

**ISA**  
Inspiring...

**Bold Thinking.  
Smart Growth.**

**ISA's "How's Business" Snapshot**  
January 2016

*Leveraging Best Practices*



## **ISA – The Association of Learning Providers**

Founded in 1978, we are the only association devoted exclusively to helping executives in the training, learning and performance consulting industry grow their businesses. From the pioneers to the new innovators, our members represent the cream of the crop of elite firms that are transforming our industry. All share a passion for learning, for new ideas, for better solutions and for succeeding in the business we love.

### **ISA Vision & Mission**

ISA's vision is to serve members as an irreplaceable source of competitive advantage.

Our mission is to be **the** resource for strategic growth, expertise, ideas and best practices for members in the business of learning and performance consulting.

### **ISA Imperatives**

- **Build the Highest Level of Success** – Ensure ISA members stay ahead of the curve on key issues affecting business health and growth.
- **Foster Connection & Community** – Provide the online and offline forums to leverage ISA's trustworthy network and vast wealth of knowledge and experience.
- **Ignite Innovative Thinking** – Reach out for the diverse perspectives shaping the training, learning and performance workplace.

### **ISA Values**

ISA member companies collaborate to promote business interests and the growth of the training, learning and performance consulting industry.

- ISA membership requires company principals to regularly participate in the life of the association.
- ISA believes active recruitment of people from member companies violates the good faith of the association.
- ISA member companies respect the copyrights and intellectual property of ISA member firms.
- ISA member companies serve customers with integrity and respect customer confidentiality.
- ISA member companies understand and agree to adhere to Antitrust Guidelines.



# ISA's "How's Business" Snapshot January 2016

## Executive Summary

### Background

ISA's "How's Business" survey is conducted periodically throughout the year to help ISA members benchmark business performance and consider appropriate adjustments for company specific results.

The "How's Business" survey was conducted in December 2015 and July 2015 reviewing performance over the prior six months and looking forward for the next six months.

### Participation

On December 11, 2015, three hundred sixty two ISAers from 76 ISA member firms were invited to respond to ISA's "How's Business" survey. Thirty two individuals (9%) representing 29 member firms (40%) responded. The survey invitation was emailed three times. The survey closed on January 8, 2016.

### Highlights

- Business performance increased between July 2015 thru December 2015. Forty eight (48%) of respondents reported a moderate increase in December 2015, an 18% increase over July 2015.
- Thirty six percent (36%) of respondents reported performance was moderately or substantially better than expected while thirty two percent (32%) of respondents reported performance was "as expected".
- In July of 2015, 64% of the respondents continued to be optimistic looking ahead. December's respondents reported a slight increase in optimism at 65%.
- Looking ahead to the first six months of 2016, more than fifty percent (50%) anticipate no change in purchasing and forty two percent (42%) expect a moderate increase in purchasing.

### Most Promising Industries

The top five "most" promising industries for new business opportunities in rank order are finance/banking, high tech, health services, manufacturing and insurance. The "most" significant change was noted - wholesale/retail moved into eleventh place from seventh place in July.

### Growth Objectives

50% of the respondents identified their growth objective as "incremental growth" compared to 27% focused on rapid growth. Twenty percent of the respondents are focused on growth objectives for selling their firm in the future. Only three percent of the respondents stated that growth is not a primary objective.

### Sleepless Nights

The most prevalent theme(s) of concern cited by respondents include management of cash flow and growth/sales.

# **Survey Details**



# ISA's "How's Business" Snapshot January 2016

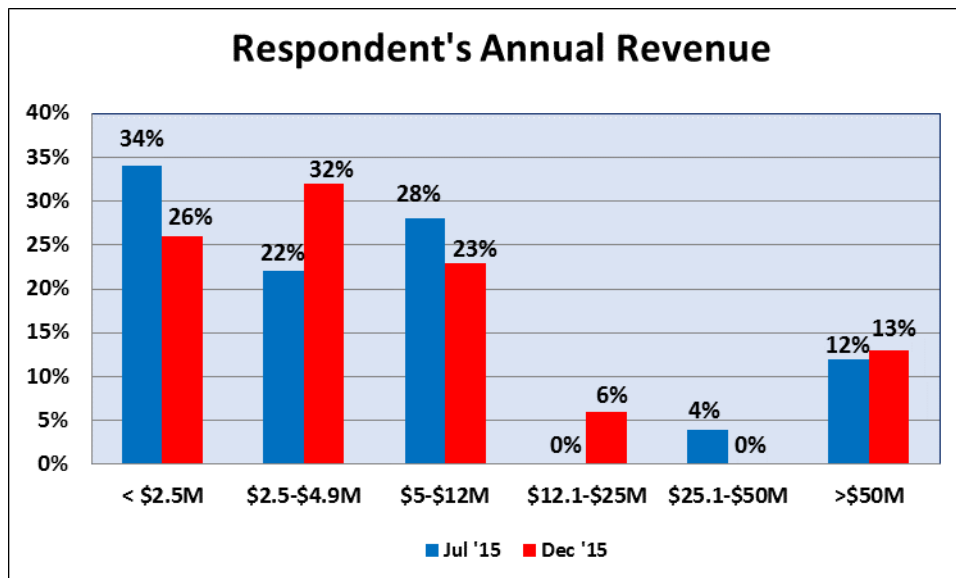
## "How's Business" Report "Details" — January 2016

