

Hook, Line

A marketing plan helps keep an HRD leads to better training. A seven-step everyone with your programs.

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How quickly shift the winds of change. When business booms, companies view HRD programs as important and necessary things—real contributors to prosperity. But when the profit curve heads south, watch out: HRD becomes a burden ripe for dumping. Employees lose, the organization loses, and, of course, the training department loses because a program trimmed once is likely to be trimmed again.

Confronting these realities, HRD managers have begun to take a hard look at marketing as a way of keeping their programs viable and relevant. To many, marketing simply involves selling, promoting, or advertising a product or service. Training managers develop brochures, complete with themes and logos, to promote their programs to internal clients. It's a good idea—but it's not enough.

While these efforts play an important role in marketing HRD, they are far too simplistic. Marketing is a complex and complicated process that all HRD departments need to master.

Service and fair exchange sell

Two principles legitimize all successful HRD marketing efforts: customer service and fair exchange.

Marketing begins with developing a service-oriented attitude that focuses on meeting customers' needs. In Madison Avenue terms, this emphasis creates the department's "marketing concept." A customer-service concept motivates the HRD function to find effective ways of satisfying users. This attitude provides superior service to customers, but it benefits the HRD department



and Sinkers

department in business, but it also
process shows you how to hook

too; during difficult economic times, customers will support and defend training because they view it as vital.

HRD practitioners also must understand that fair exchange forms the basis of any transaction—and marketing HRD and providing training *do* constitute transactions. Exchange involves offering something of value to another party in return for something of value. In HRD a fair exchange happens when the training offered equals or exceeds the value of the time, energy, effort, personal commitment, and money the customer invests. But if customers don't see training as worth their time and money, they won't invest and the exchange will not transpire. This hurts HRD, because the more exchanges between HRD and others within the organization, the better HRD looks. It's a simple concept easily missed.

For HRD practitioners to become professional marketers they must learn to understand, plan, and manage exchanges. This includes developing skills in researching and understanding others' needs, designing valued offerings that meet those needs, effectively communicating programs, and presenting those programs at the right place and time.

What does all this mean? HRD marketing means analyzing, planning, implementing, and controlling programs designed to bring about voluntary exchanges of values with target markets for the purpose of achieving organizational objectives.

The seven-step process illustrated in Figure 1 can guide HRD managers as they develop strategic plans for marketing their programs. To suc-

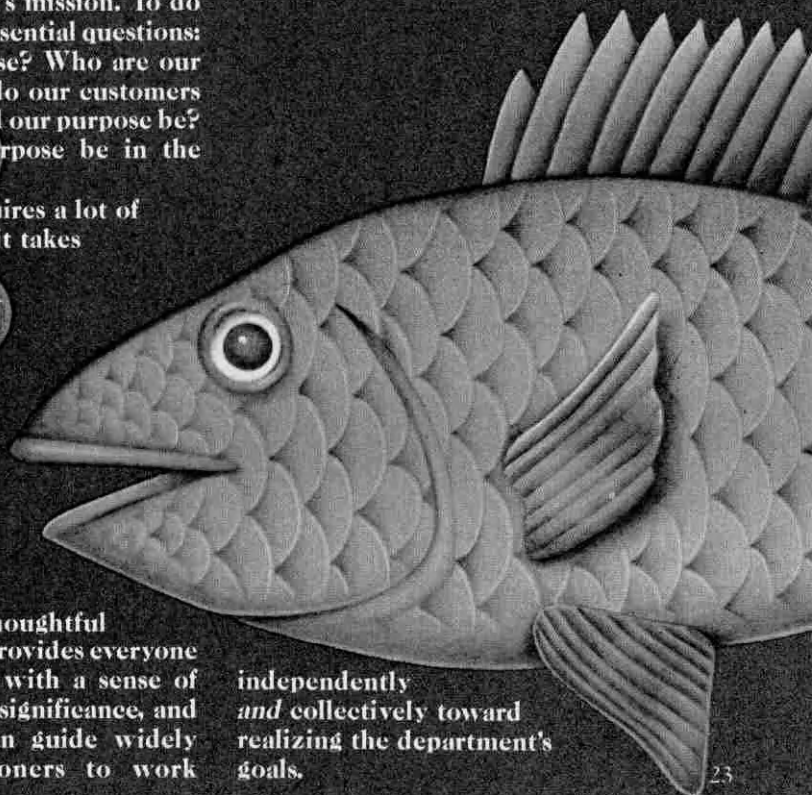
cessfully market HRD programs within the organization, the HRD department must establish a mission, analyze external and internal environments, set objectives and goals, determine a target market, select a marketing mix, create a marketing strategy, and establish an organizational marketing plan. The process will create a marketing vehicle that maximizes exchanges and, as a result, increases customers' respect for HRD.

