MARKET OPPORTUNITIES

IN THE NON-IT TRAINING MARKET

EUROPE 1992-1997

INPUT

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MARKET OPPORTUNITIES IN THE NON-IT TRAINING MARKET IN EUROPE

1992-1997

For

IBM

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INPUT exercises its best efforts in preparation of the information provided in this report and believes the information contained herein to be accurate. However, INPUT shall have no liability for any loss or expense that may result from incompleteness or inaccuracy of the information provided.

YETSI • 600 • 1992

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I
Introduction

A
Objective

The overall objective of the study conducted for IBM Europe (IBM) is to assess the opportunities in the total training market for Europe, ie. for all types of training services, not just those related to IT. INPUT defines training as job-related skill acquisition which occurs outside the traditional educational curriculum. It is distinguished from education which is vocational in nature and is usually related to a curriculum which covers at least one academic year. The study is targeted at defining the size and expected growth rate of this market, analysed by significant sub-sectors and individual countries. The most important sub-sectors for analysis at this overview stage are:

- Industry group, ie. Government (Central and Local), Manufacturing and Services,

- Size of organisation, ie. Large, Medium, Small. (For the purposes of this study, only Large (more than 5,000 employees) and Medium (500 to 5,000 employees) companies will be researched).

B

Scope

Two principal parameters define the scope of the study:

- Subject matter for training
- Geography.

For this study the subject matter is defined as follows:

- The potential target market for training services is the *end-users* within government, commercial and financial organisations. End users employed by these organisations, are defined to include the following: executives, managers, sales staff, specialist professional staff, office, administrative, production and customer services staffs

- All these end-users have requirements for training in areas defined as being beyond IT, or non-IT specific. These training services are defined to be split into a number of segments, depending on the domain covered in the subject matter. At this stage INPUT is using the following domains:

  - Business Transformation
  - Management Development
  - Personal Development
  - Quality Management skills
  - Functional/Professional skills/qualifications
  - Vocational Training
  - IT Training
  - Company-specific skills (programmes, projects, procedures, etc.).

It was envisaged that this segmentation could change as a result of the study findings. In fact, what has happened has been that INPUT has refined its understanding of the categories used, to the extent that we can now appreciate the ways in which the various types of courses could be classified in different ways.

Business Transformation as a domain has only been used in cases where training has been identified by a user as an element of one or more major projects, which were planned as part of a strategy to transform or re-engineer major business processes.

The geographic scope of the study would be limited to the following European countries:

Major:

- Germany
- France
- Italy
- The United Kingdom

Other:

- Spain
- Switzerland
- Nordic region (particularly Denmark)
- Belgium
- Netherlands.

C

Methodology

The primary aim of the research process used in this project is to obtain demand-oriented data concerning the total training market in Europe and the opportunities for the non-IT related portions of the training services market. Consequently the principal focus of the research was on user interviews designed to determine user expenditure patterns, and to elicit key indicators and insights regarding their perceived and real demands for current and future training services.

The research project commenced with the preparation of a questionnaire designed to meet these requirements. This questionnaire was based upon the discussions held at IBM's La Hulpe offices on 15th July 1992 between MM Bernard Donnay and Alain Monot of IBM and Mr. M. Longy of INPUT. It was refined during the early part of the project in August by discussions which also involved IBM's market research professional staff. The main areas covered by the user questionnaire, a copy of which appears in Appendix E, are:

- Market sizing by expenditure group, including:

  - In-house costs (training staff, facilities/overheads)
  - External spend (seminars/conferences, courses--standard and customised, off-the-shelf materials, customised materials, equipment)

- Market sizing by domain (for domains see under Scope)

- Trends in services delivery, particularly:

  - Computer-assisted techniques (CBT, distance learning and other uses of multi-media products)
  - Use of methodologies, facilities and tools
  - Development of a training philosophy
  - Buying patterns and vendor selection criteria and processes.
  - Responsibility for training.

INPUT recommended that at least 50% of the 50 interviews should be conducted on a face-to-face basis and the remainder by telephone. Clearly it is less costly to conduct telephone interviews than to conduct face-to-face interviews, but a more detailed discussion and exploration of important issues could be accommodated in a face to face situation in order to extrapolate from the sample to the complete European picture. In fact, 31 interviews were conducted on-site and 19 by telephone.

INPUT commenced the field research in the middle of August 1992 and conducted 50 interviews across Europe with the help of six locally based or native speaking consultant interviewers; 10 interviews in each of the designated major countries, and another 10 spread across the other countries. The interviews were conducted by the consultant-level staff in the language of choice of the respondent, which was normally his/her mother tongue. Interviewers were allocated between four and thirteen interviews each depending upon their location and language ability. Due to the period coinciding with the summer vacation months, the interviewing was not completed until the last week in September--the tenth and final interview in Italy was received at INPUT on 25th September 1992.

The matrix for the target interview quota, tabulated by country, industry group and size, is shown at Exhibit I-1. The actual set of interviews obtained, again shown by country, industry group and size, is given at Exhibit I-2.

EXHIBIT I-1

Target Interview Quota

Industry Group	Size	Country									
		Major				Minor					
		D	F	I	GB	E	CH	DK	B	NL	ALL
Government	Large (Central)	1	1	1	1	-	-	-	-	1	5
	Medium (Local)	1	1	1	1	-	-	1	-	-	5
Manufacturing	Large	2	2	2	2	1	-	-	1	-	10
	Medium	2	2	2	2	1	1	-	-	-	10
Services	Large	2	2	2	2	1	1	1	-	-	11
	Medium	2	2	2	2	1	-	-	-	-	9
All	Large	5	5	5	5	2	1	1	1	1	26
	Medium	5	5	5	5	2	1	1	-	-	24

EXHIBIT I-2

Actual Interviews Obtained

Industry Group	Size	Country									
		Major				Minor					
		D	F	I	GB	E	CH	DK	B	NL	ALL
Government	Large (Central)	2	1	-	1	-	-	-	-	-	4
	Medium (Local)	-	-	-	1	-	-	-	-	-	1
Manufacturing	Large	4	2	1	2	1	-	-	-	-	10
	Medium	-	2	1	3	1	1	1	1	-	10
Services	Large	2	3	4	2	2	1	-	-	-	14
	Medium	2	2	4	1	-	-	1	-	1	11
All	Large	8	6	5	5	3	1	-	-	-	28
	Medium	2	4	5	5	1	1	2	1	1	22
	On Site	9	3	5	9	-	2	2	-	1	31
	Telephone	1	7	5	1	4	-	-	1	-	19

In addition to the field research, desk research was conducted in order to access the available literature on training markets, and to obtain any necessary demographic, economic or business statistics to enable us to prepare valid market forecasts. INPUT's own existing research results in the field of IT-related education and training services were used to cover that portion of the market and in order to develop as accurate a picture as possible of the available opportunities.

Upon completion of the field and desk research activities, INPUT has analysed the data in specific ways in order to prepare this written report.

D

Report Structure

This report contains the market analysis and forecasts by expenditure group and by domain. It also provides the written supporting argument together with our conclusions and recommendations. Wherever possible user comments have been included in the report.

The report structure is as follows:

- Chapter I, the Introduction, outlines the terms of reference and conduct of the study
- Chapter II, the Executive Overview, contains the principal findings, conclusions and recommendations
- Chapter III describes the User Research undertaken and gives a description of the information gathered, the ways in which it was analysed and how the market sizing and forecasting was derived
- Appendix A contains the set of definitions for Training Domains, which were agreed with IBM
- Appendix B contains INPUT's standard set of Economic Assumptions, which are applicable to all studies where forward forecasts are given
- Appendix C describes the method used in this study to estimate the size of the overall expenditure of users on trainees' salaries. Although it does not form part of the potential market, this is an important element of the total user expenditure on training.

- Appendix D contains the synopses of the 50 user interviews. It is structured as a set of tabulations of the key aspects of each interview.

- Appendix E contains a copy of the English language version of the user questionnaire.

A copy set of all 50 user questionnaires is also part of the output delivered to the client from this study. They are provided under separate cover as an Annexe to this report.

II
Executive Overview

A
Total Training Market in Europe

1. Market Size and Growth

The total market for Training in Europe comprises:

- Training Services provided by external training suppliers
- Training Products supplied by external suppliers
- Travel & Accommodation Costs for training courses
- In-House Expenditure on trainers' salaries and overheads such as building facilities.

In addition there is a very significant component of user expenditure associated with the proportions of the trainees' salaries which can be allocated to the time they spend on training courses, whether conducted on a vendor's premises or in an in-house training facility. This component of expenditure is not counted as part of the potential market, because it cannot be converted from being an In-House cost to being a cost incurred with an External supplier.

INPUT has been able to quantify this overall market for 1991 and 1992, and to forecast its growth through to 1997, in a number of different segmentations:

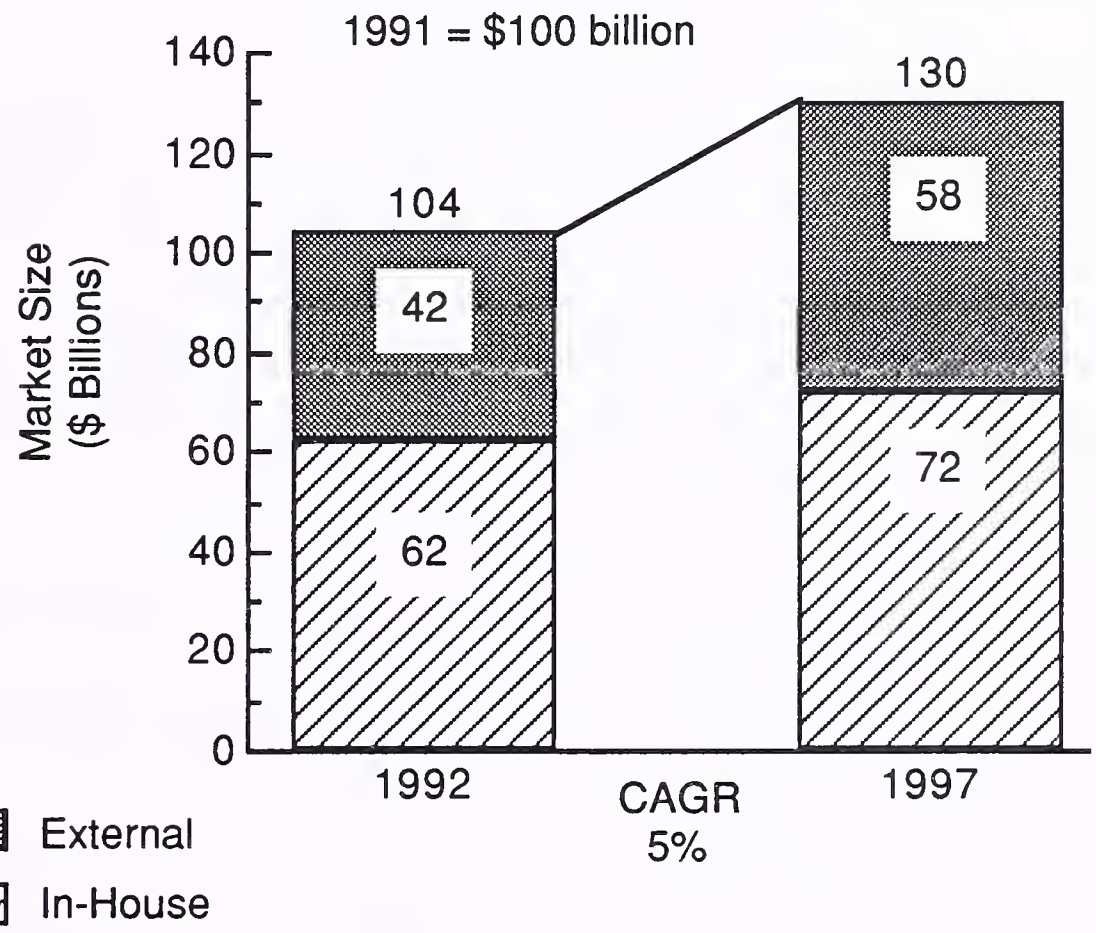
- By Product Group
- By Country
- By Training Domain.

INPUT has also segmented the market by size of organisation but has not been able to extend this sizing operation into a market forecast.

Exhibit II-1 summarises the size and growth of this multi-billion dollar potential market in column chart form, showing the major split between the External and the In-House sectors. When first measured in 1991 terms it was a $100 billion market. It grew by 4% to reach $104 billion in 1992, in spite of recessionary pressures felt in certain countries, particularly the United Kingdom and the Nordic countries. As recession gathers pace in the important German and other economies, the overall market is expected to fall to $100 billion in 1993. It is then forecast to start rising again as certain countries (notably the U.K. and France) start to exit from recession in 1994, and to continue this expansion until it reaches $130 billion in 1997. Over a 5-year period this growth is equivalent to a compound annual growth rate (CAGR) of 5%.

EXHIBIT II-1

Training Market in Europe, 1992-1997



2. Market Components

The next level of detail to which INPUT has gone in analysing this very large and diffuse market is illustrated in Exhibit II-2. Here the overall market is segmented into five components, three of which are counted as parts of the External or open market, the remaining two being counted as parts of the In-House or closed market:

- External Services covers three types of training service, all of them having the common characteristic that trainees attend courses and other events at which instruction is given or information imparted by lectures or other audio-visual (A-V) means including the use of computer workshops to practice the skills and knowledge gained,

- External Products covers a number of different types of product ranging from the 'soft' (software, courseware or books) to the 'hard' (equipment such as A-V aids, personal computers or complete CBT systems),

- Travel & Accommodation means the costs incurred with external organisations, normally in the transportation and hotel businesses, which are responsible for transporting trainees to and from their courses or other training events, and for housing and feeding them while they are away from their workplaces;

- Trainers' Salaries is the first of the two In-House components. This segment is taken to include the proportion of managers' salaries equivalent to the time they devote to the planning and implementation of training courses for their individual staffs, as well as the salaries of professional trainers and training department managers, employed as part of the personnel establishments of each organisation. These salaries are put in at their full overheaded rates,

- Overheads and Facilities is the second In-House component. This segment covers all buildings and specialised areas of buildings dedicated purely to the training function, such as central Training Schools or Lecture Theatres. It is also defined to cover any equipment or items of a capital nature not covered in the other segments.

The bar chart in Exhibit II-2 indicates the size and compound annual growth rate for each of the five segments:

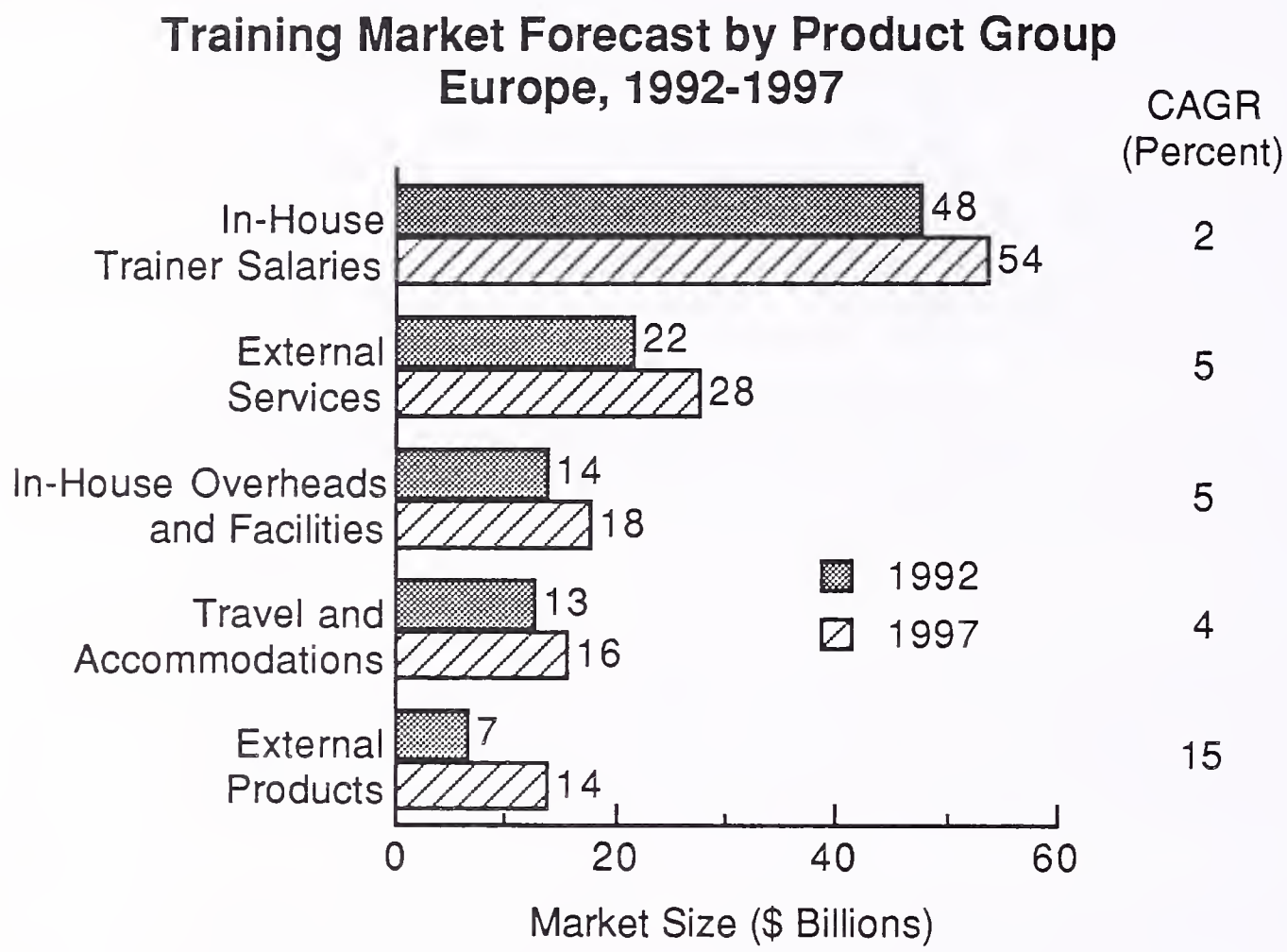
- The In-House components are together greater than the External market sectors, though not growing quite as fast. The ratio of the two is roughly 3:2

- Trainers' Salaries is the largest single segment, although it has the slowest growth rate

- External Services is the second largest with a near average growth rate

- External Products currently the smallest segment is scheduled to grow from this smaller base at the fastest rate of any of the five segments.

EXHIBIT II-2



Note: Market values are rounded causing CAGR values on occasion to appear inaccurate.

3. Non-IT Training Market Compared to the IT Training Sector

In this report the IT training sector has been measured as part of the overall Training Market and allocated a separate Domain to allow it to be shown separately. The Non-IT training market-place (which is defined to cover all the other Domains) has a different feel to it compared to the IT sector, the sector which IBM knows well and in which IBM has been principally active up to now. This difference stems from the fact that there are a different set of characteristics which predominate in each market. Although IBM has some experience already in certain of the Non-IT sectors, notably Management Development and Quality Management training, particularly through its work at European level in the La Hulpe Training Centre, it is worth highlighting the differences which will affect how services and products might be marketed in other Non-IT sectors:

- Whereas the overall market contains a number of domain segments, each with its own characteristics and key aspects--business management, technical knowledge, personal psychology, product features and functions--the IT sector is very largely orientated towards the training of users in the use of particular products, sometimes a hardware product, sometimes a software product. This means that the structure of the training is more readily definable, following as it needs to the structure and features of the products being taught

- Whereas the IT training market is serviced in the main by external providers, the Non-IT sectors have a longer tradition of carrying out training in-house. This dominance of the in-house segment is reflected in the fact that the largest domain of any is the Company-specific training sector

- Formal training management systems as understood by IBM--incorporating a computer-based Skills Inventory, a Career Development methodology, and a systematic Training Evaluation technique--are offshoots of the IT industry. In the general training field, INPUT found through this study that the majority of users are content with an informal management system for their training activities, one tied quite often to the structure of the personnel function. In several cases users were even sceptical of the advantages of a more formal approach

- The IT sector is a leader in the application to training of the new multi-media technologies. As evidenced by the current study, the general training field is, with some major exceptions, still suspicious of the benefits of these new technologies, from the standpoints of both cost and effectiveness

- Although the IT training sector is still very fragmented (there are estimated to be at least 1,000 suppliers operating in Europe) some important companies are starting to emerge as market leaders from among the ranks of both the independents and the equipment vendors. By contrast, no strong market leaders were encountered during the present study of the Non-IT sectors, and INPUT estimates that in the order of 10,000 vendors are active across the whole market-place.

Exhibit II-3 summarises the key differences between the worlds of the IT and the Non-IT sectors.

EXHIBIT II-3

Characteristics of Non-IT vs. IT Sectors

IT	Non-IT
· Product-based	· Multi-domain (business, personal, product, etc.)
· Largely external	· Majority in-house
· Formal management systems available	· Management informal
· Technology leader	· Suspicious of technology
· Some market leaders emerging	· Still highly fragmented

B

Training Markets in the Major Countries

The Training Markets in the larger countries of Europe are closely allied to the relative values of Gross Domestic Product (GDP) in each country. The largest markets are therefore found in Germany and France, with the United Kingdom, Italy and Spain following in that order. The other countries of Europe which include developed markets, e.g. the Nordic and Benelux countries and Switzerland, when taken together account for a market value which is second only to Germany in size.

The more mature and developed a market, the more likely it is to have a slower growth rate. The Training Market is no exception to this rule. Of the major countries Spain and Italy have the higher forecast rates of growth for the 1992 to 1997 period, 8% per annum CAGR and 7% respectively.

Exhibit II-4 illustrates the relative sizes and growth rates of the markets in the countries researched in the form of a standard bar chart.

