

Companies Head Back to College

The fast-growing market for training outsourcing services isn't just for commercial providers to play in.

A small contingent of colleges and universities is also in the outsourcing field, most likely representing academia's first wave.

By Paul Harris

As more corporations consider outsourcing elements of their workforce training, a viable option to commercial training companies is quietly elbowing its way into the picture. A tiny collection of U.S. colleges and universities has targeted the market with innovative business models that are attracting a global clientele.

That handful of institutions, both public and private, has expanded the traditional mission of adult education with initiatives aimed at the specific learning needs of businesses. They're establishing separate divisions to focus on the corporate customer and are collectively providing a range of expertise that runs the gamut from single training courses to turnkey management of entire training operations.

In this article, T+D will examine four such training outsourcing initiatives, each with a distinctively different market approach. They include a Midwestern community college with a global focus, a public institution skilled in high-tech learning, a major university exploiting ties to its business school, and a prominent for-profit university.

Each of the four contends, no doubt justifiably, that its business plan is unique in the nascent field of academic-based workforce learning. But experts predict that those claims will be short-lived as more institutions discover the potential revenues from training outsourcing, and the newly paved routes to obtain them.

Behind each initiative is a clear plan to overcome perceived shortcomings of academic-based workforce training, especially the “ivory tower” issues of being disconnected from the needs of business and cutting edge trends. Emphasized instead are the distinct advantages—valuable expertise, credibility of content, ability to provide academic credit, and the appeal of a “branded” training partner.

One key driver for companies is the improved management over the spending of career and skills development dollars, say experts. “This category is often an unmanaged spend for companies because employees pay for courses on their credit cards and then get reimbursed,” says one consultant. “Companies need to know the value received from that investment.” Outsourcing relationships can eliminate that problem, while those dollars can be lessened significantly by partnering with a community college or other institution that receives government funding under economic development programs.

What we have not yet seen, but probably will soon, is a greater interest in partnerships between commercial training outsourcing firms and academic institutions, say training executives. “There is a strong interest from business outsourcing suppliers to have the right kind of educational institution partner,” maintains one consultant. Doing so would give them the ability to offer courses for credit and to benefit from the “brand” of a prestigious university, he says.

Yet in the rapidly changing space of executive education, one academic organization stresses a key distinction between itself and some consulting firms in the field. Rather than seek a relationship based on dependency, it claims its goal is to train clients to solve business problems on their own.

Delta College Offers Turnkey Services

A three-county territory surrounding Lake Huron’s Saginaw Bay in central Michigan is home to Delta College, a 40-year-old community college enviably ensconced among picturesque gardens and nature trails. But don’t let the bucolic setting fool you. The progressive school has a global reach, thanks in large part to a division that provides training services to businesses around the world.

Delta College Corporate Services offers a wide range of training expertise to an international clientele, employing a unique business model noted for its extreme flexibility and turnkey capability. The 20-year-old nonacademic organization counts Dow Chemical and General Motors’ Saturn division among long-term clients for its development, delivery, and administration services.

How flexible? “We will go wherever the learning need is, construct a building if necessary, establish and operate technical or executive training programs, and

even establish a program or center on behalf of the client,” says Paul Seidel, DCCS’s executive director. DCCS can also fulfill the facility’s IT, foodservice, and cleaning needs, passing the costs through from the managed vendors, he says. “We’re also scalable. We are capable of growing or shrinking to accommodate clients,” he says.

Delta has been the exclusive supplier of Saturn Technical Training since 1994, building on a 20-year relationship with GM. It manages all aspects of technical training delivery. That includes building, equipping, and managing three training centers in California, Tennessee, and Delaware; recruiting and hiring instruction and administrative staff; and managing the entire Saturn retail technician training experience.

“Delta consistently maintains industry-leading quality levels while significantly reducing cost throughout the duration of our partnership,” says

Online Learning Has Deep Roots at NJIT

The New Jersey Institute of Technology has been in the virtual classroom business for so long it owns the term.

Seriously.

The two words became an NJIT registered trademark in 1989, the year the school offered the world’s first 100 percent e-learning degree program and 12 years after two of its professors authored the seminal book, *The Network Nation*. Today, the public university carries on that pioneering tradition in a variety of ways, including technology-based solutions delivered to corporate clients through its Division of Continuing Professional Education.

