Improve your IT Education Business by Leveraging Best Practices in our industry

Dirk Braune (Alcatel-Lucent) and Milind Gurjar (Cisco)

A Few Housekeeping Items

- All participants are on mute to secure an undisturbed experience
- If you have any questions or something to share, feel free to…
  - Ask your question directly via chat and we´ll address it in the Q&A session towards the end
  - We will open the phone lines during the Q+A session at the end so you can ask your question.

What is available at www.Cedma.org:

- Webcast Recording, slides and FAQ
- Join CEdMA to access surveys discussed

CEdMA
the computer education management association

What is CEdMA?

- An active community for managers of training organizations in high technology companies that provide education programs in support of their products and services.

- A resource for
  - Accessing industry trends and benchmarking data
  - Networking with other education professionals
  - Increasing knowledge and productivity by learning from others

- How do I find out more?
  - www.cedma.org
  - membership@cedma.org

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Quickly About Milind and Dirk

Milind Gurjar (GM for Cisco's Learning Services' business)

Current role:

- Leads training for Cisco customers, partners and Cisco's Technical Support organization
- Manages delivery of training and certification preparation services for Individuals

- **Prior to joining Cisco:**
  - Long career with a leading IT Training and IT Outsourcing Company: two decades in various roles that included SVP and GM of a business unit with more than 500 employees; VP of Learning Services for delivering IT training to Global 2000 corporations; and Director of Education Operations overseeing 1100 franchised education centers delivering training to more than 250,000 students in 17 countries.

Dirk Braune (Director of Strategy and Portfolio, Alcatel-Lucent University)

- **Current role:**
  - In charge of learning strategy, offerings and pricing of Alcatel-Lucent University and all customized deliveries

- **Prior to joining Alcatel-Lucent University**
  - As Vice President managed all development, delivery and operations for Alcatel-Lucent Enterprise
  - Managed, as Vice President Genesys University, the overall customer, partner and employee training for Genesys
  - Many years as instructor, project manager and education manager
  - CEdMA member since 2003, CEdMA Board member since 2009

