



## Top tips

Success in increasing commercial services requires fundamental change in training provider organisations: a new vision, strong leadership and management, and change of approach.

The key messages which emerged from this project were:

- utilise all available LMI, including local knowledge and experience, and build this in to your CRM system;
- recognise that new opportunities are not always standard training requests, but may be knowledge transfer needs;
- do not underestimate the potential of existing customers;
- gaining qualitative feedback relies on good customer relationship management;
- promote new approaches and expertise to move away from the image of being a 'funded provider';
- maintaining good relationships with partners, including third party stakeholders will reap rewards;
- commercial pricing must be right  
– don't build in heavy documentation costs  
– recognise the positive VAT implication in cost models;
- develop existing internal talent to recognise potential opportunities, and to design and deliver commercial provision.

### Finally, to gain internal support for changing processes and developing new provision:

- agree common, shared aims with all relevant stakeholders;
- meet people within your organisation face to face – do not send questionnaires;
- identify capacity to develop and deliver;
- maximise use of different skill sets across the organisation; and
- accept and highlight small incremental achievements, not just wholesale change.

## What's next for you?

Where are you in developing your commercial services - are you looking to increase your income through full cost recovery provision?

The checklist below provides a useful starting point for identifying your areas for development.

### Checklist

- Have you identified any new income requirements?
- Does your strategic business plan include commercial services income targets?
- Have you conducted a SWOT analysis relating to commercial services provision?
- Do you have a good understanding of the skills environment in your area?
- Do you understand what skills employers want now and in the future?
- Do your managers and staff understand the challenges your organisation is facing?
- Have you begun to develop your processes to be more employer responsive?
- Has your marketing team adopted an employer-focused approach?
- Do your staff understand the difference between selling and gaining employer commitment for training?
- Have you considered the development of your existing talent for future roles in developing your commercial provision?
- Have you begun increasing networking with external partners?

## Get in touch

For more information, please go to  
[www.excellencegateway.org.uk/wcs](http://www.excellencegateway.org.uk/wcs)

## Planning for increasing commercial services

Between September 2009 and March 2010 the LSIS World Class Skills programme funded 97 providers to work together on Thematic Development Projects. There were 10 projects, each addressing different aspects of making provision more responsive to employers' needs.

### Introduction

This project is on 'Planning for increasing commercial services'. This report contains key ideas and learning points from the work on the project theme.

#### Who is it for?

The report is aimed at a range of individuals and teams within training provider organisations. It should be of particular interest to staff that play a role in employer responsiveness and who are seeking inspiration for developing their commercial services.

#### What will they gain from it?

The aim of this report is to share the experiences and learning of the 11 participants involved in the project. The good practice that they have developed will enable you to use these findings to review and improve your own level of responsiveness.

#### It will also:

- highlight new approaches to developing commercial services; and
- help you to have a deeper appreciation of the internal challenges ahead.

### Project background

Training providers are aware of the changing priorities in the learning and skills sector. With changes to employer responsive funding, this project focused on exploring options for generating income by increasing commercial services.

Experience of delivering commercial services amongst the group varied from only offering fully funded provision, to a high percentage of commercial income through delivery of full cost recovery (FCR) provision. Participants working for larger organisations aimed to be more innovative in their existing approaches and those working for smaller providers sought to embark on a new journey.

The participants used the group meetings to share expertise and explore ideas. They reflected on how they might adopt the most appropriate approaches.

**“ This project has been invaluable in assisting us in our full cost delivery offer. We are now working towards completion of a 'good practice' model to streamline our processes across the organisation - breaking down the old departmental barriers to collaborative working.”**

Tim Wilkins, Solihull College

## Participants

The participants who collaborated on this thematic project were:

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(Contact details correct as of March 2010).

“ We have enhanced our employer feedback process by the electronic collation of impact measurement data - before, during and after delivery of the learning. This ‘real’ data feeds into our planning process.”

Lynda Broadhurst, Stoke-on-Trent College

## Aims

The specific aims of this project were:

- to plan for new business income in 2010/11;
- to identify key markets for non-funded services; and
- to identify ‘niche’ markets to exploit opportunities post-recession.

