



B BERSIN & ASSOCIATES

*The Lay of the Land in
Corporate Training and
Education*

July 14, 2009

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About Us

- **Who We Are**
 - Bersin & Associates is an industry research and advisory services company dedicated to helping organizations implement enterprise learning and talent management strategies for business performance improvement.
- **Research Areas**
 - Enterprise Learning
 - Learning Technology
 - Informal Learning
 - Leadership Development
 - Executive Development
 - Performance Management
 - Career and Succession Management
 - Workforce Planning
 - Sourcing and Recruiting
 - Talent Management Systems
 - Talent Strategy
- **Offerings**
 - In-Depth Studies and Reports
 - Research Memberships
 - Advisory Consulting
 - Benchmarking
 - Workshops



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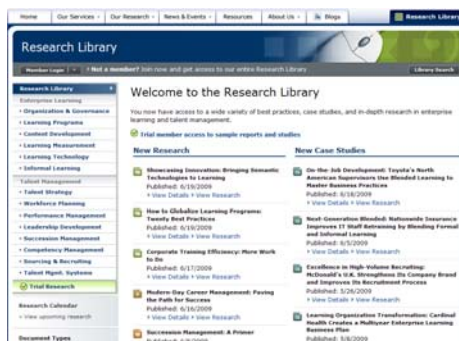
Our Clients

- 350 Corporate Members
- Executives in HR, Training, Leadership Development
- 65% of F100
- Major industries
 - Fin Services
 - Health Care
 - Manufacturing
 - Consumer Products
 - Retail
 - Oil and Gas
 - Technology



Bersin & Associates Research Membership


- Industry Research
- Networking
- Decision support
- Benchmarking
- Strategic Advisory Consulting



For more information:
<http://www.bersin.com/membership>

Or send an email: info@bersin.com

Agenda

- Corporate Training Trends for 2009 
- Informal, Collaborative, & Self Publishing
- Executive Education
- What's Missing in the Market?

Today's Business Climate

Rapid, Transformational Change

- **IBM Global CEO Study Shows Businesses are Falling Behind**
 - 83% of CEOs believe their markets are undergoing transformational change
 - Only 61% feel ready for these changes, for a change gap of 22%
 - The three biggest drivers of this change are external markets, technology, and people – with people being as highly rated as technology
- **People Challenges are Performance, Leadership, and Learning**
 - Single biggest people challenge in organizations is the ability to create engagement and performance-driven culture (71%)
 - Second biggest is ability to create and sustain a strong leadership pipeline (67%)
 - Third is need to reskill employees for rapid changes in products and services, leading to stress on talent mobility and learning (57%)
- **HR and L&D are Not Keeping Up**
 - Biggest complaint from CEOs and business leaders is HR and L&D leaders inability to fully understand and impact the business
 - Despite tremendous investments in talent management, 53% of executives believe their organization does not have a clear HR or L&D strategy
 - 38% of HR and L&D staff do not believe they have the executive leadership to fully implement their own strategies

We Know that Talent and Learning Investments Do Matter

▪ Integrated and Strategic Talent Management is one the most proven tools to responding to rapid business change. Specifically, our research shows that companies with mature talent strategies benefit greatly:

- 26% higher revenue per employee
- 28% less likely to have downsized during 2008-2009
- 40% lower turnover among high performers
- 17% lower overall voluntary turnover
- 87% greater ability to “hire the best people”
- 156% greater ability to “develop great leaders”
- 92% greater ability to “respond to changing economic conditions”
- 144% greater ability to “plan for future workforce needs”

Bersin & Associates Talent Management Factbook®
July 2009, 780 global organizations participating



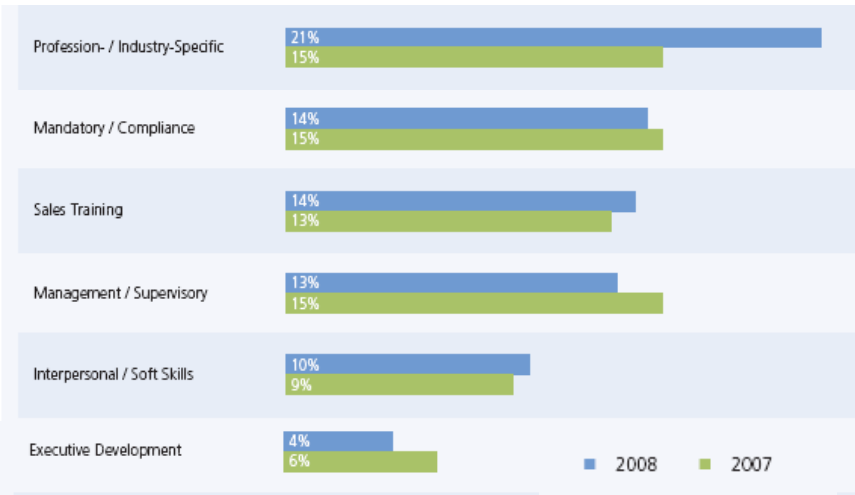
Cuts in L&D Budgets

In 2008, organizations spent \$1,075 per learner, 11% less than in 2007.



Reallocation of Training Budgets

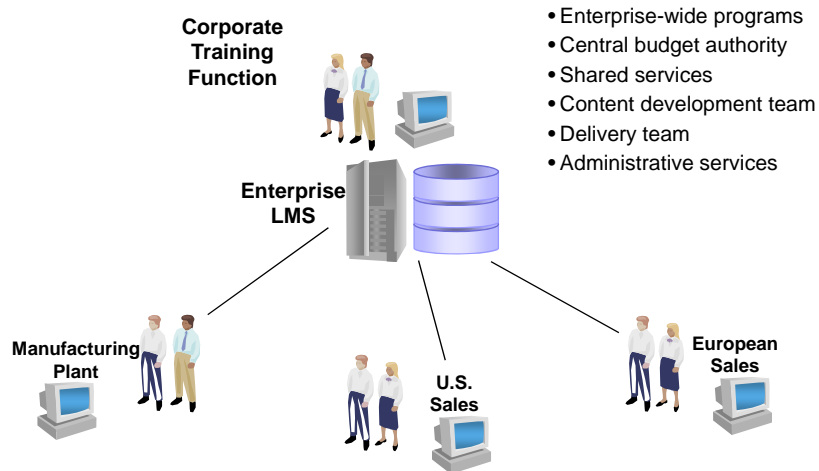
Leadership development dropped from 21% to 17% of spending.



