



10 Steps to Justifying a Learning Management System for Your Partner and Supplier Training

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Partner and supplier managers across industries and around the world have a common challenge — consistency.

External, non-employee stakeholders can dramatically affect a company's performance, for better or worse. How can organizations develop these stakeholders to the same level of competency and product knowledge as their internal employees? And how can organizations instill common messaging, brand identity, and quality practices across this extended enterprise?

Many organizations have implemented learning and knowledge management strategies for their partner programs, backed by a learning management system (LMS), to bridge this gap between internal and external stakeholders. Learning management systems have provided value to partner management organizations primarily by cutting training administration costs through automation, by replacing instructor-led course activities with more cost-effective eLearning modules, and by ensuring partner compliance with the use of certifications and training analytics.

Companies have also discovered the value in offering training on their products for resellers and channel partners. The value is driven by increasing their satisfaction and product usage and in many cases, decreasing support costs, increasing their loyalty and their willingness to promote the products. For suppliers, companies can see a reduction in support costs, quality issues and in cycle time when companies and suppliers share a similar vocabulary and process methodology. Often extending the training and knowledge documents used by internal support employees are enough to help add significant value, with partners willing to pay for this access. Partners are also more likely to support the company and products when feeling treated as part of the company. Leveraging the internal knowledge can help this goodwill, often turning to increased mindshare when selling and servicing your products.

Below are ten steps to help you develop a business case around using a learning management system to educate your audience beyond the traditional company boundaries – to your partners, vendors and suppliers in the “extended enterprise.”

1. Clearly articulate what challenges you'd like to improve.

Think about how you run your partner training operation today and start listing areas you'd like to improve upon. What are the expectations for partners and their contribution to the company's success? What do they feel is most useful to be prepared? Where are your major cost and resource outlays? For Symbol Technologies, one objective was to drive a greater share of revenue through partners, but in a cost-effective way.

We will reevaluate many of these issues in the following steps. But the worst thing you could do in any return-on-value calculation is exclude the challenges that are unique to your situation and thus not covered in the methodology below. Don't lose sight of these problems as you develop the business case.

2. Select the ideal comparable benchmarks for your business case.

As with any return-on-value calculation, you'll need to perform a cost-benefit analysis for your LMS investment and organizational change. The best way to do this is to focus on improving a metric that shows the gap between internal employees and external stakeholders.

For example, many partner sales managers have justified their investment by showing how the LMS can bring their partners' win rate closer to that of internal sales. If an organization's resellers win in 15% of their deals while internal sales win 39% of the time—all other things static, there could be a knowledge gap that needs to be addressed. Thus your return-on-value calculation can include an incremental revenue increase due to bridging this gap.

Supplier managers will look at quality cost reduction, looking to meet metrics set by the company. One auto part manufacturer was driven to adhering to strict quality standards in order to continue being a sole-source provider. They in turn needed their suppliers to understand and deliver to those standards.

Look for logical correlations and conservative impact. It may be hard to directly correlate your learning management data to business changes, but perhaps you can find control groups or make controlled changes that allow you to see a cause and effect. By making conservative assumptions, you demonstrate to executives a “real-world” perspective on what can be improved.

Then, begin charting areas of potential revenue improvement. You've already started doing this by identifying key gap metrics that can be improved. Some examples in this sales scenario may include:

- Increasing sales by being able to extend to non-exclusive partners who sell more of your product because they understand the features and benefits better than other brands,
- Reaching more partners that are smaller and not as accessible without online methods, and
- Penetrating new regions or industries by adding additional materials around the core learning.

Look for similar examples within your operational costs and supplier organizations.

3. Evaluate the productivity of your current process and look for “soft” benefits.

The time saved by automating your training management function and reducing training costs will justify an LMS investment, not to mention improving sales and service quality in your partners and suppliers. But don't only look at organized training results. Look at access to information and subject matter experts (SME). How much time is spent locating resources for partners that are readily available to internal employees? How often are SMEs needed at a partner meeting or training? How much time do your partners or someone within your partner management organization spend recreating documents and materials that already exist?

LMSs not only manage the learning process, but preserve the recordings of previous sessions, eLearning modules, and knowledge documents (i.e. sales documents or operation manuals) for your partners' reference. They also may have the ability to allow collaboration – letting a SME login when they can to answer questions, or during a set period of time to encourage an informal, online, Q&A session.

4. Collaborate with users while forming the business case.

You wouldn't develop a product without feedback from your customers. Don't develop a learning and knowledge management strategy without getting partner buy-in. Survey your partners on the training and information they need. Capturing their demand for this improvement will help the business case you present to the rest of your organization. This will also ease partner adoption of new process and procedures after the LMS implementation. Some companies will use this for a phased roll-out to these early adopters, using their continued support as testimonials to later adopters. And who knows...you may capture some information about what your competitors are doing with your non-exclusive partners.

