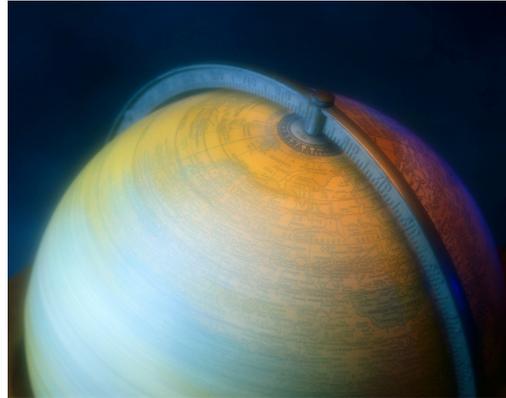


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“How to buy Learning and Development”

The complete guide to buying Learning & Development services



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Content for this guide

1. Introduction to Learning and Development (L&D)
2. The main types of L&D and advantages and disadvantages of each
3. The different types and options of L&D
4. Getting effectiveness and measuring impact
5. How much does L&D cost?
6. Conclusions

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1. Introduction to L&D

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Introduction

- This presentation has been put together to help buyers of L&D
- It is based on extensive interviews, primary and secondary research, and the experience of our consultants who have several decades experience of L&D

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What is L&D?

- Learning and Development is segmented into 'training' and 'education'. and is the top level term for programmes designed to enhance the professional skills and knowledge base of business leaders.
- Training programmes ('training') are designed to provide the target audience with skills for a specific task. Education is about changing the way that people think and is often called 'Executive Education'
- Executive Education is then sub-segmented into degree-awarding (such as an MBA), or non degree-awarding, such as open or customised programmes. This presentation does not cover degree awarding programmes.
- L&D is available from, and delivered by, various channels and by various means, and is segmented by:
 - **What is being taught:** Training teaches skills and capabilities; education teaches capabilities, thinking and behaviours
 - **Types of providers:** Business Schools, Training companies, consultancies., etc
 - **Means:** Face to Face (F2F) or classroom; e-learning, (such as online, CD-ROM, Web-based), etc. Coaching, which is a form of learning
 - **Type of programme:** Open or In-house: Standardised or cCustomised
 - **Mix:** Programmes can be delivered wholly by classroom; wholly by online; self-learning (i.e. by participants reading articles, etc) or by 'blended learning' – a mix of F2F and 'e'
 - **Target:** which level is targeted: Senior execs? Middle managers? Juniors?
 - **Subject:** specific functional job knowledge, such as 'finance', 'marketing': general skills, such as Presentation skills, Time Management etc.: transversal skills, such as 'leadership' 'management', etc

Page 5

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The context – why Executive Education?

- The rapidly changing business landscape presents companies with a number of critical challenges
- A global study conducted by Mercer in 2005 of 223 senior executives from large corporations across 17 industrial sectors in 44 countries to determine the most critical current business challenges, found that the top 4 challenges were:
 - Increased competitive pressures
 - Responding to rapidly changing market conditions
 - Failure to innovate
 - Satisfying customer demands
- The majority of business executives stated that that their companies face leadership shortages to meet these global business risks, and this threatens their corporate performance, with more than 75% of these organizations saying these challenges expose weaknesses in their leadership pipeline
- Companies are looking to close the skills, knowledge and capability gaps, and Executive Education in its various forms is the primary route to doing this
- Other drivers are that HR leaders are more conscious than ever of the value of Human Capital, and the need to attract & retain good people, through a visible and attractive Executive Education strategy, such as has driven Corporate Universities in recent years

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Some global trends in L&D

- Growing importance of capability-based (human) capital (Lippert 2001)
- Education is a process, not an event (Kovach 2000)
- Buyers seek better value from their investments
- Technology developments (supply side) combined with time and cost pressures (demand side), driving adoption of e-learning and blended learning
- Growing awareness of differences but also overlap between training and education
- Buyers looking for solutions which address real business issues, means buyers are moving away from standardised, off-the-shelf programmes and looking for customised programmes
- Buyers moving to collaborative development with their providers

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2. The main types of L&D and advantages and disadvantages of each

The L&D landscape

- L&D is large, diverse and complex activity, thought to be a market worth over \$2bn for the providers
- Providers are many and diverse, ranging from top business schools (such a Duke, HBS, LBS etc) through to generalist and niche multi-million \$ consultancies and training companies, through to small independent consultants, individual trainers, consultants and professors

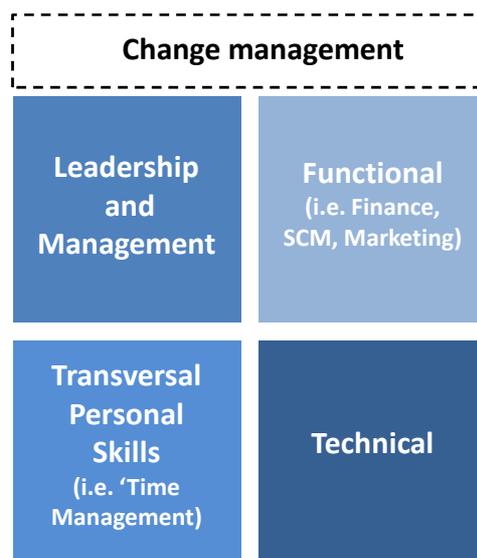
Page 9

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How to segment the areas where you may need L&D...

