

# [Swot analysis of apple](https://assignbuster.com/swot-analysis-of-apple/)

When working to increase the profitability of training and running a training team as a P&L, as with any other business there are only two way to increase profit: increase revenue or decrease costs. Previous white papers have looked at how to quantify training efforts into revenue and discussed some strategies to reduce expense, but for most departments, the single largest expense by far is salary. In challenging economic times and a company is faced with trimming costs, training tends to be one of the first to be cut back. While being prepared to show specifically how training is helping revenue at any time goes a long way to prevent this, outsourcing may be another option to consider.

Challenges with Outsourcing A 2002 report by The Conference Board found that only 2 percent of companies outsource the entire training function. That’s low compared to 55 percent of companies that outsource part of the training function, usually the administrative tasks. However, in-house trainers are an invaluable asset to a company. There are few employees who are as familiar with so many aspects of the company, know as many people in the company, and have their finger on the pulse of company trends and how to impact them. Their versatility lets them interact with sales one day and with accounting the next, executing on projects often outside the traditional scope of training. But as the pressure builds to cut costs further and to focus solely on core competencies, companies are turning to the growing trend of business process outsourcing (BPO), or total outsourcing of an entire function.

But, due to cost-cutting mandates, the number of companies exploring training BPO as an option is on the rise. Doug Howard, CEO and Managing Partner of The Exceleration Group and Founder of TrainingOutsourcing. com and TrainingIndustry. com, says that the number of requests for proposals has tripled in the last 12 months for his firm.

In HR, the outsourcing industry is expected to grow from $2. 5 billion in 2003 to $15 billion next year, according to estimates. In training specifically, industry experts predict that within 10 years, half of all trainers will work for outsource providers. Industry experts predict that within 10 years, half of all trainers will work for outsource providers. Page 1 of 7 Challenge #1: Loss of Control While the immediate benefits of outsourcing, most notably the reduced cost, are obvious, many training organizations are very hesitant to outsource.

Ninety-eight percent of the training at Staples, for example, is done in-house, outsourcing things only when they simply do not have the resources to get the projects done on time. This is a very valid concern. Outsourcing, by definition, invites the potential for some loss of control and speed of execution. But this does not have to be the case.

Clear, two-way communication is essential to build a trust-based relationship. A gradual approach from individual projects to longer term contracts reduces the perceived risk of losing control. The goal for the best outsourcing providers is to create a relationship where your organization does not even perceive them as a vendor. This partnership creates an open dialogue about how well the relationship is working. There is also a good amount of flexibility, recognizing that requirements change and that the contract, if there is one at all, can be revisited when necessary.

Challenge #2: Loss of Responsiveness Top outsourcing providers realize that responsiveness is key. When an organization feels that an outsourcing provider is not delivering in a timely fashion, they begin to look in-house instead. As a result, one common approach outsourcing providers take is to hire as many of the former in-house trainers as possible, retaining their valuable knowledge on the business and keeping the comfort level for the client high. Retain the use of your subject matter experts and help your bottom line at the same time.

Brad Johnson, co-founder and executive vice president of Intrepid Learning Solutions, a training outsourcing company in Seattle, tries to make that happens. “ We provide the existing trainers an opportunity to join Intrepid,” he says. “ We try to retain that product and service knowledge. We don’t want that intellectual capital to go out the door. ” Most trainers are excited by the prospects of joining an outsourcing company, Johnson says.

“ People who love training and are skilled at it like to be in an organization where training is all we do. ” Page 2 of 7Challenge #3: Loss of Branding Some companies are better suited to outsourcing than others. Currently, nondurable-goods manufacturers, such as food-processing, chemical and plastics companies, are outsourcing training most often. Financial and insurance companies are outsourcing training the least, according to Brenda Sugrue, director of research for the American Society for Training ; Development.