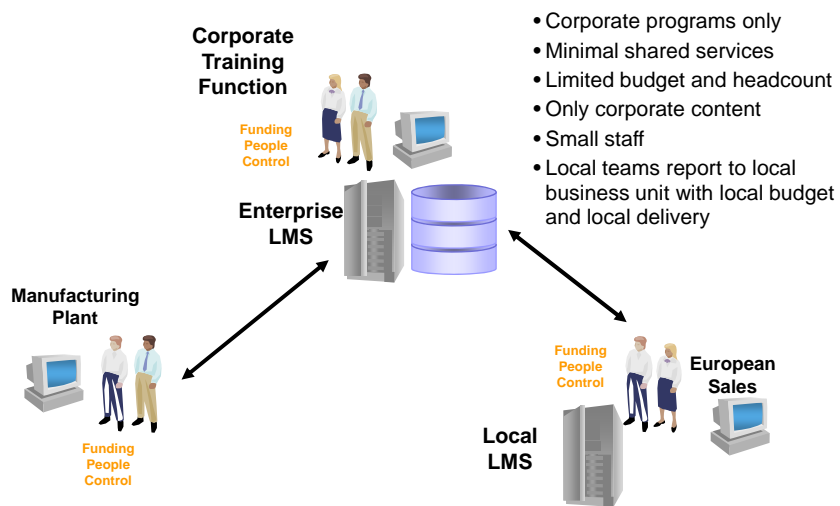
Structure and Governance in a downturn

- Organizations are moving toward a greater centralization of learning functions with support resources towards the business units
- Can functions (and hence costs) be consolidated amongst training groups?
 - Technology
 - Content vendors & contracts
 - Content development
 - Operational and administrative resources

Organization: Centralized Model



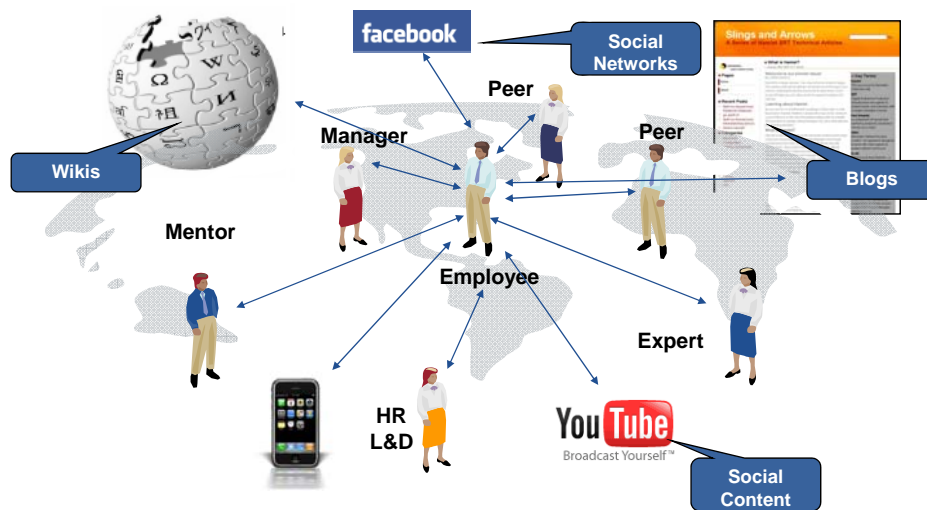
Organization: Federated Model



Agenda

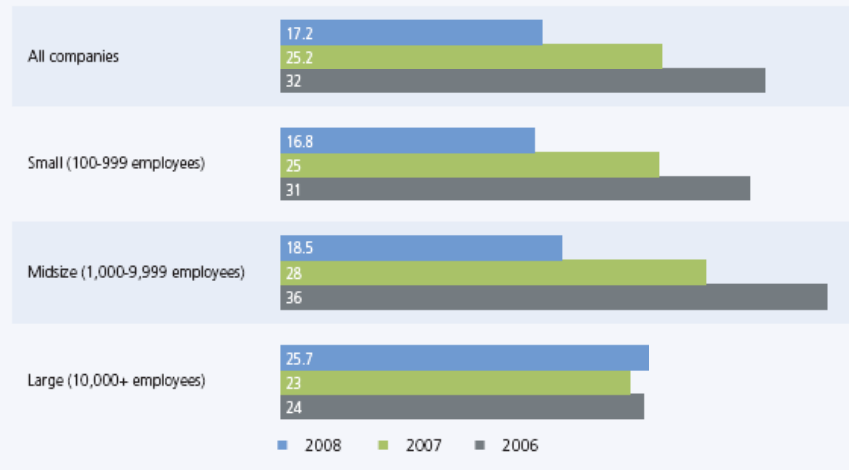
- Corporate Training Trends for 2009
- Informal, Collaborative, & Self Publishing ←
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- What's Missing in the Market?

