

FROM WHERE I SIT

- DOUG HARWARD

HELPING BUYERS OF TRAINING SERVICES BECOME MORE SAVVY

One of the more critical roles of training managers is selecting a training supplier – one that is significant to their professional success, as well as the success of the training organization and ultimately the success of the business.

Unfortunately, selecting the right supplier is not easy. Training suppliers are not all created equal, nor do they all have the capabilities they claim to have. I wish I had a nickel for every time I spoke with a leader of a training organization

who was unhappy with the supplier they selected and was in the process of making a change.

The challenge in selecting a good supplier is in getting the right information about a supplier’s capabilities. We estimate there are more than 15,000 training suppliers in the world and each one wants to be unique. So how do we choose? And, how do we get the information we need to determine who we even want to get information from? We obviously cannot talk to all 15,000.

to us, we have a plethora of information. Our challenge is how to make sense of it all. Training Industry, Inc. recently conducted two research studies to understand how buyers of training services determine who they should engage for services or who they should solicit for a proposal. One study looked at the information buyers use when sourcing any type of services. The second study took a deeper dive and looked at the information used when sourcing hybrid, or virtual training solutions. (See *Figure 1 and 2.*)

Here are the three most important sources of information used by buyers when sourcing a training supplier, according to our research:

IDENTIFYING THE RIGHT SUPPLIER

In the old days (pre Internet), we got our information by looking at magazines, attending conferences, word of mouth from friends and colleagues, and information derived from meeting with a sales agent who called on us every couple of months.

Nowadays, with the Internet and all of the communication channels available

1 Recommendations and referrals from peers. The study defined “peers” as other professionals in the industry, whether in similar roles or respected analysts who study and evaluate the market. Getting advice from those you trust is a sound

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approach to making an important business decision, but with so much information available to buyers, it's interesting that they consider recommendations and referrals as the most important and credible source.

2 Existing working relationship with a provider. This is not so surprising based on the premise that it is safe to use an existing supplier when you know what to expect.

3 Web search. In today's content-rich world, we can search the Internet to find out which suppliers have the capabilities we need, how they are marketing themselves, and what industry recognition they have received.

The data gained from the research is obviously from a buyer's perspective.

Looking at it from the perspective of a training supplier tells us a lot about how to market. Many training suppliers market (or sell) themselves through direct sales channels. This approach involves their sales or business development employees making sales calls to leaders of training organizations to build closer relationships with buyers. Based on what the buyers have shared with us, this does not have much impact on their decision making when sourcing a supplier. In addition, logic tell us it is incredibly expensive and lacks scale, as sales professionals are limited to the number of buyers they can call in a given day.

SUMMARY

From where I sit, the studies tell me that it's more about demonstration of capability as opposed to verbal expression of

capability. The best way for training suppliers to be recognized in the market is by demonstrating their expertise. Ultimately, they have to be good at what they do so they can get referrals from past clients, and they should leverage those relationships to add further value.

In today's content-heavy world, buyers of training have become much more educated and savvy about getting information on suppliers. Buyers use information from their peers who have experience with suppliers, they pull from their own experiences, and they look to the Internet to see who has demonstrated thought leadership in their field. 

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FIGURE 1. INFORMATION SOURCES FOR EXTERNAL PROVIDER PARTNERS

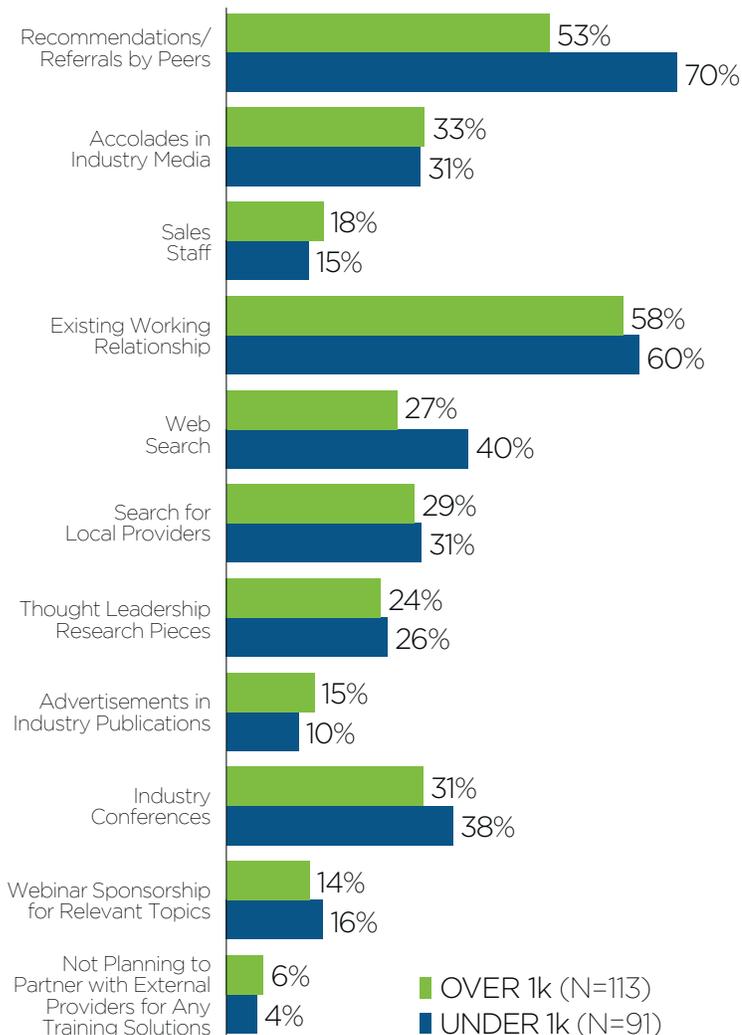


FIGURE 2. INFORMATION SOURCES CONSIDERED WHEN SELECTING A VIRTUAL/HYBRID TRAINING SOLUTION

