

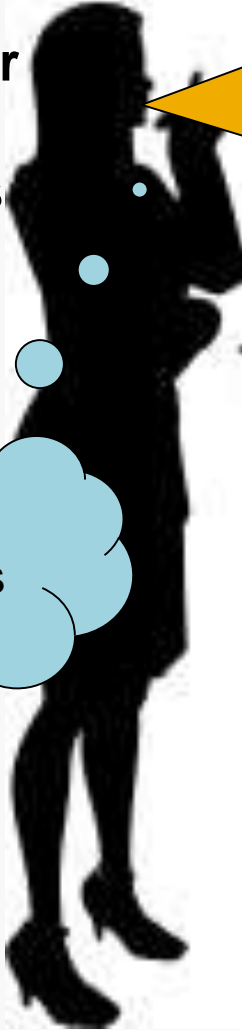
Business Survey Results and Impact on Training Organizations

Dirk Braune, Director Learning Strategy & Portfolio - Alcatel-Lucent





**During
yesterday's
meeting
with your
CEO or
Services
SVP...**



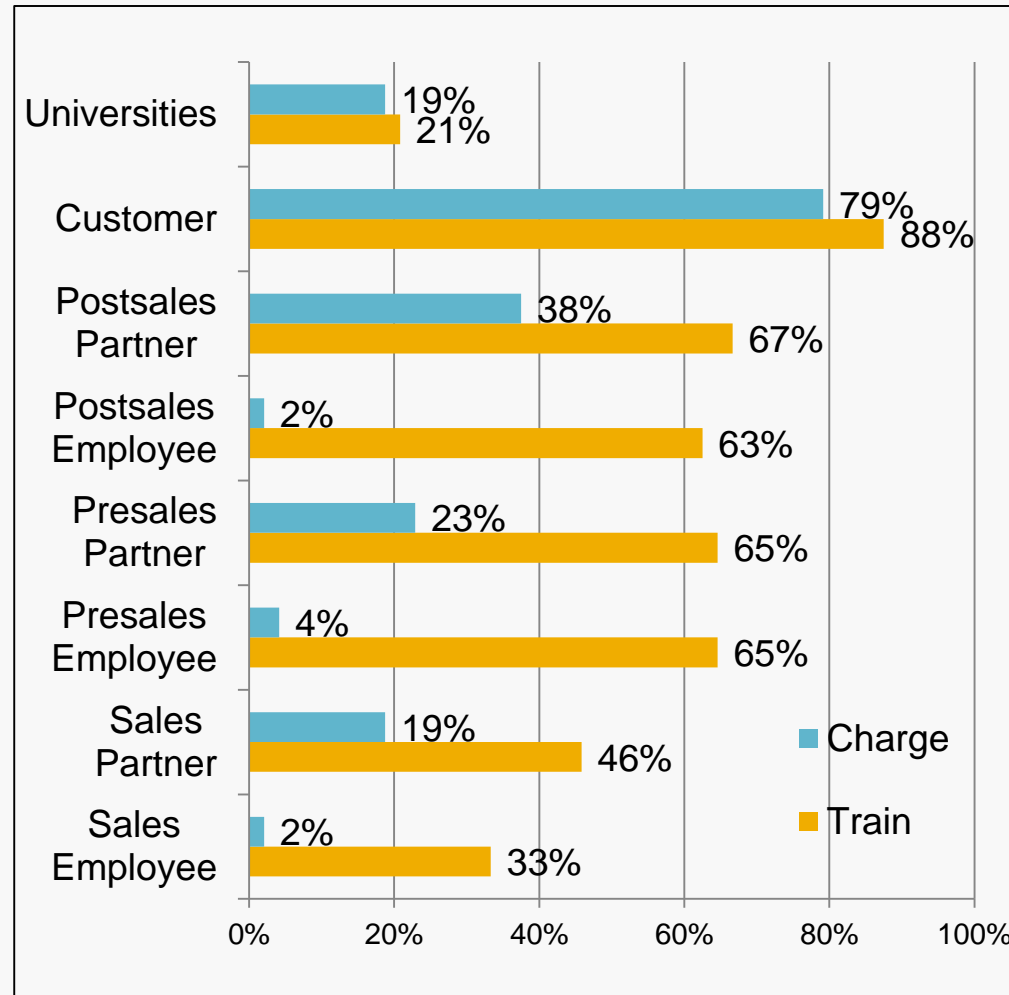
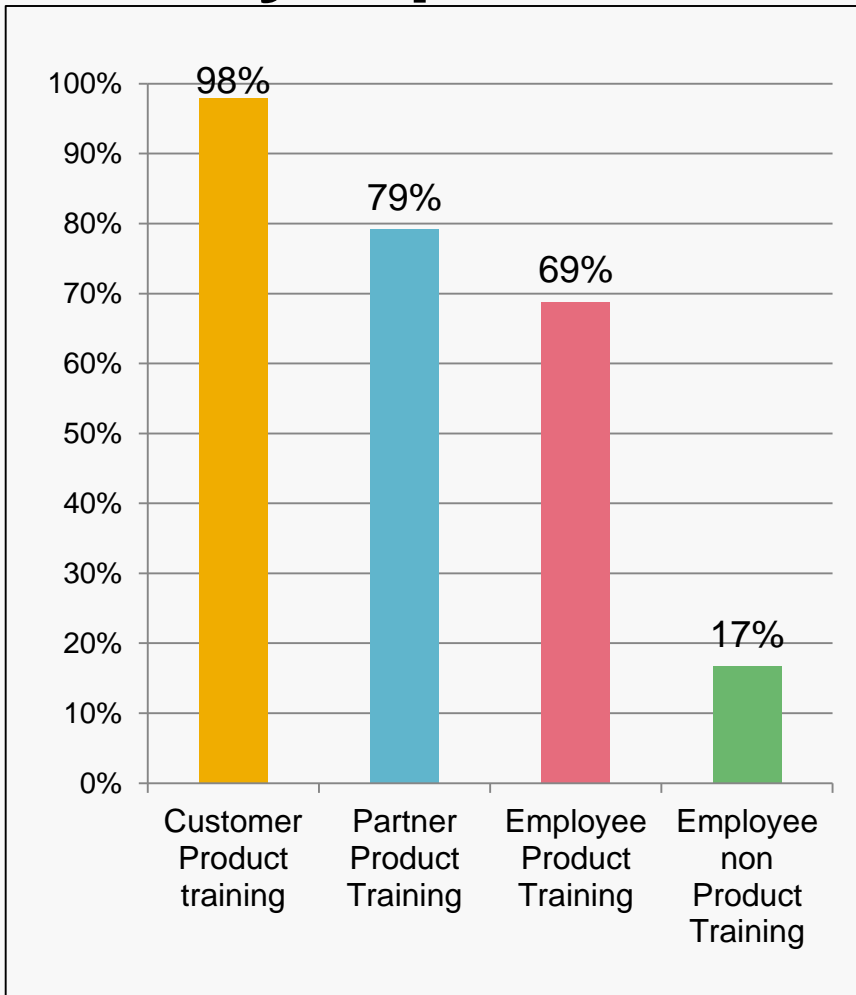
Do you want training
to generate more
revenue & margin or
do you want us to
drive more customer
sat or more channel
business?

