Chapter 13

Managing Scarce Resources in Training Organizations

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"There can be no economy where there is no efficiency."
—Benjamin Disraeli, 1st Earl of Beaconsfield

Economic change shapes how organizations operate. Corporate leadership is compelled to adjust budgets, tweak growth plans and modify cost levels *continuously* if their corporation is to survive or, better yet, thrive in an ever-changing market. While no one can predict precisely how economic conditions (and the resulting executive decisions) will affect training or education departments, instructional designers need to understand the key economic drivers, especially in the context of the work they do, if they wish to position themselves for career success.

The global economy has experienced several dramatic swings over the past several decades; many training departments have experienced equally dramatic swings in the demand for their services, culminating in cycles of hiring, firing and, more recently, outsourcing. In lean times, as the demand for work decreases, leadership may feel compelled to reduce staff. Conversely, in flush times, the inclination may be to hire more people. What is the right decision? What is best for the training department in the short term? What is best in the longer term?

Effective managers make decisions based on a thorough understanding of the concepts associated with *resource scarcity*. Resource scarcity is a reality within all training organizations, both large and small. The purpose of this chapter is to explain resource scarcity and to offer guidelines to effectively manage this commonplace situation in training organizations. We'll review the key concepts that a training manager needs to understand to operate effectively, starting with a definition of the term "resource." Other key concepts, such as "supply and demand" and the "economic cycle," will also be explained and their impact examined in context of resource scarcity.

Defining "Resources"

From a training development perspective, whether in the context of business, academia or elsewhere, there are three broad categories of resources:

1. *People* (those who plan, develop and/or deliver training)
2. *Time* (the period needed to complete a training project)
3. *Money* (capital available to invest in training)

Obviously, it is not possible to have unlimited people, time, or money resources to complete a training project, so thought needs to be given on how to invest resources effectively. This decision requires consideration of the trade-offs between project outcomes and limited resources. In fact, the interaction between outcomes and resources has two facets:

1. Outcomes determine the resource requirements.
2. Resource constraints shape the project outcomes.

In the first instance, the length, depth, breadth, complexity, and overall quality requirements of the project (a.k.a., its "*scope*") are defined up-front. Then, the appropriate number of people, time, and money are allocated to meet these

requirements. For example, a global workshop with both multiple content areas and a complex learning environment will require many resources to develop. Each unique content area will require significant commitments of instructional designers, content experts, and executive resources.

In this example, the number of resources allocated depends on the content areas required. In other words, project requirements drive how resources are assigned. All other things being equal, this may seem to be a quite rational way to plan a project. However, projects are often constrained by resources.

This brings us to a second consideration for resource planning; specifically, how scarce resources shape the project scope. Suppose the CEO of the company in our previous example gets a major new client account. Unexpectedly, 50 percent of the content experts and sponsors are removed from the training project to work on the new account, but the mandate to deliver training remains. To address this need, one option is to reduce the scope of the course, based on the remaining resources available to the team. In this case, resource scarcity places limits on the scope of the final training outcome.

The interplay between people, time, and money can become quite complex, especially given the possible trade-offs among project outcomes and scarce resources. For example, increased money resources enable investment of more people and time to the project. Conversely, a reduction of money implies less people and/or time can be allocated to the project. Table 13.1 illustrates some of the scenarios that can result when there is a reduction in a key resource.

Of course, if there are unlimited resources, these relationships could change significantly. However, in a corporate training environment, the supply of resources is typically limited or "scarce" and must be considered carefully because it is likely to behave as illustrated in Table 13.1. Let's examine this concept further.

Defining "Scarcity"

Broadly speaking, *scarcity* occurs when demand exceeds, or has the potential to exceed, supply. This occurs when there is a finite amount of people, time and/or money available to meet an objective. An argument can be made that scarcity is the normal state of things so, rather than holding an abundance mentality, the experienced manager will assume that resources will be limited, at best.

With this assumption, the goal of the efficient business manager or academic administrator is to occupy the narrow line in which just the right amount of resources is applied to meet a need. That this is a challenge is an understatement. Both the need ("demand") and the ability to meet the need ("supply") are likely to fluctuate, sometimes wildly, and both can be difficult to anticipate accurately.