Establish a mission

Begin developing a strategic marketing plan for HRD by examining the department's mission. To do this, answer some essential questions: What is our purpose? Who are our customers? What do our customers value? What should our purpose be? What will our purpose be in the future?

This process requires a lot of soul searching and it takes time. Each member of the HRD department will have a different view of what the program is and should be about. But each member must ultimately agree with the program's mission and support it. A thoughtful mission statement provides everyone in the department with a sense of purpose, direction, significance, and achievement. It can guide widely scattered practitioners to work

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independently
and collectively toward
realizing the department's
goals.

You will find it helpful to establish a program mission with three dimensions in mind. First consider user groups—the clients to be served and satisfied. Next come user needs the HRD programs must satisfy. Finally take a look at technologies the training department will have to use to satisfy user needs.

For example, think about an HRD department that serves only blue-collar employees who require specialized training for their present jobs and who prefer on-the-job training. This department's mission, while very important, is relatively simple; users, user needs, and technologies are all well defined. Now consider the mission of an HRD program that serves many user groups, each with different needs that demand various delivery technologies. The two departments necessarily have very different missions. The two strategic marketing plans should reflect these differences, and both depart-

ments should account for them when establishing departmental goals and objectives. Users, user needs, and technologies drive the mission statement.

Analyze the environment

Once the HRD department sets its mission, move on to analyze external and internal environmental factors. Environmental analysis helps determine external opportunities and constraints and examines the department's own internal strengths and weaknesses. The second level of Figure 1 displays this step.

External environmental analysis considers such elements as economic conditions, legal and political realities, social and cultural values, the state of technology, availability of resources, and competitive structure. Internal environmental analysis considers the organization's financial condition, managerial attitudes and abilities,

facilities, staffing size and quality, competitive position, image, and structure.

Environmental analysis also helps determine events that could help or prevent the HRD department from accomplishing its mission. The information gained allows the department to compensate for constraints and weaknesses and build on opportunities and strengths.

Set objectives and goals

Now the department is ready to establish program objectives and goals. These differ from the program's mission. The mission suggests where the program is "coming from" while objectives and goals indicate where it is going.

HRD program objectives can vary from year to year depending on the problems or topics the program must address. But each objective represents a way to accomplish the broader mission. HRD practitioners who fail to filter their objectives through the mission will find themselves off course, engaged in activities they never intended to undertake.

