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# CEdMA

2003 Computer Education Management  
Association Business Survey

# Overview

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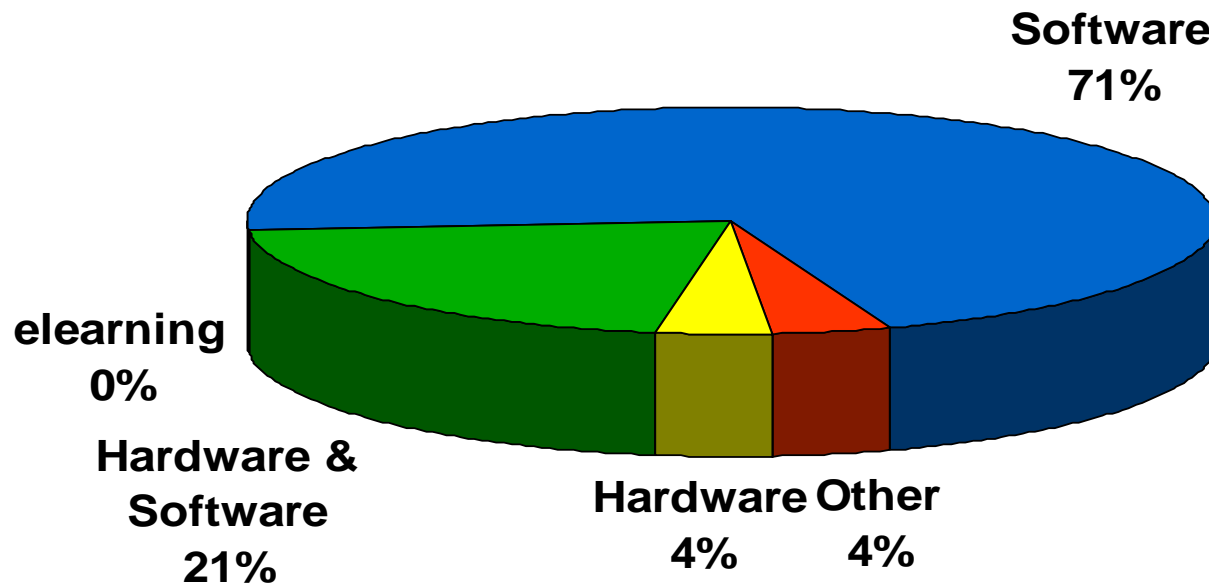
## Summary

- » Survey consisted of 50 questions and was estimated to take 30 minutes to complete.
- » Respondents were given the choice of completing the survey online or via email.
- » The survey was extended to non-member companies who met the membership profile.
- » 52 companies completed the survey consisting 28 member companies and 24 non-member companies.
- » Survey was conducted in August/September 2003.

# Primary Business

**Most companies identified their primary business as software.**

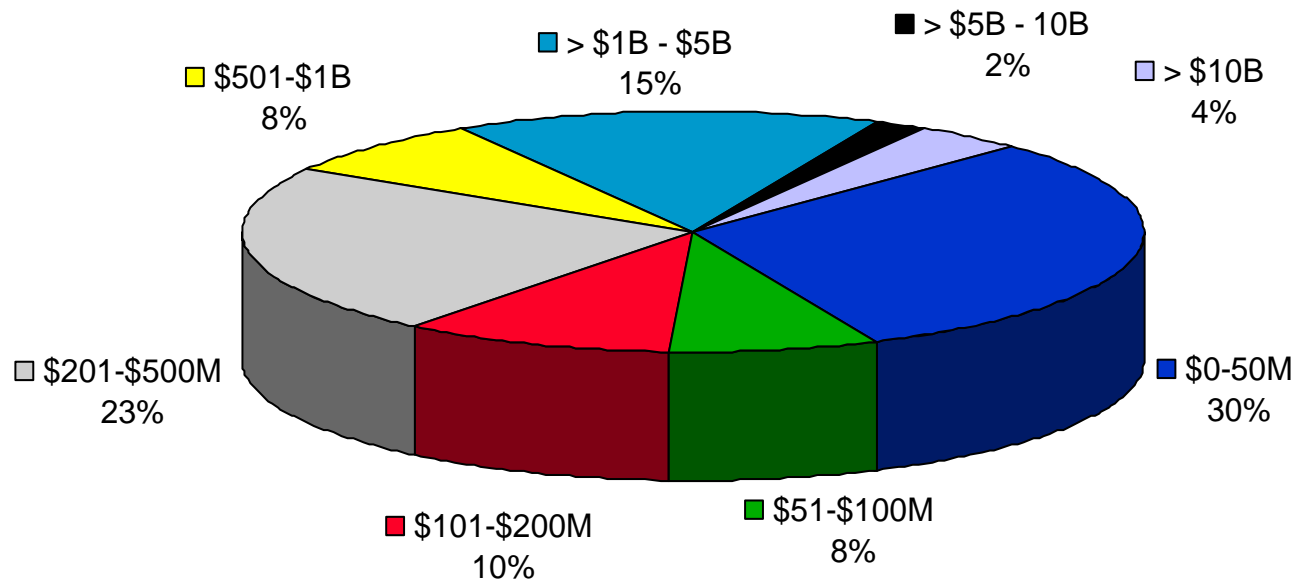
Which of the following best describes your company's business?



# Annual Revenue

**Most companies have under \$1 billion in annual sales; and a quarter had sales of over \$1 billion.**

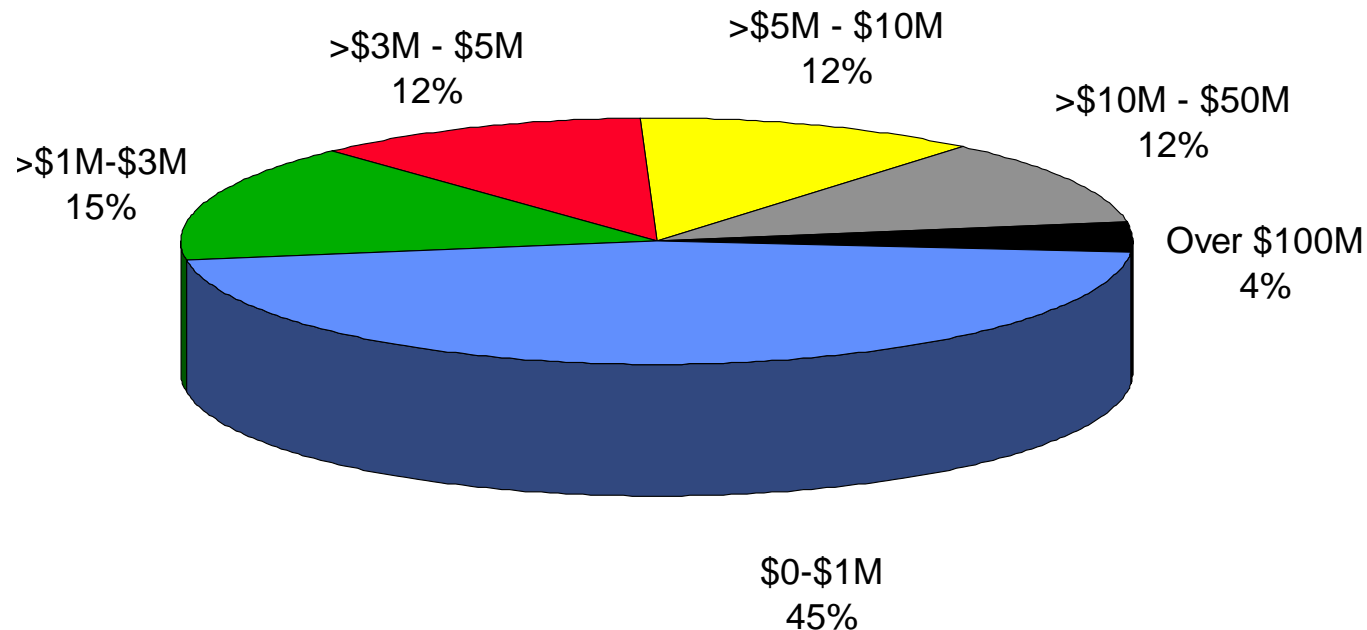
What were your company's annual revenues in 2002, or most recent fiscal year?



# Annual Education Revenue

Annual training revenues are less than \$3 million for 60% of the companies.

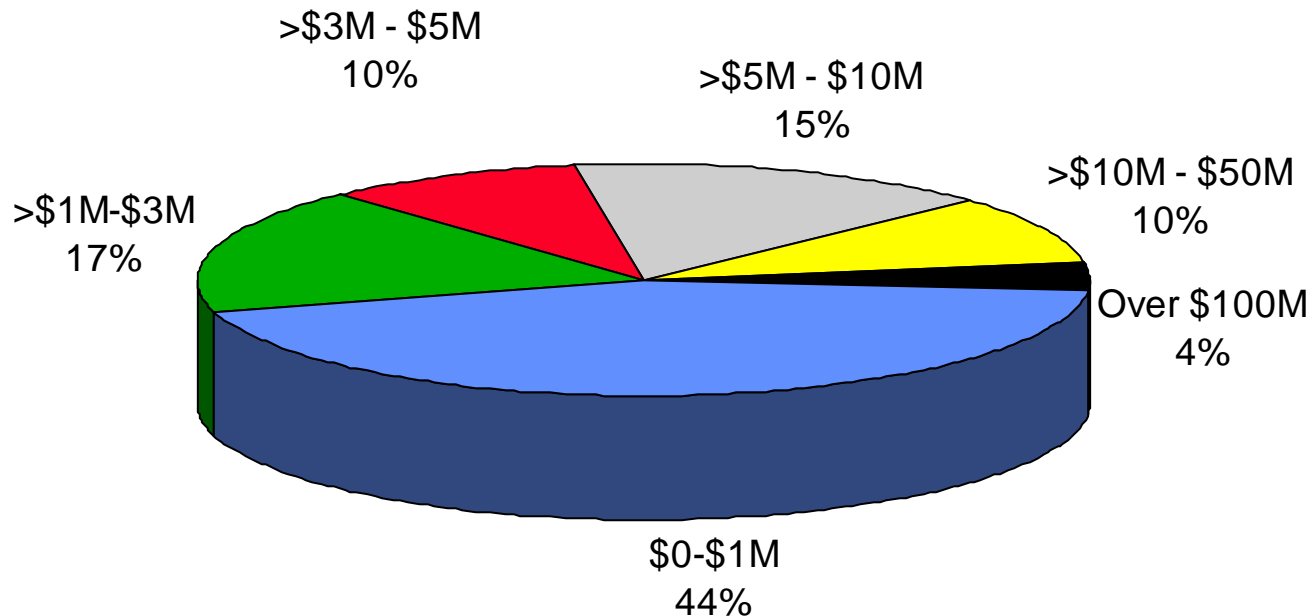
What were your **training** organization's annual revenues in 2002, or most recent fiscal year?



# Projected Annual Education Revenue

There appears to be little growth in training revenues.

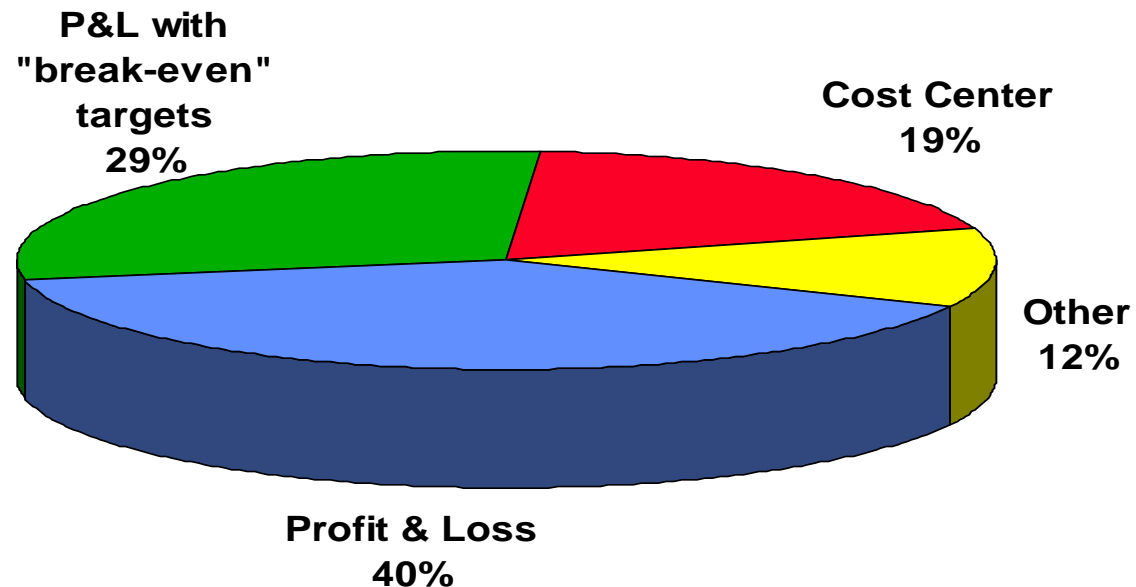
What are you projecting **training** revenues to be in 2003, or the next fiscal year?



# Business Model

**Most companies employ a P&L model.**

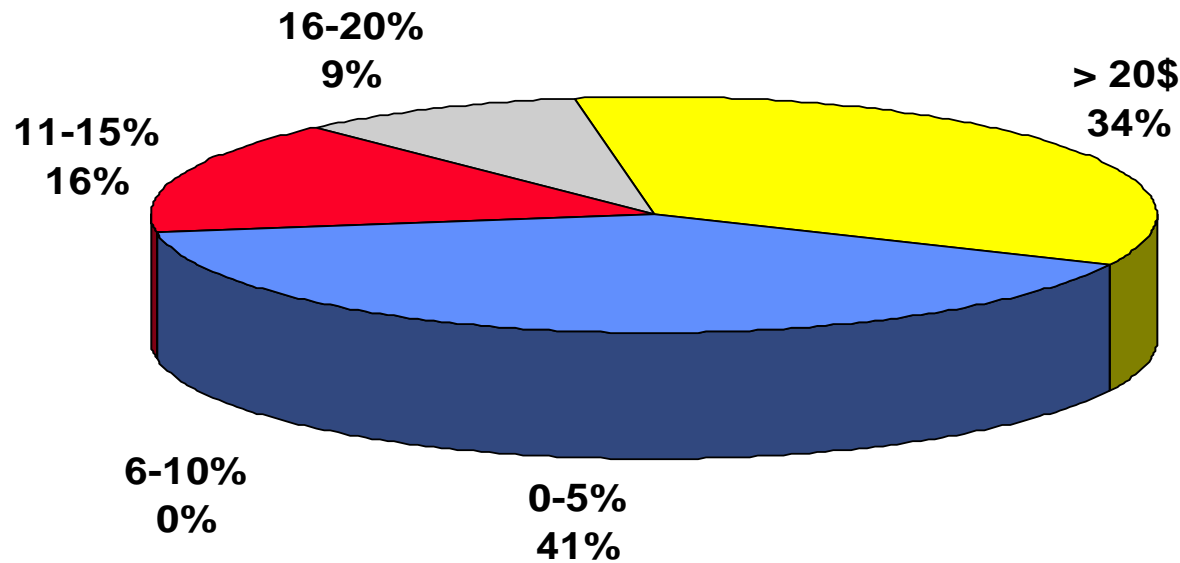
Which of the following best describes your training organization's primary business model?



# Profit Margin

**Most companies have margin goals of less than 10%.**

If you are a P&L, what are your annual profit margin goals?

