NIIT

Optimizing Content Development

A guide on what to seek from a managed training services partner

Executive Summary

Many learning leaders outsource what they consider to be their most critical activity - content development. However, content development remains a challenging process. Many organizations see the opportunity to reduce costs, improve quality, and refine process maturity. To achieve these goals, many organizations are now considering outsourcing content development using a model we call, "Managed Training Services." If you are interested in exploring Managed Training Services for content development, you may wonder what you should expect from service providers. This white paper provides you a step-by-step guide on what you should consider as you evaluate Managed Training Services providers.
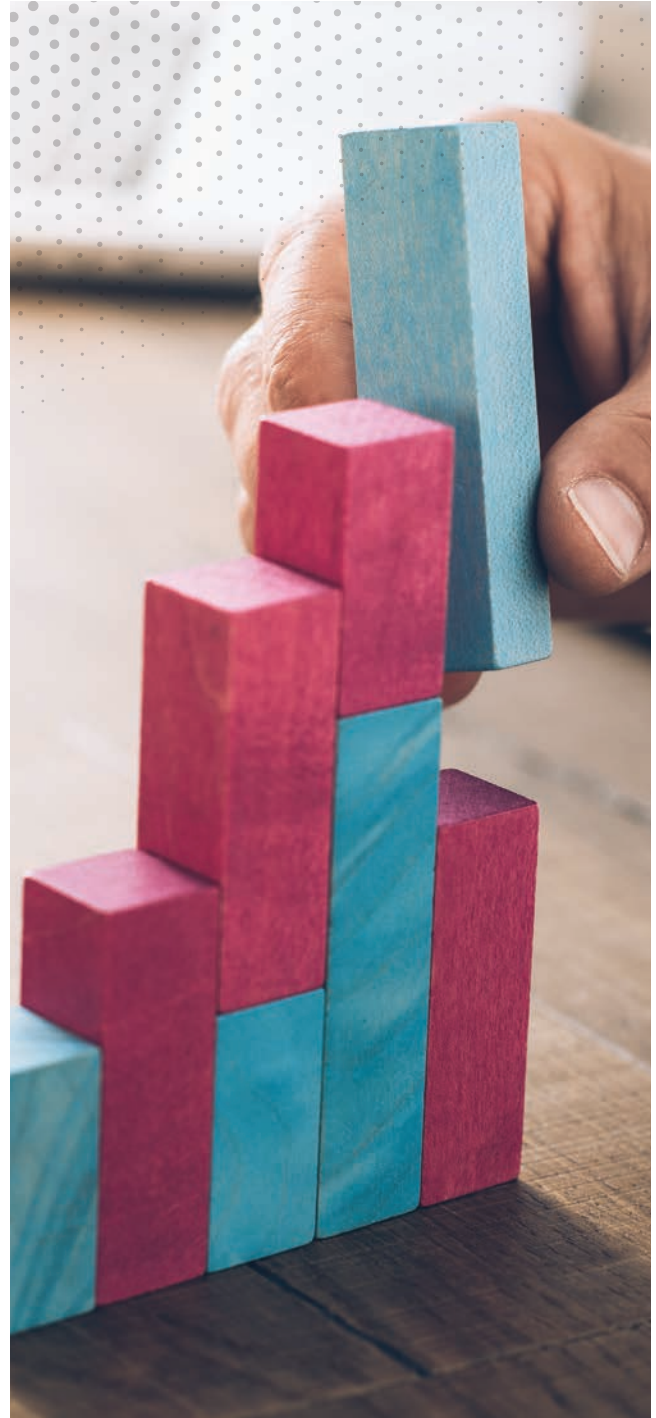
Introduction

Learning leaders outsource their most critical activity

As a business leader, would you recommend to another executive that they outsource the function which is most critical to their success? In the learning space, that has turned out to be exactly what learning leaders do. And, in fact, we endorse this approach as a strategically smart decision.

According to Training Industry, outsourcing is growing with an increased emphasis on transformation. In his article on trends, Doug Harward, CEO Training Industry states, "The use of external service providers to develop, deliver or manage activities is growing at a faster rate than previously seen in the last five years. The growth in spend has been driven primarily from an increase in variable labor and a flexible workforce. Content design and delivery is a primary example. What we are finding quite interesting is the focus on the transformation of the training function. Corporate executives' expectation on the value of training are increasing, which is generating a renewed interest in using outside companies to drive change and quality of service improvements. This is translating into

more complex and sophisticated engagements, larger deal size, and multiple year engagements. We expect this trend in re-engineering the training function to continue for quite some time."