Given the challenges that it poses, scarcity is often viewed as a bad thing. But this is not necessarily true. Let's explore supply and demand a little further to understand why.

Supply and Demand

Supply and *demand* are two broad measures used to describe an economic condition. Simply stated, "supply" refers to available and accessible resources; "demand" refers to the requirements to be met. In a corporate training environment, the supply of resources typically includes the development budget, a team of training developers, time, materials, and tools. Demand is represented by the requirements for the training program. Typically, demand measures include the volume of people to be trained, time available, required performance outcomes, and so on.

The relationship of supply to demand is a convenient reference point to cite when describing conditions both within and across economic contexts. To this end, let's explore the impact of supply and demand in the context of training. We will examine three conditions that are depicted in Figure 13.1:

- Point A: Demand exceeds supply (called "scarcity")
- Point B: Supply exceeds demand (called "inefficiency")
- Point C: Supply equals demand (called "equilibrium")

"Classic" Scarcity

The condition in which demand exceeds supply (point A) is one of "classic" scarcity. In a corporate environment, this

TABLE 13.1 Changes driven by decreases in people, time, or money

If there is/are ***less*** *. . .*

People	Time	Money
Then . . . You need more **Time** or You can decrease the project scope and/or quality	*Then . . .* You need more **People** or You can decrease the project scope and/or quality	*Then . . .* You can decrease the project scope and/or quality by reducing the number of **People** or decreasing the **Time**

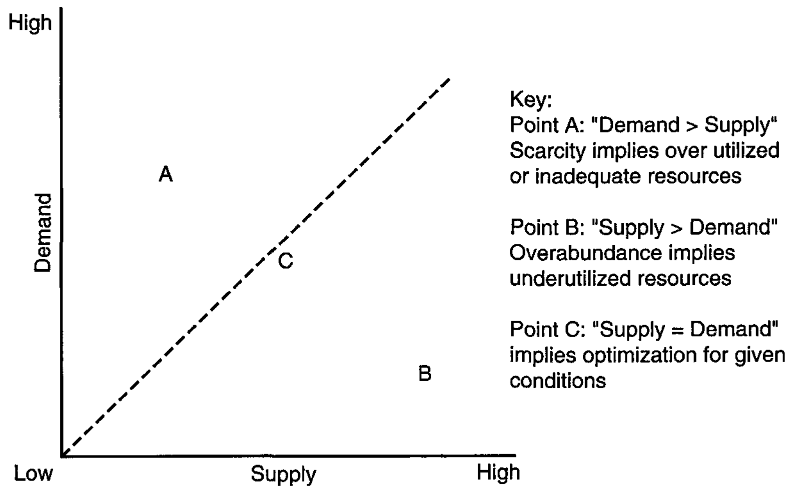

FIGURE 13.1 Supply and Demand.

would be a situation where training resources are inadequate to meet the task at hand. For example, there is a high level of demand for an end-to-end "Corporate Accounting" training program for a new line of business services. However, *none of the company offices are willing to release seasoned* accountants from daily duties to develop the courseware or deliver the training. In this case, the level of faculty (supply) is lower than training delivery requirements (demand). In the end, if demand exceeds supply, some requirements of demand simply cannot be satisfied. Organizational performance suffers as a result.

Inefficiency

A situation when supply is out of synch with demand (point B) may be appropriately labeled "inefficiency" (sometimes referred to as "overabundance"). Resources are costly; therefore, this condition will not be sustained in a business setting. Inefficiency is typically caused when:

1. Demand drops below existing levels of supply, or
2. Supply increases above the level demanded

Here is an example of inefficiency related to training. A technology consulting company agrees to pre-pay a five-year training contract with network software NetSmart. The contract enables the consulting company to quickly hire and train a significant number of technologists to write programs using the unique network software from NetSmart. *One year into the contract, the consulting company* has a large number of skilled consultants and is selling customized network software based on the programs from NetSmart. The demand for NetSmart programming skills has grown beyond expectations. A year later (now two years into the contract), a new company—Budget Network, Inc.—introduces a cheaper, more secure network management program. This causes a dramatic decrease in demand for NetSmart programming skills (see 1 above). The consulting company's supply of marketable programming *skills is now out of synch with demand for these skills.* Furthermore, the training budget is strained, due to the five-year commitment of funds as stated in the contract with NetSmart. The consulting board of directors is quite concerned, since the company finds itself with a large supply of consultants with skills for which there is little demand (see 2 above). The CEO calls the training department to ask how much it will cost to retrain the consultants to use Budget. Network, Inc., software. The corporate training director, anticipating the question, responded with an estimate, while shocking, included a recommendation to use a virtual training approach to lower overall training cost.