There are many different ways to segment the areas or domains where you need L&D , but experience shows these are the main categories...



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Leadership and Management

This is Executive Education, and is about changing capabilities, thinking and behaviours. It is used either to :

- 1) Address an individual's management weakness
- 2) Or more company-wide (i.e., all managers of a certain grade)

Our Verdict: If it's a demand for a one-off or only a few individual participants, send participants on an external open course at a good business school, such as INSEAD, Wharton, ESCP, etc. When there are larger numbers or participants, develop the programme in-house (such as via Corporate University), collaborating with external provider(s), such as a major business school or individual consultants / professors

Functional (i.e. Finance, SCM, Marketing)

Functional L&D may be either 'training' or Executive Education, and straddles both. If the buyer is simply seeking to address a pure skills gap, with no change or attitude or behaviour for the participants, then they should seek a simple training solution. Much of this is available via 'catalogue' / off-the-shelf, (i.e. 'Financial Accounting' ' Implementing BS900 Quality Programmes', etc., available from larger training providers (CIM, Frost & Sullivan, Cegos, ESCP, etc)

However, if the organisation is seeking to change competencies, thinking and behaviour in a function, (eg. changing the way that sales people think and sell) , then you need an education solution. Such programmes are increasingly becoming less 'knowledge' and more business-based and are about solving real business problems. The big shift now is to customised Blended Learning and action-based interventions, such as workshops, team-working on business issues, application of skills and knowledge to real business issues

Our Verdict: Where the focus is simply on getting skills, with no change in thinking, then a standardised, off-the-shelf solution will suffice. If there are only a few individuals who need to be trained, use 'e' solutions for lowest cost, or send them on an appropriate external open course, such as with generalist training company (e.g., Frost & Sullivan), or specialist niche provider (i.e. The Chartered Institute of Marketing, etc.), or perhaps from a Business School with open courses.

Where you want to change competencies, thinking and behaviour, the participants will need a more sophisticated and carefully thought-through solution. When there are larger numbers of participants involved, develop customised programmes to run in-house, collaborating with external providers such as generalist training companies, specialist niche provider, Business School's (if they understand your industry), or individual consultants

Technical

This learning and development is about developing technical skills, and there is no need to change thinking and behaviour.

- This is pure 'training' to develop specific skills, the output of which can be measured
- Such programmes tend to be data or information 'heavy', therefore a substantial portion can be delivered by e/distance learning, such as Webcasts, video, online, CD-ROMs etc., or bought via catalogues. There are often many, many potential providers, and it can be hard to select and differentiated between the many suppliers

Our Verdict: Buyers face a choice of whether to 'make or buy', but the decision is often made for them depending upon the technical specificity of what they are looking for. For example, much computer, software and technical training is available 'off-the-shelf' (i.e. Learning Tree, etc), in which case they simply need to decide whether to buy F2F or online versions

For other, more specialist applications (electronics, pharma, oil & gas etc) off-the-shelf may not exist or may not be the right specification, so buyers will have to develop their own. Often there are real synergies and amortisation in doing this, because the training package can then be used to train customers and channel

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Transversal Personal Skills (i.e. 'Time Management')

This is primarily about developing skills, with no need to change thinking and behaviour.

- Used to develop, core generic skills and competencies which are often required across the company at all levels, such as time Management, Presentation Skills, Interviewing skills, etc
- Some of these areas can be satisfactorily addressed by e/distance programmes, but others such as Presentation Skills, Interviewing Techniques etc, cannot be sensibly served by e/distance and must be delivered F2F

Our Verdict: Many of these types of training can be provided from off-the-shelf, and there are many, often undifferentiated suppliers, so choosing supplier is hard. So development charges should be low or non-existent.

Look carefully at the needs analysis to see what can be sensibly delivered by distance, and what should be delivered in-house. If you have just one or two people who need training, use an external open course. If you have several or ongoing need, then ask the provider to deliver the programme in-house and reduce the per head cost, and travel costs.

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Change management

- Change Management is often put by buyers into the category of 'training' or learning and development, but this is wrong because Change Management is an approach, not a learning and development programme. It needs to be instilled into the company as an approach, not learnt in a classroom
- The majority of Change Management initiatives fail, typically because of lack of personal leadership and implication by the CEO, and a host of other reasons which we cannot treat here

Our Verdict: Buying support for Change Management is more akin to buying consultancy help than L&D. Don't set up Change Management programmes without a proper understanding of how they become successful. Training providers can support change initiatives which deliver change management insights, but you need to find a provider who can bring a change management framework and process and who can accompany the change over what may be a 2-5 year journey. Management consultancies and/or individual consultants are best placed to support and accompany such initiatives

Open vs. Custom

Open

- Good for getting a few individuals trained
- Difficult to evaluate, buy and control quality
- Interesting to meet participants from other industries / companies
- But the problems of other participants may consume time and energy of the group / instructor, leaving participants feeling that their issues have not been addressed
- Content is by nature generic, and not adapted to your business issues.
- Lack of sector / industry focus means no or low relevance / applicability
- No development time or cost
- High day cost per individual. Very high if more than 3 pax
- The provider's time and place, not yours