EXHIBIT II-4

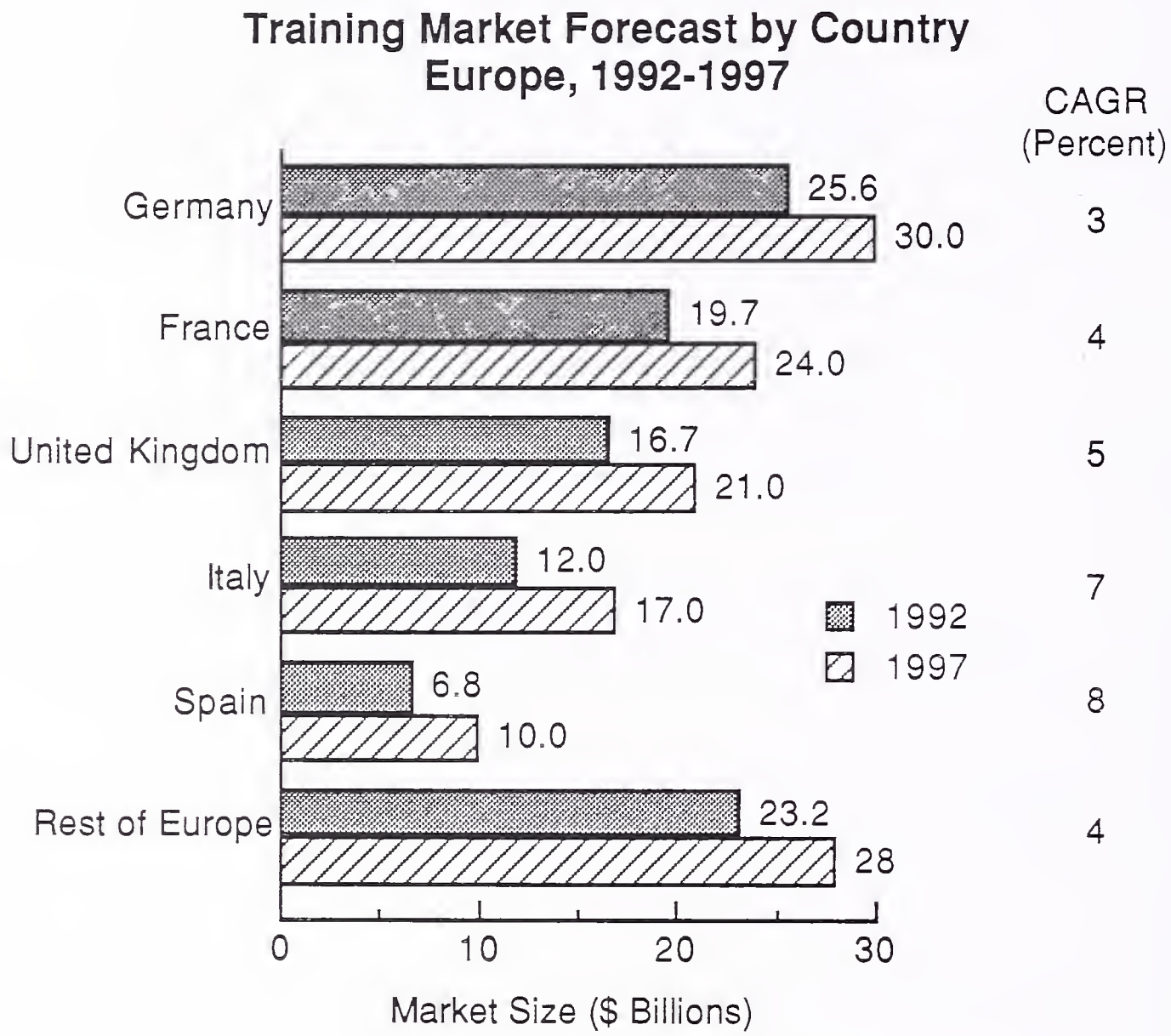

Training Market Forecast by Country
Europe, 1992-1997
CAGR
(Percent)
Germany
25.6
30.0
3
France
19.7
24.0
4
United Kingdom
16.7
21.0
5
Italy
12.0
17.0
7
Spain
6.8
10.0
8
Rest of Europe
23.2
28
4
1992
1997
0
10
20
30
Market Size ($ Billions)

Exhibit II-5 is a table showing the breakdown of the 1992 market by major country and by the size of user organisation, based on the three size groups defined in Chapter I. Large and Medium-sized organisations account for roughly the same amounts of expenditure as each other, while Small organisations spend just over half of this amount.

EXHIBIT II-5

Training Market by Country and Company Size, Europe 1992

	Market Size ($ Billions)			
Country	Large	Medium	Small	All Sizes
France	8.6	6.9	4.2	19.7
Germany	8.1	12.8	4.7	25.6
Italy	4.6	4.4	3.0	12.0
Spain	3.4	2.2	1.2	6.8
U.K.	8.6	5.9	2.2	16.7
Rest of Europe	6.9	9.3	7.0	23.2
All	40.2	41.5	22.3	104.0

Note: Large = More than 5,000 staff; Medium = Between 500 and 5,000; Small = Less than 500

C
Training Market Domains

The segmentation by training domain seeks to divide the market into a number of submarkets each of which would have its own separate set of user requirements, characteristics, trends and market leaders. The list of domains selected by IBM is derived from current market practice and is therefore more empirical than theoretical. As a set of definitions it suffers from the strengths and weaknesses of this sort of empirical approach:

- Its main strength is that it is recognised in the market-place and individual vendors see themselves as active in particular sectors and not in others

- Its main weakness is that it makes market sector measurement very difficult, because particular training services encountered in the course of research can be allocated in some cases to one or another of the sectors depending upon which criteria have priority. This has implications for forecasting.

INPUT would like to see an attempt made to work out a more theoretically rigorous segmentation by domain which could act as a basis for strategic positioning within the overall market for training products and services.

Exhibit II-6 shows the forecast of the Total Market (including the External and In-House components) for training in Europe, in its Domain dimension breakdown. Exhibit II-7 gives the equivalent breakdown and forecast for the External component of the market. Considered together the two show the ways in which the various domains are affected by the user acceptability of the external provider:

- Business Transformation has the highest growth rate in the overall market and the second highest in the External sector. It is a young sector and is starting from a relatively low base value

- Company-specific training is a sector which has hitherto been dominated by the in-house approach but will start to move towards the use of external suppliers, as the outsourcing of highly customised and even specialised training starts to grow in popularity. Again starting from a low base, it will nevertheless enjoy the highest growth rate in the external sector

- Management Development training will also experience a trend towards the use of external suppliers, so that with the third highest growth rate in the external sector, its component in the external market will grow over the five-year period from a 33% to a 45% share

- IT, Quality Management and Vocational training will also all experience double-digit growth rates of their external components over the period, each under the pressure of different driving forces.

EXHIBIT II-6

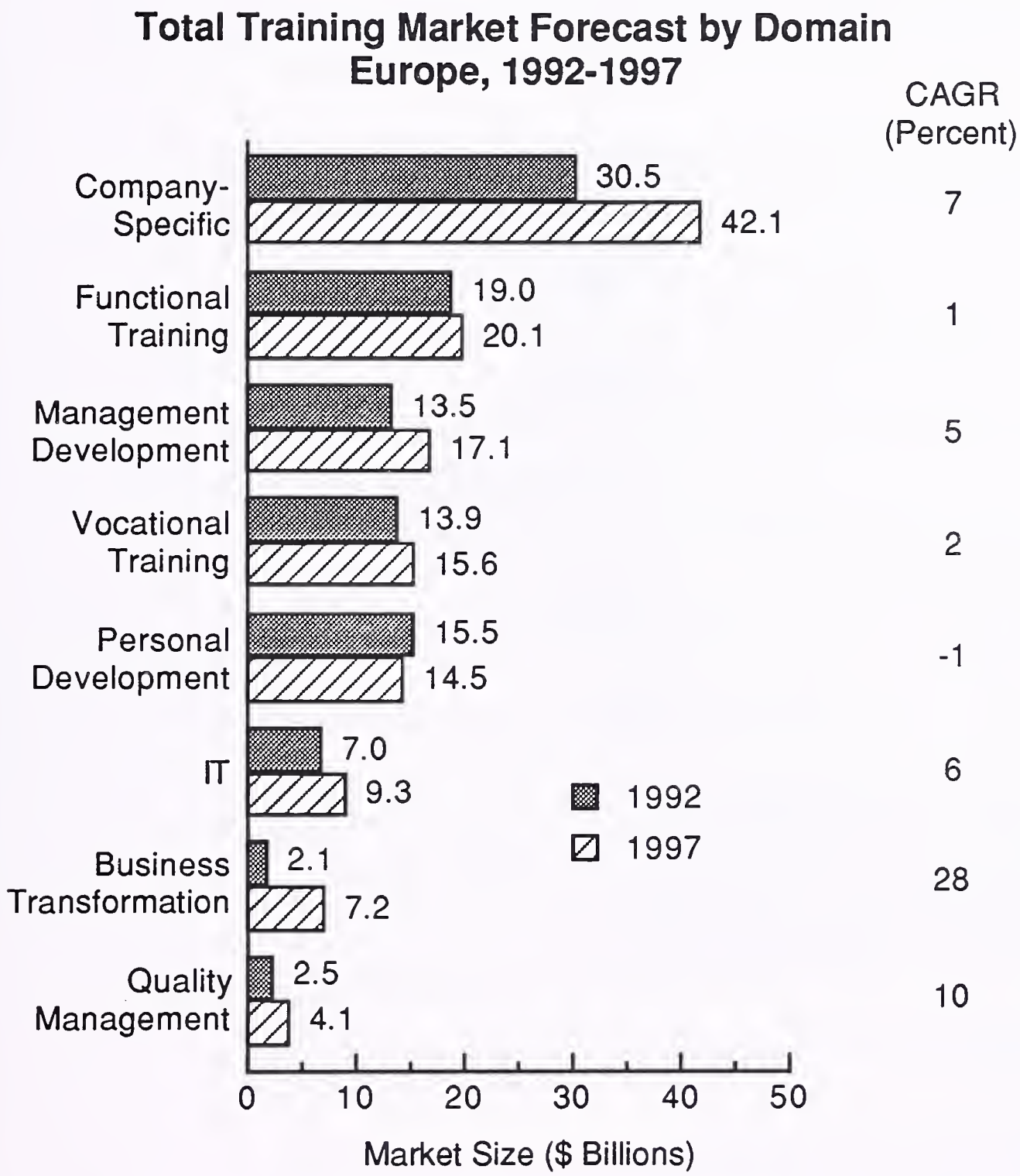
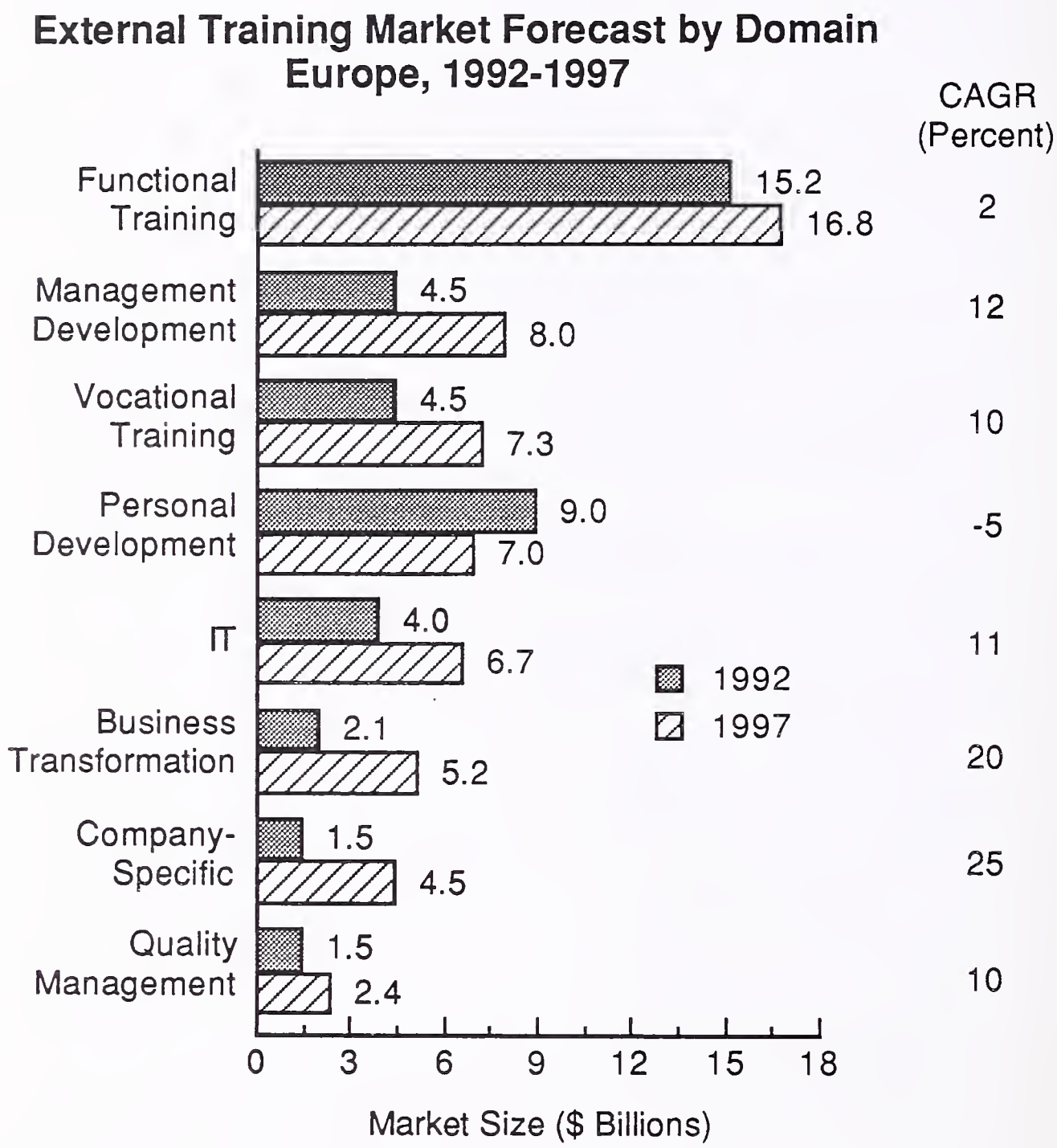

Total Training Market Forecast by Domain
Europe, 1992-1997
CAGR
(Percent)
Company-Specific
30.5
42.1
7
Functional Training
19.0
20.1
1
Management Development
13.5
17.1
5
Vocational Training
13.9
15.6
2
Personal Development
15.5
14.5
-1
IT
7.0
9.3
6
Business Transformation
2.1
7.2
28
Quality Management
2.5
4.1
10
1992
1997
0
10
20
30
40
50
Market Size ($ Billions)

EXHIBIT II-7


External Training Market Forecast by Domain
Europe, 1992-1997
CAGR
(Percent)
Functional Training
15.2
16.8
2
Management Development
4.5
8.0
12
Vocational Training
4.5
7.3
10
Personal Development
9.0
7.0
-5
IT
4.0
6.7
11
Business Transformation
2.1
5.2
20
Company-Specific
1.5
4.5
25
Quality Management
1.5
2.4
10
1992
1997
0
3
6
9
12
15
18
Market Size ($ Billions)

D

Findings of the User Research

INPUT has undertaken an initial analysis of the 50 in-depth user interviews which were obtained during the late summer of 1992. The aims of this analysis were twofold:

- Firstly to examine the qualitative information provided by these interviews in the broadest possible way, and at the same time to extract the key factors comprising the market trends and issues as perceived by our research sample

- Secondly to extract the important quantitative information on which to base our market sizing and forecasting operations.

Highlights of the findings of the qualitative analysis include the following:

- Although the task of specifying training programmes falls to a wide range of departmental and divisional managers, it is the role principally of central training and personnel functions to select external providers of products and services

- Most training is national in scope

- Management of training activities is undertaken in conjunction with the standard annual review of personnel, although there is a long-term trend for training to become less orientated towards the improvement of the individual and more towards the improvement of the business team. Hitherto this had been characteristic only of the Management Development training sector

- The vendor community is large and consists of many thousands of small providers

- Selection of vendors is undertaken with quality (both of trainer and training product) a more important criterion than cost

- Professional company training managers and trainers are in the main dissatisfied with the performance to date of computer-based training (CBT) and other new technologies, citing both cost and quality as reasons for preferring the traditional 'warm body' approach

- There is a strong current trend to want to pull more training in-house, although there are some significant instances of organisations which will buck this trend, preferring to outsource their training in its entirety. INPUT believes that a more selective purchasing climate will set in and that this will be complemented by the need to purchase new technology products to support the in-house efforts. To profit from this strategic trend in the Training market, IBM will need to approach the market with a balanced catalogue of training products and services.

E

Recommendations

The current project has found the total training market in Europe to measure around $100 billion, of which over $40 billion relates to expenditure with external providers of products and services. Inevitably in a market of this size there are many opportunities for a vendor determined to succeed. However such a market possesses many different sectors each with different characteristics and critical success factors, and each populated by different vendors. In the current study, relying as it does mainly on the evidence of 50 user interviews to discover something about all the various market conditions and trends, it is not possible to do more than size the overall opportunity. The next stage of investigation must take as its objectives the tasks associated with decisions about market entry.

INPUT is therefore making three recommendations for further work leading up to the major decisions for:

- Assessing priorities between sectors based on solid information about the different factors required to succeed in each

- Selecting sectors for market entry based on their satisfying IBM's business criteria for entry.

INPUT's three recommendations are:

- Undertake further analysis of the existing 50 interviews in order to obtain as full a picture as possible of the user requirements and attitudes

- In parallel with this user analysis, undertake some vendor research and analysis with the aims of:
  - Assessing the competitors in the most promising sectors
  - Investigating the advantages and disadvantages of using the acquisition route as a means of fast entry into the Non-IT training sectors
- Establish a positioning strategy for the company, prior to market entry, so as to ensure a period of continuing success in this new venture area.

III
User Research

A
Characteristics of the User Sample

Although the assignment stated that half the interviews were to be conducted by face-to-face meetings, in fact a majority of them were conducted by this method--ie. 31 out of the 50 completed interviews. Only in Spain and Belgium were there no face-to-face interviews. Exhibit I-2 shows the breakdown by country and by type of interview, illustrating the extensive use of this method in Germany and the United Kingdom, and its less than average use in France.

1. Split by Country

The objective of the user research undertaken was to cover the market at a European level. To this end it was decided that with the limit of the 50 in-depth interviews commissioned, it was best to interview in all four of the major country markets, ie. France, Germany, Italy and the United Kingdom, but only in a selection of the smaller countries. The smaller country markets chosen included:- Spain (now threatening to grow rapidly into one of the larger markets), Belgium, Netherlands, Switzerland and Denmark (representing the Nordic group of countries).

A set of 10 interviews was chosen as the quota for each of the larger markets, Spain was allocated a quota of four interviews, and the other smaller countries were given one or 2 each. The quotas by country were achieved.

2. Industry Group

In order to balance the sample as much as might be possible with such a small number, it was decided to split industry sectors into three groups:- (1) Government (including both central and local government organisations), (2) Manufacturing industry (including both Process and Discrete manufacturing, as well as the building and construction sectors), and (3) Services (defined to include all other industry sectors, such as Wholesale and Retail Distribution, Transportation, Communications, Banking, Insurance, Business and Technical Services, and the primary sectors--Agriculture, Fishing & Forestry). The target quota was aimed at providing fewer interviews in the government group than in the other two sectors, ie. using the ratio 10:20:20. In fact the research yielded a smaller proportion than planned in the government group (the ratio of the actual interviews achieved was 5:20:25), with the difference (of five) being taken up by the services group where financial services sectors provided easier completions than might have been anticipated.

3. Size of Organisation

Although the overall training market was conceived as affecting three sizes of organisations (Large, Medium and Small), it was decided only to research the top two size groups, because of the expense involved in covering small organisations in sufficient numbers and also because of the applicability of the '80:20 rule', which would imply that 80% of the training market value would be covered by the first 20% of companies by size.

Because of the difficulty of deriving an equivalent of sales revenues for many financial services companies, the size of organisation was chosen to be determined by the number of employees, with the following size levels being used:

- Large organisations were required to have at least 5,000 staff
- Medium sized organisations to have from 500 to 5,000 staff
- Small organisations being taken to have less than 500 staff.

It was the intention to have slightly more Large organisations than Medium sized ones (26 against 24), and this was achieved in practice with an actual split of 28 Large against 22 Medium sized.

Exhibits I-1 and I-2 tabulate the target interview quota and the actual quota achieved respectively.

B

Analysis of the Individual Interviews

Each of the 50 interview questionnaires was examined and a series of data, called the Key Factors, was extracted. These factors were those judged by INPUT to illustrate most effectively the information required by IBM. These Key Factors were arranged in a table, one for each organisation interviewed, and the set of tables forms Appendix D to this report. The organisations were analysed in the following sequence:

- By Country--Germany, France, United Kingdom, Italy, Spain, Switzerland, Denmark, Netherlands, Belgium
- Within Country by Industry Group--Government, Manufacturing, Services
- Within Industry Group by Size of Organisation--Large, Medium.

1. Basic Information

The basic information collected from each questionnaire fulfilled three objectives:

- To identify the respondent or respondents
- To allow each organisation to be analysed according to certain major criteria of the study:
  - Country
  - Size of Organisation
  - Industry Group
- To act as a body of information about the organisation with which to interpret other responses obtained during the interview.

Two important items included are:

- The revenues the organisation obtained in 1991. In some cases these could be obtained from the annual report, but if an annual report had not been provided, the figure shown was estimated using all already known facts, e.g. Number of employees, revenues for an earlier year or 1992 revenues as estimated by the respondent. The revenue figure shown is in all cases the equivalent revenue for the part of the organisation for which the respondent(s) had training responsibility

- The expenditure (Spend) on Education & Training during 1991, as given during the interview or as estimated from other information given, in those cases where the respondent(s) did not know or could not divulge the true or complete figure. The figure shown is in all cases inclusive of both external and in-house expenditures.

The Basic Information for each organisation is positioned at the head of each Key Factor table.

