



KnowledgeAdvisors Research:

Training Operations Best Practices Corporate Universities



Table of Contents

| | |
|------------------------------------------------|----|
| About KnowledgeAdvisors | 3 |
| Survey Background | 4 |
| Benchmark Group Profile | 5 |
| Respondent Listing | 6 |
| Key Survey Findings | 7 |
| Key Outputs Listing | 9 |
| Training Delivery | 11 |
| Instructional Method | 11 |
| Course Utilization | 12 |
| E-learning Utilization | 14 |
| Training by Course Category | 15 |
| Level of Training Courses | 16 |
| Materials Used | 16 |
| Training Operations | 16 |
| Student to Instructor Ratio and Class Size | 19 |
| Staff and Classrooms | 20 |
| Vendors and Outsourcing | 21 |
| Speed to Market | 22 |
| Instructor's Time Allocation | 22 |
| Registration Thresholds and Cancellation Rates | 23 |
| Attendance and Completion Rates | 24 |
| Evaluation Completion | 25 |
| Turnover and Span of Control | 26 |
| Levels of Evaluation Measured | 27 |
| Languages | 27 |
| Finances | 30 |
| Budget as Percentage of Revenue and Payroll | 30 |
| Budget by Operations Areas | 31 |
| E-Learning Cost Avoidance | 31 |
| Budget by Course Category | 32 |
| Culture | 35 |
| Workforce Training | 35 |
| Trainee Level and Experience | 37 |
| Satisfaction | 38 |



About KnowledgeAdvisors

KnowledgeAdvisors is a business intelligence software company that helps organizations measure and manage their learning investments. KnowledgeAdvisors proprietary learning analytics software, Metrics that Matter™, is a technology that helps organization

The Metrics that Matter™ proprietary technology has been adopted by several industry leaders and is becoming the standard in learning measurement and analytics. Through Metrics that Matter™, we help our clients:

- Easily implement and administer technology-based measurement solutions
- Maximize their Return on Investment (ROI)
- Gain the knowledge required to improve and monitor performance of learning programs on an ongoing basis
- Obtain valuable learner satisfaction and job impact data
- Obtain critical business impact and ROI data
- Reduce learning related expenditures
- Compare performance to internal and external benchmarks
- Conduct testing exercises for comprehensive Level II analysis
- Conduct needs assessment exercises to assess gaps for training and non-training issues

For more information about KnowledgeAdvisors or Metrics that Matter please visit www.knowledgeadvisors.com



Survey Background

As the importance of training has been increasing dramatically in recent years, corporations have greatly expanded their training operations to meet this important need. Indeed, human capital is one of the most important resources for nearly all companies, across nearly all industries. Training programs have been an effective means by which most top companies invest in their human capital. However, there is much knowledge regarding the state of Training Operations that is not widely known.

The purpose of this survey is to gain insight into the state of Training Operations across a wide sampling of companies and industries. With this knowledge, CLO's, Training Directors, and other decision-makers can compare their company's practices to the practices of other companies in their respective industries, or to the practices of other top companies across industries. A thorough understanding of the state of the training industry can be of tremendous benefit when making Training Operations decisions.

A survey was prepared and data was collected. Now the results are in.

The results are organized around key constructs we used in our survey. We hope you find these results meaningful in your quest to implement industry Best Practices in Training Operations.

If you have any questions or comments about this report, or would like to be notified about additional reporting we issue based on this research please contact us.

John F. Skinner
Manager, Analysis Services
KnowledgeAdvisors
+1 312 423 8521
jskinner@knowledgeadvisors.com
www.knowledgeadvisors.com

KnowledgeAdvisors Statement of Responsibility

KnowledgeAdvisors has exercised professional care and diligence in the preparation of this report. However, the data used in this report originated from third party sources. KnowledgeAdvisors has not independently verified, validated, or audited the data. KnowledgeAdvisors shall not be liable to any client or any other person or entity for any inaccuracy, inauthenticity, error or omission. Furthermore, in no event should KnowledgeAdvisors be liable for consequential, incidental, or punitive damages to any person or entity in any matter relating to this report.



Benchmark Group Profile

| | |
|--------------------------------------------------------|-----------------|
| Number of respondents | 40 ^a |
| Organizations by employee size^b | |
| 25 or less | 1 |
| 101 to 500 | 3 |
| 501 to 1000 | 1 |
| 1001 to 10,000 | 12 |
| 10,001 or greater | 10 |
| Number of Industries Represented^c | |
| <i>Number of Responding Organizations per industry</i> | |
| Consumer Products | 5 |
| Energy | 3 |
| Financial Services | 2 |
| Healthcare | 2 |
| Insurance | 3 |
| Manufacturing | 2 |
| Non-Profit/Government | 2 |
| Services | 2 |
| Telecommunications | 1 |
| Other | 4 |
| Regions Where Training is Offered | |
| Asia/Pacific | 7 |
| Latin America | 8 |
| Europe | 9 |
| Asia/Pacific | 7 |
| Middle East | 3 |
| Africa | 4 |
| Australia | 6 |
| North America | 24 |

note: This profile represents the total number of respondents, within the report a reference to 'n' will indicate the number of responses to the specific question you are reviewing.

note: Organizations with more than 1 respondent and having the same address were counted as one organization throughout this profile.

^a A respondent is defined as having submitted the survey with at least one response

^b 13 respondents did not provide

^c 14 respondents did not provide



Respondent Listing

The respondents below consented to have their names associated with this research initiative. The assistance of all respondents was greatly appreciated.

Bonneville Power Admin

McDonald's Corporation

California Casualty

Nebraska Public Power District

Calpine Corporation

Nextel Communications

CNA

St. James Hospital and Health Centers

GM

Strothman/Associates, Inc.

Herbalife International

Yellow Pages Group



Key Survey Findings

Based on a compilation of the data, below are some of the key findings we have observed:

Training Delivery

- Instructor-led training is still the norm. ILT accounted for 60% of the training conducted by survey respondents. Web-based, self-paced training accounted for 21% and online-facilitated training accounted for 8%.
- Most survey respondents indicated that e-learning courses are infrequently utilized. Most respondents reported that 30% or fewer of their e-learning courses are frequently utilized. Only 14% indicated that most e-learning courses are frequently used.
- When courses are grouped according to the ASTD course categories, technical processes and procedures, managerial and supervisory skills, information technology systems, and basic skills make up over 45% of the training courses offered by corporate universities.
- Nearly three-quarters of the training offered by corporate universities is targeted towards entry-level and intermediate skill-levels.

Training Operations

- Nearly 44% of respondents reported an average student to instructor ratio of between 9:1 and 15:1. Very few indicated ratios below 3:1 or above 25:1. Similarly, over two-thirds of respondents reported an average class size between 11 and 15 for ILT courses.
- Of the corporate universities and training departments surveyed, 9% reported that 3rd party vendors are not used in a typical year. Nearly three-quarters reported using between 1 and 15 vendors. One third of all respondents reported using between 1 and 5 vendors in a given year. Training delivery and training development account for nearly all of the outsourcing.
- Nearly two-thirds of all respondents reported that 30% or less of an instructors time is spent actively teaching. This finding highlights the time demands that other duties can demand of instructors. Another explanation may be the prevalence of managers or other in-house experts serving as instructors in addition to their typical job duties.
- ILT courses more frequently reach registration thresholds when compared to web-based programs. Of all courses, nearly two-thirds of all respondents reported that 10% or fewer courses are cancelled.
- For over 70% of respondents, 10% or fewer students typically register for a class and do not attend. 84% of respondents reported 10% or fewer students who attend a course but do not complete the training. Of those completing the course, 69% report an evaluation response rate of 80% or greater.



Key Survey Findings Continued

Training Operations Continued

- Regarding the Kirkpatrick/Phillips training evaluation methodology, 94% of all respondents
- measure Level 1 and 74% measure level 2. Only 39% measure level 3, 31% level 4, and a small 17% measure level 5 (ROI).

Finances

- Over three-quarters of respondents indicated a training budget of 2% or less of company revenues. 71% reported a training budget of 5% or less of company payroll. Based on this information, it is extremely important for training departments and corporate universities to be as efficient as possible.
- Overhead is the largest drain on training budgets, at nearly one-third. Salaries are the next largest drain at 25%. Again, efficiency is key.

- Regarding the ASTD course categories, technical processes and procedures courses account for the largest chunk of training budgets (13%). Quality, competition, and
- business; customer relations; and new employee orientation seem to consume fewer budget resources, as their reported budget consumption is much less than their prevalence.

Culture

- On average, the vast majority of employees (92%) experience between 9 and 40 hours of training in a given year.

- Over half of all employees trained are below management level. Managers account for nearly a third of all training participants. Executives make up less of the trainee pool. This
- is not surprising, as most organizations have fewer executives and managers than staff personnel. Also, lower-level positions frequently experience higher turnover; hence, more frequent training needs.

- Most respondents (88%) report 80% or more students as satisfied with training. Only 8%
- of respondents reported a satisfaction rate of 60% (the lowest rate reported). On the whole, this demonstrates that employees are most often satisfied with the training that is offered to them through corporate universities and training departments.



Key Outputs Listing

The list below represents the graphical outputs on the proceeding pages. These outputs are based upon the survey instrument completed by respondents. Please refer to the individual pages for benchmark results for each of these outputs.

Training Delivery

Instructional Method

| | |
|------------------------------------------------|----|
| Percentage of training by instructional method | 11 |
|------------------------------------------------|----|

Course Utilization

| | |
|------------------------------------------------------------|----|
| Number of students completing ILT per month | 12 |
| Number of ILT classes run per month | 12 |
| Number of students completing web-based training per month | 13 |
| Number of web-based classes run per month | 13 |

E-learning Utilization

| | |
|------------------------------------------------------|----|
| Percentage of courses in library frequently utilized | 14 |
|------------------------------------------------------|----|

Training by Course Category

| | |
|--------------------------------------------------------|----|
| Percentage of training offered by ASTD course category | 15 |
|--------------------------------------------------------|----|

Level of Training Courses

| | |
|-----------------------------------------------|----|
| Percentage of training offered by skill level | 16 |
|-----------------------------------------------|----|

Materials Used

| | |
|----------------------------------------------------------------|----|
| Percentage of programs using hard-copy or electronic materials | 16 |
|----------------------------------------------------------------|----|

Best Practices and Top Challenges

| | |
|--------------------------------------|----|
| Best Practices for Training Delivery | 17 |
| Challenges for Training Delivery | 18 |

Training Operations

Student to Instructor Ratio and Class Size

| | |
|-------------------------------------|----|
| Average student to instructor ratio | 19 |
| Average ILT class size | 19 |

Staff and Classrooms

| | |
|---------------------------|----|
| Make-up of training staff | 20 |
| Classroom utilization | 20 |

Vendors and Outsourcing

| | |
|-------------------------|----|
| Vendor utilization | 21 |
| Common areas outsourced | 21 |

Speed to Market

| | |
|-----------------------------------------|----|
| Time from development to implementation | 22 |
|-----------------------------------------|----|

Instructor's Time Allocation

| | |
|-----------------------------------------------|----|
| Percentage of instructor's time across duties | 22 |
|-----------------------------------------------|----|

Registration Thresholds and Cancellation Rates

| | |
|-------------------------------------------------------|----|
| Percentage of courses meeting registration thresholds | 23 |
| Percentage of training events cancelled | 23 |



Key Outputs Listing Continued

Training Delivery Continued

Attendance and Completion Rates

| | |
|----------------------------------------|----|
| Percentage of those enrolled attending | 24 |
| Percentage attending but no completing | 24 |

Evaluation Completion

| | |
|----------------------------------------------|----|
| Percentage completing post-event evaluations | 25 |
|----------------------------------------------|----|

Turnover and Span of Control

| | |
|------------------------------------|----|
| Turnover rates for staff positions | 26 |
| Staff to management ratio | 26 |

Levels of Evaluation Measured

| | |
|----------------------------------|----|
| Which levels frequently measured | 27 |
|----------------------------------|----|

Languages

| | |
|-----------------------------------|----|
| How many languages for courseware | 27 |
|-----------------------------------|----|

Best Practices and Top Challenges

| | |
|----------------------------------------|----|
| Best Practices for Training Operations | 28 |
| Challenges for Training Operations | 29 |

Finances

Budget as Percentage of Revenue and Payroll

| | |
|-------------------|----|
| Budget by revenue | 30 |
| Budget by payroll | 30 |

Budget by Operations Areas

| | |
|---------------------------------------------------------|----|
| Percentage of training budget drawn by operations areas | 31 |
|---------------------------------------------------------|----|

