Pulse of the Industry Spring 2007 Conference

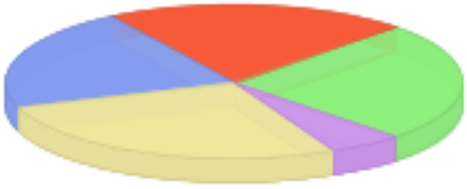
What is your company type?

1 - Software	69.64% (39)	2 - Hardware	5.36% (3)
3 - Software and Hardware	16.07% (9)	4 - Biotechnology	1.79% (1)
5 - Other	7.14% (4)		

Mean: 1.71

Response: 56

What was your company's approximate annual revenue in 2006?

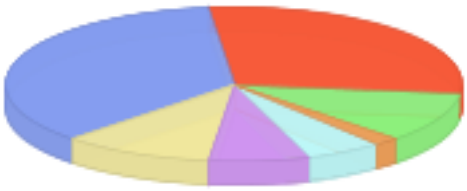


1 - Less than $100M	25% (14)	2 - Between $100M and $500M	21.43% (12)
3 - Between $500M and $1B	21.43% (12)	4 - More than $1B	26.79% (15)
5 - Decline to respond	5.36% (3)		

Mean: 2.66

Response: 56

How many full-time employees does your company have?

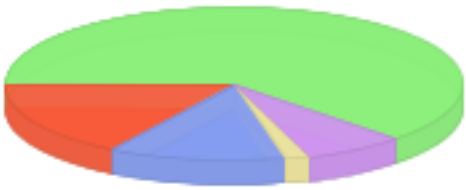


1 - Less than 100	10.71% (6)	2 - Between 101 and 1,000	28.57% (16)
3 - Between 1,001 and 5,000	35.71% (20)	4 - Between 5,001 and 10,000	10.71% (6)
5 - Between 10,001 and 50,000	7.14% (4)	6 - More than 50,000	5.36% (3)
7 - Decline to respond	1.79% (1)		

Mean: 2.98

Response: 56

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

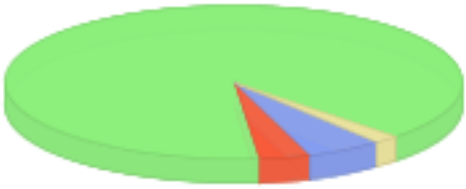


1 - Profit Center (expectation is to make a profit - may have a margin target to achieve)	62.5% (35)	2 - Cost Recovery (expectation is to sell enough training to at least break even on expenses)	16.07% (9)
3 - Cost Center (expectation is to provide non-education revenue benefits - for example better trained employees and partners)	12.5% (7)	4 - Decline to respond	1.79% (1)
5 - Other	7.14% (4)		

Mean: 1.75

Response: 56

Comparing calendar year 2006 to calendar year 2005, is your education organization training:

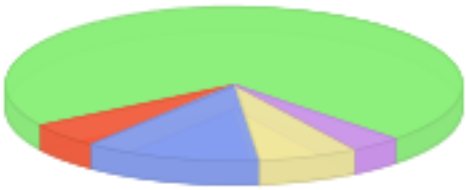


1 - More students	89.29% (50)	2 - Less students	3.57% (2)
3 - About the same	5.36% (3)	4 - Decline to respond	1.79% (1)

Mean: 1.2

Response: 56

Comparing calendar year 2006 to calendar year 2005, is your education organization revenue:

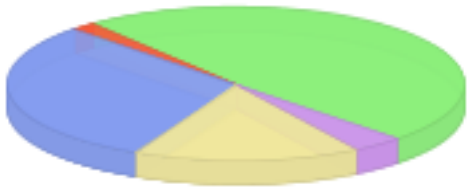


1 - Up	71.43% (40)	2 - Down	5.36% (3)
3 - About the same	12.5% (7)	4 - Not applicable (we don't measure it)	7.14% (4)
5 - Decline to respond	3.57% (2)		

