



Top players score on customer care

No one can deny that 2009 was a tough year. Yet as the Top 50 list shows, most of the players are still in the game and, with the slowly recovering market, many look to strengthen existing client relationships even further.

At first sight, the 2010 Top 50 IT training companies list presents a rather gloomy picture: revenues in 2009 were down, for many companies in two digit percentage figures, and the few who managed to end up with no change or a very tentative growth in revenue compared to 2008 stand out. Figures show that the 2009 UK IT training market has taken a dip similar to the one in 2002, after the dot.com bubble burst and the stock market was hard hit.

‘This was the single fastest decline in the history of the industry,’ says William Macpherson, CEO of market leader QA. ‘This was partly due to the general recession, but I think there was also an overreaction from the market caused by the ferocity of the recession. This was worst in the financial and business services sectors, which are especially large users of IT training.’



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William Macpherson
CEO of QA

While the estimated 15 per cent decline in revenue in 2009 is only one percentage point under the 2002 figure, it doesn’t necessarily reflect on the amount of training that has been going on. ‘The actual volume of training may not have declined that much, but pricing has also fallen,’ says David Pardo, MD of Pardo Fox.

‘There has been a lot of competition on price, even since before 2009,’ agrees his colleague John Durbin. ‘The problem is that once you are in a recession, you cannot raise prices.’

The pressure to cut cost played to the advantage of one of the newcomers to the Top 50 list, Floatdene Green, whose revenue grew by 50 per cent in 2009. ‘It’s all about cost – circumstances force companies to look for alternatives,’ says Director Derrick Johnstone.

Apart from PPI Learning Services, which went into administration in July, 2009 didn’t result in any other major casualties. Some of the major changes in the market were the acquisition of Remarc by QA in September 2009, the merger in February 2009 between The Projects Group (TPG Academy) and PMProfessional Learning to form Aikona Management, and in January 2010, WWP Training and Key Training Solutions joined forces.

New Horizons, whose UK franchisees went into administration in April 2009, launched its own directly run UK business in June, and found that despite the large, though expected, drop in revenue, the business was seeing growth. ‘Obviously the termination of the franchise agreement meant that we went from working with established and mature franchise partners to

starting from scratch,' says Michael Smith, New Horizon's Director for Europe. 'I'm very pleased with the progress.'

Still profitable

Overall, the picture is not quite as bleak as it might look. 'The figures are down, but the industry hasn't been as badly hit as others,' says David Pardo. 'IT training is not quite as susceptible as other sectors, and there have been successes among the niche and innovative players.'

So while for most companies revenue has fallen, several still report that their overall profit rose during 2009. For example, Alan Pettman, who joined Global Knowledge as Managing Director in November 2009, says that the company's profitability rose by around 14 per cent over the last year.

Learning Tree, a London-based training provider, found itself in pretty much the same situation. 'In 2009, there wasn't much good, but it didn't come as a surprise – the writing was on the wall and we shaped our business accordingly, which meant that while we declined in revenue terms, we still remained profitable,' explains Managing Director Richard Chappell.

He also found that there was more growth in areas outside the UK, in particular the Middle East and Africa. 'We've seen quite a strong growth there, and it's really helped. We've managed to focus our troops in the right areas, and it continues to offer good opportunities.'

Looking at countries outside the UK has been a successful strategy for a number of companies, among them Firebrand Training. 'The last 12 months have been brutal,' says Director Robert Chapman. 'It is interesting because we still grew as a group. This has been the first full year of trading in the Nordic region, and our revenue grew from zero to £1million there. Taken over all the countries we're operating in, our revenue has grown.'



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Richard Chappell,
Learning Tree

E-learning joins the team

Over the turbulent last year, more e-learning companies have joined the ranks of the Top 50 IT training providers. 'The lines between "traditional" IT training companies and e-learning companies are beginning to blur,' explains David Pardo. 'E-learning is now a serious part of the mix. There is a huge diversity of training needs, which means there also needs to be a great diversity in delivery. E-learning is now happening on a modest scale, after there's been 15 years of talking about it.'

