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Decision Points

Where Experience Provides Direction

By Shawn Halladay

The Training Conundrum

Employee training consistently appears in the Equipment Leasing and Finance Foundation's annual Industry Future Council (IFC) Report as a key component of success. One of the IFC's conclusions this year was that:

"Lessors who empower themselves with talented and well-trained personnel will be more able than their competitors to redefine their companies and their markets. Excellence of staff is the top requirement for the future survival and growth in the leasing business."

Industry leaders also have identified the need to continually bring new and younger people into the industry in order to maintain its vitality and growth—people that require training. All this indicates that lessors view training as critical to their success. But do they act accordingly?

Alta's experience in the market says no. For instance, not many lessors have formalized and ongoing lease training programs. Furthermore, there has been a steady and visible decline in

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The Alta Group, established in 1992, is made up of more than 25 seasoned international professionals committed to the asset finance industry, including former CEOs, company founders and industry thought leaders.

the number of people attending publicly offered leasing courses. This is occurring not only with the private companies but with associations. One must ask whether lessors are only offering lip service to training, or are there other factors driving this decline?

EVERYONE HAS BEEN TRAINED

The industry has matured, along with many of its employees. It certainly is different than the heady days of the late 1980s. Given the push to bring new talent into the industry, and the continuing growth of several large companies, this should not be the cause of the decline. Turnover and change will always create a pool of resources that will benefit from training.

INTERNAL TRAINING

Another potential cause, or at least a contributor, to this decline is that lessors have established internal training departments. While it is true that lessors are beginning to bring more of their lease training in-house, a straw poll regarding training programs that was conducted in a session at a recent ELA conference indicated that fewer than 30 percent of those in attendance had formal training programs.

ALTERNATIVE DELIVERY METHODS

There are numerous methods that can be used to deliver lease training today. Instructor-led, classroom training has been the historic method of choice. In fact, for many years, it was the only choice. Then came self-study courses and, in what was considered to be a technological leap, the advent of video training programs. The rapid advance of technology, with its increased bandwidth and speed, has changed all this.

The Alta Group is now offering innovative online learning options. Online learning is expected to become more of a factor in lease training programs in the future.

LACK OF EMPHASIS

This last potential reason for training numbers being down is the most difficult to quantify and the most troubling. Are companies not paying attention to the training of employees as they did in the past? As one lessor told me, "Back in the day, everyone was sent to a class on leasing. That just doesn't happen anymore, and it shows in how well people understand their jobs."

There are many reasons why this may occur, cost being the most likely suspect. As lessors have been pressed to meet profitability targets, training budgets have suffered. Such a policy, however, is penny wise and pound foolish. A company cannot expect to sacrifice its training on the altar of cost control and expect to continue to attract and retain its human capital.

CONCLUSION

So, why have the number of people being trained declined? Is it due to internal training programs, alternative training methods, a fully-trained workforce, or lessors that talk the talk, but don't walk the walk? The most likely answer is that it is a combination for these factors. Hopefully, for the future of the industry, the primary cause is not a sacrificing of training dollars in a quest for more profitability, as this strategy will fail in the long run. One really has to wonder if this is the case, however, given the apparent lack of commitment of many lessors to ongoing training programs. What do you think? Please send comments to DecisionPoints@thealtagroup.com.

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