Launched 12/11/15

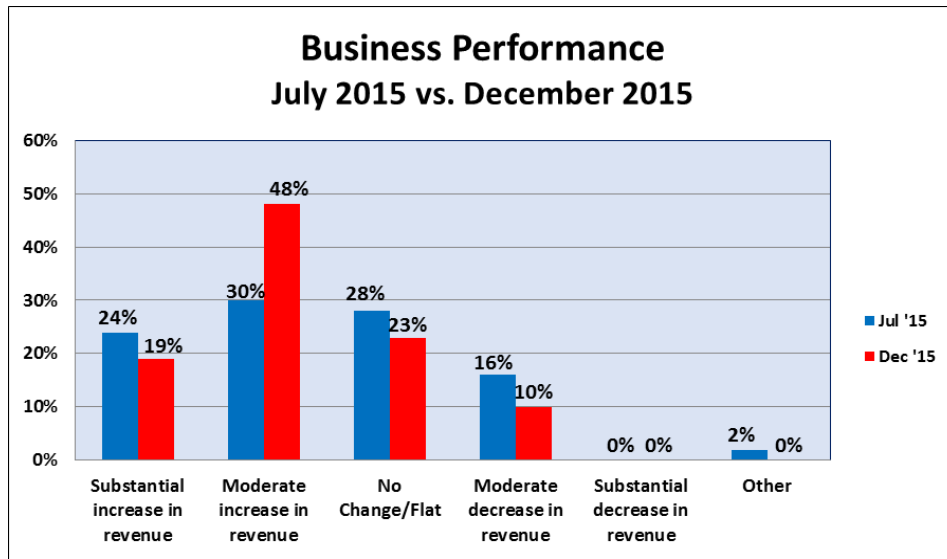
29 companies responded (40% response rate)

32 total responses from 362 individuals (9% response rate)

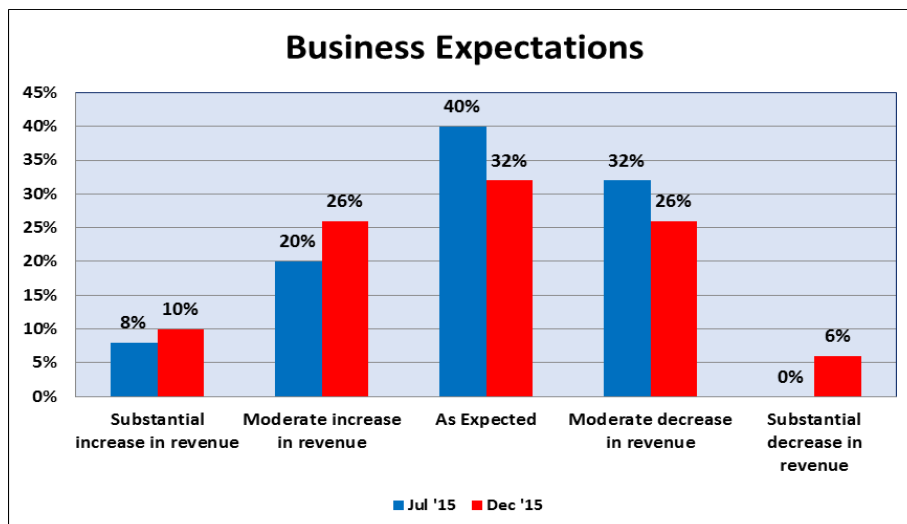
	<u># Responses</u>	<u>Response Ratio</u>
<b>1. Do you consider your company to be a service firm?</b>		
Yes	30	94%
No	2	6%
<b>2. Do you consider your company to be a product firm?</b>		
Yes	14	45%
No	17	55%
<b>3. What is your company's annual revenue?</b>		
Less than \$2.5 million	8	26%
\$2.5 million to \$4.9 million	10	32%
\$5 million to \$12 million	7	23%
\$12.1 million to \$25 million	2	6%
\$25.1 million to \$50 million	0	0%
Greater than \$50 million	7	13%



