

14 January 2008

The Learning magazine asked Ixion to comment on Gordon Brown's speech about the tough financial year ahead and what implication this will have on the training industry:

1. 'How will Gordon Brown's prediction of a tough year ahead impact on the training industry (in the private sector)?'

"With much debate around an economic downturn, employers will naturally try and tighten their costs which could in turn reduce the amount of training that they offer their employees as they see it as an 'unnecessary' short-term cost. However, the business case for training is clear cut, with it leading to improvements in productivity, job satisfaction and staff retention. Even at an uncertain time, it is important to invest in training to ensure long-term stability within the work force."

"There is a wealth of funding available for training and companies need to be made more aware about how this can be accessed in times of financial instability. Ixion understands business requirements and acts as a vital conduit between business and government"

2. 'What areas do you think will be specifically hit and why?'

"In general the downturn in the economy will impact on all sectors which historically pay lower rates and recruit from a lower skills base. These include hospitality, admin, security, some construction jobs (mainly non-skilled) retail, health and social care and support services to Local Authorities such as cleaning.

The issue here is that employers may make a decision to cap investment in training in order to maintain bottom line profits. However, a decrease in training will have a negative impact on industries. For example: it will make organisations less competitive to overseas competition, Government targets for a skilled workforce will be missed, and organisations will not be able to retain valuable staff.

In contrast, a general increase in training and qualifications within an industry will result in an increase in the quality of services/products. Organisations that have a fully skilled workforce are more likely to adapt to market change in addition to having a competitive edge when tendering.

There is, therefore, a greater need to communicate Government funded training programmes to ensure that those in industries that could potential suffer have access to the correct training to ensure their industry's reputation as a whole."

3. 'Do you think freelance trainers will feel a squeeze in their rates or will the e-learning sector gain from the pressure placed on training budgets?'

"The use of freelance trainers is widespread within industry and can benefit the learner. It is important, depending on sector and type of training, to have this human input in order to obtain the best results. E-learning is equally beneficial for a learner in other circumstances as this method gives the learner greater flexibility and addresses a learners needs.

The biggest impact may be that there is a rationalisation of rates, the marketplace will become more competitive and freelance consultants will need to ensure added value to maintain market share.

Although an economic downturn may have an effect on freelance rates in the short term, we are confident that the benefits of maintaining quality training will be recognised and the correct methods will be used to gain the maximum value out of training for the long term benefit.”

- ENDS -

Notes to editors:

1. Ixion Holdings Ltd is a limited by guarantee, not-for-profit organisation, passionate about giving back to the community. Founded in 2001, Ixion's headquarters are in Chelmsford, Essex with a presence in central London and Brussels. For more information please visit: www.ixionholdings.com
2. Fleishman-Hillard is one of the world's leading communications firms, with 2,300 employees working in 83 offices in 21 countries including Asia and Latin America. For more information please visit: www.eu.fleishmaneuropa.com

Contacts: Claire Lees, Fleishman Hillard, 020 7935 7170 or claire.lees@fleishmaneuropa.com