While the previous example relates to demand as it impacts the supply of a trained workforce, we will now take a look at another example of inefficiency. This time we will examine the impact of inefficiency within the *training department itself.* A global company with an extensive global training organization enters a prolonged decrease in business. The economic slowdown causes management to cut expenses to maintain profitability. As a result, budgets for new training development are slashed; additionally, the training schedule is reduced dramatically. This leaves the training team underutilized.

In the case above, the level of staffing in the training department (supply) *is too high for both the amount of new* training to be developed and the number of training sessions to be conducted (demand). The typical business response is to reduce the training budget by a percentage dictated by the senior executive team. This percentage will likely be based on overall profitability targets rather than a

thorough analysis of minimal training requirements. The bottom line is that conditions of inefficiency will not be tolerated in a corporate environment so, as a training manager, it is important that you try to avoid inefficiencies in training resources. Your understanding of scarcity will help you avoid such problems.

Equilibrium

The condition in which supply equals demand is called "equilibrium" (point C); the condition in which supply levels are not significantly above or below demand is "near equilibrium." Equilibrium is the ideal for which businesses strive. Near equilibrium is a more realistic goal. In a corporate training environment, equilibrium occurs when the allocated resources enable the development and deployment of required courses.

For example, a training manager is given $500,000 to develop and deploy a corporate accounting curriculum to four hundred employees in one year. Based on past experience with the development team and the training content, the manager estimates that $200,000 is required to develop sixteen hours of the targeted courseware. This leaves $300,000 to pay for the support and travel required to enable qualified faculty (selected accountants) to deliver the training over a scheduled period of six months. After verifying the estimates, the manager is confident that the resources are sufficient to enable project success. The bottom line is that management decisions favor the condition in which the allocated supply of resources equals the demand for said resources. So, as a training manager, you should be trying to move your organization toward a state of equilibrium. If a state of resource abundance exists, it is the manager's responsibility to ensure that all excess resources are allocated quickly and efficiently to avoid a state of disequilibrium.

At this point you may be thinking: "So to be successful I just need to make sure I follow the continuum, ensuring resource supply equals demand, and I will be fine, right?" Not really, because you also have to take into account the influence of the broader "economic cycle."

Explaining the "Economic Cycle"

The *economic cycle* is a conceptual model for assessing the state of the business environment. Understanding the economic cycle will enable a manager to make informed judgments about short- and longer-term consequences of supply and demand decisions. For the purposes of this discussion, the economic cycle refers to significant advances and declines in economic activity. Positions on the economic cycle are based on an aggregate measure of many economic indicators. As shown in Figure 13.2, when these broad measures are plotted on a timeline, the resulting graph clearly shows the cyclical nature of the economy. So why is the economic cycle relevant to training professionals? A more detailed analysis of the cycle will reveal the reasons.

Economic Cycle Stages

A training manager needs to observe and react appropriately to the cyclical nature of the economy. This ability requires an understanding of four significant stages of the economic cycle:

