

## There may be trouble ahead (Jan 09)

Donald H Taylor doesn't mince his words as he looks at the gloomy outlook for training in 2009. It's time for tough talk though, as he predicts that only those with real business acumen will survive.

The outlook for 2009 does not look good; The downturn has only just begun to bite. In retrospect, Mervin King's use of the word 'recession' in November 2008 - which seemed shocking at the time - is going to look like a warning whispered way too late by this time next year. This international recession is not the downward part of a regular cycle in the economy, but the result of a systemic failure of the banking system that underpins it. As a result, according to the OECD, the recession will be deeper and last longer than the one or two quarters forecast just before Christmas.

### What will the implications be for training professionals?

If you're working for a classroom training provider, you probably already know the answer. In the smaller dip of 2002/2003, classroom training companies suffered as clients cut back on classroom delivery costs. It's a simple calculation: no classroom training means no fees and no travel, a quick saving in tough times. Right now, the manager wielding the knife over the budget has no hesitation in cutting all external training beyond what is legally required.

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But don't people still need training? Of course they do, but training is still seen as being rather like painting the woodwork on the outside of the house. Everyone knows you have to do it, but even if it looks really bad, you can let it slide for a season or two until structural damage sets in.

In 2002/2003 a number of classroom training companies went to the wall. We can expect worse in 2009, as demand plummets.

For Learning and Development professionals inside organisations, the situation is little different. Training is a cost, and right now costs will be cut. You probably already know several people in L&D who have been made redundant, good people whose departure is a loss to their employers. Expect more to come in 2009, as individuals and whole departments are axed.

But it's not all doom and gloom. Just as the recession is affecting retailers differently (Lidl and Aldi's sales are up) so there will be survivors in the training community too. Experience suggests that four types of training companies will survive:

- Niche providers offering a unique product or service
- Those with parent companies content to support them during the bad times
- A few providers offering low-cost public courses
- Providers closely integrated with their customers

A similar pattern will emerge among internal training departments, with the following being the more resilient:

- Departments offering 'must-have' training (for compliance, or specialised systems)
- Those whose parent companies are unaffected by the recession
- Departments which are seen as closely integrated with their employers

### Is your department on this list?

If you cannot confidently put yourself in one of those three categories, you may find 2009 a bad year.

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Survival in these times is partly a matter of luck, but you can alter the odds in your favour: If you are part of an L&D department, there's no point starting on a campaign to convince high-level executives that everyone needs training more than ever in a recession. If you haven't already convinced them about the value of development in the good times, it isn't going to happen now. Instead, concentrate on the tactical.

#### **Here are four suggestions for surviving the downturn:**

1. **Align with management plans:**  
Rather than suggesting to management that training is a Good Thing in the abstract, find out what anti-recessionary programmes they are putting in place, and point out where the L&D piece is missing. If it's a new product launch, how will the sales team be briefed? If they are aiming for more productive working, how will people be encouraged and trained to adopt the new methods as quickly as possible? Things don't stop in a recession. Right now somebody is planning something in your organisation that will almost certainly need some training. Jump on it.
2. **Cut costs with technology:**  
Technology-supported learning is one area that will become more popular in 2009 as companies aim to cut costs but maintain training. Won't technology and tools cost money? Possibly, but it may still be cheaper and faster than delivering classroom training, so you can make a strong case for it. Alternatively, if you have no budget, visit training technology guru Jane Hart for a swathe of recommended free learning tools. With the explosion of hosted services from trusted suppliers such as Microsoft (Azure), Amazon (Web Services) and Google (Google Apps), the idea of tools out there 'in the cloud' of the internet is nothing strange anymore. If they help you continue to train on a restricted budget, great, but don't keep it under your hat. That's the next tip.
3. **Learn to speak a new language:**  
Learn 'recession speak'. The buzz words will start flying as the economy worsens, and part of your protection is not being out-foxed by it. The other part is putting your own case. When management is talking about the bottom line, operating margins and sweating assets, not only do you have to know what they're talking about, you need to fight back. 'Training courses', 'completion rates' and 'curriculum development' make sense to you, but that's your jargon, not theirs. Instead, explain how 'building the employee skills base' is 'boosting productivity' and 'contributing directly to the bottom line' (provided you're actually doing this, of course. If you're not, this is the time to start.).
4. **Get networking:**  
There are always lots of good reasons to network with your peers in other organisations, but right now there are two excellent ones.

First, other people are in the same boat. Sharing thoughts and useful practical tips about how you're coping with the downturn will invite others to share theirs, too. One of them could be just what you needed to know. Social networking tools like Facebook are great places for this as, of course, is [TrainingZone.co.uk](http://TrainingZone.co.uk).

Second, this is a small industry. The more people you know the better. Establish your credibility by being honest and useful in your comments and adding what insight you have. People are always looking for talent. By networking, you'll have started the search for your next job before – hopefully – you need it.