2. Responsibilities & Structure

This item is designed to illustrate the extent and spread of responsibility for training within each organisation. The principal matters dealt with are:

- The responsibilities of the respondent(s)--both breadth and depth

- The size of any central training department

- The number of managers with responsibility for specifying training (the specifiers)

- The number of managers with responsibility for purchasing training (the purchasers)

- How training responsibilities are allocated across the whole organisation.

3. Training Domains

This is one of the most important analytical axes for IBM, as it relates to the way in which the overall market might be segmented and thereby become amenable to marketing techniques.

At the outset of this project IBM and INPUT agreed to work with the following training domains:

- Business Transformation
- Management Development
- Personal Development
- Quality Management skills
- Functional/Professional skills/qualifications
- Vocational Training
- IT Training
- Company specific skills (programmes, projects, procedures, etc.).

These domains are differentiated primarily by the subject matter and aims of the topics taught. Fuller definitions of the domains are given in Appendix A.

The information obtained through the interviews has been analysed by INPUT in the following ways:

- The breakdowns given by the respondents, where these were known, have been used as the principal basis
- Respondents in France and Germany were recontacted by telephone in order to improve the breakdowns given, in particular in relation to the understanding of the Quality Management domain. This was requested by IBM because the translations into French and German of the phrase Quality Management were rather inexact and could have been confused with Quality of Management

- In cases where the respondent(s) did not know the domain breakdown or used a different method of breaking down training expenditure, ie. according to categories specific to their own organisation, the standard breakdowns were estimated from other information given in the appropriate interviews, or, alternatively or in conjunction, with the aid of knowledge which INPUT accumulated as analysis of the sample progressed

- The final breakdowns recorded in the Key Factor tabulations are the result of bringing together all the above work and techniques, so as to provide a homogeneous set of expenditure breakdowns, from which forward market forecasts could be derived.

These breakdowns have been used as a main plank in the building of the market forecasts by Training Domain, which are given later in this report.

4. Transnational Activities

In order to identify the more immediate and larger training projects, it was decided to include in the sample the sorts of organisations which would have multi-national activities. Of particular interest would be concerns which designed training activities on a transnational basis, either at an in-house training school or on an international basis with an external training provider. The responses to this type of question were analysed in two ways in the Key Factor tabulations:

- The split between training required in the country of ownership and training required in overseas operations was recorded

- The amount of training expenditure set against training organised on a transnational basis was also recorded.

In practice only small amounts of expenditure were on average set against international/transnational training activity, and in most cases this was for top management training. However, there is an overlap here between transnational activity and Business Transformation projects. Whereas the former are more easily isolated in terms of formal classroom training, the latter more likely involve general business projects in which training is merely one among many aspects all calling for budgeted expenditure.

5. Cost Breakdown by Product Group

This is another of the principal axes for market segmentation. Product Group is defined as the grouping of different training products and services under standard headings current in the industry. It was the objective of the study to use standard headings which would be easily recognised within the industry. The headings selected were taken from a similar study undertaken in 1990 at the commission of IBM to report on the Training Market in the U.S.A. The headings are defined at two levels:

- On the first level the split is between Costs incurred as a result of In-House expenditure on training and Costs incurred in expenditure with external training providers

- On the second level a finer structure can be given for each of these two categories.

The subheadings for each are:

- For In-House expenditure:

  - Salaries of Trainers, ie. persons employed as part of the staff of the organisation; also taken to include the proportion of managers' salaries applicable to the time they spend on training activities, e.g. planning, preparing and running courses

  - Facilities/Overheads, taken to include capital and running costs for rooms, buildings and estates dedicated to training activities, and a proportion of the overheads loaded onto general buildings to cover the cases of rooms and buildings which house shared activities, ie. are not dedicated solely to training activities;

- For External expenditure:

  - Conferences/Seminars (whether held on user or vendor premises and usually differentiated from Courses by being of highly topical interest and of short duration)

  - Standard Courses (usually but not exclusively held on vendor premises and often lasting somewhere between one day and two weeks)

  - Custom Courses (usually but not exclusively held on user premises and of similar duration to Standard Courses)

- Standard Materials, defined as any books, printed matter or electronic publishing products (such as CD-ROM training disks) on general sale to the open market and purchased to support training activities

- Custom Materials, defined in a similar way to Standard Materials above, but differing from them in that they have been specially designed by a vendor to support the training activity of the purchasing user

- Equipment, defined to include all capital and consumable equipment purchased to support training activities, and taken to include dedicated CBT and video systems

- Other, a category not in fact used but reserved to cover anything which might be encountered and could not be put into any of the previous categories.

Analysis of the questionnaires and reading of technical and trade literature, however, reveal that the situation is in practice complicated further by a number of factors:

- Many professional trainers and businessmen regard the salaries of personnel being trained as also a part of the cost of the training function. This is particularly applicable to apprentices and others undergoing long-term vocational training periods, sometimes lasting several years

- A fair proportion of respondents to this study were not able to provide a breakdown of their organisations' costs to the level of detail we were seeking. Either it would have taken too long or they did not think that the information was gathered in the way we wanted. In many cases they were only able to give an estimate of the budget split between In-House and External expenditures

- There was evidence of confusion in the minds of some respondents over the differences between splitting expenditures between In-House and External, and splitting according to the amount of training performed on their own premises and the amount performed on the premises of external vendors.

Taking all these factors into account INPUT has provided an expenditure split by Product Group for each responding organisation. Where it was possible (and this is a minority of cases), we have also given a view as to how this split might change by 1996. Also provided is a pair of figures showing the percentages of expenditure made through a central training function budget and through decentralised budgets at lower levels within the overall organisation.

These breakdowns have been used as a main plank in the building of the market forecasts by Product Group, which are given later in this report.

6. Training Management System

The intention of the examination of training management systems was to shed light on the degree of formality with which the sample were conducting the management of the training activity. In this area our finding is that the degree of formality which IBM would expect as a good standard is considerably in advance of the average practice encountered in the market-place.

The questions in this area were structured around three aspects of management systems and the user responses have been recorded under the same three headings:

- Keeping an Inventory of Skills--either manual or computerised
- Career and Skill Development
- Evaluation of the Results of Training.

In the majority of cases, skills, development and evaluation were all three tied to the standard personnel record of the individual, although recording at team and departmental levels also occurred

This section of the Key Factor tabulations also contains a summary of the range of standard amounts of training, which organisations planned as a matter of policy to give their staff. These ranges have been recorded in Numbers of Hours of Training given per annum to each staff member and converted where necessary to hours from other time units given in the responses. In those cases where a less than complete response had been given regarding training expenditures, this set of figures was found to be useful to derive, or cross-check on, the training expenditure budgets provided on the questionnaires. It would also prove a useful figure to use to calculate key training ratios for comparison between practices in different countries, different industry groups and different sizes of organisations.

7. Decision Making

Responses connected with the Decision Making process are recorded under the two aspects mentioned above under Responsibilities & Structure:

- Those specifying the type of training needed (Specifiers)
- Those selecting the appropriate trainers (Purchasers).

Also recorded for each organisation in the sample is the way in which the decision levels might change over time.

Noteworthy in this section is the fact that practically no respondents could see any changes in the people involved taking place in the future. Either they are unable to contemplate change, because as major participants they are too close to the situation, or else the target audience for training products and services is remarkably stable.

8. External Suppliers

Up to six external providers' names have been recorded in the Key Factors tables for each organisation. In most cases only three have been given. The sequence of the names is the order of importance deduced by INPUT, from the sequence in which they were provided on the questionnaires as well as from the number of times particular vendors might be mentioned, if used for training in more than one domain. Several respondents cited the fact that the number of vendors used was too numerous for them to pick out any in particular; several also mentioned their in-house training functions as if they were equivalent to external vendors.

Two key findings stand out from the information provided in this section:

- The Training Market in Europe is incredibly fragmented. INPUT estimates that, taking into account all sizes of firm including individual training consultants operating as single proprietor businesses, there are on the order of 10,000 training providers in the European training services market-place, ie. excluding organisations providing materials and equipment only, and excluding peripheral organisations providing ancillary services such as those in connection with travel and accommodation to courses and other events held externally

- Most training services providers operate on a national level only. The exceptions are found in the top range of Management Schools such as INSEAD and IMD, and in this respect the non-IT market differs from the IT sector. In the latter sector there are emerging or have emerged some large multi-national suppliers of training services and training products, eg. the large equipment suppliers and certain U.S.-owned providers like Applied Learning and Learning Tree International.

9. Buying Factors

A series of purchasing criteria were rated by respondents under three headings:

- Human factors

- Product factors

- Commercial factors.

For the purposes of the Key Factors analysis, the factors with the top three ratings were listed in the tabulation of each respondent in the sequence in which they appeared on the questionnaires. In practice this meant extracting and recording the factors with the top rating of 5, and when there were more than three of them recording up to six instances with the top rating. It would also be possible to average the ratings across the whole sample and/or across various subsamples, in order to be able to rank and rate the factors as a complete set.

The general impression received is that cost issues are of less importance than product quality and trainer proficiency.

10. Use of New Technologies

Several questions in the questionnaire were devoted to the respondents' attitudes to new technologies for training, especially the use of CBT (Computer-Based Training) and video-based techniques, used either on their own or in conjunction with CBT.

For the Key Factor tabulations, responses were summarised under four headings:

- Experience of using CBT and other new media--in order to qualify each respondent's attitudinal information--on the basis of being more sceptical about attitudes formed without very much experience

- Respondents' opinions as to the relevance of the new technologies to training

- Problem areas encountered from past experience or anticipated in future use of the new media

- Other--opinions, facts and figures needing to be recorded to summarise each respondent's overall attitude to future use of new technologies both to his/her own organisation and in the market-place as a whole.

Respondents were, with some outstanding exceptions, expressing reservations about the applicability of CBT and other new media to their own businesses and to the wider general market. Their relevance was seen to be strongest in the areas where knowledge-rich skills were being instilled and weakest in areas where the handling of interpersonal relations was the premium skill required. Because there was less evidence of experience in Distance Learning and Satellite delivery technologies, the comments recorded about these areas add up to a less complete picture.

11. Other Issues & Summary

The final section of the Key Factors tabulation was used to record two types of information:

- Firstly, any general comments about the ways training was currently conducted in an organisation and about ways in which it might develop in future. Comments recorded were selected on the basis of their usefulness in giving an overview of the organisation and its training policies

- Secondly, any important comments or attitudes which had not been included in any earlier section of the tabulation were recorded under this last section.

C

Developments of the Market Forecasts

INPUT's standard methodology for sizing and forecasting Information Services and Information Systems markets consists of two phases:

- Sizing of a market is achieved by researching the vendor revenues obtained in the previous financial year and assessing the breakdown into the segments in use by a combination of vendor interviewing (primary research) and estimation. Estimation makes use of all available secondary research material. Market sizes are converted from vendor revenues into user expenditures by application of a set of standard factors, which are a function of each delivery mode segment

- Forecasting of a market uses principally user research to assess the ways in which user spending patterns are changing from year to year. It also takes into account the economic situation in each country market in Europe. A growth rate is applied to each market segment, together with a factor to account for inflation in each country, in order to derive a growth/decline in each segment for each of the forward five years in the forecast period. Country level forecasts in local currencies are aggregated using standard conversion factors to convert amounts to U.S. dollars or ECUs.

We can summarise this two-stage procedure by saying that:

- Sizing depends upon vendor research of a relatively well-known universe of vendors

- Forecasting depends upon user research assessed in combination with other external data and operates on the market size previously updated in the first stage.

This methodology could not be applied in the current project because:

- The universe of vendors was not known

- The universe of vendors is too large to be susceptible to the standard INPUT revenue breakdown process.

The forecasting methodology adopted for this project is therefore less exhaustive and less exact. Its major objective is to size the market opportunities so that priorities can be set on further marketing and sales activities, should the basic opportunities discovered be of interest to IBM. INPUT has provided three sets of forecasts, each by a different market 'dimension':

- By Training Domain
- By Country or group of Countries
- By Product Group.

Each forecast has been derived using an empirically derived methodology, which followed the steps described below:

- User interviews were analysed to establish a breakdown by each of the three dimensions
- Secondary research publications were examined to attempt a first-level market split by Country
- Market splits by Domain and Product Group were derived using the splits exhibited by the users as modified by INPUT's assessments
- The market breakdowns established for 1991 were then repeated for 1992 using the short-term growth factors discovered in the research sample
- All three market splits were re-examined to highlight inconsistencies and were again modified to take account of any discrepancies found
- Five-year forecasts from 1992 to 1997 were then prepared and reconciled to each other.

It is these forecasts which are presented in the remaining sections of this report.

1. Forecasts by Domain

Exhibit III-1 shows the market forecast for the training market in the whole of Europe segmented by Training Domain. This forecast is given in the form of a table which forecasts the short-term growth to 1993 and the five-year forecast to 1997. Amounts in billions of U.S. dollars are shown together with the appropriate one-year and five-year growth rates in percentage terms. This forecast covers all aspects of the market, ie. both In-House and External Expenditures

Exhibit III-2 illustrates the market forecast by Training Domain for the same period but this time including only the aspects of the market which are currently open to external providers (the External Expenditures). The external market is forecast to grow at a compound growth rate (CAGR) of 6% per annum as opposed to the total market growth rate of only 5% per annum.

Both these forecast tables exclude any allowance for expenditures on trainees' salaries, on the basis that this expenditure is not something which can become available as part of the open market. It may be possible to use as a sales argument the fact that an external trainer can lessen this cost to the user, but it will never be possible to turn it from being a potential into an actual market sector. On the other hand all other In-House costs are susceptible to this treatment, ie. they can be substituted for by a similar service or product provided by an external supplier.

In summary, we can say that Exhibit III-1 represents the total potential market for training in Europe, while Exhibit III-2 represents the total actual market figures.

EXHIBIT III-1

Training Market Forecast by Domain—Europe, 1992-1997 (External and In-House Expenditures)

Domain	Expenditure 1992 ($ Billion)	Expenditure 1993 ($ Billion)	AGR 1992-93 (Percent)	Expenditure 1997 ($ Billion)	CAGR 1992-97 (Percent)
Business Transformation	2.1	2.5	19	5.2	20
Management Development	13.5	13.5	0	16.4	4
Personal Development	15.5	15.5	0	16.0	1
Quality Management	2.5	2.8	12	4.1	10
Functional	19.0	17.0	-11	17.8	-1
Vocational	13.9	12.3	-12	16.0	3
IT	7.0	7.4	6	9.3	6
Company-specific	30.5	29.0	-5	35.2	3
Other					
TOTAL	104.0	100.0	-4	120.0	3

EXHIBIT III-2

Training Market Forecast by Domain—Europe, 1992-1997 (External Expenditures Only)

Domain	Expenditure 1992 ($ Billion)	Expenditure 1993 ($ Billion)	AGR 1992-93 (Percent)	Expenditure 1997 ($ Billion)	CAGR 1992-97 (Percent)
Business	2.1	2.5	19	5.2	20
Management Development	4.5	5.0	11	7.3	10
Personal Development	9.0	8.5	-6	10.5	3
Quality Management	1.5	1.8	20	2.4	10
Functional	15.2	14.6	-4	17.5	3
Vocational	4.5	4.8	7	8.2	13
IT	4.0	4.4	10	6.7	11
Company-specific	1.5	1.4	-7	3.2	16
Other					
TOTAL	42.3	43.0	2	61.0	8

Exhibit III-3 shows the European Training Market breakdown by both External and In-House Expenditures, presented together in one table. It is thus a consolidation of the previous two tables.

EXHIBIT III-3

Training Market Forecast by Domain--Europe, 1992-1997 (Breakdown by External and In-House Expenditures)

Domain	Type Spend	Expenditure 1992 ($ Billion)	Expenditure 1993 ($ Billion)	AGR 1992-93 (Percent)	Expenditure 1997 ($ Billion)	CAGR 1992-97 (Percent)
Business Transformation	ALL	2.1	2.5	19	7.2	28
	Ext	2.1	2.5	19	5.2	20
	In-H	0.0	0.0	32	2.0	180
Management Development	ALL	13.5	13.5	0	17.1	5
	Ext	4.5	5.0	11	8.0	12
	In-H	9.0	8.5	-6	9.1	0
Personal Development	ALL	15.5	15.5	0	14.5	-1
	Ext	9.0	8.5	-6	7.0	-5
	In-H	6.5	7.0	8	7.5	3
Quality Management	ALL	2.5	2.8	12	4.1	10
	Ext	1.5	1.8	20	2.4	10
	In-H	1.0	1.0	0	1.7	11
Functional	ALL	19.0	17.0	-11	20.1	1
	Ext	15.2	14.6	-4	16.8	2
	In-H	3.8	2.4	-37	3.3	-3
Vocational	ALL	13.9	12.3	-12	15.6	2
	Ext	4.5	4.8	7	7.3	10
	In-H	9.4	7.5	-20	8.3	-2
IT	ALL	7.0	7.4	6	9.3	6
	Ext	4.0	4.4	10	6.7	11
	In-H	3.0	3.0	0	2.6	-3
Company-specific	ALL	30.5	29.0	-5	42.1	7
	Ext	1.5	1.4	-7	4.5	25
	In-H	29.0	27.6	-5	37.6	5
Other	ALL					
	Ext					
	In-H					
TOTAL	**ALL**	**104.0**	**100.0**	**-4**	**130.0**	**5**
	Ext	**42.3**	**43.0**	**2**	**57.9**	**6**
	In-H	**61.7**	**57.0**	**-8**	**72.1**	**3**

2. Forecasts by Country

Exhibit III-4 contains the market forecast for the European Training Market segmented by country. The table is presented in the same format as the previous exhibit, ie. it contains both the External and the In-House components and their aggregate, the total potential market. Like the previous exhibit it illustrates how, after declining in 1993 under recessionary pressures, the market is expected to expand again over the following four years, but only at growth rates close to the average inflation rates for the countries.

EXHIBIT III-4

Training Market Forecast by Country--Europe, 1992-1997 (Breakdown by External and In-House Expenditures)

Country	Type Spend	Expenditure 1992 ($ Billion)	Expenditure 1993 ($ Billion)	AGR 1992-93 (Percent)	Expenditure 1997 ($ Billion)	CAGR 1992-97 (Percent)
France	ALL	19.7	19.0	-4	24.0	4
	Ext	8.0	8.1	1	11.2	7
	In-H	11.7	10.9	-7	12.8	2
Germany	ALL	25.6	24.5	-4	30.0	3
	Ext	10.4	10.6	2	13.1	5
	In-H	15.2	13.9	-9	16.9	2
Italy	ALL	12.0	12.0	0	17.0	7
	Ext	4.9	5.2	6	7.6	9
	In-H	7.1	6.8	-4	9.4	6
Spain	ALL	6.8	7.0	3	10.0	8
	Ext	2.8	3.0	7	4.5	10
	In-H	4.0	4.0	0	5.5	7
United Kingdom	ALL	16.7	15.5	-7	21.0	5
	Ext	6.8	7.0	3	9.4	7
	In-H	9.9	8.5	-14	11.6	3
Rest of Europe	ALL	23.2	22.0	-5	28.0	4
	Ext	9.4	9.1	-3	12.1	5
	In-H	13.8	12.9	-7	15.9	3
TOTAL	**ALL**	**104.0**	**100.0**	**-4**	**130.0**	**5**
	Ext	**42.3**	**43.0**	**2**	**57.9**	**6**
	In-H	**61.7**	**57.0**	**-8**	**72.1**	**3**

3. Forecasts by Product Group

The next two exhibits present the forecasts by Product Group:

- Exhibit III-5 contains the overall market forecast equivalent in numerical terms to the forecasts previously presented, those by Training Domain and Country respectively. The market is shown as expected to decline by 4% in 1993 from a figure of $104 billion in 1992, but then to expand slowly over the next four years to reach $130 billion in 1997

- Exhibit III-6 is an extension of Exhibit III-5 which also contains INPUT forecasts for the growth of the trainee salary portion of user expenditure. As noted earlier this component of expenditure is not considered to be a part of the potential market, but is added here in this report for the sake of completeness, since it became an important element in INPUT's sizing and estimating task.

The important findings which need to be noted from the product group analyses are:

- Travel and Accommodation represents 31% of the overall current (1992) open (External) market size of $42.3 billion

- Training Products in the form of software, CBT systems, equipment and materials represents another 17% of the 1992 open market.

These factors need to be taken into account when comparing the non-IT portion of the market with the IT training sector, with which IBM is much more familiar. The IT sector is much more orientated towards external service providers than is the non-IT portion. Entry into the non-IT training market in a general sense implies entry into both the products sectors and the ancillary services sectors of travel and accommodation. Thus there is a markedly smaller size to the market opportunities presenting themselves to IBM, when the market is measured without these two types of sector, which are of a different type to the market in which IBM has been operating hitherto as a training services provider.