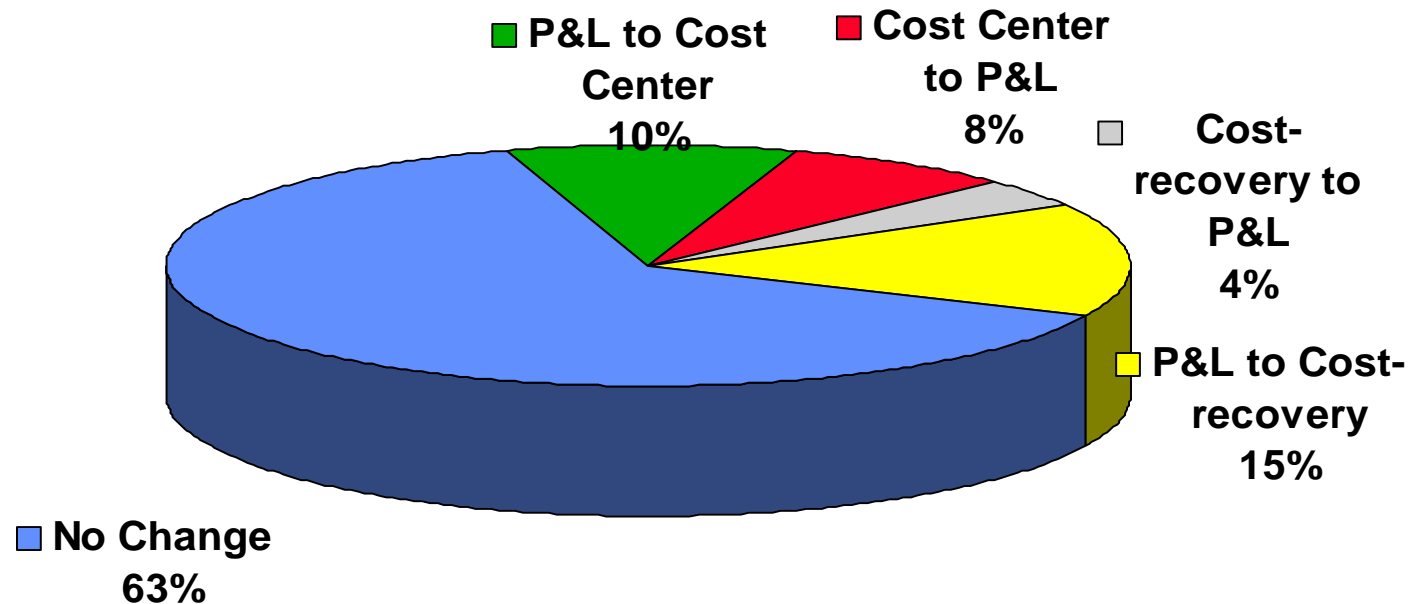


Responses = 33

# Business Model

**37% of the companies have changed business models.**

Has your training organization changed business models in the last 24 months? If yes, what has been the change?



# Business Model

## Reasons for changing the business model.

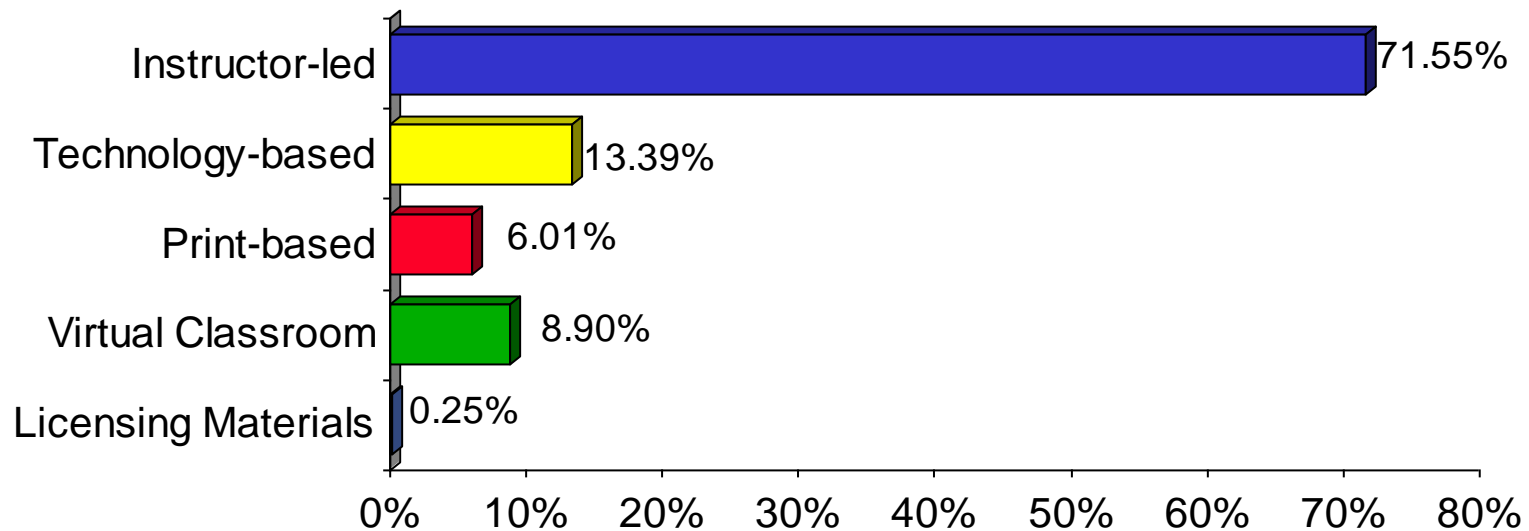
- ❖ *We were too focused on revenue before and needed to do what is right for the client and that required removing revenue pressure.*
- ❖ *Revenue generating but not profitable. Yet still valuable to the business and customer needs.*
- ❖ *Focus has changed to reach more customers with training.*
- ❖ *We have gone from a full P&L to more of a cost center, but still have revenue and margin targets.*
- ❖ *Customers do not have training budgets and training is needed to operate our software.*
- ❖ *Changing market dynamics.*
- ❖ *Finance department taking an interest in professional services.*
- ❖ *Considering cost center with revenue contribution.*
- ❖ *New management direction and the need for additional headcount was to be supported by increases in revenue*
- ❖ *Education as department has very little control over profit. It is too tightly linked to sales.*
- ❖ *Revenue recognition issues driven by the accounting areas.*
- ❖ *Just part of normal growth.*
- ❖ *Decline in industry.*
- ❖ *Increased training demand..*
- ❖ *Instead of using our employee training fees to support our dept salaries, we are provided salaries by the business units and, in turn, charge employees "bare bones costs" for their training*
- ❖ *Matrix Organization Change whereby all functional units will be responsible for P&L.*
- ❖ *Change in management and reporting structure. The training team was part of marketing. Now it is part of Sales.*
- ❖ *Changing economic landscape, the need to use "enticements" such as free training to help boost sales.*

Above are samples of comments.

# Training Revenue

**Instructor-led training comprises the largest source of training revenue.**

What percentage of your training revenue is derived from each of the following types of delivery methods?

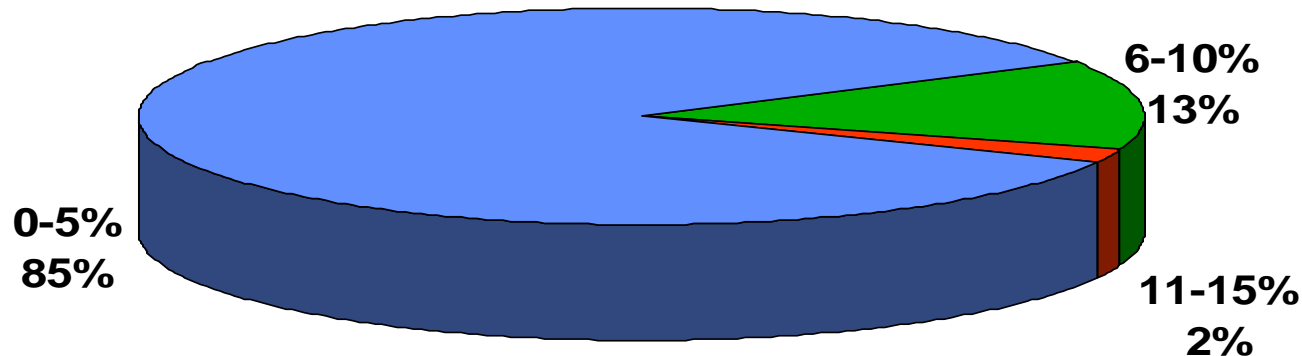


Average of percentages provided.

# License Revenue

**For most companies, education revenue is less than 6% of company sales.**

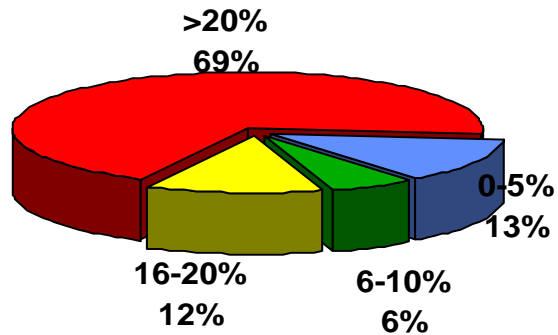
What percentage of hardware/software license revenue is expected from your training organization?



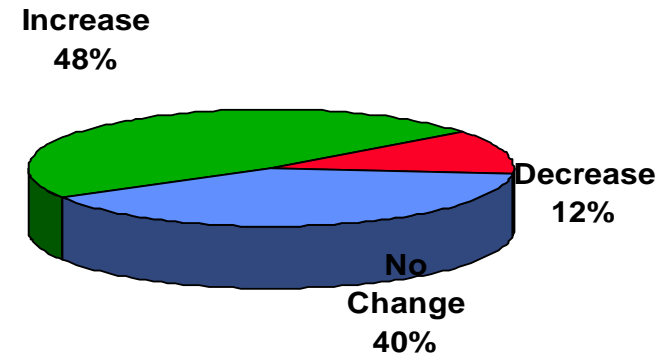
# Onsite Classes

**A majority of the companies saw an increase in onsite training revenue since 2001.**

What percentage of your training revenue is from onsite classes?



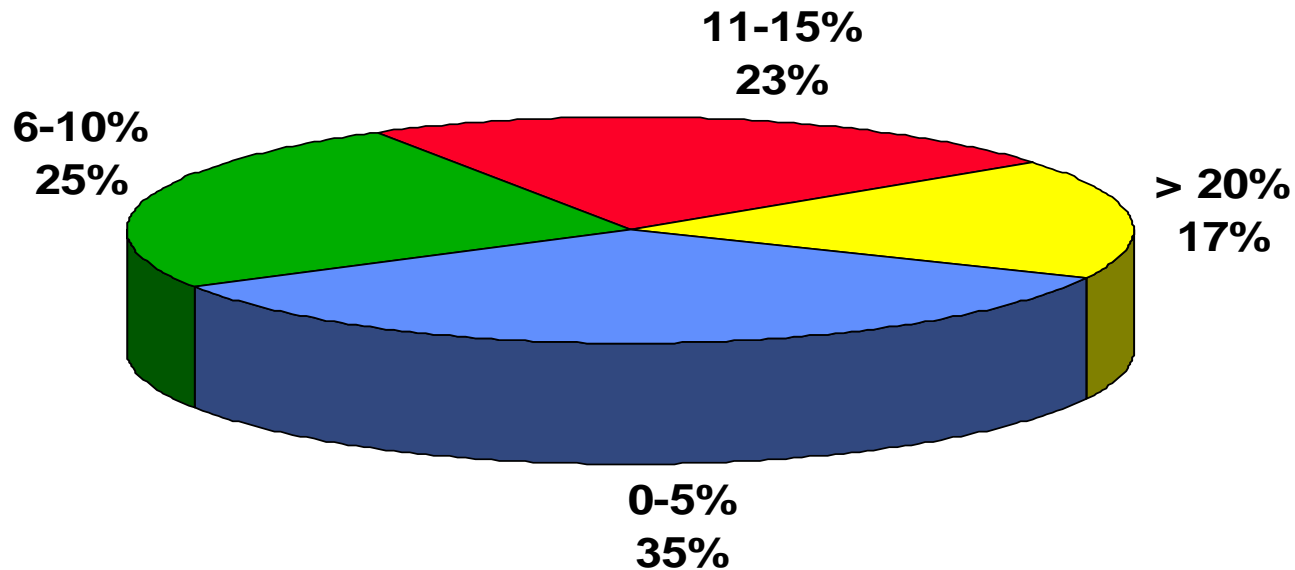
Is this an increase or decrease since 2001?



# Customized Classes

**It appears that customized training is a small part of the business.**

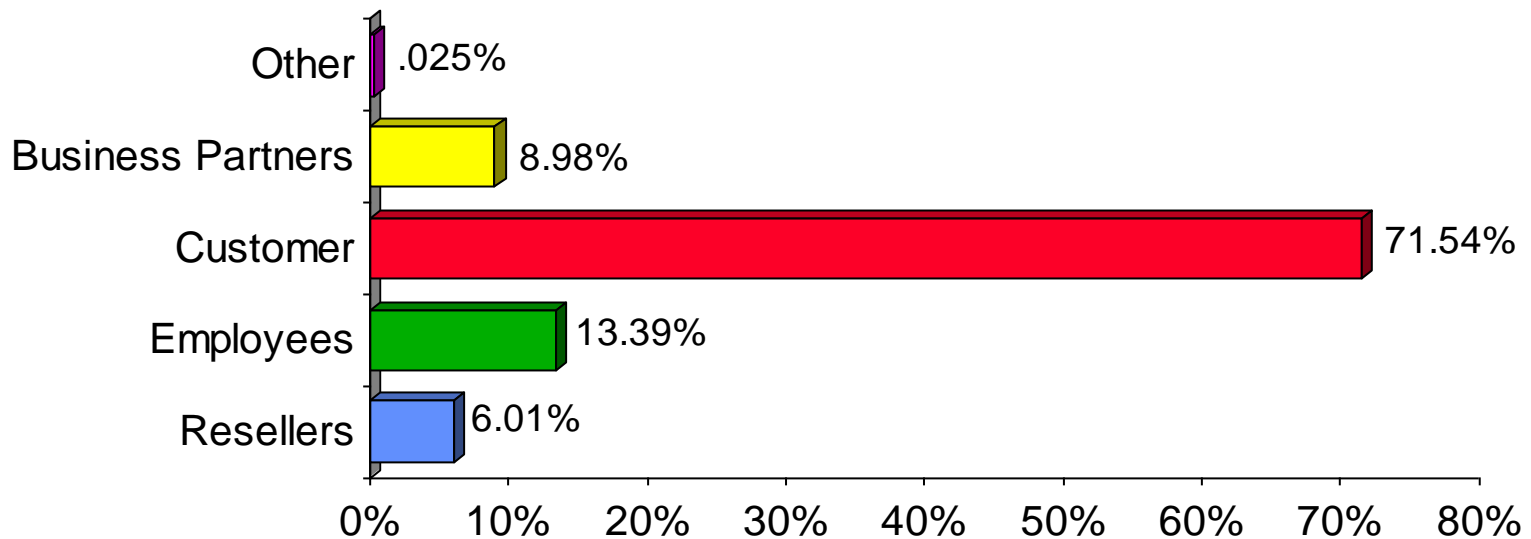
What percentage of your customer training is customized for a particular customer?