Each year, the content development function becomes both more complex (as new types of interventions are added to the toolkit) and more mature (as skill sets, design architectures, and authoring toolsets become more nuanced). Today, the Fortune 1000 owns what amounts to 1000 separate content development functions. Can 1000 separate groups perform as effectively as a few specialized and high-scaled service provider organizations? The answer is clear and is driving ongoing growth at the top of the pyramid of content service providers. While content development is critical, it is also an area where scale matters and where only a very few can hope to build competitive advantage. In such a space, one seeks to "rent" best-in-class capability instead of "own" it. For the vast majority of organizations, outsourcing makes strategic sense.

The content development outsourcing shift

Over the past decade, we have seen a gradual shift in how content development is outsourced, from small project-based relationships with "boutique" providers to (in our view) failed attempts to view content development as a commodity to preferred provider relationships. Recently, we have seen the next step along this journey, as many organizations are seeking outside partners to manage their content development function in a relationship which we call "Managed Training Services".

Managed Training Services (MTS) is a sourcing relationship in which a CLO outsources a process to a strategic partner (e.g. curriculum development or training administration). The MTS partner takes responsibility for the overall health of those processes. As a sourcing model, MTS fills the space between Preferred Provider status, where the client faces an ongoing stream of projects and wishes to receive some benefits of scale (e.g. reductions in rate) but does not have sufficient visibility to make long-term commitments; and Learning Business Process Outsourcing (LBPO), where the client asks a partner to take responsibility for substantially all training processes. MTS relationships feature multi-year agreements with minimum commitments.

MTS partnerships can enable CLOs to increase service levels and quality while reducing costs. Interestingly, in a research study we conducted with CLOs, we found one of the key reasons they are interested in MTS is because it can accelerate their path to optimization. Content development is a complex business. MTS relationships can increase CLOs' focus on and methods for achieving business alignment, give CLOs tighter management control over their operations, provide higher process maturity and improved toolsets, and give CLOs increased scalability.

Today's problem:
What should I seek in an MTS provider for content development?

Imagine you are interested in MTS for content development. In fact, you are interested enough to explore it with service providers. What questions should you ask as you explore? The rest of this paper provides a top ten list of characteristics you should seek in an MTS provider for content development. This type of relationship is relatively new, so many CLOs may not have direct experience with it. Based on our research with CLOs, as well as direct discussions with clients, we have gathered this top ten list to give you a blueprint of what to ask of your service providers as you consider MTS for content development.

Top Ten Requirements for an MTS Content Development Relationship

01 Aligning Learning to Business Needs

02 Strong Instructional Design

03 Scalable Capacity

04 Mature Development Process and Infra-structure

05 Efficient Use of Your Business Unit Staff

06 Lifecycle Content Management

07 Low Cost

08 Management Visibility

09 Transformation and Innovation

10 Flexible Contracting Methodology

Optimizing content development

01 Aligning Learning to Business Needs

> Doug Harward in his article on trends:
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> "Corporate executives and learning leaders alike are looking for ways to transform their organization by ensuring training activities are aligned to the needs of the business. Executives are more focused on how much money is being spent relative to the value it creates."

The most common cause of waste in training is simply providing the wrong training. The challenges in ensuring alignment are clear. To succeed, one must follow a complex chain, making priority tradeoffs all along the way: How much should we focus on competing business needs? How much should we focus on competing audiences? How much should we focus on competing root causes of poor performance? How much should we focus on training for remediation? It's no surprise that this chain frequently becomes short-circuited: "The VP of sales wants a four-hour workshop. We have until June to provide it."

In lean times, organizations have a tremendous opportunity to achieve greater alignment. An MTS provider can help by providing the methodology, the skill sets, and the discipline to help you achieve alignment. In fact, a key benefit of moving into an MTS relationship is that you can then move your people into high-value "business interlock" roles to ensure alignment.

Questions to Ask

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What are your processes for achieving alignment, level by level? How do you manage alignment during the annual budgeting process? How do you achieve alignment in areas where root causes of performance are unclear through performance consulting? How do you achieve it at the curriculum design level? How do you achieve alignment within individual content development projects? How do you enlist business sponsors in these processes in making prioritization decisions? What specific information do you provide them and expect from them? Are these decisions natural for business sponsors to make? How deeply does your alignment process influence the specifics of the content you develop? If I were to point at a specific point in a specific course, how would you be able to tie the content provided in that point back to the business objectives we set out to achieve?

