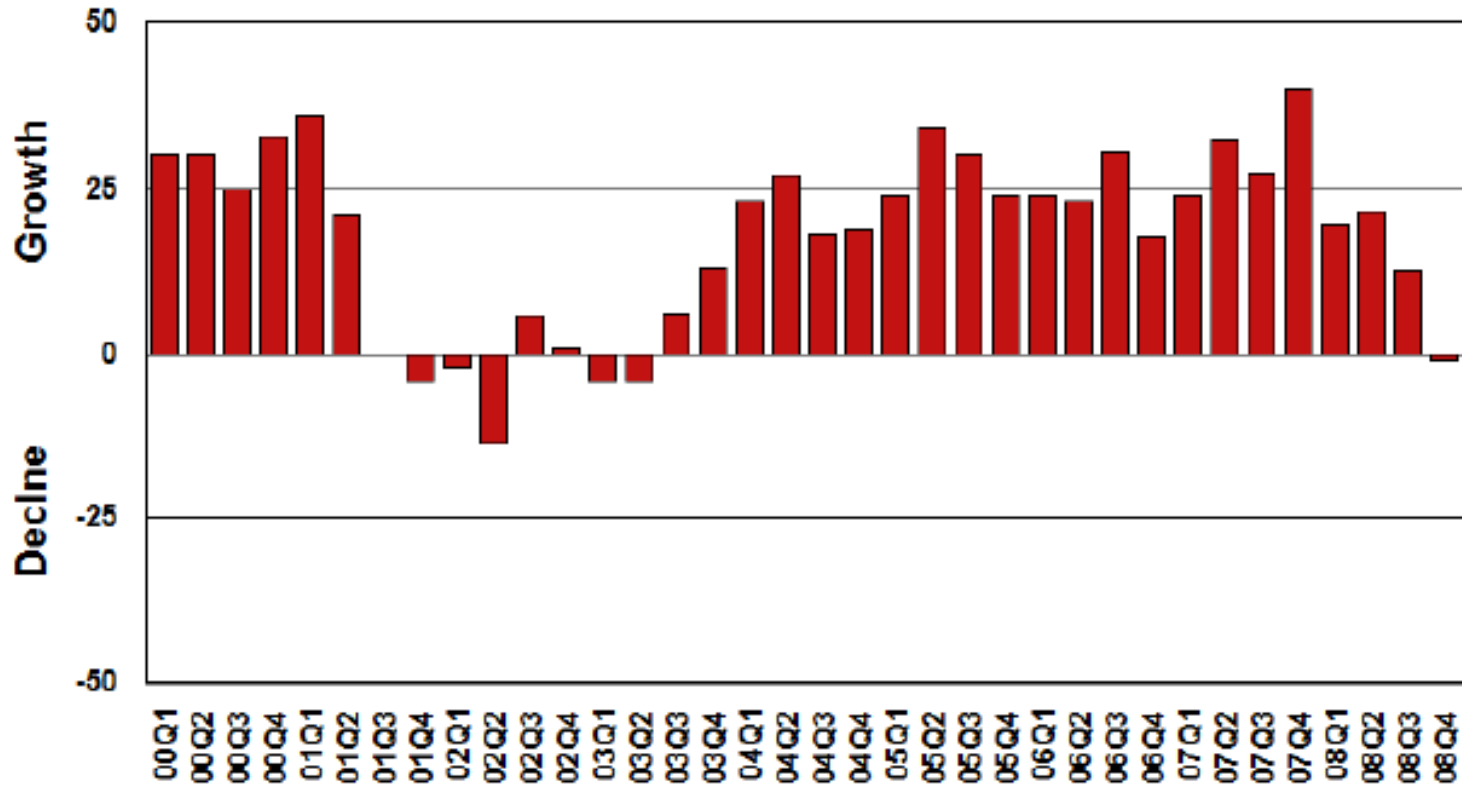
Total e-learning Revenue



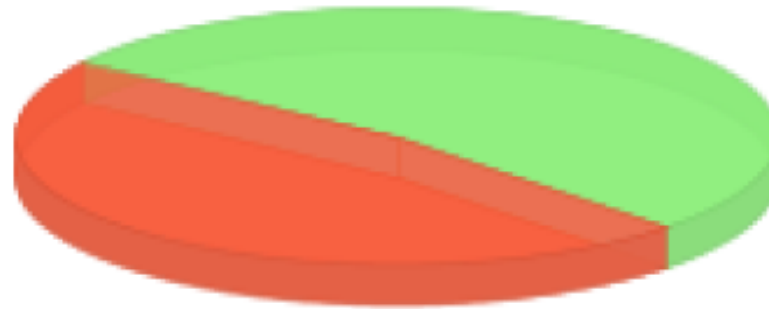
Learning Directors' Network Market Barometer 4Q08




What does history tell us?

IT Training Profit



What is your company type?

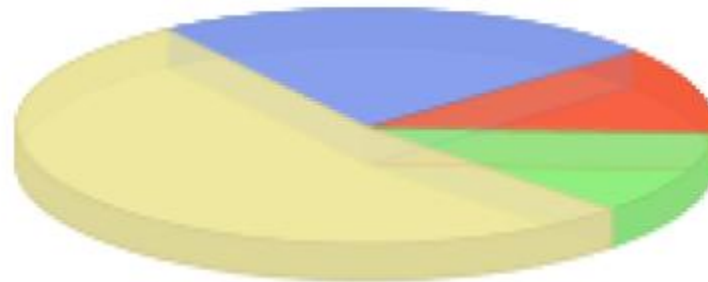


 1 - Software	52.94% (9)
 2 - Software and Hardware	47.06% (8)
 3 - Hardware	0% (0)

Mean: 1.47