	<u># Responses</u>	<u>Response Ratio</u>
<b>4. How has your business performed over the past six months?</b>		
Substantial increase in revenue	6	19%
Moderate increase in revenue	15	48%
No change/flat revenue growth	7	23%
Moderate decrease in revenue	3	10%
Substantial decrease in revenue	0	0%
Other:	0	0%



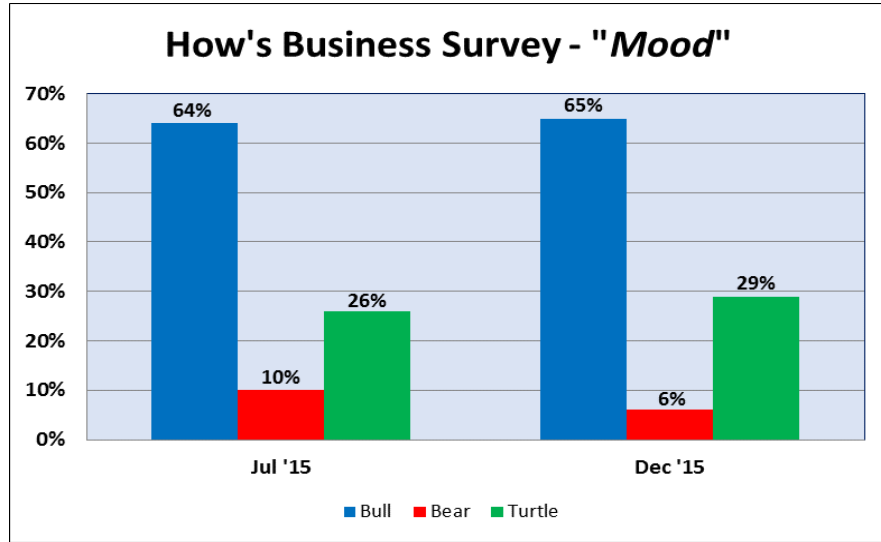
	<u># Responses</u>	<u>Response Ratio</u>
<b>5. How has your business performed over the past six months compared to your expectations?</b>		
Substantially better	3	10%
Moderately better	8	26%
As expected	10	32%
Moderately less than expected	8	26%
Substantially less than expected	2	6%



# Responses      Response Ratio

**6. Select the word that describes your expectations concerning your business performance over the next six months.**

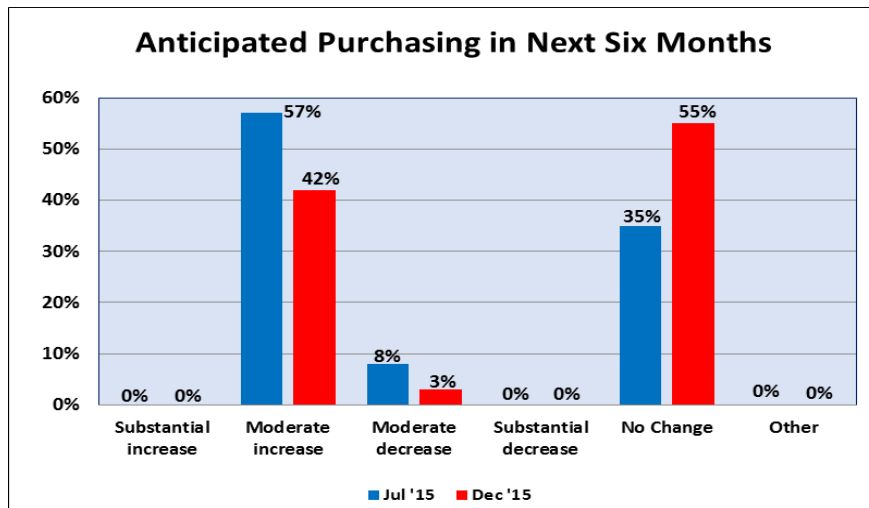
Bull (Optimistic)	20	65%
Bear (Concerned)	2	6%
Turtle (Slow & Steady)	9	29%



