

Outsourced Training Creates Bottom-Line Profits, Report Shows

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Major corporations worldwide are reaping the benefits of outsourcing the primary training component of their learning programs. While outsourcing grows stronger, companies are combining training, human resources and organizational leadership to set the "training course" for their company's future.

"One of the potential challenges facing organizations is outsourcing," said Brandon Hall, PhD., CEO and lead researcher for brandon-hall.com. "This is part of a new and changing world as we all move to a true global economy. The best response to this challenge is to be informed."

A recent research effort by brandon-hall.com, "Outsourcing the Training Function: Benefits, Drawbacks, Major Players, and Case Studies of a Growing Trend," studies worldwide industry leaders like Avaya, Boeing, Circuit City, Banca Nazionale del Lavoro, Citrix Systems, GM Daewoo Europe and Turner Construction.

The report shows how companies make outsourcing decisions, negotiate contracts and protect valuable strategic and product information. Key findings include:

- Outsourcing can reduce training department expenditures by 10 percent to 15 percent over long-term contracts.
- Only about 5 percent of outsourcing organizations farm out 100 percent of their training. Most entities that make the business decision to outsource turn over only a portion of their training to outside vendors.
- Outsourced training allows companies to enjoy the latest technology and online training from vendors who are able to offer content from a variety of industries, requiring less time and expense by training departments on the re-creation of in-house content.

With the training component partially or primarily outsourced, human resource and training staff have time to focus on strategic goal setting and workforce development. By striving to align with the business goals of the organization, the learning department can contribute directly to the overall success of the company through greater revenue, greater productivity, lower operating expenses and better customer service.

The report by brandon-hall.com examines best practices of leading organizations as they made their decision to outsource their training, follows their selection process and reports on the success of their efforts. In addition, it provides tips on protecting valuable strategic information, contract negotiation and restaffing.

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