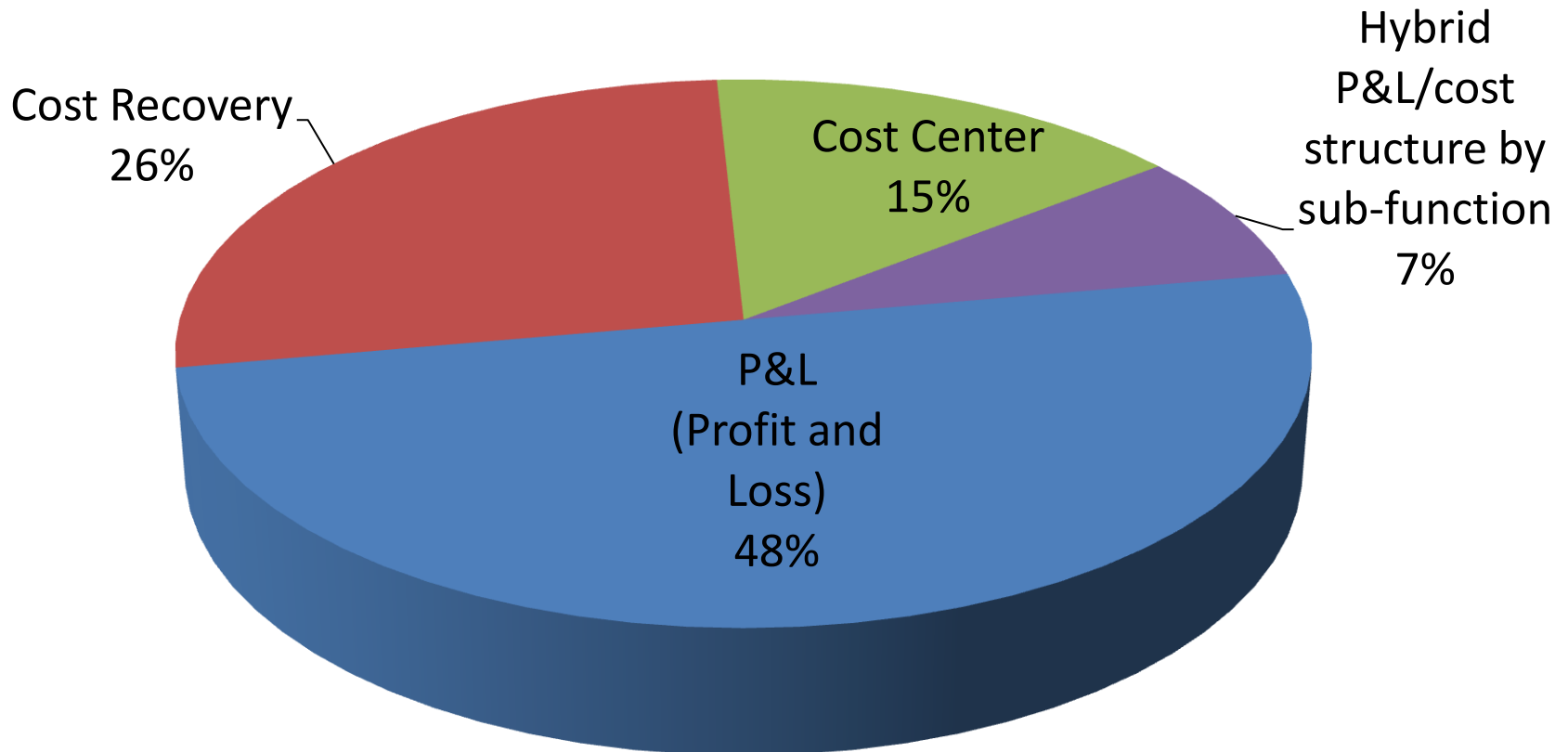**CEdMA**
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Agenda

- Business models for IT education businesses and the best strategy for implementing your business model.

- Which key factors impact revenue and margin growth?

- How do you measure efficient training operations?

- How does your pricing compare to industry averages in different countries/regions?

- What are the IT training trends over the last six quarters?

IT Training Business Models

Cost Recovery 26%

Cost Center 15%

Hybrid P&L/cost structure by sub-function 7%

P&L (Profit and Loss) 48%

Results of CEdMA Business Survey 2013/2014
(2011 Data: P&L 67%, Cost recovery 8%, Cost Center 15%, depends 10%)

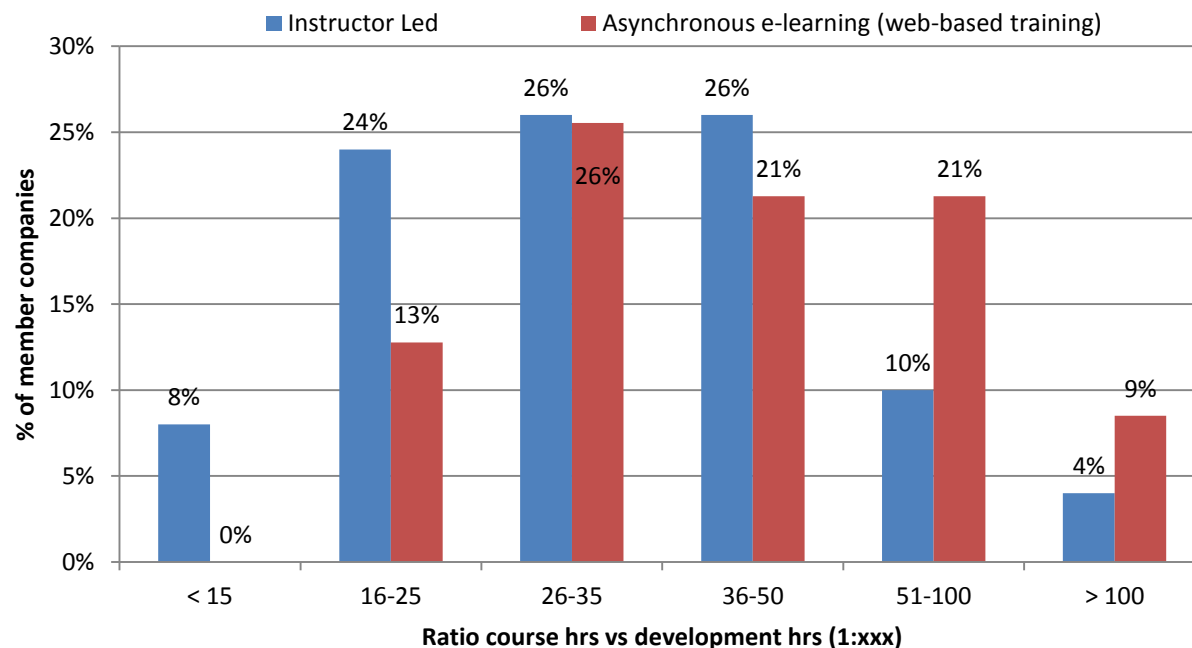# Strategy to Implement Business Model: Objectives & Incentives of P&L Education Teams