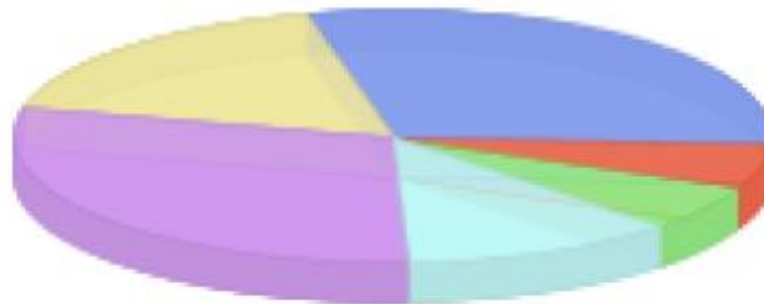
Response: 17







What was your company's worldwide annual revenue in the last financial year?



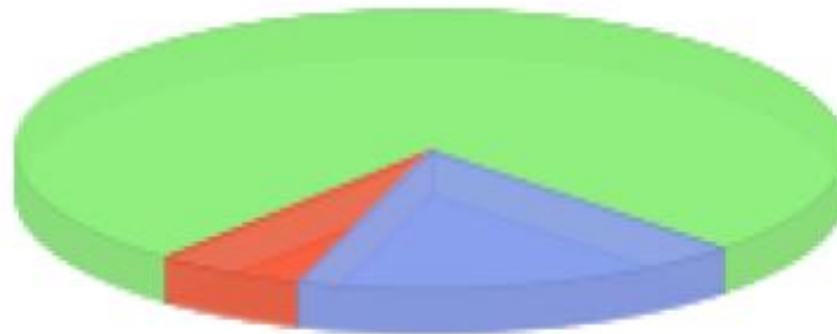
	1 - Less than \$100M	11.76% (2)
	2 - Between \$100M and \$500M	11.76% (2)
	3 - Between \$500M and \$1B	23.53% (4)
	4 - More than \$1B	52.94% (9)

How many full-time employees does your company have worldwide?