“ Necessary evils” training that has little or no revenue opportunities but are nevertheless required, such as safety training, compliance or sexual harassment, are great opportunities for outsourcing. In addition, companies in highly cyclical industries consider outsourcing because inhouse training makes it difficult to respond to economic conditions. Cancelling outsourcing contracts typically cost much less than staff layoffs. In contrast, few retail companies outsource training because their needs focus on certain product information. Companies with a high degree of proprietary content in their training have been slower to use outsourcing because their material is so highly customized and changes quickly. However, companies such as The Highly Trained Eye specialize in creating customized content very quickly at the same cost as non-customized providers, greatly increasing the flexibility and ROI of their clients.

Top Outsourcing Topics/Industries Safety/OSHA General PC Applications HR Compliance Regulatory Cyclical/Seasonal Industries Leadership Development Restaurant/Food Service Call Centers Collections Coaching General Sales Real Estate/Mortgage Manufacturing Finance Insurance What to Outsource: Programs or Roles? RetailProduct Knowledge Historically, the vast majority of training vendors have developed very good and very effective training courses that they in turn conduct with your organization, whether directly to the front-line employees or through certification of in-house trainers. Many firms are internationally recognized for their programs, such as AchieveGlobal and DDI, and some even cater to specific industries, such as BVS for banking or Coastal for healthcare. And countless more organizations offer off-the-shelf training programs for hundreds of topics, available in print or via e-learning. This can, however, pose a challenge. While the outside resources to provide training are numerous, having one vendor to provide one type of training, another vendor for e-learning, and another for executive coaching can create a perception there are is no one key liaison for an internal client to turn to for training needs.

Having different facilitators depending on the topic or program creates confusion, or even worse, promote an impression that your in-house training staff are merely brokers and not actual subject matter experts. Page 3 of 7Before being acquired by Chase, Washington Mutual Bank was an example. WaMu had very specialized roles in training, with some trainers dedicated exclusively to training for teller operations, others to sales, and still others to management development. While this helped provide specific areas of specialty for each training team and provided many outsourcing options, it also meant there was no one primary contact that an internal client liked that did everything.

In addition, the trainers themselves tended to get burned out more from offering nothing but the same topics for training. What would the impact would be to your organization if your trainers were able to spend fifty percent more time per week conducting training and impacting the business? What would the impact would be to your organization if your trainers were able to spend fifty percent more time per week conducting training and impacting the business? There are few positions in any organization that are as knowledgeable about the business or as versatile as a trainer. To maximize the ROI of this role while still maintaining the all-important “ face time” with internal clients, companies now look at outsourcing roles as opposed to individual programs. The most common example of role outsourcing lies with outsourcing an LMS. Programmers are expensive, and outsourcing providers have the experience to develop online learning for firms far more quickly than most could ever hope to do in-house.

In another example, all course design might be outsourced so that trainers can spend less time behind a computer and more time interfacing with their clients. 50% At the far end of the spectrum, some firms have outsourced their entire training function. Avaya, for example, contracted with Accenture to handle their training. Accenture, in turn, hired most of their training staff and even created a dedicated team called Avaya University, creating seamless integration with its client. In addition, the trainers that were absorbed by Accenture have greater opportunities working for a dedicated training company than they had before. With the right outsourcing partner, training programs can be more impactful and timely than ever.

Page 4 of 7 An ROI Example Scenario 1: Revamp of New Employee Orientation for sales employees Assumptions: Widgets, Inc. , employs six in-house trainers and currently does everything in-house. The average sale of widgets at Widgets Inc. is $500.

Each week that a trainer can devote time to the coaching of front-line employees results in an average of one additional sale. On average, six new sales employees are hired per month. The average salary of a trainer, including benefits, is $30 per hour. In-House Outsourced COSTS Development Time: Wages: Fees: Lost Production over 4 weeks: TOTAL COSTS: 26 hours over 1 month 26 hrs x $30/hr = $780 n/a 4 widgets x $500 = $2, 000 $2, 780 2 weeks n/a $15001 n/a $1, 500 BENEFITS (assumes the benefits are the same whether outsourced or done in-house) Decreased Onboarding Time: 1 add? l sale per EE in 1st 30 days $500 x 6 EEs = $3, 000 Fewer trainer Inquiries: Fewer questions from new hires saves 2 hrs of trainer time per mo $30 x 2 = $60 TOTAL BENEFITS: $3, 060 $3, 060 Same as in-house $3, 000 Same as in-house $60 Benefit : Cost Ratio (BCR) Benefits ? Costs Return on Investment (ROI): (Benefits – Costs) ? Costs x 100% 1. 10 10% 2.