E-learning Cost Avoidance

| | |
|--------------------------------------|----|
| Total costs avoided using e-learning | 31 |
|--------------------------------------|----|

Budget by Course Category

| | |
|---------------------------------------------------------|----|
| ASTD course categories as percentage of training budget | 32 |
|---------------------------------------------------------|----|

Best Practices and Top Challenges

| | |
|-------------------------------------------------|----|
| Best Practices for Training Operations Finances | 33 |
| Challenges for Training Operations Finances | 34 |

Culture

Workforce Training

| | |
|---------------------------------------------------------------------------------|----|
| Average number of training hours per year | 35 |
| Percentage of workforce eligible for training | 35 |
| Percentage of employees received at least 8 hours of training in last 12 months | 36 |

Trainee Level and Experience

| | |
|---------------------------------------|----|
| Training received by position | 37 |
| Training received by experience level | 37 |

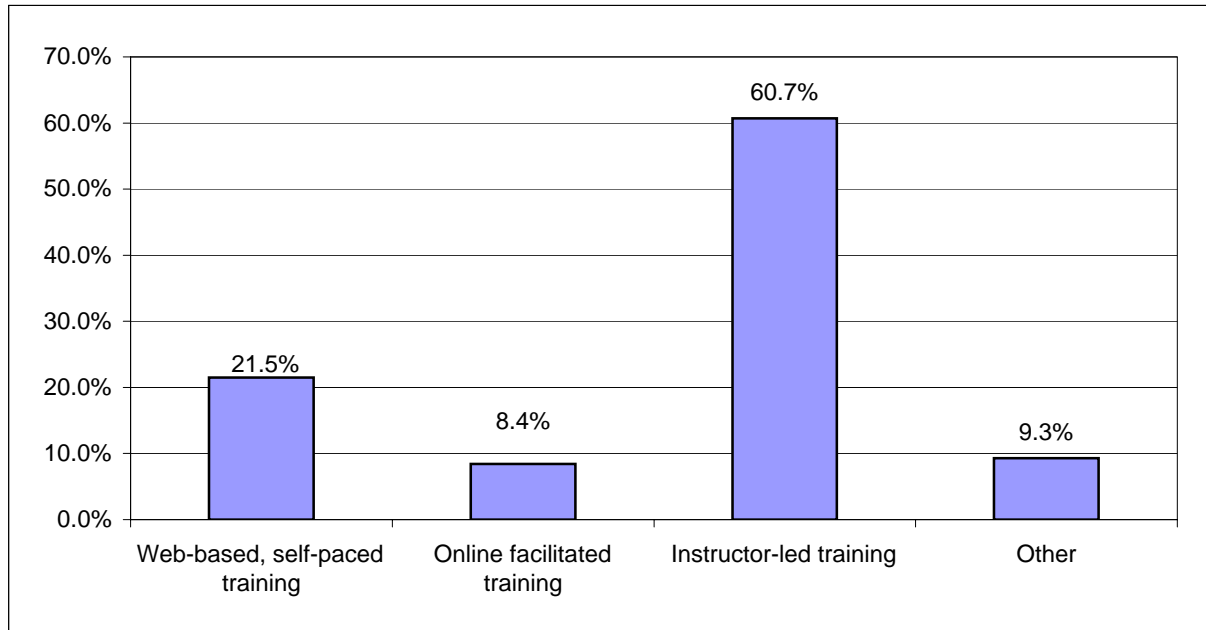
Satisfaction

| | |
|------------------------------------------------|----|
| Percentage of trainees satisfied with training | 38 |
|------------------------------------------------|----|



Training Delivery - Instructional Method

What percentage of the training offered by your organization is:



N = 40

"Other" responses included:
 Self-instructional modules
 On-the-job training

Instructor-led training is still the standard, as 60% of the training conducted by the respondent group was ILT. Web-based, self-paced training came in a distant second. Other instructional methods provided by respondents included on-the-job training, and self-instructional modules, such as CD-Rom based training programs.

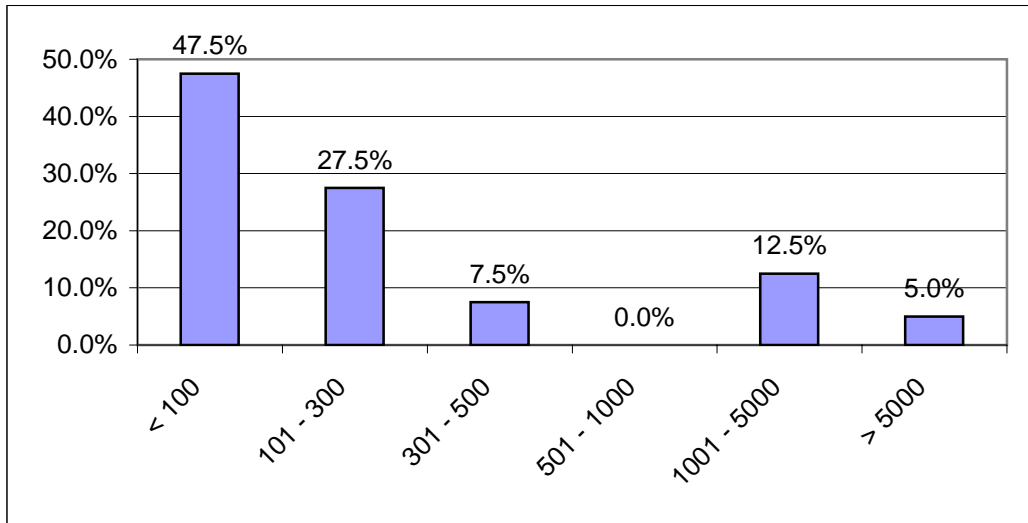
While web-based, self-paced and self-instructional modules can present a significant cost savings to organizations, instructor-led training is still the most widely used instructional method.



Training Delivery - ILT Course Utilization

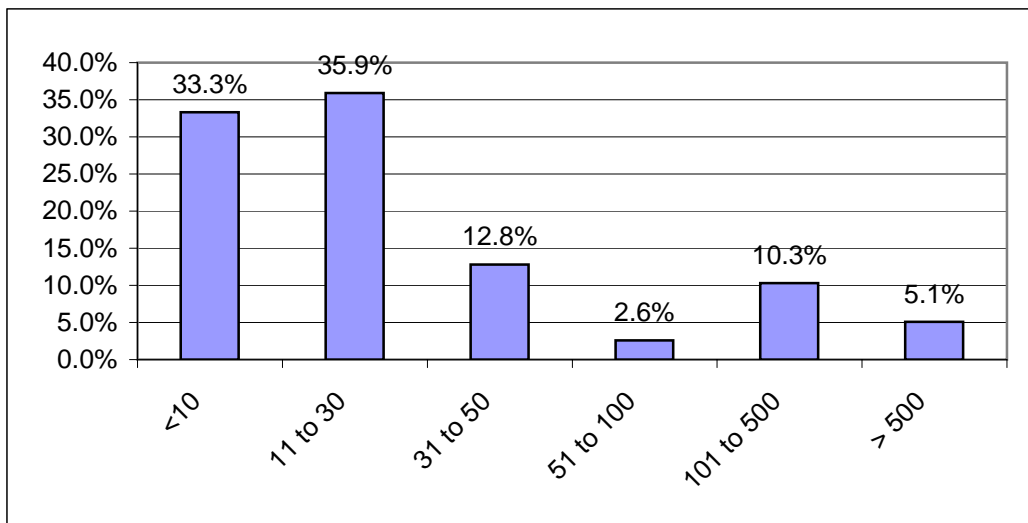
To determine average instructor-led training course utilization, please indicate:

Total number of students who complete ILT classes per month



N = 40

Total number of ILT classes run per month



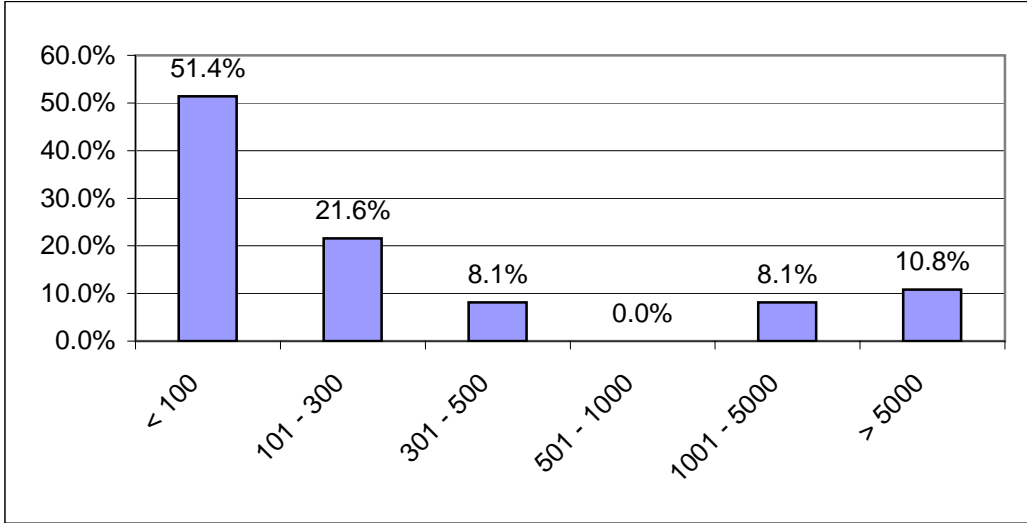
N = 39

The majority (69%) of respondents hold 30 or fewer ILT courses per month. Nearly half train less than 100 students per month with ILT courses, and only 25% train more than 300 individuals with ILT in a given month.

Training Delivery - Web-Based Course Utilization

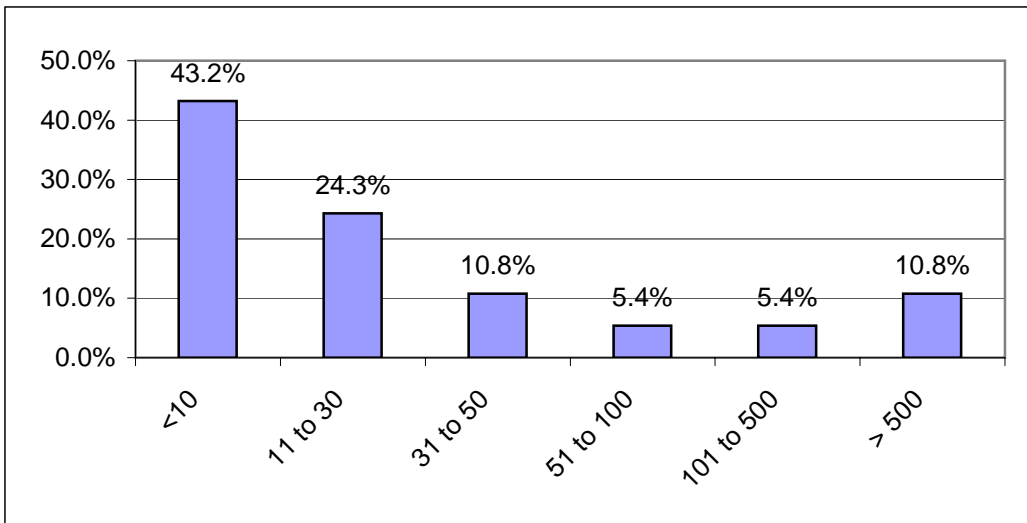
To determine average web-based course utilization, please indicate:

Total number of students who complete web-based classes per month



N = 37

Total number of web-based classes run per month



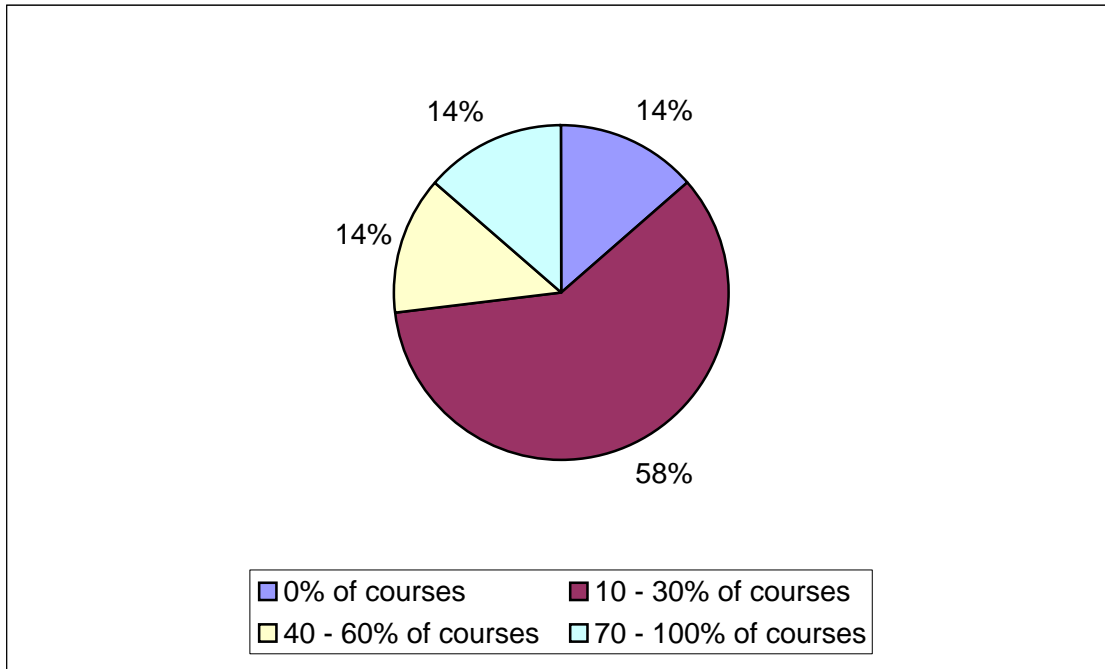
N = 37

Web-based course utilization follows a similar pattern as ILT course utilization. 73% of respondents indicate 300 or fewer students per month using web-based courses and over 67% of respondents indicate that fewer than 30 web-based courses are accessed in a given month. These results indicate that utilization rates do not greatly differ between ILT and web-based courses.



