

"Information That Works!"



CONTRACT TRAINING

LERN 2019 CONTRACT TRAINING UPDATE

very year, LERN examines and assesses the continuing education contract training industry and produces a Contract Training Update. LERN's data and information is collected from successful North American contract training teams.

Contract training is the selling and delivering of challenge or new opportunity-based solutions to businesses, government agencies, and other organizations. Over 95 percent of higher education institutions sell contract training. When contract training is done right, a contract training unit can increase contracts sold, income generated, and their bottom-line.



The Latest Statistics

For 2018, LERN surveyed North American contract training units and learned the following:

- 49% reported income up, 15% reported income flat, and 36% reported income down.
- 55% reported having staff focused solely on contract training, while 45% reported staff being responsible for both contract training and open enrollment.
- 70% reported having at least one person who dedicated 50% or more of their time to selling.
- 15% reported that more than 50% of their revenue came from non-training services, supporting the growing shift from information to solutions.



Key Benchmarks

At the 2019 Contract Training Post-Conference Leadership Strategic Workshop, contract training leaders agreed on the following key contract training benchmark adjustments:

- Operating Margin: 50-60% (was 55-60%)
- Lead:Contract Ratio: 3:1 (was 4:1)
- Repeat Rate: 60-70% (was 50%+)
- Staff Productivity Number: \$150,000-\$250,000 (was \$125,000)

They also highlighted the importance of tracking the percentage of students transitioning from noncredit to credit programming. A real win/win for contract training unit and institution.

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NEGOTIATION BEST PRACTICES

At the 2019 Contract Training Conference, Julia King Tamang, LERN's Senior Contract Training Consultant, shared negotiation strategies and techniques.

When it comes to contract training negotiations, it can be easy to focus so much on the client or customer that you lose sight of your needs or the needs of your contract training unit.

But, if you prepare yourself and brush up on contract training negotiation best practices, it's possible for both parties to walk away with a win.



Before the Negotiation

Julia King Tamang

It goes without saying that you shouldn't go to a negotiation without first building rapport and doing your research, but there are a few other "must do" items that need to be checked off your list before sitting down with the other parties involved.

- Develop your BATNA

Never go to a negotiation without a BATNA (best alternative to a negotiated agreement). Why? When we enter a negotiation without an alternative choice or worse – with the mindset that any deal, even one that burdens your contract training unit, is better than no deal at all – we lose our bargaining power. Make sure your BATNA is well thought out and includes a willingness to walk away from the table if necessary.

- Identify Opportunities for Collaboration

Contract training negotiations are typically integrative, not adversarial, and therefore provide many opportunities for

collaboration. By focusing on collaboration, both parties can get more of what they want and improve relationships at the same time.

- Know What You're Going to Give

Chances are the limits of what you can give won't change during the negotiation conversation, so clearly outline what you're able and willing to provide prior before negotiation begins. Make sure what you're offering is aligned with what the client values.

During the Negotiation

- Listen!

Actually listen. Ask questions and stop talking after you've asked. If you need clarity, ask for it, and be sure you're ready to listen to the other side actively. Repeat back what it is you think the client said is important to them, and make sure everyone is on the same page. Take a break if necessary, or if you reach an impasse, ask "Can you see options I am not seeing?".

- Watch for Dirty Tactics

Be mindful that the other party may use dirty tactics, sometimes unintentionally, to get what they want. If the client starts to make extreme demands or focus on non-existent issues, or if you find them adding "just one more thing," it's OK to say so in order to direct the conversation back on track.

- Articulate Agreements and Needs

Before you can move on to the next step of the process, you'll need to affirm what you've just agreed on, or what you or the client needs to move forward. Articulating what's been agreed to or what is still needed ensures everyone is on the same page.

How do you know when you've won?

Achieving your goals might be the easiest way to measure success but winning can also mean a reasonably efficient negotiation process, or simply that the relationship between you and your client improved. Consider your negotiation a big win if outcomes are positive in both the long and short term.

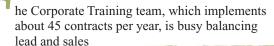
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CONTRACT TRAINING

CORPORATE & CONTRACT TRAINING SUCCESS AT RED DEER COLLEGE

The Corporate Training Unit of Red Deer College in Red Deer, Alberta, is a powerhouse solutions provider to companies and corporations not just in the surrounding area, but on an international level, too.



generation, delivery, and operational tasks while aiming to provide valueadded solutions to customers. Rodney Holt, Associate Dean for the School of Continuing Education and Corporate Training at Red Deer, discusses what success looks like for his team, what changes have had the most significant impact in recent years, and what's ahead.