# Training Provided

**Customer training represents the largest audience.**

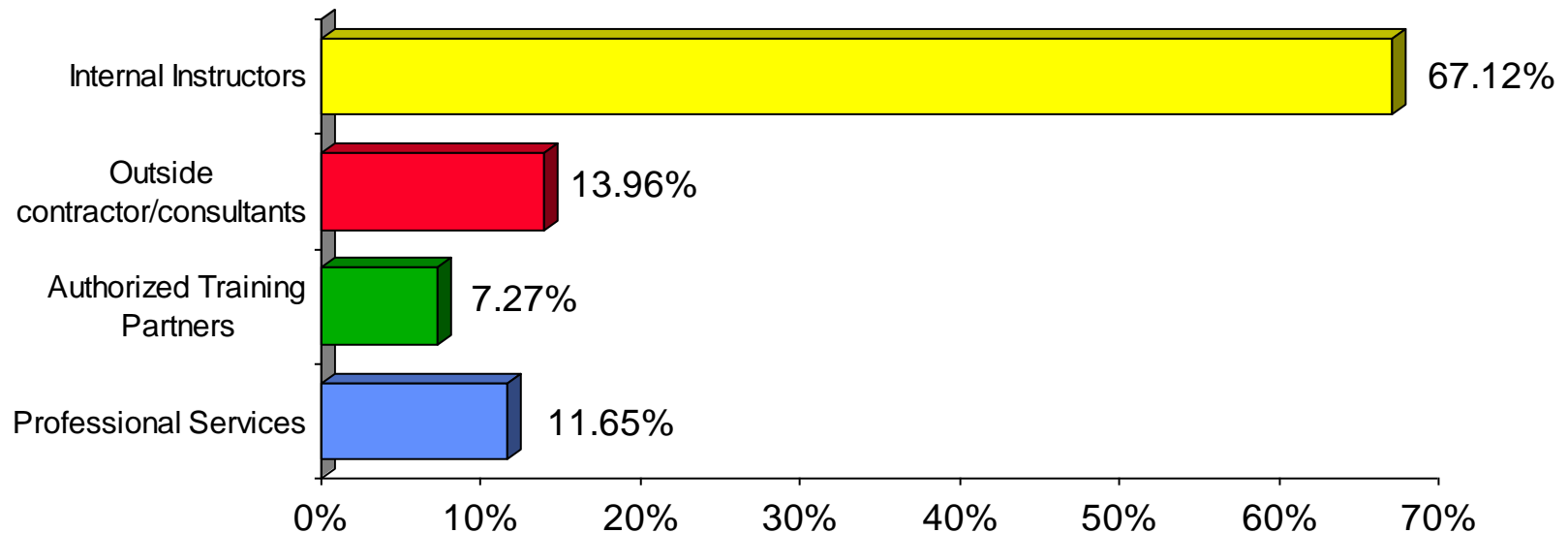
What percentage of students trained by your organization are the following?



Average of percentages provided.

**Internal instructors deliver most of the training.**

What percentage of the training you provide is delivered through each of the following methods?

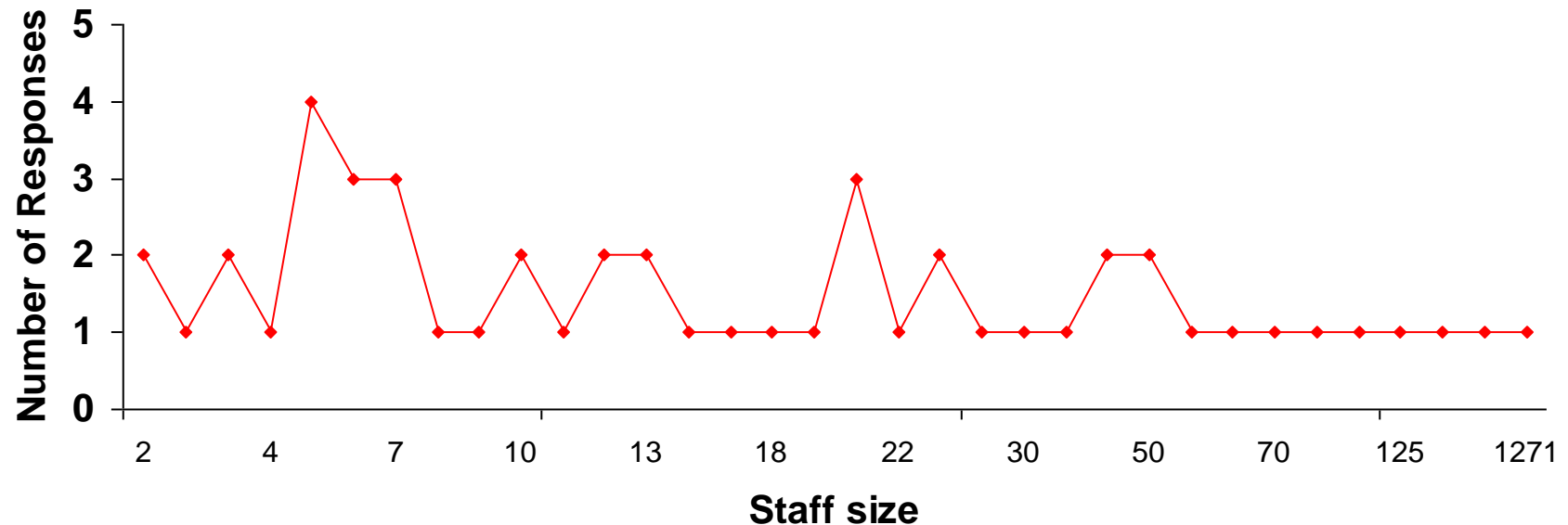


Average of percentages provided.

# Training Organization

**There is a wide range in the size of the staff of training organizations.**

What was the size of your entire training organization in 2002?(including contractors and temps)

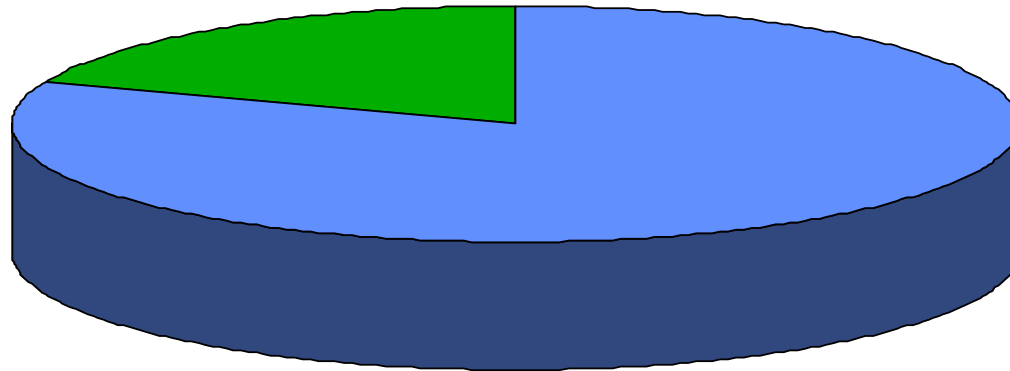


# Training Organization

**Education staffs are typically comprised of full-time equivalent positions.**

What percentage of your training organization is the following?

**Contractors /  
Temp Staff  
19.22%**



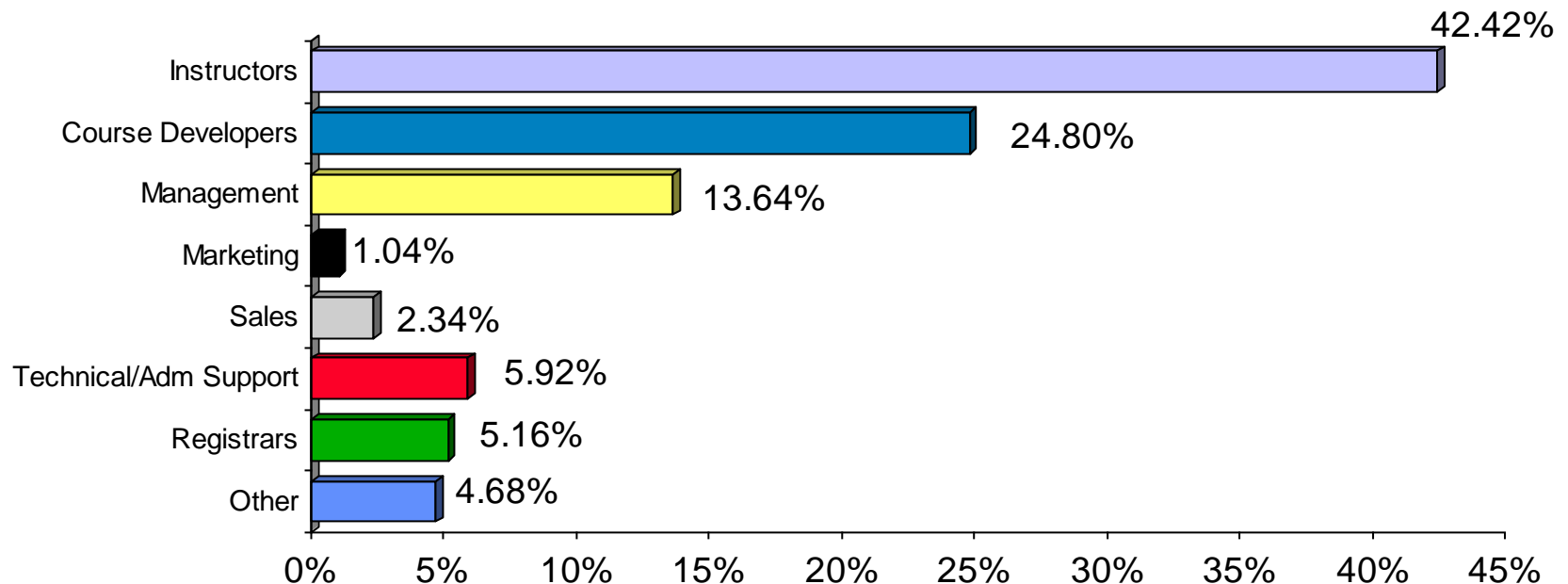
**Full-time  
Equivalents  
80.78%**

Average of percentages provided.

# Training Organization

**Instructors represent the largest full-time equivalent positions. Few education positions are dedicated to sales and marketing activities.**

Not counting contractors or outside consultants, what percentage of the total full-time equivalent positions are assigned to each of the following job titles?

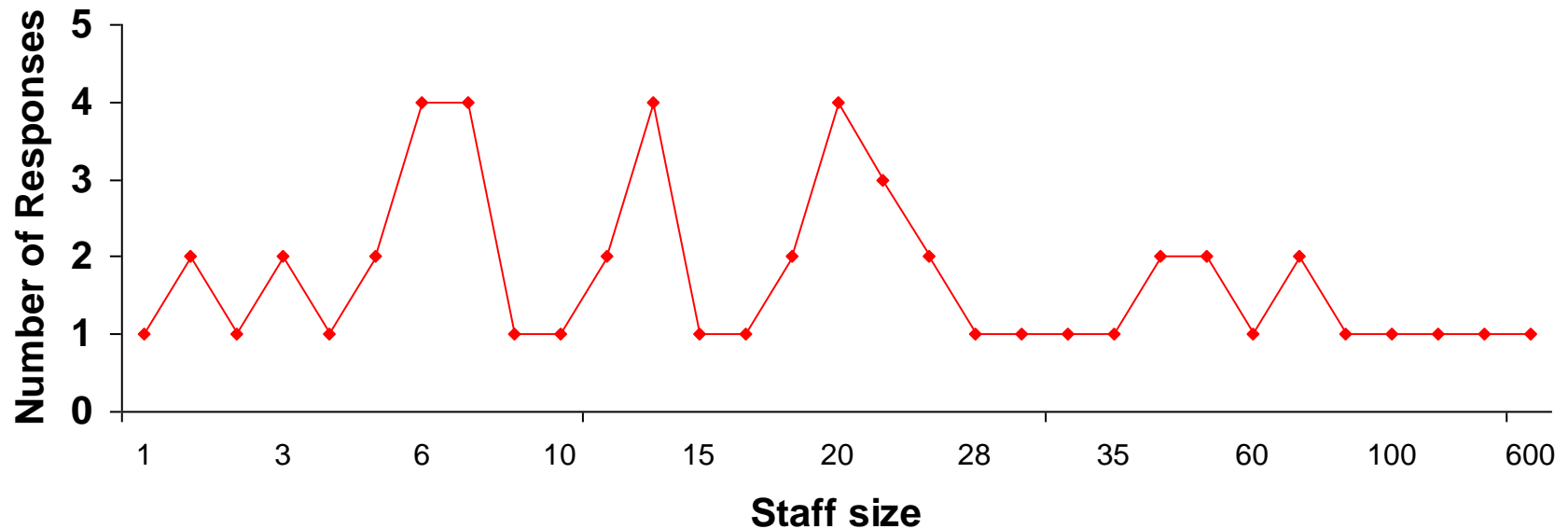


Average of percentages provided.

# Training Organization

**There is a wide range in the size of the projected staff of training organizations. However, there is a decrease in size from 2002.**

What size do you expect your training organization to be in 2003?

