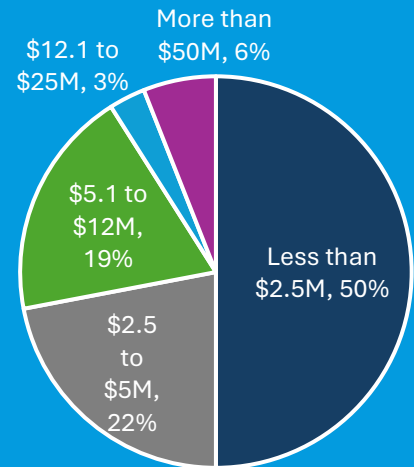


# How's Business: July 2024

## About the Respondents

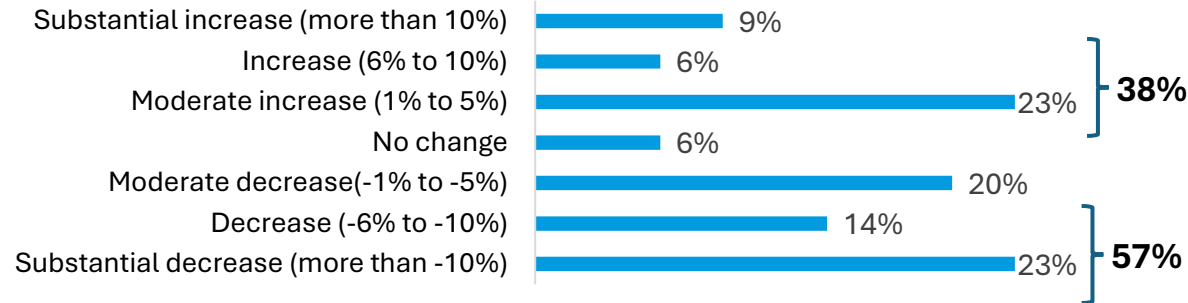
36 ISA members responded in the first 2 weeks of July 2024

### Revenue Size

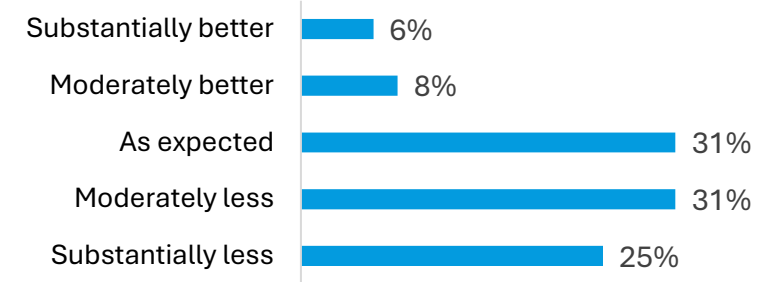


## LOOKING BACK: Last 6 Months

### Performance over last 6 months compared with same 6 months last year



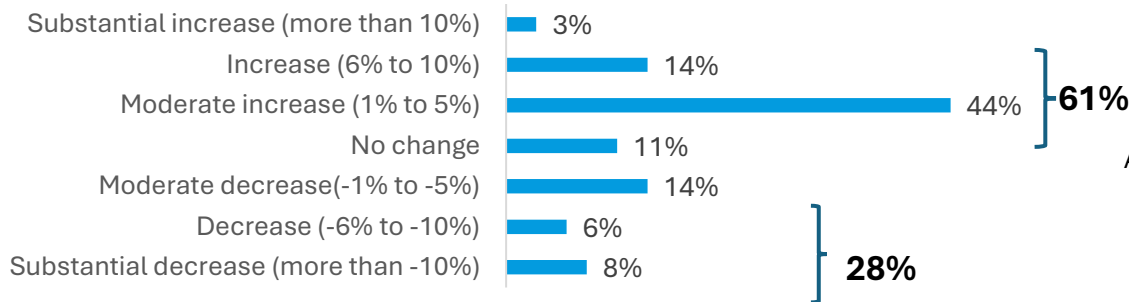
### Performance over last 6 months vs. expectations



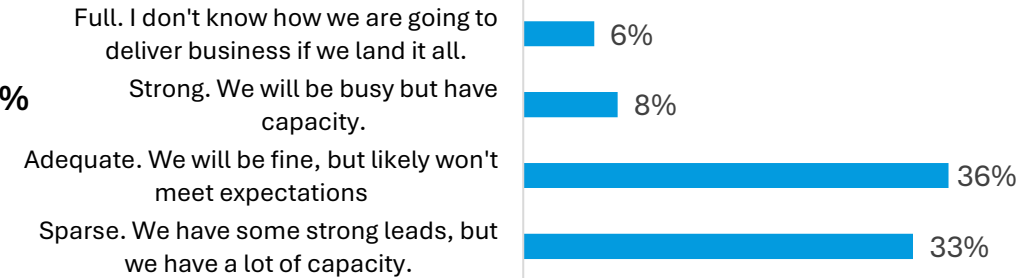
**Business is slowing** - Over the last 6 months, 56% of respondents reported they performed below expectations, while only 14% exceeded expectations. On the revenue slide, 57% of respondents saw a decrease in revenue compared to the same 6 months last year – with 23% of respondents reporting a decrease greater than 10%. There were 38% of respondents who experienced an increase in revenue for the same 6-month period, however, the majority (23%) of these respondents only saw minor increases of 1-5% in revenue.