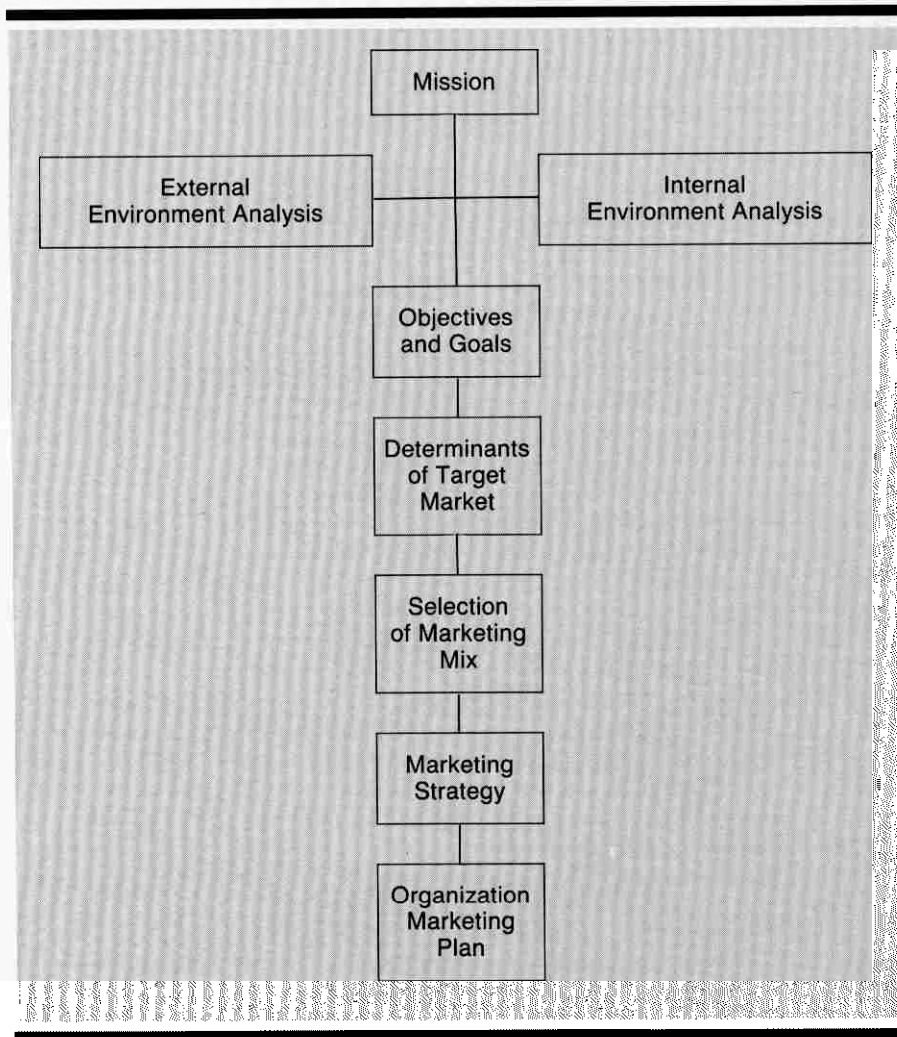
Objectives can be fairly broad—"increase enrollment," for example—but goals must be quite specific, quantifiable, and measurable. "Increase enrollment" doesn't tell you much; "increase enrollment among first-line supervisors by 20 percent during the first quarter" does. A goal statement allows HRD practitioners to prepare, plan, control, and allocate financial and human resources to accomplish the department's objectives. Goals pinpoint the objectives' feasibility, determine who is responsible and accountable for accomplishing the objectives, and indicate the strategies and activities you should use.

Find the market

With goals agreed to, the HRD department can begin exploring appropriate markets. A market is a set of all people who have actual or potential interest in a product or service and can pay for it. Every market is heterogeneous, comprising many different types of consumers or market segments.

For example, a large insurance company includes administrative personnel, insurance agents, underwriters, regional sales managers, and corporate executives. Each of these job classifications represents a market segment, and each segment has specific training needs. HRD practitioners in an insurance company benefit from constructing a market segmentation scheme that reveals each of these groups. Markets may also be segmented by such variables

Figure 1—Strategic marketing planning process



as experience, sex, educational level, geographical location, and lifestyle.

Equipped with their market segments, HRD practitioners can decide on a marketing plan. If they want to serve all segments, their approach is known as mass marketing. If they concentrate on just a few segments, they target market.

Keeping the insurance example, suppose the HRD department decides to examine a product and job classification segmentation scheme as shown in Figure 2. Five job classifications—or markets—exist for this insurance company: administrative personnel, insurance agents, underwriters, regional sales managers, and corporate executives. The HRD department offers five types of training, or products: human relations, computer skills, management skills, principles of insurance, and sales.