All of it



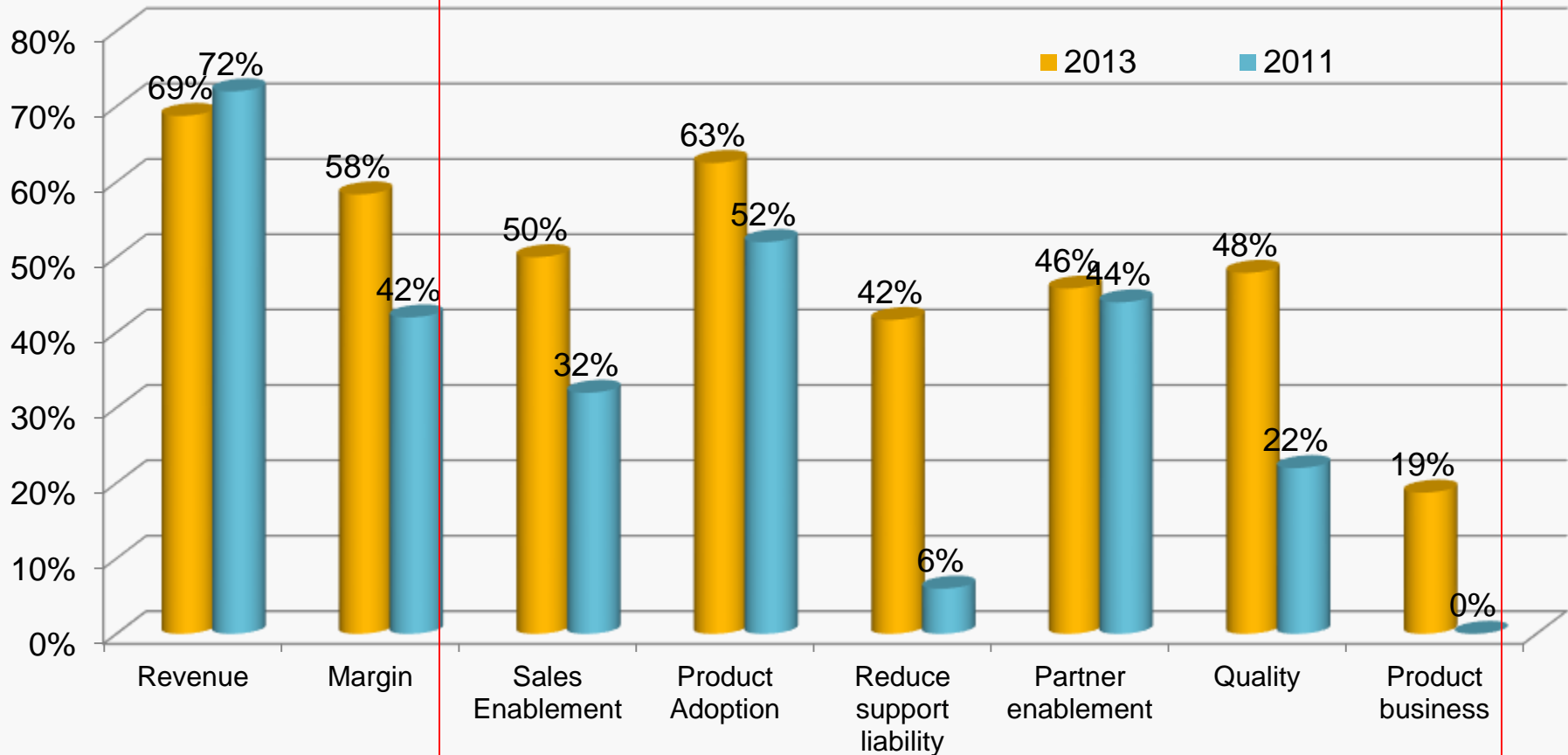
That's
what I was
afraid of

Education departments are responsible for many topics and audiences

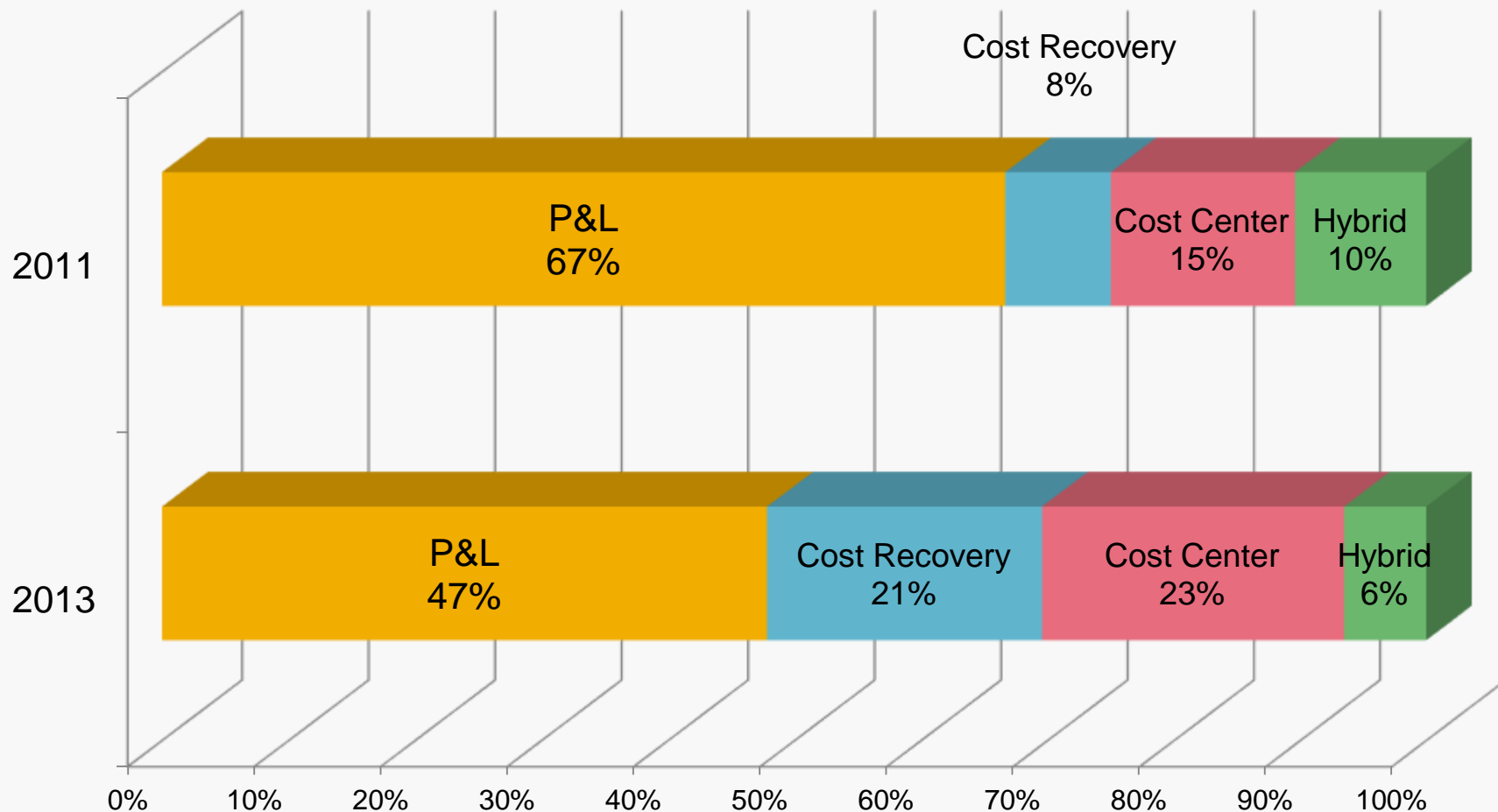


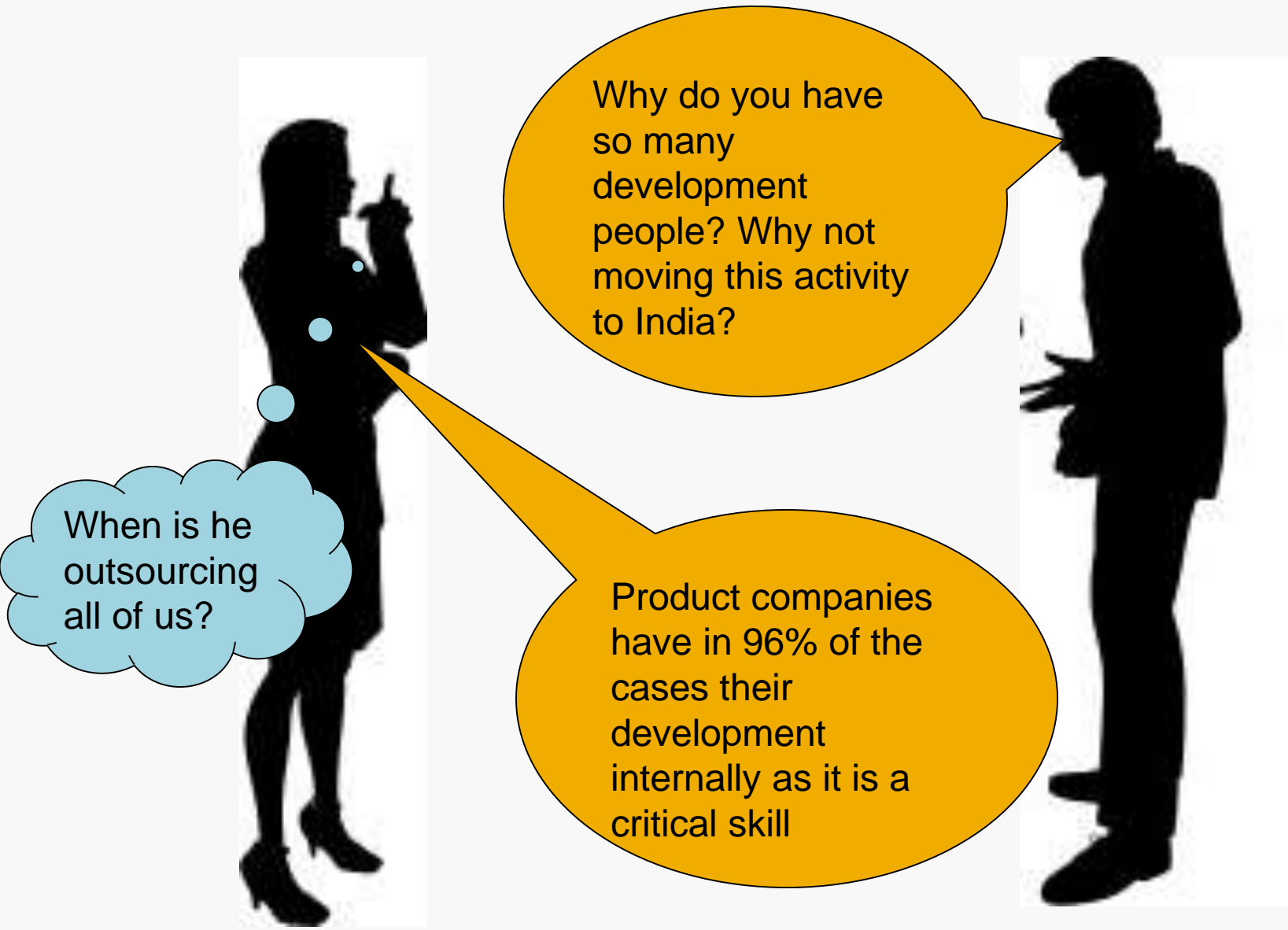
