



2009 Training Forecast

Shenzhen, China

Communication Solutions That Mean Business

How will the 'global credit crisis' affect training in China in 2009?

Review of 2008

What trends can we expect in 2009?

What to be cautious of in 2009?

Our Action Plan

These are all important questions that professionals in the training industry worldwide have been asking themselves. In Part I of this report, we will narrow the scope of these questions to how they will relate to us here in Southern China, and more specifically in Shenzhen. Part II focuses on how Excelliance is adapting to meet client needs in 2009.

Part I

How will the 'global credit crisis' affect training in China in 2009?

With the arrival of the 'global credit crisis' in late 2008, it is widely expected that the training industry in China will take a big hit in 2009. With less training dollars to invest in employees, Training managers will no doubt require higher standards and more accountability from the training programs they put in place. It will be a year in which employees with a "that-is-not-my-job" attitude will likely be the first ones targeted in staff cutbacks.

"Many training and learning and development (L&D) managers expect their budgets to be cut over the next 12 months. A survey of 120 of them found that 44% expected cuts, while 54% expected budgets to remain stable and just 2% expected an increase.

Respondents were also asked to say which areas of spending would be likely to be cut: 53% said non-skill specific training 33% said soft skills 32% said team building, and 13% diversity (those polled could give more than one answer to the question)."

Charlston, John "Training budget cuts predicted by learning and development managers" (01 July 2008) [Online] Available: www.personneltoday.com/articles/2008/07/01/46518/training-budget-cuts-predicted-by-learning-and-development.html

However, many senior managers view cutting back on training budgets in tough economics times is not in the best interest of the companies either.

"It has never been more important to continue investing in skills and all the evidence shows it will lead to a faster recovery from the downturn,"

David Fairhurst, senior vice-president, McDonalds

"McDonald's: Training workers will aid recovery" (13 Jan 2009) [Online] Available: <http://www.i-l-m.com/members/2363.aspx?articleid=18970790> [accessed 15 Jan 2009]

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David Collins, president of the AoC, said: "In the current economic climate it is more important than ever for companies not to cut back on training as a motivated and productive workforce with the right skills will help a business to survive."

"Senior managers value training during the downturn" (28 Nov 2008) [Online] Available: <http://www.i-l-m.com/members/2363.aspx?articleid=18902727> [accessed 15 Jan 2009]

In addition, to the importance of supporting training through tough economic times in general, there is also a skills gap between Chinese and foreign colleagues that still exists. As the economic downturn will not hit China as hard as in most Western economies, it is an excellent opportunity for China based divisions/companies to narrow this skills gap through investing in the development of it's people.

When the global economic outlooks starts to improve, Chinese based divisions and companies that have continued, or even increased targeted training programs will be in a better position to compete and exceed globally.

Review of 2008

2008 saw a lot of changes in the Corporate English Training industry:

- Overall demand for training in Shenzhen increased over the previous year
- Demand for tailored training programs significantly increased, while demand for 'off-the-shelf' standard training programs somewhat decreased
- HR Mangers demanded more accountability for training courses, ie: a calculable ROI on their training investments
- The Beijing Olympics increased demand for training on one hand, yet increased the visa regulations for foreign trainers

Let's take a look at some key figures from the annual [China Training Industry Report for 2008](#)

Figure 1: Are current training providers able to suit the needs of your company?

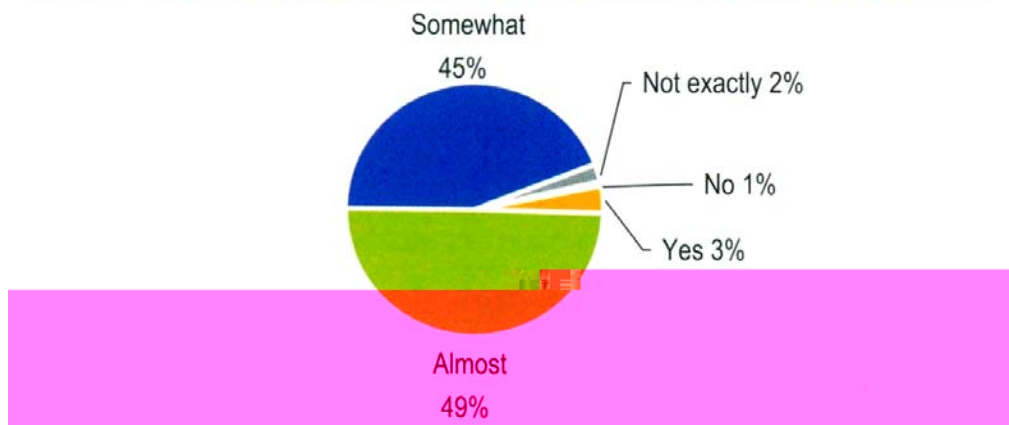
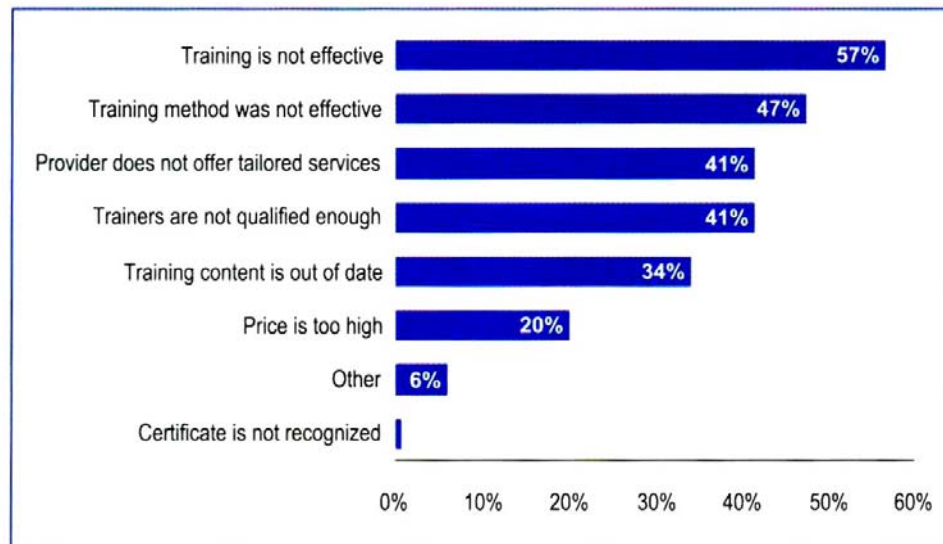