The NIIT Advantage

At NIIT, we have long differentiated ourselves through our approach to achieve business alignment via our needs analysis process, called Critical Mistake Analysis. The key insight behind Critical Mistake Analysis is that, while it helps to identify what participants should be able to do, it helps even more to understand where they go wrong today. And it helps yet again to then prioritize those "mistakes" so that the training can focus on the 20%, the so called "Critical Mistakes" that drive 80% of the business impact.

In the past several years, we have extended the core ideas behind Critical Mistake Analysis to develop a set of processes to drive alignment from the annual budgeting process down through performance consulting and curriculum design and from there down into actual content development. This has given us an end-to-end set of interlocking processes which ensures business alignment. Our goal is that our business sponsors should be able to point to any "moment" in the content we provide and ask "why is that there and why not this other bit?" and we can draw a clear line of sight from it all the way up to business priorities which drove the budgeting cycle.

The NIIT Advantage

Leading Financial Services Company in the United States

2014 ATD Excellence in Practice Award Winner

A leading financial services company in the United States partnered with NIIT to reinvent their existing curriculum of their call center employee training. When entry-level employees join, they complete a New Employee Orientation program followed by a structured learning designed to ensure they are ready to take calls.

This learning path involves a basic training course where the employee is introduced to their sales and services model, products and services, and customer profiles. After successfully completing Basic Training, new hires attend multiple critical foundational programs called "pipelines" that vary between 5 to 12 weeks in length and are aligned to products and services.

One of the pipeline courses for auto insurance call center employees was completely reinvented and is a great example of innovative and sound methodology used to create an engaging and rich learning experience which delivers measurable business outcomes. The intent of this course is to develop a customer contact representative fully capable of performing to operational expectations the core job tasks related to handling auto insurance and auto loan acquisition member requests.

A major deliverable of the redesign is providing the learning benefits identified above in a reduced timeframe. Customer Contact Learning now provides a broader skilled entry level customer contact representative in 15 days less time than the previous version of the course. This 29.4% reduction in course length

is directly attributed to the scenario based approach and Critical Mistake Analysis methodology that was utilized in the redesign effort.

Based upon the projected number of learners over a year's period of time, this equates to $4.3 million cost of labor redirected to productivity gains in total to date (directly linking to Employee Productivity success measure). In addition, the broader skilled entry customer contact representative is able to uncover additional needs of the customer, inspiring them to act, and recommending appropriate solutions, thus presenting opportunity to expand the customer relationship with the company (linking to Breadth of Company Relationship success measure).

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According to Deloitte's Human Capital Trends report:

"Faced with gaps in talent and skills, many companies that compete globally for scarce, critical talent are starting to invest more heavily in learning and development to build the skills they need. They're adopting new technologies, consolidating offerings, carefully balancing centralization and distribution, and reimagining what the learning experience can and should be. As the corporate learning market undergoes a digital transformation, it's time to assess your current learning environment and implement a new vision to help build a corporate learning experience that affects every employee in a significant way."

Achieving alignment is the first step down this path. The next is instructional design. Once you have clear targets on what skills matter, it is time to focus on how to efficiently develop the impact you hope. But if your content is especially well designed, often through a blended approach, you can achieve the impact you seek while reducing delivery demands, streamlining the content itself, and providing better just-in-time support to participants.

Questions to Ask

? What is your learning theory? How do you believe people naturally learn to be effective in specific areas? Based on that, what is your training theory? What should training do and how should it be structured? What is your method for capturing design best practices in reusable formats? Do you have a design library? If so, how is your learning theory reflected within it? Who does the design work for you?

What is their background? How do you ensure that they remain up-to-date? How do you ensure that design quality is carried through into the content itself? How do you make high quality design affordable?

The NIIT Advantage

CognitiveArts was founded as an offshoot of Northwestern University's Institute for the Learning Sciences. We have our roots in advanced instructional design. We believe that people are naturally voracious learners and if we design training in ways that respect how people naturally learn, our training will be both dramatically compelling and remarkably effective. Our results have proven out the ideas that set us along this path.

Over the years, we have remained true to the core learning theory which drives our design methodology while pushing farther and farther to make it simpler, faster, better to deploy high-quality content. With over 800 hours of content developed every year, we not only have likely seen similar needs before, we have a design architecture on the shelf that is well suited to address it.

