

## What does 2015 have in store for outsourced training management? (Jan 15)

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Written by Tony Wilson on 15 January 2015

**Tony Wilson** considers the key trends in OTM for the year ahead

**Although we are beginning to see the green shoots of recovery from the recession, some businesses are still risking their success by maintaining the cut-backs initiated five or six years ago and still viewing training as the 'poor relation' in terms of business development.**

This is a dangerous view to take on many levels. It disengages staff who feel they are not being developed or invested in. A lack of training means a lack of skills and professionalism, putting an organisation's reputation and competitive edge at risk. The skills and expertise of outgoing staff are not replaced and organisations risk potential non-compliance with key legislative requirements - which can result in significant financial penalties and/or lost contracts.

Historically, small and medium-sized organisations have been quicker to recognise the value of outsourcing key services, such as learning and development, because they feel time and financial pressures more directly. In order to be profitable, they have no other option but to concentrate on their core activities and realise that outsourcing certain business processes gives them the time to focus on what will improve their performance.

In 2015, we will see an increase in the number of SMEs using OTM providers and we will also see larger organisations accepting even more, the value of business process outsourcing. There is a recognition of the need to work smarter to gain a competitive advantage in a recovering, and therefore challenging, economy. We will see more processes being outsourced - not just training - to free up cash, personnel, time and facilities.

In terms of OTM specifically, we will also see a continued growth in e-learning, as the internet and advances in mobile technology continue to offer far greater flexibility and mobility. With the right equipment, e-learning can take place anywhere, at any time and is proven to be very effective and offers a huge cost saving.

Training courses will also have to be more accurately tailored to an organisation's direct needs – providers will have to start to modify generic courses, if they want the business. More thought will have to be given in terms of both subject matter and how the training is delivered, be it classroom-based, online, coaching or distance learning.

The need for OTM providers to educate the corporate world on the benefits of thinking 'outside the box' will also continue. All too often, businesses stick with what they know due to uncertainty about the options that exist outside their organisations. To some, outsourcing seems like a radical, expensive and therefore non-viable solution, so they need to be better informed about the realities of outsourcing and the benefits that can be gained.

Those who fear a loss of control as a result of outsourcing will need to be educated too. Working with a good provider can actually give control back to a business, as they are able to focus on their core activity in the knowledge that personnel are being developed to help drive forward improved business efficiencies. Sometimes when people are not dealing with training as their job, corners have to be cut and so control is only perceived, not actual.

Some organisations fear that outsourcing will take up too much of their time in managing the provider, so they may as well manage the process themselves. Good providers focus on making the management processes as straight forward as possible, taking on all administrative tasks associated with training. The only management that needs to occur from the clients' side should be to read and, if necessary action, the providers' reports.

OTM's popularity will continue to grow rapidly throughout the year ahead, with effective providers working in partnership with their clients to help them identify their staff development needs and avoid unnecessary training costs, by streamlining their training processes.

Another benefit of using an OTM provider is that training is far more likely to be delivered on time. During busy periods, training programmes can be side-lined because the person meant to be organising them is 'busy'. By outsourcing the responsibility, organisations are guaranteed that their training needs will be dealt with and not forgotten.

This year, I believe there will be an increase in the use of 'vendor neutral' OTM providers, who do not physically deliver the training but who organise relevant training suppliers, negotiating good rates and who gain no profit from running a course but instead charge a fee for the administration. The alternative model is training companies that offer a service that covers the administration and management of training but deliver the training itself and obviously not at the prices that a vendor neutral provider can find.

The benefit of working with a vendor neutral OTM provider is that they have the flexibility to source any type of training course for any specialism, whereas training companies are reliant on the knowledge and skills of the training staff they already employ. Also, vendor neutral providers are able to source excellent rates and discounts, due to their ability to bulk buy training courses, thereby achieving savings that are then passed on to their clients.

In summary, 2015 will see an increase in organisations thinking outside the box in order to streamline business processes and drive forward increased efficiencies. This will include the outsourcing of a number of key business functions, including training, as companies begin to reinvest in staff and business development. The competitive edge will be gained by organisations who work with outsourcing providers that enable them to work smarter, not harder and save money doing so.

About the author

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