Custom

- Better for developing understanding of issues of a team or group of individuals
- Tied to company's objectives and business reality
- High relevance and applicability
- Requires development work & cost
- Requires inputs from buyer (specifying, validating, etc)
- Lowest day cost per individual after more than 3 pax
- Your place and time, not the provider's

Off-the-shelf vs. Custom

Off-the-shelf

- No development time or cost
- Proven content
- Difficult to choose provider
- Content is by nature generic, and not adapted to your business issues.
- Lack of sector / industry focus means no or low relevance / applicability

Custom

- Better for developing an entire team's understanding of issues
- Tied to company's objectives
- High relevance and applicability
- Development work & cost
- Lowest day cost per individual after more than 3 pax

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Standard vs. customised

- 'Off-the shelf' effectively means an open, standard programme. These are provided by business schools, and large/general and medium /specialised sized training companies. Programmes available range from general management programmes (viz. Oxford Leadership and Management Programme at <http://www.sbs.ox.ac.uk/execed/Management/amlp>), to more specialist, functional programmes (viz: Essentials of Marketing at <http://executiveeducation.wharton.upenn.edu/open-enrollment/marketing-sales-programs/essentials-of-marketing.cfm>)
- As is discussed in more detail elsewhere, these programmes are good where there are only a few individuals concerned, or when there is a specialist topic which doesn't justify developing an in-house programme
- But these open, off-the-shelf programmes suffer from two big disadvantages:
 - Cost: see figures elsewhere in this presentation, but the cross-over point where customised is more cost-effective can be as low as 3 participants
 - Relevancy: whilst the best open programmes can be stimulating, there is still a question of relevancy – how does what I learned relate to my industry, my products and my situation? And this is the biggest gripe from participants on open and off-the shelf programmes
- Over the last few years, customers have dramatically changed their demands. Off-the shelf is in severe decline as companies search for L&D solutions which are directly relevant for the business issues of the participants and the company
- **Our Verdict:** Off-the shelf is out: customers want customised

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Programme development of customised programmes

- There are no fixed rules, and practice varies enormously from project to project
- However, any programme which is not standard needs developing. Development is a skilled and very time consuming effort
- The amount of development will depend upon:
 - How unusual or specific is the demand from the client
 - The extent of existing IP (intellectual property, or 'content'), and the extent to which it can be re-used
- As a very broad guideline, development will take between 1-5 days for every 5 days of delivery. Note that development is usually only paid once, at the start of the project. So even high initial development costs can start to look very reasonable if amortised over a number of running's of the programme
- Development fees are usually x1 or sometime perhaps discounted to say, x0.75 of delivery fee day rate
- Some providers offer development at low cost or even free to entice clients, but the costs have to covered somehow, and so if the development is not properly funded or recompensed, the client risks to get a poor job, or to have the cost recovered somewhere in the delivery. So somehow the development costs have to paid for by the final client

Development continued

- The savings of a customised programme may not be immediately clear to an outsider. But for companies, value is found in both the ability to send multiple employees through a single program and the long-term benefits of a sending those employees through program intended to solve real issues within the company.
- *"What companies think they get for their investment is a more direct say in the program design, the program development and also the program delivery"*
- There are too many variants to calculate a break even, but costs for development will vary from around €3-5k for a 2 day programme from a small consultancy, to as much as €100k for a 5 days programme from a major business school

Transformational vs. non-transformational

- Transformational L&D is often highly desirable, but in practice it is difficult to achieve, because many of the determining factors of success are outside the actual training itself, such as:
 - Selection of the right candidates
 - The ability and motivation of the participant to change
 - The ability of the organisation to create transitional space
 - The ability of the organisation to make change last (needs active top management involvements and leadership)
 - Having the right instructor

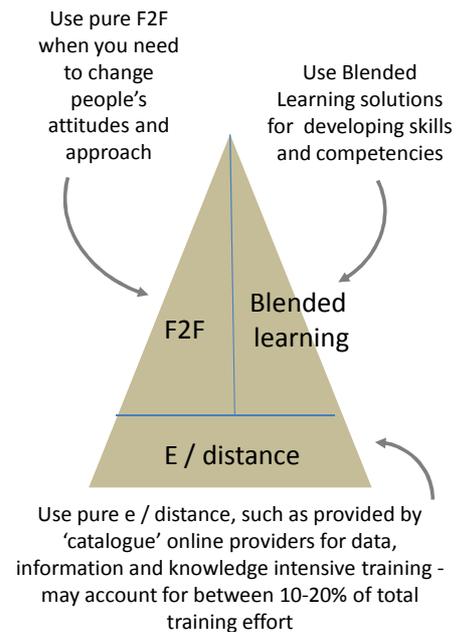
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Face-to-face versus e / distance

- There is a natural and growing interest in alternative delivery mechanisms, such as e-learning, distance learning, etc
- This is driven by time, cost & budget pressures
- However, whilst e / distance have made significant inroads, and will continue to increase and improve as delivery mechanisms improve, there is sufficient experience and knowledge now to show that e / distance is something which is good for certain situations / application, but which also has significant limitations
- **Our verdict:** We believe that buyers face different learning needs, and some of those needs can be met by e / distance, either from a standard catalogue, or more customised as part of a blended learning solution. Wherever there are difficult or unusual concepts, where participants need to be challenged, and where some real change in approach is needed, e/distance cannot provide this and F2F interventions are a must