Rod Holt

LERN: What did it take for Red Deer to become successful in Corporate and Contract Training? How is success maintained?

Holt: Consistency. You need to build long-lasting relationships with your corporate community. It takes regular and meaningful conversations with business and industry leaders as we shift from products to solutions selling. Success also requires structure – having the right people with the capabilities and capacity for relationship selling is critical.

More importantly, it is ensuring that the capacity is always focused on relationship selling. In higher education, your contract training sales individuals can get monopolized by internal meetings, committees or work that should be performed by other areas of the business unit. Having dedicated sales, solution development and operations teams is a critical component for growth in contract training.

LERN: What changes or initiatives over the past 5-10 years have proven to be the most effective?

Holt: The shift from products to solutions. Business and Industry are no longer interested in training events, they are looking for an immersive learning experience that solves real organizational problems. Aligning our contract training to provide learning solutions, learning and development consulting,



and transformative learning experiences have been active contributors to our success.

Taking the lead generation and lead qualifying aspects of our business has really made our team more effective. We rely less on cold calling and find more ways for our best clients to provide us recommendations and leads. Also, we have worked hard with other academic deans at RDC to help them identify how to recognize a contract training opportunity and to get our sales team introduced early in the conversation.

Regardless of the number of referrals, and hot leads that we get we still have a component of cold calling for lead generation. Grading your leads has enabled our team to invest the right amount of resources in converting that lead into the sales process. We have used benchmarks for qualifying leads such as the number of employees, annual revenue, evidence of learning culture and industry type to help grade and sort our leads.

⁴⁴ You need to build long-lasting relationships with your corporate community.⁹⁹



LERN: What sets the Red Deer Corporate Training unit apart from others in the industry? What about the team?

Holt: We don't sell training; we sell learning solutions that are transformational in solving organizational problems. We spend more time on the needs assessment of potential and existing clients than others do. It is crucial that we foundationally help organizations really understand the problems they believe they are facing. In addition to needs analysis, we ensure that our immersive learning experiences are measurable, and we communicate with our clients on how to measure success. We never leave that part up to chance!

We are intentional about ensuring our learning experiences, and training solutions have an organizational and personal impact. For our Corporate Training team, it is never no; everything is yes until there are real obstacles in our way. We believe that learning can happen anytime, anywhere and on multiple platforms. We know that individuals learn differently and that it is our job to provide learning solutions that recognize the diversity of learners.

> ⁶⁶ There is a core set of principles that our Corporate Training team is guided by but having said that they have a great deal of flexibility to decide the best way to meet their core objectives.⁹⁹

The Red Deer Corporate Training team is nothing but fun, exciting and innovative. They are passionate about helping organizations grow through employee development and training. Their passion, creativity and resiliency are the "X-factors." We have been purposeful on ensuring the right people are in the right seats and they know what they are accountable for.

We practice and roleplay the core functions of corporate training: needs analysis and selling/closing. We use our academic deans and other service areas across campus to help train our team. Often times this has led to an internal learning solutions contract which builds credibility and trust within the organization.

LERN: How do you create a strong team and how do you empower them or provide them opportunities for professional development?

Holt: We like to attract talented people who are excited about becoming the best version of themselves. There is a core set of principles that our Corporate Training team is guided by but having said that they have a great deal of flexibility to decide the best way to meet their core objectives. Team accountability is a big part of what we are nurturing in the Red Deer Corporate

Training team. People are not only accountable to our clients, but accountable to each other.

We try to have as much fun as possible. If you don't love what you do, coming to work on the hardest of days will be difficult.

We intentionally build a diversity of skill sets on the Corporate Training team. We look to identify talent and skill gaps and then strive to fill or develop those gaps. We need all three components of corporate training to be winners: sales, development and delivery.

LERN: How are issues or problems handled? Are there procedures in place and, if so, do you think they play a role in your success?

Holt: We have our share of problems and challenges. We acknowledge those problems early, clean them up quickly and move forward. Our team is focused on the same goal, and we strive to learn from the day-to-day issues and challenges and hope not to make the same mistake repeatedly.

We do have documented procedures in our Corporate Training team. One that has been instrumental is our "Contract Handoff" procedure. We have guiding principles in this procedure that help transfer the project from sales to development and finally to delivery – without losing the rich context and relationship we have developed with the client. This procedure is always in a state of refinement because no two contracts are the same – hence the reason we focus on core principles.