'About three or four years ago, introducing e-learning into the training mix was not necessarily the done thing. Today it's almost natural to integrate technology in the classroom, and e-learning is often used for prerequisite training,' adds John Durbin.

'E-learning is also used much more in classroom training,' says Brendan Scullion, Kaplan IT Learning's Regional Director Europe and Middle East. 'We've also seen a change in that e-learning used to be mainly for large corporations, but now companies with as few as 250 end-users are deploying e-learning.'

This move is also reflected in the increase in rapid authoring tools, and Kaplan reacted to this development through the acquisition of rapid authoring tool provider Atlantic Link earlier this year. 'Before our training was very much application focused, but we've seen a decline in demand for

larger projects training such as SAP and Oracle,' Brendan explains.

Still, the UK is proving to be more conservative in its embrace of e-learning than, for example, the US. While the e-learning growth rate overseas is quite steep, in the UK it has stayed under what had been expected. 'One of the obvious reasons for this is the geography – in the US you have a lot more distance to cover,' explains David.

Despite the continued popularity of classroom-based training, companies such as Kaplan IT found 2009 'pretty steady, as many companies looked at e-learning as a way to reduce training cost. There was a move away from classroom-based training towards small snippets of training, even in e-learning lessons,' says Brendan.

This development has also encouraged other 'traditional' training companies to take on e-learning. Learning Tree, for example, is currently moving into the arena of virtual classrooms and remote training. 'In the past we've shied away from e-learning, but we've now realised that we can use it to play to our strengths,' explains Managing Director Richard Chappell.

'Technology-based learning will consolidate its position,' agrees David Pardo, and so it looks like this trend towards e-learning will continue, especially as technology develops and allows for increasingly richer learning experiences.

Yet cost control and tight budgets were certainly a necessity to survive 2009. 'We've looked at the cost of everything, marketing budget, venues and so on, but we didn't cut corners in terms of customer services,' says Melanie Franklin, CEO of Maven Training, one of the few companies that have shown tentative growth over the last year.

Looking for value for money

Difficult market conditions brought about by staff cuts and budget constraints have made customers discriminating, and 'value for money' was certainly one of the key trends in 2009 as companies were looking long and hard at which training would add value to their

business and justify digging into their tight budgets.

However, apart from Floatdene Green and Firebrand Training, very few training companies seem to have cut down on their prices over the last year. ‘Cost cutting is not worthy of discussion anymore,’ says Global Knowledge’s Allan Pettman. ‘Whereas it used to be that service brought you to the table and price won the day, it is now price that brings you to the table, but service and experience make the difference.’

‘I’ve seen two strong trends over the last year,’ says Melanie Franklin. ‘One is the individual perspective. The question I get is “how does this course affect my employability and my marketability?” The market is still very tough for people trying to get into contract work. They now have the time to do the courses, but they also don’t want to part with their hard-earned money if they don’t get anything in return. On a corporate level, the contribution now has to fit the business strategy. Companies expect people to be qualified and then they build capability.’

Ian Steward, Service Development Director at Logica, noticed similar



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Allan Pettman, Global Knowledge

developments: ‘Companies are cutting down on headcount, so training needs to be more effective and directive. It’s not just “where do we make our savings?” but “how do we get more out of the individual?” Training has become wider – it’s moving into recruitment, training, career development, succession planning and so on. Customers are asking for more integrated services.’

One company for whom this approach has certainly paid off is Intellego, whose revenue grew by 39 per cent. ‘Our growth was based on increasing the sales of our own published products and a move towards a greater element of service,’ says Angus Forrest, Chairman of Intellego. ‘Whereas we might have supplied a system previously only as a distributor, what we’ve been trying to do is supply additional services such as pre-training consultancy and content development.’

Similarly, training outsourcing provider Redtray’s aspiration for 2009 and the year to come is to be able to provide truly blended learning solutions for its customers. Over 2009 it acquired several businesses, among them PPI Learning Services, thereby expanding its service offering. ‘We now have everything in-house, from e-learning, LMSs and technology to NVQ and Skills for Life qualifications and IT professionals’ development,’ says Jon Buttriss, Redtray’s Marketing Director. ‘We really, really can provide blended learning now, and we were able to talk to clients about what they want – we have everything, that’s our strength. That’s how we managed to continue through 2009.’

