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A Potential Gold Mine

As a staff-support function, training undoubtedly guarantees high returns. Yet, when faced with budget cuts or economic downtimes the training department is almost always pushed first in line to justify its existence.

Trainers, in their defense, can boast that employee training brings in a much-needed strategic advantage. However, not all managements consider training as an important strategic asset. That is because unlike functions such as production and sales, training does not primarily aim to generate revenue.

Nonetheless, if a training department has considerable expertise or broadly applicable courseware comparable to commercially available material, why not sell it to interested outsiders? Many trainers see nothing wrong in peddling wares in their spare time to recover some costs. Some though are still unenthused about the prospect.

Commercial gains?

Altruism aside, to a large extent the capacity to generate revenue dictates survival of the corporate world.

Converting internal training initiatives into a full-scale commercial venture is not everybody's cup of tea. In the bargain, most organizations end up mismanaging their own employee training. The idea is to sell that much training that can use revenue generated to subsidize internal employee training.

However appealing the idea requires significant business shrewdness and marketing resources. Can organizations use training departments to earn revenue without upsetting their internal training initiatives? Yes, they can.

Case in sight

A small title company, a business partner of an established savings bank had no training department. The bank on the other hand, had a 25-person education unit specializing in customer-service training. When the owners of the title company asked the bank for a 'training' favor, the bank responded with a full-scale performance-consulting intervention.

The first stage included a needs analysis where trainers spent hours sitting in on meetings and listening to phone calls. This was followed with customer reports and mock customer calls to evaluate employees' telephonic skills. With the analysis in place, the bank designed a training program to plug the gaps. The company now boasts of a 'customer-service' proficient staff!

The training operation was done in spare time and although the bank did not bill the title company for the favor, its owners wanted to pay for the training. While the sum was "a drop in the bucket", the experience showed the bank that other organizations valued its expertise and that selling training in this way can help recover a few overheads.



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To better deals

The bank recently joined a learning consortium where organizations from different industries, ranging from health care to sales barter and buy training resources from each other. Now, when the bank runs an internal course on topics such as time management or team-building and has extra seats, it sells them to interested consortium organizations.

Thereby it benefits..

The bank is of course particular about who it sells its seats to. According to their vice-president, only non-competitive organizations qualify. Moreover, courses conducted are on topics that their trainers would deliver anyway. Thanks to such commercial ventures, training departments can try to become profit centers, but the last thing most organizations would like to see is their training resources being diverted to full time, large-scale outside efforts.

The bank's management keeps an eye on all their commercial escapades.

Money makers!

Organizations that can make money from training fall under two distinct categories. The first category comprises companies like the Ritz-Carlton Hotel Company and Walt Disney Co. These companies are so prominent for the way they run certain business operations that other companies are willing to pay for their guidance.

The Disney Institute conducts one to three day seminars where instructors share the company's best practices in customer service and loyalty, leadership development and team building. The seminars provide outsiders an opportunity to *"experience the business behind the magic."*

The five management training seminars that the Ritz-Carlton Leadership Center conducts for the public include topics such as motivation, performance management and employee selection.

The common

The second category of money makers sells training to their customers, business partners and dealers. It is common to see software application suppliers and equipment manufacturers sell basic instructions to product users. They also offer professional training to system developers, engineers, system administrators and authorized salespeople.

Selling training, along with products, ensures that customers use them optimally. Apart from generating revenue, it also guarantees more satisfied customers. When Dell added complex servers and storage products to its existing product line, it simultaneously spruced up its education services department.

Dell Education Services offers training in the form of programs that teach basic applications such as Microsoft Office. These programs are held primarily for the general-user population and are available in classrooms, CDs and in online versions. However,



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when it sells programs to major corporate customers, Dell ensures that the training offered leads to certifications Cisco, Novell and Microsoft amongst others.

The balancing act

Organizations into selling training make certain that the profit-making side of their operations does not distract them from their internal efforts. Money made is reinvested in internal employee development.

As training is the first to go when the economy slows, it would serve an organization well to adopt the "training-for-profit" mantra!