Education Teams Need to Achieve Financial and Enablement Objectives at the same time

Increase in Enablement as Priority



Enable objectives and many audiences drive also different business models



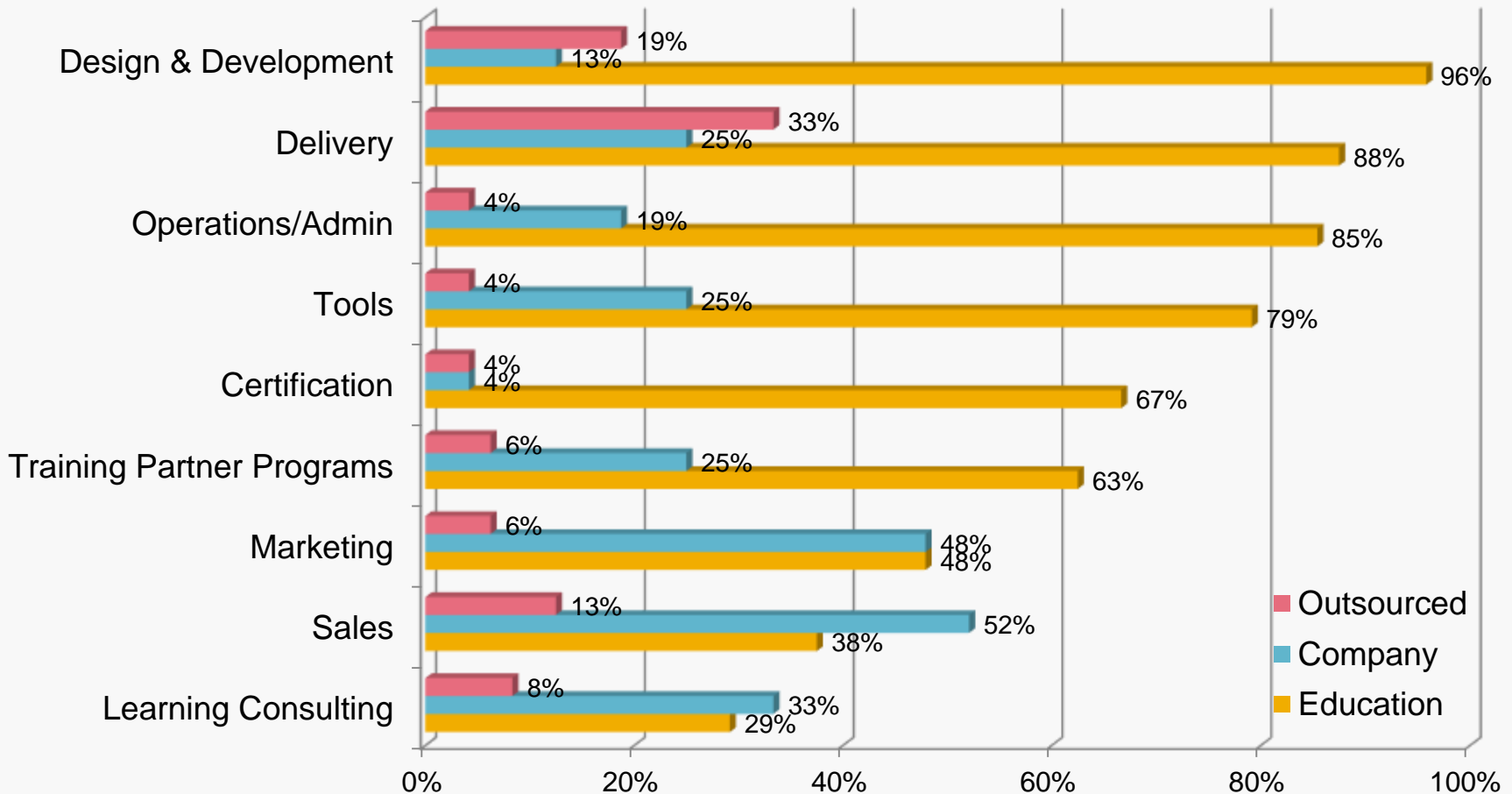


When is he outsourcing all of us?

