



Outsourced Training:

When to Do It and How to Do It Right

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Business process outsourcing has increased dramatically over the last decade. Information technology, customer service and support, research, and financial services have led the way in off-shore outsourcing. But vendors do not have to be located in foreign lands to provide high-quality essential services at reduced costs.

Many of the HR functions that used to be handled internally, such as recruiting, payroll, and benefits administration are successfully outsourced to domestic or international vendors who have staff in strategic locations. And now many companies are looking to outside firms to fulfill both internal and external training needs.

There is no shortage of suppliers and outsourcing can be a great option to meet ongoing or sporadic training requirements for both hard and soft skills. When and how to do it effectively, however, very much depends on your specific situation.

Training Need Level

The first consideration is whether the need for training at an organization is low, medium or high. It may be appropriate to outsource in any case, but in order to properly assess alternatives, the anticipated level of need is important. The following chart defines the three need levels:

The flip side of training need level is the amount of training resources an organization has at its disposal. A low need and an abundant internal training staff is indicative of a problem that outside resources will not help unless other steps are taken first. On the other hand, a high training need level coupled with plenty of internal resources does not necessarily mean that the situation is optimal. Unless the training needs of an organization are consistent and constant in terms of the type of training and the number of people who need training, a large internal staff can be underutilized during some periods and over taxed during others.

To determine appropriate training staff levels and whether internal or external resources are appropriate, the following questions should be asked:

- Are training needs predictable?
- How many staff members require training each month, quarter, and year?
- What type of training is needed – technical, procedural, compliance, leadership/management, sales and service, or interpersonal skills?
- Is subject matter specialized or general?
- Does training ever extend outside the organization to customers or partners?

	# Employees trained per annum	Frequency of training courses	% Technical Training	% Management or Interpersonal Skills Training	% Sales or Service Skills Training
LOW	1-100	1-4 per year	< 30%	< 40%	< 30%
MEDIUM	101 – 500	1-12 per year	> 30%	> 40%	> 30%
HIGH	501+	4+ per year	> 35%	> 30%	> 35%

- Can training and education needs be met on short notice in the event of significant change or disruption to their organization, such as a merger or reorganization?
- What are the long-term costs of maintaining internal staff versus outside resources?
- What metrics are used to track training effectiveness?

Depending on the situation of each organization, it might be appropriate to outsource all or part of the training function. An important point to note is that the decision should never be made on cost alone. Although this is the most common reason cited, both for outsourcing business processes and for keeping them internal, it is important to thoroughly analyze the quality and effectiveness for both options.

In order to do that, it is useful to review the stages of a training engagement or program.

Training Process in Context

1. **Define the training objective.** No training course can be effective without first articulating exactly what the training is meant to accomplish. The program designer must be able to complete the statement, "After completion of this program, participants will ..." Completion of that objective statement is essential to successful execution of all subsequent steps. Ironically, this first stage is much more likely to be vaguely defined, or overlooked entirely, by internal training resources. The reason being that they are usually not required to demonstrate a return on investment, as outside suppliers must.
2. **Develop the program.** Designing an effective training program is a matter of the correct match between the audience, the material, and the objective. The program developer must understand what behaviors need to change in order to achieve the desired outcome. He or she must be able to view the content from the point of view of participants so that true learning can take place. This may appear

to be an advantage for internal training staff because they presumably know the audience already. However, be aware that internal staff can fail to see the forest for the trees and it might be a good idea to get an outside perspective.

3. **Deliver the program.** The importance of delivery method cannot be underestimated in training. Before deciding whether a program should be delivered via lecture, interactive classroom, hands-on with instructor, online with instructor or self-guided, etc., the objective should be considered and the program developed for the delivery method that is most likely to achieve that objective. If the goal is simply to comply with a legal requirement, simply providing information via the company intranet could be sufficient. But if the objective is truly to change behavior and affect performance, serious thought should be given to how best to make that happen.
4. **Evaluate training effectiveness.** All training programs should be evaluated for initial impact. Not only should instructors test for what participants learned during the program, but feedback from audience members should be collected and reviewed immediately. Looking over evaluation scores days or weeks after a program is delivered is rarely helpful and never sufficient. Instructors and program designers are no different than the training subjects themselves. The more immediate and specific the feedback is, the more valuable it will be for assessing the program's effectiveness. This is an advantage for outsourcing because external suppliers generally must report evaluation scores quickly and they are more accountable for results in the short term.
5. **Monitor behavior and results at regular intervals after training is completed.** The appropriate period of time will very much depend on what type of training was delivered, but if the objective was properly defined, there should be tangible results to

observe and track. It is important to know if the training was effective in the long term and whether reinforcement will be needed.

