

## What will the future of training be?

*The tension between use of commodities and active learning.*

Several consultants in charge of business education face the topic of the future of their professional services. One consults many firms, the other is employed in a Global company. Others are independent. The green canopy of huge trees has put the terrace in shadow. The heat of the day is yet to come. A trainer-broker, with a large network among HR professions, told a new vendor on the market: "When I look at the course descriptions in your brochure and I compare these to the descriptions of the trainings provided by the BMW Training Academy, I do not see any difference". "This is probably the European style"?

He has never seen trainers of the BMW academy in action nor the trainers of this new vendor. He compared the words on paper. A trainer adds: "the training company that provided my training to become a trainer, still has the same Training to Trainer on the market. But the director of that training institute heard from his clients that the freelance trainers who execute trainings do not differ from those of any other vendor. So **the original competence differences faded away, although the words in the flyers promise differently**".

### **Incident or systematic?**

We asked ourselves if this is an incident or does it happen more often? Another trainer disclosed that he knows of an international company which bought trainings from a world known leadership firm, DDI. But they do not work with these trainers any more because they mechanically copied the standardised trainings. The promises on paper were much more shining and lively.

Is it incidental? Maybe. But in training providers the basic promise can change with the change of values and of business concept. The independent consultant makes this statement and analysis of the training industry using the concept of the development cycle of companies. Training, consulting and assessment firms can develop so it favours the difference between the original promises and the actual performances twenty or more years later.

### **How does the company development cycle work?**

*Creation stage.* A person, two people, develop a test over the years, a method for influencing, or a concept on development. They develop and execute. They adapt their actual working to the present group of participants. So the scheme of working renews and varies all the time. Their earning model is a fee for their invested time. Their aim is to add value to the client. By doing so they add value to themselves too.

*Commodity standard.* After having done this for some time one asked: "are we going on in this way, or can we earn money out of what we developed in a way we do not have to be involved ourselves?" "A way of earning money that is not connected to our time fee?" The first new earning model is: standardise a program, sell 'the proven intervention' to customers and let the execution be done by others who are trained to copy the script of the standardised program. The promises to the clients are the same. In this earning model out of all executions of a standardised training a net profit must be generated of at least 40%. In reality this often depends more on the fee the free lance professionals get, the sales activities and, most important the investments made to keep the executing trainers

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at a high professional level. Quality assurance activities are another factor that can range from damage control to investing to the best quality. Activities in this cycle are: standardising of trainers scripts, participants workbooks, training material, schedule for participants.

*Expand from home market to new markets.* This earning model can be extended to areas that are more than 100 kilometres away from the original economic place of birth. Growth of turnover and profit expands the market. Many actions at this stage are: 1. hiring more sales people who sell the standardised solutions. 2. training trainers in these more distant areas. A new line of business adds to the earning model: licensing of trainers. The training of trainers is also standardised. Trainers who are able to train the trainers according to the handbook are in this phase often hand-picked.

*Full growth* is realised by actions on different levels at the same time; for example, a sales force with salesmen, no professionals, who travel to important companies to seek worldwide contracts; develop execution centres in several areas in the world staffed with salesmen and a training-to-license-trainers programme to execute specific trainings. No further development of trainers, only selection based on training evaluations. The global contracts are executed by local professionals attached to the local centres. In essence, the earning model does not change: execution of standardised actions and the training of executors. The market penetration is extended. A new line of earnings is added: prescribed required books, or tests. Bought often in a separate shop (mostly online). Actually no new value to clients is added in these activities. The investments for the mother company are huge: a new sales force; travel costs are high; investments in training for trainers; a quality security system; internet services.

*The crises.* More of the same with some new features. Two tactical options: More local centres staffed with sales people. with Trainings for Trainers and a group of freelance trainers. Another tactic is to license professionals for a specific training and they are free on the market. They pay a fee to the centre for each execution. The centres provide all material via the internet. Participants must use tests or books provided by the centre and pay directly to the centre. These operations absorb the attention of the management: standardisation and quality assurance is interpreted as copying in the best way. Clients are served everywhere with the same model and the same practices. The commodity is cheap, content is predictable, ready for use.