CMA is a 6 step process

6 Create training to address teaching points

Create goal-based scenarios where learners are given a mission, or goal, and an opportunity to practice trying to achieve that goal in a realistic environment.

5 Create teaching points

The output of a Critical Mistake Analysis is a set of learning objectives that we call "teaching points".

4 Perform a root cause analysis of the mistake

Perform a root cause analysis on each critical mistake to determine why learners make it.

3 Prioritize mistakes to identify critical mistakes

Create a Pareto Chart to derive an "80/20" type distribution of the overall business impact from all mistakes to determine how much emphasis each mistake should receive in training.

2 Determine frequency and impact of each mistake

Analyze the frequency and impact (cost) of each mistake to estimate potential return on investment from training aimed at eliminating that mistake.

1 Identify mistakes

Combine surveys, on-the-job observation, interviews and data analysis to identify mistakes made in executing a target task or skill in the real world.

03 Scalable Capacity

Managing the utilization for a content development team is no small challenge. On the demand side, learning leaders struggle to develop stable and accurate projections. Regardless of what the annual budget says, as the year moves on, new strategies emerge and business needs are uncovered which drive up demand. Some of those needs are large one-time projects (e.g., rolling out an ERP system). But at the same time, some planned initiatives become delayed, postponing demand. And, as the current environment shows, lower-than expected business results can call for cutbacks, driving demand back down.

On the supply side, life is no easier. As training delivery modes have proliferated, so have the skill sets required to produce them. To run a quality content development shop now requires a team including performance analysts, writers, graphic artists, flash programmers, HTML 5 experts, gamification experts, video producers, editors, software engineers, and project managers. This fragmentation of specialties drives troublesome tradeoffs for all but the largest shops. Do I ask Fred to fill multiple roles, realizing that I'll need to give up on achieving top-notch technical expertise on some if I do so? Or do I try to keep each of these specialties on hand realizing that I will suffer excess cost as I cannot keep them fully utilized?

Service providers of course face the same issues. However, because of their scale, they have the potential to resolve them much more simply. Staff talent management really is one of the core competencies of service providers.

The best service providers employ sophisticated systems for managing utilization and mobilizing the right expertise for the right projects. They employ internal practice organizations with layered expertise. They focus on getting just the right amount of "high cost/high capability" expertise mixed with lower cost production capability.

Questions to Ask

What is your practice structure? How many staff do you have in each practice? How do your practices stay at the top of their respective games? How do you ensure that they improve year-by-year in the areas that matter most to clients? How do you onboard new members into a practice? How do you onboard them onto a client project?

How do you manage utilization to ensure that best-in-class expertise is available when a project requires it, but that lower cost resources are employed where possible?

The NIIT Advantage

NIIT is the world's largest content development service provider. This means we naturally bring scale and are able to mobilize skilled resources to fill project needs as they arise. However, if ability to mobilize staff was all that was required to achieve scalability, then the project-based method of sourcing content would be sufficient and clients would not have a cause to consider managed training services. Experience has taught that more is needed. To achieve quality, efficiencies, and low stress levels, it is important to create an environment in which content teams work together under a known process with shared context.

To provide scalability while also providing such context, NIIT employs a unique approach to structuring MTS relationships. At a staffing level, we dedicate a stable core team which provides the nucleus of the content development effort. If demand grows, we add staff who are then mentored by the core team. We also provide a client onboarding process to give new team members the context that they will require. And we provide a content development "operating system" (described in the next section) that provides a common way of working. Finally, even then, sometimes projects will run into trouble. We are prepared to rapidly mobilize support where required via an informed SWAT team available for breakdowns on the line.

04   Mature Development Process and Infrastructure

Over the past decade, having a good collaboration technology platform has gained importance in operating content development efforts. From a ground-level perspective, much of the success of a content development project is judged on how easy the project was to execute. One of the areas you should look to a service provider to help you is in providing a mature set of development processes, along with a technology platform to support them.

Questions to Ask

? What is your development process? How do you set expectations for the client team? Can you show me sample deliverables that indicate the kinds of guidance which you provide to stakeholders during information gathering? During review? What toolset do you use to support your process? How does it help you capture content? Capture feedback? Provide early prototypes? To what extent are you able to adjust your process for our organization? How do you do that? How do you capture the results? How do you onboard team members so that they understand the process and can guide us through it?