Technology Easy-to-Use, Always On, Everywhere



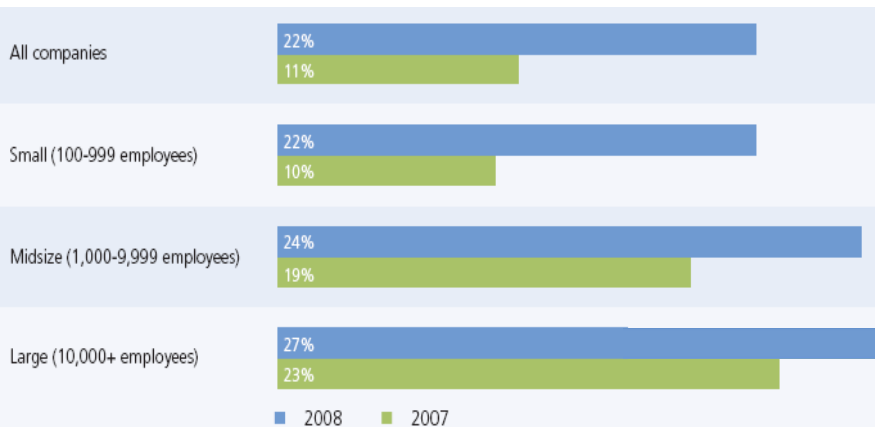
Decline in Formal Training

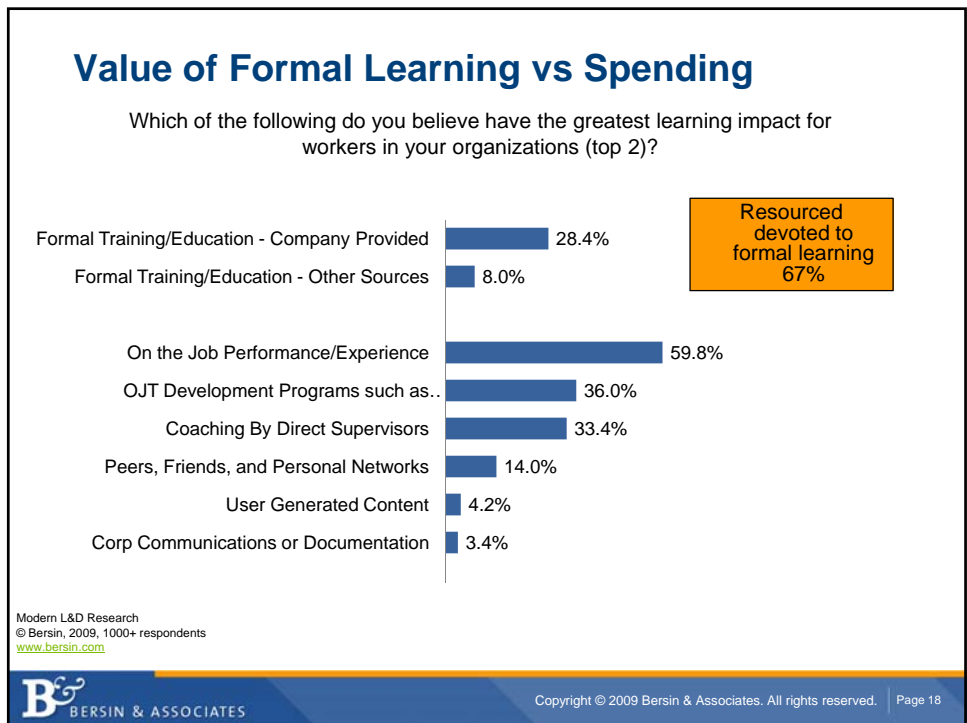
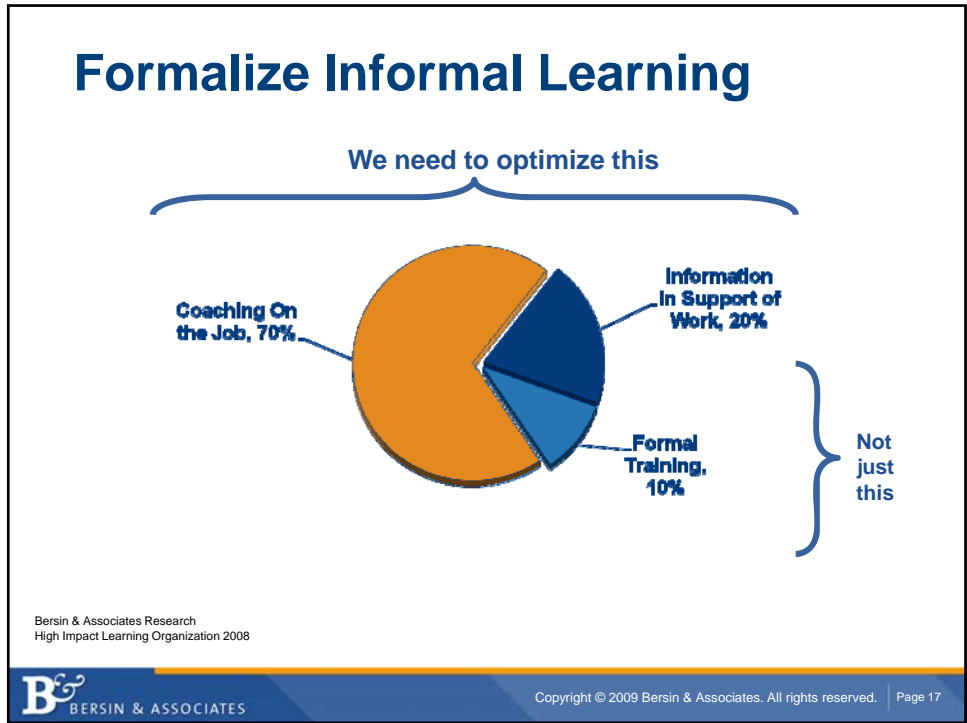
Learners averaged 17.2 hours in 2008, down from 2006 and 2007.



Growth in Social Networking Tools

Use of Communities of Practice has doubled in the last year.





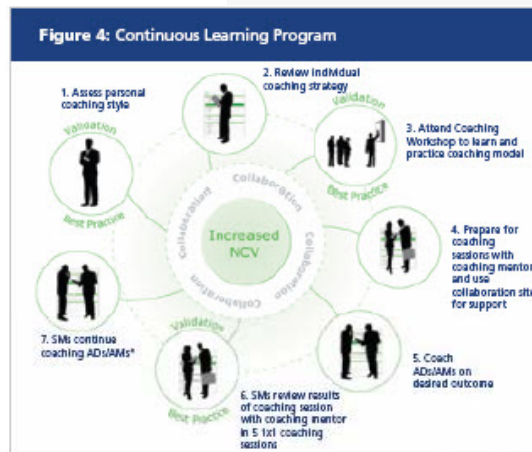
Formalize Informal Learning



Structured Coaching



- **Formalized Informal Learning**
- Structured coaching for management, leadership, sales and customer service
- Competency-based
- Delivered at all levels of the organization
- Very effective and easy to measure



Source: CA, 2008.

Approaches Learning Portals

The diagram illustrates 'The Learning Portal' as a central vertical bar. To the left, an 'Employee' is shown with a smartphone and a computer monitor. Lines connect the portal to several roles and resources: 'Manager' (with a database icon), 'Tech Support' (with a person icon), 'Peer' (with a person icon), 'SME' (with a person icon), 'Knowledge Database' (with a database icon), 'LMS' (with a database icon), and 'Wiki' (with a globe icon). At the top, 'facebook' is in a blue box, and 'Enterprise Social Software' and 'HR' are also labeled.