# Responses      Response Ratio

**7. To what extent do you expect the economy to cause your clients to adjust the amount of training and/or consulting services they will purchase in the next six months?**

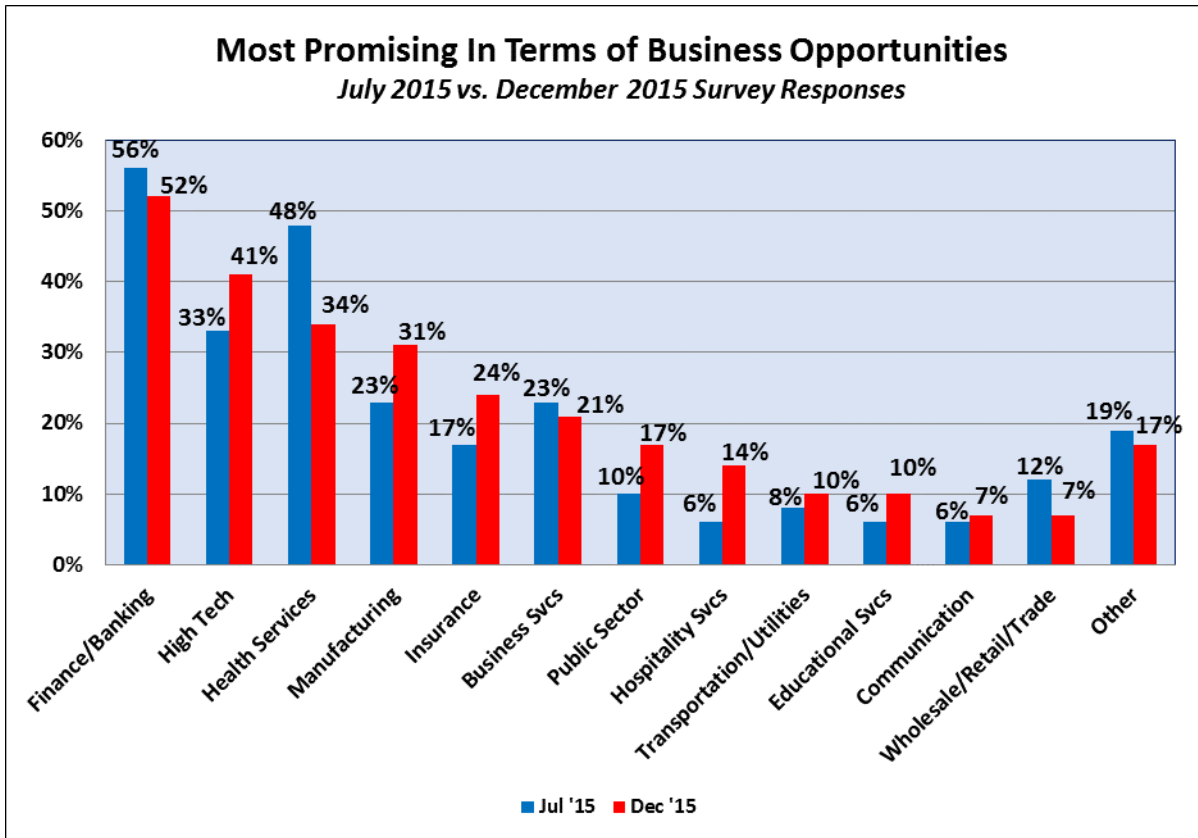
Substantial increase in purchasing	0	0%
Moderate increase in purchasing	13	42%
Moderate decrease in purchasing	1	3%
Substantial decrease in purchasing	0	0%
No change in purchasing	17	55%



# Responses      Response  
Ratio

**8. What industries are the most promising in terms of “new business opportunities” for your firm?**

Finance/Banking	15	52%
High Tech	12	41%
Health Services	10	34%
Manufacturing	9	31%
Insurance	7	24%
Business Services	6	21%
Public Sector	5	17%
Hospitality Services	4	14%
Transportation/Utilities	3	10%
Educational Services	3	10%
Wholesale/Retail/Trade	2	7%
Communication	2	7%
Other:	5	17%
- BioTech		
- Pharmaceuticals & Medical Devices (2)		
- Consumer Products		
- We're industry agnostic.		