Why do you have so many development people? Why not moving this activity to India?

Product companies have in 96% of the cases their development internally as it is a critical skill

Which functions are internal/external to Education teams





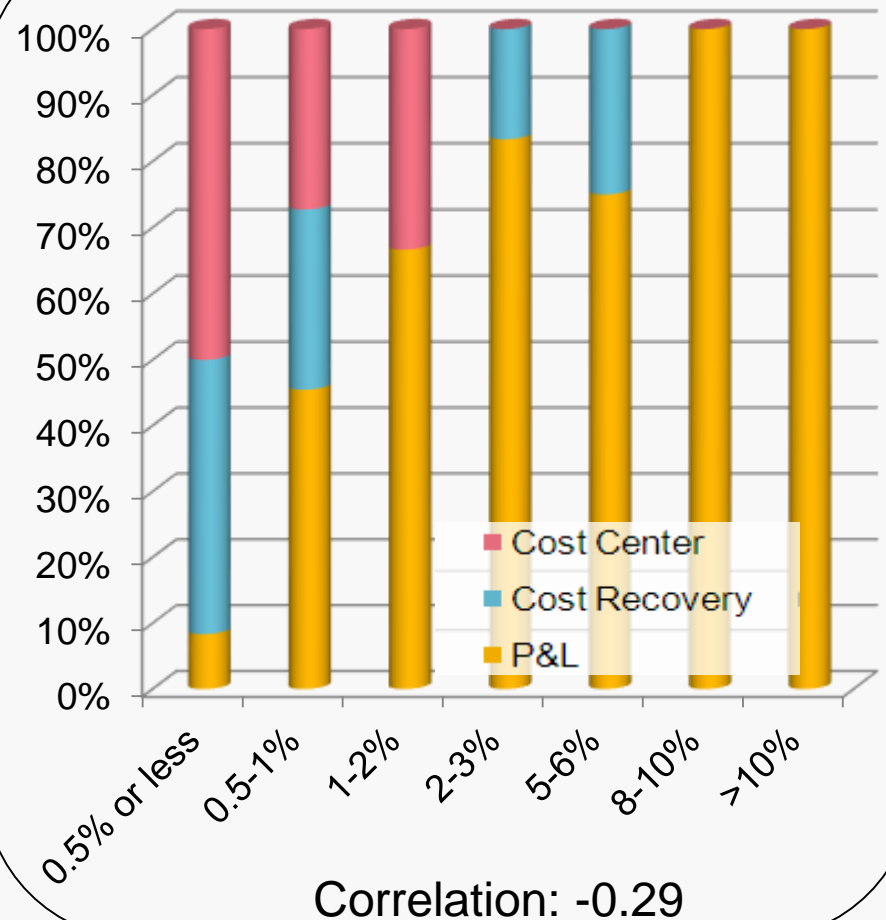
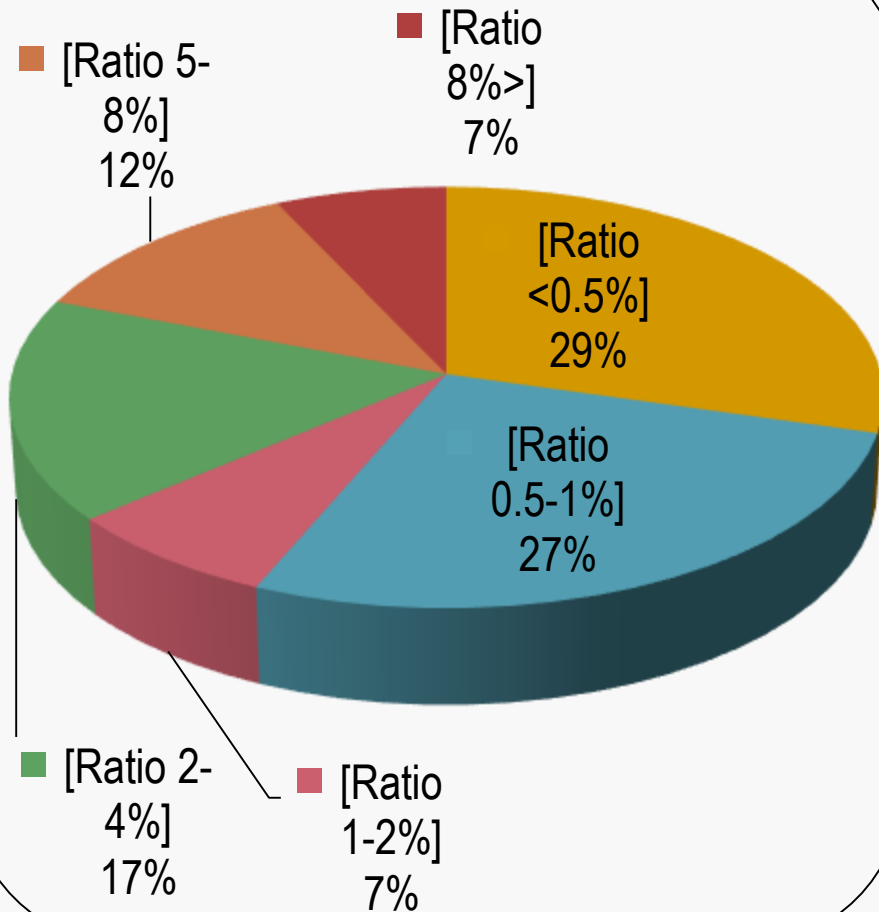
What is he smoking...?

You should contribute at least 10% of the company revenue and reach a 60% operating margin

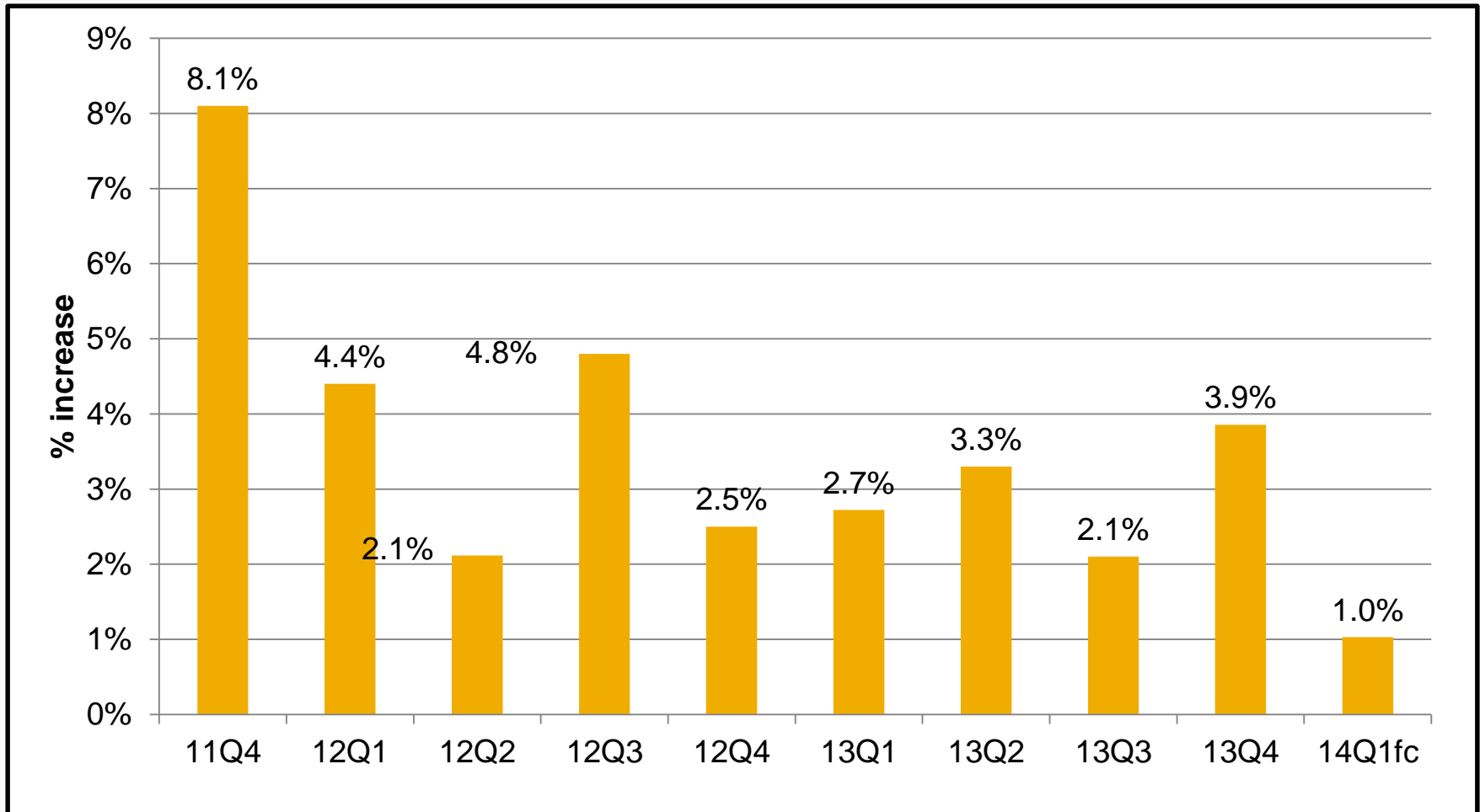
Industry best practice for a company in our space and of our size shows that from 80 companies not a single org had a 60% OP... But we can...