What I need to know right now.
 What skills and competencies I need.
 Who I can ask for help.
It's all about me. My job. My role. My assignment.

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Research Approach

- In-depth interviews with more than 15 managers responsible for enterprise executive development at various businesses;
- A quantitative survey by over 80 executive development managers identifying business drivers, business challenges and trends in executive development.



Executive Education Defined

Executive education is the process of building the leadership competencies and general management capabilities of senior leaders, focused on enabling them to lead the organization and drive long-term sustainable growth.

Executive development should be a part of a company's overall leadership development strategy

Key Findings

1. In high impact organizations, the Board of Directors are engaged in executive development
2. The #1 challenge in executive development is alignment with the business strategy
3. CEOs are not sufficiently involved in executive development
4. Executive education is more effective with an integrated and well funded leadership development program

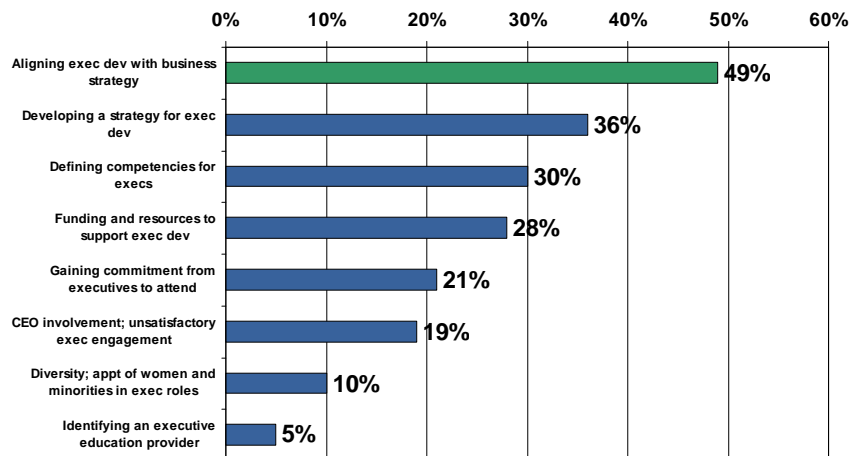
Key Findings

5. The #1 benefit of executive development is building bench strength
6. One hundred percent of organizations in this study use “mentoring or coaching others” as a form of development for executives
7. Global/Expatriate assignments are woefully lacking as a form of experiential or on-the-job executive development
8. Excellent executive development must be personalized to the role and individual.