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'e' and blended learning

- Technology developments (supply-side) combined with time and cost pressures (demand-side) are driving the adoption of e-learning and blended learning
- E-learning are programmes delivered by distance – this can be via a variety of delivery mechanisms, ranging from CD-ROM or online programmes, (which are usually the participants learning alone by himself and in his own time and speed), to more collaborative learning events, such as webinars
- Blended learning is where traditional F2F sessions are blended with alternative delivery mechanisms, which may or may not include e-learning / distance learning modules
- Typically there would be some sort of sequence, interleaving F2F and non F2F, i.e. pre-reading > F2F > research /project > F2F > web-based review > F2F > web-based survey and follow-up

E-learning Case Study 1

- Participants were obliged to do a particular online course before F2F session, which would prepare them and give them basic knowledge with which to build on for the F2F session
- **Result:**
- Over a number of sessions, 80% of participants did the required pre online course, but 20% did not, which meant that significant time had to be spent at the start of each session to allow those who hadn't done the pre-reading to catch up
- Participants found the online course long and tiring. It also effectively meant they had to find extra time (their own time) out of working hours, which was difficult and put it's own strain on the learning process
- Whilst participants who did the online course found it interesting and useful, they declared that they didn't really understand all the concepts until they had been revisited in later in the F2F.
- **Our verdict:** This suggests complementarity of E-learning, rather than replacement

E-learning Case Study 2

- A 2 day session was developed and rolled out across 3 continents F2F to support participants in an organisational, re-rolling and process change
- Some people were not able to attend the F2F sessions, and so a blended learning (web learning) solution was developed for this group
- The web session used the same basic content and messages as the F2F sessions, and was designed as far as possible to replicate what the F2F participants had experienced
- However, because of time /concentration constraints with web solution (can't do 2x8 hour sessions!) the 2 day module was broken down into 4 shorter web sessions, with gaps between the sessions so that participants could work on individually and in remote groups the various tasks and then present them back
- The web vehicle was highly interactive and ~15 people participated in web session, which mirrored very closely the F2F sessions
- **Result:** Knowledge was passed, and groups worked on and presented their projects using the knowledge and tools passed in the web session. But participants felt 'short-changed' particularly compared to their colleagues who reported back on their attendance at the F2F sessions. Particular criticisms were lack on interaction, lack of ability to see each other and the trainer and get personal reaction and feedback: not profiting from being together at an event, and all the associated networking and personal relationship-building
- **Verdict:** E-learning is appropriate for single user, repetitive-type learning, but has significant disadvantages if you use it to replace classroom F2F groups. Use this way only as a last alternative

Page 25

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Coaching / Mentoring

General introduction:

- Increasing interest in and use of coaching/mentoring
- Historically used for senior execs, but now cascading down to middle and even some junior posts
- Powerful 1:1 interventions
- But important to understand limitations and when best to use:
 - It's a means of support, but it's not education,
 - Assumes that recipient already has core skills and knowledge

Page 26

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Coaching

- Diverse range of providers, fees and ability in coaching
- Also different rates for a coaching, depending upon whether it's a contract for coaching only, or whether it's for coaching embedded in a L&D program
- For dedicated coaching contracts:
- Usually on a project basis, typically for 3 or 6 months
- Fees would be in range of €10000 to €14000 per contract, or around €2k per month , depending upon the nature of the project and the seniority of the individual being coached.
- Each month would consist of at least one session of face-to-face coaching although this could be done by phone.
- Sessions last between 1 hour and 3 hours and includes preparation and post-analysis
- Could also include psychometrics and 360 assessments, shadowing (watching the coachee work, listening to telephone conversations and sitting in meetings) and 24/7 access via e-mail or phone.
- Over the 6-months, the work for the coach will range from intensive to fairly straightforward – format, timings and intensity usually agreed between coachee and coach
- The key purchasing criteria are:
 - Coach to have good coaching experience (5 years is suggested minimum)
 - Coach has been properly trained and accredited, such as with ICF
 - Right style and personality – some people are just not coaches,
 - Corporate background and experience. Can this person really establish credibility with a senior manager?
 - Particular expertise e.g. strategy, marketing etc

(Source: Robert Whittaker, Shared Future Pte Ltd, <http://www.sharedfuture.com>)

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3. Providers – the different types and options

1. Business Schools / universities
2. Large Management Consultancies
3. Generalist training companies
4. Niche training companies
5. In-house managers

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Business schools (non-degree Exec Education)

Business schools have been providing Executive Education in parallel to universities since early 1900s. It brings them extra revenues streams, increases their brand awareness, and creates synergies for their academic faculty

Advantages:

- Status, image, prestige
- Large faculty
- Academic research and theoretical knowledge and concepts

Disadvantages:

- Often hierarchical and inflexible. Profs can be like 'stars' /prima donnas, and are not prepared to invest time needed to learn about client company and industry
- Can be too culturally specific (i.e., UK schools teach Anglo-Saxon approach, French schools are very French, etc)
- Often quite poorly organised and difficult to deal with (surprisingly for an organisation which teaches business!), particularly for collaborative approach needed for customised
- None have global reach & capability (even though many have set up some local offices and partnerships etc)
- Very expensive
- None have truly global reach, therefore difficulty to source and deliver around the world