LERN: Going forward, what will you be focusing on? How did you make this determination?

Holt: We will be focusing on stackable and transferable credentials in corporate training. Our clients are expecting us to work with our academic units to ensure their investment in training solutions not only solves organizational problems but that it becomes a platform for individual employees should they wish to pursue a diploma or degree program. This is a growing request from our clients.

We will also be looking at ensuring our learning solutions are incorporating principles of social responsibility. We anticipate seeing a growing number of new influential leaders in organizations who are integrating social responsibility into their decision-making matrix and evaluation of Corporate Training providers. It is vital for us to demonstrate and grow with our clients in this area.

An area we are looking to start exploring in virtual reality and augmented reality platforms for our Corporate Training learning solutions. Especially in the technical and industrial settings. We are just beginning our exploration into these technologies, but we are seeing our clients spending a significant amount of resources learning about these VR/AR technologies, and they also have the expectation that we would be leading in this arena.

CONTRACT TRAINING

ADVICE FROM CONTRACT TRAINING EXPERTS

At LERN's 2019 Annual Contract Training Conference Eric Johnson, Associate Vice President of Center for Enterprise at Northeast College in Norfolk, Nebraska, Amy Lasack, Senior Director of Corporate Training at Kirkwood Community in Cedar Rapids, Iowa, and Rod Holt, Associate Dean of the School of Education at Red Deer College in Red Deer, Alberta, shared what they believe are 12 important contract training trends.

#1. ROLE OF CONSULTING. Consulting has become a natural fit into the world of contract training. This is done in a number of ways: 1) developing a new unit offering consulting as a service – offering strategic planning

services, individual and group executive coaching or business consulting and 2) embedding coaching into training and professional development proposals – whereby offering coaching between sessions to allow individual participants time one-on-one with professional trainers to work through concepts, challenges, and provide advice in specific scenarios.

#2. APPRENTICESHIP MODEL. It's hard to

not see the word apprenticeship in any article that references workforce training. In today's tight economy, employers are needing to explore alternative methods to hire and retain employees and both registered apprenticeships and less formal

apprenticeship-like training programs are one effective way for employers to do this. The perfect place for colleges to 'own' this type of training program would be in the contract training unit. Not only are these incumbent workers, but the contract training unit can work hand in hand with employers to develop a training program that meets the needs of their workforce. It's what we do best and what we help employers do every day. Contract training units can provide an entire package for apprenticeship services: curriculum development, training for apprentice mentors, providing the reporting for the Department of Labor, managing the apprenticeship application process, and of course, the delivery of the training. Even if the training is through your credit programs, contract training units can package the credit classes within the larger apprenticeship package to provide the ease of this workforce solution for employers.

#3. ONLINE LEARNING. Learning can happen anytime, anywhere and on multiple platforms. Our learning



solutions must be flexible and adaptable to innovative and collaborative online learning environments. Gone are the days where employers are looking for "e-learning solutions". Today they are looking for



collaborative interactive online learning that can fit into the work life of their employees. They are demanding that our online learning incorporate live video streaming, social learning attributes, and fluidity across electronic devices and platforms. Building customized online learning solutions opens a whole new set of services and solutions that you can provide to your client. For example, you can provide curriculum development solutions, online course hosting in your own LMS, coaching and consulting services and a ton more. Be creative, be bold, and embrace learning technology solutions.

#4. ARTICULATION WITH CREDIT PROGRAMMING. 10 years ago, when speaking

to employers about contract training for their employees, we rarely heard the request that we make the customized



training be eligible for their employees to receive college credit. But as employers look for their competitive advantages to recruit employees, this is one request we are hearing more and more often. It will be critical for contract training units to develop strong relationships with deans and faculty and involve them in the development of customized training whenever possible. Development of customized training programs that can articulate to credit and create a pathway for potential future credit students will enhance the weight of programming you can offer employers in a way that many of your competitors cannot offer. Additionally, you create an opportunity for your unit to be the gateway for future credit students for your institution. It's a win-win-win opportunity for your students, your institution and your contract training unit.

#5. PROFESSIONAL LADDER/ONBOARDING.