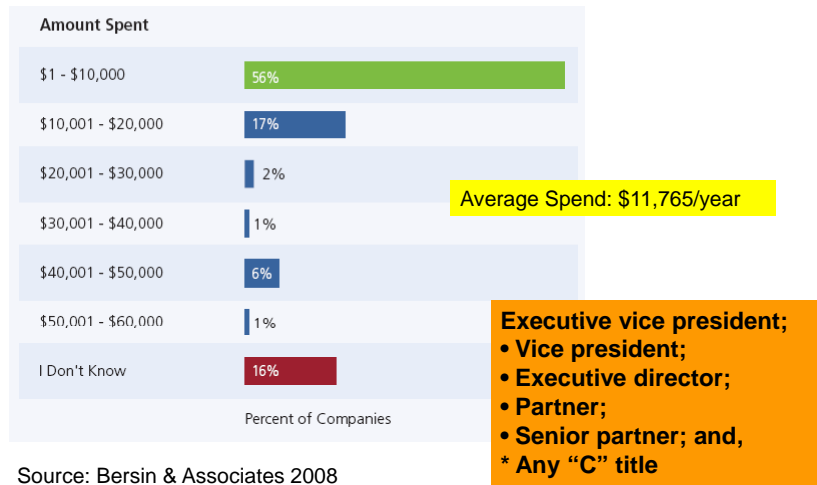
Textron – Customized per Mgmt Level



Challenges for Executive Education

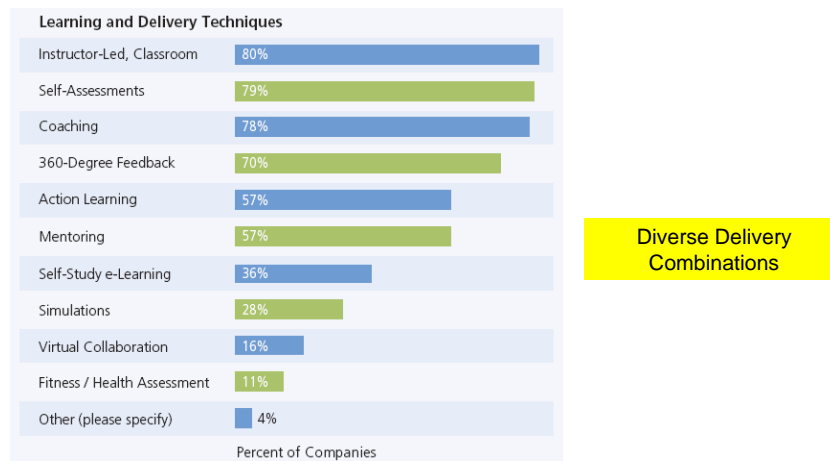


Average Expenditure Per Executive

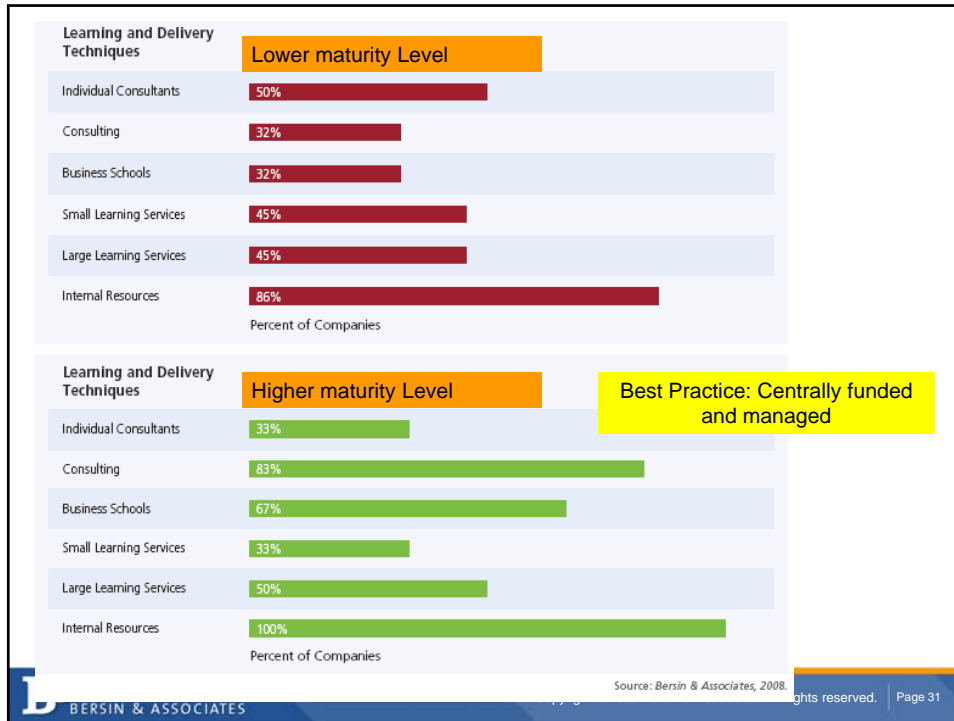


Source: Bersin & Associates 2008

Delivery Approaches



Source: Bersin & Associates, 2008.



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Leadership Development Market Research

Late 2008 Study to Identify Characteristics of Leadership Development Market

- **Respondent profile**
 - 281 qualified respondents involved in the strategy/development of leadership programs
 - Largest industry distribution

- Health care	14%
- Manufacturing	10%
- Banking/Finance	10%
 - Company sizes

- 100 – 1,000 employees	27%
- 1,000 – 10,000 employees	35%
- 10,001+ employees:	39%
- **Qualitative Interviews**
 - With 10 leadership program managers

Key Findings

1. **Online** training methods becoming **more widely adopted** with high levels of interest
 - 60% use self study (38% would like to)
 - 51% use online classrooms (48% would like to)
 - 27% use social networking (50% would like to)
 - 58% reported an increase of online components over the last two years
2. **Blended** programs consistently viewed as **more effective** than online self study – 51% indicated
3. **Career development** poorly managed but has **big potential**
 - Only 12% have widely adopted career development processes
4. **Customization** a mandatory **requirement**
 - 76% indicated that customization is a top requirement

Key Findings

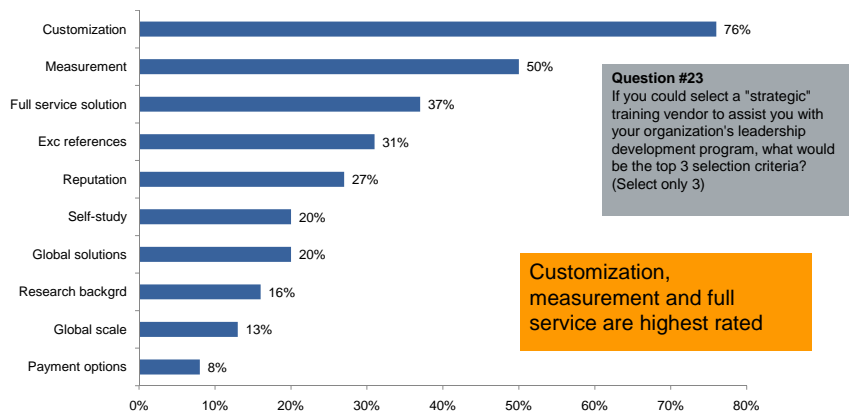
5. The majority of expenditures go toward commercial corporate providers

- Online degree and business school providers have low penetration into corporate marketplace
- Outsourcing widely used
- Program customization and measurement solutions key requirements for vendor selection

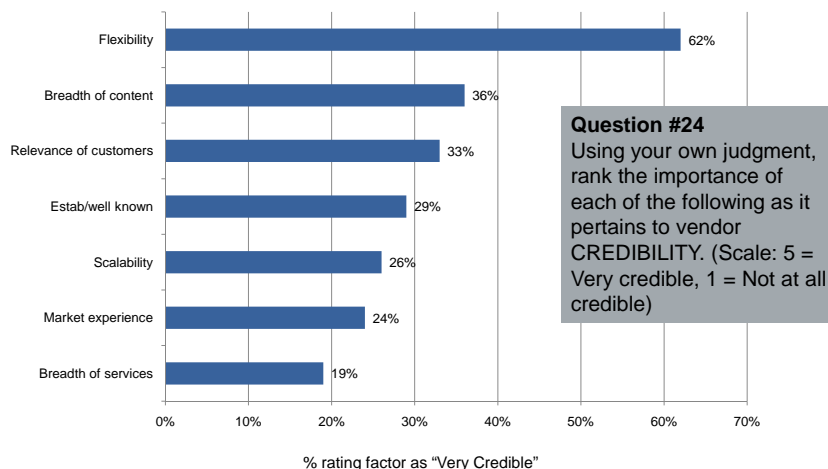
6. Program “follow up” appears to be biggest unmet need