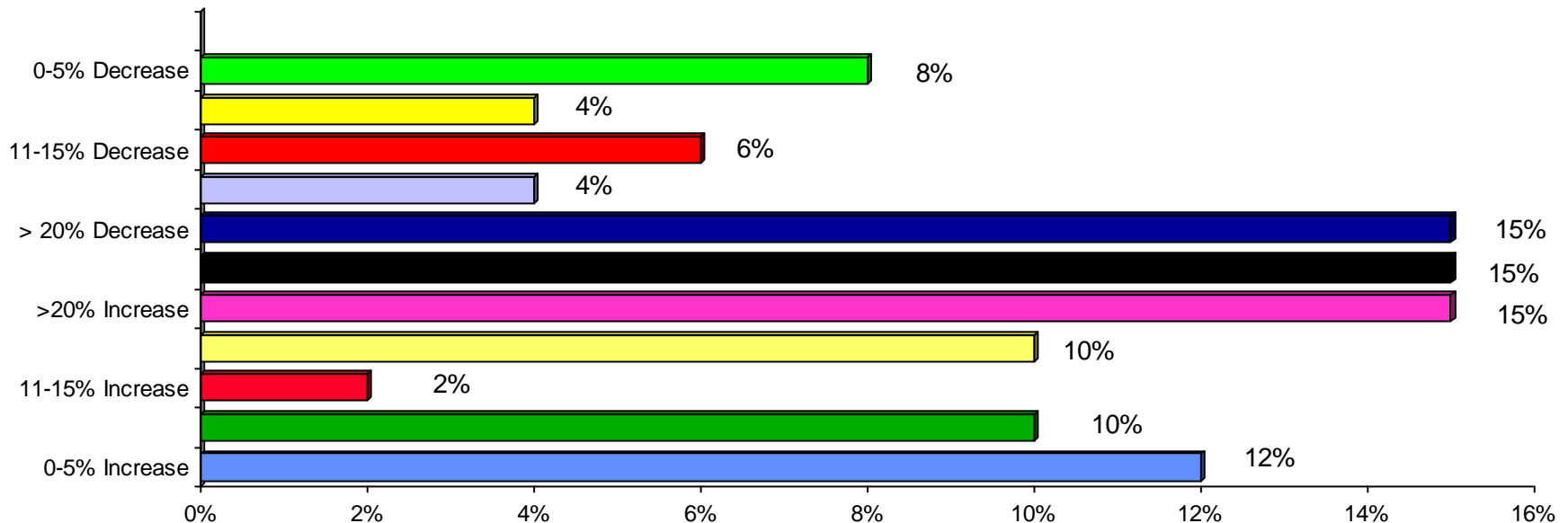


Responses = 50

# Change in Business

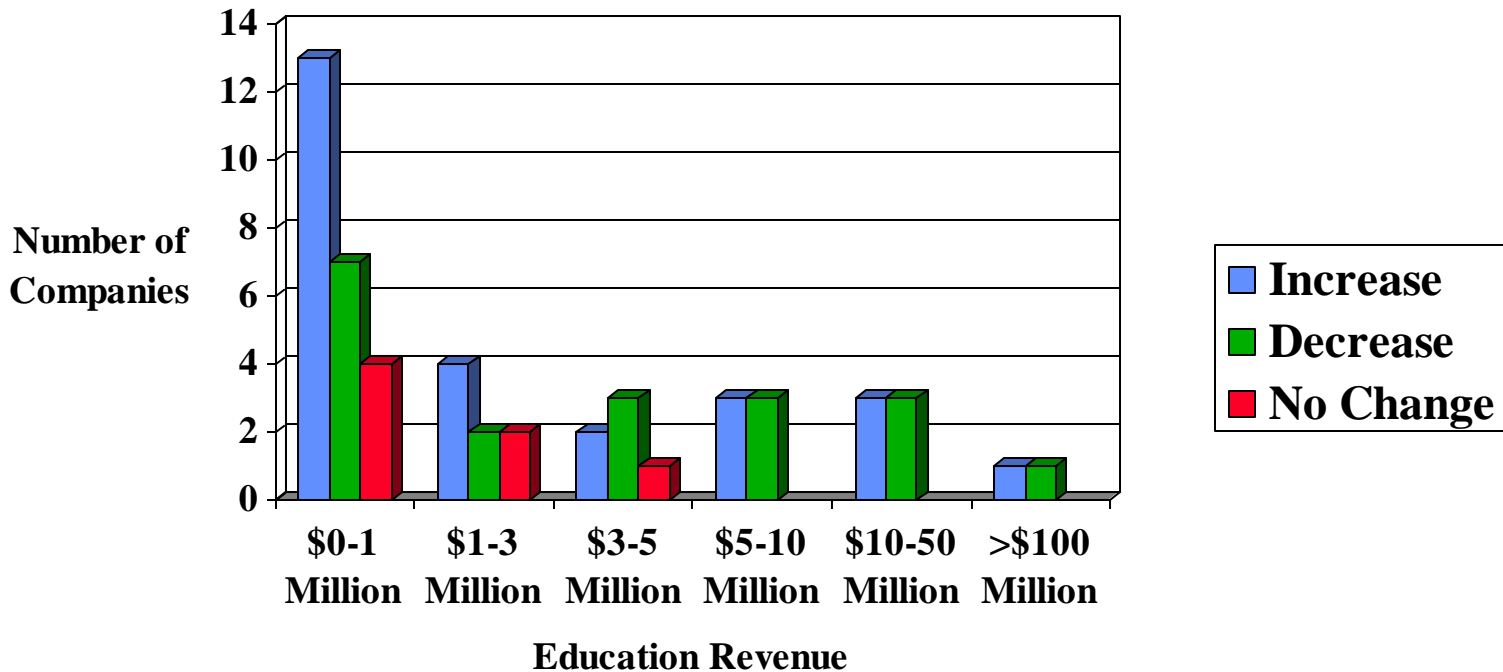
**Approximately 48% of the companies saw an increase in their training business.**

What percentage change in your business did you experience in 2002 from the previous fiscal year?



# Change in Business

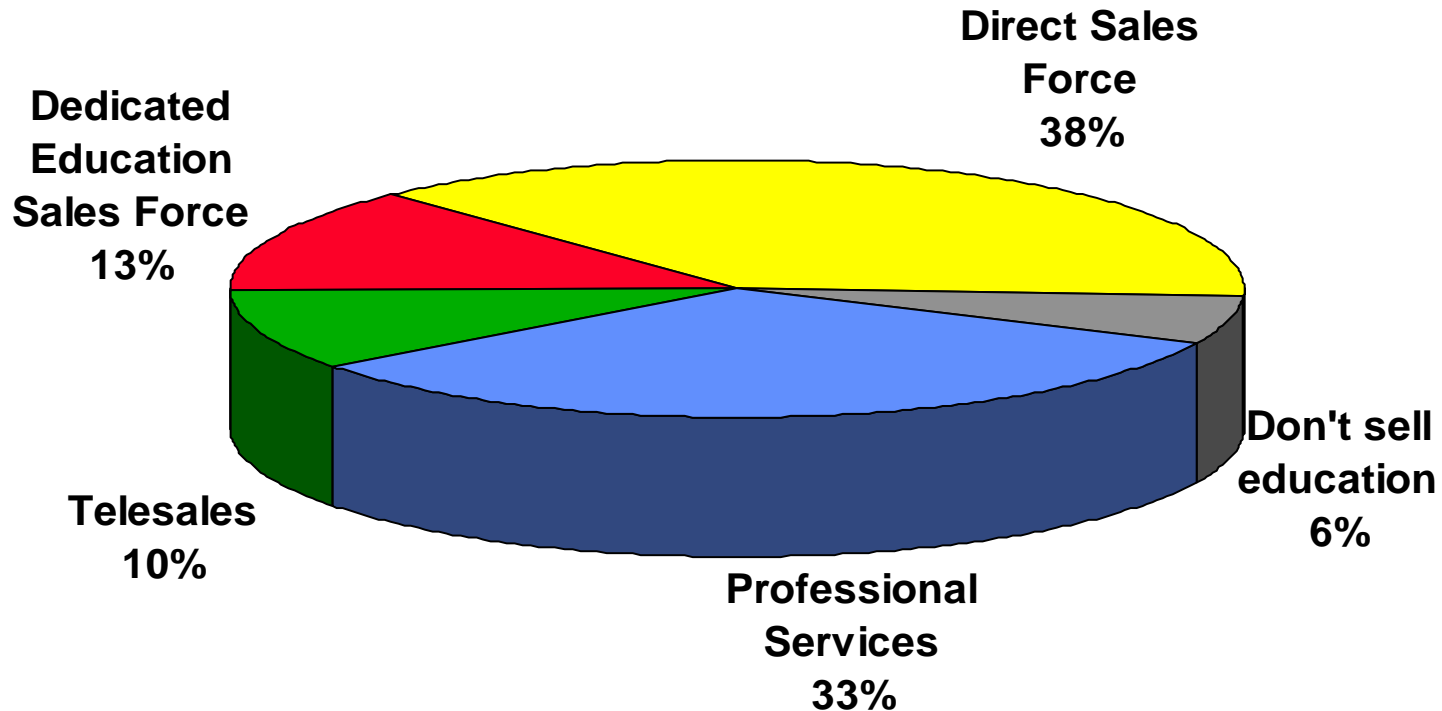
**Many companies with education revenues less than \$3 Million experienced an increase in their business. However, these companies represent approximately 62% of the respondents.**



# Education Sales and Marketing

**Only 38% of the companies use a direct sales force to sell education.**

How do you sell your education offerings?



Responses = 98

# Marketing Programs

## What marketing program was most successful at driving business in 2002?

- ❖ *A portion of our training offerings automatically appears on all quotes generated by sale*
- ❖ *Targeted email worked very well.*
- ❖ *Bundling Service.*
- ❖ *Tied to business models, processes across other departments, special project, launches, and contracts with partners.*
- ❖ *Directly emailing frequent users*
- ❖ *eNews letter promotions*
- ❖ *Including training license contracts*
- ❖ *Displaced Worker Program*
- ❖ *Direct Mail*
- ❖ *Direct calls*
- ❖ *Advertising courses on our website and in our quarterly newsletter.*
- ❖ *Internal marketing campaign aimed at getting employees to sell training.*
- ❖ *Changing Sales and Sales Management comp plans to include services quota.*
- ❖ *Offering a 50% discount for additional students from the same company*
- ❖ *Direct sales force*
- ❖ *User Group Meetings*
- ❖ *Dedicated education sales force*
- ❖ *Website marketing*
- ❖ *A subscription service to advanced classes*

Above are samples of comments.

# Marketing Programs

## What marketing program was least successful at driving business in 2002?

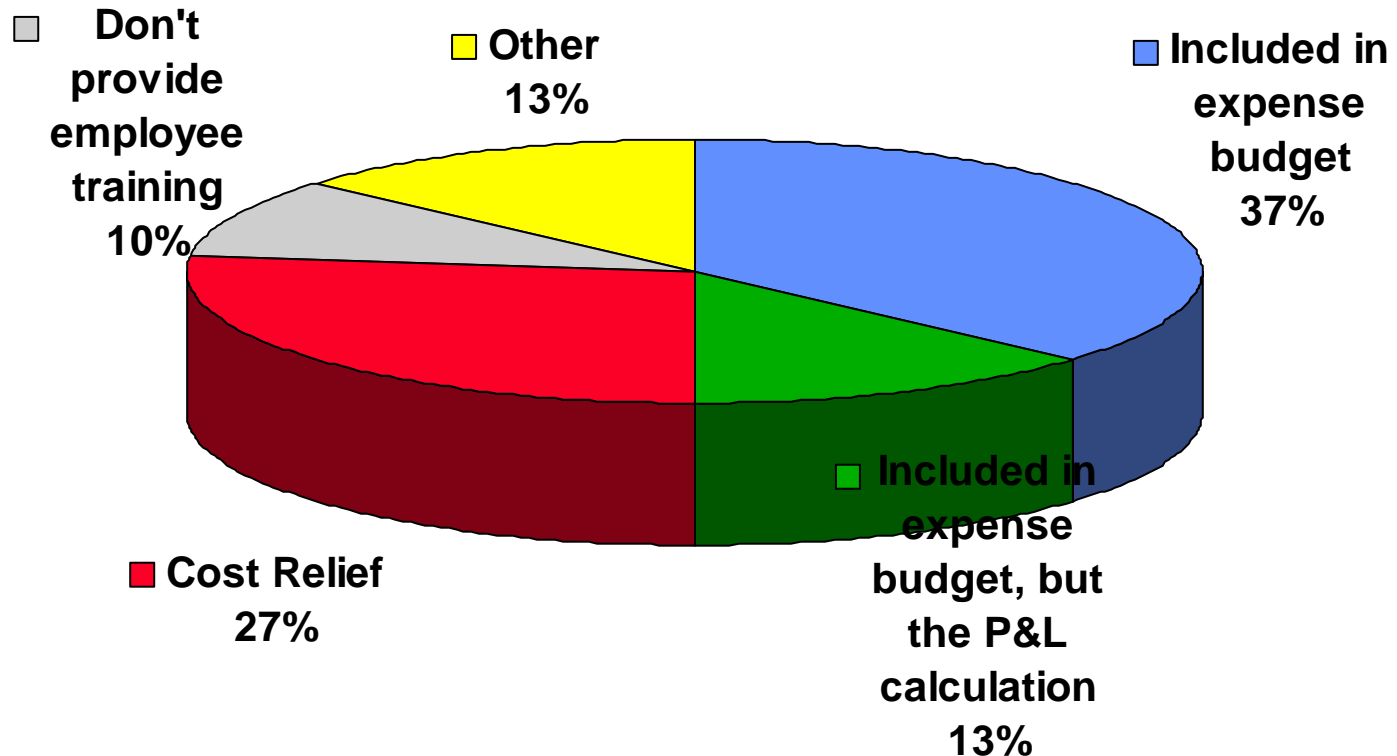
- ❖ *Depending on Sales to sell the training classes on there own.*
- ❖ *Didn't have an dedicated marketing staff for education in 2002*
- ❖ *Training discount promotions, i.e. 20% off next weeks class.*
- ❖ *Email newsletter.*
- ❖ *Training updates.*
- ❖ *Email blasts to customers*
- ❖ *Seminar/Trade Show.*
- ❖ *Direct Mail*
- ❖ *Direct calls*
- ❖ *Offering a 5% discount for each additional course purchased*
- ❖ *Direct sales force*
- ❖ *Telesales*
- ❖ *Online catalog*
- ❖ *Tiered discounts for sending multiple students from the same company to the same class*
- ❖ *Posting offerings on our website*
- ❖ *Coupons through direct mail.*

Above are samples of comments.

# Employee Education Expense

**It appears that few education organizations are compensated for employee training.**

How are the expenses for employee education covered within your Company?

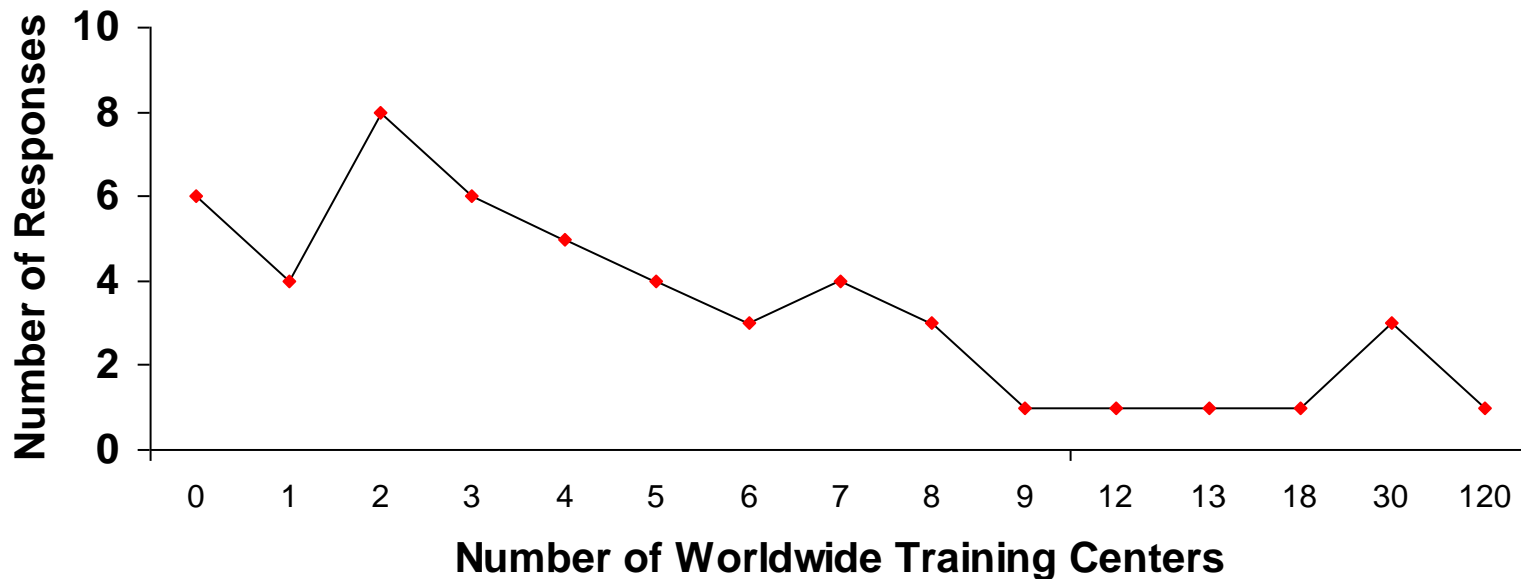


# Training Centers Worldwide

**Most companies have at least six training centers worldwide.**

How many training centers do you have worldwide?