EXHIBIT III-5

Training Market Forecast by Product Group—Europe, 1992-1997 (External and In-House Expenditures)

Product Group	Expenditure 1992 ($ Billion)	Expenditure 1993 ($ Billion)	AGR 1992-93 (Percent)	Expenditure 1997 ($ Billion)	CAGR 1992-97 (Percent)
EXTERNAL					
Conferences/ Seminars	6.5	7.0	8	9.5	8
Standard Courses	5.7	5.2	-9	5.8	0.3
Custom Courses	10.1	9.6	-5	12.2	4
Subtotal—External Services	22.3	21.8	-2	27.5	4
CBT—Software & New Media	2.0	2.4	20	6.5	27
Other Materials & Equipment	5.0	5.3	6	7.5	8
Subtotal—External Products	7.0	7.7	10	14.0	15
Travel & Accommodation	13.0	13.5	4	16.4	5
Total—EXTERNAL	**42.3**	**43.0**	**2**	**57.9**	**6**
IN-HOUSE Overheads & Facilities	13.6	13.0	-4	18.1	6
Staff Salaries—					
Trainers & Managers	48.1	44.0	-9	54.0	2
Total—IN-HOUSE	**61.7**	**57.0**	**-8**	**72.1**	**3**
TOTAL MARKET	**104.0**	**100.0**	**-4**	**130.0**	**5**

EXHIBIT III-6

Training Expenditure Forecast by Product Group—Europe, 1992-1997 (Including Trainees' Salary Expenditures)

Product Group	Expenditure 1992 ($ Billion)	Expenditure 1993 ($ Billion)	AGR 1992-93 (Percent)	Expenditure 1997 ($ Billion)	CAGR 1992-97 (Percent)
EXTERNAL					
Conferences/ Seminars	6.5	7.0	8	9.5	8
Standard Courses	5.7	5.2	-9	5.8	0.3
Custom Courses	10.1	9.6	-5	12.2	4
Subtotal—External Services	22.3	21.8	-2	27.5	4
CBT—Software & New Media	2.0	2.4	20	6.5	27
Other Materials & Equipment	5.0	5.3	6	7.5	8
Subtotal—External Products	7.0	7.7	10	14.0	15
Travel & Accommodation	13.0	13.5	4	16.4	5
Total—EXTERNAL	**42.3**	**43.0**	**2**	**57.9**	**6**
IN-HOUSE					
Overheads & Facilities	13.6	13.0	-4	18.1	6
Staff Salaries—Trainers & Managers	48.1	44.0	-9	54.0	2
Total—IN-HOUSE	**61.7**	**57.0**	**-8**	**72.1**	**3**
TOTAL MARKET	**104.0**	**100.0**	**-4**	**130.0**	**5**
Staff Salaries—Trainees	76.0	78.0	3	103.0	6
TOTAL EXPENDITURES	**180.0**	**178.0**	**-1**	**233.0**	**5**

A
IBM Training Domain Definitions

1. Business Transformation. Although it contains elements of other domains in combination, Business Transformation is treated as a separate "packaged" domain. Definition is as per IBM's note to INPUT.

2. Management Development. Training to improve the performance of managers in all levels of a company. Principally, generic and cross-industry, but some industry-specific.

3. Personal Development. Training to improve the performance of staff in any grade/level of an organisation. Excludes Management Development but does not mean managers may not need this type of training. Totally generic; no industry-specific.

4. Quality Management. Training to improve quality of products and services marketed by any organisation. Specifically aimed at applying certain techniques to improve the performance of an organisation, eg. TQM, or to preparing organisations for accreditation to national or international quality standard, eg. ISO 9000 or BS 5750.

5. Functional. Training to improve the basic knowledge and proficiency of individuals with qualifications which assist in raising their capabilities. Totally cross-industry, overlaps most with Education (as opposed to Training).

6. Vocational. Job-orientated training, particularly for non-executive grades wishing to improve their proficiency at what they do now or might hope to do later. Highly, although not exclusively, industry-specific.

7. IT (Information Technology). Training related to improving the skills of IT professionals and those using IT as end-users. Essentially a type of vocational training. Includes generic training associated with IT developments, eg. project management for software development. Includes training embedded in large IT implementation or systems operations contracts.

8. Company-Specific. All training organised within companies to further the aims of their organisations, and which cannot be put in any of the other categories already defined. A large component of industry-specific training is contained in this category, but essentially it will be allied to an organisation's own procedures, processes and practice.

9. Other. A vacant category in case our previous definitions prove not to be exhaustive.

B
Economic Assumptions for Forecasting

There follow some notes on the methodology INPUT uses in making forecasts and judging how reasonable they are.

INPUT reports are based principally on three strands of research activity conducted throughout the year:

- A vendor research programme of several hundred interviews with prominent software and services vendors across Europe. This research assesses their attributable revenues in each country by delivery made and where possible by industry sector. INPUT consultants use their own judgment in many cases to categorise revenues into sub-sectors. In particular INPUT excludes revenues considered captive, such as those from a vendor's parent company.

- Over one thousand vendor and user interviews across all European market sectors to determine trends and opinions. These interviews are part of the research that INPUT carries out in specific sectors of the software and services market. In 1992, for example, INPUT produced reports on over 20 different software and services market sectors.

- Additionally INPUT maintains an extensive library and database of information relating to the software and services industry. This covers, for example, INPUT's customer services programme data: results of INPUT's research into the hardware maintenance market which includes its diversification into the software and services market.

All the forecasts from these activities are produced in local currency for each country, then consolidated with common economic and exchange rate data to produce a top level forecast. This is done for software and services in each country and in Europe as a whole. At each stage it is examined for reasonableness and consistency and if necessary revisited. For example we satisfactorily tested the question: Will predicted user budgets for information systems support the predicted growth rates in software and services?

The forecasts also benefit from assignments for and feedback from INPUT clients, who include over 100 of the leading vendors of software and services around the world. For example: INPUT supplied an economic model to a market leading client on the potential effect of rising oil prices on forecast software and services growth rates. In summary this showed that falling real growth was largely counterbalanced by increases in inflation, resulting in continued high dollar growth forecasts for the market.

In order to consolidate INPUT's forecasts and vendor data into a consistent set of European analyses each year, it is essential to use a standard set of economic factors. The following pages show the inflation and exchange rates in use for 1992 forecasts, and the GDP and consumer price growth rates referred to in the country commentaries.

A
European Exchange Rates

The following table, Exhibit B-1, shows the standard exchange rates used throughout the 1992 programme to consolidate country market data for overall Western European forecasts and vendor market shares.

EXHIBIT B-1

U.S. Dollar and ECU Exchange Rates, 1992

Country	Currency	U.S. Dollar	ECU
France	FF	5.18	6.96
Germany	DM	1.52	2.04
United Kingdom	PS	0.532	0.715
Italy	Lira	1,150	1,544
Sweden	Sek	5.54	7.45
Denmark	DK	5.89	7.93
Norway	NK	5.98	8.03
Finland	FM	4.15	5.51
Netherlands	Dfl	1.71	2.29
Belgium	BF	31.26	41.94
Switzerland	SF	1.35	1.81
Austria	Sch	10.63	14.33
Spain	Ptas	96.2	129.6
Portugal	Esc	134.9	181.0
Greece	Dra	174.0	234.8
Ireland	IRP	0.57	0.765
	$	1	1.34

Source: *Financial Times*, 30 December, 1991

B
European Inflation Rates

Exhibit B-2 shows the average five-year inflation assumptions for each reported country and the changes from those used in reports produced in the previous year. All INPUT forecasts include the effects of inflation as well as natural market growth rates. For consistency, the same inflation rates are used throughout all the different market sector research and analysis during a calendar year, unless specified otherwise.

EXHIBIT B-2

Inflation Assumptions, 1991 and 1992

Country	Assumption 1991-1996	Assumption 1992-1997	Change
France	3.0	2.7	-0.3
Germany	2.7	3.9	+1.2
United Kingdom	4.8	3.7	-1.1
Italy	4.4	5.2	+0.8
Sweden	6.3	4.0	-2.3
Denmark	2.7	2.4	-0.3
Norway	4.9	3.4	-1.5
Finland	5.0	1.4	-3.6
Netherlands	2.4	3.3	+0.9
Belgium	3.3	3.2	-0.1
Switzerland	3.3	3.5	+0.2
Austria	2.6	3.2	+0.6
Spain	4.7	5.0	+0.3
Portugal	8.0	12.5	+4.5
Greece	12.0	11.0	-1.0
Ireland	3.0	3.0	0.0
European Average	4.0	4.2	+0.2

Source: *OECD Forecasts Q4 1991*

C
GDP Growth Rates

The latest economic growth measurements and predictions from the OECD, referred to in the text for each country, are listed in Exhibit B-3.

EXHIBIT B-3

GDP Growth Rate Assumptions

Country	1990 (%)	1991 (%)	1992 (%) Forecast	1993 (%) Forecast
Austria	4.6	3.0	2.3	2.4
Belgium	3.5	1.5	1.7	2.0
Denmark	1.6	1.0	1.5	1.9
Finland	0.0	-6.1	-0.8	2.4
France	2.8	1.3	1.8	2.0
Germany	2.9	0.2	1.6	2.0
(West Germany)	4.5	3.1	1.0	1.2
Greece	0.1	1.8	1.5	2.0
Ireland	5.7	2.3	1.5	2.8
Italy	2.0	1.4	1.6	1.7
Netherlands	3.5	2.0	1.6	2.2
Portugal	4.4	2.2	2.4	2.7
Spain	3.7	2.4	1.5	1.5
Sweden	0.3	-1.2	-1.0	-0.5
Switzerland	2.6	-0.3	0.3	2.0
United Kingdom	0.8	-2.4	-1.1	1.5

Source: *OECD*

D
Consumer Price Growth Rates

The commentary on each country provides details of the latest published consumer price inflation rates for each country. They are listed in Exhibit B-4. These are not necessarily the same as the inflation figures used to help create the INPUT forecasts - refer to Exhibit B-2.

EXHIBIT B-4

Consumer Price Growth Rates

Country	1990 (%)	1991 (%)	1992 (%) Forecast	1993 (%) Forecast
Austria	3.3	3.3	3.8	3.4
Belgium	3.5	3.2	2.6	3.2
Denmark	2.7	2.4	2.3	3.1
Finland	6.1	4.1	2.8	4.0
France	3.4	3.1	3.0	3.2
Germany	2.2	4.6	4.9	4.2
(West Germany)	2.7	3.5	4.0	3.7
Greece	20.4	18.8	15.5	10.8
Ireland	3.0	3.2	3.5	3.0
Italy	6.1	6.4	5.5	5.3
Netherlands	2.4	3.9	3.5	3.2
Portugal	13.4	11.3	9.8	8.4
Spain	6.7	5.9	6.1	5.7
Sweden	10.5	9.3	1.9	2.7
Switzerland	5.4	5.9	4.1	3.6
United Kingdom	9.5	5.9	3.7	3.1

Source: *OECD*

C
Estimating the Trainee Salary Bill

1. Average cost per hour = $38 fully overheaded

   based on: - an average annual wage of $20,000
   - an average no. of days worked per year of 210

   - average hours per day 7.5
   - an overheading factor of x 3

2. Working population of 175 million in 1992 for Western Europe.

3. A total of 2,000 million hours of training given in 1992 or approximately 11 1/2 hours per person--split as follows:

- 10% of working population	accounted for 1,000 m. hours
- another 20%	accounted for 750 m.
- another 20%	accounted for 200 m.
- remaining 50%	accounted for 50 m.

	2,000 m.

4. Average hourly cost rising at 5% per annum.
   Average no. of hours of training per employee trained rising by 2% per annum.

   Average no. of employees trained rising by 1% per annum.
   These rises to take place from 1984 onwards.

5. 1983 marks a discontinuity with nos. of trainees actually falling.

D
User Interview Summaries

Name of Company:- BUNDESMINISTERIUM FINANZ

INDUSTRY	Finance Ministry	NO. OF EMPLOYEES	42,000
INDUSTRY GP.	Central Government	SIZE GP.(L/M)	Large
COUNTRY	Germany	REVS (Est 1991) $M.	4,200
RESPONDENT		SPEND(E&T 1991) $M.	15.8

TITLE Personnel Training & Development in both Central & Regional Offices.

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Centre & Regions - 260 internal trainers • Civil Servants 50 upper grades • Capital/Salaried staff 200 middle grades • Finance & Tax workers 10 specialists
Domains:- Business Transformation_____%	Mngnt. Dev._____% Personal Dev._____% Qty._____% Functl._____% IT _____% Company Specific _____% Other 1.Upper 2 streams 60% 2.Lower 2 40%
Transnational Component of Business	Domestic 96% O'Seas 4% '92 Transn't'l ME, EE, CIS 67% 33% '93
Cost Breakdown: CAGR-1992-96 ____0% Central __100% Decentralised _____%	1992 In-House - All trg. in-house - 21 centres & studios External - Mainly expenses for travelling to centres
Management System No. of Hours per annum 18 - 70 pa.	General - Training "right" - Classic training - Psychology + knowledge Inventory - Development - Promotion up scale of categories - 4 types of training Evaluation -
Decision Makers - Specifiers - Purchasers	Now / Future • Trainers / • Same • Ministry Committee / • Same
Most Favoured Suppliers	1. Siemens) - mainly IT; Siemens very flexible; support German company if possible. 2. IBM) 3.
Top Buying Factors	1. Not answered 2. 3.
Technology - Experience - Relevance - Problems - Other	• CBT--still basic though • Teaching rooms equipped for CBT • Need to bring to workplace • Build own courseware
Other & Summary	- Consulting/Training combined to Eastern Bloc - Satellite delivery, very interesting - More commercial interest - train for work - minimum standard - Language an inhibitor.

Name of Company:- STADTWERKE FRANKFURT AM MAIN

INDUSTRY	City Administration	NO. OF EMPLOYEES	6,400
INDUSTRY GP.	Government (Local)	SIZE GP.(L/M)	Large
COUNTRY	Germany	REVS (Est 1991) $M.	760
RESPONDENT		SPEND(E&T 1991) $M.	3
TITLES	Training Directors, (1) Development; (2) Business Administration.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- 2 x streams of training--first aimed at all levels of manager and all staff; second more specifically at Business Admin.(meaning Industrial Business Advisor, IT and Office Communications Administrators) & apprentices.
Domains:- Business Transformation __-__%	Mngnt. Dev. __10_% Personal Dev. __12_% Qty. __-__% Functl. __30_% IT __10_% Company Specific __18_% Other 1. Vocatl. _20_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__% - Involved in training for Leipzig in city transport and industrial techniques for municipalities.
Cost Breakdown: CAGR-1992-96 _+18_% Central 100_% Decentralised __-__%	1992 / 1996 In-House Estimated 50% _____% External (1) 50% _____% (2) _____% (3) _____%
Management System No. of Hours per annum Standard 15 hrs. pa.	General - Training philosophy rather than any system - create self-sufficiency; learning on-going; beyond any qualification Inventory - None Development - New 1992 programme geared to Communications and Behavioural Rules - all PCs were changed to support it Evaluation - None described.
Decision Makers - Specifiers - Purchasers	Now / Future . Joint decision with Deptal. Directors) . Department heads using external advisors.) Same
Most Favoured Suppliers	1. Compunet training centres for Lotus & Freelance. 2. 3.
Top Buying Factors	1. Most factors important, but Cost & Technology less so. 2. 3.
Technology - Experience - Relevance - Problems - Other	. Only using video for Management Training; lagging . CBT good for IT training . Acceptance by staff; developments too fast to keep up . Video not as stimulating as a group dynamic.
Other & Summary	- Local government is rigidly hierarchic; this affects training in two ways: . Choice of course participants depends on hierarchy . Covering too much ground; consequently uneconomic.

Name of Company:- ADAM OPEL AG

INDUSTRY	Car Manufacturing	NO. OF EMPLOYEES	57,000
INDUSTRY GP.	Manufacturing (Discrete)	SIZE GP.(L/M)	Large
COUNTRY	Germany	REVS (Est 1991) $M.	15,000
RESPONDENT TITLES	Director, Training - Management & Overall Director, Technical Training.	SPEND(E&T 1991) $M.	33

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Centre for Personnel Development has 120 trainers - 150 x specifiers/purchasers.
Domains:- Business Transformation__15_%	Mngnt. Dev.__10_% Personal Dev.___5_% Qty.___5_% Functl.__20_% IT__10_% Company Specific__35_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+6_% Central _____% Decentralised _____%	1992 / 1996 In-House 80% _____% External (1) 20% _____% (2) _____% (3) _____%
Management System No. of Hours per annum Roughly 30 to 70 hrs. per year & rising	General - "Customer" satisfaction--'internal' and 'external'. Inventory - None mentioned Development - Group 'workshops' to discuss needs; innovate to improve Evaluation - Feedback to 'customer' satisfaction.
Decision Makers - Specifiers - Purchasers	Now / Future (Executives by Central Devmnt. Mgrs. .(Technical by Technical Director Cannot say (Apprentices by School directors . Jointly by trainers & managers
Most Favoured Suppliers	1. Mostly internal 2. NLP, for Lingusitics courses 3. IKOS, for technical.
Top Buying Factors	1. All factors play a part. 2. 3.
Technology - Experience - Relevance - Problems - Other	. Use CBT at Training Centre, in future perhaps at workplace; CBIV and Distance little experience . CBT useful in basic training, IT, WP, CAD, Marktg. . Fatigue--must break 1 to 2 hourly . Satellite very expensive.
Other & Summary	- Plenty of thoughts for improvement of training by analysis of psychology display in the workplace.

Name of Company:- ASEA BROWN BOVERI (ABB)

INDUSTRY Engineering
INDUSTRY GP. Manufacturing (Discrete)
COUNTRY Germany
RESPONDENT
TITLE Overall Training Manager.

NO. OF EMPLOYEES 41,470
SIZE GP.(L/M) Large
REVS (Est 1991) $M. 5,282
SPEND(E&T 1991) $M. 178

KEY FACTOR	FINDINGS
Responsibilities & Structure	- For industrial/technical career development - 300 x trainers; 200 x specifiers; 20 x purchasers.
Domains:- Business Transformation __-___%	Mngnt. Dev. __15_% Personal Dev. __10_% Qty. __10_% Functl. __15_% IT __5__% Company Specific __20_% Other 1.Vocatl. _25_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+5_% Central __-__% Decentralised _100_%	1992 / 1996 In-House 70% / __65_% External(1) 30% / __35_% (2) / _____% (3) / _____%
Management System No. of Hours per annum 25 to 40 hrs. pa. according to grade	General - Dual System:- (1) Theory at Academy; (2) Experience at workplace Inventory - Follow after Apprentice school Development - Aim to keep staff; new methods for management training Evaluation - None mentioned.
Decision Makers - Specifiers - Purchasers	Now / Future . Departmental heads with employees / Same . Departmental level.
Most Favoured Suppliers	1. IBM, for PC equipment-"reluctantly, as high cost" 2. Compaq.
Top Buying Factors	1. Service and Support 2. Product Quality 3. Reliability. 4. Clarity of the offer.
Technology - Experience - Relevance - Problems - Other	 . Used, but doesn't like . OK for introductory work; videos some use . Variability of offerings; boring; expensive . Like to use more in future, when improved.
Other & Summary	- "Germany has lagged--school-desk learning too ingrained" - Will attempt new training models.

Name of Company:- MERCK DEUTSCHLAND

INDUSTRY Pharmaceutical Company
INDUSTRY GP. Manufacturing
COUNTRY Germany
RESPONDENT
TITLE Human Resources Director.

NO. OF EMPLOYEES 9,270
SIZE GP.(L/M) Large
REVS (Est 1991) $M. 1,464
SPEND(E&T 1991) $M. 16.75

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Responsible with 10 managers for Management Training; this is 1 of 4 training areas, each with a Director
Domains:- Business Transformation __-__%	Mngnt. Dev. __2__% Personal Dev. _10__% Qty. ___1_% Functl. __52_% IT ___7_% Company Specific ___5_% Other 1.Vocatl. _23_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l ___1_% Starting young 'high fliers' course.
Cost Breakdown: CAGR-1992-96 _____% Central _____% Decentralised _____%	1992 / 1996 In-House 56% / __40_% External(1) 44% / __60_% (2) / _____% (3) / _____%
Management System No. of Hours per annum No standard	General - Company philosophy is to be able to increase pace of change; service component important Inventory - No formal system described Development - Not described Evaluation - Not described.
Decision Makers - Specifiers - Purchasers	Now / Future . Deptal. heads/supervisors / As before . Internal specialists, eg linguist.
Most Favoured Suppliers	1. Cannot say as use many suppliers. 2. 3.
Top Buying Factors	1. Most factors, but least important are:- Product Range & Modifiability, and Course Location. 2. 3.
Technology - Experience - Relevance - Problems - Other	. "Not impressed" CBT; not used Distance Learning . Video for Customer Service & Marketing; CBT for IT . Courseware not of a high enough standard . Videos can help model situations & reactions.
Other & Summary	- Looking now for business effectiveness from training; social responsibility less important - Moving to more external training, but via consulting and training the trainers, rather than so much standard course work.

Name of Company:- SCHOTT GLASWERKE

INDUSTRY Glass Making
INDUSTRY GP. Manufacturing
COUNTRY Germany
RESPONDENT
TITLE Director Human Resources.

NO. OF EMPLOYEES 5,985
SIZE GP.(L/M) Large
REVS (Est 1991) $M. 1,100
SPEND(E&T 1991) $M. 11.6

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Personnel, Training & Development--main MAINZ plant - 15-20 internal training staff.
Domains:- Business Transformation __-___%	Mngnt. Dev. __10_% Personal Dev.___5_% Qty.___5_% Functl. __45_% IT ___5_% Company Specific __10_% Other 1.Vocatl. _20_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__% Job rotation scheme projects.
Cost Breakdown: CAGR-1992-96 _+2_% Central _100_% Decentralised _____%	1992 / 1996 In-House 78.5% / __80_% External(1) 21.5% / __20_% (2) / _____% (3) / _____%
Management System No. of Hours per annum Avge. 11.5 hrs. pa.	General - Related to needs and promotion. More emphasis on business orientation Inventory - Manual records Development - Worker's right to have a personal plan; use a 'rolling plan' method Evaluation - Goal to keep employees; now 5%-7% loss.
Decision Makers - Specifiers - Purchasers	Now / Future . Deptal. managers with training staff . Deptal. management with specialists. / Same
Most Favoured Suppliers	1. Various, only mentions software suppliers. 2. 3.
Top Buying Factors	1. All factors high importance, except Vendor Name. 2. 3.
Technology - Experience - Relevance - Problems - Other	. Yes for CBT . All new techniques have/will have increasing role . Impersonal; video/New Media cannot 'react' . Looking back 10 years, technology little influence on training yet
Other & Summary	- Encourage unselfish development of staff in an increasingly decentralised environment.

Name of Company:- LUFTHANSA

INDUSTRY Airline
INDUSTRY GP. Services
COUNTRY Germany
RESPONDENT
TITLE Director, Management Training Centre.