The NIIT Advantage

One of the advantages of NIIT's scale is our corresponding interest in creating an infrastructure that enables our projects to be more reliable and efficient. So, for years, we have worked to evolve a mature development process and supporting technology infrastructure.

The "first half" of our solution is a process definition that goes beyond a list of steps to provide standard templates for deliverables, guides for clients that explain what the deliverables do and what kinds of feedback to provide, and tips-and-traps we have learned for implementing the process successfully.

The "second half" of our solution is a set of supporting technologies which make it easier for us to collaborate with our clients and ensure that project details are kept on track. These technologies include, among other elements, a Project Portal site with integrated incident management, a collaborative content authoring and publishing platform, and an enterprise project management system which ties into our accounting system.

And the "third half" of our solution is our experienced staff. We understand that many team members on our projects (particularly Subject Matter Experts) are not training professionals and they count on us to manage the process for them.
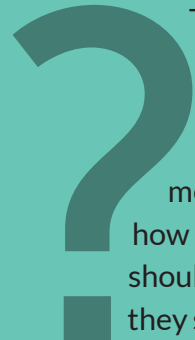
05

Efficient Use of Your Business Unit Staff

Knowledge acquisition and progress reviews are two areas that commonly bog down custom content development projects. And there is nothing as distracting as when business unit staff report back to project sponsors that their time is not being used well or their inputs are not being appropriately considered.

Business unit staff, particularly Subject Matter Experts, respond well when clear expectations are set up front, their know-how is captured accurately the first time, and their feedback is solicited in ways which are easy for them to respond to and when they can see that it's acted on.

Time wasted in circling back to business unit staff or responding to staff who become disgruntled can readily derail projects. So, it's important to ensure that your service provider can steer you past this danger.

Questions to Ask

? Tell me how you interact with Subject Matter Experts (SMEs)? Can you show me how you indicate how much time SMEs should set aside? When they should set it aside? Can you show me what an SME would receive before an interview? How do you capture notes afterwards? What methods do you employ to gather feedback? How do you decide which one to use? What do you do when the client team fails to provide inputs on time?

The NIIT Advantage

As part of our content development approach, we have worked for a decade to ensure that we have clear and efficient interactions with field personnel, Subject Matter Experts and business sponsors.

We start up front by establishing clear expectations for what inputs will be required and when we will need them. We have several options for gathering input and collaborate with our clients to select the right ones for the project at hand.

During initial content acquisition, we understand that simply asking "what should be in the training" is a recipe for bloated, mile-wide-inch deep. Instead, we view our role to understand the business problems, the behaviors in the field, the issues that arise, and their root causes. In short, we speak to business unit staff in their language, not "training speak."

After initial data acquisition, it is on to development, including review. We have spent significant effort to provide review points that will resonate with business unit staff and ensure that they can give dependable feedback. Over the years, we have learned that some questions may simply give inaccurate feedback, leading to rework down the line. Instead, we strive to give deliverables that help reviewers think either like businesspeople (which they are naturally good at) or as end users (which they are also naturally good at), not as training designers. To help, we use an incident reporting system to ensure we systematically tag, prioritize, and act upon the feedback we receive.

In short, we understand that business unit staff appreciate being guided through a process which they can understand and asks them to respond from areas of strength. We have worked hard to create just such an approach.

Case Study

Shell Primavera
2012 CLO Learning in Practice Award Winner

Shell wanted to streamline the Planning process across its Projects and Technology business to enable the worldwide adoption of standardized workflows and technology in a customized application called Shell–Standard Primavera (SSP). NIIT developed an award-winning learning program to help thousands of users in 22 locations worldwide adopt the standardized application workflows.

The Global Planning Tools project team worked with NIIT to develop a solution for SSP training. The solution was the "Shell-Standard Primavera" e-learning training curriculum of approximately 2 hours seat time hosted on Shell's online training portal. There is also a standalone version that Shell makes available for their Third Party Accessing (TPA) user base, i.e. Integrated Service Contractors. The Shell-Standard Primavera (SSP) training curriculum was made up of 3 courses: Getting Started, Shell-Standard Primavera Features and Shell Standard Primavera Quiz. This training was designed to provide users with the essential knowledge needed to work in Shell-Standard Primavera and gain an

awareness and understanding of the globally configured set up. The courses covered a wide range of topics related to day-to-day working in SSP, getting help from the Global Application Support (GAS) team and useful reference materials.