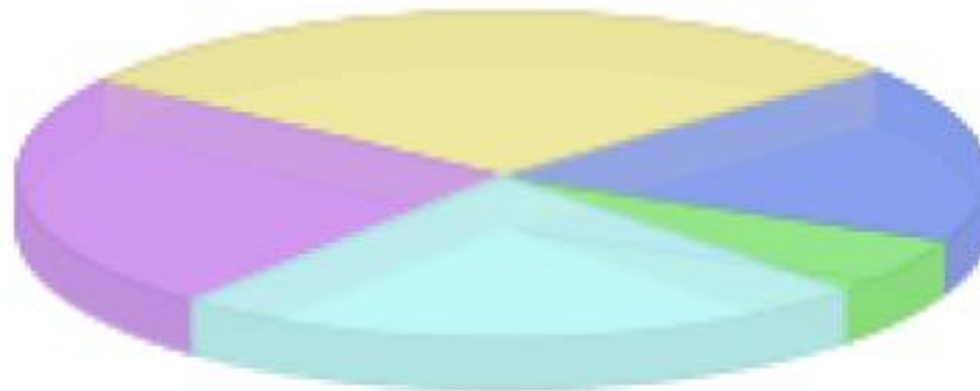
 1 - Less than 100	5.88% (1)	 2 - Between 101 and 1,000	5.88% (1)
 3 - Between 1,001 and 5,000	29.41% (5)	 4 - Between 5,001 and 10,000	17.65% (3)
 5 - Between 10,001 and 50,000	29.41% (5)	 6 - More than 50,000	11.76% (2)

What is your education organisation's primary business model?



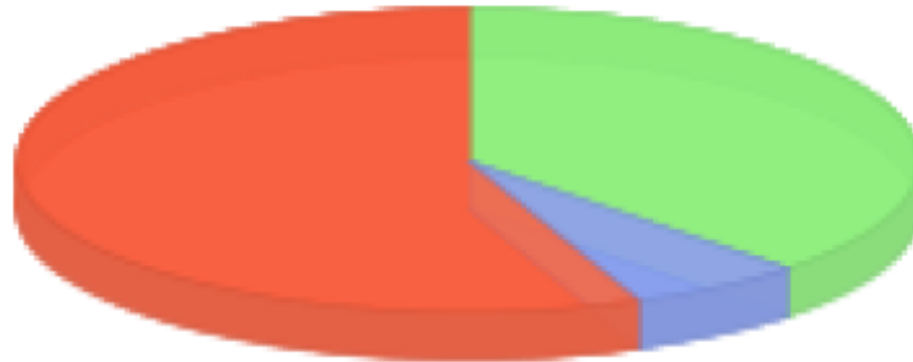
- 1 - Profit Center (expectation is to make a profit - may have a margin target to achieve) 76.47% (13)
- 2 - Cost Recovery (expectation is to sell enough training to at least break even on expenses) 5.88% (1)
- 3 - Cost Center (expectation is to provide non-education revenue benefits - for example better trained employees and partners) 17.65% (3)

What is the annual revenue in your chosen geography?



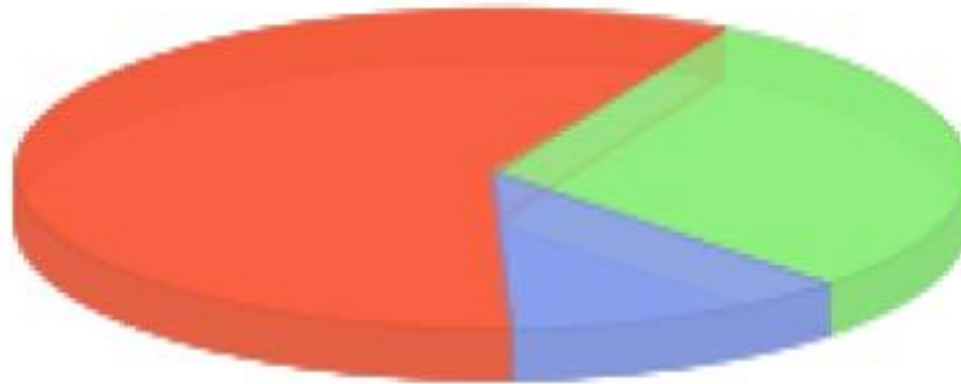
	1 - Less than \$1.0M	5.88% (1)		2 - \$1.0M - \$2.9M	0% (0)
	3 - \$3.0M - \$4.9M	17.65% (3)		4 - \$5.0M - \$9.9M	29.41% (5)
	5 - \$10.0M - \$19.9M	23.53% (4)		6 - More than \$20.0M	23.53% (4)