NO. OF EMPLOYEES 50,000
SIZE GP.(L/M) Large
REVS (Est 1991) $M. 5,400
SPEND(E&T 1991) $M. 10

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Executive and other management levels; not Sales and Transport; 10 x specifiers/purchasers.
Domains:- Business Transformation_____%	Mngnt. Dev._N.K. Personal Dev._____% Qty._____% Functl._____% IT_____% Company Specific_____% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 _Negative_% Central _100_% Decentralised __-__%	1992 / 1996 In-House 85% / _____% External(1) 15% / _____% (2) / _____% (3) / _____%
Management System No. of Hours per annum Target was 1 week pa. per manager	General - Philosophy - 'Training as Needed' Inventory - None mentioned Development - Scale of courses leading up to going to INSEAD Fontainebleau Evaluation - Not covered.
Decision Makers - Specifiers - Purchasers	Now / Future . HR Dept. and senior management Department heads for Sales & Transport / Unknown . Management at all levels.
Most Favoured Suppliers	1. Many unspecified sources. 2. 3.
Top Buying Factors	1. Quality of Instructors 2. Quality of Product 3. Value for money.
Technology - Experience - Relevance - Problems - Other	. 25% of all Sales & Transport training takes place at a terminal . CBT essential; Video useful for leadership courses . Trainer/participant relationship missing . Distance Learning still in the future.
Other & Summary	- Interview overshadowed by large losses announced previous day; respondent unsure if had any future - Move already under way to produce more customised, consultancy-based, rather than standard, courses.

Name of Company:- DEUTSCHE BUNDESBAHN

INDUSTRY National Railways
INDUSTRY GP. Services
COUNTRY Germany
RESPONDENT
TITLE Ministerial Advisor, Training & Development.

NO. OF EMPLOYEES 250,000
SIZE GP.(L/M) Large
REVS (Est 1991) $M. 13,800
SPEND(E&T 1991) $M. 790

KEY FACTOR	FINDINGS
Responsibilities & Structure	- 8 training schools, and merging schools from old Eastern regions; 15 x specifiers; 10 x buyers.
Domains:- Business Transformation_____%	Mngnt. Dev.__2_% Personal Dev.__1_% Qty.__-__% Functl.__-__% IT__5_% Company Specific __52_% Other 1.Vocatl. _40_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__% Future
Cost Breakdown: CAGR-1992-96 _+12_% Central 100_% Decentralised __-__%	1992 / 1996 In-House Staff & Overheads 70% / __65_% External(1) Courses) / _____% (2) Equipment) 30% / __35_% (3) Materials) / _____%
Management System No. of Hours per annum No standard	General - New training philosophy aims for an independent outlook and 'social competence' Inventory - High teacher level an important aim Development - Not mentioned Evaluation - Use of simulations proving 'on the job' capability. Young trainees like it.
Decision Makers - Specifiers - Purchasers	Now / Future . Immediate superiors or outside experts / Same . Assessment Office.
Most Favoured Suppliers	1. Computer and other hardware, eg. simulator, vendors--IBM, Compaq and Digital mentioned. 2. 3.
Top Buying Factors	1. Product Applicability 2. Ease of modification. 3.
Technology - Experience - Relevance - Problems - Other	. Use some:- CBT; CBIV; self-teaching; Distance . Essential for teaching in numbers . Compiling courseware; lack of expertise in the industry in using multi-media
Other & Summary	- From 1/10/1992 DB merging with previous ReichsBahn (previously 200,000 employees); means large increase in training and especially use of CBT.

Name of Company:- BUNDESPOST TELEKOM

INDUSTRY Telecommunications
INDUSTRY GP. Services
COUNTRY Germany
RESPONDENT
TITLE Training Director - Technical.

NO. OF EMPLOYEES 200,000
SIZE GP.(L/M) Large
REVS (Est 1991) $M. 26,700
SPEND(E&T 1991) $M. 855

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Responsible for basic and further technical training; 18 x specifiers/purchasers; - Non-technical training has centre in Berlin.
Domains: Business on-going Transformation_____%	Mngnt. Dev.__10_% Personal Dev.___5_% Qty._____% Functl __10_% IT __10_% Company Specific __25_% Other 1.Vocatl. _40_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l ___5_%
Cost Breakdown: CAGR-1992-96 _+5_% Central _100_% Decentralised __-__%	1992 / 1996 In-House 95% / __92_% External(1) 5% / ___8_% (2) / _____% (3) / _____%
Management System No. of Hours per annum	General - Training is tailored to our own needs; hence it is very largely in-house Inventory - Fast-changing industry requires new occupations & skills all the time Development - Graduates need in-house qualification; use the Dual Theory approach Evaluation - Customer Satisfaction key service goal.
Decision Makers - Specifiers - Purchasers	Now / Future . Management training acc. to need / Same Others follow changing guidelines / May change . Training/regional directors jointly. / Same.
Most Favoured Suppliers	1. Open tender leads to lowest cost. 2. 3.
Top Buying Factors	1. Instructor Quality 2. Product Quality/Applicability 3. Technology 4. Vendor Name 5. Price/Value 6. Schedules.
Technology - Experience - Relevance - Problems - Other	. Multiple location/Distance learning is the driver . Use technology with future to justify high costs . Produce CBT courses centrally for disk distribution to, say, 100 offices . Speed of change; author quality; lack of reaction . Out-of-hours 'Funline' run in-house.
Other & Summary	- 3,000 'students' through training school each year - Old postal career no longer exists - EC harmonisation - PETRA (Partnership in Education and Training) - projects with other TAs eg. Telecom Eirann in Dublin.

Name of Company:- GEW Gas, Electricity & Waterworks COLOGNE AG

INDUSTRY Utilities
INDUSTRY GP. Services
COUNTRY Germany
RESPONDENT
TITLE Director Personnel Development.

NO. OF EMPLOYEES 3,042
SIZE GP.(L/M) Medium
REVS (Est 1991) $M. 1,000
SPEND(E&T 1991) $M. 7

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Directs Executive/Management training; are 3 other directors for:- Professional Development, Departmental managers & Vocational; also 4 purchasing advisors dealing with suppliers
Domains:- Business Transformation_____%	Mngnt. Dev._N.K.% Personal Dev._____% Qty._____% Functl._____% IT_____% Company Specific_____% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 _+10_% Central N.K.% Decentralised _____%	1992 / 1996 In-House 80% est. / _____% External(1) 20% / _____% (2) / _____% (3) / _____%
Management System No. of Hours per annum Avge. 35 hrs. pa. per person.	General - All training is on demand; no pre-planned budgets; services business must be fast Inventory - No formal Development - No formal method, but more training is needed to remain a responsive organisation Evaluation - Nil.
Decision Makers - Specifiers - Purchasers	Now / Future . Respondent presides over all schemes / No change . Directors, End-users or managers.
Most Favoured Suppliers	1. SAP Finance Management 2. Microsoft 3. Internal trainers for PC training, eg. Windows.
Top Buying Factors	1. Most factors important or very important. 2. 3.
Technology - Experience - Relevance - Problems - Other	. Some of CBT & CBIV; none of Distance Learning . Must have clear goals to succeed, as is expensive . New media cannot yet track fast changes in the business world
Other & Summary	- New programme starting, based on staff discussion as the method, discarding seminars; starting with top management, working down - Social Competence key to service business; need more attention to Personal Development training.

Name of Company:- MINISTERE DES AFFAIRES SOCIALES ET DE L'INTEGRATION

INDUSTRY	Central Government	NO. OF EMPLOYEES	5,000
INDUSTRY GP.	Government	SIZE GP.(L/M)	Large
COUNTRY	France	REVS (Est 1991) $M.	300
RESPONDENT		SPEND(E&T 1991) $M.	3.6
TITLE	Responsable Formation.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Only IT, which has 4 depts. & 100 professionals - EGF decides non-IT; has 5 specifiers & 2 buyers.
Domains:- Business Transformation __NA_%	Mngnt. Dev.___5_% Personal Dev.__15_% Qty._-___% Functl. __25_% IT __15_% Company Specific __30_% Other 1. Vocational_10_% 2. _____% 3. ___%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+8_% Central __95_% Decentralised ___5_%	IT only 1992 1996 In-House 3% _____% External (1)Custom Courses 40% _____% (2)Seminars/Stand.Courses 35% _____% (3)Materials/Equipment 22% _____%
Management System No. of Hours per annum	General - No statistics, but UNIX growing Inventory - Individual discussion Development - Project driven Evaluation - Measurement not formal at present.
Decision Makers - Specifiers - Purchasers	Now Future . EGF & Technical Management Uncertain . as above as above.
Most Favoured Suppliers	1. Bull: Centre Informatique 2. La Fournie Informatique 3. Digital.
Top Buying Factors	1. Instructor Quality 2. Pupil/Trainer Ratio 3. Product Quality 4. Product Applicability 5. Cost.
Technology - Experience - Relevance - Problems	. None . Good for:- Languages (if linked to voice systems) - Office training; - End-user applications.
Other & Summary	- UNIX trend - Budget under 'political' pressures - Training becoming more customised - Vendors give consulting/on-site after-sales support

Name of Company:- RENAULT

INDUSTRY	Automotive	NO. OF EMPLOYEES	65,000
INDUSTRY GP.	Manufacturing	SIZE GP.(L/M)	Large
COUNTRY	France	REVS (Est 1991) $M.	7,000
RESPONDENT		SPEND(E&T 1991) $M.	96.5
TITLE	Directeur, Ressources Humaines.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Plans made in each establishment (factory) - Ratified centrally/by Exec.Committee - Specifiers x 16; Purchasers x 16.
Domains:- Business Transformation __-__%	Mngnt. Dev. __17_% Personal Dev. __27_% Qty. __-__% Functl. __34_% IT ___5_% Company Specific __17_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic ___?_% O'Seas _____% Transn't'l _____%
Cost Breakdown: CAGR-1992-96 __+1_% Central _100_% Decentralised __-__%	1992 / 1996 In-House (1) 50% / _____% (2) 28% / _____% External 22% / _____% _____%
Management System No. of Hours per annum 40 hrs. per person	General - Same in future Inventory - Skills for individuals and groups Development - 1-year and 3-year planning Evaluation -
Decision Makers - Specifiers - Purchasers	Now / Future . For Mgrs. by top Management / . Same . Lower level by factory . At department level / . Same
Most Favoured Suppliers	1. Refused 2. 3.
Top Buying Factors	1. Instructor Quality 2. Pupil/Trainer ratio 3. Service & Support 4. Product Quality 5. Value/cost 6. Locations
Technology - Experience - Relevance - Problems - Other	. Self-teaching, CBT, CBIV, Distance (satellite & correspondence) . Average rating on new media . OK for IT professionals & end-users . Hard to adapt to all user types (eg. factory) . Difficult for languages.
Other & Summary	- Regular projects but no Business Transformation - Little budget growth - "Open market" < 25% of budget - CBT etc. for specialists not "masses".

Name of Company:- SOMMER-ALLIBERT

INDUSTRY	Plastics manufacture	NO. OF EMPLOYEES	13,000
INDUSTRY GP.	Manufacturing (Discrete)	SIZE GP.(L/M)	Large
COUNTRY	France	REVS (Est 1991) $M.	1,300
RESPONDENT		SPEND(E&T 1991) $M.	12
TITLE	Group Director, Social Development.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- At 3 levels - 25-100 specifiers - 6 buyers.
Domains:- Business Transformation __-__%	Mngnt. Dev. __20_% Personal Dev. __5_% Qty. __-__% Functl. __15_% IT ___5_% Company Specific __25_% Other 1. Lang. _15_% 2. Mktg. __5_% 3. Sales _10_%
Transnational Component of Business	Domestic __80_% O'Seas __20_% Transn't'l ___5_% of Mngnt. Dev.
Cost Breakdown: CAGR-1992-96 _____% Central ___5_% Decentralised __95_%	1992 1996 In-House 20% _____% External (1) Courses _____% (2) - Std. 60% _____% (3) - Custom 20% _____%
Management System No. of Hours per annum	General - Imagine major changes in know-how Inventory - Systematic audit in each subsidiary Development - Annual personal review Evaluation - Extend reviews to teams.
Decision Makers - Specifiers - Purchasers	Now Future .HR managers at 3 levels Same .HR managers at subsidiary level.
Most Favoured Suppliers	1. Not known - too decentralised 2. 3.
Top Buying Factors	1. External trainers know our company culture 2. Product quality 3. Customisation 4. Vendor's name.
Technology - Experience - Relevance - Problems - Other	. Languages; company culture . Good for languages/IT/design/maintenance . Lack of standards; too many weak vendors; sold as a gadget . Not used distance learning.
Other & Summary	- All domains except IT are growing - Business Transformation is a driver (not separate)

Name of Company:- JEUMONT-SCHNEIDER

INDUSTRY Electronics
INDUSTRY GP. Manufacturing
COUNTRY France
RESPONDENT
TITLE Human Resources Manager.

NO. OF EMPLOYEES 1,800
SIZE GP.(L/M) Medium
REVS (Est 1991) $M. 200
SPEND(E&T 1991) $M. 2.9

KEY FACTOR	FINDINGS
Responsibilities & Structure	10 x specifiers 3 x purchasers.
Domains:- Business Transformation 20 %	Mngnt. Dev. 20 % Personal Dev. 3 % Qty. - % Functl. 44 % IT 3 % Company Specific 10 % Other 1. % 2. % 3. %
Transnational Component of Business	Domestic 100 % O'Seas - % Transn't'l - %
Cost Breakdown: CAGR-1992-96 - % Central 100 % Decentralised - %	1992 1996 In-House 10% 5 % External (1) 90% 95 % (2) % (3) %
Management System No. of Hours per annum Average= 16.67 hrs. per head	General - Inventory - Keep a skills inventory Development - Procedure for managing skills futures in step with development of the business Evaluation - Measurement system in place.
Decision Makers - Specifiers - Purchasers	Now Future . Each department within each profit centre Same . The 3 members of central Training
Most Favoured Suppliers	1. CEDOP 2. AFPA 3. HEXA
Top Buying Factors	1. Quality of Instructor/Product 2. Service & Support 3. Availability of standard products.
Technology - Experience - Relevance - Problems - Other	. Little/trial experience . Good ratings for Video/CBIV . Expensive .
Other & Summary	- Favours New Media as long as they are used in conjunction with "warm body" approaches. - Stresses that CBT useful for non-Company specific training, ie. the majority of their training.

Name of Company:- ST. GOBAIN DESJONQUERES

INDUSTRY Packaging
INDUSTRY GP. Manufacturing
COUNTRY France
RESPONDENT
TITLE Responsable de developpement des Ressources Humaines.

NO. OF EMPLOYEES 3,300
SIZE GP.(L/M) Medium
REVS (Est 1991) $M. 330
SPEND(E&T 1991) $M. 4.4

KEY FACTOR	FINDINGS
Responsibilities & Structure	- 2 levels of hierarchy Specifiers = 3; Buyers = 2
Domains:- Business Transformation_____%	Mngnt. Dev.__15_% Personal Dev.__10_% Qty.___10_% Functl.__30_% IT __?5_% Company Specific __30_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic 96.5_% O'Seas _3.5_% Transn't'l __-__% rising to 4%
Cost Breakdown: CAGR-1992-96 _____% Central _____% Decentralised _____%	1992 1996 In-House (1) Staff 47% _____% (2) O'heads 3% _____% External (1) C/Sems 20% _____% (2) Std Courses 30% _____%
Management System No. of Hours per annum 24 pa. per worker	General - Inventory - Annual review for cadres & some workers Development - 3-year rolling plan for each person Evaluation - By objectives - annual screening - appreciation interviews.
Decision Makers - Specifiers - Purchasers	Now Future . Directors = Training director . Cadres = Superiors Same . Workers = Respondent & 3 Directors . Technical = Directors . Non-technical = Director HR & Committee
Most Favoured Suppliers	1. EGOR - Business - Company Specific 2. Small companies.
Top Buying Factors	1. Instructor Quality 2. Consultant availability 3. Product Quality 4. Value for Money 5. Schedules
Technology - Experience - Relevance - Problems - Other	. No experience (except high ratings on self-teaching books/videos) . Looking for human rapport, not technology on its own.
Other & Summary	- 3/4 of training is done internally - Typical (?) medium-sized manufacturer - No experience on new technology.

Name of Company:- AIR FRANCE

INDUSTRY	Transportation	NO. OF EMPLOYEES	44,000
INDUSTRY GP.	Services	SIZE GP.(L/M)	Large
COUNTRY	France	REVS (Est 1991) $M.	2,500
RESPONDENT		SPEND(E&T 1991) $M.	240
TITLE	Charge de projet dans division Ressources Humaines.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	Coordination between business sectors & internal training centres 8 functional sectors:- Transport, maintenance, etc. Specifiers = 90(x2); Buyers = 90(x2)
Domains:- Business - Plan Transformation 1992-93	Mngnt. Dev. NA. % Personal Dev._____% Qty._____% Functl._____% IT _____% Company Specific _____% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic NK _% O'Seas _____% Transn't'l _____%
Cost Breakdown: CAGR-1992-96 _+3.6% Central ____1% Decentralised ___99%	- Aircrew, technical 44 % of hrs. - Aircrew, non-technical 42 - Ground staff 12 - External 2 2.23 million hrs. Total 100 %
Management System No. of Hours per annum 50 hrs. pa.	General - Currently cross-functional--in future adapt to each type of staff to be trained Inventory - Keep an inter-team scoring system (approx. 100 teams) Development - Courses designed to increase management competence progressively Evaluation - Annual team revues.
Decision Makers - Specifiers - Purchasers	Now / Future · Line managers in hierarchy / Same · Training managers in each function / Same
Most Favoured Suppliers	1 = CRC 1 = INSEAD - across all domains. 2.
Top Buying Factors	1. Instructor quality 2. Customising ability of external trainers 3. Product modifiability 4. Cost
Technology - Experience - Relevance - Problems - Other	· Use PCs for business simulations · Used CBT:- Maintenance training (simulations) - Reservations training (sales/booking) · CBT/CBIV rated highly · Distance learning not yet adapted to commercial aspects, such as Customer Service · Plan to use more for languages. Split / Currently / 1993 / Eventually - CBT / 20% / 30% / 80% - Traditional / 80% / 70% / 20%
Other & Summary	- Mainly an internal spend - Planning to go strongly multi-media - very satisfied so far - Need time to plan and set up.

Name of Company:- EDF-GDF

INDUSTRY	Utilities	NO. OF EMPLOYEES	140,000
INDUSTRY GP.	Services	SIZE GP.(L/M)	Large
COUNTRY	France	REVS (Est 1991) $M.	20,000
RESPONDENT		SPEND(E&T 1991) $M.	500
TITLE	Training Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- 1 x specifier--draws up plans with departments 1 x purchaser per department.
Domains:- Business Transformation__12_%	Mngnt. Dev.__10_% Personal Dev.__15_% Qty.__10_% Functl.__15_% IT ___8_% Company Specific __30_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __-__% Central __30_% Decentralised __70_%	1992 / 1996 In-House:-Salaries (1)Trainees' 55% _____% (2)Trainers' 15% _____% (3)Accomm., O'h'ds. 15% _____% External (1)Courses 5% _____% (2)Transport 10% _____%
Management System No. of Hours per annum	General - Personal career paths use training, as all jobs are secure for life Inventory - No skills inventory Development - Career evolution on individual 2-year plans Evaluation - No real measure.
Decision Makers - Specifiers - Purchasers	Now / Future .Cadres, under Central Management / Same Other staff, by their dept. heads .Divisional/departmental heads, with central advice.
Most Favoured Suppliers	1. Interbusiness Conseil for non-IT 2. P7 Info-qualitic for IT. 3.
Top Buying Factors	1. Human factors 2. Quality 3. Value for money.
Technology - Experience - Relevance - Problems - Other	. Minitel for CBT--No CBIV--Correspondence courses with "warm body" follow-up for 1500 students . "Server is too slow" . Need more software before come to use CBT.
Other & Summary	- Large percentage (65% - 70%) of staff are trained --highest in any French sector--majority done by in-house courses run at regional training centres. - Likely to be a big user of CBT eventually.

Name of Company:- SOCIETE GENERALE

INDUSTRY	Banking	NO. OF EMPLOYEES	33,500
INDUSTRY GP.	Services	SIZE GP.(L/M)	Large
COUNTRY		REVS (Est 1991) $M.	2,000
RESPONDENT		SPEND(E&T 1991) $M.	29
TITLE	Training Purchasing Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	. 6 x specifiers - HR Directors + Training Director 1 x purchaser - Training Director alone.
Domains:- Business Transformation__-__%	Mngnt. Dev.__5_% Personal Dev.__1__% Qty.__4_% Functl.__28_% IT __9_% Company Specific __50_% Other 1.Langues__3_% 2. _____% 3. _____%
Transnational Component of Business	Domestic __98_% O'Seas __2_% Transn't'l(est.) 5%
Cost Breakdown: CAGR-1992-96 __15_% Central _____% Decentralised _____%	1992 / 1996 In-House 43% / __?__% External(1) C/Sem. 20% / __?__% (2) Courses/Svces. 30% / _____% (3) Materials,etc. 7% / _____%
Management System No. of Hours per annum 38.6 to 48.7 hrs. pa. acc. to grade	General - Using HAY method, based on references to each job/profession Inventory - Part of the HAY method database Development - Training/Job programmes are verified through the job hierarchy Evaluation - Formalised through annual reviews.
Decision Makers - Specifiers - Purchasers	Now / Future . Right the way through the company hierarchy / Same . Respondent jointly with committee of users
Most Favoured Suppliers	1. CFPB (Centre Formation de la Profession Bancaire) 2. IBM; DIXILOG for IT training 3. West Mill; Diamond School for Languages.
Top Buying Factors	1. Quality 2. Track record 3. Schedules/programmes.
Technology - Experience - Relevance - Problems - Other	. Of most products- "the future" as it allows for training 'on-site' or decentralised . Incompatibility between many suppliers . Key benefit= Allows to prepare using video before the actual 'warm body' course itself
Other & Summary	- Large project for management training - to train 7,500 managers - CBIV system to be implemented.

