

*6 ways to survive FE funding cuts post Richardson, by becoming commercialized.*



### First, the dreary background:

Following the close of the consultation on the [Doug Richards](#) report on apprenticeships in England, the FE sector is waiting for the 'next steps'. ***Let's look at what they will be.***



*"We don't expect that FE providers will get any funding. We are moving rapidly to a full cost model, and aligning our sales and marketing strategies and actions. The problem is, we should have done it six months ago, but we are still ahead of our competitors" Business development director in an 'Outstanding' college.*

The goals of the consultation were twofold:

- place control of apprenticeships more firmly in the hands of employers
- ensure that all apprenticeships are rigorous and responsive to employers' needs

Notice that this says, up front, that all FE providers across the sector, ***will no longer receive the main block of funding***. There is some 'hope' that they may receive 50% (the other 50% goes directly to the employers) but this will be paid on results and 'customer compliancy' (selling what people want to buy rather than what you want to sell).

The big employers, such as B.T. Sainsbury's, McDonalds, all run their own, highly regarded apprenticeship schemes. If, as seems likely with this government, all the funding is given directly to employers, then why wouldn't the employer develop their own programmes?

FE providers will not be receiving much **if any**, money in the form of direct payments for delivering apprenticeships. As a provider, you have to get commercial and entrepreneurial, and go get the money through an integrated marketing and sales approach. Let's look at how you can survive the cuts:

## What's the answer?

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*What's "customer compliant" mean?  
It means selling what people want to buy, not what you want to sell. It means designing your solutions jointly with your customer base, so it's the right solution, delivered in the right way, satisfying your customers business need, at the right price and delivering measurable benefits.*

## Be customer compliant!

The answer is simple. It's just not easy. The answer is to develop **customer compliant** solutions (good apprenticeship training programmes) that exactly match employer needs. Be **entrepreneurial** in your approach to market.

***Adopt a commercial mindset.***

***Apprenticeship starts depend on modern marketing and consultative sales. Getting an employer to buy into your programme is a sales function.***

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## Here's how to grow your FE provider business in this challenging environment:

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1. Sell what people want to buy (it really is that simple). How do you know what they want to buy?
  - a. Do your research. Don't show up and ask them to 'tell me about your business'. You should know that before you arrive.
  - b. The sale is a consultative sales process. Make sure your sales teams are fully trained in this skill.
2. Have a strategic plan
  - a. Aligned with your corporate plan
  - b. That shows how you will deliver the numbers.
3. Attract your customers, and engage with them.
  - a. Have your web site, digital marketing strategy and tactics reviewed independently.
  - b. Make sure you are doing inbound (talk to me, I want to engage with you) not outbound marketing (let me tell you how good we are).
4. Marketing needs to be focused on inbound and engaging strategies.
  - a. Build 'give to get' in your strategies, provide material that's helpful to your customers ('5 ways to pick a great apprenticeship partner for you business').
5. Make sure sales and marketing work together. How many marketing campaigns do you run to generate sales leads?

## 6. Look at the numbers.

- a. How much income do you need to generate?
- b. What is this made up of? (200 engineering starts, 50 office starts etc)
- c. What does your marketing and sales funnel and process need to look like and how do I get there?

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### Who's doing this now?

What we've found is that the organisations most likely to embrace change are those which are 'Good' and want to move to 'Outstanding' or those who are 'Outstanding' and want to move to 'beyond outstanding'. [The Gazelle Group](#) are a group of colleges who are embracing these changes, and doing it now. If you're a college, you should copy them.

Over the next few weeks, we'll be looking at specific ways you can improve your apprenticeship offering.

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### About the author



[Paul Calkin](#) is the founder of [XEER](#). The FE division focuses on improving profitability and cutting costs in Further Education providers. Key areas we focus on are digital marketing review and training, consultative sales training, coaching and strategic planning.

Paul formerly worked with the FE sector through LSIS, where he delivered over 60 improvement plans to the sector with an ROI averaging 11.3 to 1, based on delivering measurable returns in the same year.

He is also responsible for the development and implementation of digital marketing programmes and consultative sales programmes across the sector, with over 1000 delegates now having been trained.

The consultative sales programme is the only one endorsed by the [National Apprenticeship Service](#) and [LSIS](#).

He was the executive sponsor of the "Supply chain" (subcontracting for FE provision) good practice guide for the £4 Billion annual spend by the SFA. This guide is endorsed by SFA, AELP, AOC and LSIS. He has also developed this into a blended learning workshop and resource which is available from XEER.

Paul formerly delivered consultative sales and modern marketing training across 39 countries for the Unisys organisation. He had been a global director of business development in several fast growth companies. He is experienced in business turnaround and has built an e-commerce organisation from start up to a \$2 Billion market capitalization.

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