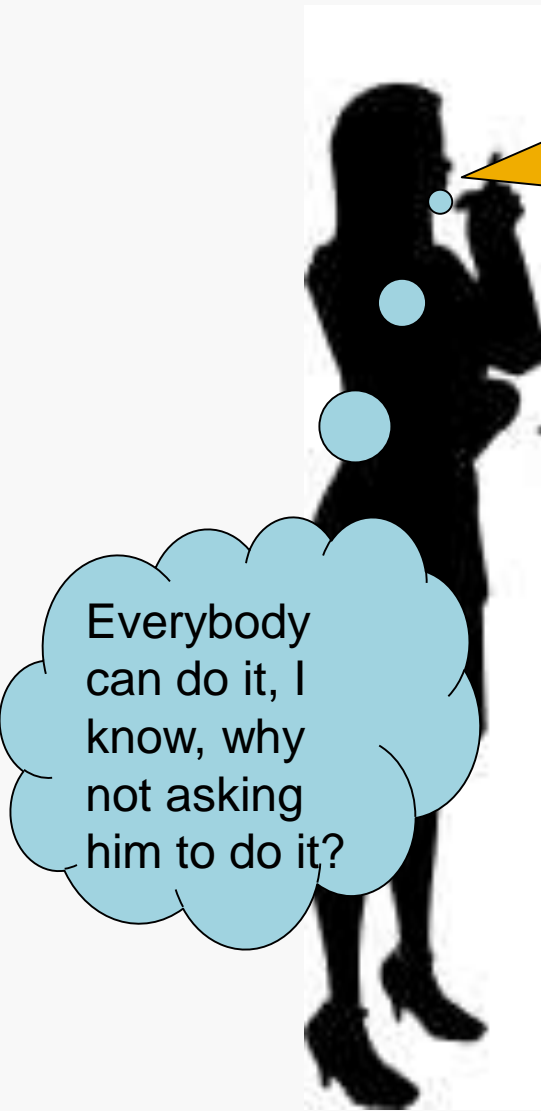
Education vs Company Revenue Ratio



Education Revenue Trend (2012-2014)



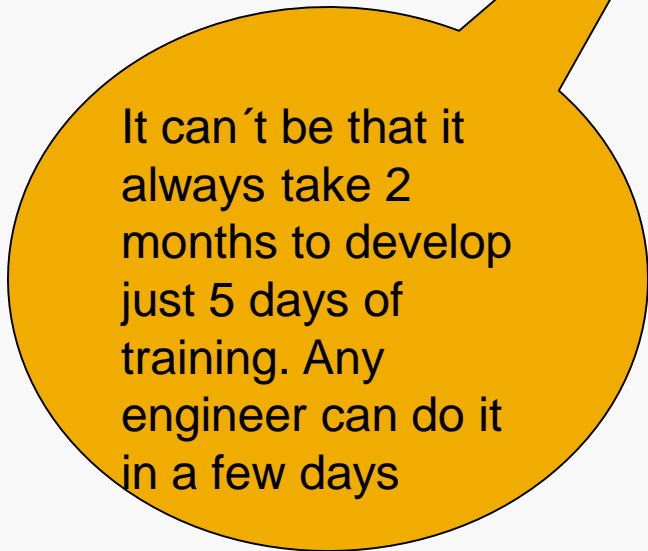
Q1-2014: 14 companies with increase, 6 are flat, 14 decrease



Everybody can do it, I know, why not asking him to do it?



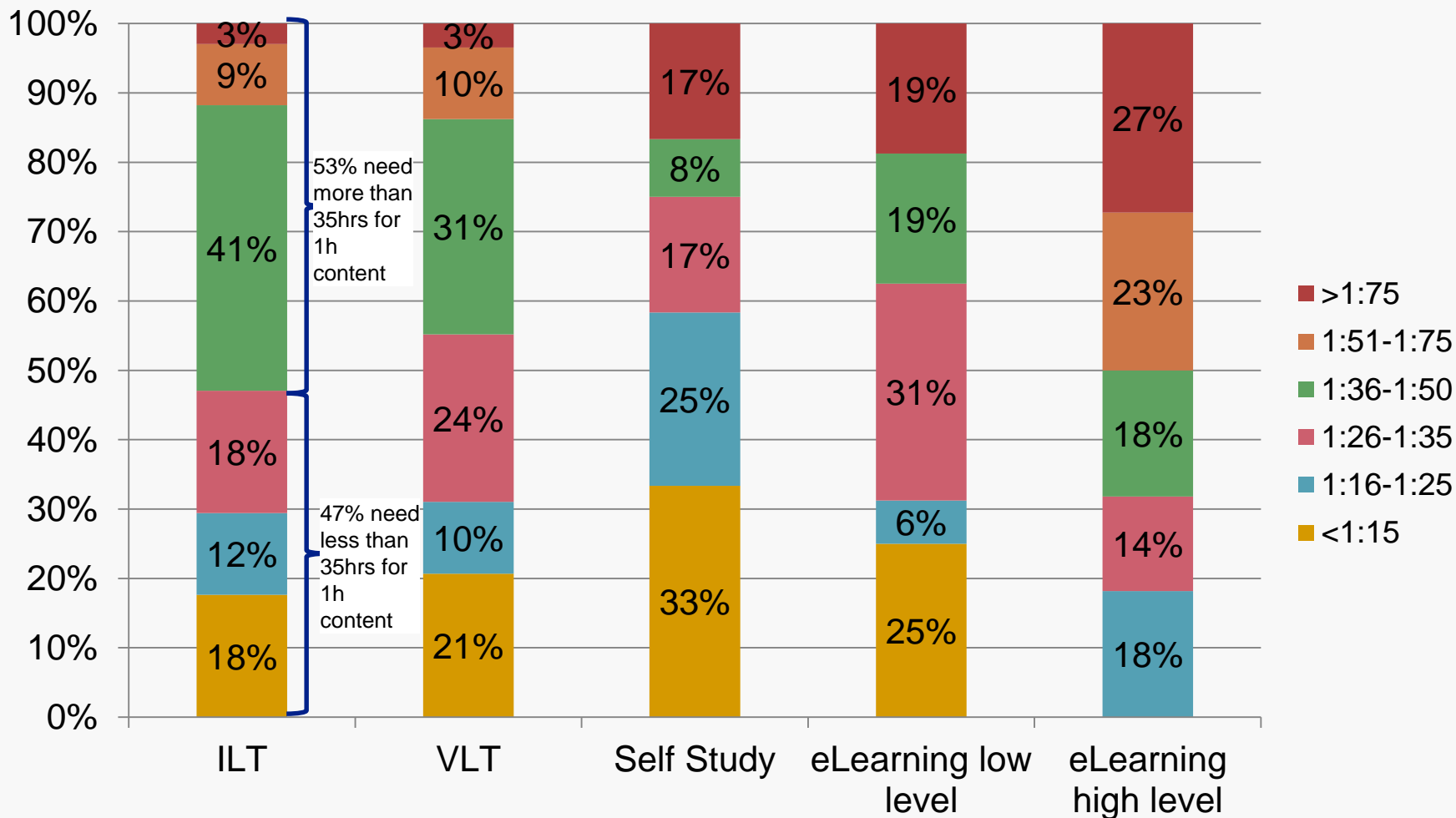
The new Release 8 training will be available in 6 weeks

