

Benchmarking Workforce Development Setting the Standard

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Benchmark Study

- Best practices in workforce development and contract training
- 20 colleges nationwide
- NCCET funded visitations to 6 colleges for more in-depth interviews
- Results are baseline for processes and best practices



Who Participated?

- | | |
|-------------------------|------------------------|
| ■ Anne Arundel | ■ San Diego |
| ■ Bellevue | ■ Ivy Tech |
| ■ Bill Priest Institute | ■ Kirkwood |
| ■ Black Hawk College | ■ Lane |
| ■ Bucks County | ■ Linn-Benton |
| ■ Central Piedmont | ■ Moraine Valley |
| ■ College of DuPage | ■ Pima County |
| ■ Collin County | ■ Rio Salado |
| ■ Cuyahoga | ■ Tallahassee |
| ■ Delta College | ■ Tarrant County |
| | ■ Valencia Enterprises |

College Visitations

- Through a NCCET Special Project Grant, visitations to six colleges added more data

- Anne Arundel
- Central Piedmont
- Corporate College – Cuyahoga Community
- Employee Training Institute – San Diego
- Pima County
- Valencia Enterprises



Major Findings - Sales

- Proactive sales calls per week – 3-5
- Many colleges still reactive in sales calls
- Sales call targets
 - Training Director
 - Human Resources
 - CEO
- Most targeted the Training Director and HR
- Solution selling targeted the CEO

How Colleges Got Leads

- Referrals – highest method at 94.7%
- Response to marketing piece – 63% Chamber lists – 57%
- College Representative gives the lead – 47%
- Grant lead – 42%
- Newspaper – 31%
- Purchased list – 21%

Target Sales and Vertical Markets



- Over half target companies with 150 employees or more
- Top vertical markets
 - Healthcare
 - Manufacturing
 - Government
- Length of time to close a sale – 5-8 weeks

Statistics

- Over 68% sold contract training for credit
- Over 80% of colleges currently don't give sales commissions
- Contract training generated 100% of the top revenue for the area
- Average contract sale - \$4,000-\$7,999

Selling Credit

- 68% of the colleges sold credit contract training
- The workforce development area was equipped to sell and deliver credit for companies.
- Pricing varied between credit hour rates and rates charged through Continuing Education
- Credit instructors used this training as part of their load in some instances.
- One example – Nursing Program

Sales Commission

- 80% of colleges don't give sales commissions
- Of those colleges paying commissions:
 - Salary was paid with a percentage commission given on top for reaching certain goals.
 - Often the commission or bonus was in a tiered layer depending on the amounts sold
 - Bonus percentages ranged from 1% to 13%
- Many colleges are beginning to look at bonus plans as incentives for sales staff.

Contract Training Generated 100% of Revenue for the Area

- When asked to pick three responses, small, medium and large institutions chose contract training 100% as the service generating the most revenue.
- Public enrollment classes followed with 60%
- On-line classes scored 44%, but only with large institutions. Small and medium institutions received no revenue from on-line classes.

Average Contract Size

- 51% reported their average contract sale to be \$4,000 - \$7,999.
- This indicates colleges are selling individual classes to small groups instead of bundling multiple classes for a long-term contract (one or more years)
- This also indicates sales staff are selling only one product or service instead of blended learning.

Top Soft Skills and Computer Classes

- Most demanded soft skills classes
 - Change
 - Conflict
 - Presentation Skills
 - Coaching
 - Performance Reviews
- Most demanded computer classes
 - Excel
 - Word
 - Access
 - Project Management
 - PowerPoint

Instructor Statistics

- Hourly rate for soft skills instructor was \$50-\$74 per hour – 42%
- Computer instructors also were paid \$50-\$74 per hour – 52%
- 84% do not use full-time trainers
- If full-time trainers were used, they were paid \$25-\$50 per hour – 66%

Marketing

- Marketing targets the HR and Training Director
- Over 60% don't/can't track marketing
- Colleges use direct mail, e-mail blasts, radio, trade shows, chamber events, website, hotzkeys and TV



More Marketing

- Marketing budgets ranged from \$5,000 to \$1.2M for the workforce development area
- Brand is becoming recognizable – one brand, one tagline, consistent look and feel to marketing materials

Business Plan

- Three-year plan is critical to define the goals of the workforce development area.
- Helps sell CE to upper management.
- President, VP, Deans and Board start to think of this area as a business
- Individual contributors have a roadmap
- Meet monthly on the plan and hold everyone accountable

Business Plan Goals

- Generally the President, VP, Dean or COO sets the revenue goal for the organization
- Some growth goals – 5% - 6%
- Generally credit does not have a business plan
- Focus is on meeting business needs, growing the department, and holding people accountable.

