

Controlling Costs during Tough Times

Many continuing, corporate, and workforce education units are experiencing tough times during the recession. LERN predicts the recession will at the least continue through 2009 with hopefully an uptick in participation, contracts and income starting in early 2010.

The programs performing the best during tough times are the ones following programming, marketing, operations, and sales industry best practices, such as, cutting dog programs, using target marketing and using e-marketing and social networking, reducing meetings and paperwork and selling solutions. Over 25 percent of continuing, corporate, and workforce education programs are seeing an increase in income.

Due to budget cutbacks in conjunction with reduced registrations and contracts, continuing, corporate and workforce education units are cutting costs. The following are five cost-cutting tips:

1. Do not cut across the board. Cut underperforming programs, marketing techniques, staff and instructors. Implementing a 10 percent across the board cut can be devastating. You must be strategic about what you cut and what you do not cut.
2. Raise prices. When the economy is down, you want to identify the programs people need and raise the prices. Think in terms of price breaks. Unless you are getting off of a price break, reducing prices is normally not a good strategy. If a person will not pay \$95, they probably will not pay \$75.
3. Renegotiate teacher pay. Ask teachers to take pay cuts. The overall percentage teachers earn should not exceed 40 percent of income. Provide an additional incentive of income to teachers of classes with 15 or more students. Everyone knows times are tough and to keep the business are willing to negotiate. The same is true for printers, hotels and so on.
4. Do not cut promotion costs unless the promotion is not effective. You must spend money to make money. Being more targeted with your promotions is key but you need to be spending 10-15 percent of your budget on promotion.
5. Let software do it. You MUST have a software system designed for the business you are in and the software system must be web-based and

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The logo features a stylized, glowing, multi-colored arc (resembling a rainbow or a futuristic design) on the left side, set against a dark blue background. The text "journal of lifelong learning™" is written in a white, sans-serif font to the right of the arc.

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supported by the company building the software. Continuing, corporate, and workforce education programs using the right software system report increased efficiency (up to 50 percent), increased registrations (with up to 80 percent coming in online), less time handling students and teachers (saving up to 2,000 hours a year), and an overall less costly unit to run.

The times are tough so you need to make smart programming, marketing, operations, and sales decisions. Finances are critical and you must be reviewing your numbers weekly for trends and challenges. Remember...Numbers are your friends!

LERN has developed 12-Month Survival Plans for LERN members. Also starting in March, LERN will be presenting *Your 12-Month Survival Plan* seminar in 40 cities across North America. For more information go to www.lern.org or email info@lern.org.