Its online learning expertise has long been a hit with far-flung students and, since 1992, has been offered to corporate clients as part of a blended workforce training solution. A faculty of experienced distance learning champions serves a growing

market for workforce training, says Gale Tenen Spak, associate vice president of continuing and distance education.

She says the unit’s rapidly growing client base of large and small companies dates back to a longstanding mission of the 130-year-old university to serve New Jersey’s economic development needs with on-premises training. In short, it has taken the tools developed for its own students to help corporations, offering both live classroom and blended learning instruction via synchronous or asynchronous online learning.

Its trainers help organizations throughout the world develop customized training programs aligned with their goals. That includes development of learning strategy and specialized curricula as well as training implementation. NJIT can host a client’s e-learning programs on dedicated servers and deliver them through its

Mike Harbaugh, Saturn's technical training manager.

Because not-for-profit DCCS receives no tax support from local communities, there are no geographic restrictions on its services. To date, it has delivered training in 65 countries and 47 states, reports Seidel.

Its partnership with Dow Chemical began in 1993 with an agreement to provide human resources development courses, facilitators, and the overall management of the Dow Midland Learning Center. The relationship has since expanded to deliver services on a global basis for thousands of Dow employees. Most recently, services have expanded to include global materials management.

Seidel says DCCS employs a variety of techniques to help clients drive business performance through learning, including measuring the effectiveness of learning events. Among other clients are Citizens Banking Corporation, Volkswagen of America, Inc., S.C. Johnson, and St. Mary's Hospital in nearby Saginaw, Michigan.



Delta College, a Michigan community college, has a 20-year track record in providing training and expertise to major corporations.

WebCT course management platform. It also produces programs to operate on a client's own delivery platform and servers.

Examples include a partnership with pharmaceutical service provider Cardinal Health to train frontline employees

in authoring critical incident reports that may be scrutinized by the U.S. Food and Drug Administration. With guidance from Cardinal Health's subject matter experts, it developed an intensive 16-week course for use at its various corporate facilities. The hybrid blended

learning curriculum includes classroom instruction and interactive online learning delivered via WebCT. "Even though Cardinal Health has wonderful IT facilities of its own, it asked us to host the activities," notes Spak. "Our focus was on learning outcomes."

Other clients include the AFL-CIO, for whom NJIT created a training program aimed at New Jersey-based union members employed in the petroleum and chemical industries. In a train-the-trainer mode, NJIT creates all learning materials which union trainers then use in an industry with more than 75,000 employees in New Jersey.

NJIT also serves as the e-learning arm for the New Jersey State Police, where it delivers counter-terrorism training to 2,700 state troopers. The university refashions content created by the police academy's trainers into effective online courseware, and even teaches its trainers the art of delivering compelling online learning.



Corporate clients have tapped into NJIT for technology-based solutions to learning since 1989.

Duke CE's Customized Approach

At Duke Corporate Education, it's all about outcomes.

The five-year-old independent spin-off from Duke University's Fuqua School of Business has carved a unique niche in training outsourcing by providing customized educational interventions to solve the business problems of corporate clients. It's a plan that has garnered a growing stable of clients and premier rankings in surveys from the *Financial Times* (for the third straight year) and *Business Week* magazine.

The outsourcing approach differs dramatically from any other academic-based institution, says David Miller, vice president of business development. "Most university models start with repackaged content," he says. "Ours



The goal at Duke Corporate Education is to build self-sufficiency.

begins with determining a client's strategic issue, and then building content to fit the need. It is completely reverse." Because Duke CE offers no degree programs, it never repurposes course material, he says.

Miller calls the model a blend of business and university strengths that is distinct from both. The university tradition of reflective and open expression is blended with a businesslike focus on client service and outcomes.

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Duke CE is staffed by a diverse corps of 85-plus academic and business practitioners who are focused solely on custom corporate education. It also draws on affiliations with universities and an extensive worldwide network of faculty, coaches, and facilitators able to meet a broad range of global client needs.

Its list of blue ribbon clients has included Microsoft, Cisco, Ingersoll-Rand, Progress Energy, Shell, British Airways, Lehman Brothers, GlaxoSmithKline, HSBC Bank, IBM, Merck, Nestle, and PricewaterhouseCoopers, among many others. Its international capabilities are enhanced by a joint venture with Enterprise LSE, the London School of Economics, and Political Science's commercial subsidiary. The partners' highly tailored corporate learning solutions have helped companies throughout the world resolve their business problems.