Registration System

- Most colleges struggle with their Banner or DataTel registration system for Continuing Education
- Systems designed for credit
- Non-credit “patch” may or may not work
- Colleges firmly entrenched in Banner or DataTel are reluctant to give up the system
- There are other systems on the market that work for CE

Terminology Quiz

- | | |
|--------------------|-------------------|
| ■ Revenue | ■ Bottom-line |
| ■ Retained Revenue | ■ Profit |
| ■ Net Revenue | ■ Break Even |
| ■ Gross Revenue | ■ Expenses |
| ■ Self Supporting | ■ Gross Margin |
| ■ Revenue Stream | ■ Over-Attainment |

Revenue, Profit, Retained Revenue Cost Recovery and other terms

- No uniformity of understanding for financial terms across the nation
- Most college administrators have expectations of “making a profit” for the workforce development area
- Majority of sales departments had annual retained revenue goals of \$100,000 or more
- Pricing becomes difficult when trying to serve the community and still make a profit
- Colleges surveyed sold between \$1M to \$10M in their workforce development area

Selling Credit Contract Training

- 68% of colleges surveyed provide contract training for credit at a company's site.
- The dollar volume is \$30,000 or more – 46%
- Top two credit classes sold
 - Business – 69%
 - Computer Information Systems – 46%

Other Key Findings

- Companies use the community college because of cost, quality of instructors and customized curriculum
- Institutions wished their sales team had more staff and better leads
- Most colleges attempt to run the workforce development area like a business in an academic atmosphere. Few are successful.



“Run it Like a Business”

- Of those colleges successfully “running it like a business in an academic atmosphere”:
 - Upper management full support
 - Proper funding
 - Reporting structure to the President
 - Full board support
 - CE billing system not tied to the college billing system
 - No boundaries for sales calls
 - Pay bonuses to sales staff
 - Try to be entrepreneurial

What Holds Workforce Development Areas Back?

- Internal systems
- Inflexibility of college system
- Working in a academic atmosphere
- Lack of top level support
- Processes and policies
- Politics



Best Practices

- Clearly defined goals and processes
- Very customer focused
- Clear vision and mission
- Selling solutions instead of classes
- Ability to move quickly
- Partnerships and collaborations
- Bonus plans
- Good hiring practices



Best Practices

- Strategic Plan with buy-in from all levels
- Ability to create new programs
- Expanding the vendor partnerships for on-line training
- New instructor process and tool kit
- Handle conflict immediately
- Hire the right people

Best Practices for Sales

- Working in vertical markets
- Selling both credit and non-credit
- Doing more consulting instead of selling classes
- Utilizing a fulfillment team after the sale
- Commission Plans
- Solution Selling

More Best Practices in Sales

- E-Newsletter sent monthly to targeted segments
- Pass lead to program developer
- Get leads from the college president
- Sales staff comes from business background
- Flexibility of credit and non-credit for the customers

Challenges

- Competition
- Limited resources
- Working with Banner
- Long sales cycle
- Aging workforce
- Economy
- Need for better branding



Next Steps

- Sales people trained for proactive calls to vertical markets
- Sell more than training – consulting, performance improvement, coaching, etc.
- Obtain support for your area from President, VP and Board
- Create a business plan and work the plan
- Develop large key accounts for recurring business



Next Steps

- Examine the registration system, billing process and other functions to make changes if they deter workforce development productivity
- Be clear on college expectations for your area
- Measure Return On Investment (ROI)
- Determine how you are better and different from the competition

For More Information

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