



SUMTOTAL
WHITE PAPER

Trends in Training Your Extended Enterprise – Partners and Customers

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STRONG TEAM, STRONG BUSINESS.

SumTotal Systems recently sent a survey to 10,000 directors of training to find out how companies are extending a learning management system (LMS) outside of their corporate walls – to the “extended enterprise” of partners and customers. Most of the participants were from US-based companies, with a small portion from outside the US, primarily Europe/Middle East/Africa.

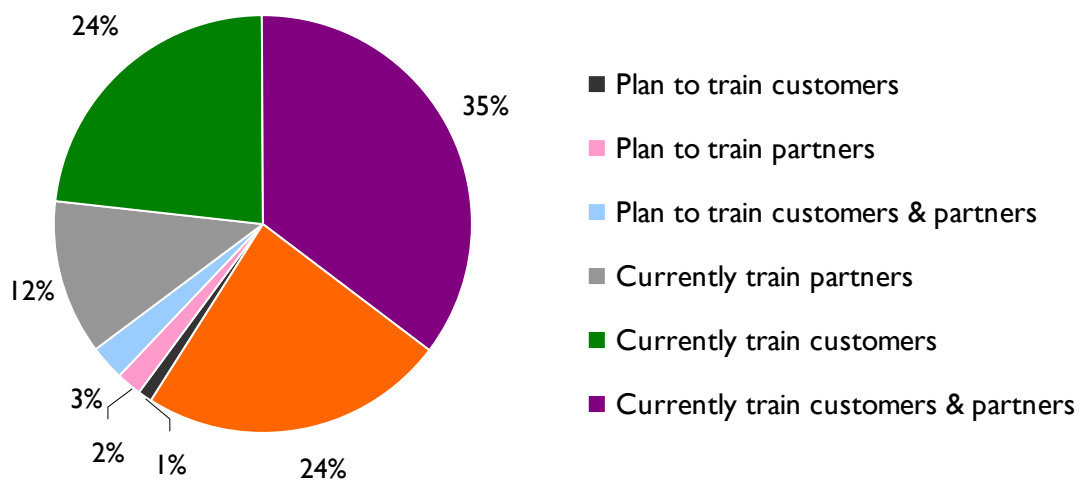
With the pressures of globalization and increased competition, more companies are finding it advantageous to cost-effectively reach these audiences and provide enhanced knowledge and learning, and often times training on certifications and compliance readiness. Companies find value driven by increasing partner and customer satisfaction and product usage and in many cases, decreasing support and quality costs – all in a faster, more consistent manner.

Knowing that companies are already using an LMS to reach these audiences, this survey wanted to explore more into how an LMS is used and the importance of various features for these audiences.

Training Partners and Customers

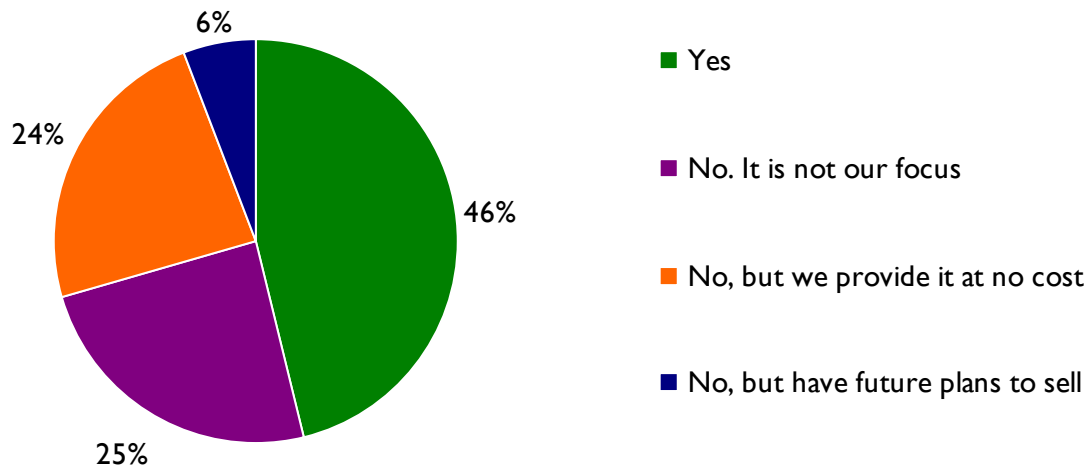
Over 75% of the companies surveyed are training outside their organization; reaching beyond their internal employees to partners, suppliers, customers, community, etc. The largest segment of companies is training both customers and partners.

Do you train partners and/or customers?



Although the majority of companies are currently training customers and/or partners, a large amount are selling training, rather than offering it for free. Smaller companies (fewer than 1000 employees) train a higher percentage of partners and/or customers. With the global reach of an LMS, smaller companies are enabled to reach more external companies, providing them more opportunities and growth.

Do you sell training to customers and/or partners?