Training Delivery - E-Learning Utilization

What percentage of the e-learning courses in your library are frequently utilized?

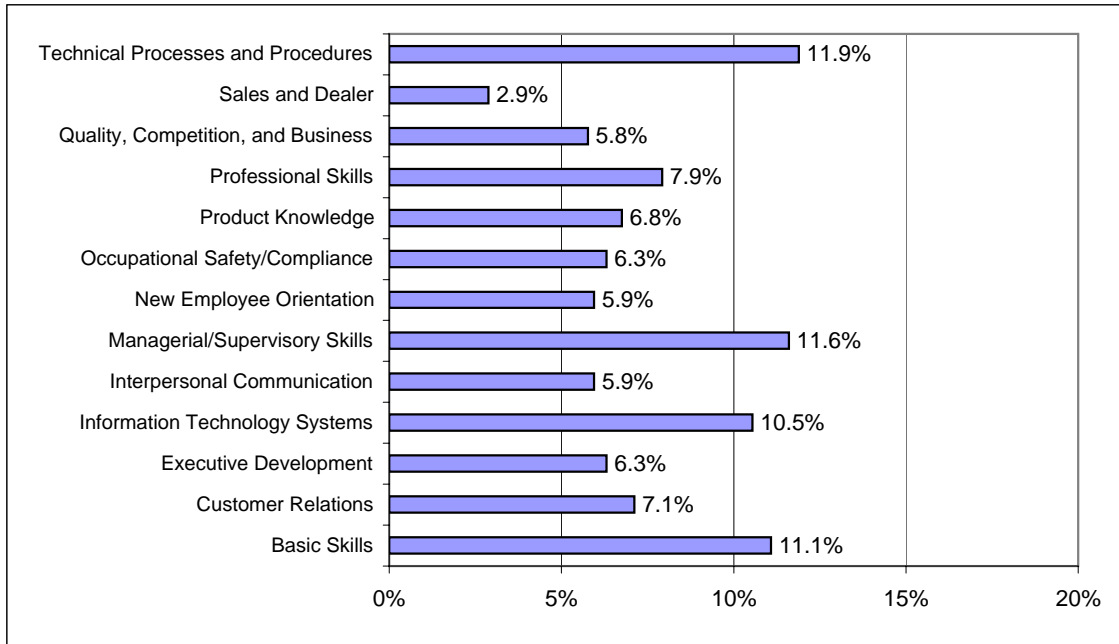


N = 37

14% of respondents indicated that none of the courses in their e-learning library were frequently utilized. For more than half of respondents, frequent e-learning course utilization was between 10 and 30%. Roughly a quarter indicated that more than 30% of e-learning courses are frequently used. These results indicate that it is quite common for e-learning courses to remain "on the shelf" and only used infrequently.

Training Delivery - Training By Course Category

What percentage of the training offered by your organization falls into each of the following course categories?



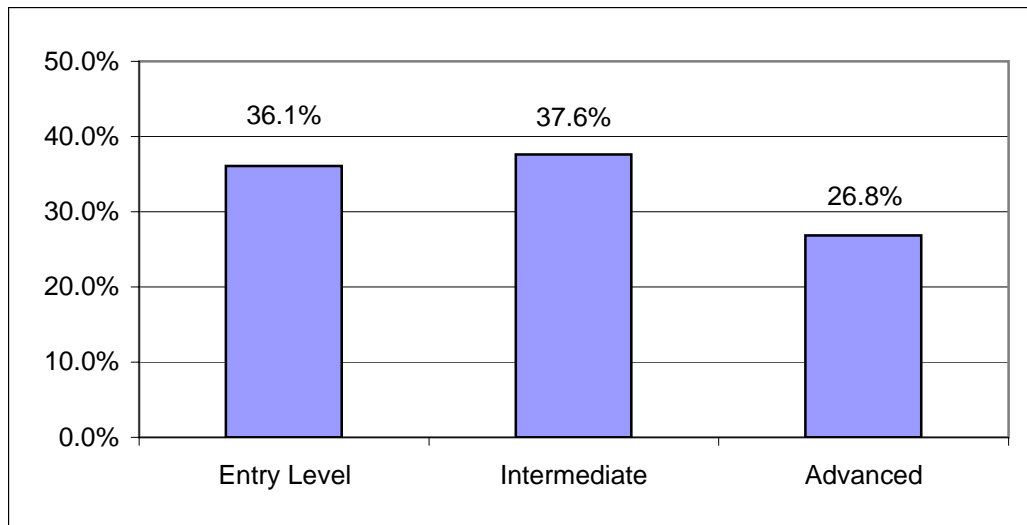
N = 38

Training offered through corporate universities encompasses the entire spectrum of courses as outlined by the American Society for Training and Development (ASTD). Sales and dealer training makes up the smallest amount of training, while technical processes and procedures, managerial/supervisory skills, information technology skills, and training focused on basic skills demonstrate the greatest frequency of training courses/programs. These results demonstrate that training exists in many forms in corporate universities.



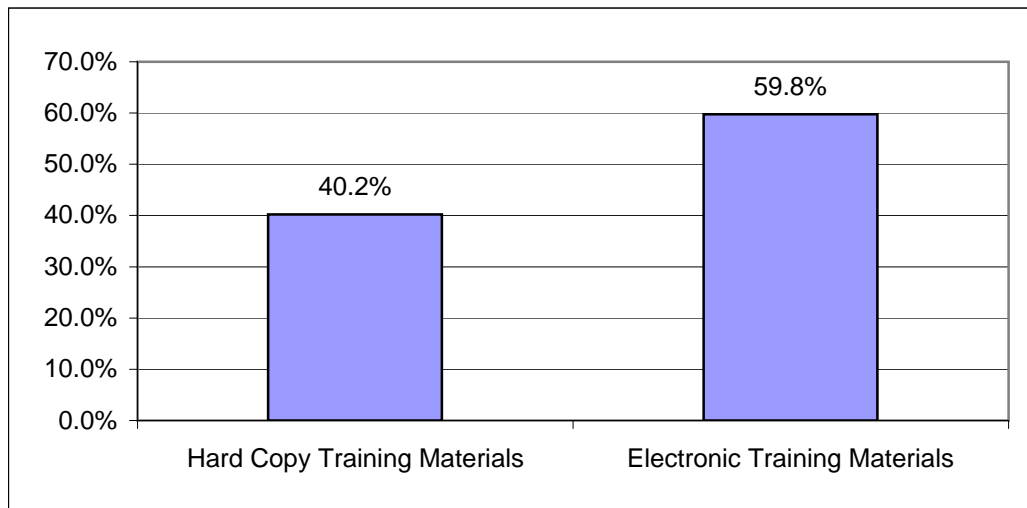
Training Delivery - Level of Training Courses and Materials

Please indicate what percentage of the training offered by your organization is:



N = 38

What percentage of your organization's training programs use:



N = 38

Training offered by corporate universities runs the full spectrum from entry-level training to advanced training. Nearly three-fourths of all training is entry-level or intermediate in nature. This is not surprising, as it is often expected that most training is needed as employees enter the organization and their new job role.



Training Delivery - Best Practices

BEST PRACTICES FOR TRAINING DELIVERY

Please identify best practices you encountered with regards to training delivery.

- Continual oversight of instructor's ability to deliver an effective course.
- Hold training in an environment conducive to learning.
- Follow standardized procedures for syllabus, lesson plan, and presentation of course materials.
- Role-playing, drills, and team presentations.
- Classroom is still most effective - most web-based training is still in infancy stage in terms of appeal to users, effectiveness, and application.
- A combination of instructor-led and intranet self-study courses work well.
- Breaking up longer classes into multiple half-day sessions had been quite successful in increasing attendance and in retaining information.
- Using a participatory style - concept explored by the trainer and then discussed.
- Partnership with line managers and facilitators, as well as sending managers first through training, and then the employees.
- Leverage technology with the need for hard copy materials. Provide binders and articles in CD-Rom format where participants can review on-line and print only those sections they wish.



Training Delivery - Challenges

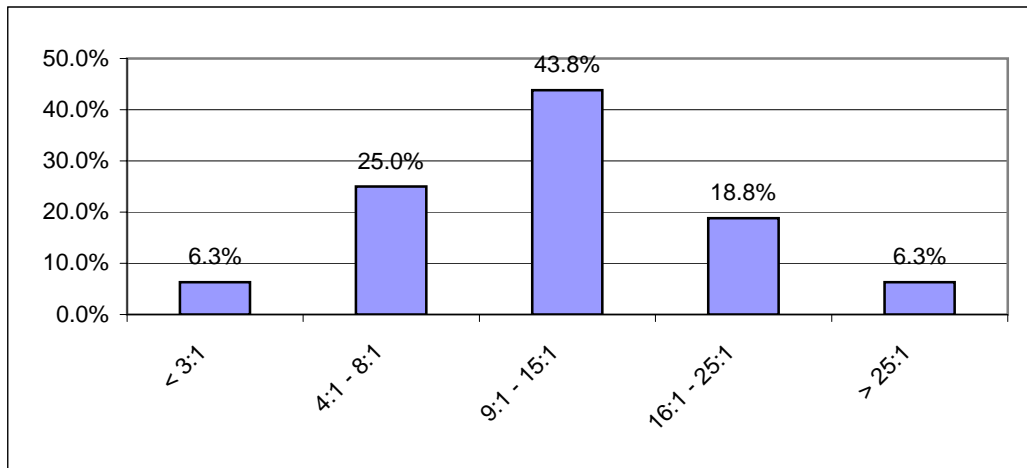
CHALLENGES FOR TRAINING DELIVERY

Please identify challenges you encountered with regards to training delivery.

- Employee access to appropriate computers.
- Geographic dispersement.
- No economies of scale (small company still required to train on the same number of topics as a larger company).
- Most subject matter experts are not good presenters and it is difficult to confront that issue.
- Bringing different skill sets and strong personalities of individuals to equal level for participating in the drills and presentations.
- Traditional phone conference lines don't work for large groups.
- Providing training for a primarily part-time and volunteer workforce.
- Competing with client work/emergencies when it comes time for our professionals to train.
- Implementing web-based training to alleviate the classroom burden for instructors and students.

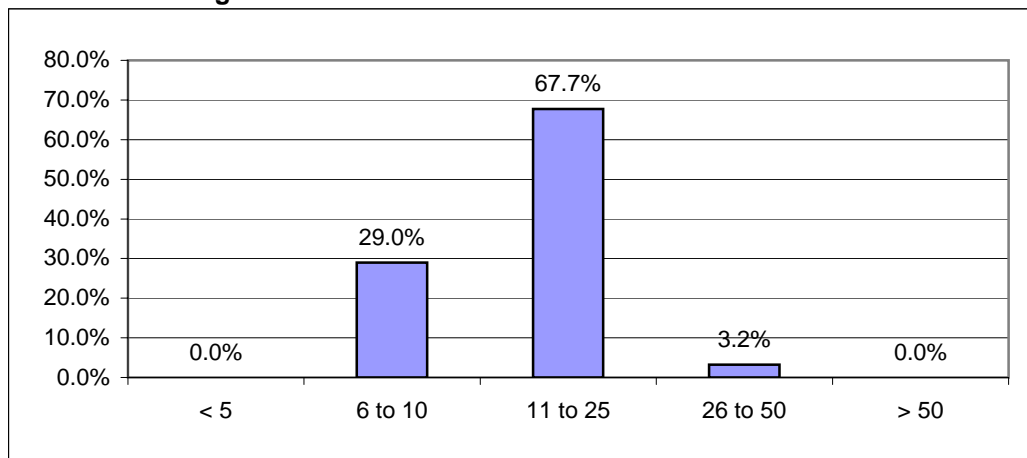
Training Operations - Student to Instructor Ratio and Class Size

What is the average student to instructor ratio for classes provided by your organization?



