

Whitepaper

The Business Case for External Learning

Engage and Empower your Extended Enterprise



INTRODUCTION

Organizations depend on multiple external audiences to grow their bottom line and achieve the aggressive goals needed to win in today's global, fast-paced economy. These external audiences, known as the "extended enterprise," encompass a diverse group of customers, partners, contingent workers, brokers, dealers, channel sales and other external sales and service providers.

Your extended enterprise often represents the frontline of your business, interacting with existing and potential customers on a daily basis. Strong communication, great training and easy access to relevant information are no longer "like-to-haves;" they are must haves. Without them, your customers and partners can't meet their potential to grow your business and accelerate your success.

The impact of a well-trained business ecosystem on overall business performance and satisfaction cannot be overstated. Delivering learning to these external audiences can increase revenue, lower costs, improve customer retention, and enhance brand awareness.

This guide is designed to help you build your external learning business case by aligning the benefits with these **six key business goals**:

1. **Increase market awareness**
2. **Lower costs and increase productivity**
3. **Increase product adoption and speed time to value**
4. **Increase channel revenue and mindshare**
5. **Improve customer retention and satisfaction**
6. **Develop new revenue sources**

"To compete in the future, organizations will need to push talent management beyond the confines of the enterprise walls to include the new extended workforce: a global network of outside contractors, outsourcing partners, vendors, strategic partners and other nontraditional workers. By maximizing the potential of both an extended workforce and permanent employees, companies can gain critical advantages—including agility and access to valuable talent."

Accenture Trends Reshaping the Future of HR
- The Rise of the Extended Workforce, 2013

1. INCREASE MARKET AWARENESS

Never underestimate the extent to which your extended enterprise influences brand awareness, customer experience and reputation. Your network can be allies, helping to grow your business, or detractors, placing hurdles in your way.

First impressions (and every subsequent interaction) matter when it comes to customer experience and brand perception. Creating a brand ally isn't a one step process; it is a commitment to excellence at every stage of the customer and partner journey. A single negative experience can do a lot of damage.

3 out of 5 Americans (59%) would try a new brand or company for a better experience.

American Express Survey, 2011

Building your brand allies means giving them the best experience possible, and that begins with easy access to knowledge and information.

Corporate websites are the first thing that comes to mind when providing access to information, but there is another powerful tool for sharing information and knowledge with external audiences: your learning management system (LMS). Innovative HR and learning leaders recognize the strategic value and power of their LMS to extend learning beyond their workforce to build strong brand allies.

Here are some ideas to get you thinking as you build your external learning strategy:

- ✦ **Deliver and promote free training webinars:** Leverage internal subject matter experts or industry leaders to present a series of short how-to lessons related to your product or industry. Record the sessions and make them available on video sites like YouTube and Vimeo, as well as your own website.
- ✦ **Repurpose learning content:** "Content is king" has become a marketing mantra. Frequently publishing and promoting valuable online content is the best way to drive awareness, grow web traffic and attract and retain customers. However, most marketing organizations struggle to keep up with the constant demand for new content. Partner with your marketing colleagues and repurpose learning content, such as job aids or quick tips, in a blog post or other areas of the website. Marketing will welcome the help and the frequent addition of fresh content will build awareness!
- ✦ **Create a certification program:** Develop a certification program around your product or service. Promote this via social networks, job sites and industry related forums. Provide certification badges to people who complete the program. Awareness and perceived value will grow as your certification is included on resumes, LinkedIn, and other social networks.
- ✦ **Co-brand learning content:** Co-brand existing content or work with your partners to create new content. Cross promote it through partner networks to increase your brand reach and drive greater awareness of your company, products and services.