Name of Company:- INSEAD

INDUSTRY	Training	NO. OF EMPLOYEES	600
INDUSTRY GP.	Services	SIZE GP.(L/M)	Medium
COUNTRY	France	REVS (Est 1991) $M.	30
RESPONDENT		SPEND(E&T 1991) $M.	1
TITLE	Responsable Seminaire EDP/Ressources Humaines.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- 20 x specifiers 1 x purchaser.
Domains:- Business Transformation__-__%	Mngnt. Dev.__-__% Personal Dev.__10_% Qty.__10_% Functl.__40_% IT __20_% Company Specific __20_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic __30_% O'Seas __70_% Transn't'l __30_%
Cost Breakdown: CAGR-1992-96 _ 2_% Central __-__% Decentralised _100_%	1992 / 1996 In-House 60% / ____% External(1) 40% / ____% (2) / ____% (3) / ____%
Management System No. of Hours per annum 20-60 hrs per head	General - Enterprise projects and personal evolution are linked Inventory - Annual discussion to assess skill needs Development - Planning is on a 2 to 3 year basis following discussions Evaluation - No formal method/policy.
Decision Makers - Specifiers - Purchasers	Now / Future . Departmental managers - lower grades; Top management for executives grades / Same . The Training Manager.
Most Favoured Suppliers	1. CEGOS 2. Chamber of Commerce 3. IT internal plus Chamber of Commerce.
Top Buying Factors	1. Cost 2. Schedules 3.
Technology - Experience - Relevance - Problems - Other	. Not much knowledge . Secretarial, telephone and communication skills . Too costly . Self teaching gets good Cost Ratings.
Other & Summary	- This is an internal look at a major competitor of IBM La Hulpe in management training.

Name of Company:- UNION INDUSTRIELLE DE CREDIT

INDUSTRY	Financial Services	NO. OF EMPLOYEES	600
INDUSTRY GP.	Services	SIZE GP.(L/M)	Medium
COUNTRY	France	REVS (Est 1991) $M.	36
RESPONDENT		SPEND(E&T 1991) $M.	0.5
TITLE			

KEY FACTOR	FINDINGS
Responsibilities & Structure	-Subsidiary of a holding group, which sets policy -30 x specifiers @ deptal. level; 2 x central buyers
Domains:- Business Transformation __-__%	Mngnt. Dev. __-__% Personal Dev. __15__% Qty. __-__% Functl. __40__% IT __25__% Company Specific __20__% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 ___4_% Central _100_% Decentralised __-__%	1992 / 1996 In-House 12% / _____% External(1) On-Site Courses 44% / _____% (2) Outside Courses 44% / _____% (3) / _____%
Management System No. of Hours per annum	General - Hard to evaluate as only open since 1989 as a central function Inventory - Annual discussions between employees & department heads Development - Joint planning between employees and their managers; sometimes special holiday courses Evaluation - "Not very open-minded at present".
Decision Makers - Specifiers - Purchasers	Now / Future . Directors select for managerial grades with approval of group management / Same Other grades jointly with managers. . Central service. / Same
Most Favoured Suppliers	1.CEGOS 2.AFGES 3.CFTB.
Top Buying Factors	1.All factors important; Technology and Cost less so. 2. 3.
Technology - Experience - Relevance - Problems - Other	. Looking at CBT now; CBIV not much used IT profesnls./end-users can work in own rhythm . Correspondence (used with group practicals in-house) used for banking diplomas (CAP/BEP) . Not enough experience of "new media" to say . Fears isolation of CBT compared with "warm body".
Other & Summary	- Favours training in small groups.

Name of Company:- DEPARTMENT OF TRADE & INDUSTRY (DTI)

INDUSTRY	Central Government	NO. OF EMPLOYEES	12,000
INDUSTRY GP.	Government	SIZE GP.(L/M)	Large
COUNTRY	U.K.	REVS (Est 1991) $M.	720
RESPONDENT		SPEND(E&T 1991) $M.	9.4
TITLE	Training Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	60 x specifiers at management unit level; they are also the buyers.
Domains:- Business Transformation_____%	Mngnt. Dev.___2_% Personal Dev.___3_% Qty.___5_% Functl/Vocl._40_% IT __10_% Company Specific __40_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic __99_% O'Seas ___1_% Transn't'l _____%
Cost Breakdown: CAGR-1992-96 __-3_% Central _100_% Decentralised __-__%	1992 / 1996 In-House 50% / __40_% External(1) 50% / __60_% (2) / _____% (3) / _____%
Management System No. of Hours per annum	General - No programme for career path follow-on Inventory - Civil Service PRISM records Development - Looking for a training management system leading to development plans Evaluation - Only via PRISM records.
Decision Makers - Specifiers - Purchasers	Now Future . Except for Business Transformation (decided by the central management), rest are decided by the respondent . 60 x specifiers. Future - the same.
Most Favoured Suppliers	1. Peat Marwick (KPMG) for Business Transformation 2. Various providers/universities for Management Development 3.In-house/external for IT.
Top Buying Factors	1. Quality of instructors 2. Quality of product 3. Value for money.
Technology - Experience - Relevance - Problems - Other	. 2 years with CBT/CBIV through open learning centres . "Consider as a supplement more than as a stand-alone". . Low effectiveness ratings. . "Very useful for acquiring 'soft skills'".
Other & Summary	- Budget reducing as head count goes down - "Need for improved understanding of training; it needs to be integrated/accepted at the workplace."

Name of Company:- RUSHMOOR BOROUGH COUNCIL

INDUSTRY Local Government
INDUSTRY GP. Government
COUNTRY U.K.
RESPONDENT
TITLE Training Officer.

NO. OF EMPLOYEES 700
SIZE GP.(L/M) Medium
REVS (Est 1991) $M. 60
SPEND(E&T 1991) $M. 0.5

KEY FACTOR	FINDINGS
Responsibilities & Structure	-Total for Council; some technical training in hands of end-users. -1 x specifier; 2 purchasers.
Domains:- Business Transformation_____%	Mngnt. Dev.__25_% Personal Dev.__20_% Qty.___2_% Functl.__10_% IT __10_% Company Specific __23_% Other 1.Vocat'l _10_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+4_% Central __90_% Decentralised __10_%	1992 / 1996 In-House-Staff & Facl'ties 30% _____% External(1) Conf./Seminars 15% _____% (2) Courses, Std. & Custom 35% _____% (3) Materials & Equipment 20% _____%
Management System No. of Hours per annum In future 30-75 hrs. pa.	General - Inadequacies of system recognised and currently plugged on an ad hoc basis Inventory - Computerised, but with academic qualifications only on file Development - Training analysis is part of individual appraisal system Evaluation - Now moving to management by competence.
Decision Makers - Specifiers - Purchasers	Now / Future . For executives, CEO & Personnel Other grades, managers & Personnel / No change . Management & Personnel.
Most Favoured Suppliers	1.Local Govt. Management Board 2.Independent consultant 3.Professional body 4.Local Technical College 5.St. John Ambulance.
Top Buying Factors	1.Quality of Instructors 2.Cost 3.Applicability of Products.
Technology - Experience - Relevance - Problems - Other	. CBT not used; CBIV/IV very useful but high cost . For 'pre-course' readying of trainees . Selling to trainees; few facilities and little vocational courseware available; portability . Thinks CBT has high boredom factor.
Other & Summary	- U.K. move to NVQ (National Vocational Qualification) not sufficiently promoted/backed by employers - NVQ = Academic + Job experience, ie. a broad spectrum of Skills/Qualifications.

Name of Company:- ESSO PETROLEUM LTD.

INDUSTRY	Oil and Chemicals	NO. OF EMPLOYEES	5,000
INDUSTRY GP.	Manufacturing (Process)	SIZE GP.(L/M)	Large
COUNTRY	U.K.	REVS (Est 1991) $M.	400
RESPONDENT		SPEND(E&T 1991) $M	1.9
TITLE	Training Advisor.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- HQ handles management/support training; refineries specify/procure own; - HQ :- 15 specifiers, 3 buyers.
Domains:- Business Transformation__-__%	Mngnt. Dev.__25_% Personal Dev.__10_% Qty.__15_% Functl.__25_% IT __10_% Company Specific __15_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l ___5_%
Cost Breakdown: CAGR-1992-96 __0_% Central __-__% Decentralised _100_%	1992 / 1996 In-House Staff & Facilities 5% _____% External (1) Conf./Seminars 13% _____% (2) Courses, Std. & Custom 79% _____% (3) Materials & Equipment 3% _____%
Management System No. of Hours per annum - Not a set norm; prefer base on need	General - Inventory - Is a current project to set one up Development - Via normal managerial appraisals Evaluation - In progress--to measure skill-based training.
Decision Makers - Specifiers - Purchasers	Now / Future . Managers of departments -"are flexible" . Purchasing departments aided by Training Dept.
Most Favoured Suppliers	1. PE International 2. MAST 3. Ralph Coverdale 4. Other independents.
Top Buying Factors	1. All factors important, except: - Location 2. Vendor Name 3. Product Range.
Technology - Experience - Relevance - Problems - Other	. CBT moderate use; Distance just examining with Institute of Petroleum courses . For specific needs, eg. Knowledge & Generic skills . Need equipment; disruptive of work; impersonal . Favours "warm body".
Other & Summary	- Now looking at "Quality"--"many different views on quality - Must focus Training on:- Competence, Job skills, Team work - Courses need publicity internally, be more "open".

Name of Company:- FORD EUROPE

INDUSTRY	Automotive	NO. OF EMPLOYEES	100,000
INDUSTRY GP.	Discrete Manufacturing	SIZE GP.(L/M)	Large
COUNTRY	U.K. - HQ	REVS (Est 1991) $M.	41,000
RESPONDENT TITLE	Director, Education & Training, Ford Europe.	SPEND(E&T 1991) $M.	

KEY FACTOR	FINDINGS
Responsibilities & Structure	1 overall Specifier; 3 at regional level; 2 for major projects
Domains:- Business Transformation__-__%	Mngnt. Dev.__18_% Personal Dev._-___% Qty.__17_% Functl.__-__% IT __17_% Company Specific __43_% Other 1. R&D __5_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _____% O'Seas _____% Transn't'l__80_% G= 35%; UK= 40%; F= 5%; Spain= 10%; Rest= 10%
Cost Breakdown CAGR-1992-96 _+6.6% Central _100_% Decentral. _____%	1992 1996 In-House 75% __38_% External (1) 25% __62_% (2) _____% (3) _____%
Management System No. of Hours per annum	General - Inventory - "Skills inventory Yes currently" Development - SDP = "just part of a vision--now" Evaluation - Measurement = Not effective!
Decision Makers - Specifiers - Purchasers	Now Future . Flexible approach between E&T management and line organisations. No change . Joint decisions No change.
Most Favoured Suppliers	1. Broad spectrum of small companies and independent consultants 2.
Top Buying Factors	1. Quality of instructor/product 2. Customising capability 3. Value for money
Technology - Experience - Relevance - Problems - Other	 . CBT in 13 UK learning centres . Partial . Needs motivation and supervision . Cost–Lack of flexibility.
Other & Summary	- Need for more customised materials and courses as well as seminars/conferences - In-house training staff declining. OUTSOURCING TREND - Management system to be implemented

Name of Company:- HAVERHILL MEAT PRODUCTS

INDUSTRY	Food Industry	NO. OF EMPLOYEES	1,600
INDUSTRY GP.	Manufacturing (Process)	SIZE GP.(L/M)	Medium
COUNTRY	U.K.	REVS (Est 1991) $M.	100
RESPONDENT		SPEND(E&T 1991) $M.	0.6
TITLE	Factory Personnel Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Self plus some assistance from Personnel - Self + production managers specify; 1 x purchaser.
Domains:- Business ongoing Transformation __-__%	Mngnt. Dev. 6 % Personal Dev. 5 % Qty. 5 % Functl. 20 % IT 4 % Company Specific 40 % Other 1.Vocatnl. 20 % 2. ____% 3. ____%
Transnational Component of Business	Domestic 100 % O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+5_% Central 100 % Decentralised __-__%	1992 / 1996 In-House 10% / ____% External(1) 90% / ____% (2) ____% (3) ____%
Management System No. of Hours per annum No standard now	General - Smaller company approach helps--run a meat scheme based on performance Inventory - Accurate records; Engineering Dept. has a multi-skills approach Development - At individual level using appraisal system Evaluation - Only subjective assessment; must plan.
Decision Makers - Specifiers - Purchasers	Now / Future . Department managers/supervisors - selecting courses is difficult / No change . Personnel with managers recommending.
Most Favoured Suppliers	1.Local colleges and consultants 2.Midland Training Agency 4. MAST 3.Industrial Society 5.Leatherhead RA.
Top Buying Factors	1.Quality of instructors/products 2.Value for money 3.Applicability of product.
Technology - Experience - Relevance - Problems - Other	. CBT not used; CBIV being looked at; distance learning favoured, but needs motivation . Multiplicity of uses--software improving all time . Cost and tailoring of programmes . Flexibility/timing are advantages.
Other & Summary	- Must improve profile of training in company eyes - Training aspects eg. safety/hygiene are key to keeping business open; EC regulations affect - Must increase its cost-effectiveness.

Name of Company:- PORTALS LTD.

INDUSTRY	Paper Products	NO. OF EMPLOYEES	750
INDUSTRY GP.	Manufacturing	SIZE GP.(L/M)	Medium
COUNTRY	U.K.	REVS (Est 1991) $M.	50
RESPONDENT		SPEND(E&T 1991) $M.	0.5
TITLE			

KEY FACTOR	FINDINGS
Responsibilities & Structure	. 80-100 central personnel can specify; 20 buying points in depts. Central budget & as ad hoc needs.
Domains:- Business Ongoing Transformation_____%	Mngnt. Dev._NK._% Personal Dev._____% Qty._____% Functl._____% IT _____% Company Specific _____% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+5_% Central __85_% Decentralised __15_%	1992 / 1996 In-House- Staff & Overheads 14% _____% External(1) Conf./Seminars 5% _____% (2) Courses,Std. 15%; Custom 60% _____% (3) Materials 6% _____%
Management System No. of Hours per annum against this approach	General - Looking ideally to measure training at bottom line Inventory - Skills available known and documented Development - No comment Evaluation - "Nearly impossible to do".
Decision Makers - Specifiers - Purchasers	Now / Future . Jointly, dept. & training managers / Same . Dept. managers in all cases.
Most Favoured Suppliers	1.Industrial Society 2.GBS 3. Large Engineering organisations 4.Large and small independent companies/consultants.
Top Buying Factors	1.Quality of Product 2.Applicability of Product 3.Value for money.
Technology - Experience - Relevance - Problems - Other	. CBT good idea; CBIV no experience; distance learning no feedback, nor measurement . Preference for in-house tailoring . "Get buried in detail; miss objectives" . Possibly good for basic theory teaching.
Other & Summary	- Focused skill training groups give ability to ask questions - Favouring "warm body" may be typical of in-house trainers.

Name of Company:- WELLA (GB) LTD.

INDUSTRY	Hair Care Products	NO. OF EMPLOYEES	550
INDUSTRY GP.	Manufacturing (Process)	SIZE GP.(L/M)	Medium
COUNTRY	U.K.	REVS (Est 1991) $M.	35
RESPONDENT TITLE		SPEND(E&T 1991) $M.	0.5

KEY FACTOR	FINDINGS
Responsibilities & Structure	- HQ section; Sales & Technical separate 3 x specifiers; 3 x purchasers.
Domains:- Business Ongoing Transformation_____%	Mngnt. Dev._____% Personal Dev._____% Qty._____% Functl._____% IT_____% Company Specific _100_% Other 1. Salons _34_% 2. Retail _24_% 3. Opns._42_%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 _+6.8% Central 100_% Decentralised __-__%	1992 1996 In-House Staff & Facilities 10% _____% External(1) Conf./Seminars 10% _____% (2) Courses, Stand./Custom 70% _____% (3) Materials 10% _____%
Management System No. of Hours per annum No standards	General - Inventory - None Development - By appraisal & annual plan presentation to executives Evaluation - None, sceptical as to usefulness.
Decision Makers - Specifiers - Purchasers	Now / Future . Via immediate managers in hierarchy with help from Personnel / No change . Managers with Personnel Manager.
Most Favoured Suppliers	1.Sundridge Park, Henley, Cranfield, Rofery Park 2.Industrial Society for Functional 3.Hardware vendors for IT
Top Buying Factors	1.Quality of Instructor/Product 2.Applicability of Product 3.Value for money 4. Cost.
Technology - Experience - Relevance - Problems - Other	. Not much. CBIV better than CBT (OK for IT) . CBIV suitable for working groups . Courseware too general; technique impersonal . "Little application to a real people operation".
Other & Summary	- Recent training decline due to U.K. recession-- leading to more use of internal resources - Mixed feelings about NVQs; ?impractical - Recruitment/high staff turnaround affect training.

Name of Company:- CITIBANK (EUROPE)

INDUSTRY	Financial Services	NO. OF EMPLOYEES	7,000
INDUSTRY GP.	Services	SIZE GP.(L/M)	Large
COUNTRY	U.K.	REVS (Est 1991) $M.	750
RESPONDENT		SPEND(E&T 1991) $M.	8
TITLE	VP European training.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- European training centre; country operations on own - 15 x business managers specify; 1 x central buyer.
Domains:- Business Transformation___8_%	Mngnt. Dev.__13_% Personal Dev.__20_% Qty.___3_% Functl.__29_% IT ___7_% Company Specific __20_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic __50_% O'Seas __50_% Transn't'l _100_% ie. U.K.
Cost Breakdown: CAGR-1992-96 _+7.5% Central __-__% Decentralised _100_%	In-House 1992 1996 Staff(27%);Facils.(21%) 48% __48_% External (1) Conf./Seminars) 49% __49_% (2) Courses, Stand./Custom) ____% (3) Materials 3% ___3_%
Management System No. of Hours per annum 37.5 hrs target reducing to 22.5 hrs.	General - Present target of 5 days realistically needs to come down to 3 days per head. Inventory - No list; skills defined by job and tied to individual's career path Development - Linked to modules of time for each job grade; plans can cover 10+ years Evaluation - "No effective objective measure exists" use evaln. sheets & annual appraisals.
Decision Makers - Specifiers - Purchasers	Now / Future . Immediate superiors / No change planned . Training manager in most cases, except for IT.
Most Favoured Suppliers	1.Independent consultants or in-house staff 2.MTP for professional diploma courses 3.Graham Barnett & hardware vendors for IT.
Top Buying Factors	1.Quality of Instructors/Products 2.Applicability of Products 3.Value for money.
Technology - Experience - Relevance - Problems - Other	. Bad experiences with CBT (10 systems developed in-house); CBIV looked at--sceptical--but Germany investing in now . Distance learning effective in banking; "portable" . CBT/CBIV lack portability; customising costly . Thought satellite delivery sounded useful.
Other & Summary	- "Too many 'cowboy' consultants/companies cashing in on training" - Looking to narrow range of suppliers, therefore - Training must respond faster to business needs; they are using short, sharp courses as a means to counter the shortening 'shelf-life' of products.

Name of Company:- EAGLE STAR

INDUSTRY	Insurance Company	NO. OF EMPLOYEES	12,000
INDUSTRY GP.	Services	SIZE GP.(L/M)	Large
COUNTRY	U.K.	REVS (Est 1991) $M.	650
RESPONDENT		SPEND(E&T 1991) $M.	6.5
TITLE	Training & Development Manager, Holding group.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- For all regions; 1 x Central specifier - up to 300 purchasers (seldom encouraged to).
Domains:- Business Transformation__30_%	Mngnt. Dev.__10_% Personal Dev.___5_% Qty.___5_% Functl.__35_% IT __10_% Company Specific ___5_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic __99_% O'Seas ___1_% Transn't'l ___0_%
Cost Breakdown: CAGR-1992-96 __-7_% Central __99_% Decentralised ___1_%	In-House 1992 1996 Staff(30)%;Facils.(15%) 45% __50_% External (1) Custom courses 30% __15_% (2) Conferences/Seminars 5% __10_% (3) Materials & Equipment 20% __25_%
Management System No. of Hours per annum No standard, only via appraisals	General - Individual managers measure competences pre- and post-training Inventory - In-house system stores:- Technical and general skills, and staff practices Development - In-house system (new last 12 months); records:- Current & new jobs; career development Evaluation - Not formal; monitor/record only.
Decision Makers - Specifiers - Purchasers	Now / Future . Individual managers by Area/Dept. / No change likely . Training Dept. at HQ level.
Most Favoured Suppliers	1.Employee Development Association for management 2.Lloyds Masters Consultancy for professional dev. 3.Hardware suppliers for IT.
Top Buying Factors	1.Quality 2.Service and Support 3.Value for money.
Technology - Experience - Relevance - Problems - Other	 . CBT/CBIV highly rated; have own facility--(less success with distance learning); for Professional and IT skills . Continual need to update and cost of so doing . Very committed to CBT.
Other & Summary	- Believes organisations will nurture skills and culture in-house - Will be more workplace & less classroom training but with access to consultants - "Competence cannot be measured, practice can. Therefore look for 'best practice'".