Year on year, is your training organisation training:



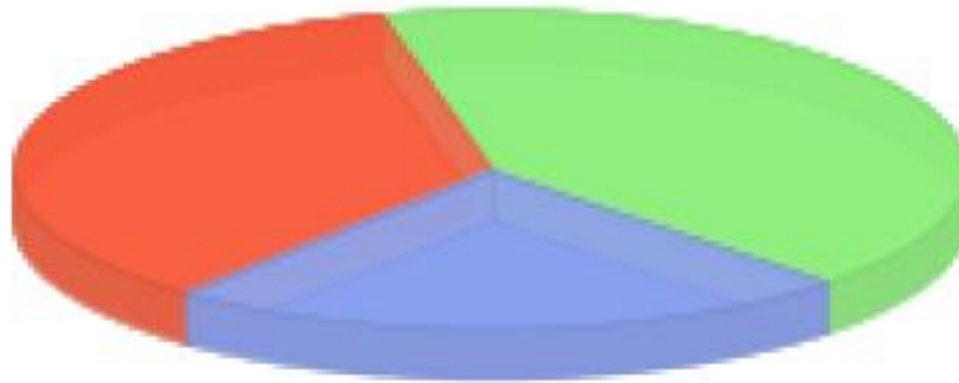
-  1 - More students 37.5% (6)
-  2 - Fewer students 56.25% (9)
-  3 - About the same 6.25% (1)

Year on year, is your training organisation revenue:



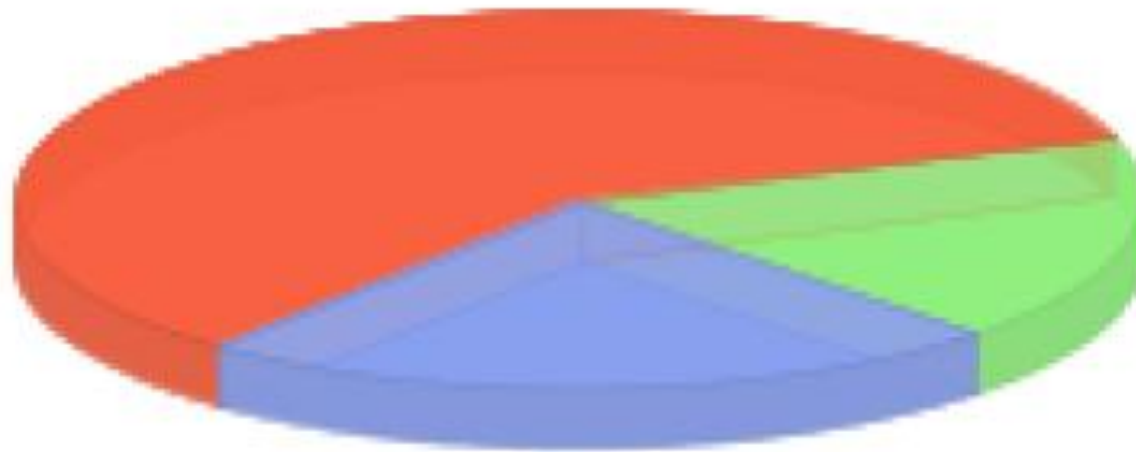
	1 - Up	29.41% (5)
	2 - Down	58.82% (10)
	3 - About the same	11.76% (2)

Year on year, is your training organisation margin:



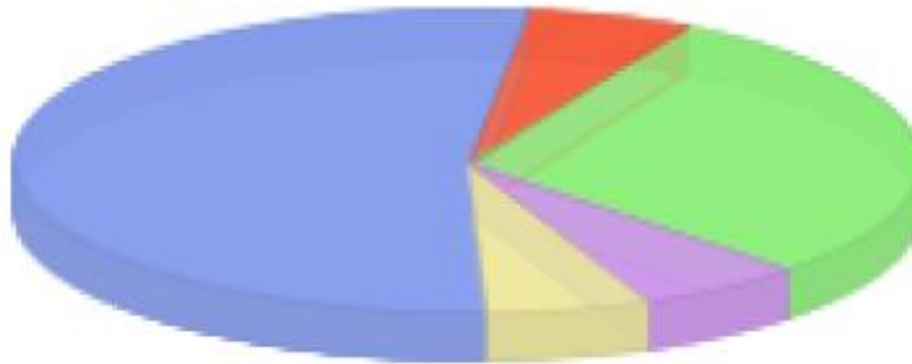
	1 - Up	41.18% (7)
	2 - Down	35.29% (6)
	3 - About the same	23.53% (4)