- Coaching/feedback
- Measuring accountability and impact

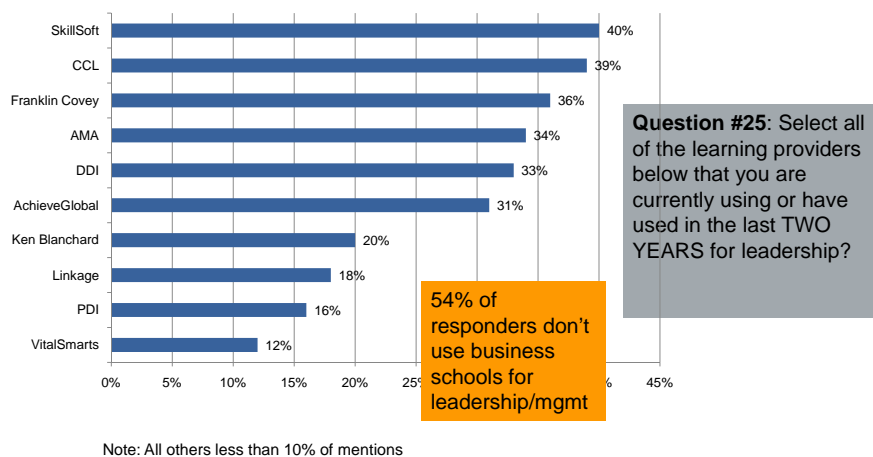
Vendor Selection Criteria

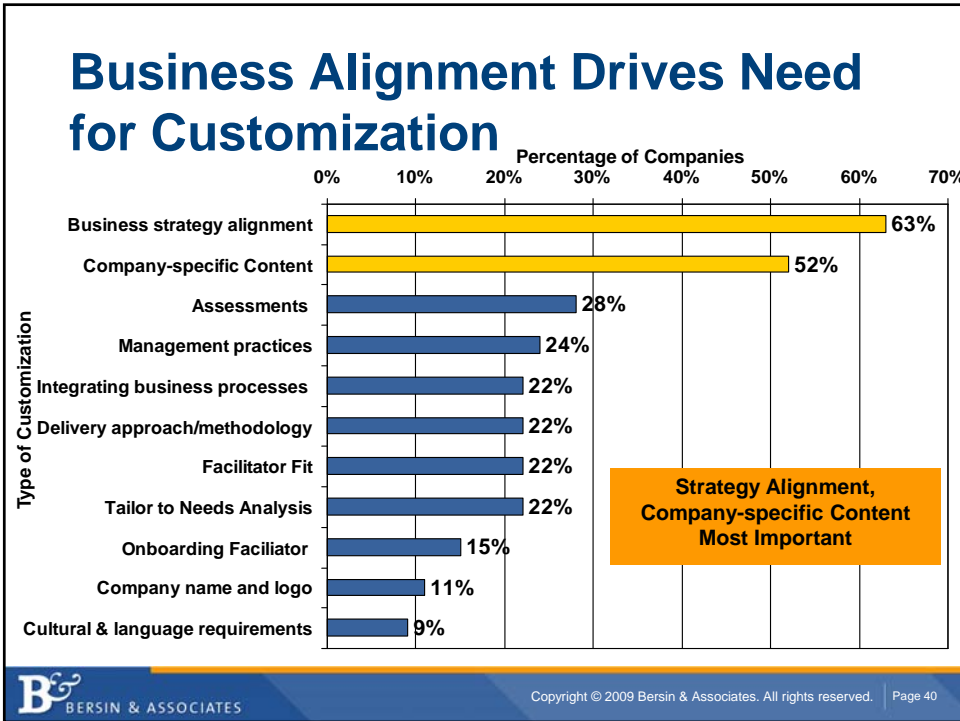
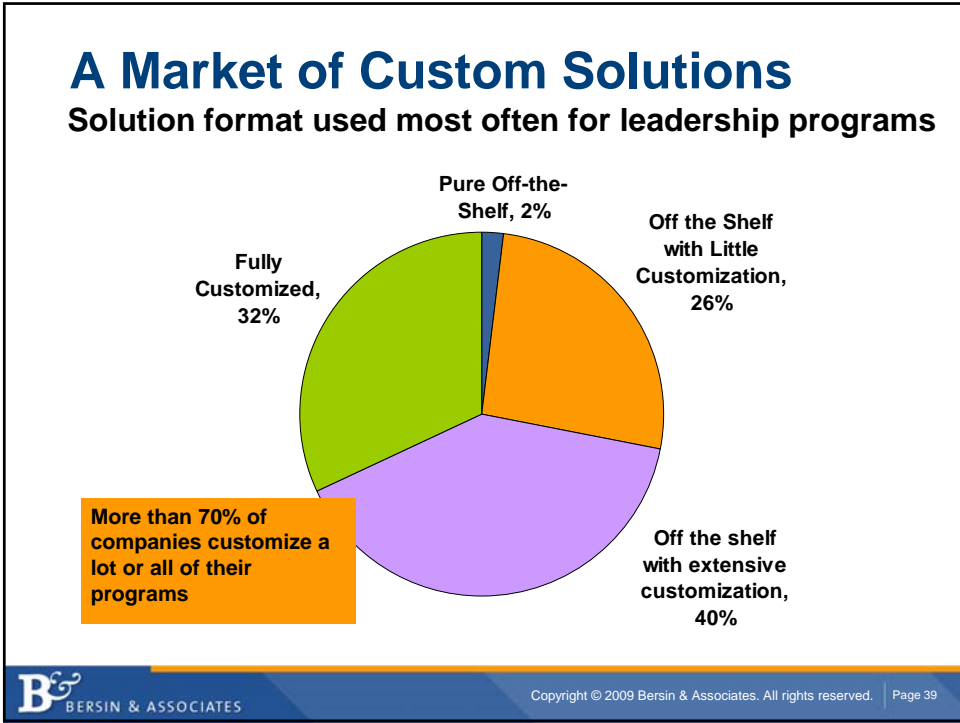