Cost: 1st tier schools like INSEAD, LBS, Duke, HBS etc are €20-35k per day (in-house); 2nd tier schools like ESCP, Cranfield etc., are €12-20k per day

Our Verdict: Business Schools have been struggling in recent years because of their high costs and inability to respond and adapt to the changing needs of clients – specifically the move to customised , in-house and blended learning solutions. Go with them if you are looking for status and prestige, but you can find may be disappointed by their ability to adapt and support you, and there are other cheaper and often better customised providers

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Large Management Consultancies

Management consultancies have increasingly been moving to develop Executive Education activities, where they see it as a natural extension of their consulting

Advantages:

- Consultants have real world understanding. They can usually find someone who has knowledge / experience of the client's company / industry
- Consultants bring clear, structured and process-driven approach
- The brand name can bring status and credibility to the programme

Disadvantages:

- Not a core revenue activity for consultancies
- Pedagogic process can be very weak – consulting and teaching are different professions
- They can find it difficult to resource both the teaching sessions and all the support
- Consultancies are not set up to manage the detailed follow-up and follow-through that blended learning solutions demand
- Expensive: day rate and expensive development fees

Costs: €10-20k per day

Our Verdict: Management consultancies are moving to try and occupy the space of Business Schools as prestige Exec Education providers. However, they are struggling to find the consultants who can instruct and have sound pedagogic approach, and they can struggle to support and manage customised development and delivery. Go with them if you are looking for status and prestige, but you can find may be disappointed by their ability to adapt and support you, and there are other cheaper and often better customised providers

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Generalist training companies

- There are many generalist training companies in the world, such as Frost& Sullivan, Cegos, TACK, etc. Their primary focus is usually the Open Programmes in their catalogue, although they may or may not offer customised programmes alongside. They make their money by getting volume – a large number of courses with maximum attendance (often called ‘bums on seats’)

Advantages:

- Large portfolio
- Established proven courses
- Participants will be sitting alongside participants from different companies / industries
- Theoretically possible to have a ‘one-stop shop’, but in practice this is more of a myth than a reality

Disadvantages:

- This is a like a standard, production line, based on volume. Objective is to sell the existing developed content to as many people as possible, and no or little scope for addressing unique business issues of individual participants
- Rigidity of content and trainers
- This can lead to severe lack of relevance /applicability for the participants
- Programmes take place at providers’ location and time of choosing
- None have truly global reach, therefore difficulty to source and deliver around the world

Costs: €700-1500 per participant per day, plus travel for Open Programmes; €4000-5000 per day for in-house programmes

Our Verdict: **These programmes are OK for low level, general topics, such as Time Management, Project Planning, Finance for non-financial Managers, etc, but by definition will have less focus and expertise on specialist programmes, such as Product Marketing, Cost Accounting, etc., and are not so good for general management & leadership (Senior Manager Leadership Programmes., etc)**

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Niche training companies / individual profs and consultants

There are many thousands of specialist training companies in the world, specialising typically either in an industry or sector, or a function (i.e. Supply Chain Management) or a horizontal discipline (such as ‘Quality Control’). Some may have limited range of Open Programmes, but most will be optimised for customised, in-house programmes. The good ones will be flexible and capable in delivering blended learning, and are best at offering close, supportive and collaborative working relationships and for getting to know your problems and issues

Advantages:

- Specialist. Experts. Expertise
- Focussed on your business issues
- Flexible, attentive. Adaptive. Close service and support
- More collaborative approach

Disadvantages:

- Difficulty to locate, source and choose the provider
- You need one supplier/provider for each area of specialisation
- Lack of brand image, prestige
- Capacity
- Reach - geographical reach may be limited

Costs: €1500 – 4000 per day for a customised in-company programme

Our verdict: **These providers offer the lowest cost solutions. Because of their size and focus, they are often able to offer highest levels of service, support and flexibility. However, they are highly segmented, and you need to find the right specialist for each topic / domain (i.e. one for finance; one for marketing, etc)**

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In-house managers as instructors

The desire to save on paying for external costs have led some companies to develop their own training capability, delivered by people accredited by the organisation as trainers

Advantages:

- They know the business
- They bring high relevance

Disadvantages:

- Lack of time to develop materials
- Lack of time to deliver
- Have no availability when the business pressures or priorities demand his/her time elsewhere
- Difficult to ensure quality of product and delivery
- Even managers who have time to deliver find it difficult to find time to develop programmes, so new development / improvements / evolution becomes difficult to do

Costs:

- Usually not costed and considered free, but when true opportunity costs are considered, can be more expensive than buying-in from outside

Our Verdict: There has been much interest in using in-house managers, ranging from formal, intensive in-house programmes such as Train-the-Trainer, to more opportunistic interventions, such as a speech by the CEO. Our experience is that most of companies that use or hope to use in-house managers for the design and development of formal, regular programmes get disappointed over time, as managers' time and energies are soon consumed elsewhere and eventually the scheme collapses. Occasional interventions by senior management are generally good, but if you want to be like GE Corporate University, then you better have a CEO with ability and commitment to learning & development that Jack Welch had!