Being flexible in training delivery is something that has also paid off for New Horizons. ‘We’ve seen an immense growth in mentored learning – it’s now about 30 per cent of our global revenue,’ says Michael Smith. ‘Companies want flexible delivery. For example, if you went to a Windows 2008 server course, it would be typically from Monday to

Friday. Many customers have fed back that it is very difficult to release staff for that type of training, especially as there’s less staff doing the same amount of work.’

Offering bespoke solutions

The tough year has also brought about a real focus on the impact of training on change management. ‘The market in 2009 was very choosy, very business-case driven,’ says Allan Pettman. ‘Companies tended to choose courses with a tangible return, either giving them a competitive edge or reduced costs. Data centre courses were huge – if you get the data centre right you save yourself a lot of money.’

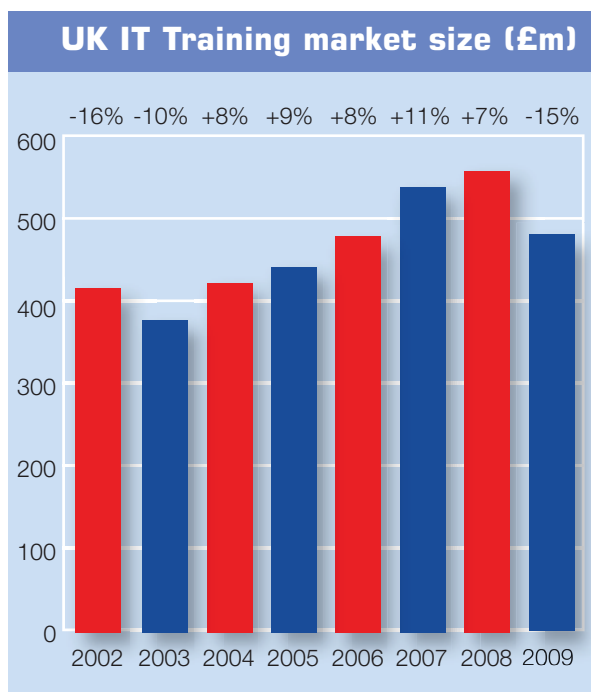
Many training companies also commented that off-the-shelf training has had its day, and that clients have very specific ideas about the kind of training they are looking for. ‘I’m finding that as companies want more value for money and more from their employees, they need more bespoke approaches,’ says Ian Steward of Logica.

‘Clients are now informed enough to know that taking a PowerPoint presentation and adding some bits doesn’t change the hearts and minds of people – they need bespoke training,’ explains Jon Buttriss.

Learning Tree’s Richard Chappell agrees: ‘Client-specific training has grown. Rather than looking at standard courses, companies come and say “this is what we actually need”. Every hour spent in training needs to be bang on the mark.’

In this sense, the recession has actually had a positive impact. ‘Recession is a great opportunity to review where you spend your money,’ says Firebrand’s Robert Chapman. ‘When it’s easier to make money, it’s also easier to be lazy.’

‘A lot of mothballs have been taken away,’ agrees Melanie Franklin. ‘There is a much higher level of professionalism. It has changed the way companies operate. There is now a much closer relationship between individuals and companies



– it's all about managing career development.'

Richard Chappell sees the same development: 'In the past, people often came on training courses because their company had the budget and it was their turn. Now people come because what they need to learn is business-critical. Attendees need to go back to work on Monday after the course and apply what they have learned. The classroom is now highly charged and highly motivated, which is great.'

Investing in relationships

As a result, good business relationships have become essential building blocks of successful training companies. 'I found that when the going gets tough, there's a flight to trust,' says Melanie Franklin. 'Training is very much a relationship business – people want to work with someone they trust. There has been a change in



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Firebrand Training

Top training courses

In terms of course popularity, companies haven't really seen much change in 2009. Favourites were virtualisation, IT security, ITIL, management courses, business analysis and project management such as Prince2. Yet, as Melanie Franklin points out, while a few years ago a Prince2 qualification meant that you looked special, it has now become a basic management skill. 'It has shifted down a level: before it was at company level, but now it's moved to graduate induction programmes, for example.'