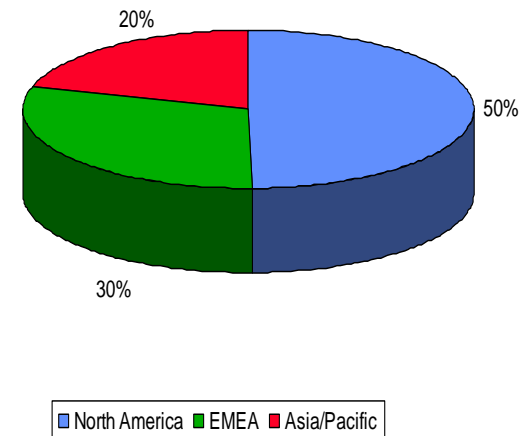
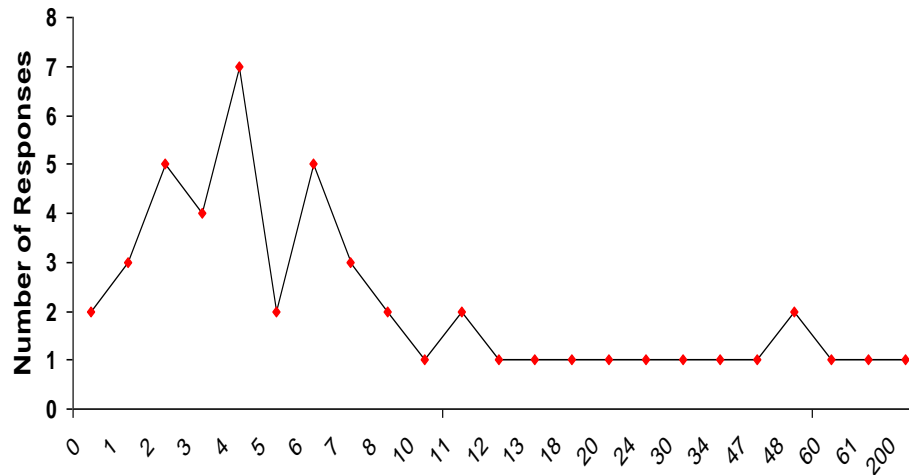
Company "owned" worldwide training centers



# Worldwide Training

**The largest percentage of training centers are in North America.**

Number of Training Centers Worldwide

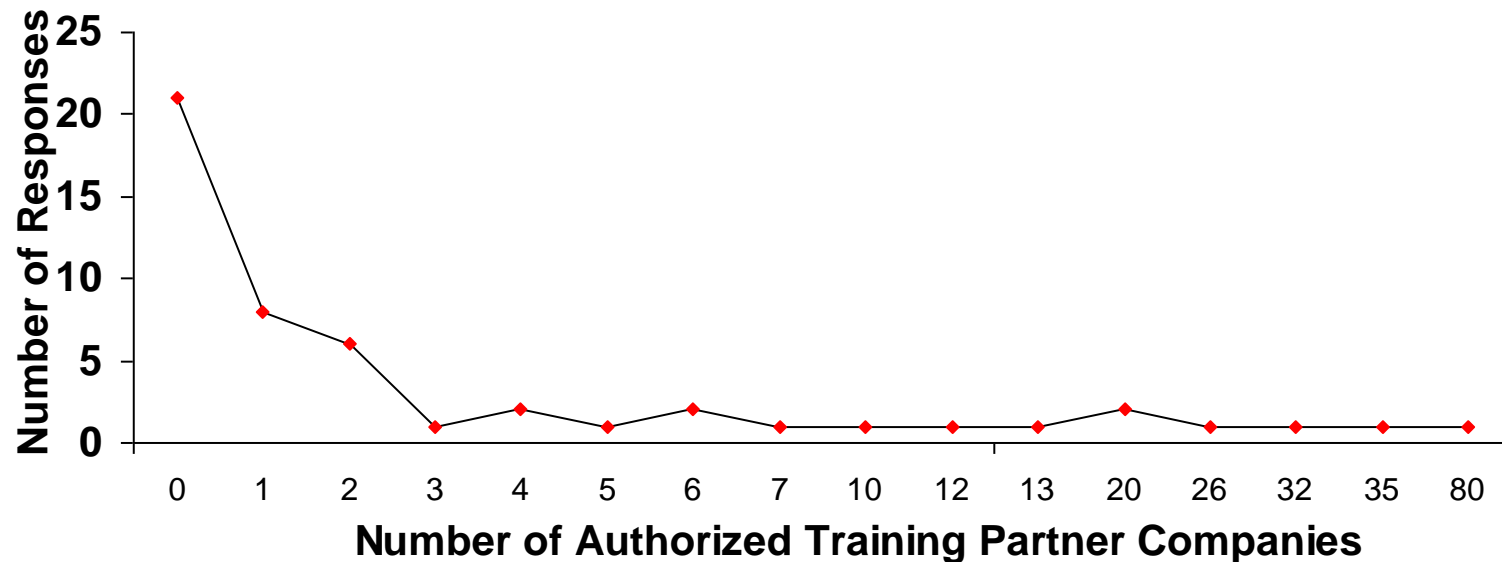


Responses = 50

# Training from Authorized Partner Companies

**Most companies have less than 10 Authorized Training Partners.**

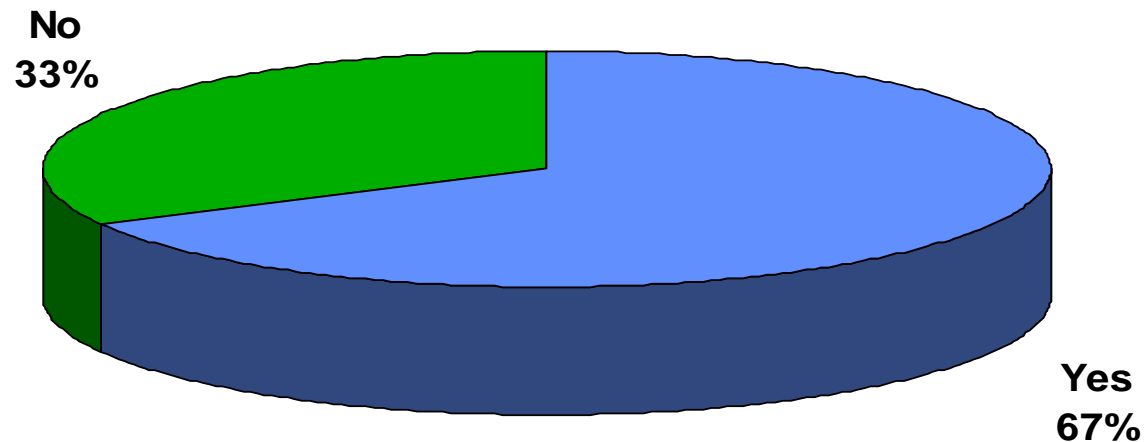
How many Authorized Training Partner companies deliver training for you?



# Certification Programs

**More than half of the companies have some type of certification program.**

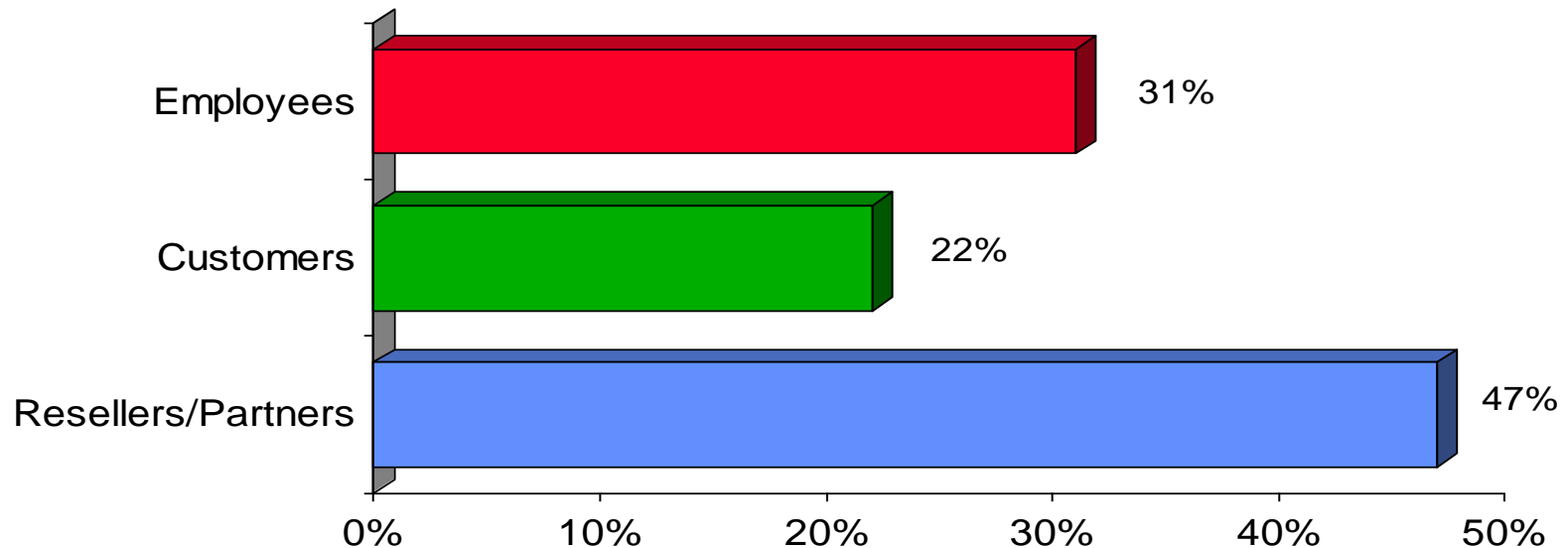
Do you have a certification or “authorization” program?



# Certification Programs

**Partners and Resellers are the largest audience for certification programs.**

Please indicate which of the following groups for which you have a certification/authorization program.

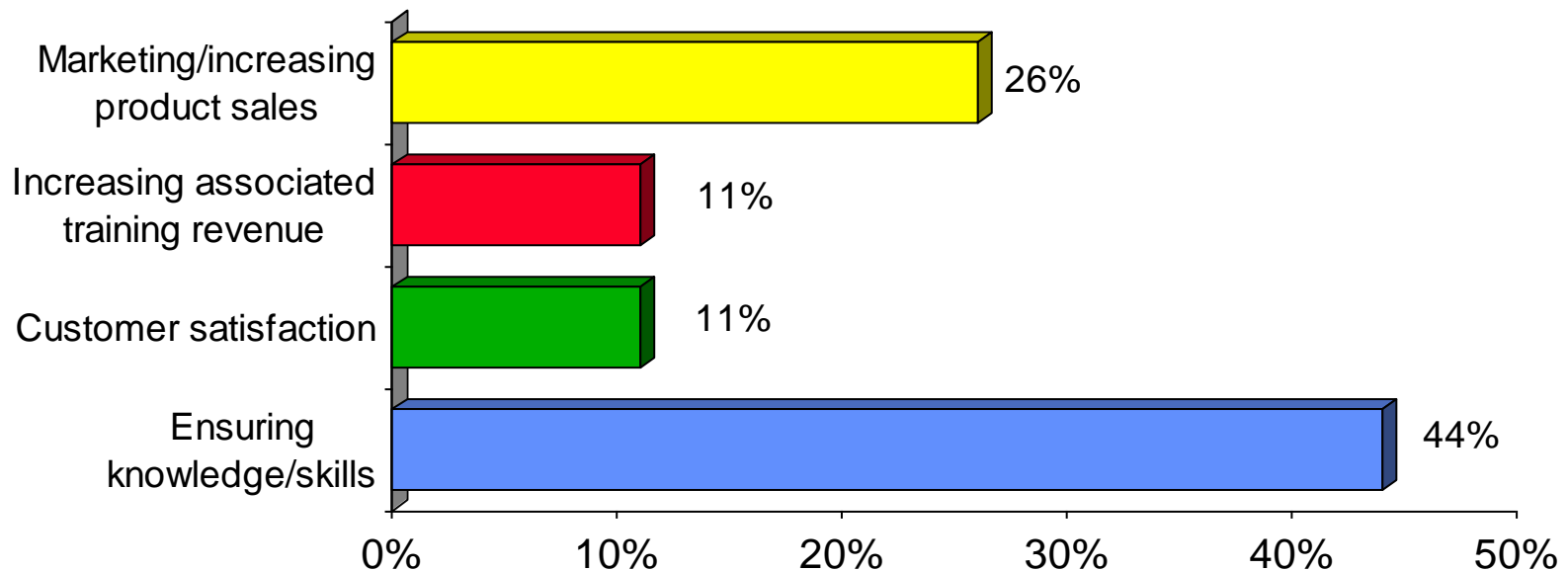


Responses = 62

# Certification Programs

**Ensuring knowledge and skills are the primary objectives of certification programs.**

What are your primary objectives of your certification program?

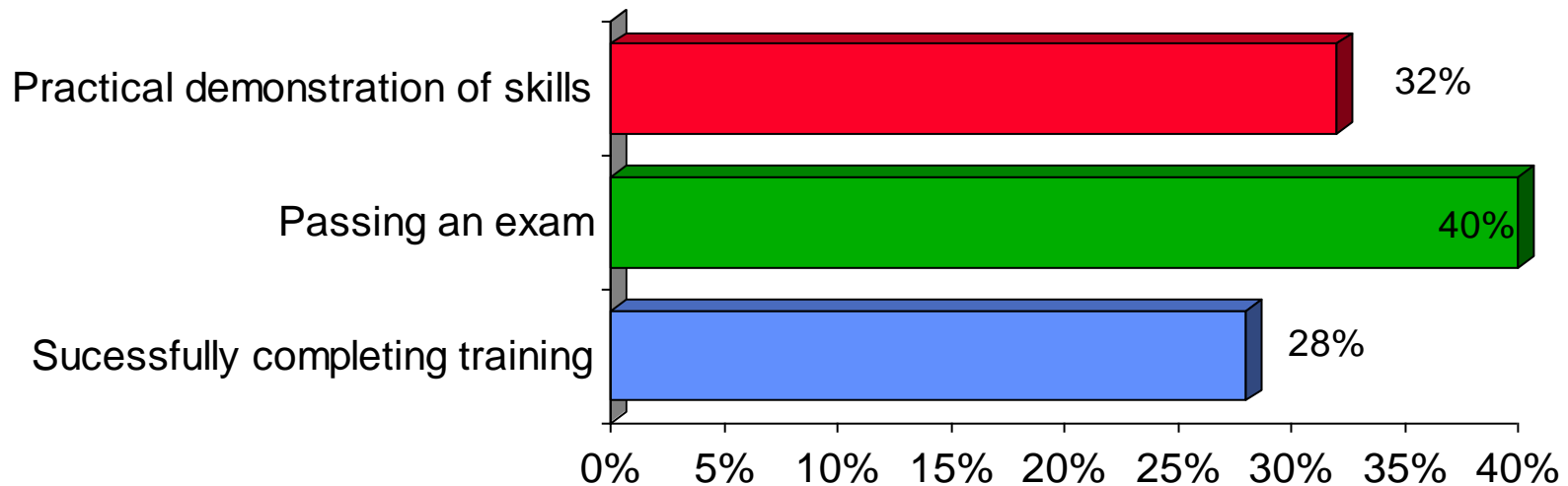


Responses = 75

# Certification Programs

**Passing an exam is the primary certification assessment tool.**

What methods do you use for your certification assessment?