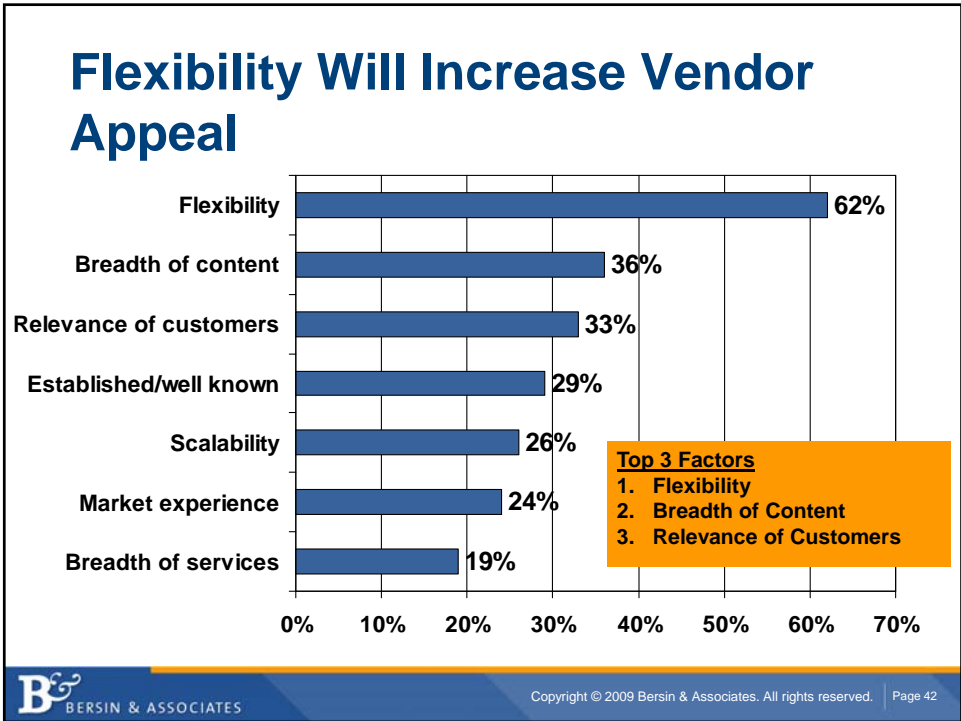
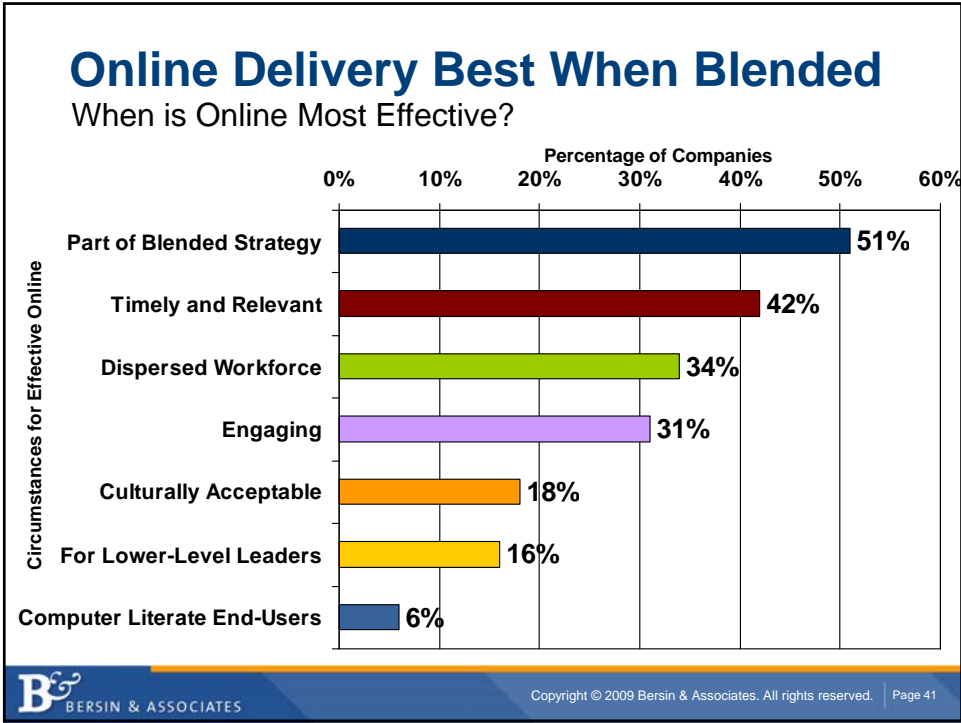
Vendor Credibility