5. Identify non-confidential materials that would add value to your external partners.

Now that you've both evaluated where redundancies exist and what materials your partners are requesting, spend some time meeting with other parts of your organization to gather information. It's good practice to make an effort to periodically search for these resources even if you already have a knowledge management process via a partner portal or some other means. Perhaps your organization has a learning council or other centralized training process, where this information is periodically shared and reviewed.

6. Look to leverage learning materials and technologies in other parts of the organization.

This is a very important point that should not be glossed over and may justify the budget you need to make things happen: Learning management systems can be one of the most redundant software systems in any given organization. That's because the LMS provides solutions in many different areas: sales organizations, human resources, call centers, marketing groups . . .to name a few. Rarely do these groups even think about coming together to share a common platform. However, working across the other business units on your initiative can be a good way to get them also interested in using the LMS and sharing the investment.

Today with more robust and flexible applications, particularly those with an open-activity architectures, centralized LMS's save money and administrative time. Data, administration and infrastructure can be centralized, but each department and organization can have its unique business processes, rules and data – operating quite independently, even with unique branding and home page news. Access, branding and discounts and content can be differentiated and controlled through domains and audiences that you define.

Furthermore, in the case of partner training, many best-practice organizations actually share an LMS for internal employee and external stakeholder training to ensure consistent access to training and information across the extended-enterprise. Imagine the benefits if internal sales and partner sales all had the same certification program, or if suppliers were subjected to the same quality curriculum that you use in-house. However, the program may look different to each audience or have other add-on modules. It can be tracked by group or by curriculum to understand what's getting results.

One national real estate franchiser found that it was more cost-effective and beneficial to leverage an LMS for the external franchisees, whereas previously they had to sign-in to different resources, a cumbersome process. The single logon and relevant materials from internal, as well as external sources, made for a consistent experience that made people more productive more quickly.

7. Spend some time with the IT group.

Of course, you'll want to work with IT to gather technical requirements and costs. Many organizations have found additional value integrating their LMS with other systems like a partner portal or a CRM system. Some effective use-cases are already being used in the marketplace today.

For example, some sales partners who are certified through the LMS are given preferential leads from the CRM. Others companies are providing different levels of training or discounts depending on partner status in the CRM or ERP system. Spending time with IT with your particular use-cases will help you develop greater controls for the learning and knowledge management strategy.

Also, because you want to be tying the benefits to the business metrics defined earlier, work with IT to figure out how to correlate data from your learning management system to your business systems. Some companies have found an added benefit in that when IT is more familiar with the system and sees that the users are enthusiastic, they can become a supporter for the purchase and implementation.

8. Think about how to market and encourage usage.

To get your users interested and give your project momentum, plan on how you will launch and market your new system to your users. You want their first experience to be easy and productive, encouraging them to return. Training and newsletters can help announce and prepare them for the solution. Games or challenges can motivate them to learn to navigate. Best practices, "quick tips" and other suggestions will provide more confidence. Later, updating your partners on their usage and performance might inspire more activities.

One major auto manufacturer distributes the more popular, higher margin cars to the dealers that have done more certification programs. One technology company distributes better leads to partners that have gone to higher levels of sales and services certifications. A real estate company found that showing the increase in agent revenues at the franchises that took more training was enough incentive for the other franchises to begin using the learning management system.

NCR, a technology company, requires a set amount of staff certifications before a partner can sell and service their products. Other incentives include the ability to display logos and attend advanced training or NCR-sponsored events and penalties can include not being able to reorder parts or software.

9. Start small, and then expand with your positive results.

This point has two meanings. First, try to justify your plan using a small pilot audience before developing and implementing a grand, complex scheme. These projects are

easier to sell across the organization. They allow you to get some of your process “knots” worked out. You will also collect valuable feedback and can make adjustments before a larger, more mission-critical roll-out. This will also be a time to test incentives or other programs to encourage usage. The return-on-value in the smaller, controlled roll-out will justify further investment, as will the positive word-of-mouth and “buzz.”

Second, starting small means creating a realistic, training curriculum that external stakeholders will have the bandwidth to process. Many training and certification processes fail, particularly with the extended enterprise, because curricula are too demanding or programs can end up being too costly or complex to justify the incremental revenue. A small, tight set of courses will be easier for the partner to get through, giving you faster results and getting them immediately productive. Watching a smaller set of partners go through the process will give you insight into the final results vs. the business result that you are trying to achieve.

The parent company of the above-mentioned real estate franchiser was so impressed with the initial results of cost-savings, faster time to readiness and user satisfaction that they expanded the project to sister companies. The centralization of the LMS continues to take advantage of the shared technology and resources.

10. Evaluate and tune the process.

Justifying major processes shouldn't be done in a vacuum. Your business plan should have milestones to evaluate progress and reassess key metrics. There should be review cycles with the major stakeholders. Your plan should also have the flexibility to add-on or forgo specifications based on newly identified needs and constraints. Just don't lose sight of the end goal. You and your partners will be in a happier place once you've implemented a learning management system. And your executives will appreciate the addition to the bottom line.

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