On-boarding programs have exploded. Companies often indicate "they are hiring folks that five years ago, wouldn't have gotten interviews" – primarily due to drastic unemployment rates and a shrinking skills gap. Many of these small and mid-sized companies HR units are buried with compliance regulation and adequate new employee onboarding is lacking. Contract training units



have begun to partner with organizations and customize onboarding programs, working alongside HR departments, and providing critical skills training within the first month of a new employees' tenure. Progressive HR departments are also responding to the demand from the Gen Z population and are developing laddering programs, embedding professional development and training into a laddered program for individual advancement. The laddering places the promotional growth onto the employee.

#6. POST-GRAD CERTIFICATIONS.

More businesses are seeking stackable credentials from contract training units. They want the portable credentials that elevate their talent. Furthermore, businesses are loaded

with individuals working in roles that they did not train for at university or college. Post-Grad certificates are the solution to helping organizations upskill those valuable employees who have an undergraduate in a discipline unrelated



to their current role. Not only does this model elevate the organizational talent, but it provides a valuable credential to the individual learner. Contract training leaders need to dedicate some time understanding how they can unpack the Post-Grad certificates offered on the credit side and change the delivery model to meet the needs of the corporate learner. These are longer term training solutions for client and require more resources for development, customization and delivery, but price them right and you will see both the intrinsic and extrinsic rewards.

#7. GEN Y PROPOSALS. In 2016, Gen Y

became the largest generation in the workforce. If you are not already working with a Gen Y professional as you do your sales outreach, you will be soon, and Gen Y will be making the decisions on whether to accept your proposal



or the proposal of your competitor. So, you must ask yourself, do your proposals meet how Gen Y prefers to learn? Do your instructors understand how to change the way they have offered training for years to Baby Boomers and Gen X in a way that meets the needs of your Gen Y audience, the same audience that will decide if they should hire you again? Don't make the mistake to jump to the stereotype that Gen Y is completely about making training online or they all need participation medals for sitting in a class; that is not what professional Gen Y learners are about and do not appreciate that stereotype. Ask your Gen Y colleagues (or better yet, your Gen Y client!) how they prefer to learn, what feedback opportunities they want as part of a class, and what sort of interaction they want with their peers and instructor and incorporate those learnings in your proposals.

#8. PACE - SPEED TO ROI & ACCEPTANCE.

Higher education doesn't exactly impress clients with its ability to turn projects around in a timely manner. Many of our contract training units are embedded into large bureaucratic organizations. Our challenge is to not be



influenced by that culture or unconsciously absorbed by it. We must be able to respond to the needs of our clients in the timelines they are expecting. Ken Kroger of Inside-Sales tells Forbes Magazine that the average call back time is 46 hours and 53 minutes!!!!! This gives the efficient contract training unit a head-start against the competition if they commit their teams to respond fast and effectively. According to Kroger - lead conversions are 291% higher if you return an inquiry within an hour; waiting drops that percentage every hour. In contract training we need to be nimble and efficient in converting leads as well as effective at turning around proposals. If we wait 2-3 weeks to get a proposal out the door, you may no longer be on the mind of the client or missed the opportunity all together. It is critical that your contract training unit has people dedicated to selling as well as resources dedicated to proposal and product development. A team approach allows you to turn those proposals and contracts around and communicate to your client that you are the right contract training unit to invest with.

#9. COMPETENCY BASED. This is the new

buzzword in the education world and those of us in contract training have been doing this for a long time--- somewhat. In a nutshell, competency-based education is all about meeting the learning needs to where the student starts, allowing them



to meet the training where they need to, and rather than being measured by how long they sit in a seat, they are measured by the skills they obtain and demonstrate. This is what we do in contract training, companies ask us to take a group of employees with a certain level of skill set and provide the training to get them to another level. But are we ready to take a group of 10 employees, all at once and train 20% of them on levels 3-6, 50% of them on levels, 1-6 and the rest on levels 5-10 - all at the same time? What tools do we need to accomplish this and how do we prepare our instructors for this? This is one area that contract training units need to pay attention to and make sure they are a part of the discussion as their institutions make changes to their curriculum.

#10. PROFESSIONAL DEVELOPMENT ARM LONG

TERM ENGAGEMENTS. Long-term training engagements with partners continues to be a trend in contract training. Spending the time to accurately present training overviews with outcomes and follow up with a long-range multi-phase proposal to meet the objectives is a requirement. Deeper engagements are resulting in larger partnerships, resulting in greater revenue.