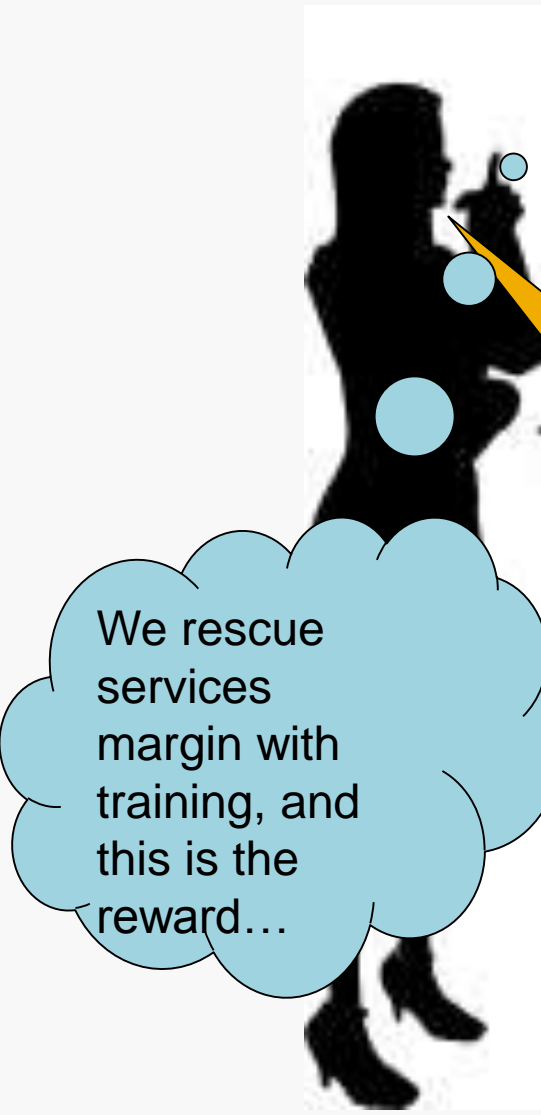


It can't be that it always take 2 months to develop just 5 days of training. Any engineer can do it in a few days



Development Ratios for Different Training Delivery Formats

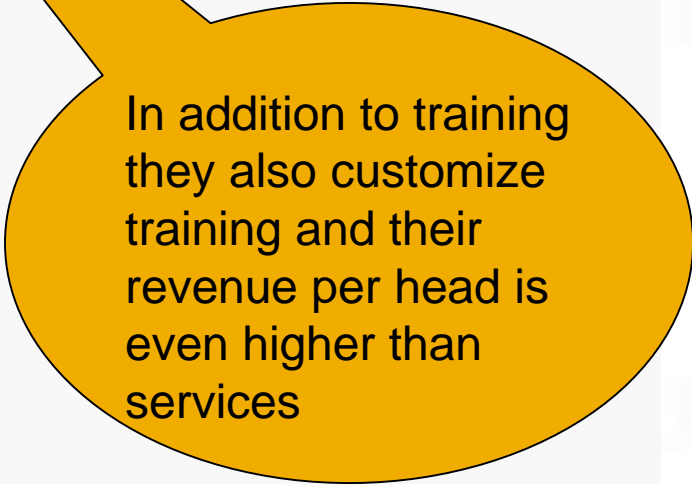




We rescue services margin with training, and this is the reward...



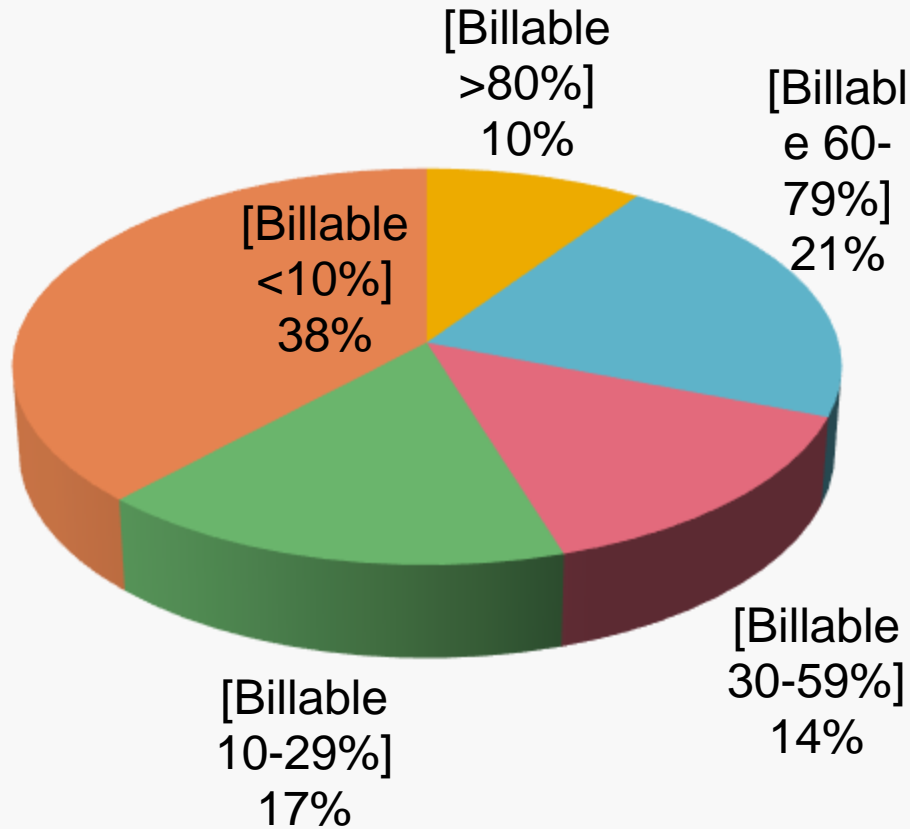
Similar like for our services team we need to have the instructors 80% on the road and deliver training



In addition to training they also customize training and their revenue per head is even higher than services