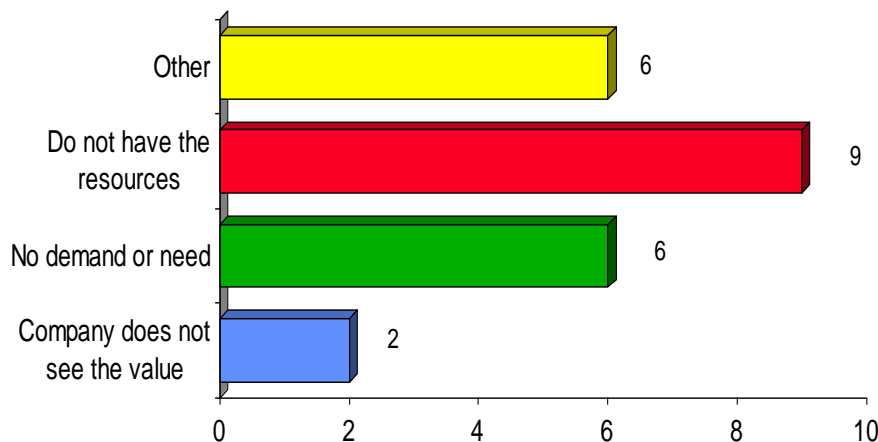


Responses = 65

# Certification Program

**Lack of resources is the primary reason for not implementing certification programs.**

If you do not have a certification program, what are the main reasons for not doing so?



## Reasons for not having a certification program

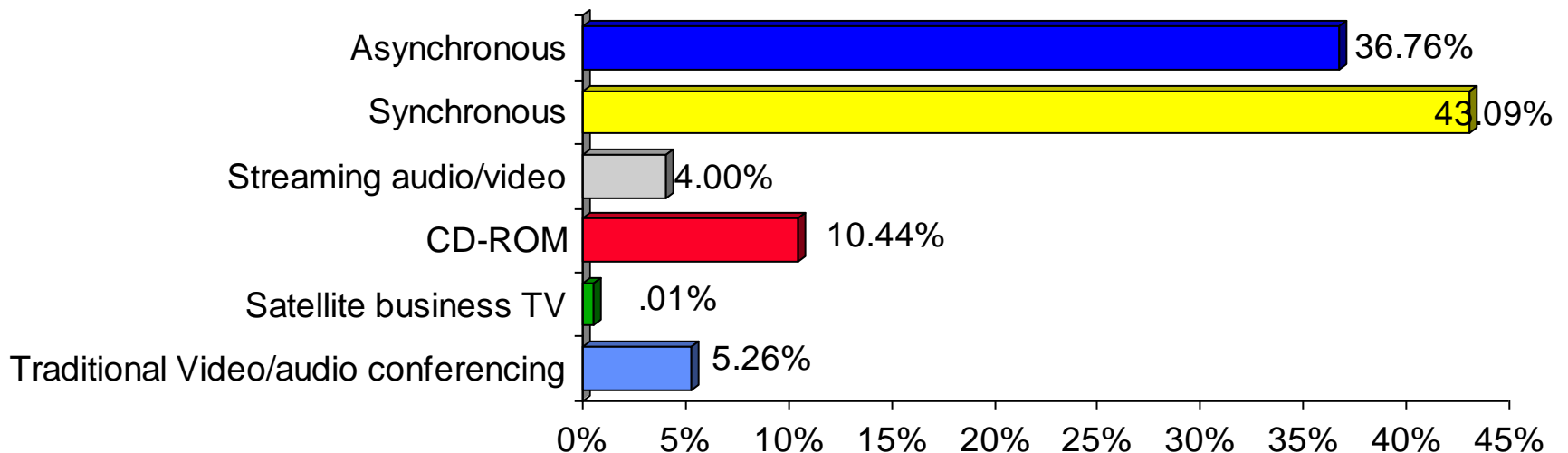
- ❖ *Waiting for marketing to prioritize*
- ❖ *Working on further developments*
- ❖ *Have few partners to justify*
- ❖ *We're the process of creating one*
- ❖ *We have a program under development*

Responses = 23

# Technology-based Delivery

**Most technology-based training is delivered using asynchronous or synchronous formats.**

Of the technology-based/elearning training you provide, what percentage is delivered using the following?

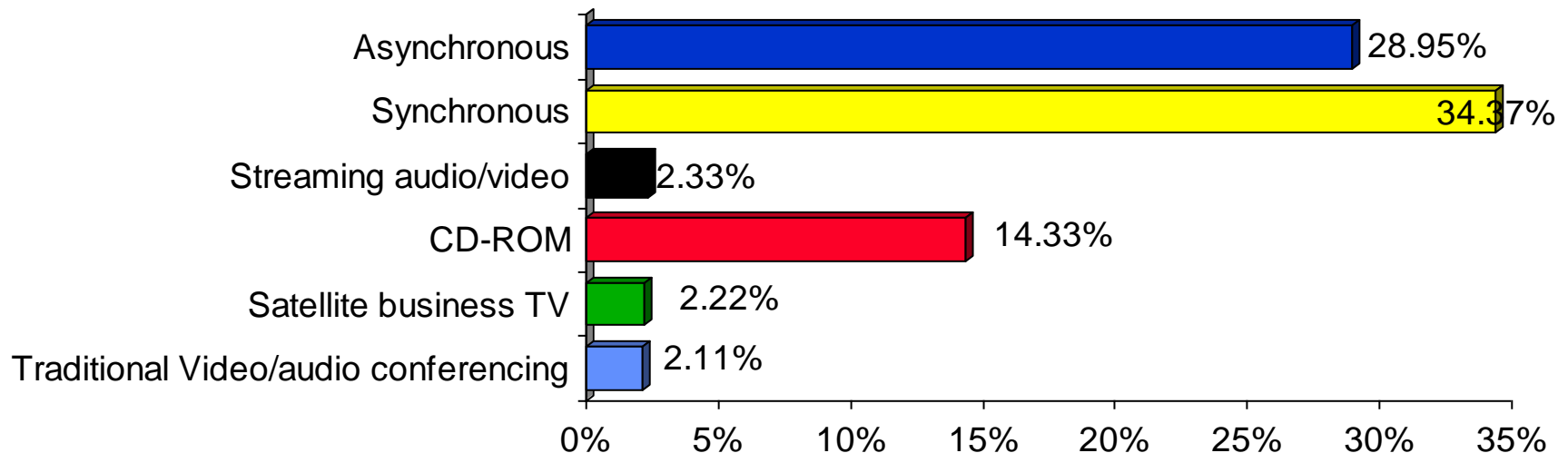


Average of percentages provided.

# Technology-based Training Revenue

**Asynchronous and synchronous account for most of the technology-based training revenue.**

Of the technology-based/elearning training you provide, what percentage of revenue comes from the following?

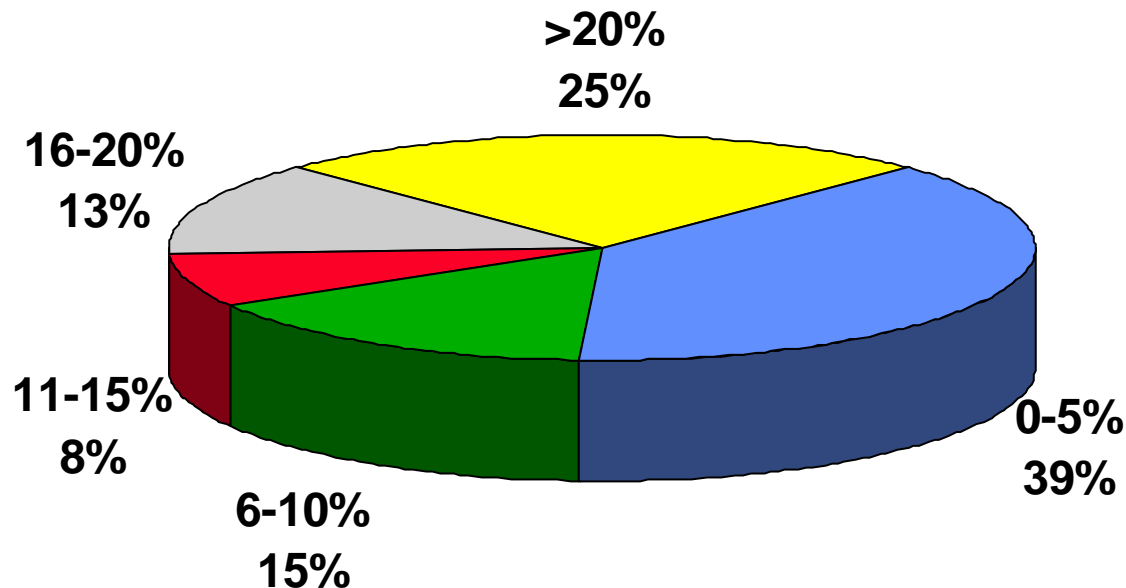


Average of percentages provided.

# Technology-based Training

**Most companies allocate few resources for the development of technology-based training.**

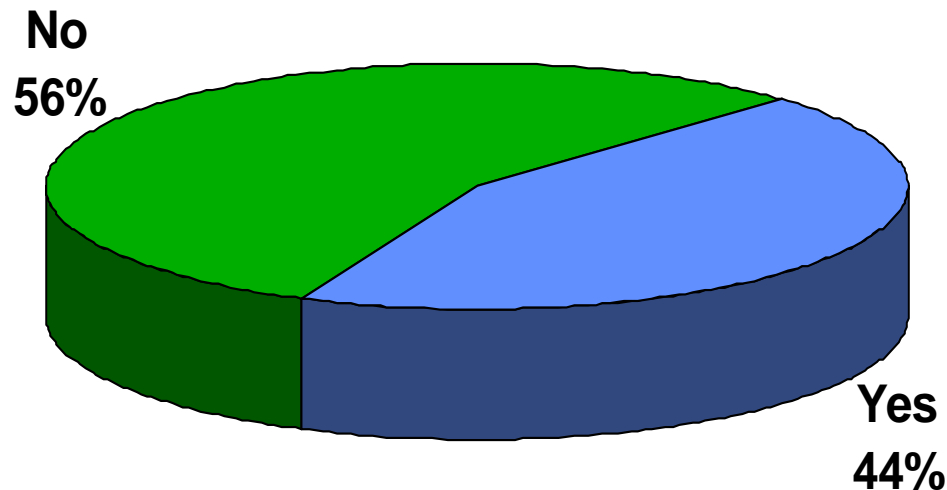
What percentage of your course development costs do you budget for technology-based training?



# Technology-based Training

**It is almost evenly split as to whether or not companies use technology-based training in instructor-led classes.**

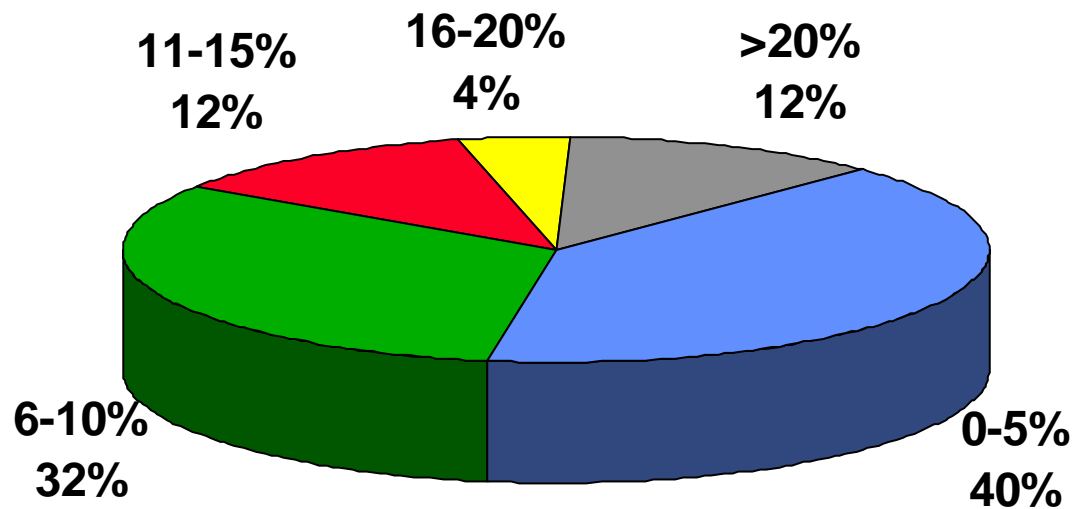
Do you use technology-based education within your instructor-led classes?



# Technology-based Training

**A small portion of classroom training is allocated to technology-based formats.**

If you do use technology-based products in your instructor-led classes, on average what percentage of the time in the classroom is dedicated to technology-based education delivery?

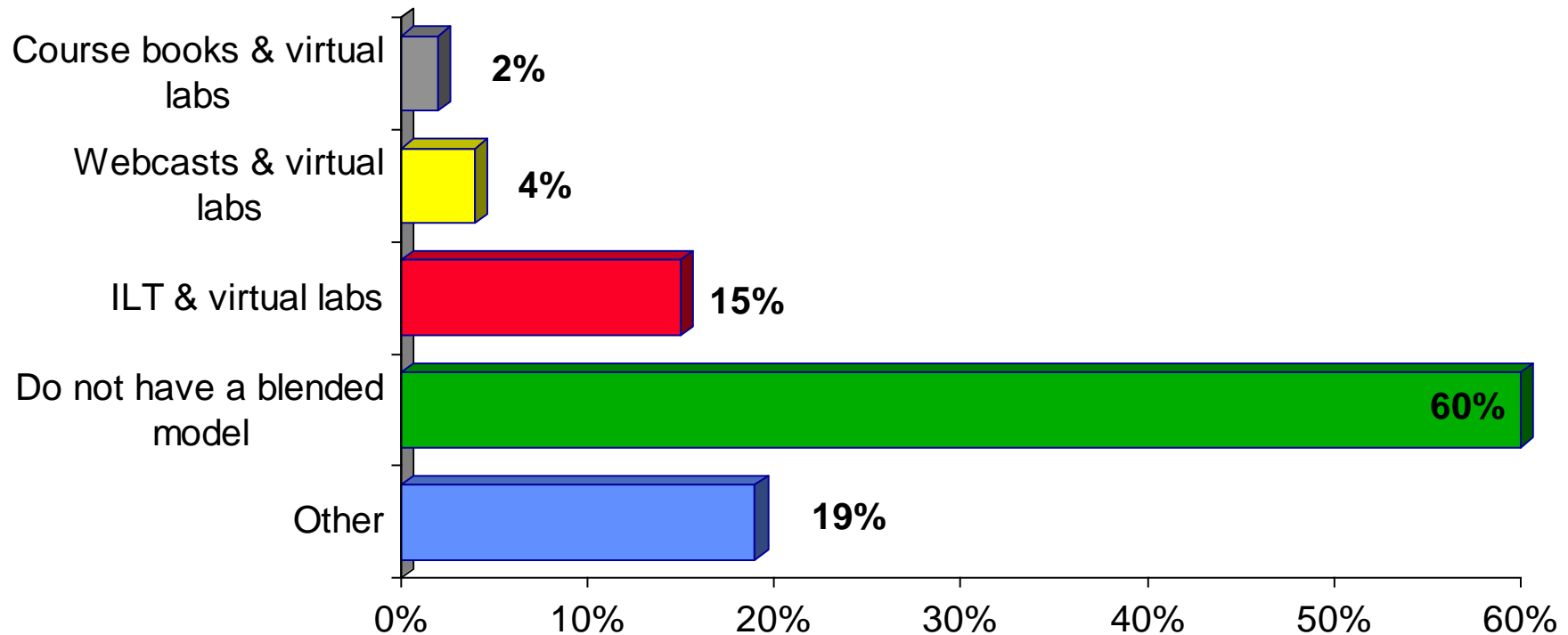


Responses = 25

# Blended Learning

**A majority of the companies do not have a Blended Learning Model.**

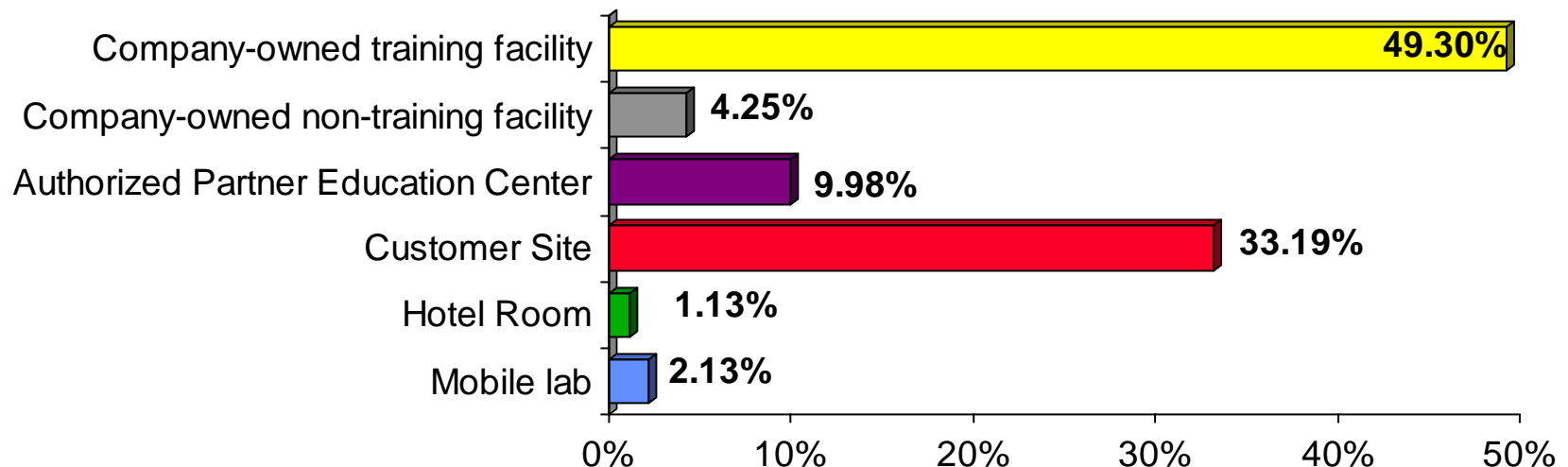
What is your organization's definition of a Blended Learning Model?