Mean: 1.66

Response: 56

Comparing calendar year 2006 to calendar year 2005, is your education organization margin:

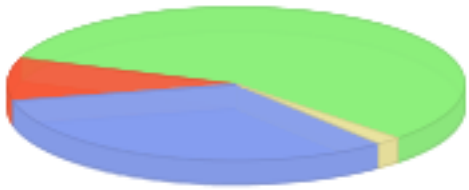


1 - Up	48.21% (27)	2 - Down	1.79% (1)
3 - About the same	30.36% (17)	4 - Not applicable (we don't measure it)	16.07% (9)
5 - Decline to respond	3.57% (2)		

Mean: 2.25

Response: 56

Comparing calendar year 2006 to calendar year 2005, is your education headcount (full-time direct employees only):

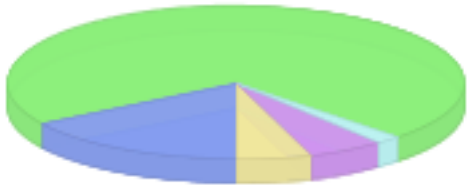


1 - Up	57.14% (32)	2 - Down	8.93% (5)
3 - About the same	32.14% (18)	4 - Decline to respond	1.79% (1)

Mean: 1.79

Response: 56

Comparing calendar year 2006 to calendar year 2005, how much non-traditional training (CBT, online, virtual classroom, self-directed, and so on) are you delivering?



1 - More	71.43% (40)	2 - Less	0% (0)
3 - About the same	16.07% (9)	4 - All (100% of our training is delivered this way)	5.36% (3)
5 - Not applicable (we do traditional classroon training only)	5.36% (3)	6 - Decline to respond	1.79% (1)

Mean: 1.79

Response: 56

Finally, what is the biggest challenge you are facing in 2007?

1	Acquisition of our company:-)
2	Measurement & Learning Impact at the individual and organizational levels
3	Converting to profit center
4	Adding training on demand options to our offerings. We currently offer a number of instructor led training courses both in person as well as online. We find that clients have questions later on when they are back at their desk trying to use the product. Instead of calling our support line we would like clients to have help at their finger tips. This could be topic based self-paced e-learning, a PDF, a podcast or best practice documents. We do not have the budget to contract the work out, so we are using existing staff who may not have the experience or skills to do the work.
5	Doing more with same number of resources. Keeping up with new technology available for producing courses on-line, virtual, etc.
6	Hiring a new Training Manager.