## LOOKING FORWARD: Next 6 Months

### Performance expectations for next 6 months compared with same 6 months last year



### Pipeline expectations for next 6 months



**Pipelines are softer for next 6 months** – Performance expectations are somewhat more promising for the next 6 months with 61% of respondents reporting they do expect to perform better than the same 6 months last year, but the majority (44%) of this expected growth will be in the 1 to 5% range. Overall, 28% of respondents expect decreased performance over the next 6 months and 55% expect little to no growth (No change and 1-5% growth) over the next 6 months. Only 17% of respondents expect growth of 6% or more, which tracks with the 14% of respondents who reported strong and full pipelines for the next 6 months.

# As you think about your company, your clients' needs, and our industry, what are you most... ...optimistic about?

## Opportunities/Demand

- 2 partnership opportunities
- Demand for what we do remains
- Leadership development through the lens of DEI - disrupting outdated ways of working and organizing - developing more equitable and inclusive leaders - cultivating cultures of belonging
- The amount of clients I speak to who are embracing coaching and leadership development.
- Our product meets a need in the market and we have a sustainable business model. Optimistic about internal operational changes we are making and about 2025.
- I'll have enough challenging opportunities.
- we are experiencing very strong demand well above our expectations. I believe companies paused some buying in 2023 believing a recession was coming. The recession didn't come so companies are playing catch up now.
- Significant increase in the demand for our products.
- I've noticed an uptick in client requests for workshops.
- Licensing our IP to prospective clients and, on a longer-term basis, looking for an M&A opportunity to take over the company's legacy.
- Canceled services resurfacing.
- The perceived importance of professional development for L&D professionals.

## Leveraging Clients to Expand Business

- I am most optimistic about our ability to leverage some close client relationships to expand business in those accounts. Creating high-trust and close relationships is paying the most dividends for us right now. Clients seem to find budget for important work when needed.
- We have long standing client relationships, and we will be able to continue to dig deeper with them.

## Focus

- The decrease in business in the first half of the year has allowed us to focus on our marketing strategy and our service offerings. We have set ourselves up well for the rest of the year.
- We signed up with Simon - thanks to the webinar with ISA. Very encouraged.

## Restructuring

- Restructuring the business to better serve our clients and to operate more efficiently.

## Product Development

- Use of AI and incorporating into our training.
- We have valuable products our clients need
- New capabilities and products, strong customer relationships, excellent team members
- We have developed a new program/process that we will be piloting with two clients soon.
- Awareness of and adoption of outcome-based programs.
- I also am excited about our new product launch.
- Evidence we are developing to measure about long-term, extending effect of Leadership Development on everyone in a firm. Everyone.
- We're revamping our materials to be more updated for 2025, which will draw in more business.
- Our ability to flex to meet their needs and the excellent results we are producing that validates ROI.

## Growth

- Our overseas growth
- Somehow...we will survive the year.

# ...concerned about?

## Election/Political Upheaval

- Political upheaval - state of our country.
- Election year.
- The election is creating so much stress on many levels. I've never felt so uncertain about the future of our government, economy, and society.
- The degree to which people gets tangled up and influenced by political outcomes without data.
- Challenges in global markets with elections, wars and business confidence.
- Impact of the election on business.
- Orgs are feeling uncertainty about the future, esp. the political future in the US. Never been such edgy, sharp divisions.

## Economy/Client Budget Cuts

- Decrease in variables training spend for client budgets, clients downsizing.
- Uncertainty in the economy and industries seeing revenue decreases leading to fewer funds for talent development.
- Lower budgets among our clients and a demand to see price decreases.
- Our clients are experiencing budget cuts and travel restrictions. We are also most concerned with our ability to meet new companies in the current environment. Economic conditions may result in lower interest in training.
- Funding and budget.
- Administration change and budget cycle.
- The economy and how it affects the training market.
- Economic climate of the tech industry.
- Most concerned about learning being a "nice to have" vs. "need to have" for organizations who are facing budget cuts.
- The volatility in the marketplace is generally concerning

## AI

- Impact of AI on the industry (IP protection)
- The disruptive effects of ChatGPT and other similar public resources that enable our clients to create their own unauthorized derivatives of our IP almost instantaneously with compensation to us.
- AI is more of a threat than I ever dreamed!
- AI will disrupt training.

## Changes in the Market

- We are a DEI company, which is under attack lately. We see this as an opportunity to rethink how we market our services.
- The move from assessments requiring 60+ minutes and the resistance to multi-day leadership development workshops.
- Leaders are too busy to attend or run training programs. Time is a larger barrier than budgets for our prospects, and this isn't expected to change anytime soon.

## Growth

- Growth—the capacity to fulfill growth demand.
- Last year we had a strong first half, but a slow second half. This year, Q1 was strong but then sales tapered off. I'm concerned about the volume of demand for the second half of the year.
- We are spreading ourselves thin, unable to implement our key priorities.

## Sales

- Partnership opportunities not panning out.
- Generating leads that convert to revenue.