- Growth
- Peak
- Decline
- Trough

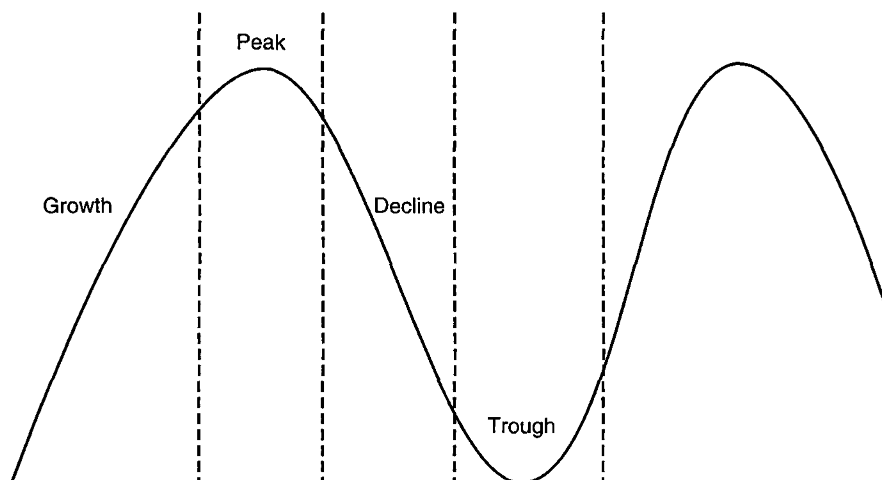

FIGURE 13.2 The Economic Cycle.

Definite upward trend lines indicate a "growth" in the economic cycle. This stage is typically characterized by increases in market activity. During this stage, entrepreneurs often react by starting new businesses, and companies often invest in greater levels of supply to meet anticipated high levels of demand. Consumers may benefit as well by having more product choices, as new entrants introduce alternative products into the market.

However, growth is not unlimited. As the economic cycle matures, the curve becomes increasingly horizontal until it finally reaches its highest point (the "peak"). At this point, there is still a high level of work. From a training development perspective, there is also increased competition for that work since the economy is no longer expanding. It is also a period of risk, as aggressive business investments made during the heady growth stage may not yield the benefits imagined. For example, in a nontraining business, inventories may start to accumulate on warehouse shelves. In a corporate training environment, the training staff may find a decreasing number of new project opportunities as the level of work flattens.

After the peak stage, the economic cycle begins to "decline" as demand decreases significantly. At this point the impacts to business become obvious. For example, orders for products drop significantly, causing warehouse storage costs to rise; consequently, these costs cut sharply into company profit margins. For training businesses, staffing levels are often dramatically reduced to meet ever shrinking budget targets issued by the executive team. The decline stage of the cycle causes many businesses to merge or cease to exist. On a positive note, the pressures of a declining market force surviving companies to become extremely efficient, minimizing operating costs.

The "trough" stage occurs after the decline levels off and begins to "hit bottom." This is a stage typified by high levels of unemployment, coupled with lower than average levels of demand. By this stage of the cycle, excess company inventories may have either been sold at a loss or exhausted, with little or no new orders for replenishment. Some ways that the training department can be impacted during the trough stage include (1) the department operates with minimal staff, (2) core staff is replaced or supplemented by contractors, (3) the work is outsourced wholly or in part, and (4) the department goes out of business.

Ultimately, the level of impact of any stage depends on both the extent of change and how much time elapses. Two measures are helpful to determine the impact of a given economic cycle:

- Magnitude
- Duration

"Magnitude" refers to the height and depth of the cycle. The difference between the starting point of the growth stage and its peak is the magnitude of the cycle. For example, a training department starts the growth stage with ten personnel and an average of five new training projects each quarter. Business increases to a peak stage where forty new training projects are required each quarter. As a result, the training department staffing model changes to accommodate the new demand levels. In some cases additional personnel may be hired. This is one example of how a training manager might make adjustments based on the magnitude of demand. Alternatively, a decision to outsource the work may be the most prudent course of action. Each situation needs to be examined on a case-by-case basis with the ensuing management decision tailored accordingly.

"Duration" is the length of time a cycle lasts, from its beginning to its end. Short duration cycles are by their very nature volatile. As a result, when there is a precipitous downswing there is little that the training manager can do to minimize the inherent negative impact of this condition. There is not enough time to make the necessary adjustments to budget, staffing levels, and so forth. Conversely, in an equally precipitous upswing, it may be difficult to take advantage of the opportunities this condition offers. There is not enough time to quickly increase budget and head-count levels to do whatever is necessary to deliver more training products. So, it is difficult to make effective management decisions when duration is short and significant, regardless of whether there is an upswing or downswing.

Longer cycles, on the other hand, are easier to manage. This is because the manager has more time to understand the impact of the cycle and, subsequently, make prudent management decisions to adjust to the environment. For example, in a gradual upswing, a manager might hire a contractor or even a permanent employee based on a prediction of long-term growth in an expanding market. Another option is to outsource the work either entirely or in part. Managers can make these decisions with greater confidence because the time frames are more generous and the conditions require fewer adjustments.