Education Revenue vs Company Revenue in %	Objectives of P&L Education Team		Incentive Plan of P&L Education Team	
(higher % = more financially successful)	Revenue/ Margin	Enablement	Revenue/ Margin	Enablement
0-3%	50%	50%	77%	23%
>3%	61%	39%	90%	10%

Key Factors to Drive Revenue and Margin

Factor	Revenue	Margin
More products covered by training	⬆	⬇
Early involvement in product life cycle	⬆	⬆
Schedule mixed employee, partner, customer courses	⬆	⬆
Higher # of certified individuals	⬆	⬆
Provide training to employees and to sales/presales audiences of customers/partners	⬇	⬇

Example to Measure Efficient Training Operations: Development time

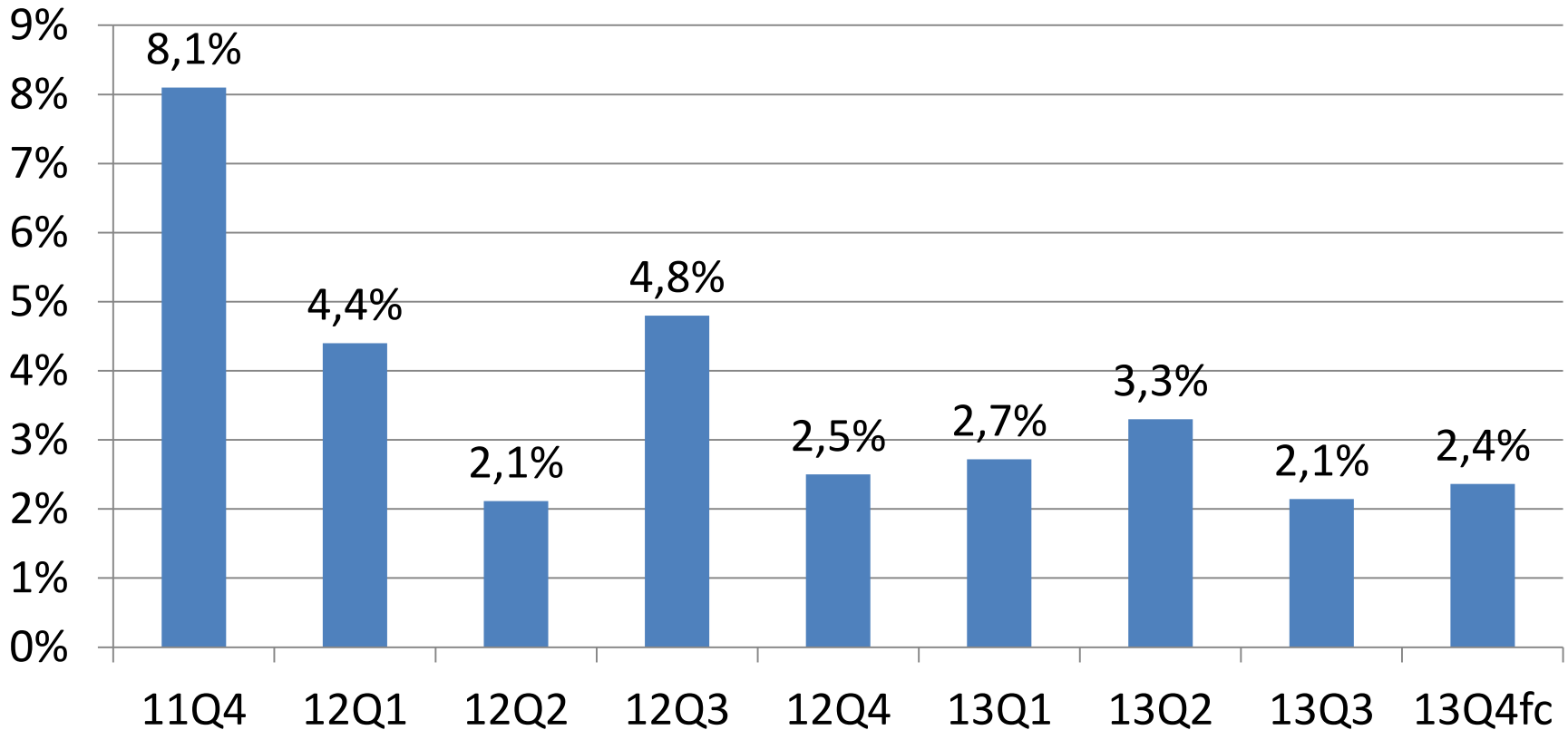**Development time required in person hours for each hour of new class**