The training not only helped train thousands of planners but the average time spent on SSP application training has been reduced by over 30% per person. This has led to significant savings in cost and time spent on training. Of the total users who have taken the education, 95.3% have passed the course. The proficiency of the users can be judged not only by fewer calls to the helpdesk but also by the average assessment scores. The average score recorded so far has been 88.2%. The average pass score is close to 90% and the average fail score of only 4.7% of the total users is 60.3%. The assessment scores are a benchmark for the proficiency of the users on the application. Not only this, all new licensed users have passed the program with 80% or more as their assessment score.

06 Lifecycle Content Management

Getting the first release of training content ready is only half the battle. Maintaining it over time as business needs change, regulations are adapted, players shift positions and audiences vary can require 20 percent per year of the original effort of initial development.

In some organizations, such maintenance costs are hidden. In these organizations, maintenance is not treated as a routine process. Rather, no planned maintenance is performed; only point fixes are implemented where absolutely necessarily. Such an organization may get what seem like short-term gains, but they come at the cost of long-term pain as curricula do not meet needs, patchwork courses consume too much learner time, and ground-up curriculum overhauls occur more frequently than required.

An MTS partner can help you reduce both the "total lifetime cost of ownership" for custom content. When a change in the environment happens (e.g., a title change of a key player, a regulation change, a best practice change), an MTS partner can help you identify what content needs to change and run a scheduled maintenance process to keep content up to date with predictable and controlled costs.

Questions to Ask

? What processes do you employ to maintain content? (Harvest change drivers, identify content requiring change, batch change requests, prioritize and schedule change requests, deploy changed content)? What toolset do you use to support this process?

The NIIT Advantage

Maintenance is something of the forgotten child in much of the training world. However, it can account for a significant percentage of spend. NIIT provides a maintenance process which is systematic, structured, and managed. We work with clients to identify the various triggers that call for maintenance and manage them in a calendar driven process.

Most requests do not need to be acted on immediately. For these, we queue requests and therefore have to touch content only once per maintenance cycle, not for each request which comes through. Simply finding what content requires maintenance can be difficult in some cases. In these cases, we employ a unique indexing methodology to perform this task efficiently. And, as in other areas of our business, our toolset helps control the process and work through maintenance efficiently.

Some content providers believe their job is done when the course rolls off the line. We view our work differently, as ensuring that you have up-to-date quality content which stays current as your business needs evolve.

Case Study

Distribution Centers of Excellence

Multiple Awards at the CLO Learning in Practice Awards and Brandon Hall Excellence in Learning Awards

Our customer serves nearly 100 million customers in 60 countries worldwide. The company offers its products through a vast global network of third-party distribution partners which includes banks, captive and independent agents, brokers and direct, tele marketing and digital marketing.

The key challenge for our customer is to effectively and efficiently train distribution partner associates spread across 60 countries. Each country and Distribution Partner present their own unique geographic spread, cultural, regulatory, technology and organizational challenges. For instance, in Russia, one of the bank partners has extensive branch networks and operates across 11 time zones through 10,000 branches, with a sales force population of about 30,000 people. The challenge was to ensure that the training could be scaled in an effective, efficient and consistent manner across the geographically dispersed distribution network and at reasonable costs. In countries like Chile, which is reasonably smaller compared to Russia, the per head cost associated with bringing Sales Associates to a central location for new Financial Advisor training is very high. Training costs therefore can present a significant challenge to the viability and success of distribution partnerships.

Our customer partnered with NIIT to create a solution that not only accelerated cycle time to production, but guaranteed quality, consistency and ensured Sales Associates could sell in a competent and compliant manner. Since 2009, the Global Partner Learning Solutions has expanded its global footprint through being implemented across 4 continents and in 22 countries. Over 2,00,000 hours of online learning have been delivered to Distribution Partners since inception of the initiative. Localizing the programs and incorporating the cultural and channel context has led to high adoption rates. In 2014, learners across the globe spent 84,895 hours learning via DCE Online.

Moreover, there have been significant and impressive business results - average productivity and ticket size of business sold for Sales Associates supported by the Global Partner Learning Solutions is typically at least 20% higher compared to their historical peer group who went through classroom training across 22 countries. The success of this program and NIIT's approach to large scale and long-term content management has ensured that the initiative's footprint expanded to 60 countries by 2018.