However, there are exceptions to these assumptions about short- and long-term duration. A savvy manager needs to know about these exceptions. For example, with more monetary resources a manager may choose to endure a difficult short-term trend with no adjustments to resources. But this is not necessarily a good decision, because it requires use of monetary resources that could have been applied to invest in future projects. It may be more prudent to reduce training operations or outsource development efforts in the current period to preserve scarce training department resources for the future.

At this point, we have explored the impact of the broad economic cycle in each of its stages on resource supply and demand. Do these concepts provide enough bases to

make training management decisions? Not quite, because there are still some other variables to consider.

Characteristics of the Economic Cycle

The economic cycle is dynamic. In fact, the economic cycle can be:

- Unstable
- Difficult to predict
- Not smooth

The economic cycle is *unstable* in that no stage is fixed. Change may happen at any point or time in the cycle. Unforeseen changes in the broader environment will stimulate fluctuations or dramatic changes in the economic cycle. The impact of the terrorist attacks on September 11, 2001, is an example.

The cycle is *difficult to predict*. If it were easy, more companies (and individuals) would find easy success and wealth. Given this, successful businesses are those with the capability to adjust and operate flexibly throughout the cycle.

The cycle is *not smooth*. Economic trend lines often appear smooth, as if the rate of growth and decline were constant. This is the effect of charting a moving average. In fact, a more accurate chart would show actual daily fluctuations in leading economic indicators. Though the stock market is only a component of the larger economic cycle, the jagged movement of the Dow Jones Industrial Average provides a useful illustration of variability.

Managers need to have an awareness of each stage as well as the variable nature of the economic cycle. These concepts are relevant to training managers due to their tremendous impact on the people, money, and time resources previously discussed.

So, given this overview of the economic cycle, what are some of the implications for a corporate training department?

Implications of the Economic Cycle

Lag. The business manager or academic administrator who can correctly anticipate and exactly match the economic cycle with what is happening in his or her own department is either extremely gifted or very lucky, or has signed a pact with the devil. For the rest of us, no matter how hard we try, we always seem to be somewhat behind what is happening in the economy in general. Our goal is to be proactive and to anticipate change but, too often, the best we can do is to react. The disconnect between what is happening in the economy in general and our own business and training departments is know as "lag." Though lag seems inevitable, it can and should be managed. How well it is managed determines whether lag has "good" or "bad" implications. Here are some examples of both.

Good Lag. "Good lag" occurs when a training department operational model adjusts appropriately to the economic cycle with minimal delay. Quickly adapting to the cycle will help departments minimize risk. Good lag occurs when a training department's resource level is adjusted to each stage of the economic cycle. So, as the general economy peaks, so do the resource levels of the training department. Conversely, when the economy reaches trough, the training department will reduce resource levels accordingly. Moving in parallel with the economic cycle helps minimize the impact of changes caused by the cycle. For example, if a training department of thirty people is asked to increase production of e-learning assets by 33 percent over the next six months, they will need to adjust their staffing model or consider outsourcing the development effort. In this situation, the training manager must ask several important questions:

- Should we hire?
- Should we outsource?
- Should we contract?
- Will the resources be part time or full time?
- How many?
- What skills?
- For how long?
- What resources can I afford? And so on.

If a company experiences a decline, then its resources should be adjusted to meet the new requirements. However, though it may seem counterintuitive, these changes do not necessarily mean either the hiring or firing of core personnel. In fact, personnel churn (characterized by rapid, frequent increases and decreases in the number of people in a department) is a sign that the manager or administrator does not understand the implications of the supply/demand line when placed in the context of the economic cycle and is likely to be making poor management decisions.

As an example, a well-run training department will have the capability to monitor and forecast demand levels in order to adjust the supply of resources as appropriate. Additionally, the department's limited resources would be allocated to the highest value projects.

An awareness of lag may also have positive results. For example, a training manager may intentionally lag behind an emerging market trend. In some cases, the time lag can be an opportunity to see what does and does not work. Early entrants into any new market incur the most risk as novel ideas are tested by consumers. Managers may choose to lag behind the early entrants to reduce risk. In this way, managers may enter the fray better positioned with lessons learned from observing others.