N = 32

What is the average class size for ILT classes?



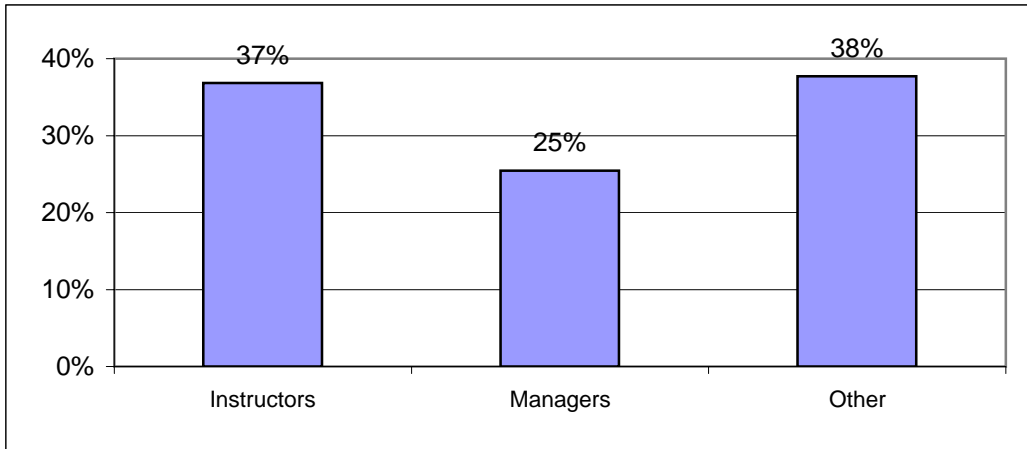
N = 31

Nearly half of all organizations indicate an average student to instructor ratio between 9:1 and 15:1. 87.6% of all respondents indicated a student to instructor ratio between 4:1 and 25:1. There appear to be very few instances where there is a very small or very large student to instructor ratio; these likely indicate instances where large numbers of employees must attend the same program on a regular basis (orientation programs) and individual coaching and development initiatives.

Similarly, over two thirds of respondents indicated an average ILT class size between 11 and 25 students. There were no instances of an average class size less than 5 or more than 50.

Training Operations - Training Staff and Classrooms

What percentage of your organization's training staff is made up of:

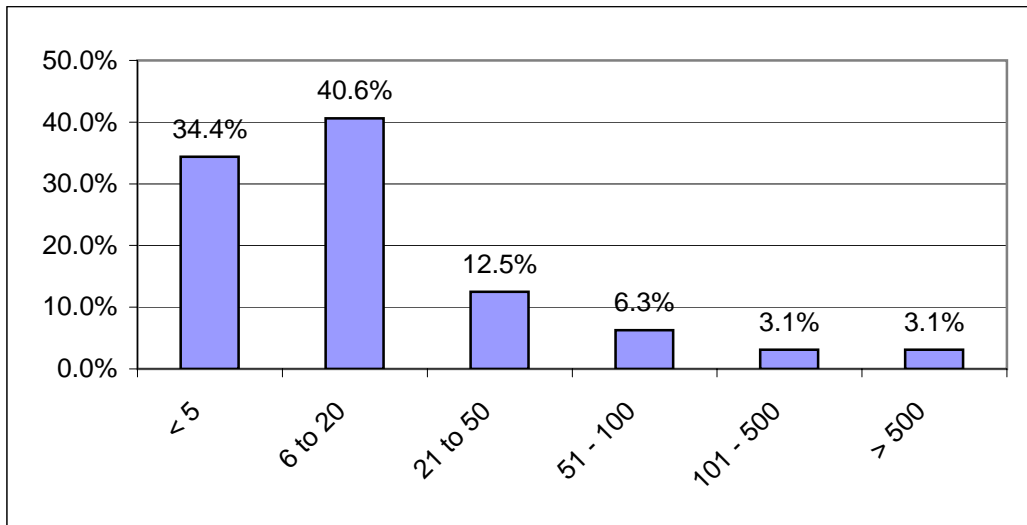


N = 31

Other responses included:

- Staff - tech, development, admin
- Project managers
- Evaluation professionals/data stewards
- Instructional Designers

How many physical training classrooms does your organization utilize?



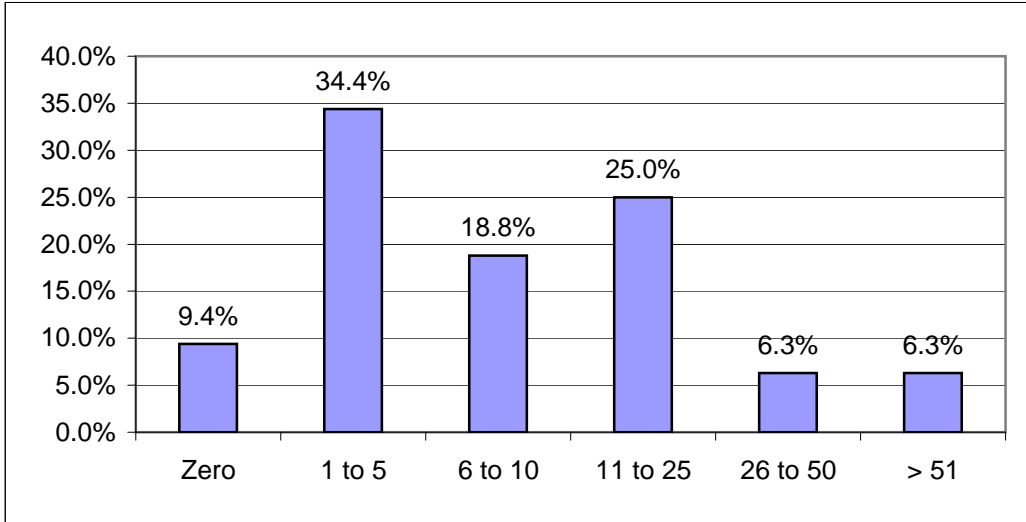
N = 32

As would be expected, instructors make up the largest percentage of training staff. Managers are also an integral part of a training organization, with other important roles including tech/web developers, instructional designers, administrative support, and evaluation/data professionals. These roles are key for effective training departments.

Three-fourths of all respondents indicated 20 or fewer classrooms. Very few respondents utilize more than 100 classrooms. This is likely due to either lower training volumes in general or a shift towards a greater reliance on e-learning.

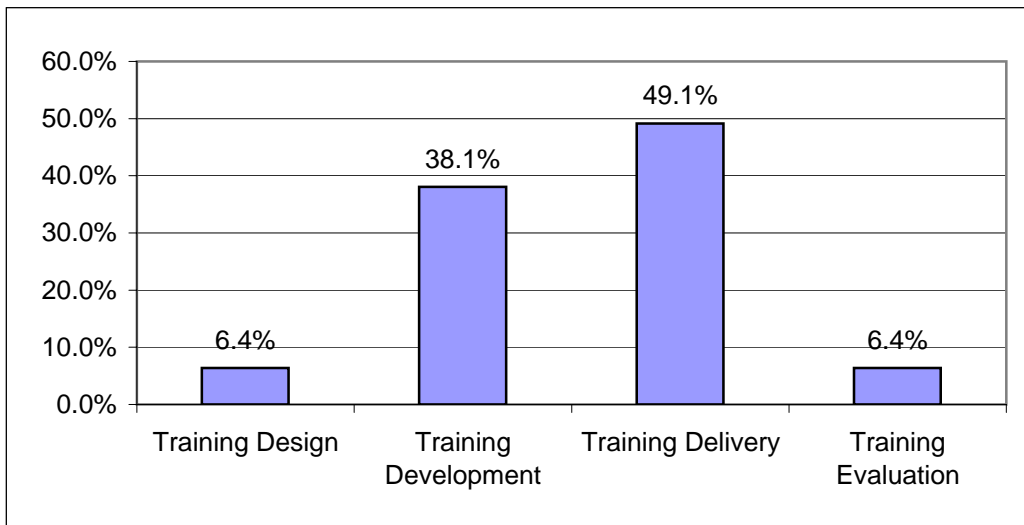
Training Operations - Vendor Utilization and Outsourcing

In a typical year, how many 3rd party outsourced vendors are used to design/develop/deliver/evaluate training to your organization's employees?



N = 32

What area is the most commonly outsourced?



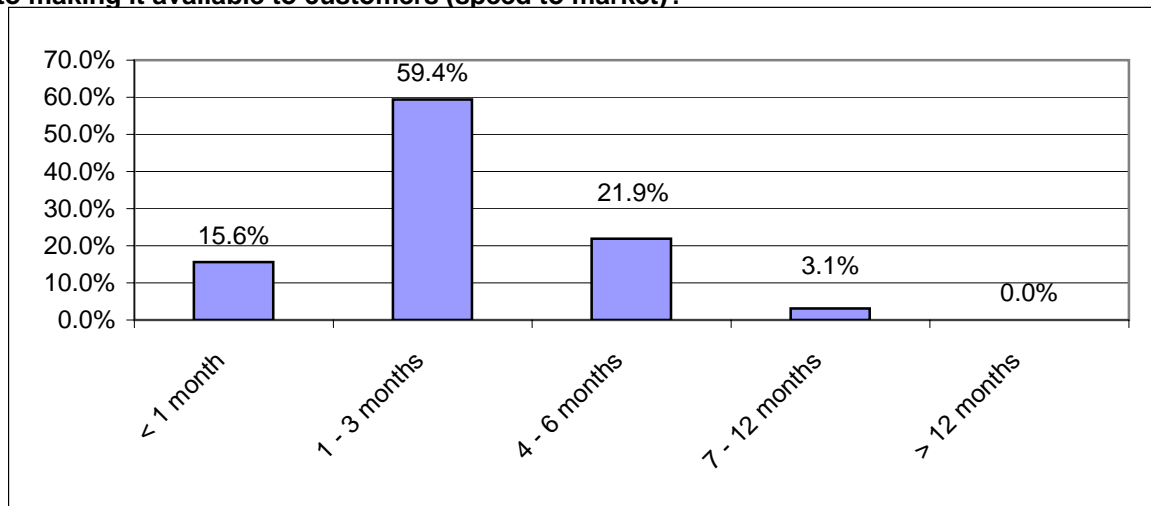
N = 31

With regards to outsourcing various training operations areas, nearly 10% of respondents do everything "in-house". Of the rest, one-third of respondents use between 1 and 5 vendors. Relatively few use more than 25 different vendors. Nearly half of all outsourcing is for training delivery. Comparatively few respondents outsource the design and evaluation of training.



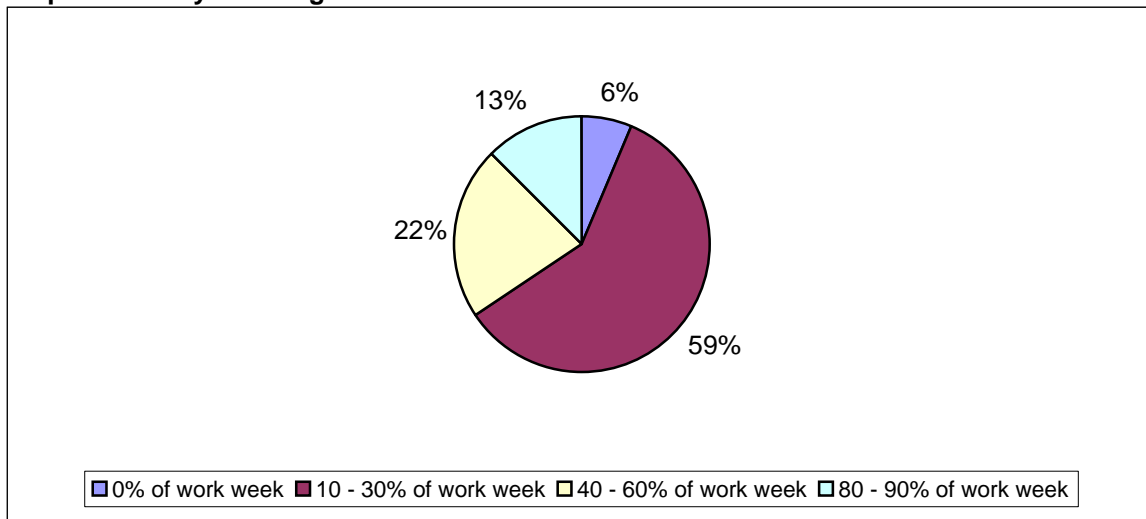
Training Operations - Speed to Market and Instructor's Time Allocation

What is the average time in months for your organization to go from development of a course to making it available to customers (speed to market)?