The emphasis in these models is that the turnover has to grow to realise the investments in the support organisation: local staff, local and global sales; internet and sales materials and meetings, campaigns. What is done to get a hold on the costs, investments?

Standardisation of the materials and procedures. The training of the trainers is directed to execute a specific training. This limits the trainers' education costs and no need for new investments in trainers. When more trainers are available the fee for trainers can be kept low.

The management focus is on efficiency at this moment in the life cycle of HR service companies. All procedures are standardised with internet support; an outflow of people and standardisation of proposals to clients. Often price fights and increasingly more gifts to clients to buy turnover. The high graded professionals are out of the company, some old ones are in, but not involved in the training of trainers or in coaching their improvement, but direct in persuading clients to buy standardised products.

6. At the *end stage* of the lifecycle the HR company orients ever more towards producing low impact commodities. They are driven into the area where they have to compete with

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the e-learning providers. No classrooms, standardised exercises and knowledge tests, with online coaching added with at the spot coaching by in-company coaches. These providers have an advantage with these trainings over many years.

Many training companies face this development. Many are in the top of the life cycle and face the challenge on survival. Most training companies are mature, developed by the baby-boomers, and face now a completely different world. For the time being most are only in the action mood of efficiency and grabbing more turnover with simpler and more standardised commodities.

### **What is new?**

What are developments on the market of Educating, Training in Global and bigger international companies? Now, in 2013, and in the future? The participants in the conversation share all their ideas:

1. *The standards for quality and impact of training* are kept high by the internal professionals in the HR departments. They have seen many effective and sustainable training interventions. They know that organisational learning, educating people has a different impact from consuming commodities. In a learning process the employee will create new value for himself.

2. The high standards on impact arise from the knowledge that the impact is only 20% based on a nice standardised script, 20% on the experience of the trainer with the script, and 60% on the ability of the trainer to align with the participants and get them in the learning mood, adapting the programme instantly to the learning process of that moment towards the desired goals. This is *the challenge for on-line courses and training: to engage participants in online activities as if it were face to face*.

3. The need for cost reduction of the overhead is general in all companies now that the economy is generally slowing down. So companies face a challenge. How to reduce cost in a way that at the end of a cost reduction the situation for learning is improved with fewer costs? How to improve learning now with new technology that adds different value to the learning process, by rearranging the learning activities, not just by cutting cost.

**Different companies create their own solutions.** Many companies experiment with finding new answers.

🕒 A Youth Health care organisation in the Netherlands invests in different levels of services, so qualified persons do various tasks. Education is less general but more specific for a specific task area.

🕒 A global provider of package transport transforms all the standardised trainings that are now done by highly experienced instructors in special constructed apps available when the learning person needs this instruction. The instructors' role changes to on-line coaching.

🕒 A worldwide active IT company shifts the focus on learning kick off in a class module to the follow up by individual or group coaching sessions, online, or by telephone with or without image.

Perspective:

On the technology side the app development gives many new opportunities for instant learning, especially combined with coaching on the application in practice.

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The push way of training, as is done in the standardised trainings with standardised execution, does not lead to the desired sustainable success. The dominant money driven push of commodities, the human standardisation or technology push does not lead to the qualities people need in the future organisation. Training ought to be education.

There is need for training designs and trainers who can work with groups in a pull way. This can only be done by trainers who have a different profile rather than being effective in a standardised model.

A search for these types of competences will be challenging for HR and CEO's of Training institutes. But it gives no indication as to how they can both come out of a blind alley. They have to rethink their earning model. New alignments of trainers, based on professional values and personal interest on adding value to the participants in forms of partnerships are a new base for creating new asters.

There is need for e-learning innovations that apply the technology of the communication. Apps, smart phones, app groups for peer coaching and online coaching. These personal value based partnership can create the answers modern industry needs.

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After conversations with Sheree Choon-Neo, Wilson, Joanne, Johnson

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(1) Future Work skills 2020. Institute for the Future for the University of Phoenix Research Institute.