Bad Lag. "Bad lag" occurs when there is a disconnect between what is happening in the training department specifically versus what is happening in the economy in general. In an extreme case, the department's resource levels peak just as the general economy moves to trough; conversely, its trough occurs when the economy peaks. This is something like having a clothing store that sells nothing but winter coats in June. There may be a few buyers for these coats but most will be looking for other products. Moving out of step (and, worst case, in the opposite direction) with the economic cycle will increase the impact of changes caused by the cycle. It represents inefficiency and lost opportunity.

The Economic Cycle's Impact on Resources

The periodic and inevitable rising and falling of the economic cycle can have a significant impact on resources. This is because resource requirements are not fixed over time, but are dynamic. For example, when the economic cycle rises, there is typically a greater demand for staff (people) creating an environment of "scare resources" in which the existing staff is overutilized. In this situation, overtime becomes the norm; people are given assignments outside of their area of expertise; and the workforce soon become tired, frustrated, and inefficient. (Of course, this situation can be addressed proactively by outsourcing the development effort.) Conversely, when the economic cycle falls, there is a reduced demand for staff creating a situation of underutilized resources. This leads to restructuring, consolidations and staff reductions which can have a devastating long-term impact on the corporate culture. In both cases, the end result is something to avoid. Cyclical growth and decline must be monitored carefully and appropriate adjustments made to minimize negative impact.

Table 13.2 illustrates the interplay of the three variables when resources determine project requirements. In particular, notice the inverse relationship of time and money. The impact of these variables as the cycle progresses should be of interest to all conscientious managers and administrators.

Conclusion

We have talked about economic and management concepts related to scarce resources. Before we summarize the concepts introduced in this chapter, let's examine an example of a training department management decision. Consider this exchange between Kirk Scofield, a manager in a corporate training department and Josephine ("Jo") Bouvier, his boss. Demand for their product has never been higher and Kirk is concerned that they don't have enough people to get the work done. Kirk is pressing Jo to hire several more full-time developers and is surprised that she is reluctant to do so. Jo explains, "The reason I do not want to hire anyone now is because I may have to fire them later. I agree that, right now, we have too few people to manage the current work load, but I can deal with that by either outsourcing the work or getting help from contractors. What I'm worried about is when the pipeline dries up and we don't have enough to do."

Kirk responds. "That makes sense. Training is just like any other business. A good manager will monitor supply and demand and make adjustments, recognizing the constraints present in the current environment."

In the example, Jo's decisions are based on two significant concepts:

- *Supply and demand:* Two broad measures used to describe an economic condition which can be either optimal or suboptimal, depending on prevailing economic conditions. These measures can be plotted to reflect current conditions and then extrapolated to predict future conditions, enabling the training manager to make appropriate adjustments.
- *The economic cycle:* A conceptual model for assessing the state of the business environment. This model enables training managers to understand the cycle and its many characteristics, including stages (growth, peak, decline, trough), measures (magnitude, duration, variation), and attributes (good and bad lag), as well as its current status. This enables the manager to make the adjustments necessary to run an efficient training department.

TABLE 13.2 Economic cycle impact on resources

	Growth	Peak	Fall	Trough
People	Increased need for staffing	Staffing requirements at maximum	Decreased need for staffing	Staffing requirements at minimum
Time	Less time available	Available time at minimum	More time available	Available time at maximum
Money	More money available	Available money at maximum	Less money available	Available money at minimum

The implications of the discussion between Jo and Kirk are noteworthy:

- Resource decisions need to take into account both present and future conditions to ensure the training organization runs efficiently. Basing decisions just on what is happening now is risky. As Jo pointed out, additional hiring, though ostensibly warranted by the department's current demand, could be a mistake, resulting in displacing staff and incurring other risks to the training department.
- Managers are required to take calculated risks to invest limited resources. Because the future is unknown, managers apply frameworks and principles to help them mitigate risks and make efficient resource investment decisions. Monitoring and actively managing to the requirements of supply and demand and the economic cycle enable managers to reduce risks and position the training department to operate efficiently.
- All trainers will face constraints and limitations. In fact, some level of resource scarcity is the norm rather than the exception. However, scarce resources are not necessarily a bad thing. The manager needs to embrace that scarcity is reality. Understanding scarcity can even be a competitive advantage when managed well.