04 104% 1 Average fee charged by The Highly Trained Eye™, other provider prices may differ Page 5 of 7 Scenario 2: Conversion of New Employee Orientation to online program Assumptions: Widgets, Inc. employs six in-house trainers and currently does everything in-house. The average sale of widgets at Widgets Inc. is $500. Each week that a trainer can devote time to the coaching of front-line employees results in an average of one additional sale.

On average, six new sales employees are hired per month. The average salary of a trainer, including benefits, is $30 per hour. In-House Outsourced COSTS Development Time: Wages: Fees: Lost Production over 12 weeks: TOTAL COSTS: 100 hours over 3 months 100 hrs x $30/hr = $3, 000 n/a 12 widgets x $500 = $6, 000 $9, 000 2 months n/a $7, 2501 n/a $7, 250BENEFITS (assumes the benefits are the same whether outsourced or done in-house) Decreased Onboarding Time: 1 add? tl sale per EE in 1st 30 days $500 x 6 EEs = $3, 000 per month $3, 000 x 3 months – $9, 000 Saved Facilitation Time: 4 hrs x $30/hr x 3 mos = $360 Same as in-house $360 Fewer trainer Inquiries: Fewer questions from new hires saves 2 hrs of trainer time per mo $30 x 2 x 3 mos = $180 TOTAL BENEFITS: $9, 540 $9, 540 Same as in-house $180 Same as in-house $9, 000 Benefit : Cost Ratio (BCR) Benefits ? Costs Return on Investment (ROI): (Benefits – Costs) ? Costs x 100% 1 1. 06 6% 1. 32 32%Average fee charged by The Highly Trained Eye™, other provider prices may differ Page 6 of 7 Conclusion: A Profitability Strategy While ROI is valuable, the question that heads of training organizations need to be able to answer definitively, on demand, is, “ How much does training help our bottom line? ”. Revenue is enhanced most when in-house trainers can maximize their time doing their core business – hands on coaching and training.

Time spent behind a keyboard consumes resources and does not grow revenue. In addition, businesses are still working to find their way when it comes to the most impactful approach to learning. They continue to spend the vast majority of their training budgets on blase materials that employees do not refer to, mind-numbing, “ death by PowerPoint” presentations and timely but not very impactful e-learning courses. This produces familiar results: learners? eyes glaze over while they count the seconds until the training session ends, or they look for the „ skip? button to pass through the online training and go straight to the quiz.

What? s more, companies usually have quite a lot invested in this material, so they continue to re-use it in order to get their money? s worth. So here are some key points: Create a training organization where your entire training staff is maximizing visibility and business impact. Most trainers typically spend one-third of their time in course design, one-third in meetings and reporting, and the remaining third actually training or coaching. Your goal should be to increase the latter to fifty percent. Have a ever purchased an item that the design and packaging was so well done that you held onto the box for a while, even though you didn? t need it? Your training materials should be of a quality and relevance that (gasp) employees will actually hold onto them and refer to them.

Involve members of senior management to promote awareness of what your department is doing. Their time is expensive, but using the head of Sales to open up your sales training as a subject matter expert helps set the tone and will make that person an advocate for your department. Consider outsourcing to further reduce costs. Performing a cost-benefit analysis will help you decide whether outsourcing is a good first step. Do the math as in the scenarios above to determine what price your outsource provider needs to come in at to really make the difference. Don? t be fooled by the sex appeal of an LMS.

An LMS is a great tool and any thriving organization should have one, but the system in and of itself does not generally deliver the impact you really need. The Highly Trained Eye™ is a training support services company based out of Exeter, New Hampshire. Founded by training managers, their goal is to maximize the time in-house trainers spend impacting the business by doing the behind-the-scenes tasks that consume their time, such as materials creation, document fulfillment, and materials updates. To find out more, call 603-418-0983 or visit highlytrainedeye. com. Page 7 of 7