**9. How have market conditions caused you to make adjustments in how you managed your business throughout 2015?**

- Large increase in income. Leading to increased recruitment.
- Increase the number of affiliates in APAC.
- Pricing increase
- Very conservative in spending
- Controlled costs
- Focus on lean operation, outsourcing where possible to flex with demand, driving cost efficiency where appropriate
- More focus on marketing
- Diversify industries
- We had to make use of more affiliate staff to handle new clients and new initiatives
- The sales cycles have been just as long as usual, but a flurry of mergers and internal restructuring has delayed a lot of work
- Stayed away from Oil and Gas
- Energy related clients, especially oil industry are far less active. We have moved our account managers off of business development there and put those clients and prospects in maintenance mode using inside sales.
- Has allowed me to be more aggressive in making purchasing decisions to build on 2015 and prepare for 2016
- We continue to listen to our clients, but have not experienced anything in the market this past year that caused us to make substantial adjustments in our business.
- Not at this stage
- Not really
- No real change
- They have not
- They haven't
- No important changes.
- No changes
- No adjustments

**10. What are you looking forward to as 2015 comes to a close?**

- A better 2016.
- 2016, with a more conservative budget and a profitable growth model
- New marketing initiatives
- Commitment from longer term clients for training in 2016
- Steady growth
- Big opportunities in 2016
- New release of thought leadership and it's solutions into the marketplace.
- More optimism about the market conditions in 2016
- Momentum on some new leadership development offerings
- Reliability and scalability
- Business continuing to grow. Larger bites from big clients.
- Hopefully, a stronger 1H 2016 over 1H 2015
- A prosperous 2016
- A nap
- A faster start to 2016 now that a federal budget is in place.
- We are pursuing a new sales strategy and structure to better suit the marketplace and our global customer strategy
- Continued growth in 2016
- Being grateful and thankful - and being optimistic about 2016
- Growth in 2016 and expanding team
- Our pipeline has improved significantly so I am looking forward to converting several of these opportunities.
- Finishing.
- Apart from a rest! Looking forward to more innovative ways of delivering our products in 2016
- Yes. I hope business gets better
- Celebration of a good year and extraordinary teamwork.
- Regrouping with family before 2016 starts with a bang.
- Finishing IT projects.

## 11. What do you foresee as your firm's greatest opportunity during the next six months?

- Retention & engagement is currently a hot ticket item for our clients and prospects
- Focusing our solutions towards the needs of the modern learner
- Blended solutions
- More visibility
- Drive leadership business more aggressively
- Top line focus on core offerings and targeted development of hippos
- CEO succession and leadership development/coaching near the top
- Strategic partnerships
- Close small deals as precursors to bigger deals with our target clients
- Strong pipeline going into the year
- Helping firms to grow
- Sell broader offerings into installed base
- Winning some major, long term government service contracts
- New offerings. Inside sales team.
- Working with partners that focus on adjacent markets.
- Direct training business and large consulting projects
- Take advantage of the investments made in 2015 to enhance our go-to-market strategy and tactics
- Continuing to build a fantastic team
- Land 1 or 2 large new projects with prestige clients.
- Farming initiatives to gain additional business from existing clients
- Innovation and Change are our biggest opportunities due to increased restructures and the need to sustain an edge for our clients.
- Launch a video product
- Our customization for particular clients will be leveraged to other companies within the tech and biotech industries.
- New product launches and new marketing initiatives.
- IT implementation

## 12. What keeps you up at night NOW?

- Trying to ensure that we stay solidly in the black
- Sales
- Recruitment for vacant positions
- Learning for millennials
- Need more focus on basic marketing
- Keeping organization focused on execution and not distracted by other activities
- Sectors impacted by low price of oil
- Finding talent to handle our growth
- We are doing well, and growing, but growth is SLOW because of the factors listed above. I think that is likely to change and I worry about having the resources to deliver everything that we will sell.
- Managing growth, hiring the right quality people.
- Companies cutting training budgets
- Just about everything since I just don't sleep well :)
- Managing sales people and growing profitably
- Nothing
- Pace of expected growth from our global center.
- Nothing!
- Fortunately, not much - grateful and thankful
- Balancing company cash flow with realistic expectations from new sales and marketing positions
- Leadership team alignment
- Cash flow and dealing with increasingly long payment terms
- Cash flow
- We are going towards a \$5M company and know that processes will need to change. We've had some illness with a key individual to our team so that keeps me up at night. Demand for more local trainers globally.
- Self-inflicted over-extension of personal commitments
- IT implementation