N = 32

For your organization's instructors, what percentage of an instructor's 40 hour work week is spent actively teaching?



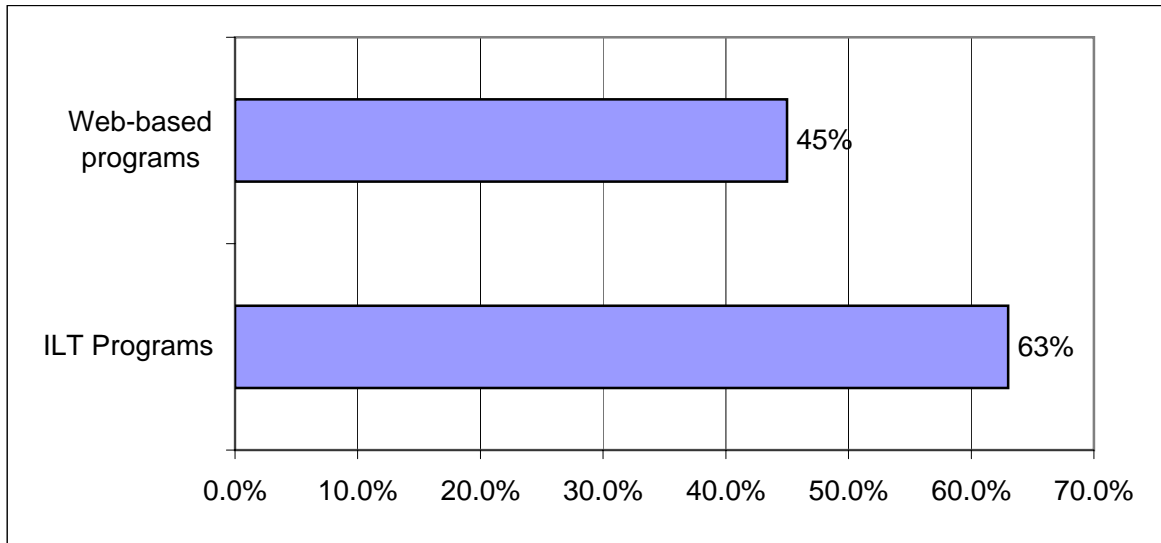
N = 32

For more than half of organizations, it takes between 1 and 3 months to go from development of a program to offering it to trainees. 15% of organizations manage to do this in less than a month, while it takes about a quarter of organizations between 4 and 12 months.

For most organizations, instructors spend less than 40% of a 40-hour work week actually teaching. For only 13% of organizations do instructors spend more than 70% of their time teaching. This illustrates the severe time demands that other duties can take from actively teaching.

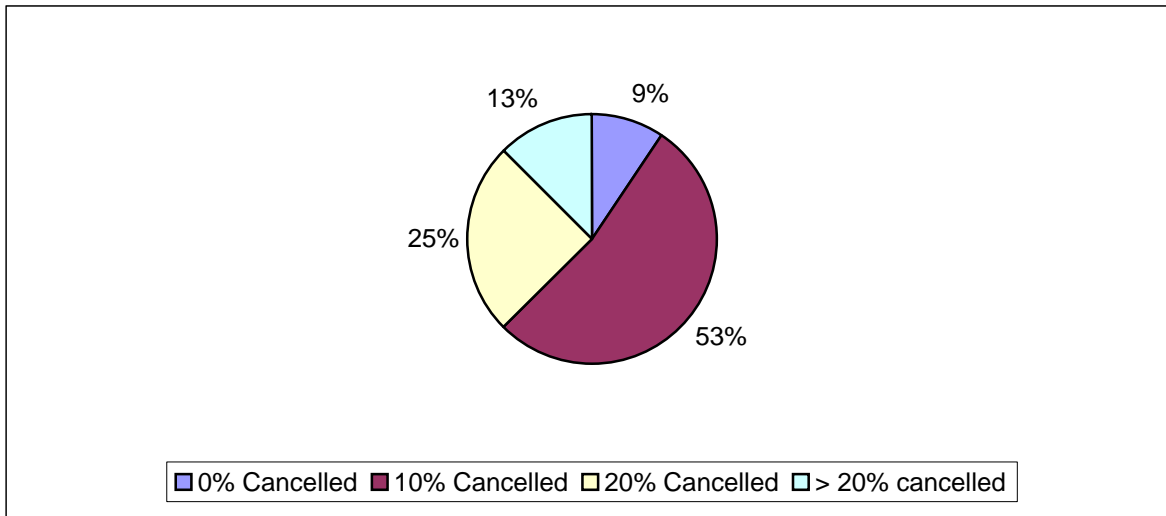
Training Operations - Registration Thresholds and Cancellation

What percentage of courses regularly meet registration thresholds?



N = 32

What percentage of training events that are scheduled get cancelled?



N = 32

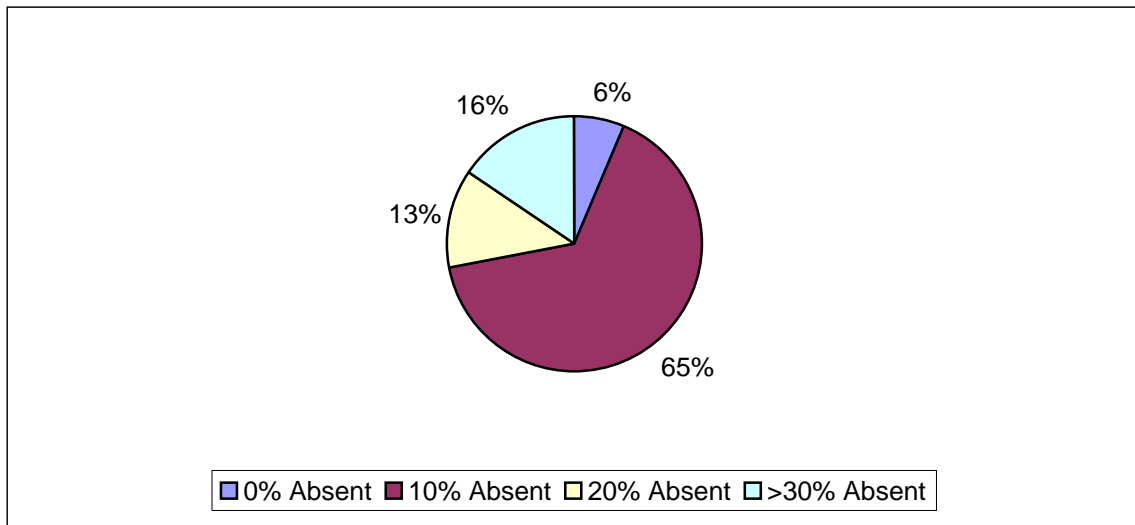
ILT courses meet registration thresholds much more frequently, at almost two-thirds of the time. For web-based programs, registration thresholds are met less than half of the time. There are several possible causes for this trend. Preference for ILT courses, marketing strategies for courses, and duration of course availability are some possible explanations.

Over half of all respondents indicate a cancellation rate of less than 20%. No respondents indicated a cancellation rate above 60%. The average cancellation rate was 15%.



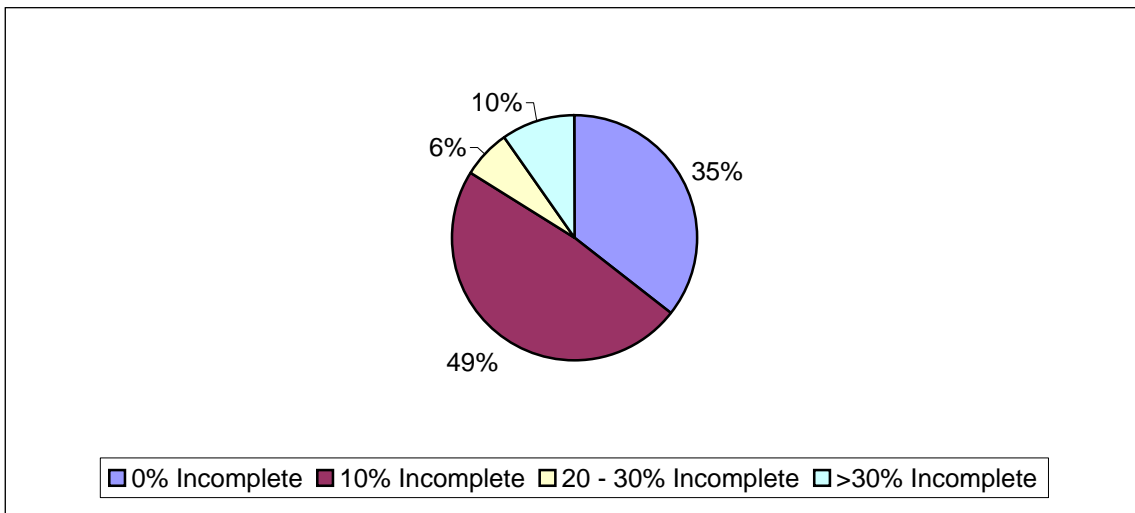
Training Operations - Attendance and Completion Rates

What is the percentage of employees who enroll in a course that do not attend the training?



N = 32

What is the percentage of employees who attend a course but do not complete the training?



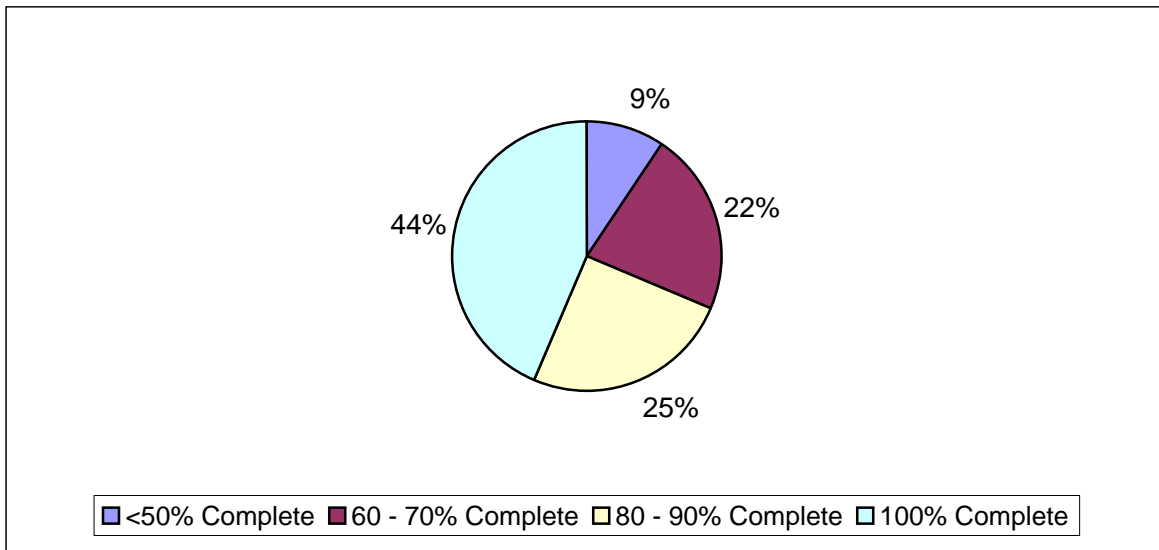
N = 31

Nearly three-quarters of respondents indicated that 10% or fewer of the students who register do not attend. The mean response was 14.7%. Of those who attend, 84% of respondents claim that less than 20% of those who attend a course fail to complete the training. Only three indicated more than 30% of students fail to complete the training, with one respondent noting a 100% rate of incompleteness. The mean response was 14.2%



Training Operations - Evaluation Completion

What is the percentage of trainees who complete the evaluation at the end of a course?

