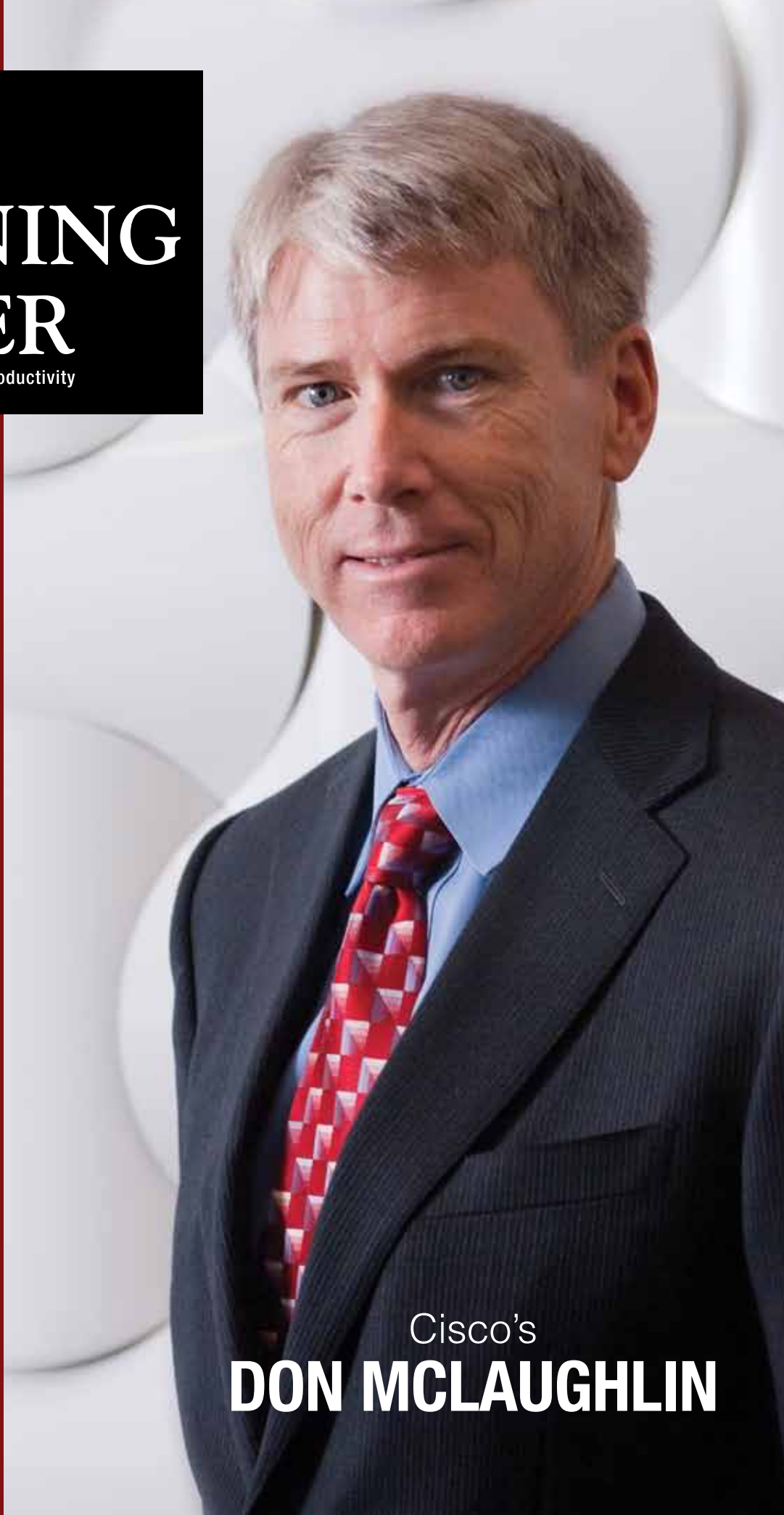


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Managing Through the Tipping Point

Time to capitalize on growth opportunities • BY JOSH BERSIN



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2010 promises to be an exciting and demanding year for learning and development professionals.

Overall L&D spending dropped precipitously in 2009, leading to much leaner budgets and staffs. Bersin & Associates' 2009 Corporate Learning Factbook shows that global L&D spending dropped by 11 percent, for a total of a 21 percent drop over the past two years. The median L&D staff size fell from 7.0 staff members per 1,000 learners in 2008 to 6.2 per 1,000 in 2009. This is the largest ever drop in spending on corporate training since 2001.

This means two things. First, you can now plan for some growth. As the economy improves — and our research shows a marked uptick in hiring plans this quarter — you will again be asked for new programs. Now is the time to put together the short list of what you'll need to support such future requests.

Second, you probably have a smaller team and most likely have built a far more aligned and integrated training function. Most of the companies we talk with have actually used the recession as an opportunity to streamline and consolidate training groups. Even as budgets loosen, it's important to maintain these efficiencies.

Spending on leadership development continues to stay strong and grow. Despite cuts in total L&D budgets, leadership development spending has remained the same and actually increased to 18 percent of all L&D spending. Executive development, which we group separately, increased to 6 percent of L&D spending.

Our research shows that midlevel and first-level leaders are still lagging in readiness. Yet in times of stress, leadership development is more important than ever. If leadership development falls into your area of responsibility, consider this a wake-up call to continue this important investment.

Leadership will remain an important priority as the economy recovers. Most companies have a leadership gap. In 2010, we will find tremendous interest in rebuilding programs that move younger people up the leadership pipeline.

Virtual training is now mainstream. In 2009, 59 percent of organizations used virtual classrooms as a mainstream delivery method — up 45 percent from two years earlier. Virtual classroom systems, such as WebEx, Adobe, Microsoft, IBM, Centra and Citrix, now offer systems that are easy to use. All major training programs should incorporate virtual elements in 2010.

Collaboration, social learning and content management are top of mind. One major impact of a recession is that companies start adopting new technologies that replace travel and expensive, face-to-face training. This is what has happened in the area of collaboration and social learning. Our research shows that in 2009:

- Seventeen percent of all organizations had some form of knowledge management platform.
- Thirty-two percent had some form of self-publishing rapid e-learning platform.
- Eighteen percent had some form of learning content management system.
- Twenty-four percent used communities of practice.
- Fourteen percent used blogs and wikis.

Informal learning is a hot topic. But most companies have not yet formalized new tools and approaches. In 2010, we believe training professionals should build a formal, structured approach that incorporates informal learning into every major program.

There is a new focus on deep specialization and certification. In the past few years, many studies have pointed out the slow and steady dwindling of technical and professional skills in the U.S. workforce. Our research shows more and more companies are now expanding their on-boarding programs to include basic financial and technical skills readiness.

We also know that companies that outperform their peers have deep levels of specialization and industry expertise in their workforce. Building such expertise takes years. It requires experience, skills development, coaching and developmental assignments.

In the past year, many clients have sought help in rebuilding certification programs. These programs rigorously define skills requirements and then assess people against these skills in multiple tiers of competency. In the year ahead, reconsider these programs for your own organization. They can provide the foundation for deep skills development and help the organization attract new people as the economy grows.

Despite the belt-tightening in 2009, positive signs are on the horizon. Organizations are stabilizing and planning for the future. L&D can help organizations manage through this tipping point by planning programs to support growth, focusing on leadership and deep skills development and building informal learning strategies into every major program. **CLO**