Figure 2 suggests several marketing possibilities:

■ **Product-market concentration** markets one product to only one segment. Using product-market concentration, the HRD department might decide to focus on teaching computer skills to administrative personnel.

■ **Product specialization** markets one product to all segments; for example, computer-skills training for all company personnel.

■ **Market specialization** focuses on one segment and offers all training products. The HRD department might offer underwriters a full curriculum covering human relations, computer skills, management development, insurance principles, and sales training.

■ **Selective specialization** custom tailors the mix between products and segments in a way that meets the specialized needs of each market segment. Administrative personnel, agents, and underwriters may need training in insurance principles, while sales managers and executives need more work on management skills. Selective specialization allows this variety.

■ **Full coverage** markets all HRD programs to all market segments.

The insurance company's HRD department must weigh each of these marketing possibilities and then choose one or more that will accomplish their objectives and goals while remaining consistent with their mission.

Select a marketing mix

After choosing a target market approach, the HRD department must select an appropriate marketing mix. A

Figure 2—Segmentations of an insurance company HRD product/market

		Markets				
		Administrative Personnel	Insurance Agents	Underwriters	Regional Sales Manager	Corporate Executives
Products	Human Relations					
	Computer Skills					
	Management Skills					
	Insurance Principles					
	Sales Training					

marketing mix is the particular blend of controllable marketing variables an organization uses to achieve its objectives. The marketing mix comprises four basic variables: product, place, promotion, and price. All four play equal roles in an effective mix.

■ **Product.** The product variable concerns the training courses and learning activities the HRD department offers.

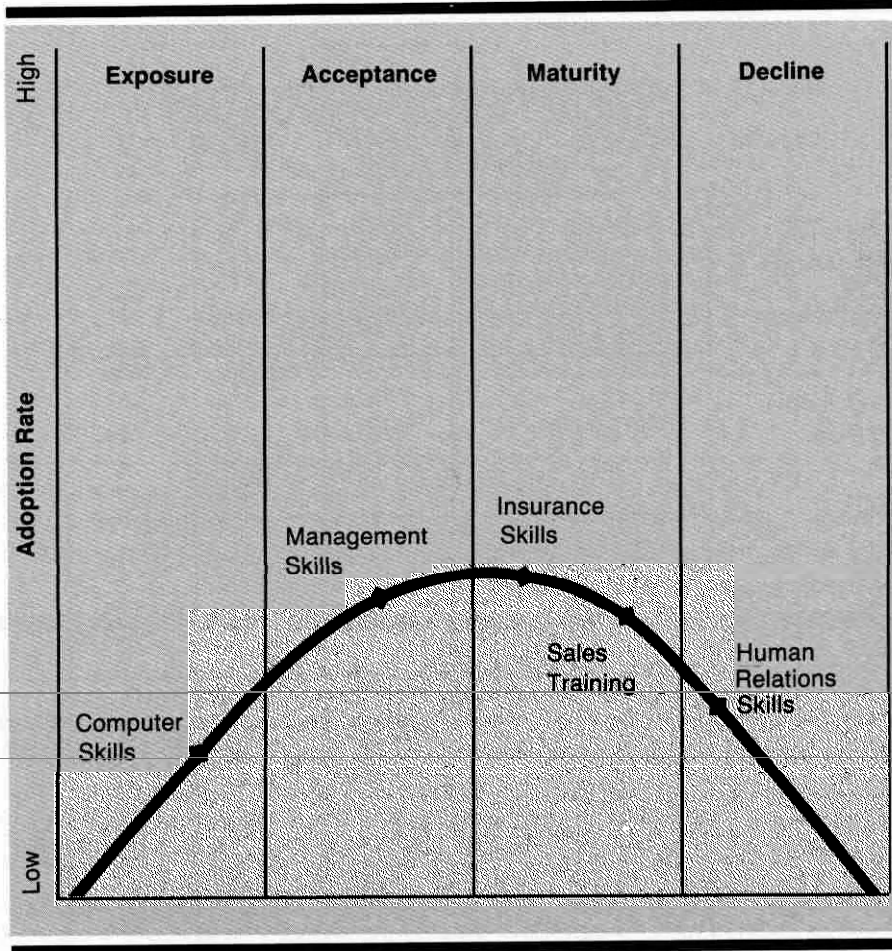
HRD products must satisfy customers' needs. If the department is to improve the way customers view their activities, the department must discover, design, and develop appropriate training courses and learning activities that address customers' present and future needs. If the courses don't address these needs, employees, managers, and supervisors will spurn the product, hurting the HRD department's effectiveness and calling into question its entire reason for existence. Failure to focus on the marketing concept—customer