### **13. What gets you out of bed and going in the morning?**

- The challenges implicit in the previous objective, and the belief that I can help this happen
- Opportunity to educate and support the wave towards people learning from each other.
- The culture of our organization, the people, the opportunity to be part of something great.
- Mission
- Passion to grow global business
- Great team ready to deliver great results
- My colleagues and the high impact work we are doing that makes a difference for our clients
- Our mission - we are making a difference.
- Partnering client, creating new products, hiring better people.
- Coffee
- Time to work out and get a fast start for client work.
- My people
- Chance to make incremental improvements in the way we do business every day
- My people
- My business
- Look forward to enjoying what I do and the people with whom I interact
- The light streaming through my window :)
- Working with great people and winning business
- Our theme: Sharing the power of facilitation with the world!
- The market is very positive and clients are willing to increasingly experiment with different ways of working.
- Opportunities
- Growth. The Team. New connections.
- The growing impact of our work. That, and coffee.
- Caffeine

### **14. How can ISA be most helpful to you as 2016 approaches?**

- The ability to (continue to) share best practices with very forthcoming colleagues
- Greater visibility of challenges being faced by similar companies, how these are being overcome, structuring our organization to be lean and able to flex when we're busy without adding fixed costs, potential collaborations or outsourcing solutions
- Basic business blocking and tackling library
- Bring insights to growing business globally
- Industry insights
- Keep us connected on how all of us are thinking about our businesses.
- Executive coaches
- Best practices, understanding of other firms and how they are doing.
- Understanding how other organizations are dealing with their challenges
- Same as always; providing insights and perspectives from the collective whole.
- Free massages at the spa at Camelback
- Benchmarks
- Continue to be a thinking partner.
- Continuing to provide a variety of perspectives on what type of sales and marketing activities work in our industry. I don't think there is a single approach or idea that solves this, so hearing from multiple sources continues to be the most valuable. (For example, the January 2016 webinar.)
- Put on a great 2016 ABR
- Keep moving forward - think about how innovation may play a role for the overall association
- Allow more room for learning from organizations who are one step ahead of ours.
- Additional understanding of what helps businesses excel
- ISA is a source of networking and best practice. Good speakers and great events will help share ideas and what is working.
- Data and trends
- I'd like to learn more about trends of learning, e.g., gasification, micro-learning, the impact of the new tech companies on learning.
- Continue to help our team to network and grow in our understanding of industry practices and innovations.

	<u># Responses</u>	<u>Response Ratio</u>
<b>15. My company's primary growth objective going forward is:</b>		
Rapid growth	8	27%
Incremental growth	15	50%
Growth in order to be in the position to sell/merge my company in the future	6	20%
Growth is not my primary objective	1	3%

**15. How old are you?**

25-30 years old	2	7%
31-35 years old	2	7%
36-40 years old	1	4%
41-45 years old	5	19%
46-50 years old	4	15%
51-55 years old	3	12%
56-60 years old	4	15%
61-65 years old	2	7%
66-70 years old	2	7%
71-75 years old	2	7%
76-80 years old	0	0%
81-85 years old	<u>0</u>	0%
	Responses	27

***Average age = 50.6 years***

**17. Are you?**

Male	22	69%
Female	7	22%
No Response	3	9%

**18. How long have you been part of the training and performance industry?**

1-5 years	6	21%
6-10 years	3	10%
11-15 years	3	10%
16-20 years	7	24%
21-25 years	4	14%
26-30 years	3	10%
31-35 years	1	4%
36-40 years	2	7%
41-45 years	0	0%
46-50 years	0	0%
51-55 years	<u>0</u>	0%
	Responses	29

***Average years in training & performance industry = 17.8 years***

	<u># Responses</u>	<u>Response Ratio</u>
<b>19. How long have you been with your current firm?</b>		
1-5 years	9	32%
6-10 years	6	21%
11-15 years	5	18%
16-20 years	3	11%
21-25 years	1	4%
26-30 years	3	11%
31-35 years	0	0%
36-40 years	1	3%
41-45 years	<u>0</u>	0%
	Responses <u>28</u>	

***Average years with current firm = 12.1 years***

<b>20. How many more years do you envision being in your current position?</b>		
1-5 years	17	63%
6-10 years	7	26%
11-15 years	2	7%
16-20 years	0	0%
21-25 years	0	0%
26-30 years	<u>1</u>	4%
	Responses <u>27</u>	

***Average addt'l years envision being with current firm = 6.7 years***

# Stay in Touch with the ISA Team

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