2. LOWER COSTS AND INCREASE PRODUCTIVITY

Call them freelancers, contractors, outsource vendors or temps – the independent workforce is here and continues to grow. Accenture calls this trend “The Rising Tide of the Just-in-Time Worker” and estimates that by 2020, contingent workers will be 20-40% of the U.S. workforce.¹

Factors contributing to the trend include:

- Technology that supports remote or outsourced work in ways that weren't possible 20 years ago: high-speed Internet, mobile phones, portable devices and instant communication with video and text
- A dynamic economy, which requires a dynamic approach to staffing. Contingent workers fill skill gaps, staff short-term projects, and provide a flexible solution to the ebb and flow of business demands
- Freelance workers who enjoy the flexibility, variety, independence, and opportunity to develop new skills

In 1995, contingent workers made up 7% of the workforce, according to a recent Forbes magazine article, and that percentage stayed stable through 2008. But over the last five years the contingent workforce has doubled to 15%.

Forbes Contingent workers 2020

Managing a constantly changing workforce requires an agile, adaptive approach to learning and engagement. The first step is to extend learning beyond your employees to include your contingent workers. With the right plan and an LMS that provides secure, segmented and personalized access to information and training, you can deliver the tools they need for exceptional performance.

Provide the best support for your contingent workforce by extending learning to include:

- Repeatable, low cost onboarding:** Although contingent workers are short-term, they still need onboarding. Don't rely on your employees to train temps. It's a costly resource drain that can negatively impact productivity. Extend your LMS to deliver repeatable onboarding so you can reduce expensive, manual intervention and deliver consistent training that is easily tracked.
- A fast path to productivity:** Provide access to just-in-time training and information to accelerate productivity. Seamless integration between your LMS and the business systems they work in every day will ensure users don't have to stop what they are doing and login to your learning system. Embed learning in the context of the task at hand to minimize disruption while providing on-the-job training and skill development. (For more information on context aware technology and learning, read the SumTotal whitepaper “[Information and Actions that Matter](#)”)

¹ Accenture “Trends Reshaping the Future of HR”, 2013

- Compliance training and tracking:** Although contingent workers are not part of your staff, your company is responsible for ensuring that they meet all compliance regulations. The burden and complexity of compliance is growing, and the repercussions for failing to comply with laws and rules are damaging and far-reaching. Minimize risk by including compliance training for contingent workers in your learning strategy. Track mandatory course completions and worker certifications, and certification renewal dates in your LMS.

3. INCREASE PRODUCT ADOPTION AND SPEED TIME TO VALUE

Few companies have the luxury of completely owning a market. Your competitors are fighting to beat you to market and get the competitive edge. How fast your company gets a new product out the door and how quickly customers adopt it can determine product success or failure.

Extending learning to your customers and partners will accelerate product adoption and shorten the time it takes for them to realize its full value. Work with your product teams to include external learning through your LMS in their product rollout plans.

"Increase speed to market by shortening the learning curve for new product launches. Issues can be resolved quickly during rollout."

Bersin by Deloitte "Promoting Learning across the Value Chain", 2012

Extend your learning strategy to increase product adoption with:

- Experience-based learning tracks:** Offer customers and partners learning programs that target beginner to advanced levels. Make the content engaging and fun so they move through the levels quickly, and expose them to new capabilities at each level. The more exposure to additional features and their usefulness, the faster they become adept and immersed in your product. That leads to faster time to value. Offering expertise-level badges to display on user profiles is a nice bonus!
- Communities of learning and social collaboration:** Create customer learning communities based on industry, job role or goals. Provide access to learning tools relevant to the community with context-aware LMS technology that make content suggestions based on the user's profile and activities. Enable social features to allow collaboration and knowledge sharing, and encourage your product and marketing teams to engage with customers to gain product insight and feedback.
- New Product Partner Training:** Training and information must be delivered prior to launch to ensure partners are prepped and ready to go. Link to pertinent topics to provide instant access to the most important information. For example, prior to launch, provide a Top 10 list of benefits. Link each benefit to specific content about the feature. When partners are armed early with accurate information, they can reach out to their customers, get them excited about the new product and start the sales cycle early.

4. INCREASE CHANNEL REVENUE AND MINDSHARE

The sales channel is the path that a product or service travels from your company to your customer. Members of the channel, often called partners, include distributors, resellers, manufacturers reps, independent sales professionals, retail outlets, consultants or service providers. Companies execute a channel strategy to grow business and expand market reach faster and farther than they could on their own.