# Education Facilities

**Instructor-led training is most frequently delivered in Company-owned classroom facilities.**

Of your current Instructor-led training course offerings, what percent are presented in the following locations?

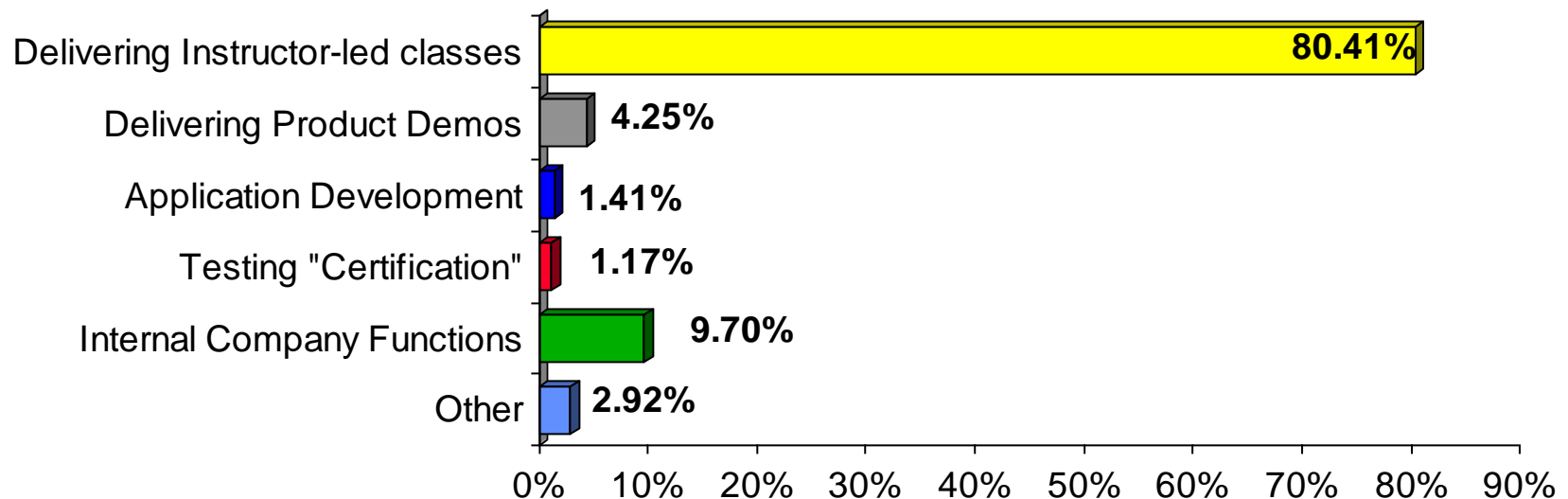


Average of percentages provided.

# Classroom Utilization

**Classrooms are generally used to deliver Instructor-led courses.**

Please indicate the classroom utilization in percentages.

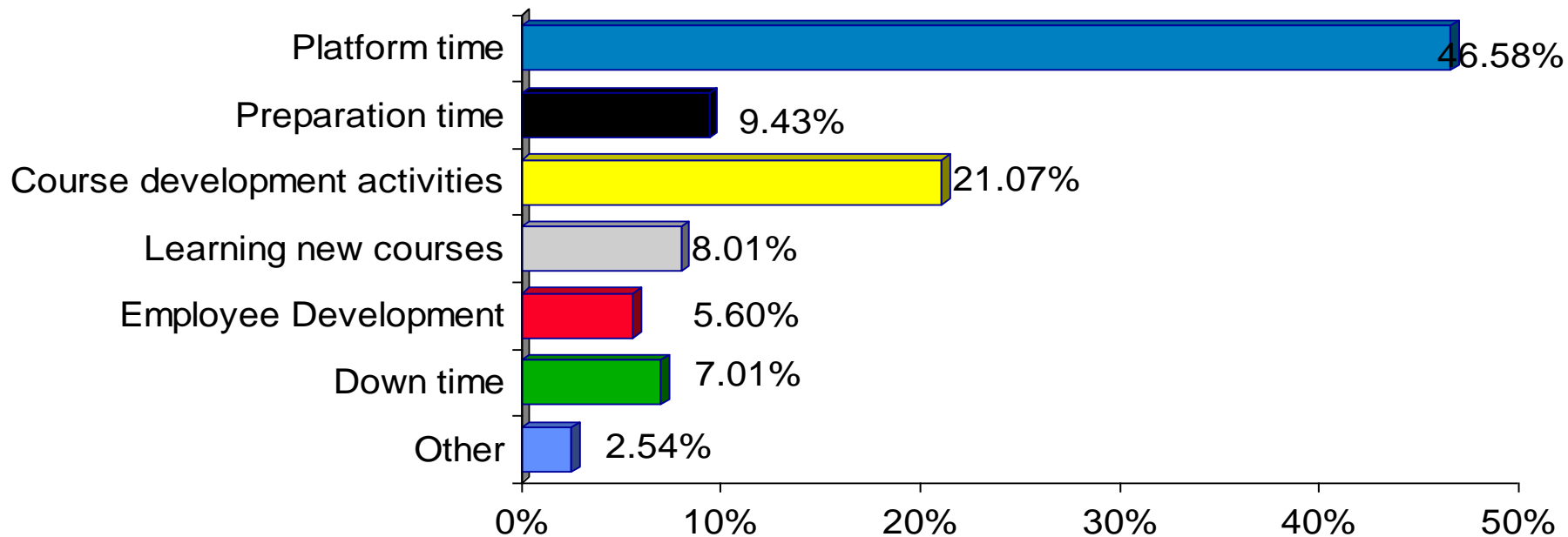


Average of percentages provided.

# Instructor Utilization Model

**Average platform time is approximately 50%.**

What is your Instructor Utilization model?



Average of percentages provided.

# Course Development Time

**Computer-based training typically appears to require most development time, the range of estimated times for instructor-led training varies widely.**

For each of the following delivery formats please mark the number of hours it takes to develop one hour of content (from scratch).

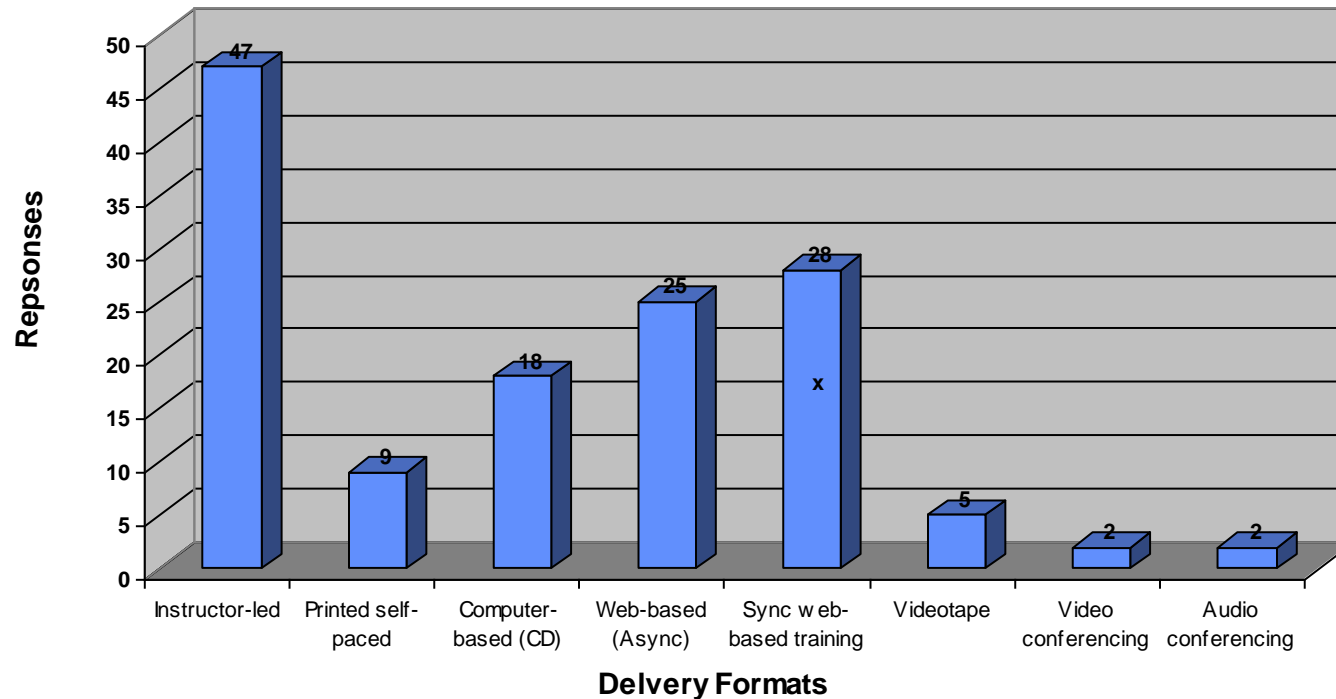
	Average Development Hours	Median Development Hours	Range of Responses
Instructor-led	28.17	20	1.5 to 240
Printed self-paced	21.88	20	6 to 40
Computer-based (CD)	88.94	50	3 to 440
Web-based (asynchronous)	59.44	48	3 to 200
Synchronous web-based training	21.30	15	1 to 80
Videotape	29.60	12	8 to 100
Video conferencing	7.50	7.50	5 to 10
Audio conferencing	5	5	3 to 5

Audiotapes and Satellite Business TV are not being currently being used.

# Course Development Delivery Formats

**Most companies develop instructor-led and web-based training.**

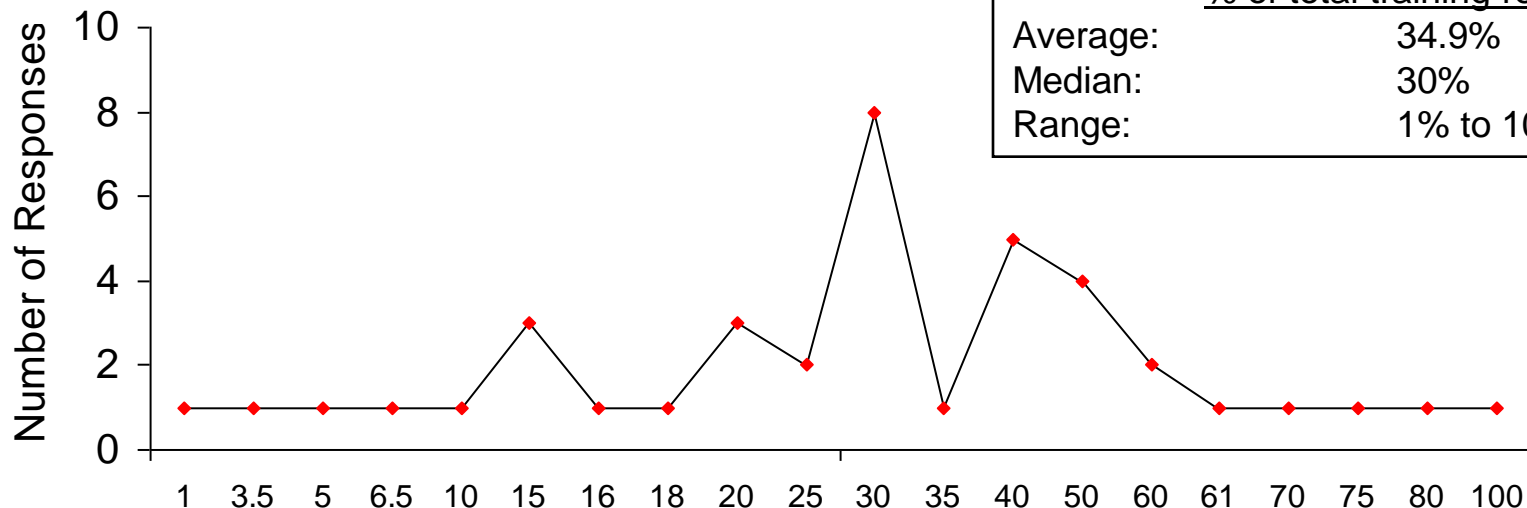
Course Development Delivery Formats



# Course Development Costs

**On average, development costs comprise 35% of total training revenues.**

Considering your course development costs “fully loaded”, including all personnel & overhead costs, how large are your course development costs as a percentage of your total training revenue?