Name of Company:- CITIBANK TRUST

INDUSTRY	Financial Services	NO. OF EMPLOYEES	1,500
INDUSTRY GP.	Services	SIZE GP.(L/M)	Medium
COUNTRY	U.K.	REVS (Est 1991) $M.	250
RESPONDENT		SPEND(E&T 1991) $M.	3.75
TITLE	Central Training Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Sales training group in Citibank Life is separate -25 x division heads specify; 2 x purchasing points.
Domains:- Business Transformation___4_%	Mngnt. Dev.__20_% Personal Dev.___5_% Qty.__10_% Functl.__30_% IT __20_% Company Specific __11_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l _0.5_%
Cost Breakdown: CAGR-1992-96 +12.5% Central 100_% Decentralised __-__%	In-House 1992 1996 Staff(40%) Facils.(20%) 60% _____% External (1) Courses-Stand. 10% _____% (2) -Custom 20% _____% (3) Materials 10% _____%
Management System No. of Hours per annum No standard now	Inventory - Management Resource Inventory on middle and senior management Development - Not formal; look ahead in business 2 years, plus use annual appraisal system Evaluation - Formal cycle of contacts with senior managers, plus evaluation sheets General - Also pockets of a competency system.
Decision Makers - Specifiers - Purchasers	Now / Future . Immediate superiors, plus senior management on group basis / No changes planned . Training managers, Central & Sales.
Most Favoured Suppliers	1. Christopher Kiddy & Co. 2. Small company of occupational psychologists 3. Applied Learning for IT, and now HR training.
Top Buying Factors	1. Quality 2. Applicability 3. Value for money.
Technology - Experience - Relevance - Problems - Other	. CBT too restrictive; CBIV only good for simulation . Best for IT and Knowledge skills . Impersonal, no follow-up afterwards (in the bar) . Distance learning OK for motivated people.
Other & Summary	- Most of Citibank training is customised; CBT cannot easily keep up with changing business - "Much training wasted, as not linked to business aims--Staff see training as a perk--Many managers are conditioned by 'pop' psychology to think can make exact science out of non-exact subjects".

Name of Company:- SOCIETA AUTOSTRADE

INDUSTRY	Motorway Management	NO. OF EMPLOYEES	8,450
INDUSTRY GP.	Services	SIZE GP.(L/M)	Large
COUNTRY	Italy	REVS (Est 1991) $M.	1,955
RESPONDENT		SPEND(E&T 1991) $M.	1.75
TITLE	Development Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Central training centre - Technical training initiatives from each function.
Domains:- Business Transformation__10_%	Mngnt. Dev.__25_% Personal Dev.___5_% Qty.__15_% Functl.__15_% IT __-__% Company Specific __20_% Other 1. Vocatl. _10_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+5_% Central __90_% Decentralised __10_%	In-House 1992 1996 Staff(40%) O'heads(20%) 60% _____% External(1) Conf./Seminars 15% _____% (2) Courses(Std-10%,Custom-5%) 15% _____% (3) Materials 10% _____%
Management System No. of Hours per annum 7 to 21 hrs. pa. (ie. 1 to 3 days)	General - Nil Inventory - Development - Evaluation -
Decision Makers - Specifiers - Purchasers	Now Future . LOB (Lines of Business) propose The same . Joint decisions (Development/Training/LOBs).
Most Favoured Suppliers	1. IFAP 2. ISPER 3. Freelance consultants.
Top Buying Factors	1 = Quality of Instructors & of Products 3. Pupil/Trainer Ratio 4. Design assistance 5. Customising capability.
Technology - Experience - Relevance - Problems - Other	 . Currently thinking about CBT . CBIV good cost rating . Own firm's culture . Some basic knowledge only.
Other & Summary	- New Media useful in Knowledge, Generic & Soft skills.

Name of Company:- ANSALDO TRASPORTI

INDUSTRY	Engineering	NO. OF EMPLOYEES	2,200
INDUSTRY GP.	Manufacturing	SIZE GP.(L/M)	Medium
COUNTRY	Italy	REVS (Est 1991)	$M. 450
RESPONDENT		SPEND(E&T 1991)	$M. 0.9 Est.
TITLE	Training Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Shared between Training and Personnel - Training requests come up through departments.
Domains:- Business Transformation__-__%	Mngnt. Dev.__20_% Personal Dev.___5_% Qty.__10_% Functl.__15_% IT __20_% Company Specific __-__% Other 1.Vocatl. _30_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+5_% Central _100_% Decentralised __-__%	In-House 1992 1996 Staff(10%) Facils.(10%) 20% _____% External (1) Conf./Seminars 35% _____% (2) Standard Courses 40% _____% (3) Materials 5% _____%
Management System No. of Hours per annum 24 to 32 hrs. pa.	General - Inventory - Claims, Yes Development - Yes Evaluation - Yes
Decision Makers - Specifiers - Purchasers	Now Future · Via Personnel No change · Mainly Personnel; some involvement of Top Management and Technical functions.
Most Favoured Suppliers	1. Not disclosed. 2. 3.
Top Buying Factors	1. All factors, except Pupil/Trainer Ratio, Location & Cost, play some part in buying decisions. 2.
Technology - Experience - Relevance - Problems - Other	· Not disclosed how much · IT, Knowledge and Generic Skills · Product choice, Cost & Development Time for software.
Other & Summary	- Can only be justified if large number of staff to train.

Name of Company:- SIP

INDUSTRY	Telecommunications Operator	NO. OF EMPLOYEES 150,000
INDUSTRY GP.	Services	SIZE GP.(L/M) Large
COUNTRY	Italy	REVS (Est 1991) $M. 16,520
RESPONDENT		SPEND(E&T 1991) $M. 152
TITLE	Training Manager.	

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Training Centre co-ordinates - Over 100 purchasers in 3 divisions
Domains:- Business Transformation_____%	Mngnt. Dev._____% Personal Dev._____% Qty._____% Functl._____% IT _____% Company Specific _____% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 +8.7_% Central __93_% Decentralised __7_%	1992 / 1996 In-House 70% / _____% External(1) Courses 25% / _____% (2) Materials 5% / _____% (3) / _____%
Management System No. of Hours per annum 50 to 90 hrs. pa.	General - Host/PC courses databank Inventory - Development - 90% of time use ad hoc services Evaluation - Use tools in conjunction with CBT.
Decision Makers - Specifiers - Purchasers	Now / Future . No response
Most Favoured Suppliers	1. REIS 4. ANCIFAP 2. ISTUD 3. IFAG 5. SDA Bocconi
Top Buying Factors	1. Quality of Instructors 2. Availability off-the-shelf 3. Schedules 4. Various
Technology - Experience - Relevance - Problems - Other	. Since 1984 widely used CBT (approx. 700 hrs./285 in 1991) . CBIV in trial use; CBT & CD-ROM effective . . Useful for all except IT course work.
Other & Summary	- Organisation chart shows responsibilities - An advanced user--well on in use of new media - True Business Transformation project.

Name of Company:- SOCIETA AEREOPORTI DI ROMA

INDUSTRY	Airport Operator	NO. OF EMPLOYEES	6,700
INDUSTRY GP.	Services	SIZE GP.(L/M)	Large
COUNTRY	Italy	REVS (Est 1991) $M.	536
RESPONDENT		SPEND(E&T 1991) $M.	1.75
TITLE	Training Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Central budget control - 1 x specifier; 15-18 purchasers.
Domains:- Business Transformation __30_%	Mngnt. Dev.__15_% Personal Dev.___5_% Qty.__10_% Functl.__15_% IT __-__% Company Specific __15_% Other 1.Vocatl. _10_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 ___0_% Central __95_% Decentralised ___5_%	1992 / 1996 In-House 50% / _____% External(1) Conf./Seminars 10% / _____% (2) Courses 20% / _____% (3) Materials & Equipment 20% / _____%
Management System No. of Hours per annum Approx. 80 hrs. pa.	General - Not well answered Inventory - Claimed to have one. Development - Evaluation -
Decision Makers - Specifiers - Purchasers	Now / Future . Immediate superior on case-by-case basis / No change . Group level for Management Training; Training Department for Other types
Most Favoured Suppliers	1. IFAP (IRI) 2. 3.
Top Buying Factors	1. Quality of Instructors 2. Consultant design assistance 3. Quality of Product.
Technology - Experience - Relevance - Problems - Other	. Only now looking at CBT for certain applications . Perhaps some Operational areas; CBT could be useful for large classes, eg. work security . Needs large number of trainees to spread cost .
Other & Summary	- Company is concentrating on bringing training in-house. - No. of hours training per person is declining.

Name of Company:- BANCO DI SANTO SPIRITO

INDUSTRY	Banking	NO. OF EMPLOYEES	5,800
INDUSTRY GP.	Services	SIZE GP.(L/M)	Large
COUNTRY	Italy	REVS (Est 1991) $M.	350
RESPONDENT		SPEND(E&T 1991) $M.	3.6
TITLE	Systems Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	Personnel/Resources Manager
Domains:- Business Transformation __5_%	Mngnt. Dev.__25_% Personal Dev.__10_% Qty.___2_% Functl.__30_% IT __15_% Company Specific __13_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 _+20_% Central __80_% Decentralised __20_%	1992 / 1996 In-House 50% __40_% External (1) C/Sem. 5% ___5_% (2) Courses Std. 15% __20_% (3) Custom 30% __35_%
Management System No. of Hours per annum 5 days rising to 10 days pa.	General - Nil reported Inventory - Development - Evaluation -
Decision Makers - Specifiers - Purchasers	Now / Future • Personnel/Resources Manager — Same • As above
Most Favoured Suppliers	1. ISDA 2. LUISS 3. IBM 4. Olivetti (ELEA)
Top Buying Factors	1. Technology/Media 2. Wide Product Range 3. Cost
Technology - Experience - Relevance - Problems - Other	• Helps in development projects • High Ratings (4 & 5) • Upgrading and customisation • Good for Professnl. and Product knowledge skills
Other & Summary	-

Name of Company:- BANCA POPULARE MILANO

INDUSTRY Banking
INDUSTRY GP. Services
COUNTRY Italy
RESPONDENT
TITLE Human Resources & Development Manager.

NO. OF EMPLOYEES 5,504
SIZE GP.(L/M) Large
REVS (Est 1991) $M. 330
SPEND(E&T 1991) $M. 1.1

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Centralised except for some specialist areas, ie. IT, Finance, Marketing.
Domains:- Business Transformation __15___%	Mngnt. Dev. __-__% Personal Dev.___4_% Qty.__-__% Functl. __28_% IT ___8_% Company Specific __5_% Other 1.Vocatl. _40_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+5_% Central __90_% Decentralised __10_%	1992 / 1996 In-House Staff, etc. 60% _____% External(1) Conf./Seminars 1% _____% (2) Standard Courses 10% _____% (3) Custom Courses 29% _____%
Management System No. of Hours per annum Avge. 26 hrs. pa.	General - Nil Inventory - Development - Evaluation -
Decision Makers - Specifiers - Purchasers	Now / Future . General Manager & Personnel / No change . Human Resources Development.
Most Favoured Suppliers	1. Not answered. 2. 3.
Top Buying Factors	1. Quality of Instructors 2. Consultant designer availability 3. Quality of Product.
Technology - Experience - Relevance - Problems - Other	. New media used in experiment with devolving training responsibility to branch level . CBT given high effectiveness rating . Hardware inadequate. . CBT useful for IT, Functional & Knowledge skills.
Other & Summary	- Interview marred by typical Italian bank reluctance to divulge information which might be sensitive.

Name of Company:- ITALCABLE

INDUSTRY	Telecommunications	NO. OF EMPLOYEES	3,200
INDUSTRY GP.	Services	SIZE GP.(L/M)	Medium
COUNTRY	Italy	REVS (Est 1991) $M.	696
RESPONDENT		SPEND(E&T 1991) $M.	4.8
TITLE	Training Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Training Centre responsible for Personnel, Training & training materials; 100 possible specifiers/buyers.
Domains:- Business Transformation __-__%	Mngnt. Dev. __15_% Personal Dev. __15_% Qty. ___5_% Functl. __20_% IT __15_% Company Specific __20_% Other 1.Vocatl. _10_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100__% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+5_% Central __55_% Decentralised __45_%	1992 / 1996 In-House 30% est. _____% External(1) 70% _____% (2) _____% (3) _____%
Management System No. of Hours per annum Avge. 62.5 hrs. pa.	General - Business being transformed to being market driven Inventory - Nil Development - Technology upgrading needs new specialist skills Evaluation -
Decision Makers - Specifiers - Purchasers	Now / Future . Joint planning with Area Managers / No change . Training Centre.
Most Favoured Suppliers	1. REIS 2. IFAP 3. ANCIFAC.
Top Buying Factors	1. Quality of Instructor 2. Cost 3. Quality of Product (ie. courses).
Technology - Experience - Relevance - Problems - Other	. 5 x CBT systems in use:- Marketing, Languages, Communications, Quality and Vocational. . CBT useful for basic training of all types . Integration with traditional techniques needed . Age of employees important.
Other & Summary	- Changing company culture from monopoly to marketing orientation gives a business opportunity.

Name of Company:- IMI

INDUSTRY	Financial Services Holding	NO. OF EMPLOYEES	920
INDUSTRY GP.	Services	SIZE GP.(L/M)	Medium
COUNTRY	Italy	REVS (Est 1991) $M.	783
RESPONDENT		SPEND(E&T 1991) $M.	1.7
TITLE	Training Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Functions propose; Training Centre approves after examining; IT autonomous decision maker.
Domains:- Business Transformation __-__%	Mngnt. Dev. __18_% Personal Dev. ___2_% Qty. ___5_% Functl. __18_% IT __10_% Company Specific __30_% Other 1. Vocatl. 17_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 +8.4 % Central 100_% Decentralised __-__%	1992 / 1996 In-House 25% / _____% External(1) Conf./Seminars 10% / _____% (2) Courses 50% / _____% (3) Materials & Equipment 15% / _____%
Management System No. of Hours per annum 16.7 hrs. pa.	General - Nil Inventory - Development - Evaluation -
Decision Makers - Specifiers - Purchasers	Now / Future . Departments / No change . Training Centre.
Most Favoured Suppliers	1. IMD 2. Bocconi 3. HAY 4. Galgano 5. Ipsoa 6. ISDA 7. DATI 8. IBM.
Top Buying Factors	1. Quality of Instructor 2. Quality of Product 3. Service and Support Quality.
Technology - Experience - Relevance - Problems - Other	. None . Not cost-effective for IMI . Too expensive . No plans; OK for IT and Generic.
Other & Summary	- Acquired CARIPLO (Casse di Risparmo \lombarde) - Small in-house training team; uses external suppliers a lot.

Name of Company:- BANCA FIDEURAM SPA

INDUSTRY	Banking	NO. OF EMPLOYEES	3,000 est.
INDUSTRY GP.	Services	SIZE GP.(L/M)	Medium
COUNTRY	Italy	REVS (Est 1991) $M.	300
RESPONDENT		SPEND(E&T 1991) $M.	1.48
TITLE	Training Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- General and Assistant General Managers - 2 x specifiers; 4 or 5 x purchasers.
Domains:- Business unspecified Transformation_____%	Mngnt. Dev._N.K.% Personal Dev._____% Qty._____% Functl._____% IT_____% Company Specific _____% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+5_% Central _100_% Decentralised __-__%	1992 1996 In-House No breakdown given _____% External(1) _____% (2) _____% (3) _____%
Management System No. of Hours per annum Not known	General - Yearly budget shown under heading of Human Resources Inventory - Claimed to maintain one but unspecified Development - Business Transformation training is a growth area. Evaluation -
Decision Makers - Specifiers - Purchasers	Now / Future . Training Department in conjunction with approval of top management. / Same . Training Department/Asst. Gen. Mgrs.
Most Favoured Suppliers	1. Not disclosed. 2. 3.
Top Buying Factors	1. Instructor Quality & Designer Availability 2. All Product Attributes 3. Commercial Factors not important
Technology - Experience - Relevance - Problems - Other	. Used CBT for technical training . Give CBT good ratings . Cost high; hardware availability--need host-based network in order to support 'real-time' system update . Not likely to increase use.
Other & Summary	- Traditional conservative bank environment; best growth areas:- Quality Management & Functional training.

Name of Company:- POLARIS ASSICURAZIONI

INDUSTRY	Insurance Company	NO. OF EMPLOYEES	532
INDUSTRY GP.	Services	SIZE GP.(L/M)	Medium
COUNTRY	Italy	REVS (Est 1991) $M.	175
RESPONDENT		SPEND(E&T 1991) $M.	0.8
TITLE	Training Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- All departments involved, especially for Functional training; 3 to 4 x main specifiers & purchasers.
Domains:- Business Transformation __-__%	Mngnt. Dev. __5_% Personal Dev. __5_% Qty. __10_% Functl. __30_% IT __10_% Company Specific __40_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 _+15_% Central _100_% Decentralised __-__%	1992 / 1996 In-House Staff & Facils. 40% / __40_% External(1) Conf./Seminars 10% / __10_% (2) Customised Courses 40% / __40_% (3) Materials, etc. 10% / __10_%
Management System No. of Hours per annum 25 to 75 hrs. pa.	General - Training has suffered from 3 changes in ownership in recent years Inventory - Today none, but a priority in near future Development -) As above Evaluation -)
Decision Makers - Specifiers - Purchasers	Now / Future . Immediate superiors with help from Training Department / More centralised . Team work as above.
Most Favoured Suppliers	1. IPSOA & ISDA for Business Transformation & Quality 2. IFPA for Professional Development 3. San Paolo for banking specific.
Top Buying Factors	1. Quality of Instructors/Communication Skills 2. Customising Capability 3. Value for money.
Technology - Experience - Relevance - Problems - Other	. CBT experiment in Office Automation, but halted . Future interest in it and CBIV also for Marketing & Sales . Mentality and culture of the bank . Most suitable for IT and Professional/Functional skills.
Other & Summary	- New Media need more promotion in the marketplace. - Company has on-going large projects for Claims Management and Underwriting Support for branches in both sales and technical areas.

Name of Company:- GENERAL MOTORS SPAIN

INDUSTRY	Car Manufacturer	NO. OF EMPLOYEES	9,300
INDUSTRY GP.	Manufacturing (Discrete)	SIZE GP.(L/M)	Large
COUNTRY	Spain	REVS (Est 1991) $M.	1,000
RESPONDENT		SPEND(E&T 1991) $M.	17.82
TITLE	Manager, Training & Internal Communications.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- All areas, but IT training is via EDS; although the sole specifier/purchaser, he works with the supervisors.
Domains:- Business In progress Transformation_____%	Mngnt. Dev._N.K.% Personal Dev._____% Qty._____% Functl._____% IT_____% Company Specific _____% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __10_%
Cost Breakdown: CAGR-1992-96 __+5_% Central __40_% Decentralised __60_%	1992 / 1996 In-House (1) Training Staff 40% __42_% (2) Facils./O'hds. 20% __21_% External (1) Conf./Seminars 30% __32_% (2) Other 10% ___5_%
Management System No. of Hours per annum 34 hrs. pa. per employee and rising	General - Annual meetings between Training Dept. and each supervisor/manager assess each group/dept. Inventory - Not as such; part of personnel records Development - Meetings evaluate performance/plan next steps Evaluation - Doesn't believe in measurement systems sold by suppliers; simple performance judgments are sufficient.
Decision Makers - Specifiers - Purchasers	Now / Future . Collaboration between deptal. managers and Training Dept. / Same . As above.
Most Favoured Suppliers	1. New equipment suppliers, for plant tooling 2. Universities, for Mangnt. Dev. & diplomas 3. Centro de Formacion Salesiano, for technical 4. EDS, for IT 5. In-house staff, for Quality & Company Specific
Top Buying Factors	1. Quality of Instructor & Product 2. Applicability of Product & its Modifiability 3. Value for money 4. Schedules.
Technology - Experience - Relevance - Problems - Other	. No experience of CBT/CBIV, although being offered. . . .
Other & Summary	- Undergoing large Business Transformation in terms of retooling; retraining done 'traditionally' by suppliers.

Name of Company:- EL AGUILA

INDUSTRY	Brewers	NO. OF EMPLOYEES	2,800
INDUSTRY GP.	Manufacturing (Process)	SIZE GP.(L/M)	Medium
COUNTRY	Spain	REVS (Est 1991) $M.	250
RESPONDENT		SPEND(E&T 1991) $M.	1.9

TITLE Director of Training & Development of Human Resources.

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Sole responsibility but works with other directors.
Domains:- Business Transformation_____%	Mngnt. Dev._N.K.% Personal Dev._____% Qty._____% Functl._____% IT _____% Company Specific _____% Other 1. English important 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+9_% Central _100_% Decentralised __-__%	1992 / 1996 In-House 75% / __70_% External(1) 25% / __30_% (2) / _____% (3) / _____%
Management System No. of Hours per annum No standard; can vary from 0 to 300 hrs. pa.	General - Refused, as too lengthy Inventory - Development - Evaluation -
Decision Makers - Specifiers - Purchasers	Now / Future . Joint--management & trainees; respondent analyses and recommends / Same . Respondent.
Most Favoured Suppliers	1. Refused, as confidential. 2. 3.
Top Buying Factors	1. Quality of Instructors & Products 2. Applicability & Modifiability of Products 3. Schedules.
Technology - Experience - Relevance - Problems - Other	. Has used CBT for automobile repair assembly . CBT good for cognitive skills and professional, as accountancy; CBIV good for mechanical skills . Neither any good for social skills . Cost high and delivery times (eg. >1 year) poor.
Other & Summary	- Having to adapt to changes in the fast-changing Spanish market. This affects the management area most. - As affiliate of Heineken, they sometimes enjoy joint courses, external or internal.

Name of Company:- BANCO BILBAO VIZCAYA

INDUSTRY Banking
INDUSTRY GP. Services
COUNTRY Spain
RESPONDENT
TITLE Training Director.

