



BY JEREL BONNER

TECHNOLOGY AND TRENDS DRIVING THE CHINA TRAINING MARKET

As the global markets tremble from the unraveling of the China stock market, one must ponder how this will impact China's efforts to continue to develop its workforce. The landscape of the China professional training market is a solid "Red Ocean" and is as difficult to understand as the Chinese language itself. The training market is big, complex and as dynamic as the local cuisine. It has everything a developed economy has, with of course a good dose of Chinese characteristics.

MARKET SIZE

The size of the training market in China is big, and muddy, depending on if it includes the English language training market. There are few Chinese suppliers that are able to scale to over a billion USD, but there are certainly a number of suppliers large enough to handle a Chinese-based deal. These are also national institutions that have learning centers across the entire nation. But the further west one goes, the harder it is to find the quality and breadth needed to execute on major projects. Most of the talent is concentrated in the Tier 1 markets of Shanghai, Beijing and Guangzhou, all of which have substantial variety and choice available to a learning leader.

Some training vendors are seeing a slow down in their business, while others are experiencing growth. This depends on the size of the operation, and the vertical market they are

servicing. If the Chinese economy continues to be bumpy, cuts in spending budgets will definitely happen sooner than later, as experienced in the fourth quarter of 2008.

TRAINING OFFERINGS

There are a plethora of training options available to the corporate workforce. All the top international MBA programs have established learning centers in one of the three top Tier 1 cities. Smaller institutions have already begun the migration to the Tier 2 cities in the nearby providences. These programs compete with some of China's best MBA schools such as Fudan, Qinghua, and Jiaotong University. Many of the Chinese institutions have joint venture partnerships to cross-pollinate their course programs for the highly eager to learn postgraduate in the workforce.

Vocational schools are also abound, and gaining more support from the central government to graduate more students. These students may not make it to college, but they are the backbone of office operations and manufacturing facilities. All this training is administered in Chinese.

There are many privately owned operations available in the market when considering training on the following topics: computer training, project management, international financial certification, software development,

coaching certification, logistics, Six Sigma and Lean Manufacturing, agile methodologies, and leadership development.

In another example of the market's diversity, Toastmasters is extremely popular, and has single handedly made a big cut into the "presentation skill and informal leadership" training game. Shanghai is approaching 90 clubs alone. Toastmaster is strong in all the big cities and is expected to have three districts within the next two years.

As found in many regions of the world, the head of learning has many viable options to consider when putting together a learning and development plan. The market is extremely competitive and well serviced, so performing diligent research on potential vendors is essential.

TECHNOLOGY

Technology is a big driver in China, and e-learning is gaining traction. One key factor that must be considered is the ability to adapt and deliver training programs to a mobile device. The Chinese use their mobile phones for a variety of purposes, so incorporating mobile learning into an e-learning solution is the key to succeed in the Chinese markets. One firm that is doing well in this market is MicroBenefits, a U.S. firm that delivers all types of training content to the phones of blue collared workers anywhere in China.

COACHING

Coaching certification is one area that is growing in the Chinese training market. Many international coaching certification programs already have a presence in Shanghai, and training managers are signing up for these programs to coach their management teams.

The Shanghai market is clearly fragmented with hundreds of boutique consulting firms that deliver coaching, training or change management programs, and everything in between. Expatriates and Chinese nationals own these firms. Some have purchased the rights to train such programs as Leadership Management International's leadership training, de Bono "Six Hats," Covey's Seven Habits, and many other corporate favorites. Consulting firms may also partner with assessment firms to provide a fuller service level. This is good news if you are in the market for this type of training, with so many viable options available.

INCORPORATING MOBILE LEARNING INTO AN E-LEARNING SOLUTION IS THE KEY TO SUCCEED IN THE CHINESE MARKETS.

TRAINING AGENTS AND FREELANCE TRAINERS

Training agents are individuals who have great relationships with HR managers and HR training managers. These individuals are registered consulting firms, and mainly serve the purpose to take orders and search for freelance trainers that are on the market to deliver the content. In China, these trainers are referred to as briefcase trainers. They walk into the client's office, set up their laptop, hand out the materials, deliver the course and leave. While they may provide solid training on the topic, they do not focus on following up after the event or ensuring the learners have actually learned or applied the content.

LANGUAGE CONSIDERATIONS

Most of the training programs in China will be delivered in Chinese. The best suppliers come to market with their content already translated. Even the foreign Chambers of Commerce such as AmCham of Shanghai, European Union Chamber of Commerce and AusCham, bring in Chinese language training providers for the membership attendees.

SUMMARY

The training market in China is just as complicated today as it was 25 years ago, just in a different way. Regulations change as frequently as employees hop jobs for higher incomes. Organizations are stuck with a double-edge sword, fork out training fees in hopes of developing their staff and praying that the managers treat them well enough so they don't leave too soon. Performing solid research and having a partner with experience in the Chinese training market can ensure a smooth market entry. ☺

Jerel Bonner is the founder and principal consultant at Sharpening Axes, where he provides organizational development solutions that align business strategies to employee engagement for international and local Chinese companies. Email Jerel.