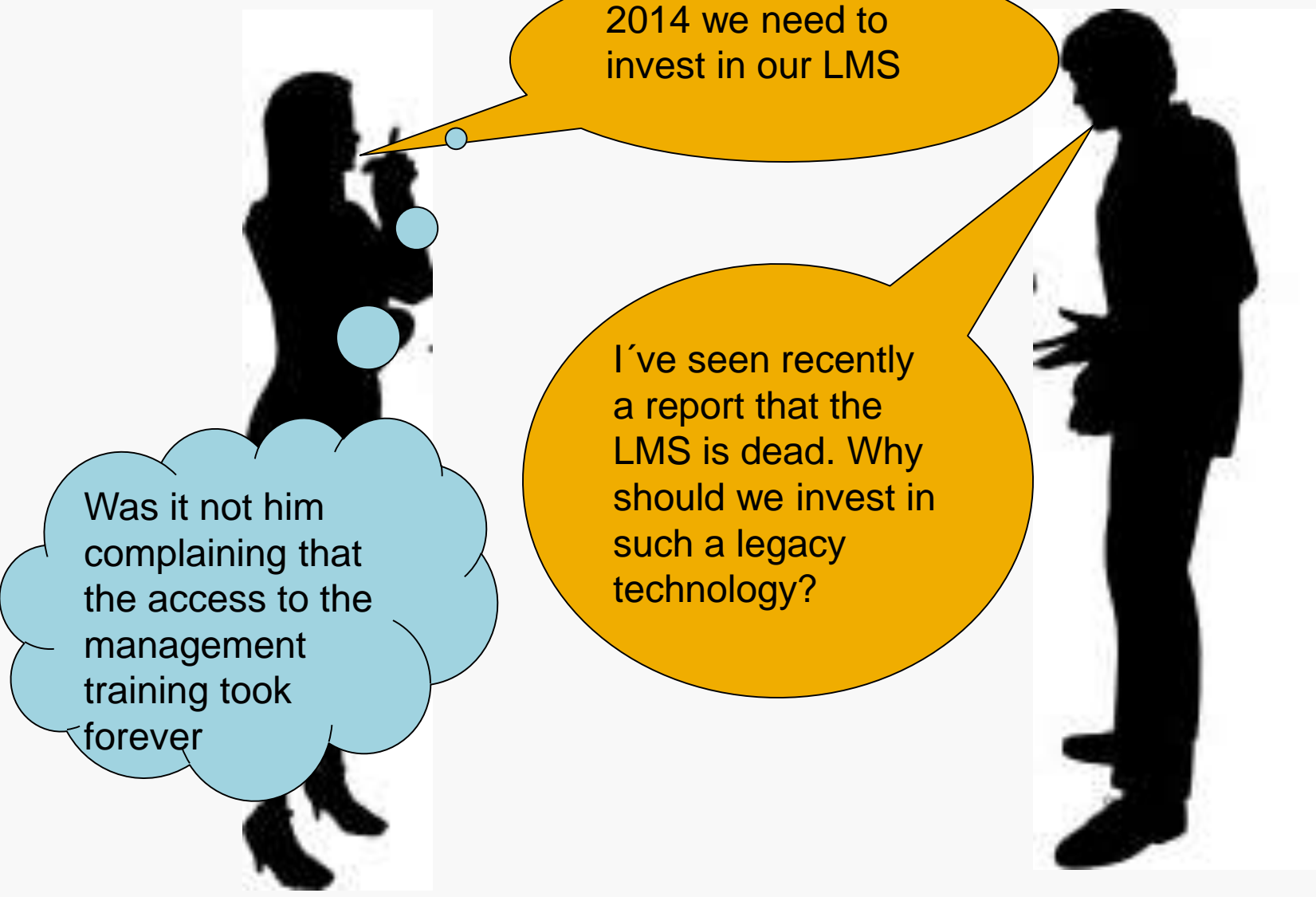


Instructor Billable Time



Why do so many teams have relatively low billable percentages

- **Does employee training decrease billable hours:** likely not, no significant correlation if training of employees is supported or not
- **Do internal resources have lower utilization:** likely not, no significant correlation if training is using internal or outsourced instructors



