

Learning BPO - Overcoming the Misconceptions

April 2005 - Doug Harward

Learning business process outsourcing (BPO) services are now officially the most robust segment of the corporate training field. It's easy to understand why. Learning BPO (also known as training outsourcing) has become the logical solution for companies seeking to move from fixed to variable costs, and to shed learning functions that are not core to their business.

However, in a global economy now focusing on growth, companies are beginning to realize the transformational benefits of learning BPO inherent in a more comprehensive partnership. Enterprise-wide learning outsourcing infuses scalable design, development and delivery expertise and state-of-the-art technologies into learning so that it is able to deliver substantial business outcomes: improved performance by strategic workforces, increased productivity and faster speed-to-market.

Seven Misconceptions About Learning BPO

Companies that want to realize these transformational benefits may need to move out of their initial "comfort zone," where they restrict their benefits only to the cost savings they can realize by transferring responsibility for learning administrative services. Companies that remain in that comfort zone too long may be suffering from a number of misconceptions about learning outsourcing: what it is, what it does and what its effects are. Based on observations and discussions with a wide variety of companies, here are the seven most prevalent misconceptions associated with learning outsourcing:

- **If we outsource, we will lose control.** This is by far the number one misconception about learning outsourcing—frequently heard, but also misguided. In fact, the exact opposite is true. Companies actually gain more control over the output of their learning organizations through outsourcing because they hold the supplier accountable through service-level agreements. The supplier will inevitably bring more experience and global resources to the relationship than the internal learning organization can, and will bring a customer service focus to the relationship that an internal function can rarely achieve. Outsourcing learning frees organizations to focus on the strategic nature of their businesses, while also maintaining the rights and ownership of their intellectual property. This actually gives organizations increased control. Consider this: Learning executives typically spend 80 percent of their time engaged with tactical issues, leaving a scant 20 percent to focus on aligning learning with the strategic priorities of their business. When they outsource learning, they can actually reverse those percentages.
- **Outsourcing is a career-ending move for the CLO.** Learning executives often feel threatened by an outsourcing relationship, reasoning that their job responsibilities will be heading out the door with the deal. Once again, that is seldom the case. Instead, CLOs often gain a more tangible and visible impact on the business, while leaving the tactical learning execution matters to the outsourcing partner. They are more likely to be appreciated by senior management for their strategic contributions. In short, outsourcing can be a career-advancing move for the CLO. Learning executives at companies like Avaya have actually gone on to assume more senior corporate positions following outsourcing of the learning function.
- **We don't have a centralized approach to learning, so we can't see the value in outsourcing.** Many organizations do not have a good handle on what they are currently spending on learning due in large part to the fact that the majority of spending is decentralized according to business functions. This model misses the potential to align learning to drive significant business results to the organization. Learning BPO provides a catalyst for an organization to restructure its learning function into a true, integrated

business process, where learning is managed according to the top priorities of the business.

- **Outsourcing equates to job loss.** What happens with jobs after outsourcing can usually be described as a “shift” rather than a loss. Because two prevalent reasons to outsource are to bring efficiencies to the learning process and to reduce fixed expenses, a realignment of staff is often one of the effects. In fact, both the learning organization and its professionals can benefit. The organization’s mission is clarified through better alignment with key business objectives, while its best employees are most often hired by the outsourcing supplier, where their skills are developed and their careers enhanced. (For more, see “The Personal Side of Outsourcing” on page 8.)
- **Outsourcing equates to knowledge loss.** The fear of losing valuable “institutional knowledge” through learning BPO is frequently heard. But in a well-managed learning BPO arrangement, that is not going to happen, because you would never consider parting with your knowledge any more than you would permit an outside firm to make your strategic decisions for you. It’s all part of responsible oversight of your learning partner, and it should never be ceded to others.
- **A learning outsourcing firm could never understand our business.** This is a familiar refrain, but one that learning outsourcing firms disprove every day. How? In two ways. First, by bringing to the relationship deep industry experience that is at least the equal of the customer’s, as well as global subject-matter experience and design and development resources. And second, by investing the time to deepen the relationship so it can produce more of a transformational impact. That was one of the experiences of Sun Microsystems (see the case study on page 11). The greater value of Sun’s outsourcing arrangement came after the relationship had been established a year or more. Over time, an organization can reap greater value from outsourcing by partnering with the outsourcing firm to pilot new approaches, tools and techniques, and by pushing the envelope on the transformational value of learning BPO.
- **We can’t outsource until we have all of our internal processes cleaned up.** Anyone who insists on this cleanup as a precondition will never outsource. The fact is, improving internal learning processes rapidly and cost-effectively is one of the best business reasons for adopting a learning outsourcing strategy.

Don’t let these misconceptions stand in the way of advancing the business impact of your learning organization through learning BPO. Speak with colleagues and peers who may be further along the journey than you. What you’re looking to establish is an arrangement where customer and provider are continually working to move from a cost focus to a productivity and growth focus, always thinking about how learning can deliver a business impact.

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