Year on year, is your training organisation headcount:



 1 - Up	17.65% (3)
 2 - Down	58.82% (10)
 3 - About the same	23.53% (4)

Year on year, how much non-traditional training are you delivering:



 1 - More	29.41% (5)	 2 - Less	5.88% (1)
 3 - About the same	52.94% (9)	 4 - All (100% of our training is delivered this way)	5.88% (1)
 5 - Not applicable (we do traditional classroom training only)	5.88% (1)		

What is the biggest challenge you are facing at the moment? (1 of 4)

1. Driving to achieve our financial goals in an extremely difficult economic climate and now with the added element of being acquired.
2. Cost Cutting, Reductions in force, having to very quickly adapt to new situations/challenges.
3. filling our classrooms; managing the P&L during recession; getting the sales persons mindset to attach training to product sales and support contracts
4. Cost ... vs Revenue
Driving business/revenue in current economic climate (just harder!)
5. changing how we deliver class room training to improve learning outcomes
6. shrinking operating budgets and resources, with increasing expected performance levels to "beat the economic crisis"
7. Customer cutbacks on training, travel and subsistence.
8. Finding ways to minimize the impact of the Global Economic situation on my Revenue Plan
9. Budget and staffing cuts in customer base
10. longer sales cycles in bigger edu deals; edu budgets are smaller than a year ago; slight move from public courses to more onsites

What is the biggest challenge you are facing at the moment? (2 of 4)

11. Engaging with the sales team and getting them to sell more training, both as a stand-alone sale and, more importantly, increasing the attachment of training to product sales.
12. Economic climate - budget and travel freezes. Slow down in new license sales.
13. Targeting and identifying potential customers with our training offerings.
14. A declining scheduled business with Customers cutting back on training
15. Sales traction. Not achieving top line targets.
16. Customers seem happy to accept lower value offerings in return for cheaper costs not good for a vendor training provider!
Customers are generally delaying or cancelling business critical projects, with a knock on affect to training. Projects are needing quick return on investment, nobody is investing in the future.
17. Maintaining good chargeable utilisation with need for new product development at same time.
18. doing even more with even less . having to increase margin even more where there is nothing left to cut out.
19. expansion into emerging countries (Russia, UAE, India)
20. Company re-org
Economic climate

What is the biggest challenge you are facing at the moment? (3 of 4)

21. The current economic climate has meant that there is a reluctance to spend "non-essential" money. In terms of our training business this is resulting in a marked decrease in "walk-in" business to the public schedule. As this tends to be a good and normally dependable revenue stream based on the need of the installed base to retrain it leaves a challenge in terms of immediate booking targets. A longer term effect is that we will have to re-establish this revenue stream again which means it may have a longer term impact than just the current economy.

22. Customers/Clients seeing/understanding value and benefit of Learning and Education whilst budgets are tight and people are being laid off.

23. Lower public class sizes (customers have no travel budget), but some increased desire for onsite and bespoke training.

There is interest in virtual classes and the idea of training from your desktop but low uptake. Clients conscious of costs and learning/education still fall behinds other company commitments

Reduction in staff at clients reduces immediate need for training

Projects put on hold or cancelled due to economic conditions, plus fewer license sales means less training required in new projects

More and more clients are self training rather than using external resources

What is the biggest challenge you are facing at the moment? (4 of 4)

24. Convincing more training organisations to try virtual learning solutions.
25. getting customers to buy professional services i.e. workflow and training on the back of purchases which are budget-restricted. They'd rather have the kit without any implementation or training, than less kit with implementation and training.
26. Getting Engagement - it's like the shutters have come down and as a consequence hard to even open a dialogue, let alone pursue business.
27. Getting the right training to the right people to make a difference to the business.
Generally a travel issue for the students
28. "Siege mentality" of customers concerned with the recession and cutting back on all training.