Development costs as a  
% of total training revenues

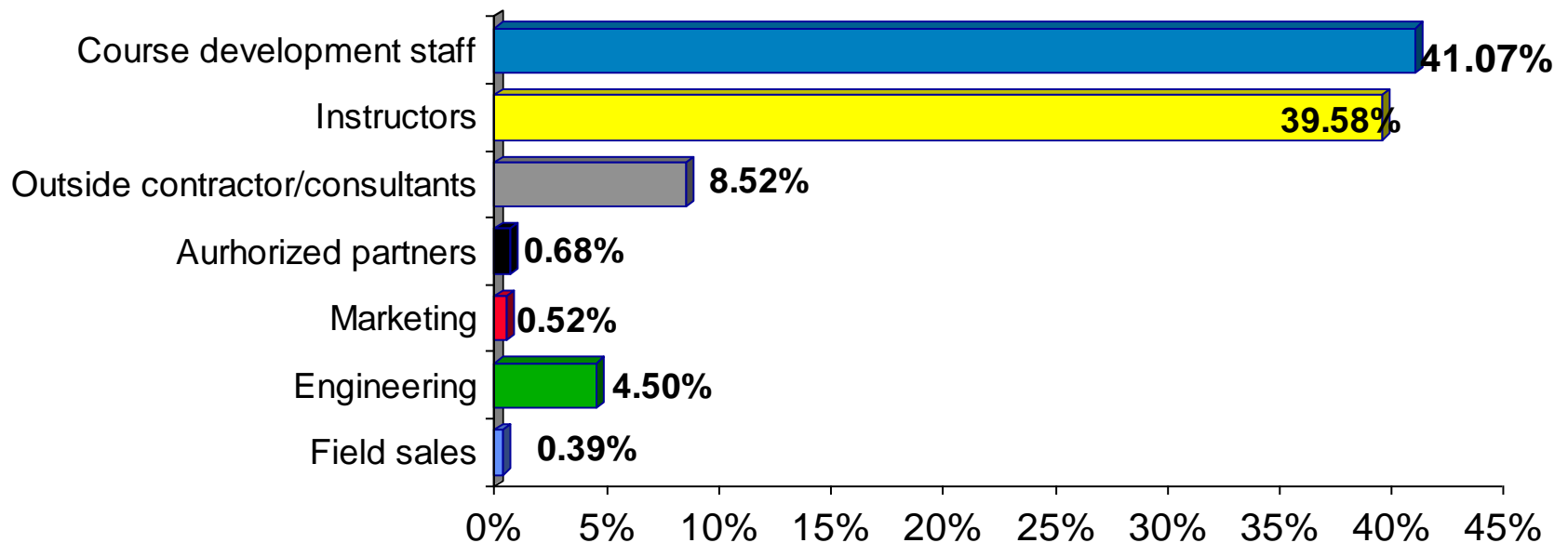
Average: 34.9%  
Median: 30%  
Range: 1% to 100%

Responses = 40

# Course Development

**Most course development is done by course developers and instructors.**

What percentage of your course development is done by each of the following methods?

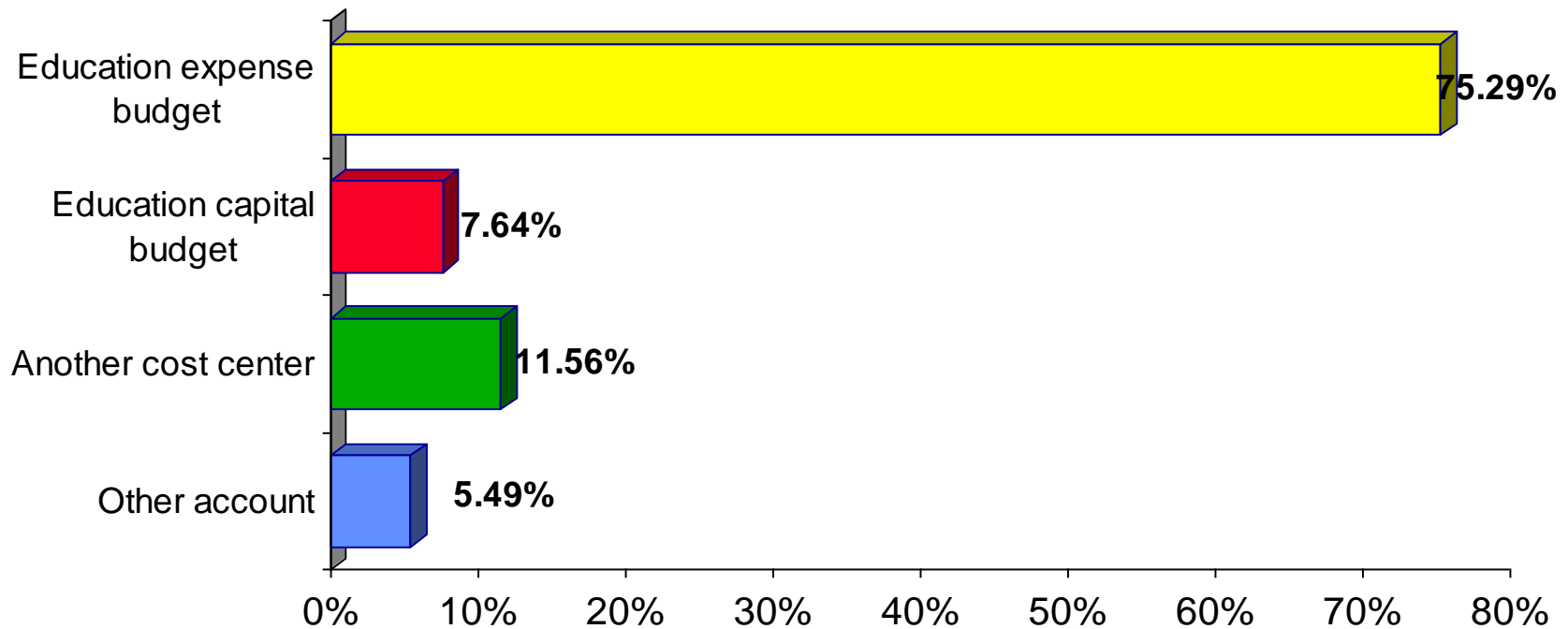


Average of percentages provided.

# Course Development Costs

**Course development costs are typically allocated to the education expense budget.**

What percentage of your course development costs are allocated to each of the following accounts?

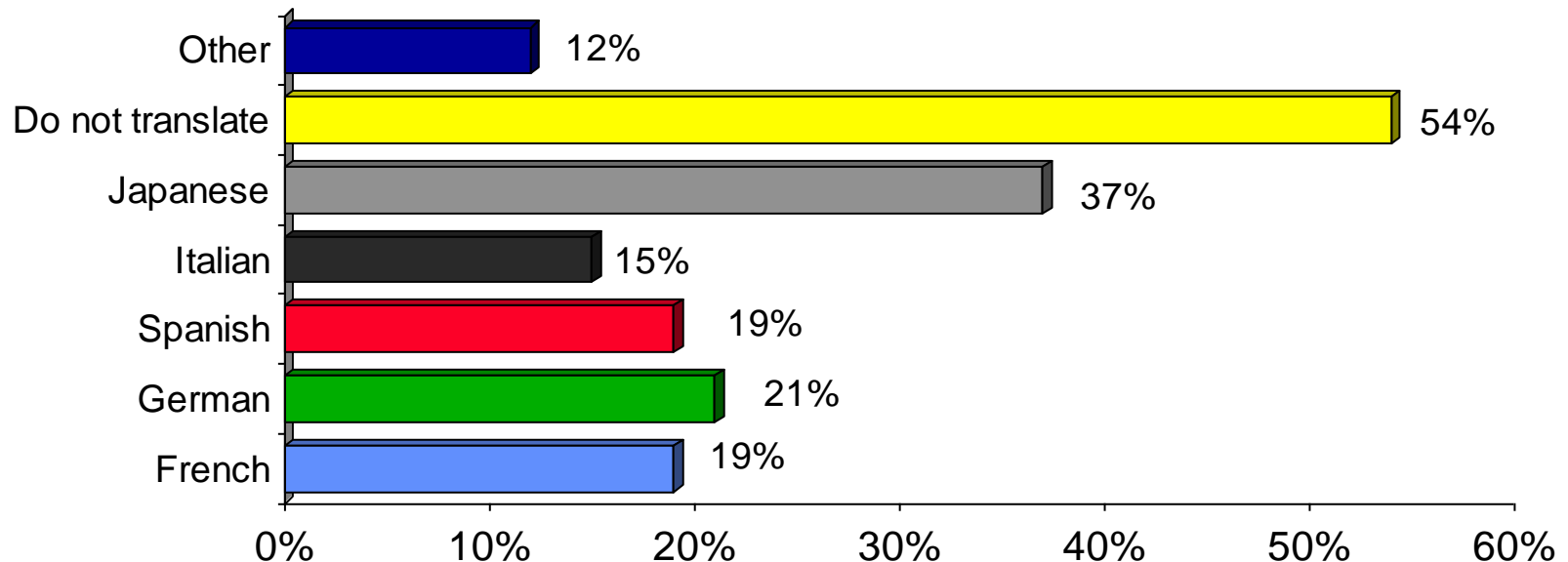


Average of percentages provided.

# Translation

**56% of the companies translate courseware into at least one language**

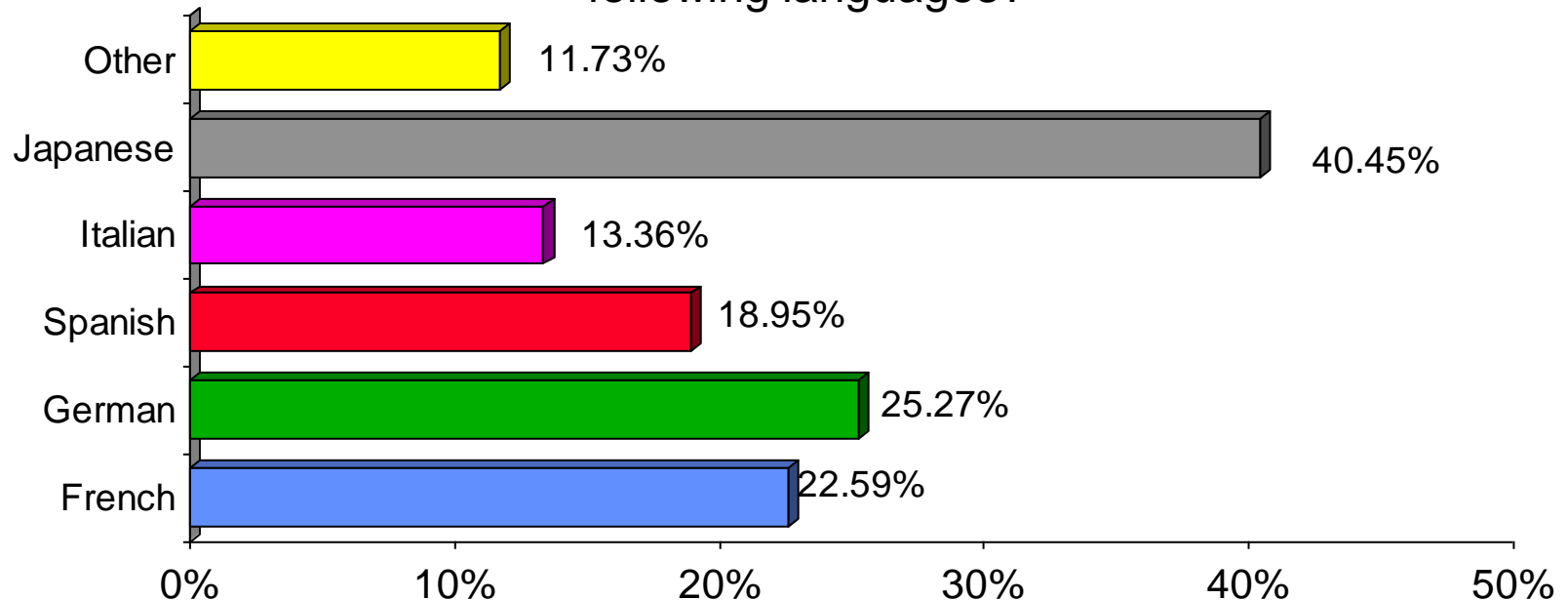
Into which languages is your courseware translated?



# Translation

**Japanese is the most commonly translated language.**

Of the translated courseware, what percentage is translated into the following languages?

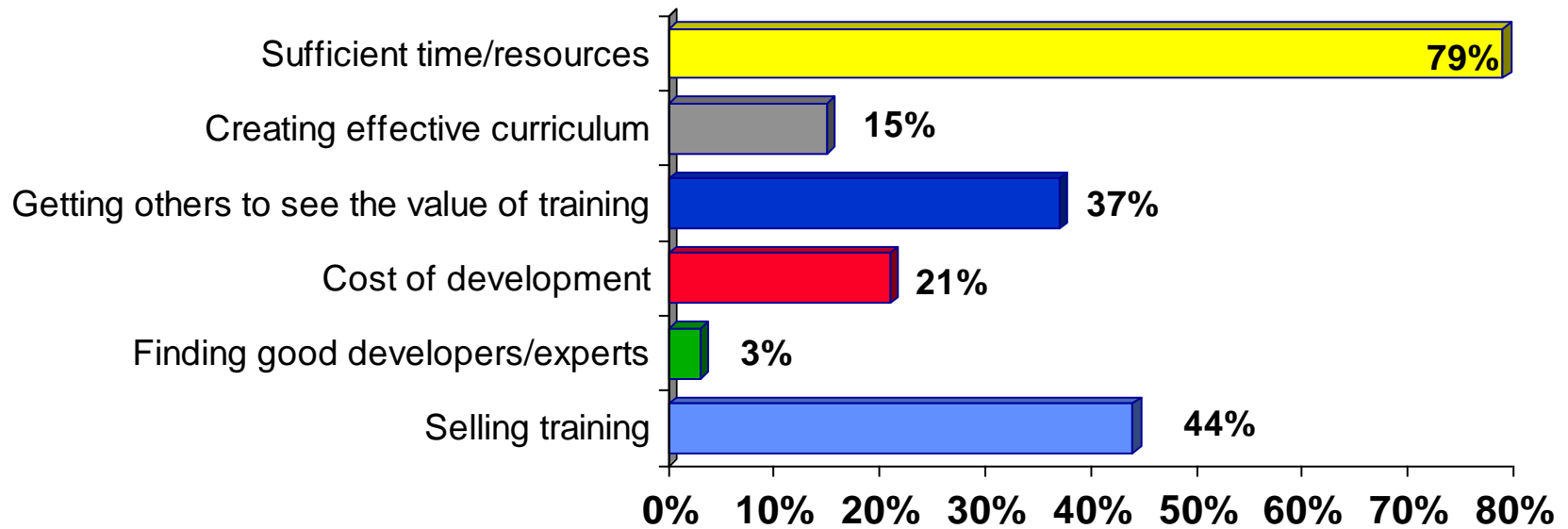


Average of percentages provided  
Responses = 29

# Obstacles in Developing Effective Training

**Inadequate time and resources are the greatest obstacles to effective training program development.**

What do you consider to be the most difficult obstacle in developing effective training programs?



# Benefits

**Principal benefits of CEdMA include information sharing and peer networking.**

**If you are currently a CEdMA member and you realize the value of the organization, please rate from 1-6 each of these important benefits that you receive**

	<b>1 Most Important</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6 Least Important</b>
Networking among peers	61% 17	21% 6	14% 4	0% 0	4% 1	0% 0
Access to problem resolution	29% 8	39% 11	25% 7	7% 2	0% 0	0% 0
Information exchange	63% 17	30% 8	4% 1	4% 1	0% 0	0% 0
Benchmarks/Best Practices	54% 15	25% 7	18% 5	4% 1	0% 0	0% 0
Access to latest trends & developments	37% 10	30% 8	22% 6	7% 2	4% 1	0% 0

The top percentage indicates total respondent ratio; the bottom number represents actual number of respondents selecting the option.

# Other Benefits

**Principal benefits of CEdMA include peer networking and information sharing.**

What benefits do you receive from CEdMA, from being a CEdMA member?

- ❖ *I use CEdMA for constant sanity checks to that our training organization is on track.*
- ❖ *Industry data on metrics, trends, pricing and costs.*
- ❖ *Friendship.*
- ❖ *New programs are validated by the association or industry companies..*
- ❖ *Opportunities to hear special speakers at conferences that we might not otherwise hear.*
- ❖ *Feedback mechanisms for new ideas.*
- ❖ *Exposure to new products*
- ❖ *The CEdMA email list is a great source of information.*