Gaining and maintaining partner mindshare is a big challenge for most channel programs. Your company is competing with other vendors in the partner's product portfolio, including your fiercest competitors. Extending learning to your channel partners creates a key differentiator in a very crowded field. Empower your partners with easily accessible, relevant and up-to-date information and training – delivered exactly when and where they need it.

A well trained, supported and informed external sales partner with 24x7 access to information will:

- Become independent brand ambassadors
- Effectively and consistently communicate messaging and product value
- Identify and close prospects as well as customer upsell opportunities
- Shorten sales cycles for even the most complex products

"Advantages of the Channel: The advantages of selling through channels are well-known and include lower distribution costs, greater market coverage, and faster time to market – as well as the opportunity to access a partner's established local presence, investment, expertise and customer base."

Miller Heiman "The Sales Performance Journal" Vol 2, 10

To increase channel effectiveness and revenue, extend your learning strategy to include:

- **Fast onboarding:** Most organizations rely on their channel manager to deliver information and training to partners. Unfortunately, the time spent prepping, conducting and tracking training means less time growing the channel, coaching partners, promoting company and product value, and solidifying partner relationships. A better solution is to deliver channel-specific sales and product learning programs through your LMS. An LMS adds rigor, scalability and tracking to your channel-enablement strategy, while reducing manual processes.
- **Certified partner program:** Ensure channel sales readiness by requiring partners to complete a certification training process before they can sell your products. Include training on your product, key messaging, policies and processes, and track progress and course completions through the LMS. Measure channel learning initiatives against channel performance to identify what is working, what isn't and take quick corrective action.

- Anytime, anywhere access:** As your external sales team, partners are constantly on the go – at client meetings, airports, trains, or stopping at a café to get some work done. Provide your partners with mobile access to the tools they need in an application designed for optimal user experience. Support both online and offline usage so information is available at all times – even when Internet connections are poor or unavailable. When you provide flexible tools that align with your partners needs, you will dramatically increase content usage, engagement and partner expertise.

5. IMPROVE CUSTOMER SERVICE & REDUCE RELATED COSTS

Poor customer service lingers in your customer's mind long after the incident is over. Everyone has bad customer experience stories, and through word of mouth, most share them with an average of 16 people². Social media users reach many more – an average of 56!³.

Poor service is expensive. A global survey reported that \$338 billion in revenue is lost every year due to bad service.⁴ Other significant costs to consider:

- Acquiring a new customer is six times more expensive than selling to an existing customer⁵
- Taking two days to solve a customer issue can cost your company up to 170% more than solving it in one. Nearly 70% of defecting customers would have stayed if their issue had been resolved in one interaction⁶
- 89% of customers have switched to a competitor following a poor customer experience⁷

With so much at stake, it's no wonder that improving customer service and satisfaction is top of mind for CEOs and other business leaders. A recent study demonstrated that the success of CEOs in managing customer satisfaction has a direct, personal and economic impact in the form of their annual bonus awards.⁸

“On a scale of 1-10, how likely is it that you would recommend our company to a friend or colleague?”

A growing number of companies use a Net Promoter Score (NPS) as a Key Performance Indicator (KPI) of overall customer experience. Developed by Bain & Co in 2003, it's based on one simple question – would a customer recommend the company to a friend? The NPS as a key KPI is growing; organizations now publish their NPS and customers use the NPS when evaluating potential purchases.

² Fast Company “Have Your Rewarded Your Fans Today?”, June 6, 2013

³ American Express “Global Customer Service Barometer”, 2012

⁴ Genesys “The Cost of Poor Customer Service”, 2011

⁵ Return on Behavior Magazine “50 Facts About Customer Experience”, 2011

⁶ UK Institute of Customer Service “UK Customer Satisfaction Index”, 2011

⁷ RightNow Technologies “Customer Experience Report”, 2011

⁸ Academy of Marketing Science “The impact of customer satisfaction on CEO bonuses”, 2010

Extending learning to customers and partners has a positive impact on customer satisfaction and the quality of service your company delivers. In addition, it reduces the high cost of poor service through on-demand training, fewer inbound service inquiries and higher retention.