What did you do after the last conference?

Jasmine Huxtable-Wright, Symantec

What actions/activities are you going to take when back in the office to counter the impact?

What customers want

- What opportunities do these present?
- What challenges do you face addressing them?
- What do you need to do to exploit them?
- Ideas and actions become workshops

Economic pressures

- Communicate the situation; give a sense of urgency to your own organisation
- Sense check with your own customers
- Sense check with your product divisions
- Form plans and strategy to counter

What actions/activities are you going to take when back in the office to counter the impact?

Opportunities

- More flexible learning options, such as small chunks, which will give less time out of the office
- Live virtual classrooms
- Learning support – mentoring
- More onsite/customised
- Role-based offerings to show the real world application of products
- Post-course support mechanism – link to level 3
- Adaptive learning portal

What actions/activities are you going to take when back in the office to counter the impact?

Challenges

- Will customers pay ?
- Resources for research, development and delivery
- Availability of funding – internal/external
- Company buy-in
- How to take to market

Plan

- Research: a) Question to delegates b) Ask 10 Training/IT managers c) Pilot TNA d) Draft offering
- Plan to review and act
- Is it being done already?
- Map resources needed
- Explore partnership opportunity
- Prioritise: a) Time to market b) Return numbers c) Level of revenue d) Lead/Reference customers



Survey of IT Training Buyers

Philip Bourne, Symantec



Institute of IT Training

Learning Directors Network
The world-class network of training provider directors

Survey of IT Training Buyers

February 2009

This research report was prepared for the members of the Institute of IT Training's Learning Directors' Network.

