



The State of Contract Training



Higher education continuing education programs are always in search of new and profitable revenue streams. Contract training has been identified as one of the primary growth areas along with certificate programs, partnering with credit programming, children's camps, and international opportunities. LERN supports contract training providers and each year produces a State of Contract Training Report. The Report highlights the shifts occurring in contract training, and the actions that successful contract training units are implementing.

1. Lead Generation More Critical. Ideally 50 percent of contracts should be repeat business and 25 percent referrals, but that still leaves 25 percent by cold calling supported by lead generation. Since it takes an average of nine months to close a client for the first time, a contract training unit must be dedicated to relationship building, but also must have a solid pipeline. Staff dedicated to inside sales lead generation and lead nurturing have been added to support salespeople and having a customer relationship management tool is critical.

2. Salespeople Must Sell. Many contract training units have added salespeople, but unfortunately, they spend the majority of their time managing contract delivery. A salesperson must spend at least 75 percent of their time selling. To allow salespeople to sell the contract training unit requires an infrastructure including product/service development and delivery, operations to support sales tracking and contract implementation, and inside sales to manage lead generation. A successful salesperson should be generating 6 to 20 times their salary with the average being 12.

3. Shift from Information to Solutions. The shift from information is in full force. A growing number of contract training units are adding consulting and other services to their portfolio. They are focusing on solution-selling and doing their best to embed themselves more with their clients. Successful contract training units are shifting from generating more clients to generating more revenue per client. They realize they cannot be everything to everyone, so they are focusing on being experts and not generalists.

4. Show Me the Money. As the most profitable unit of a continuing education program, contract training units are being pushed to generate more revenue and a higher operating margin. To reach these goals they are working diligently to increase their average contract fee, being better negotiators with trainers and consultants, and selling add-ons. Quality assurance meetings at the end of a contract have proven as a good way to get more business from existing clients, as well as getting referrals.

5. Demonstrate Expertise. Contract training units spend limited monies on marketing, but they are being more proactive utilizing content marketing. By developing and sharing content in areas of expertise and positioning themselves as leaders, they are attracting clients in need of more than training, but instead partners with vision and resources to help their business succeed. Inside salespeople are managing the marketing efforts that include free events, blogs, industry specific eNews, and industry briefings. This work takes time, but image is critical.

6. Customize and Personalize. A challenge for contract training units is the need to shift from off the shelf to customized and personalized products and services. They can no longer just change the logo on the cover of the training book. Contract training units are improving their needs assessment and product/service scoping skill set, while learning how to leverage new products and services with existing and potential clients. So now marketing, selling, scoping, training and consulting, and follow-up must be personalized.

7. Understanding Generation Y. With Generation Y fully participating in the workforce, contract training units must shift their delivery modes to support more engaged learning both face-to-face and online. Included is being able to support Generation Y becoming leaders as they look to be promoted. Another challenge is the need to support Generation Y start-up businesses in need of good business skill guidance and support.

8. International. There is a trend by the leading contract training units to expand outside their lo-

cal territory. Many are selling into other states and provinces, but some have begun to focus significant efforts on international contracts. Many times these contracts are generated in conjunction with academic departments, thus contracts are not just noncredit. But to be successful with selling credit training, there is the need to provide flexibility regarding content and delivery. There is a start-up cost required to sell internationally, so most international selling is being done by larger contract training units.

9. Survival of the Fittest. Selling and delivering contract training is a competitive business. Unlike open enrollment course programming where a high percentage of continuing education programs are thriving, about 20 percent of contract training units are actually successful. Many are too small, and too integrated within the rest of the continuing education program. They may also be without the necessary resources to generate enough profitable contracts to cover all costs as well as be an asset to their program, institution, and community. A continuing education program must decide if they are dedicated to contract training and then make sure they have the necessary resources and cooperation.

The remainder of this decade will be an important time for continuing education contract training units. Winners are: financially self-sufficient, data-driven, structured to let salespeople sell, follow industry best practices, plan short and long-term, use the right software system, and are being led by a leader with a clear vision who is dedicated to generating revenue. Continue to lean on LERN for “*Information That Works!*”®.

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