service—fundamentally flaws otherwise sound strategic marketing plans.

To understand the product variable, one must understand the life cycle concept. Every training course and learning activity, regardless of type, evolves through a four-stage cycle shown in Figure 3: exposure, acceptance, maturity, and decline. Some training activities, such as sensitivity training, move quickly through the whole life cycle. Others, like management skills development, pass slowly through the four stages. How fast training activities progress depends on the course's importance and applicability to the customer.

Understanding product life cycles helps HRD departments in several ways. Analyzing a product's position in the life cycle makes it easier to manage financial and human resources. Managers can plan when to spend money for new-product development or when to adjust staffing levels. Knowing a product's life stage also

Figure 3—Concept life cycle



helps them project courses' future growth and popularity. Managers also can use life-cycle analysis to establish organizational training and learning policies because it provides information on a course's potential for attracting more customers. In this way life-cycle analysis acts as a sort of needs analysis.

■ **Place.** Place strategy means getting the right product to the target market at the right time. A product doesn't do customers much good if it's not available when and where they need it.

The place variable covers several marketing considerations. The training's location—on the job, in formal classroom settings, away from the job site, or in self-directed study—affects customer acceptance. Place also considers the facilities in which the training occurs. Adult-learning research indicates that a comfortable and supportive environment promotes learning—an important factor to think about when designing and delivering the product. Locate training for the customers'

convenience, not the HRD department's. All too often, training sessions take place at the training offices or in a classroom in the corporate headquarters when it might be more appropriate to conduct training at the trainees' office area or work station. Show customers that HRD respects them and their time.

Another important consideration in place strategy involves scheduling and the time of day in which training occurs. Again, keep customers' needs in mind; the insurance company's HRD staff may like afternoon training sessions, but their customers—let's say agents who sell in the evening—might prefer morning courses. Failing to accommodate customers' schedules may create learner resistance that hinders effective training and builds ill will toward the HRD department.

Place strategy also concerns instructional methods. Small, one-office firms with few organizational levels might require only modest classroom facilities and lecture presentations, but large, decen-

tralized, and hierarchical companies with many different types of employees need training delivered in various ways and in several locations. The marketing plan needs to consider these factors.

■ **Promotion.** Promotion strategy involves communicating to the target market the product or service's advantages and benefits. Promotion includes personnel selling, mass selling, and sales promotion. The HRD department must identify the most appropriate methods to use and blend them into a workable combination.

Personal selling involves direct face-to-face communication between HRD practitioners and potential users. Personal selling allows HRD staff to personalize and adapt the marketing effort to each situation. But this individual attention comes at a price. Personal selling is very time-consuming and costly, and it's difficult to do well. Nonetheless it can be a valuable way of building important personal relationships with key decision makers while simultaneously discovering training needs and discerning future company directions.

Mass selling communicates with many users at the same time using an indirect and impersonal manner. Two forms of mass selling predominate: advertising and public relations.

Advertising is any *paid* form of impersonal presentation of HRD products and services. It includes printed materials, posters, and occasionally magazine, television, and radio spots. Brochures and posters represent the most common forms of HRD advertising. They can effectively communicate program purposes, offerings, and benefits. The insurance company we referred to earlier could benefit greatly from these types of promotions since the HRD department must serve many markets and provide a variety of training programs.

