



NANA Training Systems

NTS provides our clients with a wide variety of solutions in health, safety, emergency preparedness, leadership and organizational development. These solutions allow our clients to be more effective and reach their goals.

Why Outsource Training With NTS?

In a recent study done for a client on several training initiatives, we proved that outsourcing their training needs to NTS provided them with:

- ❖ Superior products, curriculum and learning materials
- ❖ Curriculum based on research, competency models and build by professional designers
- ❖ Easy to use tools that would reinforce learning and use on the job – therefore creating real results
- ❖ A substantial cost savings over developing and delivering in-house – in fact, we showed our client that we could save them over 25%

Case Study

This project involved developing a competency-based curriculum that would provide skills to over 100 supervisors and managers in order for them to be more effective on their jobs, and create more value for the organization.

After a careful needs analysis, we determined there were seven primary competencies and several secondary competencies that were desirable. The approach was interactive instructor-led four-day workshop with skill practices and follow-up coaching sessions, and a measurement process to track performance.

	Developed and Delivered In-House	Outsourced to NTS
Curriculum Development - including developing facilitators guide, shooting video footage and developing skill practice exercises	\$51,000	-0-
Course Materials - including printing, binding and laminating	\$45,000	\$24,000
Course Delivery Costs	\$8,500	\$12,000
Participant Costs	\$160,000	\$160,000
Total Costs	\$264,500	\$196,000

Total Cost Savings to client = \$68,500 or over 25%

The Benefits of Outsourcing

By Kathryn Tyler (*Excerpted from "Carve Out Training," HR Magazine, Feb. 2004*)

For many companies striving to rein in costs and improve core services, outsourcing pieces of the organization has helped meet those goals. HR professionals are no strangers to this business strategy, particularly in outsourcing parts of the training function.

But as the pressure builds to cut costs further and to focus solely on core competencies, companies are turning to the growing trend of business process outsourcing (BPO), or total outsourcing of an entire function. Training can be a perfect candidate for BPO because, as a function, it's not seen as a revenue-producer and much of it is administrative. In addition, internal training budgets have been decimated in recent years, squeezing the time and resources in-house trainers can devote to content development and efficient delivery methods in an increasingly global marketplace.

The Benefits

Carving out the entire training function and handing it over to a provider can yield myriad benefits for employers. Training BPO can:

Produce cost savings. The potential for cost savings is the initial reason most companies investigate outsourcing. Brad Johnson, co-founder and executive vice president of Intrepid Learning Solutions, a training outsourcing company in Seattle, claims his company can save clients 30 percent to 40 percent on their training costs.

Companies also avoid large capital expenditures. "It's balance-sheet management, the movement of fixed assets—buildings, computers, software—to variable," Starr explains. "Services can be paid on a per-use basis." With internal training, "the supplier bears [the] risk of upsizing or downsizing as demand fluctuates."

Deliver high-quality, efficient services and products. By outsourcing training, companies can focus resources on improving their products. When analyzing its decision to completely outsource its training function, Avaya, a communications company headquartered, realized training development and delivery were not its core competencies. To ensure seamless delivery to its employees, Accenture named the division Avaya University.

Provide cutting-edge technology. Another benefit of this narrow focus is that the BPO provider stays on the cutting edge. "With recent improvements in technology, there are a lot of different ways to provide knowledge," says Johnson. "It's hard to stay abreast of all of the changes when you're a small internal group."

Training Return on Investment - The Real Cost of No Training

If you think you can't afford the time and expense of training, think again and consider this:

- ◉ Untrained users take up to six times longer to perform the same tasks.
- ◉ Training enhances employee retention. A Louis Harris and Associate Poll says that among employees who say their company offers poor or no training, 41% plan to leave within a year. Of those that say their company offers excellent training, only 12% say they plan to leave.
- ◉ Studies show that in-house training costs 73% more than outsourced training.
- ◉ A four-year study by the American Society of Training and Development shows that firms who invest \$1500 per employee in training compared to those that spend \$125, experience on average: 24% higher gross profit margins and 218% higher income per employee!
- ◉ Just a 2% increase in productivity has been shown to net a 100% return on investment in outsourced, instructor-lead training

Training & Development Outsourcing: Does It Make Sense for You?

By Joanne Sammer, December 2005

[From SHRM's [HR Outsourcing Focus Area](#)]

If your company is increasing the amount of training and development (T&D) it outsources, it's not alone. According to the American Society for Training & Development's 2005 [State of the Industry Report](#), the portion of the training budget for external T&D services has risen steadily since 2003 and now averages 27 percent annually.

Not Just About Money

Orlando-based SafeMark Systems decided to outsource its entire training function three years ago—not to save money but to ensure more consistent and effective training, says George Oelschig, the company's president and CEO. The company, which provides safes to hotels throughout North America, must provide training to each hotel staff member who manages and sells the use of in-room safes for guests. Before it turned to outsourcing, the company's seven-member training staff was constantly on the road—and quite vulnerable to turnover because of the high volume of safe installations and the far-flung nature of its customer base.

"The training we provide to hotel staff is a critical part of the whole service, so we turned to an outsourcing partner to enhance training effectiveness in the field," Oelschig says. Not only did the outsourcing arrangement free up SafeMark from having to continually replace and re-train its own training staff, the quality of the trainers also improved.

Because the outsourcing partner works with many different companies, it is able to maintain a larger staff to handle SafeMark's training needs. The outsourcing partner provides on-site training sessions at hotels, as well as weekly follow-ups for 60 days following the training. After that, SafeMark takes over the maintenance of the account.

"The more fragmented a company is, the more sense it makes to outsource training because it often has to train a lot of people in field in a short period of time," says Mike Paton, senior vice president of Signature Worldwide, a training firm based in Dublin, Ohio.

*Companies with sporadic training needs
may not be able to justify in-house staff.*

Many companies are realizing that they do not have the specialized skills on staff to deliver training to employees most effectively. After all, "not every person learns in the same way or is motivated by the same things. If they turn over training to an outsourcing partner, these companies can focus on providing product knowledge to employees and rely on professional trainers to provide core training that is matched to the learning needs of individual employees."

All training requires some level of follow-up, coaching and reinforcement activities as employees attempt to apply their new skills and knowledge to their jobs. Therefore, the outsourcing arrangement should also include a clear agreement on training follow-up and reinforcement and who is responsible for these activities.

*Don't spend money on training
unless you are prepared to
measure results.*

"The No. 1 risk in training is spending time to deliver a training program but not enough time to reinforce the training once the program is complete," Paton says. "Companies need to make sure the training is applied on the job."

For example, a hotel chain relied on its vendor to provide a training program designed to reinforce the company's new branding campaign. The goal of the training program was to have employees interact with guests in ways to reinforce the new brand and the promises of that brand to guests. Once the training was complete, some hotels in the chain hung a giant brand scorecard in their breakrooms so that employees could track how well they were doing in specific areas.

Recognize Training's Limitations

Of course, training by itself cannot solve every performance problem no matter who is conducting that training. If a company is not getting the results it needs from its training vendor, it must evaluate the vendor's performance to find out why. But the company should also take a hard look to make sure its processes for employee selection and performance management are adequate and that it is training people with a real capacity to do what is expected of them.