Commercial Learning Providers







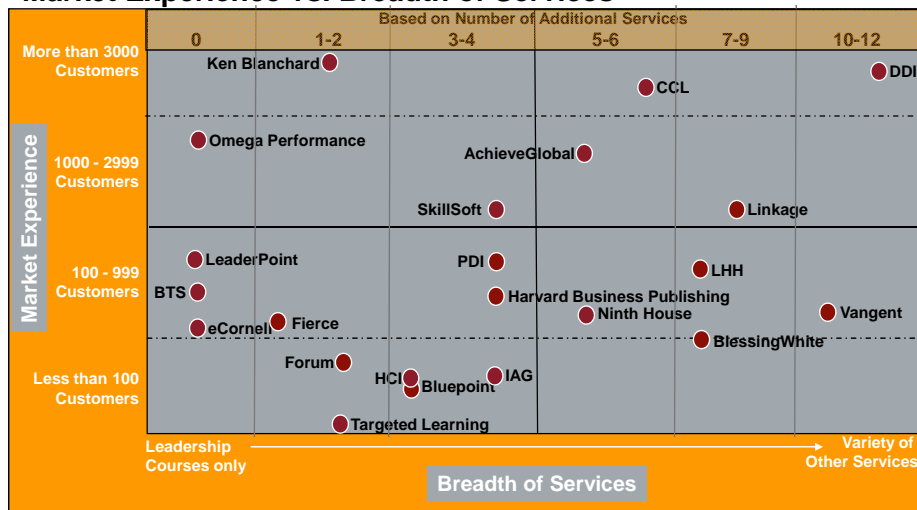
Types of Leadership Solution Providers

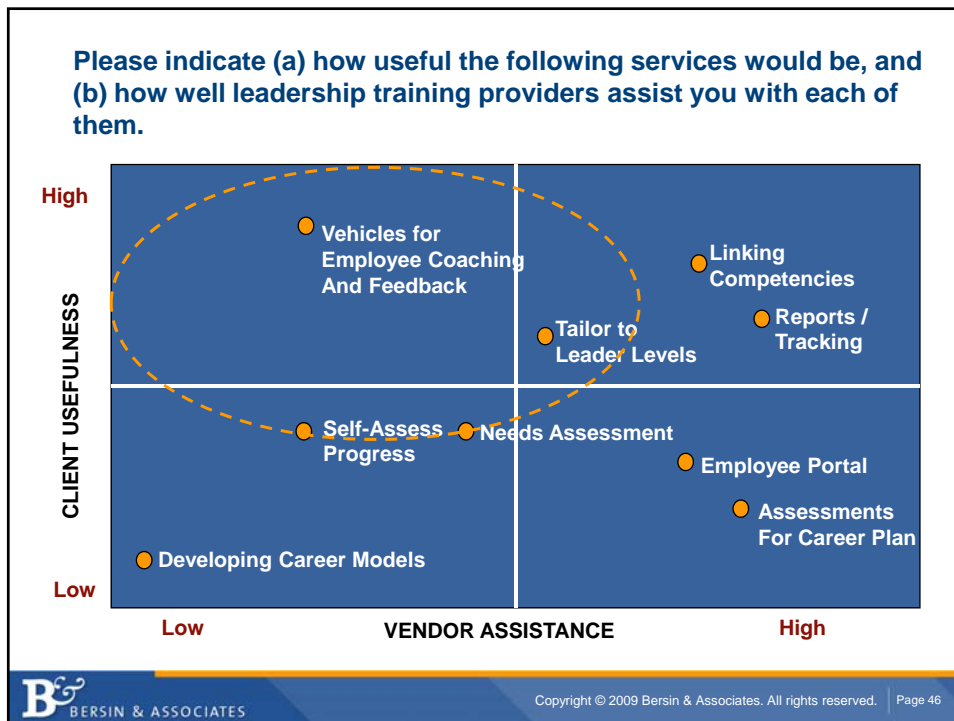
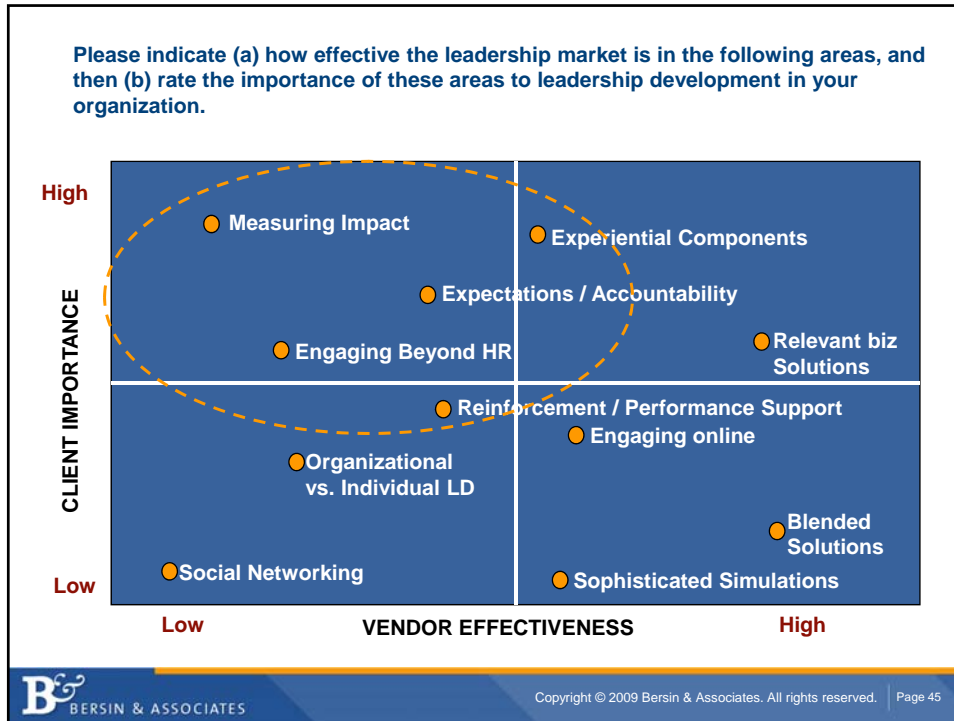
Business Schools & Universities	Harvard CCL
Large Learning Organizations	DDI BlessingWhite
Small, Boutique Firms	IAG Targeted Learning
Specialized Vendors	Fierce BTS
Consulting Firms / Individual Consultants	Heidrick & Struggles Senn Delaney

Leadership Vendor MarketMap®

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Market Experience vs. Breadth of Services

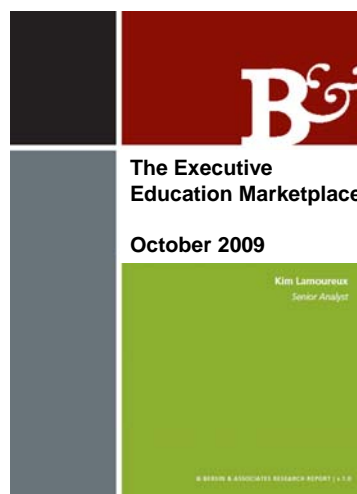




Upcoming Project

- In-depth profiles of Major Exec Ed Programs
- Market Size & Characteristics
- Case Studies with Corporate Buyers
- Competitive Landscape

We Would like to Work with Each of You



What's Missing in the Market?

- "Void of some new thinking...innovation, how to lead in down times."
- "Haven't seen anyone really push out the talent management integration piece...to bridge the gap in a substantial way...in a tactical way."
- "More about selling products and not the whole strategy."
- "Lacking overall leadership development strategic thinking."
- "Would like to see more vendors come in and really talk about learning in a systematic way...a simple way. Not a lot of theory and big words."
- "Would like to find a vendor that could offer the right information in a creative, innovative way that is cost effective."



Thank You!

The screenshot shows the Research Library website interface. At the top, there is a navigation bar with links for Home, Our Services, Our Research, News & Events, Resources, About Us, Blogs, and Research Library. Below this is a header section with the text "Research Library" and a search bar. A sidebar on the left contains a "Research Library" menu with categories such as Enterprise Learning, Organization & Governance, Learning Programs, Content Development, Learning Measurement, Learning Technology, Informal Learning, Talent Management, Talent Strategy, Workforce Planning, Performance Management, Leadership Development, Succession Management, Competency Management, Sourcing & Recruiting, and Talent Mgmt. Systems. The main content area features a "Welcome to the Research Library" message and a "Trial member access to sample reports and studies" notification. Below this, there are two columns of "New Research" and "New Case Studies".

New Research

- Showcasing Innovation: Bringing Semantic Technologies to Learning**
Published: 6/19/2009
View Details View Research
- How to Globalize Learning Programs: Twenty Best Practices**
Published: 6/19/2009
View Details View Research
- Corporate Training Efficiency: More Work to Do**
Published: 6/17/2009
View Details View Research
- Modern-Day Career Management: Paving the Path for Success**
Published: 6/16/2009
View Details View Research
- Succession Management: A Primer**
Published: 6/8/2009

New Case Studies

- On-the-Job Development: Toyota's North American Supervisors Use Blended Learning to Master Business Practices**
Published: 6/18/2009
View Details View Research
- Next-Generation Blended: Nationwide Insurance Improves IT Staff Retraining by Blending Formal and Informal Learning**
Published: 6/5/2009
View Details View Research
- Excellence in High-Volume Recruiting: McDonald's U.K. Strengthens Its Company Brand and Improves Its Recruitment Process**
Published: 5/26/2009
View Details View Research
- Learning Organization Transformation: Cardinal Health Creates a Multiyear Enterprise Learning Business Plan**
Published: 5/8/2009