NO. OF EMPLOYEES 29,000
SIZE GP.(L/M) Large
REVS (Est 1991) $M. 1,750
SPEND(E&T 1991) $M. 10.4

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Sole responsibility, ie. 1 x specifier/purchaser. - Branch managers must approve of course quality.
Domains:- Business In progress Transformation_____%	Mngnt. Dev._N.K.% Personal Dev._____% Qty._____% Functl._____% IT_____% Company Specific _____% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _>99_% O'Seas __<1_% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 _+5.4_% Central 100_% Decentralised __-__%	1992 / 1996 In-House 80% / __75_% External(1) 20% / __25_% (2) / _____% (3) / _____%
Management System No. of Hours per annum 70 hrs. pa.(Executives) 35 hrs. (Others)	General - Needs are assessed as a compromise between top management aims and 'on the ground' skill gaps Inventory - No formal system Development - Respondent plans jointly with top managers Evaluation - Managers, trainees & Training Dept. all measure effects of training courses.
Decision Makers - Specifiers - Purchasers	Now / Future . Top management guidelines used by managers and respondent to lay plans / Same . Respondent.
Most Favoured Suppliers	1. Several, but no preferences. 2. 3.
Top Buying Factors	1. Product Quality & Modifiability 2. Cost/Value for money 3. Schedules.
Technology - Experience - Relevance - Problems - Other	. CBT much experience; CBIV less--"In Spain few good specialists--CBIV very expensive" . Good for imparting theoretical knowledge . Neither CBT nor CBIV any good for social skills . Distance learning very important due to bank's scattered locations (3,000), but Spanish temperament not suited.
Other & Summary	- Managerial training varies between 0 and 4 weeks per year; new areas taking more training time as the bank updates its services and methods

Name of Company:- BANCO CENTRAL HISPANOAMERICANO

INDUSTRY Banking
INDUSTRY GP. Services
COUNTRY Spain
RESPONDENT
TITLE Training Director.

NO. OF EMPLOYEES 31,500
SIZE GP.(L/M) Large
REVS (Est 1991) $M. 2,000
SPEND(E&T 1991) $M. 19

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Officially only self & Assistant Director, Training & Resources; in practice, take views at all levels.
Domains:- Business In progress Transformation __20_%	Mngnt. Dev.__15_% Personal Dev.__10_% Qty.___5_% Functl.___5_% IT__23_% Company Specific __22_% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic _N.K.% O'Seas _____% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+7_% Central 100_% Decentralised __-__%	In-House 1992 1996 Staff(40%), Facils./O'hds.(5%) 45% _____% External(1) Conf./Seminars 39% _____% (2) Courses, Std. & Custom 13% _____% (3) Materials &* Other 3% _____%
Management System promotion No. of Hours per annum >70 hrs. pa.(Executives) >35 hrs. pa.(Others)	General - Two-sided training reasons:- From managers, in order to update skills; from staff, to gain Inventory - None Development- Managers suggest courses; staff can pick from the catalogue Evaluation - Direct system uses questionnaire for both staff and managers to complete; maybe use an indirect system at some later stage
Decision Makers - Specifiers - Purchasers	Now Future . Training Dept. with opinions etc. of staff members No change . Training Dept. with each area manager.
Most Favoured Suppliers	1. Universities for professional training 2. Various Spanish companies, for IT 3. Mercury, Time Manager, Wilson Learning, for company-specific.
Top Buying Factors	1. Quality of Instructors & Product 2. Applicability of Product 3. Cost.
Technology - Experience - Relevance - Problems - Other	. Use CBT for simulation of commercial situations; catches trainees' attention with role playing . CBT for IT & professional/functional; CBIV for Generic and Knowledge skills . Expensive and soon obsolescent . Must support CBIV & Distance Learning with tutorials.
Other & Summary	- Merger of Banco Central & Banco Hispanoamericano has meant big change towards decentralisation. Training Dept. acts as promoter and engine of this change. - External trainers must give in-house courses; no wish for trainees to travel about.

Name of Company:- LONZA AG

INDUSTRY Chemicals
INDUSTRY GP. Manufacturing (Process)
COUNTRY Switzerland
RESPONDENT
TITLE Training/Personnel Director.

NO. OF EMPLOYEES 3,000
SIZE GP.(L/M) Medium
REVS (Est 1991) $M. 587
SPEND(E&T 1991) $M. 2.2

KEY FACTOR	FINDINGS
Responsibilities & Structure	- For all staff levels; has 2 managers in the plant - 3 x specifier/purchasers, plus 2 secretarial.
Domains:- Business Transformation_____%	Mngnt. Dev._N.K.% Personal Dev._____% Qty._____% Functl._____% IT_____% Company Specific_____% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic __40_% O'Seas __60_% Transn't'l __10_%
Cost Breakdown: CAGR-1992-96 __+5_% Central __-__% Decentralised _100_%	1992 / 1996 In-House 40% est. / __60_% External(1) 60% / __40_% (2) / _____% (3) / _____%
Management System No. of Hours per annum Flexible; no standard	General - Personal Qualifications System for new employees Inventory - None described Development - Development Talk every 2 years for up and coming employees Evaluation - Via annual review.
Decision Makers - Specifiers - Purchasers	Now / Future . Individuals with manager's approval and advice from training managers / Same . Joint between training & deptal. mgrs.
Most Favoured Suppliers	1. Local Swiss independents 2. IBM WINWORD system. 3.
Top Buying Factors	1. Most factors rated high, except Pupil/Trainer Ration and Promotions 2. 3.
Technology - Experience - Relevance - Problems - Other	. Some; "Part of modern toolset"; integration is key . Regard selves as too small to make great use of . Best for specific company knowledge or basic principles of any topic . Teamwork is vital; & training to Manage Change.
Other & Summary	- Up to now no real policy; new "LONZA 2000" based on Staff as most Important resource - Quality (ISO9000) & Safety very important aspects - Could move from current use of mostly external to more use of internal trainers--in the workplace

Name of Company:- SCHWEIZERISCHE BANKGESELLSCHAFT(SBG)/
UNION BANK OF SWITZERLAND

INDUSTRY Banking
INDUSTRY GP. Services
COUNTRY Switzerland
RESPONDENT
TITLE Human Resources Director.

NO. OF EMPLOYEES 17,000
SIZE GP.(L/M) Large
REVS (Est 1991) $M. 18,000
SPEND(E&T 1991) $M. 40.7

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Developing all staff from director level down to new recruits; 6 directors = specifier/purchasers
Domains:- Business AI project Transformation_____%	Mngnt. Dev.__15_% Personal Dev.___5_% Qty.__10_% Functl.__20_% IT__13_% Company Specific __12_% Other 1.Vocatl. _25_% 2. _____% 3. _____%
Transnational Component of Business	Domestic __80_% O'Seas __20_% Transn't'l ___3_%
Cost Breakdown: CAGR-1992-96 __+4_% Central __80_% Decentralised __20_%	In-House 1992 1996 Staff(45%), O'heads.(35%) 80% __82_% External(1) Conf./Seminars 5% ___3_% (2) Courses, Stand./Custom 10% ___8_% (3) Materials 5% ___7_%
Management System No. of Hours per annum Flexible courses run from 3 days to 2 weeks	General - "The right person in the right place; personal & technical competence in harmony" Inventory - None specified Men/women same chance Development - 1) Obligatory courses 2) Encourage qualifications/development Evaluation - Promotion proves the method
Decision Makers - Specifiers - Purchasers	Now Future . Gen. Mngnt./Techl. Mngnt/Office Admin. Mngnt. together; very satisfactory Same . Respondent or 1 of 6 training directors
Most Favoured Suppliers	1. Own specialists--training & software (eg. AI project) 2. Occasionally external purchases.
Top Buying Factors	1. All factors important, cost less so. 2. 3.
Technology - Experience - Relevance - Problems	. Considerable experience of all new technologies . High rating for effectiveness of new media . Needs large numbers of students or complex topic to justify expense; currently too many unknowns, eg. aging quality of CDs.
Other & Summary	- 130 courses run from 8 Swiss training schools; cover 7 areas from apprentice to director - Workplace tuition in fully equipped audio-visual 'Learnstudios' with terminals - Prospects good for internal development - Stressed 'work democracy' of Swiss life.

Name of Company:- DANSK OLIE OG NATURGAS (DONG)

INDUSTRY	Oil & Gas Company	NO. OF EMPLOYEES	450
INDUSTRY GP.	Manufacturing (Process)	SIZE GP.(L/M)	Medium
COUNTRY	Denmark	REVS (Est 1991) $M.	60
RESPONDENT		SPEND(E&T 1991) $M.	1

TITLES (1) Manager, Administration, Systems & Consulting Services
(2) Technical Director, Danish Gas Trade Association.

KEY FACTOR	FINDINGS
Responsibilities & Structure	- 40 x specifiers; all staff contribute to purchasing - Very decentralised, regional structure of oil/gas.
Domains:- Not applic. Business Transformation__-___%	Mngnt. Dev._____% Personal Dev._____% Qty._____% Functl._____% IT _____% Company Specific _____% Other 1. _____% 2. _____% 3. _____%
Transnational Component of Business	Domestic __90_% O'Seas __10_% Transn't'l __<1_%
Cost Breakdown: CAGR-1992-96 _+6_% Central __-__% Decentralised _100_%	1992 / 1996 In-House -Facilities/O'heads 13% _____% External (1) Confce./Seminars 13% _____% (2) Courses- Std. 50% ,Custom 10% _____% (3) Materials 14% _____%
Management System No. of Hours per annum No standard, except for new employees	General - Training seen as key to continuing successful operations Inventory - CV system is a fitness for job record Development- Annual appraisal system Evaluation - Appraisal system with supervisor.
Decision Makers - Specifiers - Purchasers	Now / Future . Immediate supervisors . Deptal. managers with central training QC.
Most Favoured Suppliers	1. Federation of Danish Engineers 2. Trade Unions 3. Ass. of Danish Economists & Lawyers 4. Private companies.
Top Buying Factors	1. Quality 2. Motivation of trainees 3. Applicability 4. Customising capability 5. Value for money.
Technology - Experience - Relevance - Problems - Other	. Very limited experience--now looking at . Simulators cheaper than live training . Skilled workers need the 'real thing'/instructor . CBT good for homework, tests & measurements.
Other & Summary	- Modern decentralised approach provides "education supermarket" - EC requirements such as ISO9000 affect training - Distance learning not common in Denmark yet.

Name of Company:- NESA A/S

INDUSTRY Electricity Utility
INDUSTRY GP. Services
COUNTRY Denmark
RESPONDENT
TITLE Training Manager.

NO. OF EMPLOYEES 2,000
SIZE GP.(L/M) Medium
REVS (Est 1991) $M. 435
SPEND(E&T 1991) $M. 1.6

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Centralised budget, except for IT - 250+ specifiers; 1 purchaser (HQ & 4 districts)
Domains:- Business: ongoing Transformation 5 %	Mngnt. Dev. 5 % Personal Dev. 10 % Qty. 20 % Functl. 30 % IT 15 % Company Specific 15 % Other 1. % 2. % 3. %
Transnational Component of Business	Domestic 90 % O'Seas 10 % Transn't'l - %
Cost Breakdown: CAGR-1992-96 4 % Central 80 % Decentralised 20 %	In-House 1992 1996 Staff(15%),Facils.(25%) 40% 40 % External(1) 60% 60 % (2) % (3) %
Management System No. of Hours per annum - no norms, as is demand driven	General - Looking at attitude changes; building teams via training (2-3 day sessions) Inventory - All skills known "as small company" Development - 2-way annual appraisal; employee contribution important Evaluation - Subjective; always follow-up training.
Decision Makers - Specifiers - Purchasers	Now Future . Departmental managers with programmes Same . Training Manager
Most Favoured Suppliers	1. Danish Trade Association 2. Engineers Association 3. Hardware suppliers, eg. IBM (IT), Siemens & ABB (power equipment).
Top Buying Factors	1. Quality of Instructors 2. Value for money 3.
Technology - Experience - Relevance - Problems - Other	 . None of CBIV or Distance Learning . IT and Knowledge skills; not Professional/Vocational . Limited; lacks stimulation . Generally, favours 'warm body'.
Other & Summary	- Need improvement in communication/presentation skills - Company is indicative of small company approach adopted by many Danish organisations.

Name of Company:- RVS INSURANCE

INDUSTRY	Insurance Company	NO. OF EMPLOYEES	1,100
INDUSTRY GP.	Services	SIZE GP.(L/M)	medium
COUNTRY	Netherlands	REVS (Est 1991) $M.	234
RESPONDENT		SPEND(E&T 1991) $M.	2.4
TITLE	Training Manager.		

KEY FACTOR	FINDINGS
Responsibilities & Structure	- Currently responsible for all except executive training, ie. is sole specifier & buyer--But decentralising
Domains:- Business Transformation __20_%	Mngnt. Dev.__10_% Personal Dev.__20_% Qty.__-__% Functl.__30_% IT ___5_% Company Specific ___5_% Other 1. Vocatl. _10_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 __+7_% Central now __100% Decentralised ___-_%	In-House 1992 1996 Staff(30%),Facils.,etc(50%) 80% __65_% External(1) Confce/Seminars 20% __35_% (2) ____% (3) ____%
Management System No. of Hours per annum - Needs driven	General - Insurance business transformation replacing staff with on-line tools Inventory - Developing system for whole group over next 2 years Development - Sales has incentive-based system; else annual appraisal for all staff Evaluation - New back office system fully ready 1994.
Decision Makers - Specifiers - Purchasers	Now . Different managerial levels . Training group. Future Devolving as Depts. move to become profit/ cost centres.
Most Favoured Suppliers	1. Independent consultants, for Management Development 2. Trade association 3. ESV 4. Hardware suppliers, including Philips & IBM.
Top Buying Factors	1. Quality of Instructors/Products 2. Applicability of Products 3. Customising capability 4. Value for money.
Technology - Experience - Relevance - Problems - Other	. Own CBT system developed; using for low-level skills . IT & Knowledge skills areas . Software quality; learning path must be 'high level' . Very effective in assimilation facts; less good in subjective areas.
Other & Summary	- New technology will have immense impact; currently much thought this area in Netherlands - Challenges:- "How to integrate CBT/CBIV learning into 'real world' job situations; How to make top management aware".

Name of Company:- SIEMENS BELGIUM

INDUSTRY Electronics
INDUSTRY GP. Manufacturing
COUNTRY Belgium
RESPONDENT
TITLE Directeur, Centre Formation.

NO. OF EMPLOYEES 2,000
SIZE GP.(L/M) Medium
REVS (Est 1991) $M. 150
SPEND(E&T 1991) $M. 2.05

KEY FACTOR	FINDINGS
Responsibilities & Structure	. All training decisions & organisation . 5 x specifiers; 2 x purchasers.
Domains:- Business Transformation __-__%	Mngnt. Dev. __10_% Personal Dev. __20_% Qty. ___2_% Functl. __20_% IT __18_% Company Specific __20_% Other 1.Vocat'l._10_% 2. _____% 3. _____%
Transnational Component of Business	Domestic _100_% O'Seas __-__% Transn't'l __-__%
Cost Breakdown: CAGR-1992-96 +7.5_% Central 100_% Decentralised __-__%	1992 / 1996 In-House 25% / ____% External(1) 75% / ____% (2) / ____% (3) / ____%
Management System No. of Hours per annum 75 hrs - executives 30-45 hrs.- others.	General - Publish an annual internal catalogue of training Inventory - Training selected by departmental heads according to each's needs Development - Planned on a 2-year cycle Evaluation - Basis company, not personal, goals.
Decision Makers - Specifiers - Purchasers	Now / Future . Executive grades select own training. Lower grades by Training Director. / Same . Training director.
Most Favoured Suppliers	1.Jouray Management for Management, Development & Quality 2.Small independents, especially psychologists 3.
Top Buying Factors	1.Quality of Instructors/Products 2.Service & support 3.Vendor Name 4. Cost.
Technology - Experience - Relevance - Problems - Other	. Has used CBT & CBIV, but not Distance Learning . Not an advocate . Monotony of courseware/saturation similar to books . Believes in the dynamism generated by a group.
Other & Summary	- The Belgian subsidiary deals mainly with Production training; general topics such as languages, leadership and other techniques are handled through the Munich headquarters training function.

Appendix E

Introduction

Our client, who is a large multi-national manufacturing and services group, has asked us to size the European market for all types of training services and to investigate the commercial and technical trends that are impacting it.

In order to achieve this objective, we need to discuss:

- Your training policy/policies
- Training responsibilities throughout the organisation
- Training budgets and their allocation within the organisational structures
- Buying patterns and vendor selection criteria
- Impacts of technology

Q1. What are your training responsibilities?

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_____

And do you believe that you can answer our questions in most of these areas?

_____

If YES, proceed to Question 2.

If NO, whom would you recommend that we approach?

_____ Tel. no._____

Interviewer: If another person is recommended please thank the respondent and close the interview. Proceed to set up an interview with the other person recommended.

Comments

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Q2. What other functions, if any, have responsibility for deciding on the types (specifiers) and sources (purchasers) of training?

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Number of training specifiers_____

Number of purchasers _____

Q3a. How are training expenditures identified in your organisation? Are the expenditures identified in the annual report? And are they pro rata to each country's/region's revenues or costs?

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Q3b. Can you please arrange to forward us an Annual Report?

Q4a. Do you have a significant business transformation project, either on-going or planned, which would require its own major training activity?

Q4b. How does your company structure affect the way training is specified or delivered?

Types of Training

Our client recognises the following types of training (domains):
- Business transformation
- Management development
- Professional development
- Quality management
- Functional/vocational training
- IT (Information Technology) training
- Company-specific training.

Q5. Is it possible for you to give us the breakdown of your training expenditures across these or across your own categories--in percentage terms, and to indicate which areas are growing and which are shrinking?

Types of training (domains):	Current Percent	Future Growth
- Business transformation		
- Management development		
- Professional development		
- Quality management		
- Functional/vocational training		
- IT (Information Technology) training		
- Company-specific training.		
- Other		
- Other		
- Other		
- Other		
- Other		
- Other		

Comments

Q6a. Is it possible for you to give us a similar breakdown of your training expenditures in percentage terms, but this time by country, and also to indicate in which countries training is growing and in which it is shrinking?

Expenditures in each country:	Current Percent	Future Growth
- Germany		
- France		
- Italy		
- U.K.		
- Spain		
- Switzerland		
- Belgium		
- Netherlands		
- Nordic countries		
- Rest of Western Europe		
- Eastern Europe		

Interviewer: If the split across non-domestic or any other countries is not known, then use the Rest of W. Europe line for the remainder of the interview.

Comments

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Q6b. How much of the overall expenditures of your group on training are for projects/programmes that span more than one country?

%

Q7. Is it possible for you to give us the breakdown of your training expenditures across a number of product group categories--in percentage terms , and to indicate which areas are growing and which are shrinking?

Types of training (products):	Current Percent	Future Growth
- In-house training staff		
- Facilities/Overheads		
- Seminars/Conferences		
- Courses--Standard		
- Courses--Customised		
- Off-the-shelf materials		
- Customised materials		
- Equipment		
- Other		
- Other		
- Other		

Comments

Q8a. Are you in a position to judge how much training expenditure is centrally budgeted and how much is non-central in your organisation?

Central _____ % Non-central _____ %

b. How might this vary in different parts of the organisation?

c. What were the total expenditure in 199....?s

_____

(most recent financial year)
Currency _____

d. What will they be in 1996?

Training Philosophy

Q9. Please describe your organisation's Training Management System.

- Skills inventory

- Skill Development / Planning

- Management / Measurement System

Other

Q10. Do you aim to give each staff member a number of training hours or student days per annum within a certain range?

Types of Staff:	Current From-To (Hours or Student Days)	Future From-To (Hours or Student Days)
- Executives		
- Managers		
- Supervisors		
- Sales Staff		
- Technical Professional Staff		
- Other Professional Staff		
- Office/Administrative Staff		
- Production Staff		
- Customer Services Staff		
- Other		

Comments

Q11. Who determines the type of training needed for each category of staff--in general?

Types of Staff:	Current Specifier	Future Specifier
- Executives		
- Managers		
- Supervisors		
- Sales Staff		
- Technical Professional Staff		
- Other Professionals		
Office/Administrative Staff		
- Production Staff		
- Customer Services Staff		
- Other		

Comments

Q12a. Who decides the training vendor to be selected for each category of training--in general?

Types of training (domains):	Current Decision Maker	Future Decision Maker
- Business transformation		
- Management development		
- Professional development		
- Quality management		
- Functional/vocational training		
- IT (Information Technology) training		
- Company-specific training.		
- Other		

Comments

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Q12b. Please give the names of the two training providers you would consider first as external suppliers--for each category of training.

Types of training (domains):	First Provider	Second Provider
- Business transformation		
- Management development		
- Professional development		
- Quality management		
- Functional/vocational training		
- IT (Information Technology) training		
- Company-specific training.		
- Other		

Q13. What selection criteria do you use for choosing your training products? Please rate each criterion on a scale of 1 to 5, in which 1 is Not Important and 5 is Very Important.

Vendor Selection	Rating
HUMAN FACTORS	
- Quality of Instructors	
- Pupil / Trainer Ratio	
- Consultant availability to help in designing training Projects	
- Service and Support	
- Other	
PRODUCT ATTRIBUTES	
- Quality of Product	
- Technology / Media	
- Applicability of Products	
- Off-the-Shelf availability of Products	
- Diversity of Product Range	
- Customizing Capability	
Other	
COMMERCIAL FACTORS	
- Vendor Name	
- Value for Money	
- Cost	
- Schedules	
- Locations	
- Sales Promotions	
Other	

Comments

Technology

Q14. Are you familiar with all the possibilities for applying new technologies to the training function? Please describe your recent experiences with new media.

Prompts

CBT--Computer-Based Training

CBIV--Computer-Based Interactive Video

Distance Learning Training

Q15. How do you rate the different forms of new media training, that you have used? Please rate each form on a scale of 1 to 5, where 1 is Not Useful and 5 is Very Useful; 0 means Not Used or Not Applicable.

New Technology/Medium	Effective-ness Rating	Cost Rating
- Self-Teaching--Books		
- Self-Teaching--Video		
- CBT		
- CBIV		
- Satellite Delivery		
- Other		
- Other		

Q16. What are the main problems associated with the use of CBT/CBIV?

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Q17. Which areas are they most useful? Please indicate likely areas of future growth in their usage.

Prompts

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IT Professionals

_____

IT End-users

Professional/Functional skills

Knowledge skills
- to do with your company products

Generic skills
- eg. languages, sciences, etc.

Soft skills
- eg. work & methods, negotiation,
  team work, assertiveness, etc.

Q18. Why did you not use CBT or why wouldn't you in future?

Q19. Are there any other important issues?

THANK YOU FOR YOUR TIME
A SUMMARY OF OUR FINDINGS WILL BE SENT TO YOU