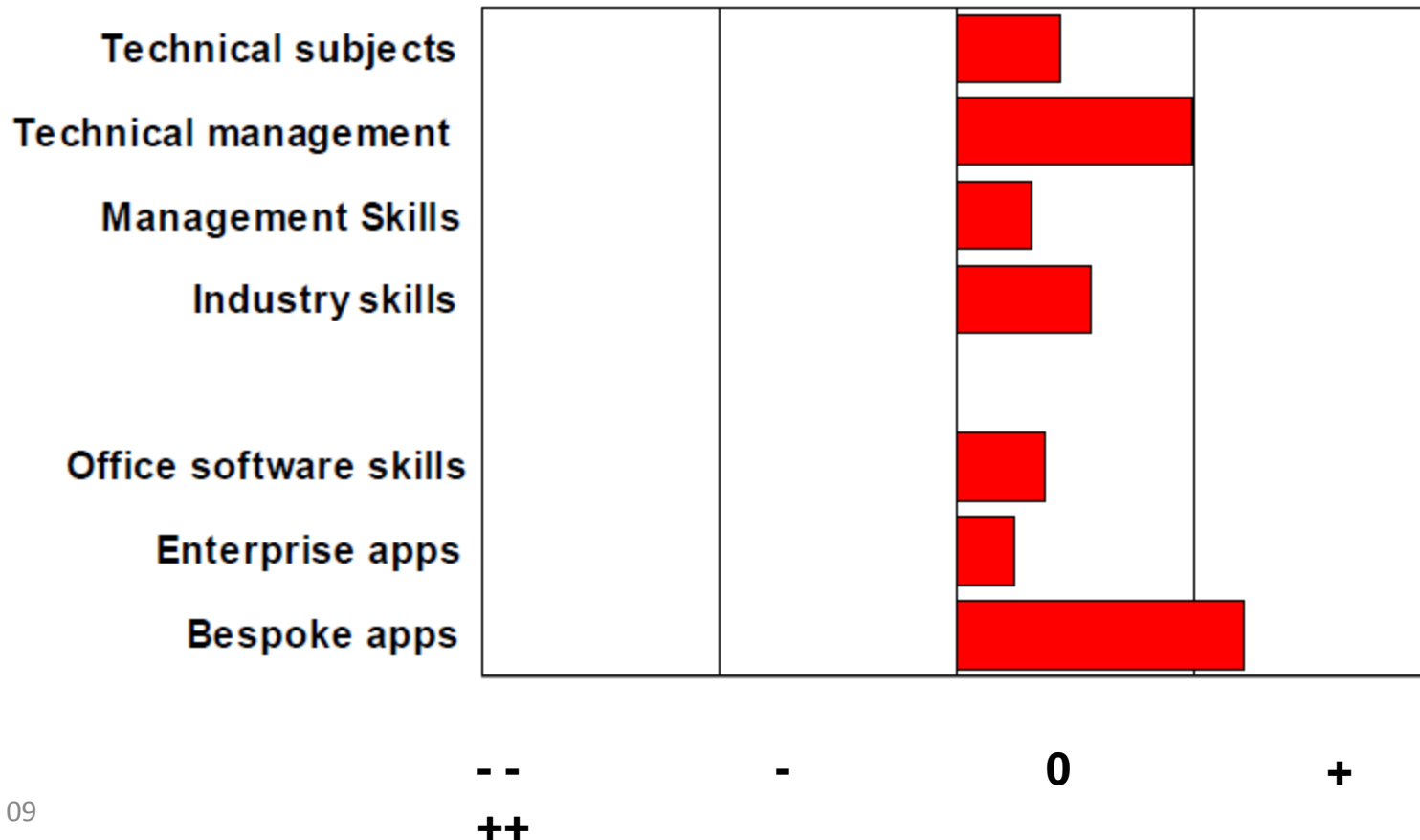
Input

- a) a Focus Group of eight senior training buyers (IT Training Managers or similar) on 20 February, chaired and facilitated by Donald Taylor, and
- b) extended one-to-one telephone interviews with individuals of similar responsibility, conducted over the period 16-27 February.

Skills Requirements

How are your organisation's IT skills requirements changing in 2009, compared with 2008?

Skills Requirements



Skills Requirements – IT Professional and User Requirements

KEY POINTS:

1. With little or no recruitment allowed, organisations need to build and maintain the skills of their existing staff.
2. Buyers perceive an increasing need for skills in all areas. The strongest growth is expected in business applications and technical management.
3. There is a definite trend towards greater discipline, rigour and professionalism in the use of IT methods and standards.
4. There is continuing high demand for training in project management, PRINCE2 and ITIL.
5. Organisations are continuing to demand increasing levels of management and business skills for IT professionals. In fact this trend is reinforced by points 2 & 3 above.
6. Most organisations have training needs in specific technical areas – some mainstream, some not.

Skills Requirements – IT Professional and User Requirements

KEY POINTS (continued):

7. There is a lack of consensus regarding how much (or how little) entry-level IT users typically know, but general agreement that virtually all recruits need IT training – at the very least in local flavour and standards.
8. Some user training projects – such as Office 2007 roll-outs – can involve very large numbers and therefore resourcing challenges.
9. Some IT users now require increasingly advanced skills.
10. Compliance is a major driver of user training – not just to meet external mandates, but for access to internal systems.
11. Open source is still/again on the agenda in the public sector.