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One provider or lots? – how many providers should you have?

- There are two ways to try and answer this question: from the demand side, and from the supply side
 - **Demand side:** Key question is 'how wide is your need?' If you have one single need (such as 'how to make consultative selling', then one provider is enough. If you have multiple needs (online and face to face), in multiple disciplines (finance, manufacturing, and marketing), then one single provider will probably be neither possible nor appropriate
 - **Supply side:** First it's useful to know that, apart from e-learning, providers work and think financially in multiples of consultants x mark-up x day rates. Direct labour costs are the biggest cost of a provider and this means that there are few real opportunities for economies of scale, and therefore pricing is not dependant upon volume, and having volume will not reduce at all or by little the cost & price. From the buyers point of view, there is unfortunately little pricing advantage to try and consolidate purchasers with one or two suppliers.
- Secondly, suppliers of L&D tend to be specialists – experts in their field, and trying to have only having one or two providers reduces the talent pool from which you draw
- **Our Verdict:** Trying to group or consolidate to one or two providers produces little or no cost advantage, and risks to not have real experts - after all you are buying a highly specialised and complex product, not just trying to rationalise say the number of nuts and bolts you purchase and stock in your warehouse. Therefore the best course is to find the right suppliers, and not worry about the number

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Choosing the provider for your Executive Education

- In parallel to the consideration treated elsewhere in this document, it can be considered that there are 3 key dimensions to satisfy:



- In practice, out of these 3, the faculty becomes by far and away the most critical, because the faculty is the key link between your participants and your provider and if the faculty is no good, the programme will never succeed, whereas good faculty can survive with a poor supporting organisation. And the quality of the content, knowledge and approach is entirely dependant upon the quality of the faculty, so the criteria become:



Page 35

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Choosing the faculty

- Up-to date in their subject. Recognised thought developer and leader
- Knowledgeable /credible, and understands the industry or very close relation
- Has real-life management experience and understands real world business. Some theory but not just theoretical or academic (otherwise *'he doesn't understand my reality'*)
- Good knowledge about client company, programme's participants, their background and business issues
- Capable of zooming out(strategic view) and zooming in (detailed technical and functional knowledge)
- Good listener
- Inspiring /motivating
- Good track record (>80% rating in evaluations) (ask to see their evaluations for similar programmes/ clients/ industries)
- Flexible and knowledgeable, so can balance pre-planned session /agenda, with going 'off piste' to discuss problems/issues /opportunities as they emerge in the session
- Dispenses enormous amounts of emotional energy (*'engaging them whilst simultaneously showing empathy and care'* (Kets de Vries 2007))
- Collaborative in working , designing, delivering and improving

Yes?



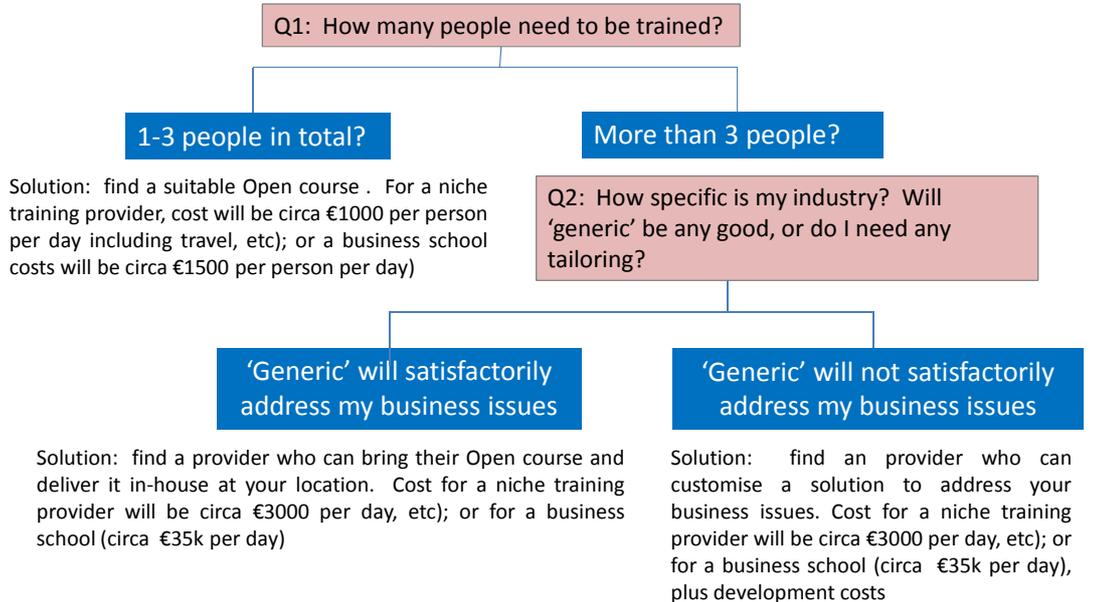
Our verdict: Finding good faculty is exceptionally difficult and is more critical than the right organisation. Participants see the faculty, not the organisation. If you find someone good, hold onto them!

Page 36

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I have a need for people to be trained in a simple, generic subject (finance, sales, quality, etc). What should I do?