Other areas that did well and are thought to continue to do so are business analysis and data centres. Many also believe that the new Microsoft products will give the market a boost and that cloud computing needs will contribute significantly to training needs over 2010.

perception: training partners need to be professionals, real partners. It's about the added extra that shows that you know your stuff.'

QA's William Macpherson agrees: 'We continue to be value-focused, but we've also looked to deepen relationships. We found that clients are wanting more integrated training solutions, rather than just "a course" and consequently are increasingly working directly with full service companies rather than through brokers.'

Richard Chappell also found that onsite business grew over the last year, and Redtray's Jon Buttriss explains that the company tended to concentrate more on the bespoke, quality end of the market rather than on rapid development. 'We got closer to our customers,' agrees Intellego's Angus Forrest. 'We've moved higher up in the decision making tree and sought to deliver the best value we can.'

Outlook 2010

While the very tentative recovery in the first quarter of 2010 is reflected in the companies' predictions for the year to come, most training companies do see light at the end of the tunnel. 'There will certainly be growth, but probably quite modest,' predicts David Pardo. 'I also see a continued need for training in "professional" skills for IT people – for example, personal, inter-personal, customer-facing, management and business skills.'

'The market continues to be a tough place,' says Jon Buttriss. 'However, we've had a great first quarter, a lot of it based on aspects such as understanding the customer and offering integrated and end-to-end solutions.'

'I don't think we're out of recession yet, but I'm generally optimistic,' says Firebrand's Robert Chapman. 'You can't go on not training your people. Other companies will start offering training and your people will start to leave.' Melanie Franklin agrees:

'There is still a war for talent, and a well-defined career development path gives your company a competitive edge.'

The move towards greater flexibility in training delivery will certainly continue, suspects Floatdene Green's Derrick Johnstone, and Brendan Scullion, Kaplan IT Learning's Regional Director Europe and Middle East, agrees: 'There is definitely a move towards mobile devices. We found that the iPhone and smartphones are generally too small, but notepads are certainly something people are looking at.'

Changing perceptions

However, the real change in 2010 might well be the way training is approached and perceived. 'IT training is no longer about just doing a training course,' says Melanie Franklin. 'It's about transferring our expertise into a company. It's no longer done in an abyss – the structure of the company is now involved. Training now increasingly falls into the world of HR and we all need to look at the bigger picture. I have the suspicion that the role of the "normal" trainer is disappearing fast.'

While there is a need for closer collaboration between training provider and customer, some also see a necessity for training providers to work together more closely. 'I see a change in the IT training landscape in that we need to work with each other and use each others strengths,' says Logica's Ian Steward. 'It's still competition, but a different kind of competition.'

It seems then that collaboration, strong customer relationships and integrated services will be key to making the most of the year to come and benefitting from the timid shoots of economic recovery. Building capabilities and enabling people to succeed in their jobs is now certainly on top of the list of IT training companies' aims and objectives for 2010.