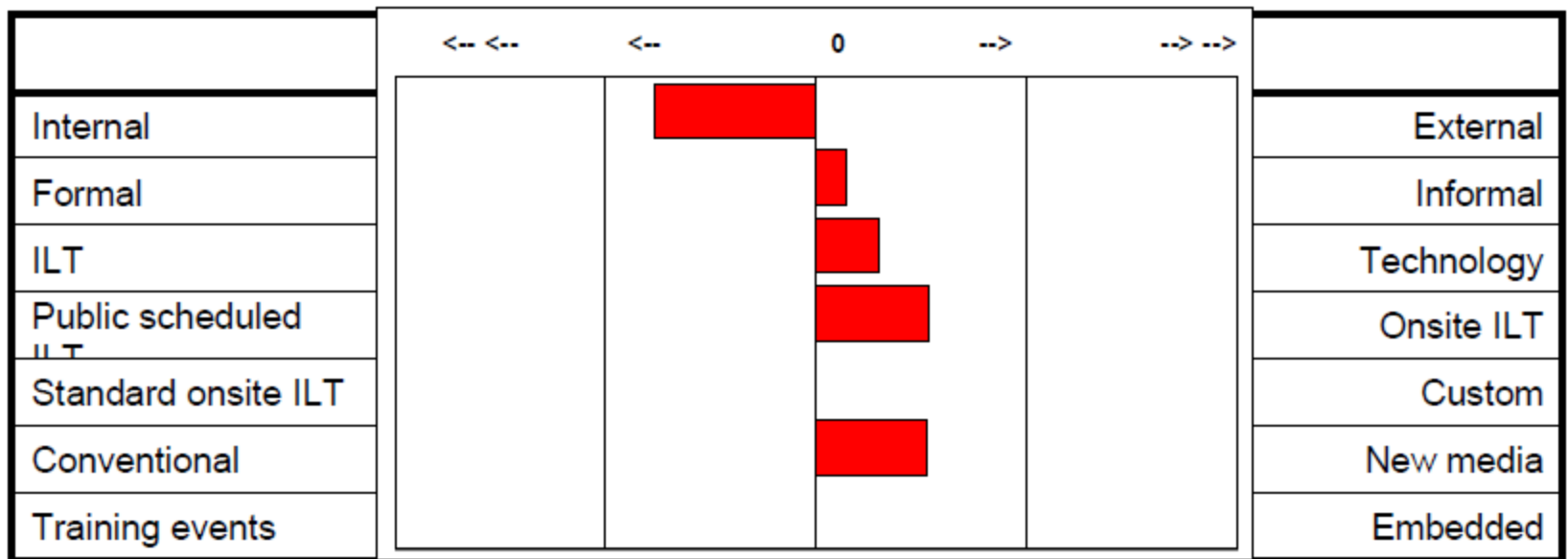
Certifications and Qualifications

KEY POINTS:

1. Attitudes vary but in the majority of organisations, certification for IT professionals is not seen as a priority for existing staff.
2. Certification is afforded greater importance in the recruitment process.
3. Even though employers are ambivalent, IT professionals are still keen for certification.
4. The public sector has a (financial) inferiority complex, and sees certification as a perk it can offer its staff.
5. Attitudes to IT user certification are also mixed; some organisations now regard ECDL and MOS (sic) as too simple or too general.
6. Those who have embraced the concept of custom (organisation-specific) certifications have seemingly made little headway in implementing them.

Training/Learning Provision

What changes do you expect to see in 2009 in the balance between the following alternatives?



Learning Methods

KEY POINTS (1 of 2)

On balance, buyers expect some shift from external to internal training, from ILT to technology-based delivery, from conventional to new media, and (within ILT) from public scheduled to onsite.

Training providers (particularly large ones) are not held in universally high esteem by the buyer community. Nor do the buyers see much differentiation between different providers.

Some buyers prefer to use smaller training providers.

Live web for virtual classroom/conferencing is taking off, and appears to be well accepted.

Learning Methods

KEY POINTS (2 of 2)

There is a strong push towards e-learning, driven less by cost considerations than by the challenge of reaching a large and widely distributed audience.

There remain obstacles to overcome in achieving acceptability and uptake of e-learning, mainly due to the disappointment and disillusionment that followed earlier attempts. Many IT training managers avoid using the term 'e-learning'.

There is widespread (but not universal) acceptance that e-learning needs to be blended with appropriate support including some form of live interaction.

There is rising awareness of informal/social networking media, but there is currently little use being made of them – due mainly to uptake and/or quality.

Demonstrating Value

In 2009, how do you aim to demonstrate the value to your organisation of (a) individual learning interventions, and (b) the learning function as a whole and how has this changed since 2008?

Key Points:

1. There is very little evidence that strategic HR initiatives (HCM, talent management etc) are impacting on the way the IT Training function is managed or evaluated.
2. In the majority of organisations, measuring and demonstrating the value of training is regarded as important.
3. A wide range of measures are applied, including Level 3 evaluation, ROI or KOIs based on activity levels. In some cases evaluation is subjective and based on visibility.
4. A lot of evaluation is of the individual (IT Training Manager) rather than the learning itself or the IT Training function.
5. Success breeds success. Where measures are applied they do generally demonstrate that the training is well worthwhile – which can bring real change in the organisational culture regarding attitudes to learning and training.