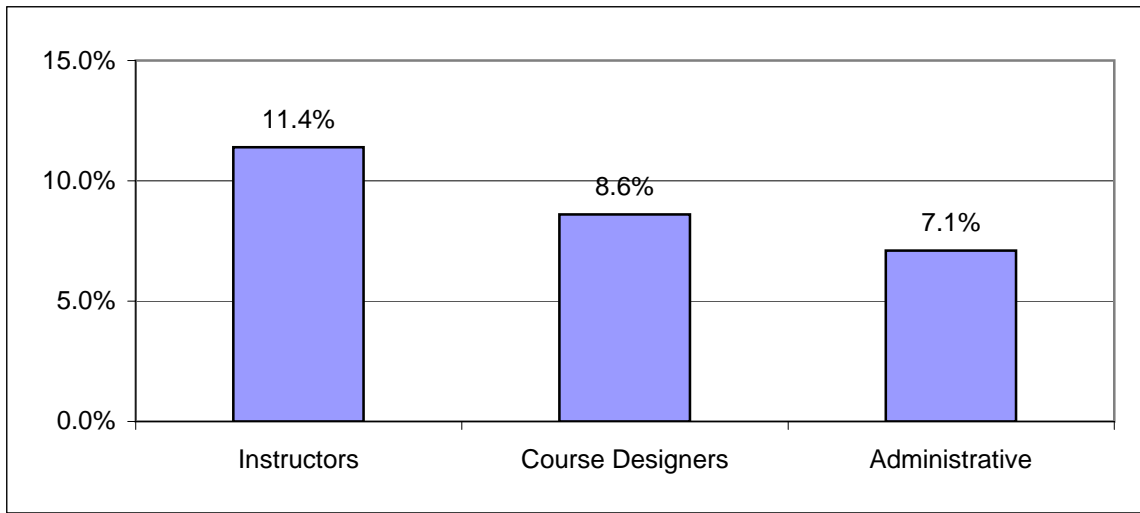


N = 32

Fortunately, over two thirds of respondents indicate an end of course evaluation completion rate of over 80%. One respondent reported a response rate of 0%. The mean response rate was 74.4%. This result bodes well for corporate universities that place a premium on training evaluation. Higher response rates generally yield more robust data and, hence, more valuable information that learning professionals can use to enhance the training process and its outcomes.

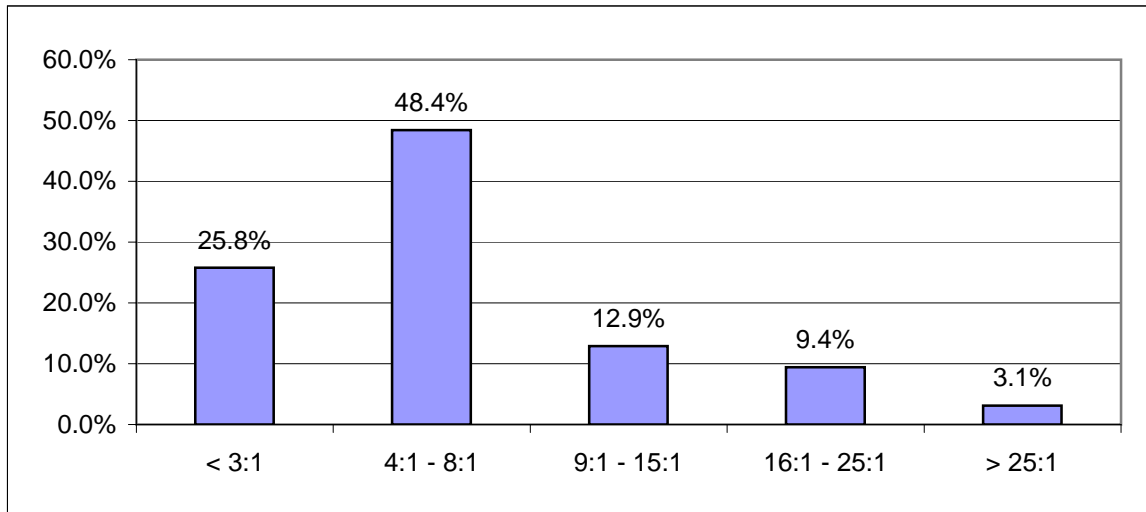
Training Operations - Turnover and Staff to Management Ratio

What are the turnover rates for the following training staff positions?



N = 29

What is your training department's average staff to management ratio (supervisory responsibility - span of control)?



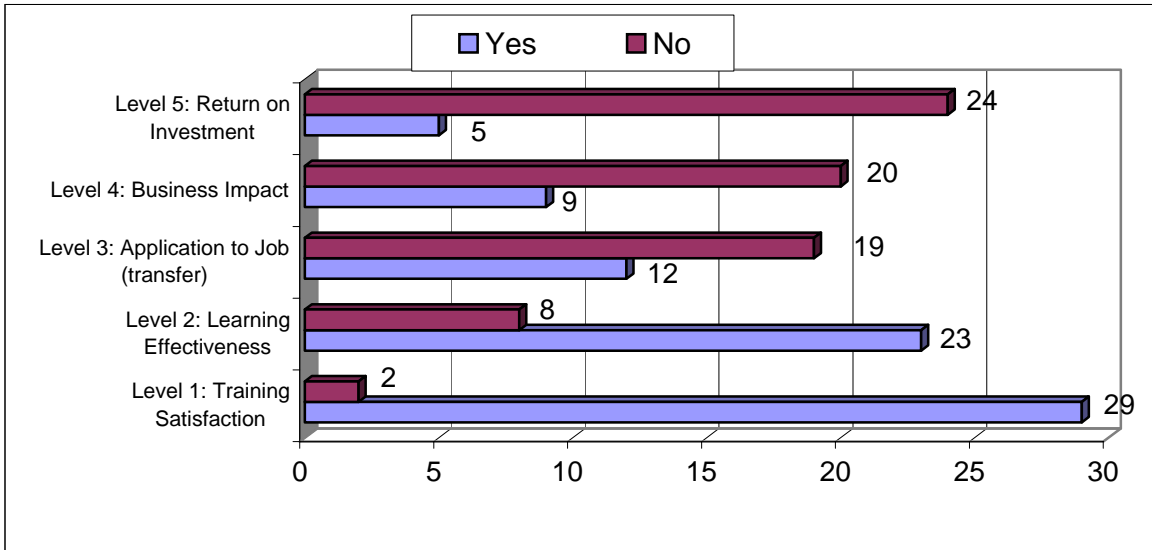
N = 31

The position of instructor experiences the highest turnover rate at 11.4%, followed by course designers at 8.6%. Administrative personnel are comparatively stable at 7.1%.

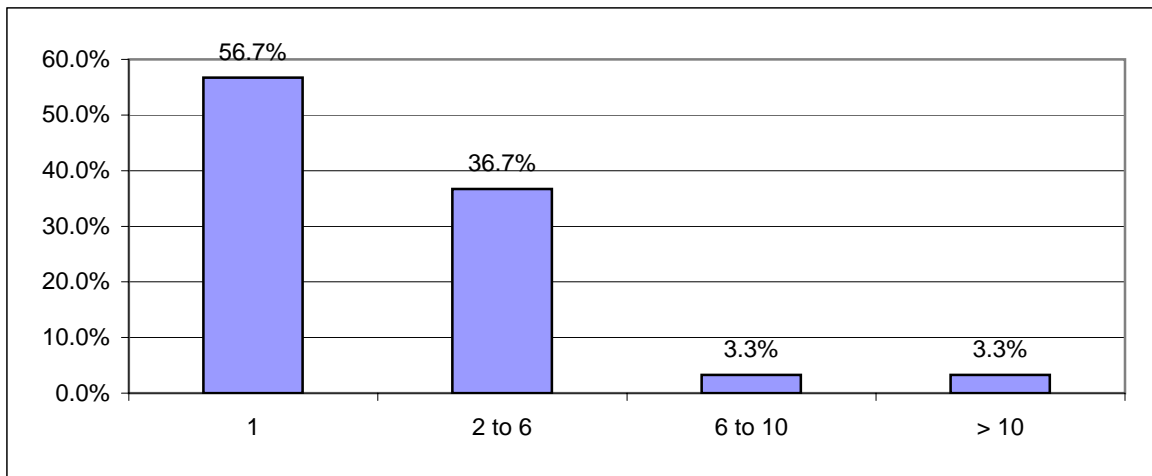
Nearly three-quarters of the training-departments surveyed reported staff to management ratios of less than 9:1. Only one organization indicated a ratio of greater than 25:1.

Training Operations - Levels of Evaluation and Language Availability

Does your organization typically measure the following levels of training evaluation for each program (yes or no)?



How many languages does your organization provide courseware in?



N = 30

Nearly all respondents evaluate training with Level 1 measures, with a steadily decreasing trend through the remaining levels of evaluation. Only a small number consistently measure the ROI of training programs. This is likely largely due to the perceived difficulty in acquiring metrics of these higher levels of evaluation, and stresses the need for solutions that are practical, scaleable, and repeatable.

Over half of all corporate universities surveyed offer training in a single language. Over one-third offer training in 2 - 6 languages. Few organizations offer training in more than 6 languages.



Training Operations - Best Practices

Please identify best practices you encountered with regards to training operations.

- Use concrete business examples.
- Align with business and incorporate subject matter experts from all areas of the business to provide expertise for training content, and to give final approval of materials and classes.
- Using a centralized approach when it comes to our evaluation processes so as to keep interpretation consistent throughout our organization.
- Full needs-assessment that is not limited to training solutions. Development of internal staff which is critical for understanding organizational culture, systems, processes, etc., to be more effective in delivery.
- Use an LMS that is tailored to industry to help with compliance tracking, course evaluations, awarding of credits, etc.
- Typically hold smaller instructor-led and distance learning classes. This reduces the number of courses that are canceled or are under-attended.



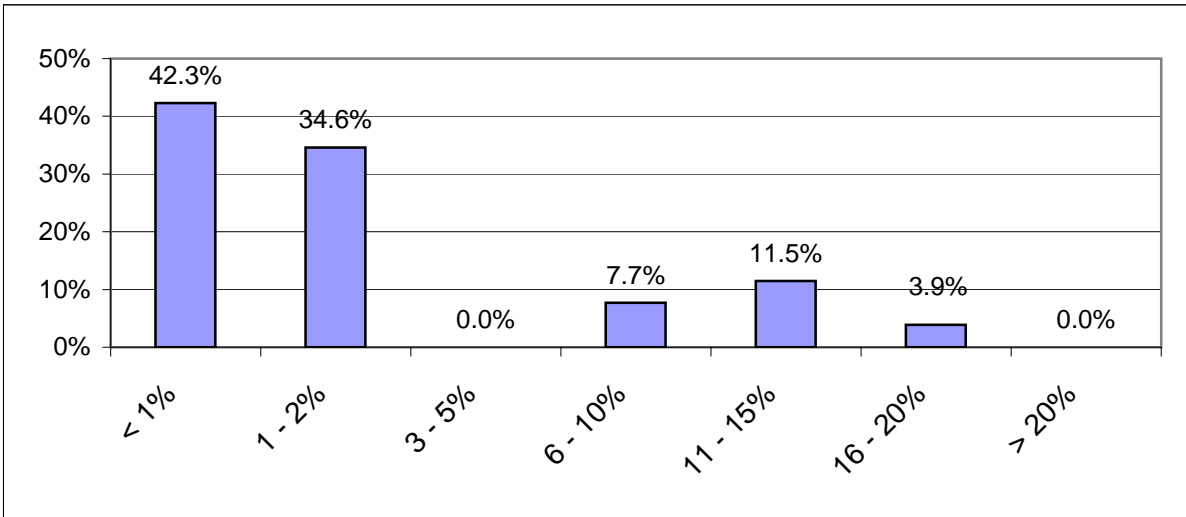
Training Operations - Challenges

Please identify challenges you have encountered with regards to training operations.

- Consolidating our training tracking systems into one integrated system.
- Evaluating, measuring effectiveness - dashboards for upper management.
- Non-professionals engaged in everything from assessment to procurement and applications of training and OD interventions/tools, often leading to poor results and limited impact and follow-through.
- Measurement and analysis rarely done, or done poorly.
- Not enough time to spend on the interpretation of evaluation results. Documentation is very time-consuming. Budgets are being reduced constantly.
- Fully half of our department either transferred to other departments within our company or found jobs outside of our company over the past two years. We are challenged now with an increasing demand for training and fewer training personnel to accommodate the requests
- We need to do more with ROI work and measuring the success of our training program with on-the-job application of learning.
- Managing the quality and timeliness of vendors.