## Activity

To initiate this project each participant conducted an analysis of their strengths, weaknesses, opportunities and threats (SWOT) and developed a project plan to focus on their identified priorities. The activities undertaken reflect the range of priorities across the group.

### Planning for growth

- Using labour market information (LMI) at a strategic and operational level to determine an appropriate service offering.
- Developing sales teams into business development teams, to embrace broader responsibilities of market analysis and customer relationship management (CRM).
- Broadening networking activities to identify new approaches to market penetration.

### Systems development

- Strengthening the approach to using LMI and CRM.
- Facilitating internal workshops on Lean processes and on eliciting feedback from customers.
- Establishing communication protocols for business-to-business marketing and remote teams.

### Meeting employer demand

- Developing processes for validating demand through understanding employer needs.
- Developing a combined team building and communication skills course for an identified market.
- Increasing the support offered on work-based learning programmes, to improve retention rates.
- Developing commercial pricing and cost modelling techniques.

### Making the ‘case for training’

- Developing an enhanced organisational needs analysis (ONA) to capture whole business needs.
- Embedding impact measurement in the selling and delivery process.
- Creating relevant case studies for specific client markets.

### Internal culture change

- Realising the impact of increased commercial business on organisation structure, contracts, staff capacity and accommodation requirements.
- Developing collaborative working between commercial teams and curriculum staff.
- Engaging marketing teams in employer-focused promotional activity, rebranded provision and revised website.

## Challenges

Participants faced challenges influenced by economic, strategic and operational factors. Some of the specific challenges highlighted by the participants included:

- the cultural shift required towards research, planning and delivery of commercial services;
- accepting the need for change in structure, processes and leadership and management;
- breaking down ‘silo’ working and existing behaviours across the organisation when introducing new provision and processes;
- developing ‘joined-up’ internal and external customer processes;
- overcoming the employer’s reluctance to pay for training and increasing their commitment by selling value rather than products;
- convincing employers with a three-day working week that training was a worthwhile investment; and
- developing collaborative working in preparation for the introduction of the Qualifications and Credit Framework (QCF).

“ We have made the ‘buy-in’ to training an easier decision - by creating a clear business case for each step of the learner journey.”

Alan Rhodes, Definitive Training

## Case studies

### Definitive Training

Definitive Training is a small independent provider specialising in training for the care sector. During this project they:

- enhanced their position in the sector, by developing an holistic approach to meeting employer needs. This included advice and updates on sector developments, specialist training and support in accessing funding
- introduced new techniques for gaining commitment to training by demonstrating the value of training in this financially-constrained sector.

### South Devon College

South Devon College is a forward-thinking provider, keen to inject innovation in to its improvement processes.

## Impact

The main areas of impact identified included:

- a better understanding of demand by using LMI, which has led to new provision. This includes a bespoke course for team building and communication skills (already delivered to 500 learners);
- increased income generated through FCR;
- a review of Train to Gain customers to assess potential for commercial provision, with two successful contracts to date;
- a revised website, that rebrands provision, that has received positive feedback from customers;
- improved conversion rates from new business lead to sale;
- a new delivery model with reduced completion times for learners;
- a process for collation of employer impact measurement;
- curriculum staff engaging in research, design and delivery of FCR provision;
- development of a continuous improvement culture, resulting in increased outputs from team meetings.

“ A key lesson for us was to promote our new image as providers of commercial services – to avoid being pigeon-holed as a ‘funded provider.’”

Roger Lees, Manufacturing Excellence Ltd

A key focus for them during this project was reducing their response times to employers. To achieve this:

- they spent time improving how different departments communicated with each other to improve their internal processes; and
- created a central point of contact to enable a smooth flow of information across all activities.

### Canterbury College

Canterbury College is one of the largest providers in the south east of England. A key activity for them during this project was the broadening of their networking activity.

Becoming a member of the City Partnership Board opened new ‘doors’ for Canterbury College and led to a new business offering that combined recruitment and training provision in the retail and hospitality sectors.