Public relations is any *unpaid* form of impersonal presentation of HRD's products and services. The company's newsletter and local newspapers are excellent vehicles for telling potential customers about the HRD program and its benefits. "Up-close-and-personal" articles describing trainees who have developed special skills because of training work especially well. For example, sales training could have helped a new insurance agent increase sales calls, reduce lapse rates, and improve sales and closing ratios. This success story demonstrates that training makes a difference. HRD personnel should be sure to present this evidence to key decision makers in the organization.

HRD practitioners should also submit

articles about their programs for publication in professional periodicals. This type of activity communicates to upper management that the HRD staff are competent people who are well respected within their profession. Corporate executives take pride when their employees get published; it shows that their organizations form the cutting edge of excellence.

The third promotional form, sales promotion, includes activities designed to stimulate customer interest, trial, or involvement. Logos, themes, catalogs, and novelties exemplify sales promotion. The insurance company's HRD department might develop a logo or theme for display on certificates or plaques given to training program participants. This helps trainees remember their learning experience and differentiates HRD programs from other organizational activities.

■ **Price.** Price is one of the most important and complex variables in the marketing mix. Unfortunately HRD departments often misunderstand and abuse it. Many make the mistake of discounting the importance of price when developing training courses because they charge no fees for their programs. Since training programs represent internal operations, the only "accounting" may be through interdepartmental administrative budget adjustments. But make no mistake about it: Each training participant gives up something of value in order to attend a session. They exchange time, energy, effort, and personal commitment for the training they receive. Remember this when designing training products.

Price represents an important positioning tool for HRD. The most important courses and activities should require the most time, energy, effort, and commitment from participants. In return for their commitment, participants should receive greater knowledge and skill development. Analyze and rank training programs to determine the most critical courses and design them according to the principles of the exchange process.

Price also reflects the quality of the product. Low prices may suggest poorly designed and developed training programs. Conversely a merely average program with a high price can hinder the HRD department if users feel they don't get a fair exchange for their investment. Indirectly, then, price often determines an HRD program's success or failure and its long-term survival.

A successful marketing mix requires all four Ps. In fact, they should all be tied together; none carries more weight than

the others and all contribute to the whole. HRD practitioners must, therefore, make certain to design *products* that satisfy the target market. Delivery systems must *place* the products in the right location at the right time. HRD staff must develop *promotions* that inform target users of product availability and that also communicate to upper management the programs' benefits. And, finally, they must analyze and rank course offerings so customer expectations and learning outcomes reflect a fair *price* or exchange of value. And because the needs of the target market virtually determine the nature of the most appropriate marketing mix, HRD practitioners must analyze their potential target markets with great care and skill.

Create a marketing strategy

When the marketing mix is set, it's time

other programs where they can be better invested. When training revenues shrink, use this approach to improve efficiency and reduce the number of training courses offered.

Build and hold decisions must rest on development of an appropriate marketing mix for the selected target markets. Harvest or divest decisions apply when the HRD department perceives constraints and weaknesses that must be corrected before they can implement an aggressive marketing strategy.

The insurance company's HRD staff, for example, must decide which of the strategic decisions is most appropriate for them as they implement their marketing strategy. In addition, they must evaluate the organization's opportunities, constraints, strengths, and weaknesses before incorporating any marketing strategy. They also must review their goals, objec-

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to form a marketing strategy. A marketing strategy depends on a target market and a related marketing mix. By this point the HRD department has developed both; now it must synthesize them to create a master plan that will guide strategic decisions. Marketing strategies come in the form of four basic decisions: to build, to hold, to harvest, and to divest.

A decision to build is a decision to enhance HRD programs' importance or applicability. A build strategy targets programs with growth potential. It often requires committing additional financial and human resources to developing or improving training courses and learning activities. Build strategies can be risky and costly and they require conviction about the potential of the program.