Results of CEdMA Business Survey

List and Net Prices for Open Classroom Training per Student Day

Bar chart comparing List Price and Average Realized Price after discounts:

Region	List Price	Average Realized Price after discounts
US/Canada	$741	$677
Brazil	$654	$524
Germany	$780	$714
Southern Europe	$748	$669
Middle East	$753	$673
India	$522	$407
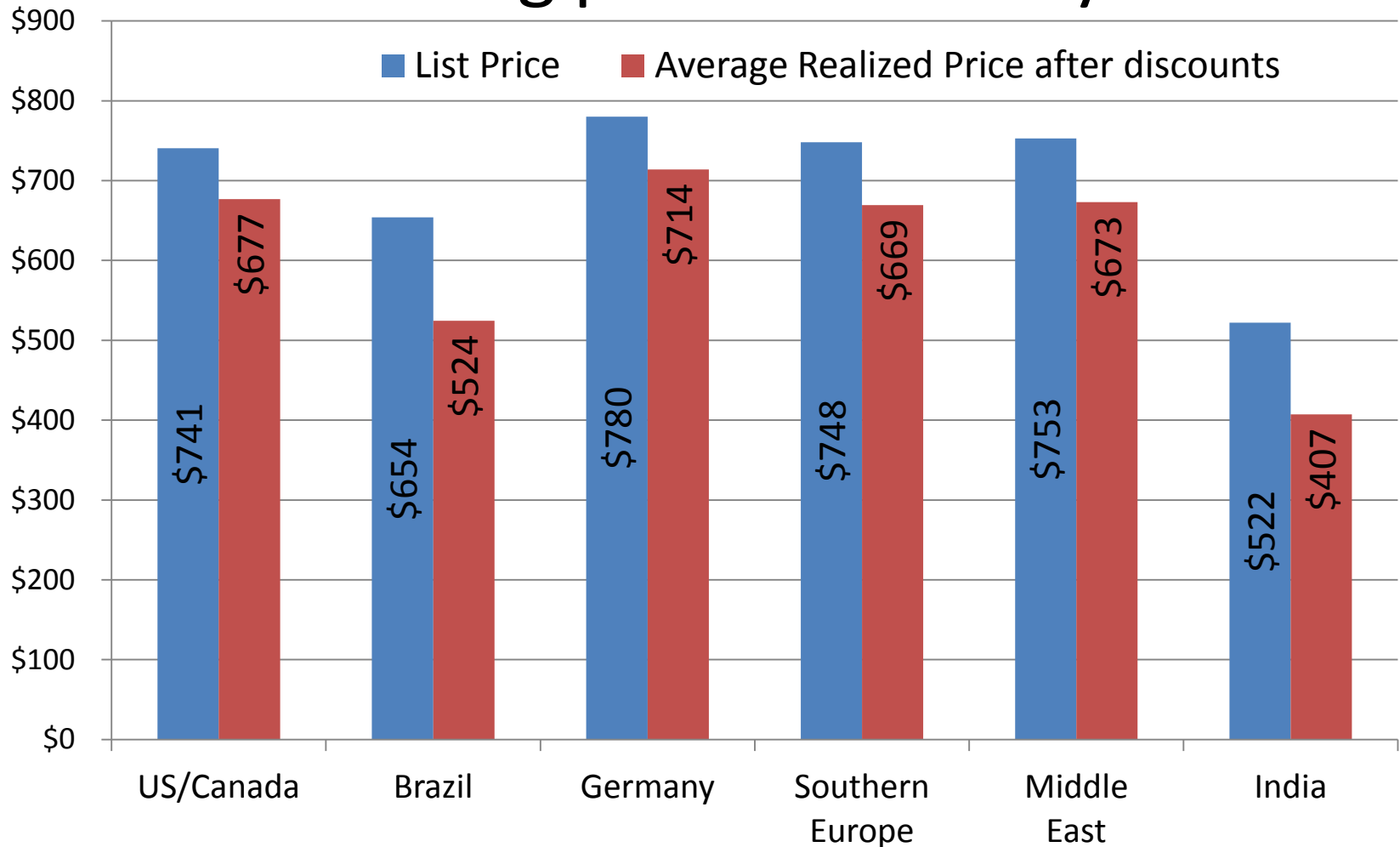
Example IT training trends over the last six quarters: IT Training Revenue
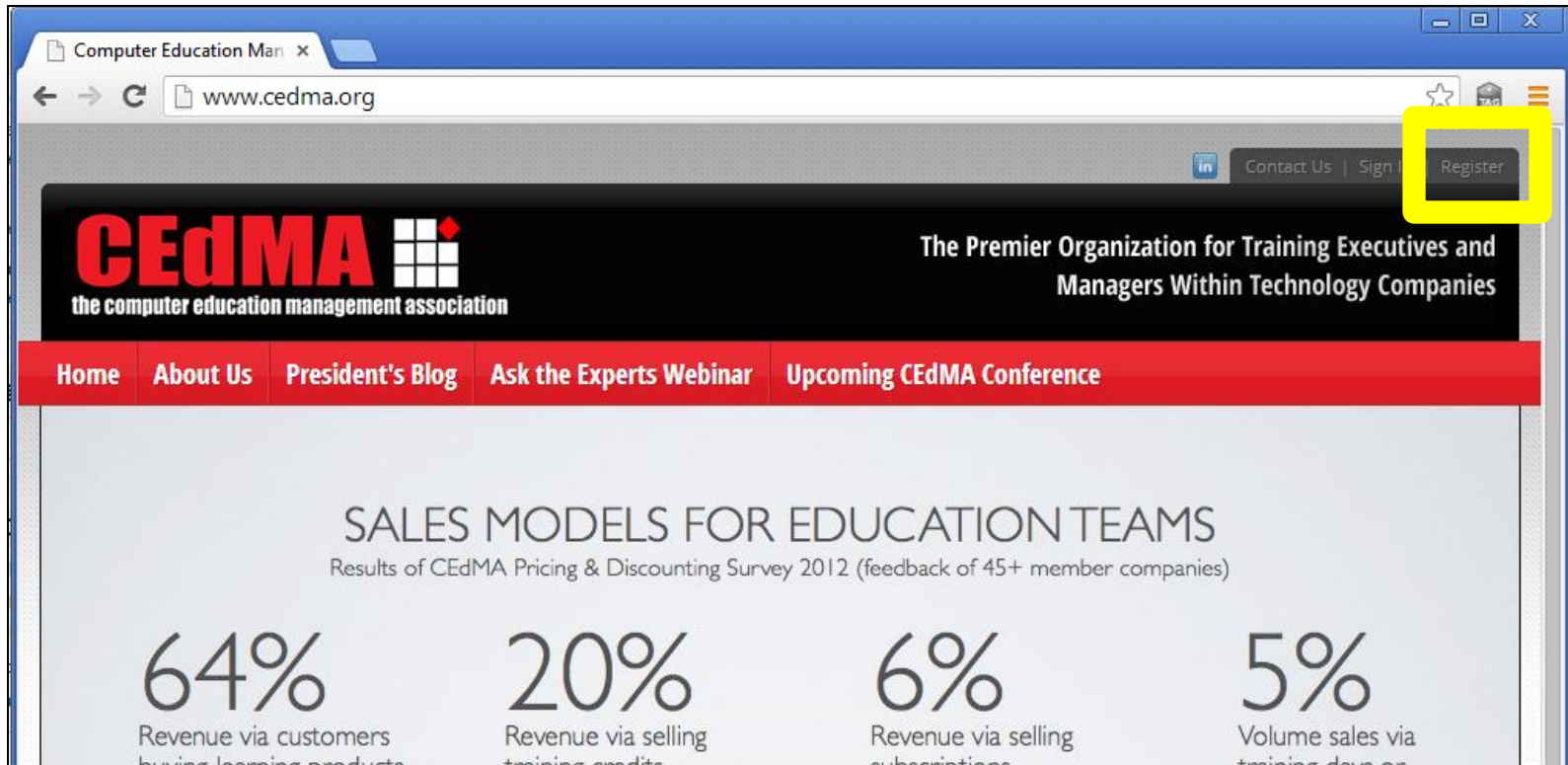
Major Best Practices