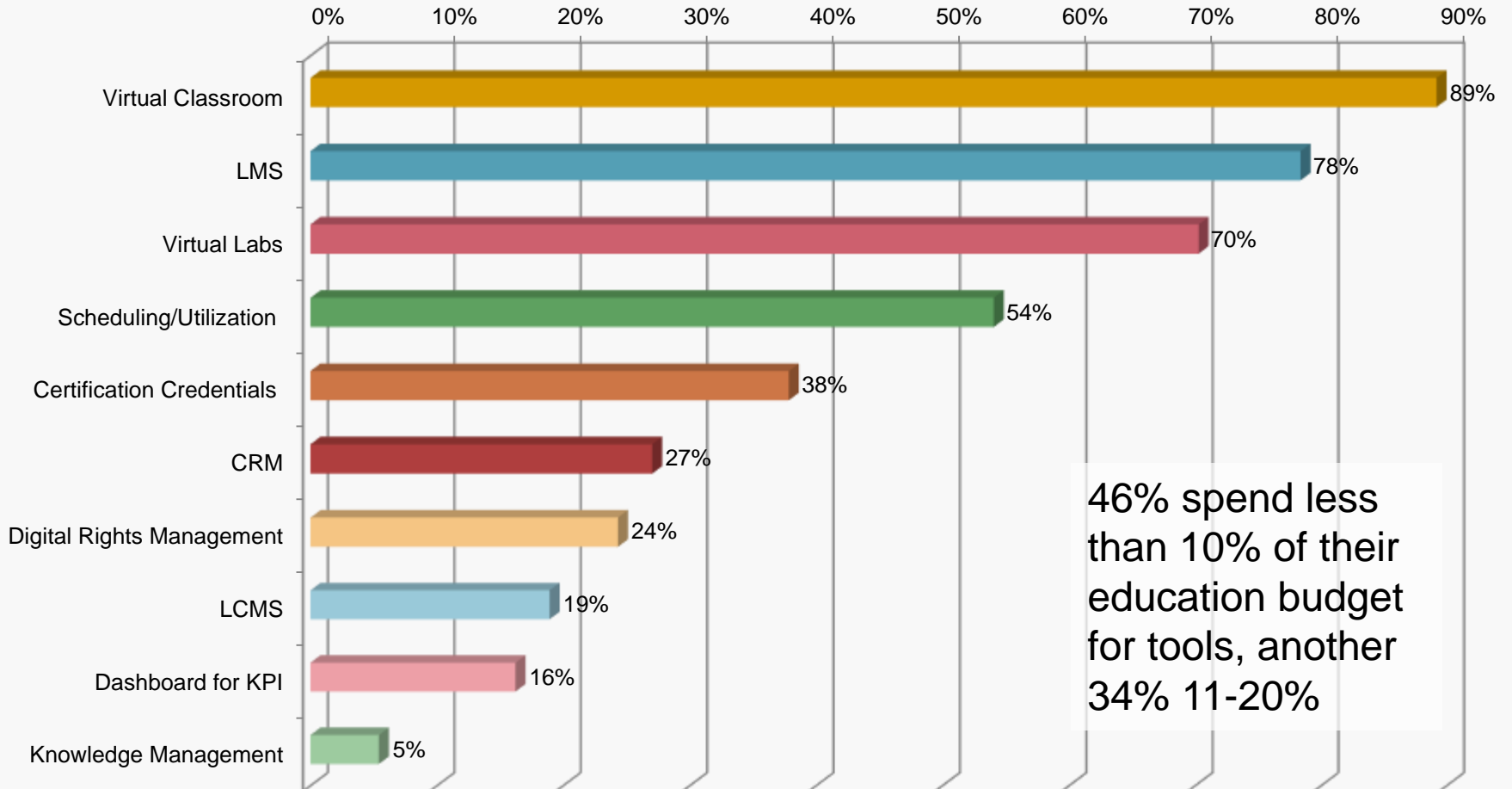
2014 we need to invest in our LMS

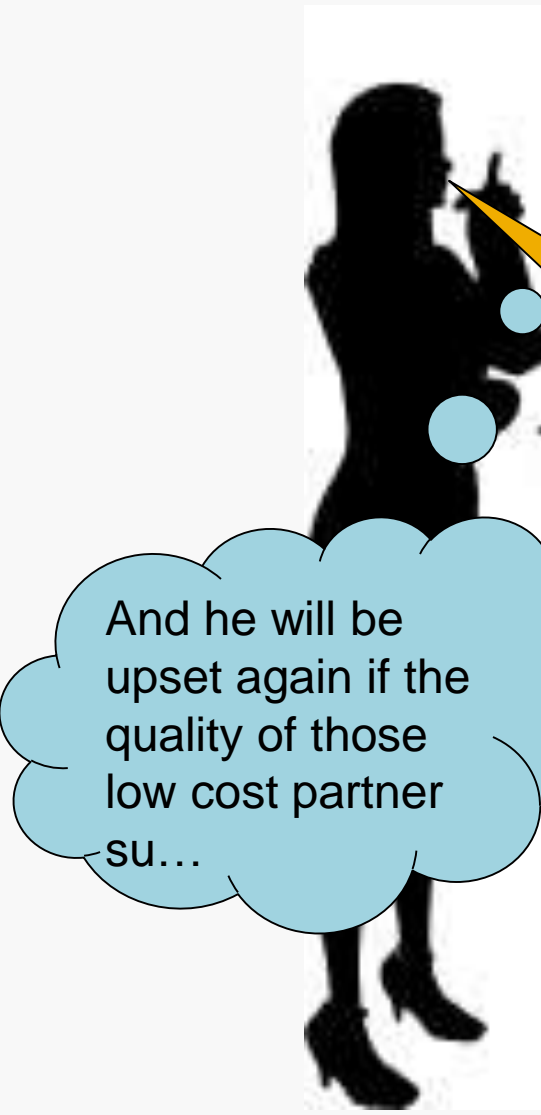
I've seen recently a report that the LMS is dead. Why should we invest in such a legacy technology?

Was it not him complaining that the access to the management training took forever



Education Tools in Use 2013-2014





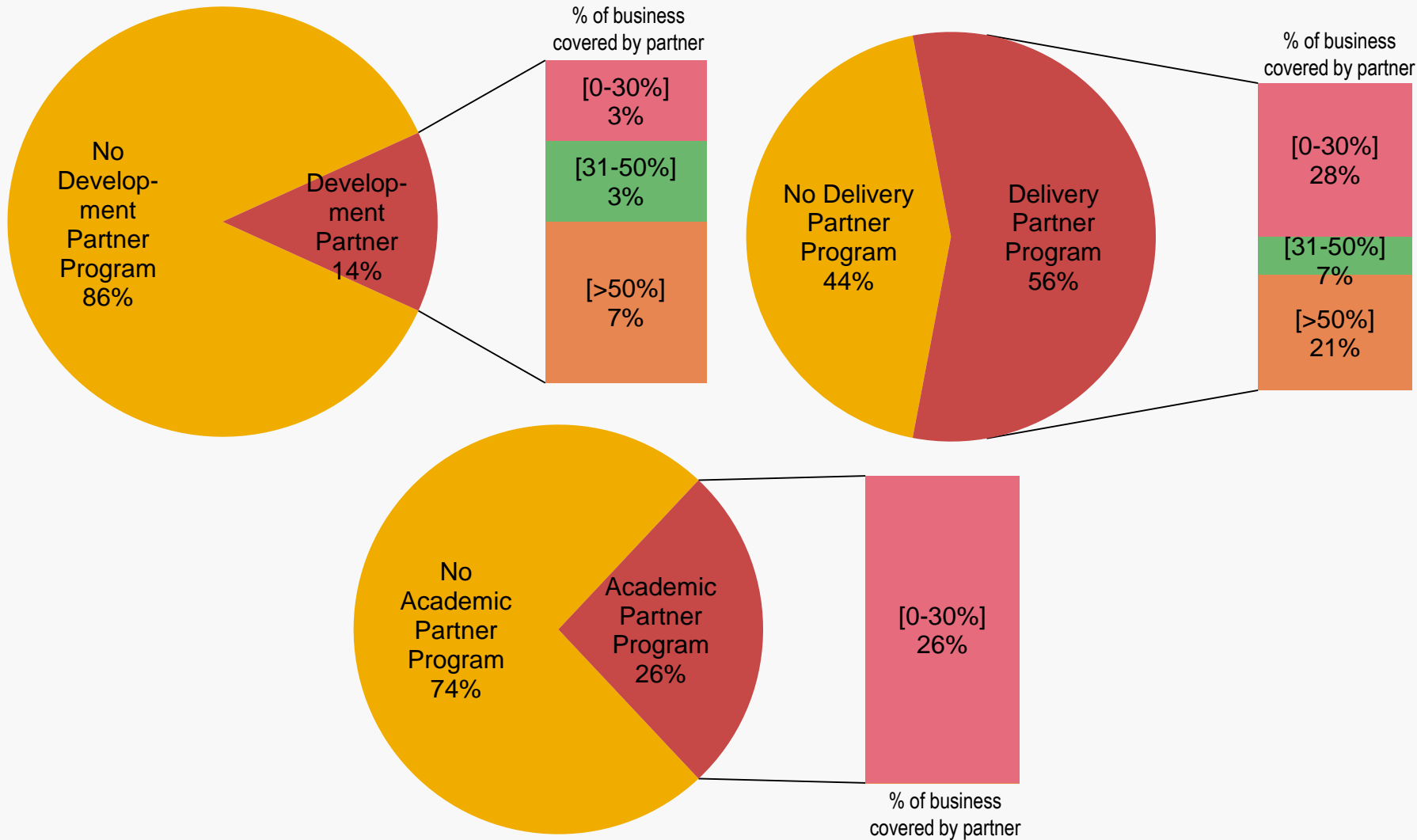
Everybody is using partner, why we don't use partner for development and delivery and this asap

Let me share if and where most companies leverage partner



And he will be upset again if the quality of those low cost partner SU...

Formal Training Partner Programs





I got him, now let's drive some key points for my team

Wow, how do you know all of that, and is this all

We participate in CEEdMA for a nominal fee and there is so much more which I can't tell in just 45min



There is so much more: Interesting other topics we couldn't cover

- Organization
 - Reporting structure
 - Size of different teams
 - Globalization vs regional
- Financials
 - Revenue by delivery type, audience
 - Expenses for different education parts
 - Gross and operating margin
- Quality (level 1 to Level 4)
- Sales
 - Average deal sizes for different services and sales models
 - Bundeling with products
- Training Portfolio and development
 - Product coverage
 - Aligning product and training development
 - Localization
- Delivery
 - Classroom
 - Instructor internal/external
- Partner
 - Details about partnership models
- Certification
 - Objectives
 - Volume and regional distribution
 - Cert Level,



Use the Barometer and Business Survey yourself

- We rely on your input for surveys and barometers, some take only a few min
- Access survey
 - Via CEdMA Goldmine (Pdf & Excel, overall vs certain groups by size, business model etc.)
 - Drill down into more details using ClickTools
 - Cross tabbing
 - Filter to have benchmarking against similiar companies