A hold decision preserves programs' current positions. Use it to maintain the status quo; the hold strategy focuses on long-term results, and this approach is the most conservative of the four. It's also appropriate for HRD programs that serve as stopgaps in lieu of future offerings.

The harvest strategy focuses on short-term results and attempts to maximize HRD programs' benefits. Use it for important and currently useful courses that have only limited futures.

The divest strategy involves diverting HRD's financial and human resources to

tives, and mission statement before agreeing on a marketing strategy.

Develop a marketing plan

Development of a marketing plan signals the final outcome of the marketing process. A marketing plan comprises all six previous steps: the mission statement, internal and external environment analysis, goals and objectives, target-market identification, an appropriate marketing mix, and a marketing strategy. All must center around the marketing concept and support the belief that the exchange process represents the key to increased usage, improved image, and respect.

The marketing plan isn't a separate product. It's a compilation, a result, of the preceding processes. They form a plan that helps HRD practitioners formulate policies and make programming decisions. The resulting marketing plan improves the HRD department's image and enhances acceptance of their programs.

Implications for HRD programs and practitioners

The development of a strategic marketing plan benefits an HRD program in several ways. It forces practitioners to focus on end-user needs before develop-

ing and implementing training programs. A strategic marketing plan therefore can act as a needs assessment. It increases HRD practitioners' awareness of the importance of the exchange process and this awareness helps drive home the fact that improving the department's image directly relates to improving its perceived value. Image enhancement depends on increas-

that affect HRD, and goals and objectives. This rethinking process helps HRD practitioners plan for future contingencies and changes while reestablishing the department's focus and direction.

A thoughtful strategic marketing plan requires analyzing user groups to determine the most appropriate markets, and this too benefits HRD. From this analysis,

This enables the department to develop necessary products and provide them at a fair price. In addition it helps HRD practitioners determine the most appropriate facilities, locations, and times for training and identify the best delivery systems. The plan also guides HRD's promotion efforts.

Finally a marketing strategy brings together both the target market and marketing mix in a way that establishes an overall strategic approach for the HRD program, its growth, and its direction.

Ultimately a marketing plan increases the number of exchanges between the HRD function and its customers. Increased attention to user needs drives these exchanges, improves the product, and enables HRD to earn greater respect. It's a holistic process that serves the customer, the organization, and HRD.

Failure to focus on the marketing concept—customer service—fundamentally flaws otherwise sound strategic marketing plans

ing the value of training programs in the eyes of customers.

Strategic marketing plans also benefit HRD because they force practitioners to rethink systematically the way they do business. They must review their mission, internal and external environmental factors

managers can better allocate financial and human resources and tailor training programs to customers with the greatest interest and need.

In addition, a strategic marketing plan forces HRD to determine the most appropriate blend of marketing variables.

TEST YOURSELF

Can You Answer These Three Training Questions?

Q What's the unique new training support resource described as "The Trainer's Toolbox?"

It's **TRAININGWORKS**: A true breakthrough in training support services. Provides bi-monthly volumes of ready-to-use training materials, models, instruments, games, visuals, . . . usable in most training programs, plus complete courses on hot new topics like ethics, power, competitiveness, and more.

Q What's the most promising area of training that's capturing corporate America's imagination?

It's creativity and innovation. It achieves dramatic results and impacts productivity and morale. A powerful new family of programs, "**INNOVATION LABS**" already in use by leading organizations, offers workshops plus unique self-managed programs for line managers.

TrainingWorks

Innovation Labs

Work Dynamics
CHANGING THE WAY PEOPLE WORK

MANAGING AS IF PEOPLE MATTERED

Human Resources
What's New in Training?

Q What's the issue of greatest pressure that will face training professionals in the coming year?

Studies show it's employee communication and morale. Two proven tools help trainers: **Work Dynamics** publication for communicating new ideas to managers, and **TIPS** bulletin for communicating with all employees. Used by trainers in top organizations with successful results.

Tools
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