07 Low Cost

In today's tumultuous economy, cost is a factor on every executive's mind. A recent Horses for Sources (HFS)/KPMG study says cost take-out coming from the C-Suite is at an intensity never seen before. 90% of C-Suite now view cost reduction as an increasingly important-to-critical imperative for their operations.

Most CLOs are familiar with the levers used to optimize costs of content development. These include:

> Employing a range of delivery vehicles and choosing the right ones for the right purposes
> Ensuring first-time quality to reduce rework (and, by the way, accelerate time to market)
> Employing proven design architectures, development processes, and toolsets to raise efficiency
> Employing the "right" talent pools to get the right level of specialized expertise
> Employing flexible dual-shore staffing to leverage lower cost offshore resources where appropriate

While the levers may be clear, it is equally clear that it is difficult for all but the largest internal content development shops to have the resources to manage them all. Hence, organizations turn to service providers to help them manage costs.

Questions to Ask

? How do you select the most efficient blend of learning resources? How do you employ design libraries to keep high quality while keeping costs low? What is your dual-shore staffing model? What flexibility do you have in choosing a staffing model to fit an individual client and project? What toolset do you use to support development? How does it help you keep costs low?

The NIIT Advantage

As the list of levels above indicates, there are a broad variety of techniques available to ensure low costs. NIIT brings you all of them. We have the world-class business alignment processes to ensure that only the right content is chartered and the world-class instructional design capabilities to ensure that the learning solution is designed for efficiency. From there, we have the mature processes, project control and toolsets to reduce rework and drive efficient development.

And finally, we have dual-shore capability to ensure that the right work is done in the right locations with the best available cost structure.

08

Management Visibility

Many organizations struggle to systematically manage content development as a business function. Because of the effort required to simply keep the content development ship moving forward day-by day, it can be difficult to also carve aside time to ensure that the sails are appropriately trimmed.

You can manage what you measure. To manage the function well, organizations need clear data on performance. In fact, one of the clear benefits of outsourcing is that it gives managers more control over what matters most: costs, service levels, and results. Managers' report that in outsourcing relationships, they realize an increase in management control. A service provider can bring you a method for generating management scorecards and actionable insight into what they show.

Questions to Ask

? What is your process for providing management visibility? How do you set specific performance targets? Measure progress against them? Manage gaps? What are typical examples of service level agreements you put in place? Metrics you measure? Improvement initiatives you have run?

The NIIT Advantage

One of the key differentiators to NIIT's approach to Managed Training Services is the "Business Management System" we put in place in our MTS relationships. This system enables us and our partners to collaboratively manage content development as a business-focused process.

Our Business Management System enables us to align the process with what matters to the business, take responsibility for performance, provide management transparency, bring our clients new ideas relevant to their critical needs, and accelerate improvement through focused continual improvement initiatives.

This system:

> Increases the impact of training dollars spent,
> Increases management control and visibility, and
> Accelerates the rate of improvement

The Business Management System includes:

> The development of a tiered performance scorecard we use to guide the governance system
> A set of business alignment processes:
  - Coordination of the annual business alignment process, producing a multi-year
  - Roadmap, annual build plan, and annual budget
  - Quarterly updates of the build plan and budget

A set of governance and continual improvement processes, including

> Maintenance of the performance scorecard and analysis of areas of opportunity it identifies
> Preparation for and conduct of quarterly management reviews
> Management of the continual improvement process

09 Transformation and Innovation

It's a fascinating time to be in the learning business. The rate of change has never been so high, so learning has never been so important. And while the underlying principles of effective learning have not changed, the set of tools we have to drive learning are evolving day-by-day.

The Corporate Executive Board, in a research report, said 8 of 10 HR organizations go through transformation. Bersin by Deloitte state that, "this will be a transformational year in many areas of corporate talent management…Corporate learning will be transformed and take on more importance. Finally, as the economy grows, we recommend that you refocus your efforts on the transformation of the learning function itself."

Most CLOs we speak with feel that they somehow are behind the curve in determining how to best leverage new ideas in their learning offerings. Given the number of new ideas being spoken about at every conference, it's easy to understand why. At the same time, given the history of new ideas that never seemed to quite reach the potential that was envisioned for them, it's also easy to understand why CLOs are sometimes skeptical of jumping on the bandwagon. Finally, given how difficult it is in a content development shop to peel away time from doing one more project to work on experimenting with new approaches, few shops systematically invest effort in trying to extend their approaches.

An MTS relationship can help an organization drive focused change. Just as MTS can help with the discipline required to manage the business alignment process, manage the SME data acquisition process, and manage the governance process, so an MTS relationship can help manage the continual improvement process.

