

Trends in Training - 2011 Mid-Year Review (Aug 11)

By Doug Harward

In December of 2010, TrainingIndustry.com published 10 trends that were reshaping and redefining how organizations provided learning solutions. And with these trends, we predicted how we expected them play out in the near future. Now that we are at the mid-year point of 2011, let's see if and how those trends are materializing. And depending on where your organization is, you can determine if you are right on track or if you need to readjust your path to the future.

1. Corporate training spend is up – Just as projected, corporate training organizations are definitely spending more for training services. I predicted that training spend would be up by as much as 7 - 9% over 2010 levels. It was based on the idea that companies were delivering positive earnings and there was a general optimism that the growth in training spend already occurring in 2010 would continue into the new year. For the first part of this year, we saw very strong increases across all segments of the training market. But because of the current lack of confidence in the financial markets, we may see some pull backs in some segments through the end of the year. Therefore, I'm adjusting my prediction for an overall training spend increase this year to 5 - 6% over last year's levels.

2. Staffing for training positions are up – But job growth is not up by much. The big question is where are the new jobs coming from? And when will they increase in big numbers? It was expected that buy-side training organizations would increase full time staff by a very modest level (2%) and so far this looks to be playing out. I also expected job creation by training suppliers to be up by as much as 8% this year. It looks like suppliers are definitely hiring this year, as most of the jobs are coming from larger, Tier 1 suppliers. Smaller training companies (Tier 4 suppliers) are not performing well and generally not generating new jobs. I'm expecting that job growth for the year to come in 4 - 5%. Pretty good compared to other industries, but not good enough to deal with what we lost the last few years.

3. Popularity of outsourcing is changing – There are two important trends occurring in outsourcing. Depending on your perspective, one may be considered good news and the other may be considered bad. Overall, outsourcing for training services is increasing as companies are looking to suppliers for more services as opposed to hiring internal staff. This may also mean that the general perception that training outsourcing is a bad thing is decreasing; it's becoming more common and it's where jobs are being created.

The reality is that our industry and profession depends on outsourcing, although some people still don't want to admit it. All indications show that the use of contract services for content development and delivery is up sharply this year - mainly as a risk mitigation strategy for companies who are hesitant to hire full time positions until they are more confident about the future economy. What is not increasing is large scale, comprehensive training BPO, although selective outsourcing deals have been strong for services such as content development and training delivery, especially for sales training. I think selective BPO deals will continue to increase for the next few years, as well as out-tasked licensing and contracting services. But there is no indication that comprehensive outsourcing will be a viable business strategy any time soon.

4. The role of the learning leader is shifting from program manager to a solutions architect – I still believe this is one of the most important trends affecting our profession and our industry. Sophisticated, well positioned training executives get this. But unfortunately old paradigms are hard to change. Managing training organizations as if they were academic institutions continues with many training professionals who just don't know another way. I believe the snow ball is beginning to roll as corporate executives are putting a lot of focus on how to reduce the costs of managing a training organization and looking for better models for on-demand, solutions based learning. Let's face it – students want the learning leaders to change too. They want access to content fast and easy. I believe the snow ball will continue to gain momentum in the months to come and this change will become more the norm in the years to come.

5. Learning technologies are becoming social, collaborative and virtual – I would be surprised to find anyone who doesn't believe this is now mainstream practice. We've all heard the statement that we are in the age of social learning. Many people would agree that the LMS has become a commodity

platform. Acceptance and implementation of learning portals are growing. The portal is the integration of social, collaborative and administrative applications into one learning environment. They serve all user groups; the administrators, trainers and designers; and most importantly, all customers, both internal students and external clients – all in one platform environment.

6. Speed will become the new mantra for training – Time is money. Businesses expect learners to become proficient faster than ever. Students want to learn faster and they don't want to waste time having to go to courses that are not needed. We are in a hurry up, instant gratification society and we don't want to wait for anything, including training. There is no doubt that speed is important in every facet of our profession. Students want to learn faster. Businesses want students to learn faster. Colleges and universities are offering more "accelerated degree" programs than ever before. Traditional training programs that required students to spend time learning content that they don't need is no longer being tolerated. Not only am I convinced this trend is here, I think the need for speed will never go away. The question in the next few years will be how we as training professionals handle the quality of learning "QOL" question.

7. Convergence of educational institutions to the supply chain of corporate training will change the supplier landscape – And boy is it ever. Colleges, universities and for-profit institutions are under severe budget crunches requiring they generate revenues from new sources. And they have their sights set on the \$120B corporate training market. With the idea that they have the market cornered on delivering degree programs, and the demand is still high for credentials in learning, they have a clear edge on taking a big part of the market share of training dollars. I expect the competition here to become fiercer in the next few years. More federal dollars will flow into this market for training programs in cyber security, utilities and energy programs. My fear is how hard it will hit independent training professionals.

8. Learning content is being transformed for easier consumption – I'm firmly convinced that the greatest competition over the past 15 years to what we do as training professionals has been the emergence of search engines like Google, Yahoo!, Bing and YouTube. Search engines have become the first source of intelligence and information to help us solve a problem. This search engine approach to problem solving is making training professionals think about how to create and provide content in smaller, consumable objects, accessible in online worlds we never thought of before. Look at how many companies are putting video content on YouTube and creating private channels for learning programs. Short how-to-videos are becoming staple approaches to learning portals. The good news is that creating content in smaller, consumable objects is less expensive than creating courses, scheduling an event and hoping there are enough students to warrant the cost. And yes, this is also called e-learning. But let's not confuse e-learning with access to knowledge-based information.

9. Success metrics for learning will be based on content access, views, involvement and downloads – The best way to understand this trend is to think about how organizations measure activity. In traditional training organizations, success metrics have always been based on how much training was done and how effective the programs were. As learners become more in control of their learning experience, we now have to measure the individual's activity associated with access to knowledge-based information. Let's face it, the storefront to the future training organization is the learning portal. The measure of success is becoming how much content is being consumed from the store. Measures are looking a lot more like web master metrics. The biggest issue I'm seeing here is the slow adoption of this trend. Just like the trend of the learning leader, old habits are hard to break. This one will follow the trend of content and portals. As they evolve, so will metrics.

10. Learning leaders are becoming much more focused on relevancy of information – Relevancy may be the hottest buzzword in the industry today. How do we make our content more relevant? Are we delivering the right programs? Is our content relevant to the business' needs? There's no question that today, more than ever, the focus of the learning leader is to make sure that everything they are doing is driven by the economics of learning. We are past the days of spending on training programs because they are popular topics. If the training is not relevant to a specific business need, in an economic climate like we are in today, it is a target for elimination. And this is good news. This is right for our profession. And I don't see this changing.