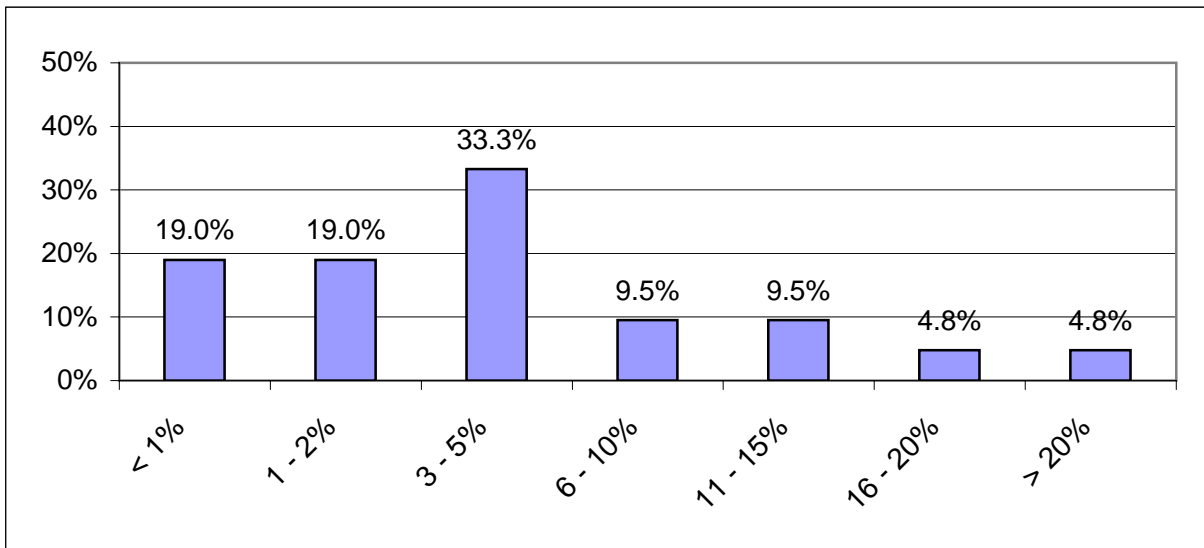
Finances - Training Budget: Percentage of Revenue and Payroll

What is your organization's training budget as a percentage of company revenues?



N = 26

What is your organization's training budget as a percentage of company payroll?

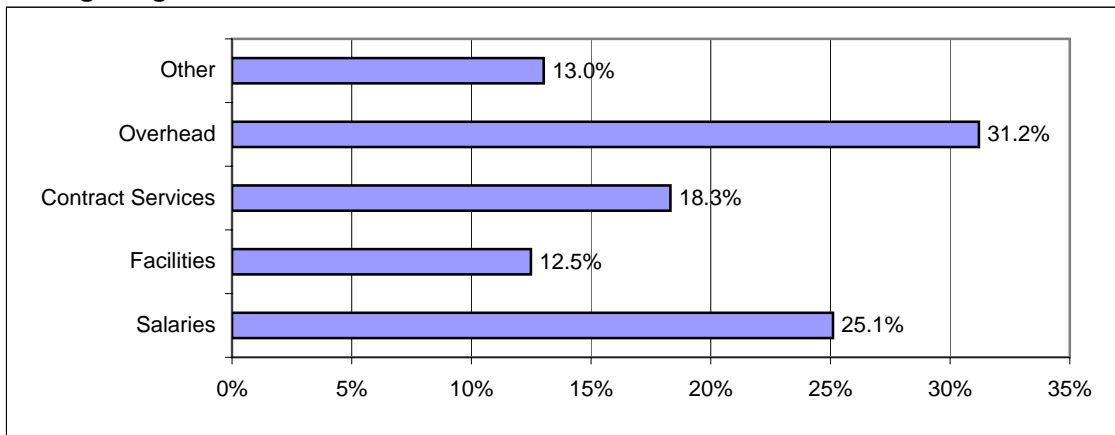


N = 21

For three-quarters of organizations surveyed, the total training budget amounts to 2% of company revenues or less. Over 40% indicate a training budget less than 1% of revenues. For more than two-thirds of organizations, the training budget amounts to 5% or less of company payroll. Only one organization reported a training budget greater than 20% of company payroll. This highlights the need for training departments/corporate universities to be as efficient as possible in implementing its training operations.

Finances - Operations Areas and E-Learning Cost Avoidance

Please indicate what percentage the following operations areas draw from the total training budget:

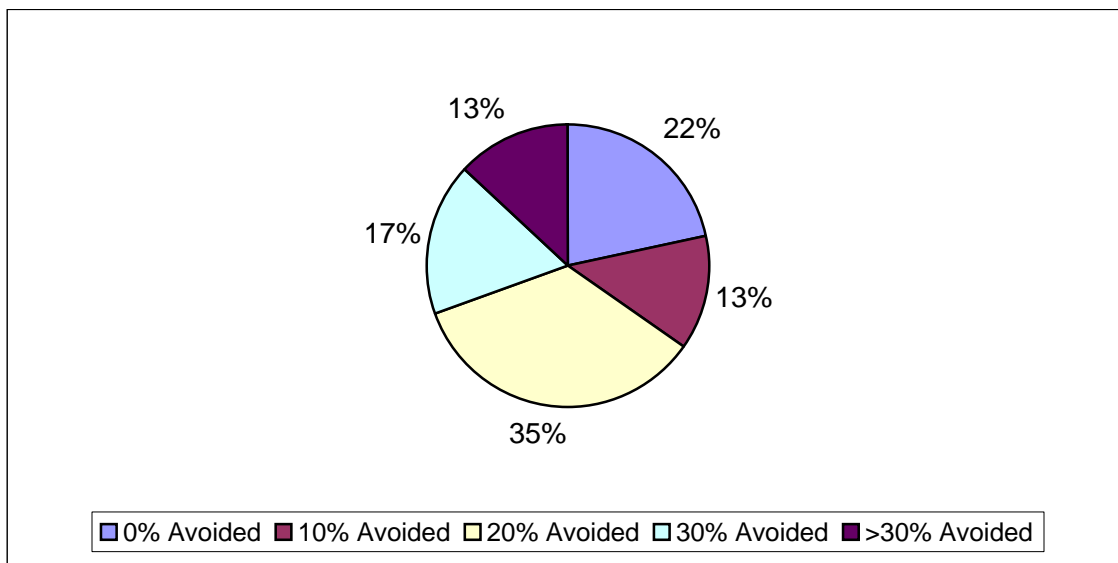


N = 22

Other responses included:

- Reimbursement for external training
- Travel Expenses

What are your total training costs avoided due to using e-learning in place of traditional ILT?



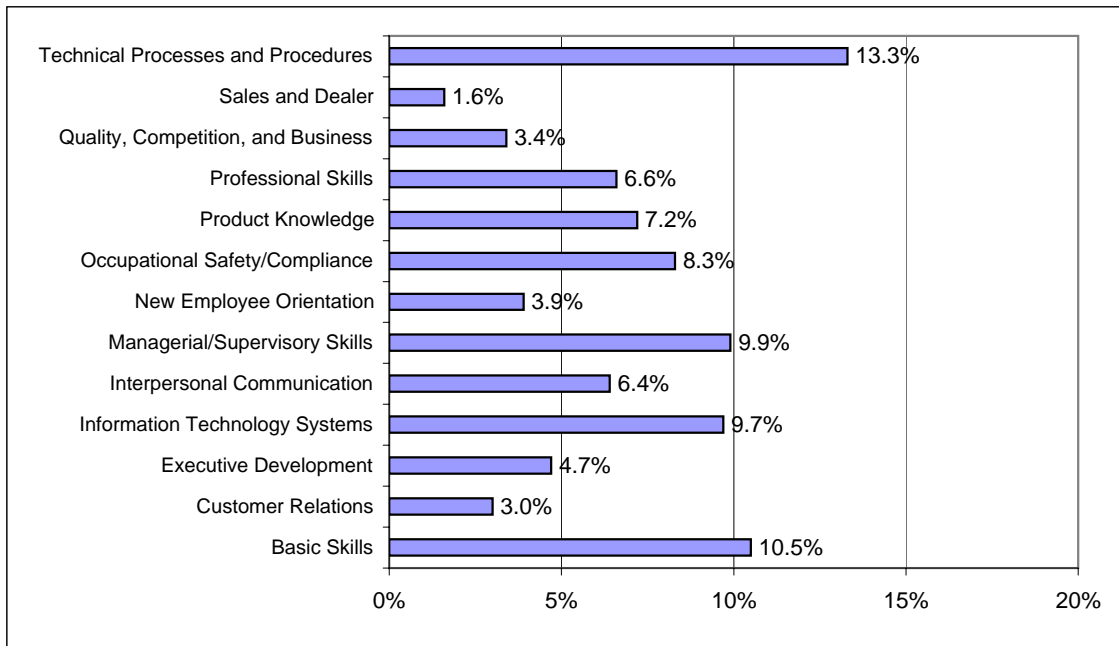
N = 23

Overhead is by far the largest drain on training budgets, accounting for nearly a quarter. Salaries account for the second largest piece of training budgets. This highlights the importance of streamlining training solutions and processes to help reduce these expenditures.

Over two-thirds of those surveyed reported cost-savings due to using e-learning in place of ILT at 20% or less. Only 13% of respondents indicate a cost-savings in excess of 30%. The mean cost-savings is 20.4%.

Finances - Percentage of Training Budget by Course Category

What percentage of the total training budget does each of the following course categories account for?



N = 19

Courses relating to technical processes and procedures account for the largest percentage of the total training budgets of the organizations surveyed, with basic skills training coming in second. Sales and dealer training accounted for the least, however this is likely influenced by the non-sales nature of several respondent organizations making up this dataset. In general, the trends in this graph blend well with the data presented regarding the percentage of these course categories of the total training courses offered by organizations. The largest discrepancies seem to be with regard to customer relations training and new employee orientation. The data for both of these course categories suggest that the drain on the training budget reflected by these courses does not account for their prevalence, indicating that less resources are spent on courses of these types than other areas.



Finances - Best Practices

Please identify best practices you have encountered regarding training operations finances.

- The revenue generating areas seem to get the bigger part of the financial pie. However, the leadership development area is coming in a close second due to the CEO's need to focus on succession and talent management.
- Been able to supplement the budget by participating in California's Employment Training Panel (ETP) program, which allows us to be reimbursed for specific types of training to California employees.



Finances - Challenges

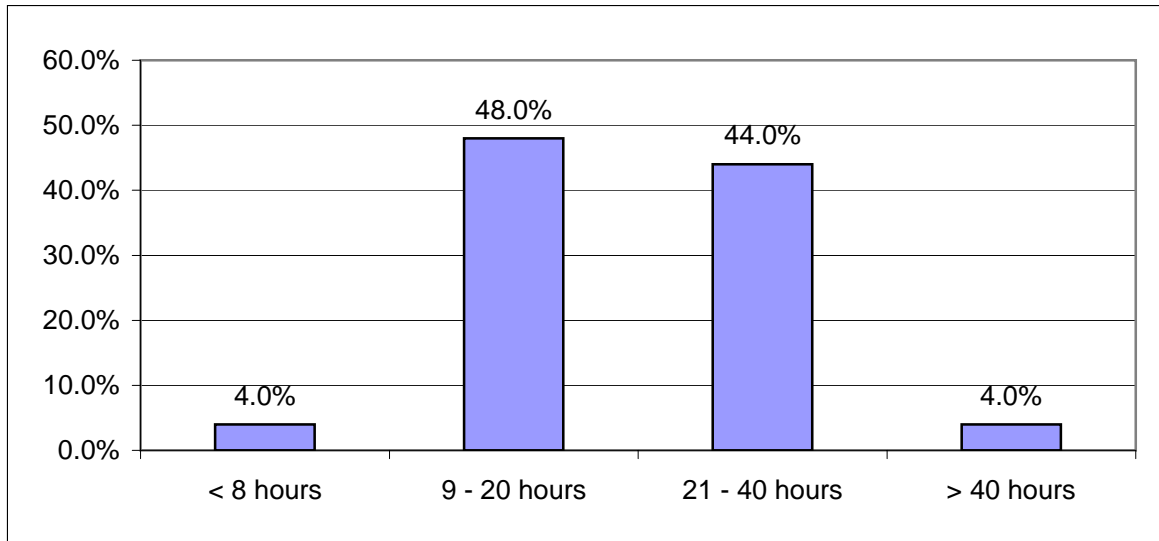
Please identify challenges you have encountered regarding training operations finances.

- Just finding the additional resources for those extra training needs. However, depending if the training has a direct correlation to the strategic plan, the funding usually follows.
- Not enough cost-benefit analysis going on, particularly around internal versus external solutions.