Often, clients will approach Duke CE to help solve predicaments they can't correctly define, says Miller. Duke CE assists them by "accessing experience in their industry to help them gain perspective on their issues," he says. It then will design, develop, and deliver a customized educational intervention to meet its needs. "Our goal is always to build self-sufficiency in a client, not a dependency on our services," he says.

For example, it was asked by a large financial services company to help solve strategic business issues while developing the next generation of leaders. Duke CE brought in experts to employ an action-learning approach called Business Challenge that enabled participants to work together in teams to solve the problems and create relevant outcomes. It is one of many nontraditional learning methods employed by Duke CE to meet client challenges.

U of Phoenix Targets

At the University of Phoenix, it's seen as the natural evolution of an organization committed to the educational needs of working adults: the creation of a new division to serve specific employee educational needs of the business customer.

The university has created Apollo Publishing to serve companies as a true training partner. Apollo Publishing specializes in improving specific competencies in the workplace, using its own academic materials and customized content.

The b-to-b division aims to fulfill a client's specific professional development needs, says Beth Aguiar, vice president of academic publishing at parent company, the Apollo Group. Both classroom-based instruction and online learning can be employed, depending on a client's needs and preferences, she says.

Aguiar says content is centered on a series of 23 competencies that range from communication to strategic planning and technology management. The list is built largely around the soft skills, but also includes certain technology areas. Apollo Publishing will ultimately explore opportunities to expand its range of expertise through partnerships, she says.

"Each competency is broken out or delineated into five different levels that correspond to positions within a company," says Aguiar. In the area of customer service, for example, they range from training the frontline employee how to handle complaints to progressively more advanced responsibilities including follow-up, management of a call center, analysis of feedback, staff motivation, and strategic planning.

Training in the 23 competencies is achieved through 500 behavior statements, each treated with a dedicated two-hour module or workshop.

Working closely with University of Phoenix campuses and the local markets they serve, Apollo Publishing focuses on building those competencies and

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making an impact track for a company, she reports. Reusable content is employed where possible, such as in its modules on improving communications skills. “We have targeted several indus-

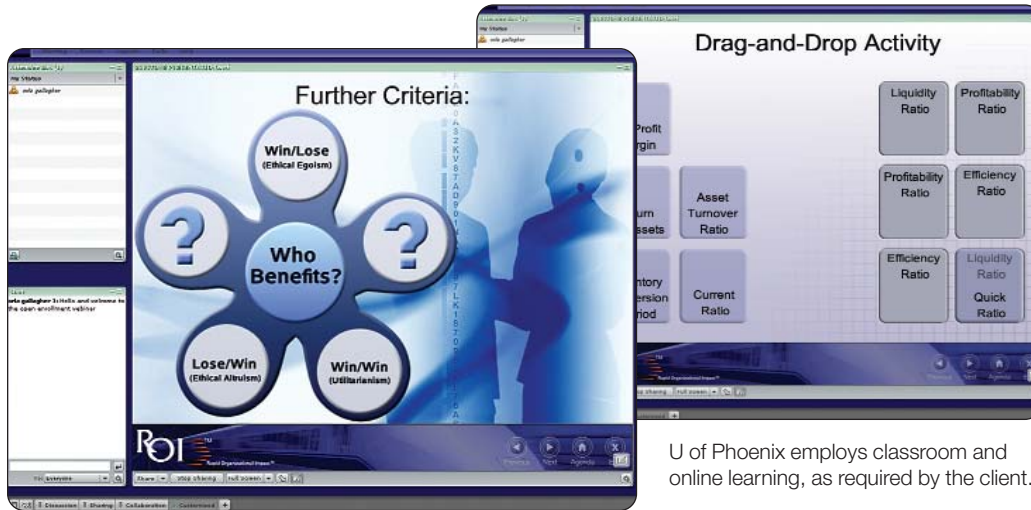
try verticals for this type of training including oil and gas, where companies typically need similar competencies,” says Aguiar.

“Because we focus on competencies and behavior statements, it’s easier to standardize or repurpose training with-

out reinventing the wheel,” she says. That translates into a more consistent “behavior-centric,” hence effective.

Apollo Publishing offers both single training events and corporate-wide professional development programs, says Aguiar, who claims the university has begun to market the concept following a year of incubation. It has been refining the concept with some 30 customers, in most cases expanding relationships nurtured by University of Phoenix campuses. They include a nine-month relationship with Houston-based offshore drilling company, Transocean. **TD**

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U of Phoenix employs classroom and online learning, as required by the client.