7	Determining the best way to deliver highly technical lab-oriented training to a geographically dispersed customer and partner base
8	Sales reps are giving training away for free without including training director in the sales process. Another challenge is hiring people for instructor and course writer positions
9	Establishing the training function Rapid release of new product versions
10	Keeping up with the growth rate. Our Trainers only train on our software and it's very rare to find a new Trainer who has the experience with our product. It takes about 3 months to prepare a new person to train on our software, because of its complexity.
11	Partnering for growth in APAC
12	We are facing the challenges of regionalized public training offerings and scaling enough resources through certification to deliver it.
13	Managing expectations, and delivering to them, with eLearning solutions.
14	Corporate challenges -- implementing new management strategies with new executive team. Training group -- ongoing challenge of growing, improving, while limiting head count growth.
15	keeping training materials current with product revisions including online courses assisting with employee product training without compromising customer training
16	Meeting revenue growth goals
17	Our biggest challenge is in keeping up with the demand for "custom" end user training. We do a great job of training coverage for project teams who develop applications with our products, but reaching the true end user or consumer of those applications with the right training can be a challenge. We are working on several new solutions to address this challenge. By reaching more of the end user community, we hope to help accelerate adoption of our products/applications through our customers organization.
18	Doing more with less
19	Finding / Hiring qualified staff
20	Keeping up with the rate of growth. This includes maintaining course revisions, hiring highly skilled developers/instructor and expansion of the curriculum.
21	Finding a cost effective means to meet the training needs of our OEM/ISV partners
22	Keeping courseware up-to-date with product revisions
23	Launching our first company-wide customer-facing LMS, which will link to various existing systems.
24	My two biggest challenges: - My headcount is not growing to meet the demands of my organization. - We NEED to supplement our classroom training with online classes. Finding the right tools and development plan is a challenge.
25	Resources - headcount to be flat, yet we are seeing increased business.
26	Developing our Asian-Pacific business as we open new offices in this region.
27	Managing the changes to the organization. Our Education Services organization has been moved under our support organization and has become more de-centralized. Delivery resources, course development, operations/logistics, and marketing have all been moved to different parts of the support organization with different managers responsible for different parts. It will be difficult for different managers with different goals and agendas to work together towards a common revenue/margin/customer satisfaction goal set for the training business.
28	In most of 2006 we were a small (800 people) company - MRO Software, and my small team provided implementation training. In last 6 months we have been transitioning into IBM - a huge change with new challenges and obstacles. In 2007 we are tooling MORE people in MORE countries on NEW version of COMPLEX product.
29	NA
30	Keeping the technical experts. Seems to be a time of transition...
31	Obtaining additional classroom space.
32	getting more bums in seats ... which means improving Sales training activities primarily, but also redefining partner relationships and educating potential customers on how effective training would be in improving their projects ... perhaps ROI but unmeasurable.
33	Meeting demand and managing 100% growth.
34	Course content
35	Lack of respect from senior management regarding training's value to the company.
36	Progress is moving from a training delivery model that included ILT, CBT, TBT, WBT, eLearning Catalog (bulk sale of all eLearning titles) to a new model that will include only ILT and the eLearning Catalog. We hope to de-emphasize ILT, reserving it for onsites to a great extent, and make the eLearning Catalog (over 50 titles, most comprising 3 or more days of training) our primary training delivery model. We launch in April, facing all of our customers with a newly organized eLearning Catalog and a new LMS (EKP of NetDimensions). There is much at stake with this bold initiative. Wish us luck.
37	Meeting expectations from the company to continue to grow revenue and deliver margin.
38	Increasing training efficiency and effectively delivering training online.
39	The biggest challenge is still filling Learning Center classrooms to at least 75% capacity. Online instructor facilitated training has helped to bring a class to an acceptable enrollment. The challenge from a curriculum development perspective has always been to gain access to SME's to assist in the development of the more advanced training programs.
40	Keeping up with very rapid growth, both in terms of scaling the infrastructure to support it and also adding headcount in a timely enought fashion to be able to train and ramp staff to meet requirements.
41	We just merged with another company and are faced with creating a new education group within the new organization.
42	Delivering effective low-cost training to small businesses and emerging market countries.
43	Double digit growth with close to flat YOY costs.

44	We are a startup, so growing to meet the demands of our customers, partners and employees while having limited resources.
45	expanding internationally.
46	Acquistiion of another company - and the integration of both training organizations Increase in products - more to train on
47	Increasing delivery cost due to complex software requiring additional hardware.
48	Scaling headcount with revenue growth and making the business case to invest in customer education.
49	Pre and Post training mentoring requirments, adherance to completion of requirements, work environmnet post training allowing for application of knowledge and reinforcement.
50	Matching growth to resource requirements (hiring people in time, ramping people in time, justifying headcount growth)
51	Marketing - We have a very high margin expectation from the traditional P&L and we do not have a dedicated marketing person. Our Corporate Marketing organization tends to put education as a low priority when compared to license deals. Sales and marketing is key and we have the sales engine very strong.
52	Acquistion
53	Changing the mindset of our Sales force: FROM: "If the customer asks about training we say they can have it for free and then call the Training department to schedule it." TO: "At the beginning of new customer engagments we call our Training department to help us but together a Corporate Agreement which includes selling training credits to ensure the customer can access the training they need to be successful."
54	Internal organizational issues.
55	Integrating the two companies - figuring out exactly what our charter is, and getting processes in place so that we can see the results in the new comany