

# SOLUTIONS

## A Vendor-Provided Case Study

How to make an informed purchasing decision and be the hero rather than the goat.

By Jed Levine



*Solutions is the new name for the Suppliers column. We think Solutions is a more apt name because it is about business solutions described through a vendor-provided case study. It's real-world, real-results information for people who make training purchase decisions.*

Most of us stand at the crossroads of hero and goat whenever we go to contract for a new course. We sweat through the scope, content specifications, and media selection with the salespeople—and the cost. Then we sweat selling the proposition to management. It's a blind buy for everyone, so we really sweat the first delivery as if it were the opening night of a Broadway show; everyone anxiously awaits the reviews. With direct training costs running more than US\$2000 per participant week, egg-laying goats have a short corporate lifetime.

Blind buying usually applies to products such as mattresses; we can't see what's inside the outer cover without cutting open the product. But we generally try out the mattress on the showroom floor to satisfy ourselves that it will meet whatever our preferences may be in a mattress.

Buying clothing, we can touch and see the product, but we can't rely blindly on the size on the label to predict how well a garment will fit. Even the mass merchandisers of low-priced clothing have fitting rooms—an essential convenience that reduces the risk (inconvenience) of blind buying and merchandise returns.

### The paradox

Why do we blind buy \$2000 per-participant week courses when we won't blind buy a \$20 pair of khakis?

We seem to apply the same purchasing techniques to procuring training as

we do for paper towels: We level the playing field by specifying the topic, content points, length, frequency, and so forth that all vendors are quoting for the same product, we let them romance us, and we shop for price and terms. Then we pray for favorable participant reviews—as if participant reviews define success.

There are two flaws in that thinking. The first is in the timing of when we solicit feedback: Learners are usually polled immediately upon completing a course—before they are challenged to apply on the job what they learned, or didn't learn. (Insert your own horror story here; we all have them, particularly those of us involved in technical training.)

The second flaw lies in whose opinion we solicit. Yes, we want to hear from participants about the perceived quality and value of their educational experience, but our success as business partners is defined by a different group of stakeholders: the executives who invest trust, time, and money in our training of their employees. They are the stakeholders who declare us heroes or goats.

We can't rely on references and testimonials to predict success. There are obvious and not-so-obvious limitations to the utility of references and testimonials. We're all familiar with the most obvious: Vendors provide reference and testimonial sources that are favorable to their interests, unless you ask specifically for a negative reference. Try it sometime; it can be illuminating. The validity of a reference or testimonial, no matter how candid, is gated by how closely your situation and requirements match those of the people providing the comments. No two individuals experience taste, pain, or satisfaction the same way; neither do organizations.

## Lights on!

To break out of blind buying and increase our chance of being a hero, we move away from the purchasing model and embrace the three classical tests of the employee hiring model:

- Can this employee do the job? (capability)
- Will he or she do the job? (willingness)
- Will he or she fit in the organization? (fit)

Let's repaint them slightly to fit our circumstances:

- **Capability:** In the vendor selection scenario, we verify fitness to deliver.
- **Willingness:** Translates directly to time and cost. Will this vendor deliver in my timeframe within my budget?
- **Fit:** Assess the "fit" of prospective vendors and products with demonstrations of who they are, what they do, and how they do it. The demo is the equivalent of the fitting room, or the personal interview.

## Cheetah Learning

Cheetah Learning is a leading global provider of project management, accelerated project management, and general accelerated learning training. Based in Hartford, Connecticut, Cheetah Learning has four domestic corporate training centers located in Detroit, Michigan; Cleveland, Ohio; Seattle, Washington; and Hartford (Dallas in process). Additionally, Cheetah Learning provides international training directly and through licensing agreements in Canada, India, Mexico, Central America, Latin America, Australia, and New Zealand; [www.cheetahlearning.com](http://www.cheetahlearning.com) [www.cheetahplanning.com](http://www.cheetahplanning.com) [www.cheetahpm.com](http://www.cheetahpm.com) [www.alaskalearningadventures.com](http://www.alaskalearningadventures.com).

Here's a quick primer on demos.

**Invite vendors on your short list** to demonstrate how they address the specific needs and concerns of your stakeholders: learners and executives. Both stakeholder groups should be represented on your demo evaluation team, along with the appropriate decision makers from your organization.

**Let the vendors know explicitly** what your hot buttons and expectations are. There's no percentage in abandoning blind buy to adopt blind bid. You want to assess a vendor's ability to meet your specific training requirements within your specific educational and cultural environment.

**Ensure that all the players agree** on the format and content for the demo. It can be an actual course module or a purpose-designed simulation that showcases a range of approaches and abilities within a compact timeframe.

Whatever the format, your evaluation team must be clear on the assessment criteria—the negotiables and nonnegotiables (deal breakers)—before the curtain goes up.

**Go into the demo ready** to commit to purchase. Think of the demo as the final step in the evaluation process. You already have the right people in the room, you've identified your hot buttons, and you've chosen the format specifically for the purpose of decision making. As a courtesy to your colleagues and your vendors, complete all of the due diligence before staging the demo. And expect the vendor to ask for your business.

**Resist the too-easy alternative** approach of sitting in on classes being delivered to vendors' existing clients. Yes, the logistics are far simpler than staging a dedicated demo, but both you and the vendor share the risk of your evaluating the wrong product. Even if the subject matter is identical to what you need for your participants, the organizational hot buttons and expectations aren't necessarily the same.

Demos are as much a win for your vendors as they are for you. A demo is a vendor's best opportunity to have you experience its craft and style firsthand. Value propositions come to life. Instead of being an observer, you take mental possession as a participant. Brochures, videos, and PowerPoint presentations can never match the intimacy of this experience. And in the process, vendors accomplish their key marketing objectives: decommodification and differentiation. The demo event illuminates distinct corporate and individual personalities, for vendor and client alike, that are otherwise blurred in the endless procession of golf shirts and khaki pants. Expect sharper vendors to suggest demos for exactly those reasons, even before you do.

## Bases loaded, two outs

The next time you're standing at the crossroads of Hero and Goat Streets when contracting for courses, you'll push your hero odds favorably by

- adopting the capability, willingness, and fit tests of the hiring model
- short-listing prospective vendors based on capability and willingness
- selecting from the short list based on fit, as assessed by evaluation of demonstration events
- ensuring all stakeholder groups participate in the selection process—for example, the demo
- explicitly articulating your needs, wants, and hot buttons to the vendors when booking the demos
- being ready to write the order upon completion of the demo event, having done your due diligence as part of your short-listing process.

There's always room at the table for one more hero; goats are left outside.

**Jed Levine** is head of Cheetah Learning project management.