Questions to Ask

? What is your process to identify where innovation will provide the highest business returns? What is your process for identifying relevant innovations and bringing them to the table for your clients? Who do you bring to the table to generate and drive innovative ideas? What is your process for systematically implementing improvement initiatives? What are your contracting terms for such initiatives? What is your history of innovation? Can you describe the role that your organization has played in advancing innovation in the industry?

The NIIT Advantage

NIIT's thought leadership as well as our breadth and scale give us the opportunity to be at the forefront of new approaches.

One of the benefits we bring our clients is the ability to bring new thinking to them. The challenge is often not whether we can bring new thinking but instead just what new thinking will actually have the biggest impact on results.

Since it is easy for organizations to get distracted with new ideas that don't really address their core business needs, our approach is to identify with our clients a range of hypotheses for which innovations to pursue, then conduct business prioritization to direct significant focused attention on a small set which can matter most. Accordingly, as part of our MTS relationships, we conduct a formal process of running Improvement Initiatives which bring these high-priority new ideas to reality in our client organizations.

10 Flexible Contracting Methodology

In this paper, we have spoken about many upsides of an MTS relationship. However, in our research, we also repeatedly heard once concern. "Every time we wanted to do something a little different, it seemed we need to revisit the contract." "It seemed that we paid a lot of attention to managing the contract. Sometimes, perhaps more than working towards meeting the underlying business needs."

It is important in an MTS relationship for both the client and the service provider to have a clear, demonstrated commitment to a long-term relationship. Without such a commitment, neither can afford to take the extra steps that are required to get beyond the shortcomings of project-based contracting and put in place a sound, repeatable content development system. That said, the primary consideration here is one of scale. Once the relationship is assured of being a suitable scale, then most of the issues around commitment fall away, as the scale along make it worth investing in. A goal of contracting should be to ensure clarity of expectations and ensure appropriate scale.

After that, from a pure business perspective, additional effort spent on the contract is waste. It does not provide more or better content. It does not provide value. The challenge, of course, is the dynamic nature of the content development business. As has been made clear above, budgets shift, projects are accelerated or delayed, content build plans vary as projects get underway and clarity emerges about the underlying need. Clients and service providers benefit when they operate under a business model which is designed to take such strides into account.

Questions to Ask

? How do you structure your MTS contracts? What are typical terms? What minimums do you require? What happens if we fall short on a minimum? What kinds of work are included? What flexibility do we have to shift spend from one kind of work to another?

The NIIT Advantage

We understand that L&D is a service function, which is there to support business needs which can shift rapidly and unexpectedly. Accordingly, we have developed a contracting approach for MTS relationships which accommodate such shifts, within a framework which emphasizes the mutual commitment which is required for an MTS relationship to succeed. Our goal is not to keep to the contract but instead to keep to the work, which the minimum of overhead associated with managing the contract.

Results You Should Expect

Jack Welch, the former CEO of General Electric, once said, "Control your destiny or someone else will." Often, the best time to implement change is during a downturn. That's when the need is often greatest and the flexibility is highest.

Historically, content development has treated as a craft rather than a repeatable practice. We're finding now that MTS is enabling our clients to accelerate this evolution inside their organizations. We have found that in moving to a Curriculum Center of Excellence our clients can expect:
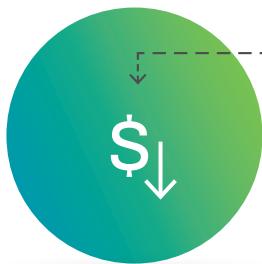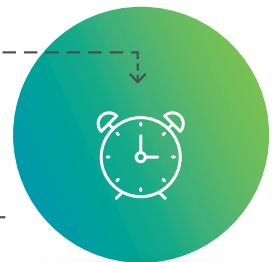
Lower Cost | Typically a 20-30 percent reduction in cost the first year and 5-10 percent reduction thereafter

Less Internal Time Invested | Approximately 25 percent fewer of their own hours spent on content development

Fewer Escalations | Around 25 percent less escalations allowing business impact to truly accelerate

Approaches that Match their Needs | Including customized design library, process definitions and performance support for participants

The NIIT Advantage

30
Countries
Worldwide

500
FTEs for Content
Development

50K
Hours of e-Learning
Developed

500
Rich Experience in Delivering
Large, Multiyear Contracts

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