Top 50 The full list

Rank 2010	Rank 2009	Company	Revenue £m	Change %	Website
1	1	QA	82.0	-15	www.qa.com
2	2	IBM Training	21.1e	-15	www.ibm.com/training/uk
3	3	Learning Tree International	19.9	-17	www.learningtree.co.uk
4	4	SAP	17.7e	-21	www.sap.com/uk/education
5	6	SkillSoft	17.6e	-2	www.skillssoft.com
6	7	Parity Training	16.0e	-2	www.paritytraining.com
7	9	ILX Group	14.7e	-4	www.ilxgroup.com
8	11	Assima	13.9	-1	www.assima.net
9	8	Oracle University	13.7	-14	www.oracle.com/uk/education
10	10	Global Knowledge	12.5	-13	www.globalknowledge.co.uk
11	12	ThirdForce	9.0	-20	www.thirdforce.com
12	14	RWD Technologies	8.2e	-20	www.rwd.com
13	-	Element K / NIIT	8.0e	20	www.elementk.com
14	22	Redtray	7.9	11	www.redtray.co.uk
15	21	FDM Group	7.8	7	www.fdmgroup.com
16	15	Firebrand Training	7.7	-5	www.firebrandtraining.co.uk
17	16	Training Synergy	6.6e	-16	www.trainingsynergy.com
18	18	Sun Microsystems	6.5e	-17	www.uk.sun.com/training
19	17	HP Education Services	6.0e	-25	www.hp.com/uk/education
20	-	Aikona Management	5.9e	5	www.aikona.com
21	24	Arrow ECS	5.7	0	www.arrowecs.co.uk
22	27	Verridian	5.1	6	www.verridian.co.uk
23	26	Steria Learning Services	5.0e	-3	www.sterialearningservices.co.uk
24	31	Bray Leino BroadSkill	4.9e	7	www.brayleino broadskill.co.uk
25	34	iTrain	4.8e	17	www.itraineducation.co.uk
26	29	PremierIT	4.8	4	www.premierit.com
27	23	Fast Lane	4.7e	-23	www.flane.co.uk
28	25	EMC	4.6	-13	www.emc.com
29	32	Symantec Education Services	4.4e	0	www.symantec.com
30	-	Kaplan IT Learning	4.4	-21	www.stt-trainer.com
31	33	Red Hat	3.5e	-17	www.redhat.com
32	30	Ideal Training	3.5e	-22	www.idealts.co.uk
33	38	Maven Training	3.3	5	www.maventtraining.co.uk
34	40	WDR	3.2	5	www.wdr.co.uk
35	39	Afiniti	3.0	-10	www.afiniti.co.uk
36	36	Brightwave	3.0e	-21	www.brightwave.co.uk
37	42	Globaltech Solutions	2.8	8	www.gts-uk.com
38	41	Quanta	2.5e	-9	www.quanta.co.uk
39	37	SAS Software	2.5	-22	www.sas.com/uk
40	-	Floatdene Green	2.4	50	www.floatdene.net
41	-	Datrix Training	2.4e	13	www.datrixtraining.com
42	19	PPi Learning Services	2.4e	-66	in administration
43	-	Intellego	2.3	39	www.intellego.co.uk
44	45	StayAhead Training	2.2	10	www.stayahead.com
45	43	WWP Training	2.2	-12	www.wwp.co.uk
46	20	New Horizons	2.2e	-71	www.newhorizonsclc.co.uk
47	44	Happy Computers	2.0e	-15	www.happy.co.uk
48	-	2e2 Training	2.0	0	www.2e2.com/training
49	47	Interskill Learning	1.9	-17	www.interskill.co.uk
50	49	Kaleidoscope Training	1.9e	-11	www.kcct.co.uk

How the top 50 was compiled

This table of the Top 50 training companies by revenue was researched and compiled by Pardo Fox Ltd. The revenues shown in the table are for each company's financial year ending in 2009 or cover the calendar year 2009, and relate to IT training delivered in the UK. Eligibility is open to any company with revenues derived principally from the sale of training to employers for their staff, excluding colleges, universities and firms selling to private individuals or delivering publicly funded training programmes, and companies such as Logica or Accenture who offer training as part of an integrated IT service. Where a company's actual training revenue is on public record, that figure has been used. For those with no published turnover, an estimate has been made based on available data, shown by an 'e' next to the revenue figure. Some revenues given in last year's table have been restated, and growth relates to the updated figure.

This information has been carefully researched, but we cannot guarantee its accuracy or completeness, and we will not accept liability for any direct, indirect or consequential loss arising from its use. For further information, please visit www.pardofox.com.

Footnotes to Top 50

QA acquired **Remarc** in September 2009, and the revenue figure quoted is their notional combined revenue in the calendar year. **Parity Training** was acquired from Parity Group by **ECS Ltd** in February 2009. **Sun Microsystems** was acquired by **Oracle** in January 2010. Since the two had traded independently throughout 2009, they are listed separately. **Arrow ECS** was previously known as **DNS Arrow**. **PPi Learning Services** went into administration in July 2009. **New Horizons'** UK franchisees went into administration in April 2009. **New Horizons Corporate** terminated the franchises, and launched its own directly run UK business in June. **Aikona Management** was created by the merger of **The Projects Group** (TPG Academy) and **PMPProfessional Learning**.