6. **Report the results.** This step is not just for outside vendors. All trainers should report results of training to stakeholders within the organization and to the training participants. Training professionals frequently lament that the value of training is under estimated. This is usually correct, but it is also true that results often go unreported. There is a common misperception that results achieved through training are nebulous and difficult to quantify. This is not true. A training program that is correctly defined, designed, and delivered will achieve measurable results that can and should be reported.
7. **Refine, refine, refine.** Rarely is a new training program perfect the first time out. Even when it is, things change quickly in today's business world. The most dangerous thing a trainer can do is rest on the laurels of a good program. The human instinct to focus on the negative has its uses. Paying attention to those slight imperfections or that one bad evaluation can lead to improvements that will make a good program a great one. This is a definite plus for outsourcing because providers who serve multiple organizations and industries have the opportunity to refine more frequently and a greater volume and variety of feedback.

Choosing a Provider

Be warned, not all training providers are equal. The spectrum of services is wide and the standards of quality range from outrageously unacceptable to literally awesome. Most fall somewhere in between. The most important consideration in choosing a provider is the organization's objective. As with training itself, if an organization is just looking to fulfill some type of requirement or to check off that training took place, there is no need to spend time shopping around. But if the objec-

tive is truly to make a difference, to achieve a result through changed behavior, then the following criteria should be used to evaluate suppliers:

- A. **Standards:** Every training provider on the planet claims to have high standards, but there is a real difference between talking about them and living up to them. The question is not so much what the standards are, but how they are achieved. Usually the answer is in the quality of the people and the process, along with attention to the objective. A truly good training provider will not settle for less than achieving the objective of the organization and will not hesitate to say so if the objective can't be achieved through training.
- B. **Qualification Process:** If an outside firm is going to provide people to design, deliver, and evaluate training, it is only fair to ask how those people were selected and prepared. Be careful of résumé shufflers who pluck contract trainers out of the pool based on an apparent match between experience and engagement. The best providers will maintain a team of trainers, consultants, program designers, and logistics managers in whom they have complete confidence.
- C. **Capacity:** A promise to provide whatever you need, wherever you need it, is not sufficient. Purchasers of training and consulting should ask specifically about a provider's ability to serve their locations with a sufficient number of trainers or consultants at designated dates and times. This is not to say that consolidating live training events to one or more locations for efficiency is a bad idea. It simply means that logistical details should be thoroughly reviewed in advance of committing to an outside provider.
- D. **Flexibility:** Change is the one constant for most businesses today and it is important to work with an agile provider. This does not suggest one who is willing to cancel an engagement at a moment's notice, which is not reasonable or productive. An agile provider is one who will make adjustments as necessary to achieve the organization's objective.

- E. **Reliability:** The training provider must take responsibility for delivering what was promised, when it was promised. This goes for people, programs, reports, and invoices. Providers that do not come through on the small things will not deliver on the big ones.
- F. **Price:** It is true that you get what you pay for, but that does not mean that the highest price is always the best solution. The price for training and consulting should be proportional to the scope of the project and the importance of the objective. It is better to think in terms of how much the achievement of the objective is worth first. Certainly it may be worth more than training would ever cost, but that is the place to start. Budget considerations are important, of course. If the value of achieving the objective is great, but the budget for achieving it is very small, there may be a misalignment. Consider whether training is the way to achieve the entire objective or just part of it. Be careful not to judge on price alone.

Price should always be considered in the context of likely success. Going with a second or third choice in quality because they offered a much lower price is almost always a mistake. Any money spent on a result less than achievement of the objective is money wasted.

Conclusion

Outsourcing can be an excellent solution for fulfilling training needs within organizations large and small. While there is no rule of thumb about when to outsource and when to keep and use internal training professionals, these guidelines should be useful in considering key decision points and assessing the value of each option.

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