

Association Or Incorporation?

THE VARIETIES OF CONSORTIUM' TRAINING

The Consortium as Customer

SYS-ED's David Shapiro sees cooperation as the key to successful vendor-consortium relationships, and he acknowledges the difficulties. After all, there are four different partnerships involved in consortium activity—managers and trainees, trainees and instructors, member companies and the consortium, and the consortium and the vendor. Starting at the lowest level, these relationships affect each other. When a manager pulls people out of training to complete a project, stress bubbles up through the training coordinator trying to predict numbers and on to the vendor who has to worry about cancellation.

Indeed, the high risk of cancellation and its attendant penalties is a kind of dark cloud hanging over consortia and the vendors that work with them. To avoid its related stresses, Shapiro makes three recommendations to vendors.

First, be pragmatic about flexibility. If a vendor has a terrible cancellation penalty, the probability of getting consortium customers is low.

Second, learn to think in terms of probabilities rather than certainties, knowing that you are making an investment in a partnership which will assure future business. Goodwill is as important as seats in seminars, and Shapiro warns against the "ill-will cycle" that starts up when a class is cancelled because only six seats are being paid for. You may want to run, the class anyway Shapiro advises vendors. You may run it at a loss, but you'll build a good base for future relationships. Consider the costs versus the benefits, intangible as they may be.

Third, invest in a commitment to customer service.

The consortium has responsibilities in the relationship, too. Members should realize that the consortium's own internal requirements can cause stress on the relationship. A consortium will often cancel a course weeks before its scheduled date if just a few people have signed up. but wait to tell the vendor until the last minute. Shapiro says vendors should be notified earlier of slow sign-up, since they can indeed work with probabilities and may even reduce cancellation penalties.

Shapiro looks for certain characteristics in consortium officers, too. "They have to be leaders, political in orientation and skilled with people."

—R.W.



8/25

DAVE --

Thanks very much for your help with
the Consortium article

Rebecca Williams