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4. Getting Effectiveness and Measuring Impact

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Getting effectiveness

- All buyers of Executive Education are looking for more effectiveness
- Some of this effectiveness can be assessed in terms of pure cost effectiveness – what is the most cost effective delivery mechanism? (see other sections in this presentation for costs and cross over points); or can be assessed in terms of skills
- For evaluation of skills, key considerations are: does the programme equip the participants with the skills needed. The KSFs to achieve this are:
 - Was there a proper needs analysis?
 - Do we have the right provider and instructor?
 - Are the programmes interactive, interesting and with impact?
 - Do the skills get passed, taught, and understood?
- Relevance is becoming the major criteria for effectiveness:
 - Relevant for the business: is the programme relevant for the corporation , it's situation and business issues – this almost certainly implies customisation
 - Relevant for the participants: do the participants leave feeling it was relevant – relevant for their company and its issues, and relevant for the individual - 'can I use what I learnt?'

From Pedagogy to Andragogy...

- Increased focus on experiential learning
- But not all people learn from experience and not all experience brings learning.
- Experiential learning doesn't work if people don't have base of key skills, or if their managers don't have the ability to learn and teach new things
- Experiential learning includes:
 - Action-based learning, such as work-based projects, (such as developing a Business Plan)
 - Role plays, simulation
 - Participants actively engaging in the session rather than passive recipients of knowledge
 - Some of the work out-of -class element, such as reading, preparation, research, discussion, remote working., etc

Measuring impact - introduction

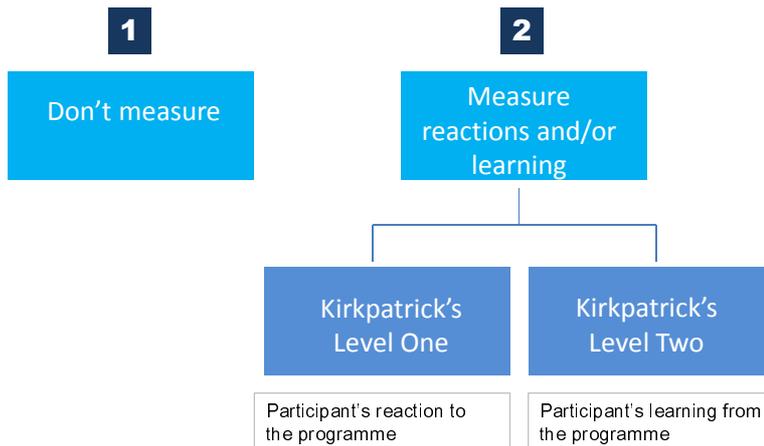
- Economic pressures and more professional buying organisations like CorpUs are driving the search for ROI on the training investment
- Whilst this is entirely natural, the debate is over 30 years old, and yet research shows that only a few companies (some surveys show as low as 10%) actively employ financial measurements
- Measuring return on training investment is tricky, essentially because you are talking about a qualitative activity like people development, rather than something quantitative
- However, there is a more fundamental difference between training and education:
 - Training trains people with the skills to accomplish a specific task – in this sense we can measure the effectiveness and the outcome
 - Education changes the way people think and behave. Measuring this is very difficult – it's subject to many uncontrollable variables, and any returns would be over the long term, making it difficult to isolate the impact of Executive Development

Page 41

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Measuring impact of training – the options

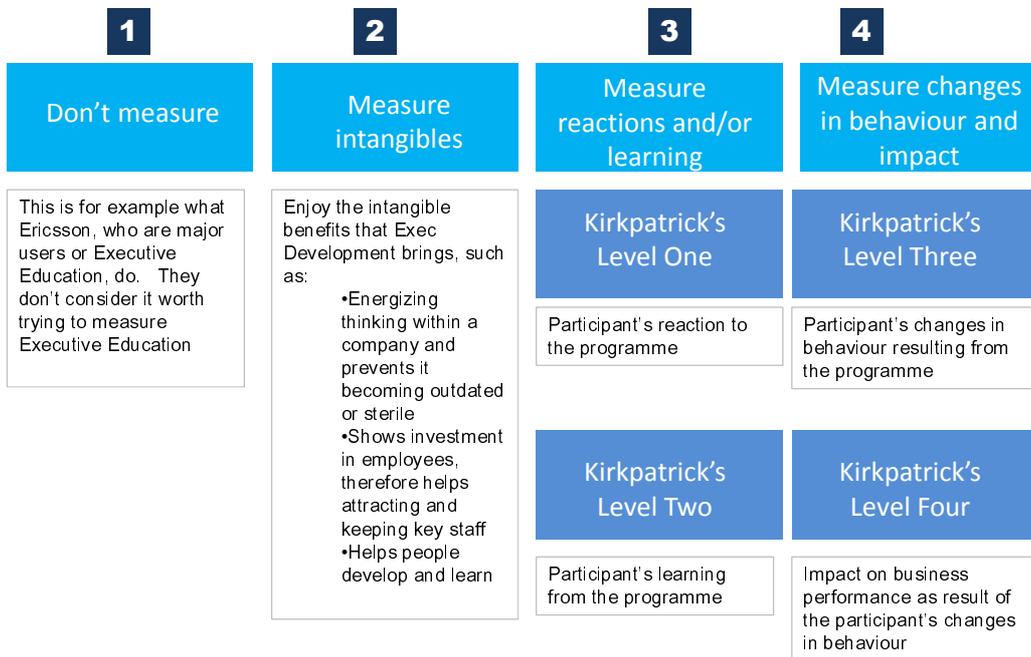


Page 42

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Measuring impact for education – the main options



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5. How much does L&D cost?