LMS Functionality

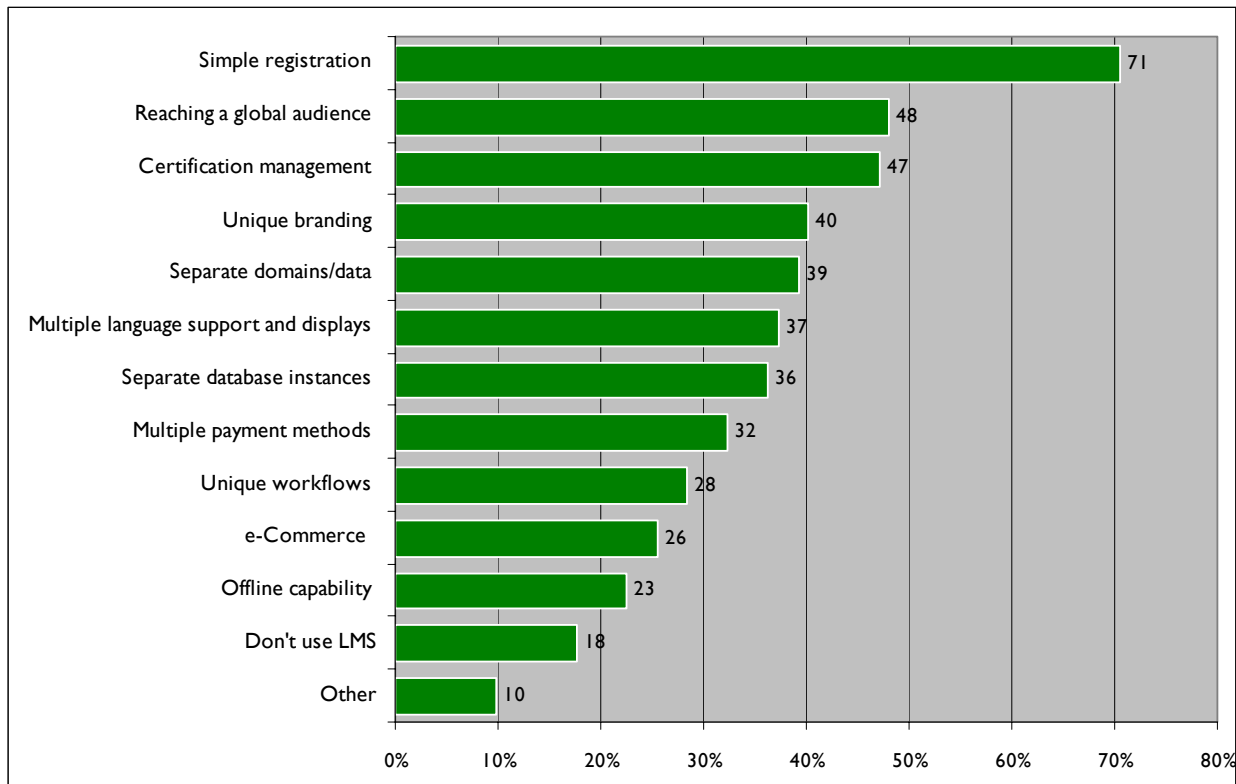
For all companies, regardless of size or location, simple registration was the most important feature. Companies want an LMS to help drive their business. Partners and customers must be able to easily find information and learn what's required. If there are any challenges or usability issues, particularly at the crucial first-time-use, then the user will more likely not use the system again.

This is crucial as companies are trying to reach more partners and customers, and often smaller companies, with employees that are less sophisticated users of technology. In the age of the Internet, when a customer or partner has choices of what products to buy or sell, they want something easy and straightforward. This is supported by the next important feature of being able to reach a global audience. Any user, no matter where they are, should be able to get to their training quickly and easily.

Certification management, unique branding and separate domains/data are other features to ensure that a partner or customer is trained to the level expected by the company while also providing a unique experience and data set for that user base.

For smaller companies, the list of most-important features changes somewhat. Simple registration is still the highest priority, but even more so at 72%. Next is the unique branding, then reaching a global audience, then multiple payment methods. Small companies need to be very responsive to their customers and partners and flexible to increase their prospects for growth and continued business. Non-US companies put the highest importance on simple registration, the unique branding and separate data capabilities, thinking of the unique and stricter data privacy laws.

What LMS functionality do you require for training partners and/or customers?



Why use an LMS?

In the surveyed group, companies are using an LMS for consistency and meeting performance standards, along with faster communication. The LMS facilitates having worldwide partners and customers trained to a specific quality level. Companies are trying to ensure that the partners that sell and service their customers are meeting their company standards as representatives of their brand. Companies can also reach customers more cost-effectively, making sure that they are proficient with the product, no matter where they are, reducing support costs and frustration.