In conclusion, the effective training manager will view scarcity not with trepidation, but with an informed perspective that empowers good decisions. Our hope is that you will consider the concepts discussed herein when you are asked to make your own resource decisions and that application of these concepts will prove useful to you in the demanding arena of training development.

Summary of Key Principles

Managing scarce resources in a training department can seem daunting, but a training manager has many strategies he or she can employ in order to address this issue. Some of the key strategies are summarized below.

1. **Adopt a global-to-local approach:** Increase awareness of broad economy/business conditions that impact the business of training.
2. **Have a bias toward scarcity rather than abundance:** If you can postpone or avoid adding resources in uncertain times, you will be better positioned to avoid staffing entanglements, budget shortfalls, and other problems. However, this has to be weighed carefully against the impact to current resources and/or the ability to meet business obligations.
3. **Select resources carefully:** Since training resources are precious, do the research and choose them wisely. Hiring and retaining the right people resources is the most important resource decision a training manager can make. A strong core team will be more capable of adapting to, even flourishing, in the inevitable difficult times.
4. **Treat resource scarcity as a strategic issue:** Training resources are often thought of in tactical terms (e.g., books, computers, whiteboard, etc). Instead, consider resource management as a strategic initiative that can enable you to have an advantage over your competitors. Simply put, your organization will operate more efficiently than a competitor who does not consider scarcity when making training management decisions.
5. **Consider interactions between resources:** Managers have many options to adjust the people, time, and money resources to meet the requirements of demand. Explore all options before making a hiring decision.

Application Questions

1. In a general economic downturn, requests for training development at a large corporation have decreased by 30 percent. Ironically, just two years earlier, requests for new development had increased by the same amount: 30 percent. Two years ago, eight experienced training developers were hired, bringing the total number of training professionals in that group to twenty-five. Given the current demand, the department's manager determined that she will have to release at least seven people to meet mandated corporate budget guidelines. At this corporation, the approach to downsizing historically has been to release staff with the least seniority. To provide some needed contingency in her budget, the manager has decided to release all eight of the people she hired two years ago and is making this

recommendation to her boss—the HR Lead. After reviewing this situation, the HR Lead is sympathetic with how difficult this situation is for the manager, but is also concerned with how she got to this point and what she can do to avoid this in the future.

The Lead has several questions for the manager, including:

- Is eight the right number of people to let go?
- Are the people you've identified the right people to let go?
- What will be the impact to the remaining team members if you make this change?
- What happens if demand for your services decreases further?
- What happens if the demand picks up?
- Do you think you had the right staffing level two years ago?
- Long term, how many full-time employees should you have on your team?
- In general, is there a way for you to absorb changes in the marketplace with less impact to your team?

How would you answer these questions?

2. A large corporation is about to acquire a smaller corporation. Historically, the large corporation has placed great importance on training, identifying it as a key strategic advantage. The large corporation has a substantial staff of award-winning learning professionals who take pride in their leadership position in the industry and the impressive amount of new training and capability assets they produce each year. For the smaller corporation, training has been done sporadically, viewed by its current leadership as helpful but not essential to the core services the corporation provides. As such, the smaller corporation's training department has only a handful of people.

   After the acquisition, the parent company will increase in size by 25 percent. As part of the merger plan, the training director for the parent company has been asked by the CEO to merge the two training departments and make recommendations for any changes. The CEO envisions using training as a critical part of the overall change management process, which he hopes will quickly create a common culture for the new organization and get all employees focused on shared goals. In addition, he wants to tap into the content knowledge of the acquired company and quickly turn their expertise into corporate assets. After reviewing the combined roster of the current and acquired training professionals, the training director has decided to keep staffing in his department at the current level of the combined teams. As the company has grown by several thousand people and has several ambitious goals for which training is closely aligned, the CEO is surprised by this conclusion. He has several questions for the Director, including:

   - Demand for your services will increase significantly, certainly after the merger but also before. How will you handle this increase?
   - Will you continue to support all of the initiatives currently on your plate?
   - What skills are represented on your new team? Is this the right mix?
   - What roles will the people from the acquired team play?

How would you answer these questions? What are your assumptions?

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