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How much does it cost?

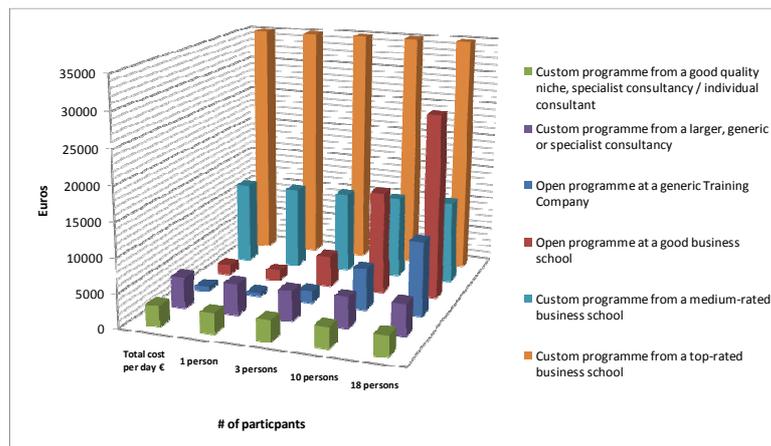
- Asking how much Executive Education costs is a bit like asking how does a car cost or 'how much is legal advice?' - it comes in all shapes and sizes and depends upon complexity of what you are asking, and the quality of the provider
- Examples of costs are:
 - £2,500 to £6,000 for three to five days in the classroom, (Independent Education *Thursday, 17 June 2010* Nationwide (circa €1300 per day per participant including travel and hotel)
 - Tuition rates for open enrolment programs can vary from \$700 to \$1,500 per day, per employee.
 - Custom programs cost between \$12,000 and \$35,000 per day. Those programs also sometimes come with design charges, which can range from \$25,000 to \$100,000 (top level business schools)

Page 45

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Cost implications of Open vs. Custom: Cost per participants per day



Source: Pedagogia © 2010

The cross-over point starts at around 3 participants., i.e. as soon as you have more than 3 participants for a particular course, it makes sense to develop customised programmes, and at a typical 'normal' full occupancy rate of 18 pax, customised is almost always cheaper. Custom programmes from a good quality, niche /specialist consultancy offer the lowest cost per PAX for customised

Page 46

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Cost per day: cost per participant by provider

Type of programme / provider	Price per day in €	Total Cost in € per day (assumes 18 pax)	Total Cost in € per participant per day (assumes 18 pax)
Open programme at a generic Training Company	600	10800	600
Open programme at a good business school	1500	27000	1500
Custom programme from a good quality niche, specialist consultancy / individual consultant	3000	3000	167
Custom programme from a larger, generic or specialist consultancy	4500	4500	250
Custom programme from a medium-rated business school	12000	9756	542
Custom programme from a top-rated business school	35000	28455	1581

- This shows that Open Programmes (whatever the type of provider) are not cost effective beyond a handful of participants. In fact for 18 pax or more, a buyer can obtain a custom programme from a top business school for the same price as sending participants to an open programme
- Niche, specialist consultancies or individual profs/consultants offer the lowest cost, with exceptional value for money for in-company training of 18 pax or more at around €83 per participant par day

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6. Conclusions

Conclusions

- Executive Education comes in many forms and levels, ranging from standard 'training' products, to more complex, customised true solutions, uniquely tailored to address a client's learning and development needs
- Many buyers of learning and development will in practice have multiple and different types of needs, so it is unlikely that one learning & development solution, one delivery mechanism, or one supplier would ever suffice, and buyers will be managing a portfolio of different solutions and suppliers
- All the recent studies (UNICON, Efmd, etc) and all our clients give one clear message: apart from e/online, standard, off-the-shelf programmes are dead – it's about client 's issues, not the provider's content. It's about having customised programmes to address specific business issues
- This evolution means that both suppliers and clients have to work in a wholly collaborative, partnership, and the provider needs to have deep knowledge of the client, their business, their industry and their issues. Buyers are looking for increasingly collaborative partners who are flexible, responsive, and who they can trust
- Off-the-shelf providers struggle to provide this level of collaboration, and business schools are increasingly criticised for their agility and ability to react, collaborate, learn and provide something customised

For your information...

- Pedagogia is a niche, specialist Learning & Development consultancy. Since its foundation in 2001, we have helped over nearly 100 learning and development programmes for major corporations around the world and helped thousands of managers develop and improve their business
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- If you are interested in procuring Learning & development services, or wish to discuss any of the aspects of this presentation, we would be interested to talk with you. Pedagogia is actively delivering all elements and steps of the Learning & Development Cycle, including:
 - Learning and Development Needs Analysis (eg. TNAs)
 - Programme conception and design
 - Programme delivery (see various different formats possible below)
 - Programme Management
 - Setting up new Academy / CorpU from scratch
 - Virtual Academy (Outsourced Learning & Development solutions)
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