Figure 2: If you are not satisfied with the training, it is because:



These results show that there is still a lot of room for quality improvements in training programs in China. This is a shared responsibility between both Training Buyers and Training Providers. Quality improvement is an ongoing process, and it is important that there is continual communication between all stakeholders in any training program. Good communication will ensure delivery is focused towards the needs of both individual participants and the company as a whole. In addition, regular evaluations should be conducted, trainers should be observed, personalized feedback should be shared with participants, and all these should be aimed at meeting a pre-determined target benchmark.

What trends can we expect in 2009?

As a result of what has happened in 2008, and factoring in the current 'credit crisis', here are some trends we can likely expect in 2009:

- Training projects will be much more results oriented and focused on specific work-related demands
- Demand for tailor-made training services will continue to increase
- Training buyers and providers will need to work closer together and improve communication and training/course management
- Poor quality training providers will get squeezed hardest, some even going out of business
- New 'quick solution' training programs may be offered in the market (ie: hardware intensive training such as self-study programs, internet study, etc..)
- Training professionals, both buyers and providers, will need to invest more time into upgrading their knowledge and skills

What to be cautious of in 2009?

Now when things get tough, some companies will always look for the quick fix. On the other hand, some people will also be there to market a 'quick fix solution' to willing buyers. Some possible quick fix solutions are usually focused on training 'hardware' such as computer programs, CD/DVD sets, online learning, etc..

The problem is that when it comes to training, there are some fundamentals that make a training program effective. These core competencies 'software' include; having qualified and current trainers, having high quality and current materials, having an effective course assessment/management system, and having good communication between the client and trainer.

Be wary of 'quick fix' training solutions and make sure that you ask the right questions to ensure the core competencies of a good training program are in place. In the end, training is a people business and 'hardware' solutions can never replace (only supplement) quality 'software' solutions.

Part II

Our Action Plan

Excelliance had a fantastic 2008 and we are expecting to produce an even better 2009. Our benchmark for success is not just a sales figure, but customer satisfaction and referrals of new clients. We are currently working on a Quality growth model vs. a Quantity growth model. This means that we prefer to have a smaller, long-term client base opposed to a large, short-term client base. As our service model is based on tailor-made training, the longer we work with our clients, the better our training delivery becomes.

Many training providers use quality as a catchy phrase. Everyone naturally markets their training programs as high quality. Yet when asked to define what quality means to them, few training providers can clearly state what their standard of quality is. Recognizing this in 2008, we formalized our ideas into a range of Standard Operating Procedures relating to all aspects of our business. This enables us to keep the development, delivery, and evaluation of our training services consistent.

Here are some of our highlights of 2008:

- Started training with some very large clients such as TCL, Hasbro, Lenovo and IBM
- Began some consulting work to develop tailor-made Business English assessment systems for some major clients
- Developed and implemented our own unique placement and final test assessment system for both oral and written English courses
- Incorporated international best practices for training into our training methodology and SOP's
- Major improvement to our Business Writing training courses in terms of both content and trainer skills
- Created a database management system to better manage courses and quality control. We have also improved our reporting standards for clients.

Looking to 2009 we have several key goals:

Quality:

- More internal and external training of our trainers and staff
- Use more tailor-made video and audio tools in our lessons
- Further development of self-study materials
- Membership in ASTD to keep pace with international best practices in training

Expansion:

- Offer training consulting services to clients who want us to help them develop their own high-quality training/skills assessment programs and/or internal training capabilities. (ie: Train the Trainer workshop ^(new))
- Continue to increase our market share in tailor-made training services in Shenzhen
- Create a new division, headed by A.J. Boelens, which will focus on management and soft skills training. This new division will work closely with Excelliance's existing clients, to provide these highly demanded training services

Soft skills and Management training

We have had several requests for both standard and tailor-made management and soft skills training workshops focusing on middle/senior management and high potential employees. Examples of these types of training include:

- Leadership skills
- Presentation skills
- Cultural awareness
- How to Coach/train others, etc..

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The following figures also support this move into these training areas:

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In summary, 2009 is a year in which HR and Training Managers should not take chances with their limited training dollars. They will need to do more research on what training needs exist, support training initiatives with clear, results-focused aims, and improve the management and assessment of their training programs.

While training and development of employees always takes a back seat in tough economic times, it is ironically the best investment to build competitive advantages of companies.

We wish you the best of training success in 2009, and please contact us if you have any questions, comments, or inquiries.



AJ Boelens worked as a Management Consultant and Trainer for Excelliance in 2008.

In 2009, he will head up a new division that will focus on Management and Soft skills training.