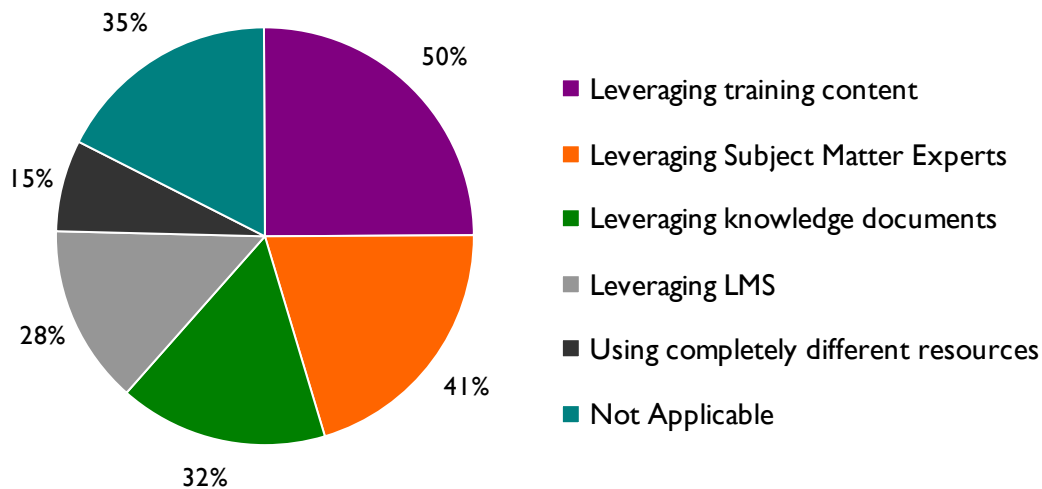
Smaller companies also cited the need to reduce travel and training costs and increasing customer loyalty. As a larger percentage of small companies stated that they were training customers only, this would be expected. Non-US companies use an LMS to primarily reach a global audience, but also to meet quality and consistency standards and increase customer loyalty – customers, who will no doubt be, in various other countries.

	Not important	Important	Very important	N/A	Response Average
Cutting training/travel costs	10%	32%	43%	15%	2.39
Consistency of training	3%	24%	58%	16%	2.65
Build performance standards	5%	29%	45%	21%	2.51
Meet quality goals	6%	30%	41%	23%	2.46
Reaching a global audience	11%	27%	42%	20%	2.39
Better certification management	19%	32%	24%	25%	2.07
Better compliance management	12%	30%	36%	22%	2.31
Increase market share/ revenue/ mind share through partners	15%	26%	36%	23%	2.28
Increase customer loyalty	12%	27%	42%	19%	2.37
Reduce support costs	8%	32%	41%	19%	2.41
Reduce quality issues	6%	33%	39%	22%	2.43
Faster communication	11%	20%	53%	17%	2.51
Other #1	8%	1%	7%	84%	1.94
Other #2	9%	0%	3%	88%	1.5

Leveraging Resources

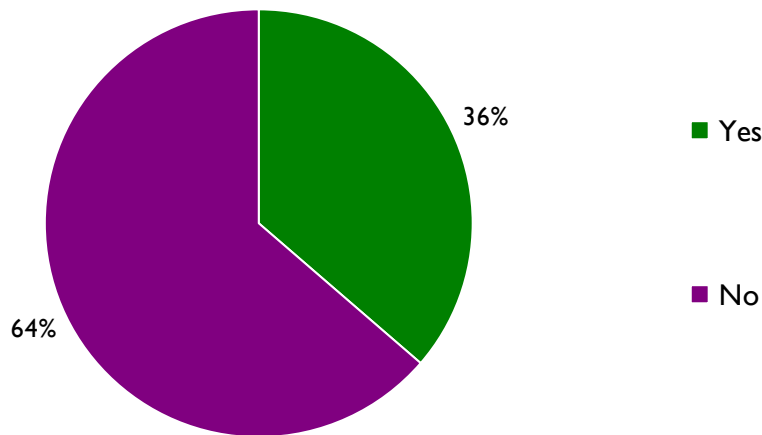
In terms of what a company is leveraging while reaching their external audiences, most mentioned was the content, followed by the subject matter experts and knowledge documents. This was consistent when just looking at the results of smaller companies. However, non-US companies put the LMS and subject matter experts at the same usage level as the content, and at a much higher percentage of 70%.

Are you leveraging your LMS and other internal resources?



A majority of companies are leveraging their internal learning management systems for customer and partner training. In fact, as seen in the next graph, companies are leveraging more resources beyond that. The majority of companies are using the same LMS for reaching their external audiences. For small companies, 75% are using the same system, probably to keep the infrastructure costs down and because there's more transparency across the organization of what other departments are doing and their tools due to the smaller size. Surprisingly, non-US companies were more often using a separate LMS for the external data. Some possible reasons, not asked directly in this survey, could be issues such as data privacy, unique features requirements, etc.

Does your company use a separate LMS for customer and/or partner training?



If you want more information on justifying the use of an LMS to train partners, please visit the SumTotal website for a white paper titled: "10 Steps to Justifying a Learning Management System for Your Partner and Supplier Training" (www.sumtotalsystems.com/whitepapers). For more information on training customers, see <http://www.sumtotalsystems.com/solutions/goals/custed.html> or for partners, see <http://www.sumtotalsystems.com/solutions/goals/channel.html>.

To learn more about how SumTotal can work with you to help maximize business performance, please visit our Web site at www.sumtotalsystems.com

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