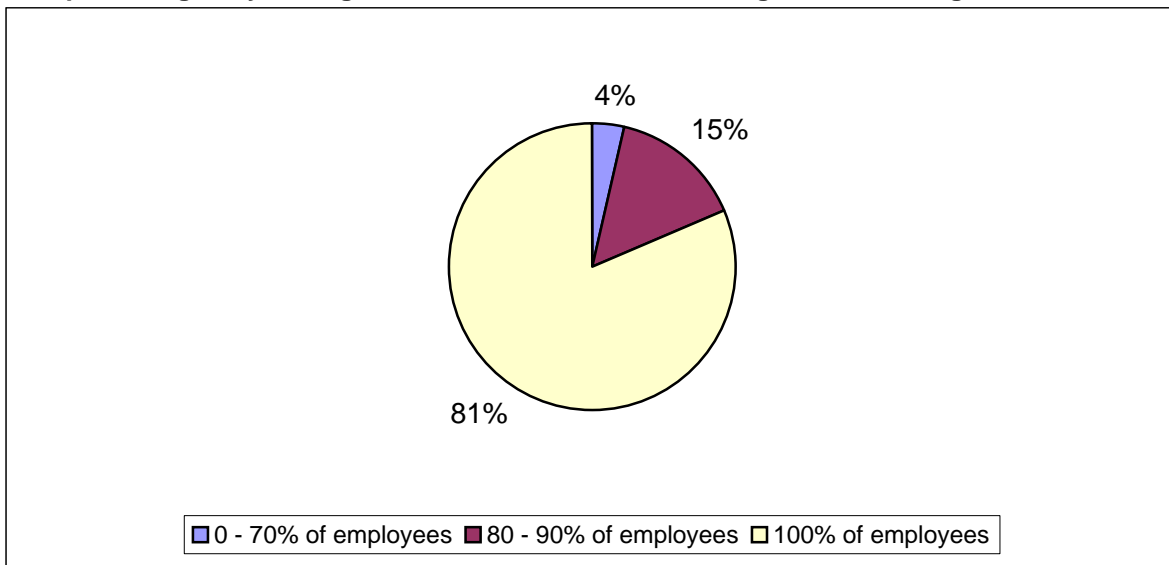
Culture - Workforce Training

In a given year, what is the average number of training hours for employees, excluding new hires, in your organization?



N = 25

What percentage of your organization's total workforce is eligible for training?



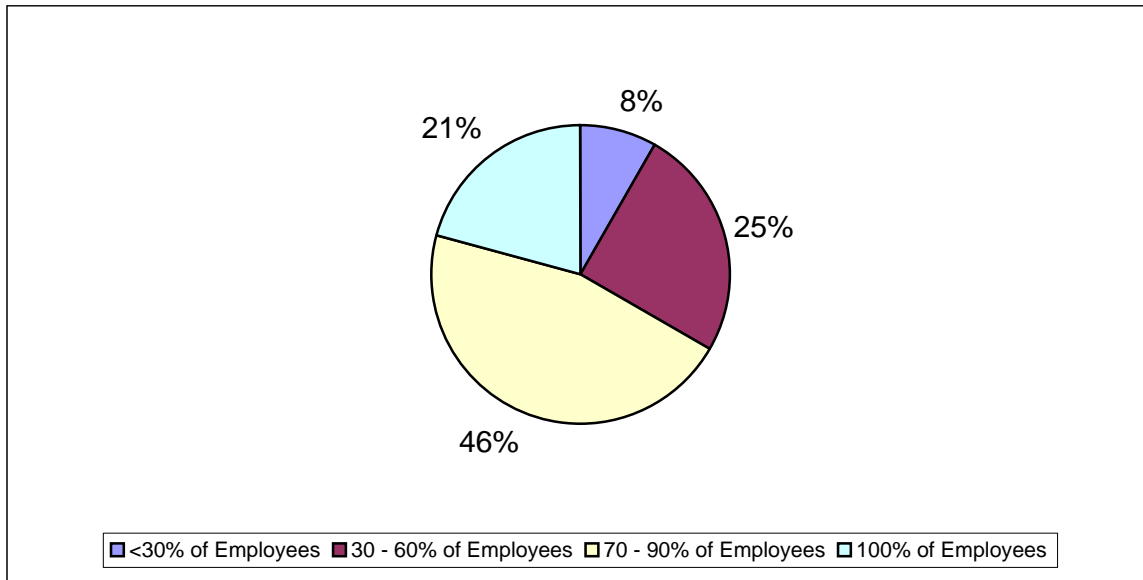
N = 27

For 92% of all organizations participating in this study, employees experience between 9 and 40 hours of training. In 81% of these organizations, All employees are eligible for training. Only 4% of organizations indicated less than 80% of the workforce is eligible for training. This indicates that a strong learning culture has taken hold at the majority of organizations.



Culture - Workforce Training

What percentage of your organization's employees, excluding new hires, have received at least 8 hours of training in the last 12 months?

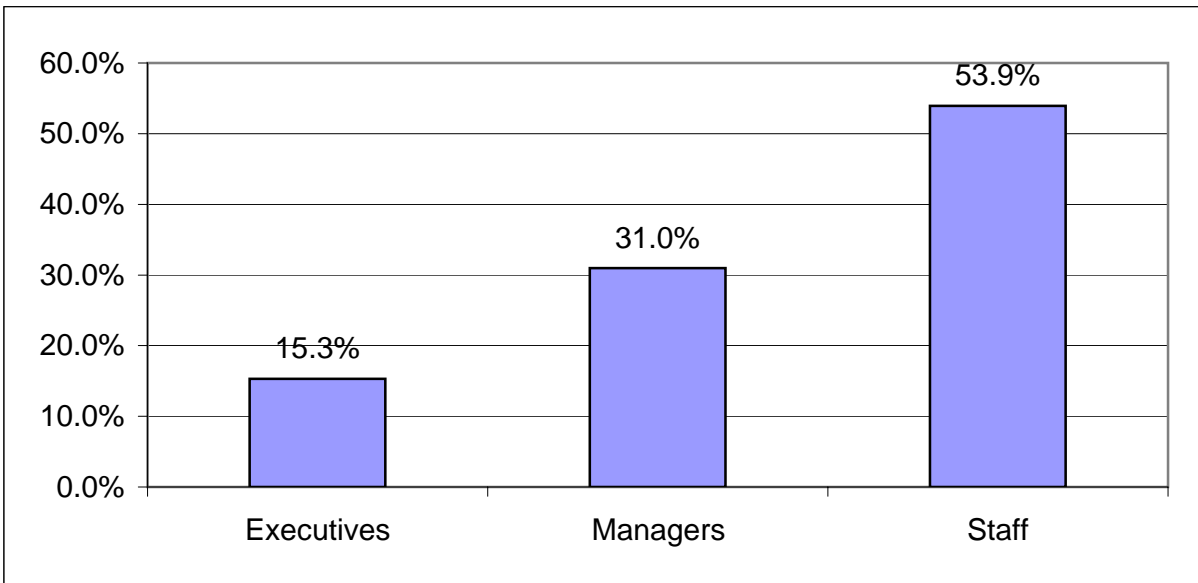


N = 24

For 21% of participating organizations, all employees received at least 8 hours of training in the past 12 months. Only 8% of respondents reported fewer than 30% of employees receiving at least 8 hours of training. Most organizations achieve broad penetration of their organization's employees when offering training over a given year.

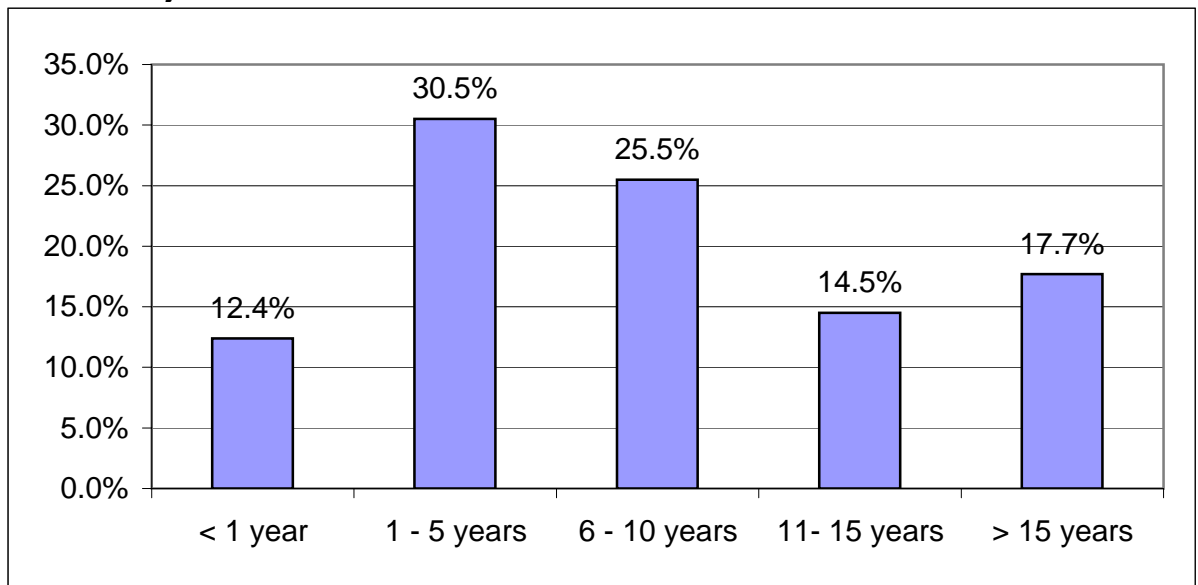
Culture - Trainee Level and Experience

What percentage of the employees in your organization who attend training are:



N = 23

What percentage of your organization's trainees have the following levels of experience in their current job?



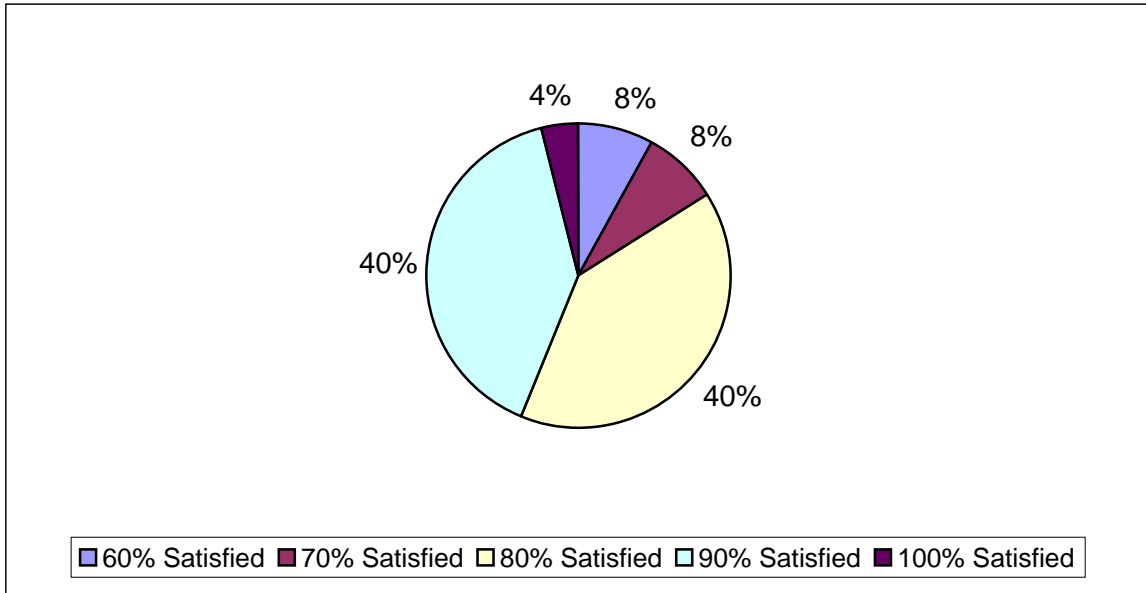
N = 22

Most trainees are staff or managers, with staff accounting for more than half of all trainees. Only 15% of trainees are executive level. This is not surprising, as lower-level positions typically experience the greatest turnover; hence, these positions would require more frequent training of new hires. Roughly two-thirds of all trainees have 10 or fewer years of experience. 43% of trainees have less than 6 years of experience. This is very much in line with the above results.



Culture - Trainee Satisfaction

What percentage of your organization's employees who attend training are satisfied with the training programs?



N = 25

In general, employees are satisfied with the training offered by corporate universities and training departments. 80% of organizations report that between 80 and 90% of employees who attend training are satisfied with the programs, with one organization indicating that 100% are satisfied. No organization reported less than a 60% satisfaction rate. The mean satisfaction rate was 82.4%.