#11. SOCIAL RESPONSIBILITY. Businesses are taking social

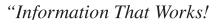
responsibility seriously. They are incorporating it into their manufacturing, services, products and are now looking for their B2B partners to do the same. As we seek to develop relationship with new leaders who have strong environmental and social values our training and service solutions need to show our own responsibility. There are lots of ways you can start selling your social prowess as a competitive advantage. For example: provide your clients with reusable coffee mugs on the first day of



training if you are providing multi-day training sessions and save them from using disposable cups. Developing your own social responsibility strategy can set you apart, give you a competitive edge, and bring your own team together. Values are changing as new leaders are emerging, we have to understand those value changes as part of our strategic shifts.

#12. TASTE IT FIRST. Taste It First is a concept that is utilized multiple ways within contract training units. The first is offering lunch and learns with instructor showcases where corporations are invited to experience first-hand the trainers style and delivery free of charge. The second method is to pilot a training with a

customer, then review outcomes and refine content before delivering the training throughout the organization. This allows the content to be vetted by the corporation, instilling confidence from all parties that objectives are met.



Contract Training Principles

At the 2019 Contract Training Post-Conference Leadership Strategic Workshop, contract training leaders agreed on the following as some of the key contract training principles:

- Building relationships and increasing total income per client more important than increasing the number of clients.
- Proposals should be multi-level, thus with phases such as needs assessment, training, and post-assessment.
- ROI is not just about dollars. It is important to demonstrate after-service improvements.
- An infrastructure must exist supporting salespeople, so they can spend 50% or more of their time selling.
- Instructors must be facilitators who can connect with various generations.
- Data collection, data analysis and data reporting. A customer relationship management tool is critical.
- Use post-assessment to get repeat business and referrals.
- Deliver proposals face-to-face, even if you are using technology like Zoom or GoToMeeting.
- Build industry-specific certificates that do not already exist and become the local, regional, national and international expert.

LERN Contract Training Services

For more than 30 years, LERN has supported contract training teams of continuing education units by providing products and services that help improve performance.

Contract training has shifted from a narrow focus on training to a broader focus on providing solutions, and solutions selling requires a new skill set. LERN's contract training services have been designed to give you the skill set necessary to increase sales, improve productivity and ensure financial self-sufficiency.

LERN's Contract Training Services include:

Certified Contract Trainer (CCT) Participants complete a face-toface or online Contract Training Institute (CTI) and they are prepared to take the CCT exam.

Contract Training Conference Besides LERN's Annual Conference, including a contract training track and contract training gathering, each year, LERN hosts a Contract Training Conference with sessions developed specifically to support contract training professionals.

Contract Training Tool In the LERN Club, on the LERN website, is a contract training data analysis tool. You prepare the data by following an instruction guide, and then load data and run reports.

Contract Training Award Winners

This year at the Contract Training Conference, LERN gave out seven Contract Training Awards. Congratulations to winners.

- Partnership Award. College of DuPage Business Solutions. Glen Ellyn, Illinois.
- Reaching Executives Award.
 Langara College Custom & Corporate Training.
 Vancouver, British Columbia.
- Diversification Award. Madison College Contract Training & Continuing Education. Madison, Wisconsin.
- Reaching Underserved Populations Award. Mid-State Technical College Division of Workforce and Economic Development. Marshfield, Wisconsin.
- New Revenue Stream Award. Midlands Technical College Business Solutions. Columbia, South Carolina.
- Improving Client Productivity Award. Northcentral Technical College & Industry Solutions. Wausau, Wisconsin.
- Contract Training Marketing Award. Northeast Iowa Community College Business & Community Solutions. Calmar, Iowa.

Sales Kit & Webpage Critique Your sales kit and webpage are critical tools in the contract training sales process. Get a sales kit and/or webpage critique and learn how to improve what you are sharing with clients.

Webinars & Articles Throughout the year, LERN releases new contract training webinars and articles but also has past webinars and articles archived.

Publications Each year, LERN produces new contract training publications.

Technical Assistance The LERN Team is ready to get you the answer to any contract training question you have. Ask your tough question and we will provide you a resource, get you an answer, and/or connect you with a contract training leader.

Program Review LERN's most popular service, the LERN Program Review, is an in-depth and comprehensive review of your continuing education unit including contract training, or just of contract training. Find out what you are doing right, and actions you need to take going forward to become or remain a winner. The Program Review can be administered onsite or remotely.

Learning Resources Network

Founded in 1974, the Learning Resources Network (LERN®), the leading association in continuing education and lifelong learning, collects, analyzes and disseminates course programming, marketing, contract training, operations, finance and other industry "Information That Works!"®.