Improve customer service and reduce costs with:

- **Personalized, contextual learning:** Extend learning to your customers through personalized user experiences. An LMS that supports contextual learning and pervasive delivery will provide the best experience. Leveraging profile and activity data, the LMS will deliver learning that is most relevant to users and make content recommendations.
- **Customer service content for partners:** Your partners are on the frontlines selling your products and services, solving technical issues, and delivering other services. As the face of your company, make sure they are representing you in the best way possible. Include customer service training in partner certification programs to educate them on company customer service policies and service levels. Provide an escalation path so partners can immediately alert your company should a problem arise that they can't solve.
- **Partner with Technical Support:** External learning, with the right content, can significantly reduce the cost of technical support. Meet regularly with your support colleagues to understand the hot issues of the day or areas of customer confusion. Update content to address those issues and highlight the new content in the customer learning portal or LMS personalized home page.

6. DEVELOP NEW REVENUE STREAMS

Companies are always seeking new sources of revenue. Your company's learning assets and subject-matter expertise can be repurposed for external use, transforming a cost center into a profit center. An LMS with ecommerce and secure audience segmentation capabilities will enable you to build a revenue-generating center of knowledge.

The 2013 global spend on corporate training was an estimated \$306.9 billion, and the market is highly fragmented. In fact, the top 5 categories – IT, leadership, learning technologies, sales training and content development – make up only 12% of the total market.⁹ That fragmentation creates an opportunity for your company to step into the market and fill a training need.

An external, revenue generating training strategy includes:

- **Internal learning programs repurposed for external use:** The expertise of your team, and the knowledge contained in your learning programs, have value beyond your corporate walls. Learning programs, such as sales training, leadership skills, presentation skills or business software training are several examples of potential course offerings.

⁹ Trainingindustry.com "How Big is the Training Market", 2014

- ▶ **Product training as an add-on or upsell opportunity:** Develop training packages that your sales people can upsell to new or existing customers. Revenue and customer satisfaction will increase with access to valuable product information.
- ▶ **Certification programs and continuing education credits (CE):** Offer fee-based product or service certification programs and/or CE courses to your customers, partners, franchisees or association members.

DELIVER RESULTS WITH EXTERNAL LEARNING

An LMS with extended enterprise capabilities is the foundation for a successful external learning strategy. By its very nature, the extended enterprise is comprised of many different audiences, with unique needs, branding requirements, security, and content. Be sure to choose an LMS that supports multiple audiences from one environment, and easily expands as your external learning strategy, programs and audience grow.

Depending on your needs, consider these capabilities:

- ▶ **Personalization:** Highly configurable, with multi-language support for diverse global audiences. Ability to provide separate branding, as well as automated processes and business rules that align with the audience.
- ▶ **Flexible user experience:** Creates an optimal user experience with contextual learning, pervasive delivery, configurable workflows, and easy integration with any internal systems (finance, CRM, etc.)
- ▶ **Robust enterprise learning management:** Can deliver tailored catalogs and curriculum, has full support for certification and continuing education credits. Encourages engagement and knowledge sharing with social collaboration, provides mobile access and easy administration.
- ▶ **eCommerce:** Provides payment processing, shopping cart functionality, transaction management and the ability to do full or partial refunds.
- ▶ **Reporting and Analytics:** Can track and report by audience. Configuring reports can be complex, so the right LMS will have a variety of pre-built reports based on key performance indicators (KPIs), as well as personalized, ad-hoc reports.
- ▶ **Rapid, cost effective deployment:** Each business has unique needs, so look for a solution with flexible deployment options – cloud, hosted or on-premise.

CONCLUSION

A learning strategy that empowers your external audiences with knowledge and information will deliver tangible, business-changing results and contribute to achieving your organization's key strategic goals.

The ideas and suggestions covered in this paper are meant to help you articulate the value and benefits of extended enterprise learning, and develop your business case for expanding learning beyond your workforce. Use these ideas as a launching pad for your own creative thoughts and align external learning with your organization's goals and objectives!

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