- Chose business model depending on how training can add value in your company and make sure you have aligned objectives

- More customer/partner, fewer employees and highly utilized courses drive revenue & margin

- Development ratios for ILT of 20-40 and eLearning of 30-50 are realistic

- Pricing follows the local markets (e.g. salaries) except you have limited competition

- The market is still growing, but slowing down

How to Join - www.cedma.org

Spring Conference – April 8+9 – San Jose, CA
You don't have to be a member to attend! Come and give us a try!

Questions

Contacts

- **Milind Gurjar migurjar@cisco.com**

- **Dirk Braune dirk.braune@alcatel-lucent.com**

- **Liz Burns lburns@juniper.net**

- **Questions about membership?**

  Dick Laforge, Membership Trustee

  membership@cedma.org

More Information about CEdMA

- **What is CEdMA?** The Computer Education Management Association is a non profit organization, founded 1991, to exchange training best practices for training managers and executives within hardware and software companies.

- **Members**: Over 250 members representing 80+ technology companies.

- **Who should join CEdMA?** Training Executives & Managers

- **What does CEdMA provide?**
  - Bi-annual conferences
  - Regular virtual Special Interest Group meetings
  - A social/collaborative web site
  - Networking opportunities
  - Current training business data, metrics, benchmarks, and trends and analysis tools
  - Monthly Newsletters
  - Ask the Members – reach out to our entire membership to get advice
  - Goldmine – A searchable archive of all of our most popular assets
  - Job board – a members-only resource for sharing job opportunities

- **How do I join CEdMA?**
  - If you are an education management professional for a software or hardware manufacturer that delivers training on your products, you are welcome to join our association.
  - Go to www.cedma.org and click the Register link to start the process.