

The Extended Enterprise

Using New Technologies to Extend Your Network,
Enable Collaboration & Drive Revenue



Introduction

Today, forward-thinking organizations are finding a fertile area for new growth in effectively reaching out to the extended enterprise of customers, partners and members to develop new profit centers, increase sales, cut support costs and boost channel productivity. In addition to traditional HR and learning circles, new users from sales, marketing, IT, customer service and other areas are now taking advantage of extended enterprise learning to engage, educate and certify customers and partners.

For years, organizations have leveraged the power of learning technologies to increase knowledge and skills and to improve the performance of their internal workforce. Increasingly, similar tools are being turned to the outside and are finding new uses and new audiences.

Driving value from your extended enterprise is about more than just delivering product training and information. It's about enablement and breaking down old walls. Social collaboration technologies can facilitate connections with customers and channel partners in ways never before possible.

Specifically, these new users are looking at two areas to drive revenue, productivity and loyalty:



TRAINING FOR PROFIT: For both customers and channels, learning technology can generate revenue by delivering training content while simultaneously cutting support costs and reaping the benefits of customer and partner communities.



ENABLEMENT: Delivering product training and decreasing time-to-productivity can boost productivity from partner networks and channels. Partner communities allow for rapid exchange of information in markets where information is currency. Boost productivity from your channels by giving your partners the tools they need to compete effectively.

This paper defines how to use today's technology to enable your extended enterprise, discusses the benefits of these two primary areas of focus, demonstrates how social media technologies can bolster these efforts, and explains best practices for moving forward.

What is the Extended Enterprise?

In today's interconnected world, organizations are more likely to understand that they are not islands unto themselves. An entire extended enterprise of customers, business partners, members of associations, franchisees and vendors up and down the supply chain are dependent on one another and work together for mutual benefit. For organizations with an investment in e-learning and training capabilities such as a learning management system (LMS), it makes sense to leverage this existing technology infrastructure as an asset that can be shared with a broader audience.

Organizations that build "smart" networks to reach extended enterprise stakeholders can facilitate both top-line revenue and bottom-line results, as well as a competitive advantage. The benefits of technology to support the extended enterprise are twofold:



Growing Revenue

Extended enterprise technology can ensure that products and services are sold and adopted effectively. Not only can this establish a "training as a profit center" business model, it can help offset the costs of integrated talent management technology.



Reducing Cost

Extended enterprise technology can reduce support and training costs, because educated clients require less support, and business partners can reduce time to productivity.

Offering technology support to the extended enterprise can address many significant business challenges and benefit an organization in many areas, including:

PRODUCT KNOWLEDGE: Increase knowledge of your products and services in the marketplace and monitor your customers' knowledge and aptitude.

PARTNER INCENTIVES: Motivate partners/resellers to move your products and services.

BRAND LOYALTY: Build closer relationships with your customers to drive repeat sales and ensure that your partners are savvy ambassadors of your brand in the marketplace.

COMPLIANCE & RISK: Mitigate risks by, for example, following standard operating procedures within a franchise, managing large, globally distributed reseller networks consistently, or maintaining complex channel strategies.

VISIBILITY & METRICS: Correlate investments in training to business results and increase insight into the extended enterprise.

Nurturing customers and partners to be strong ambassadors for your brand is another valuable benefit of extended enterprise technology support. Stakeholders throughout the extended enterprise who believe that they understand your product or service are more likely to articulate its value accurately and passionately.

A sensible social media technology strategy can also help power the success of extended enterprise initiatives. Because people have become more comfortable with Web 2.0 technologies, they have come to expect a greater ability to collaborate and interact with online communities to gain knowledge. Any extended enterprise solution should have social networking functionality at its core.

How Should an Extended Enterprise Solution Work?

The needs of external learning audiences are different from those of an internal employee audience. Cornerstone OnDemand recommends that your extended enterprise software solution offers these capabilities:



ACCESS: You need the ability to configure and personalize your solution based on audience or organization unit. You may want to set up your site to require authentication or to allow users to browse specific areas of the solution before signing in. If users will purchase training, e-commerce tools will be needed to process transactions. And you need a catalog that can support and deliver blended learning across the board – e-learning, classroom-based, virtual classrooms, documents, and more.



CONNECT: The goal is to enable continuous learning – not just event-based – that drives customer and partner engagement and encourages self-service. Ideally, you should leverage social collaboration tools to maximize touch points with your audiences. Tools could include wikis, blogs, discussion forums, profiles and RSS feeds.



CERTIFY: For partners, you can build and deploy certification programs to ensure they have the right knowledge to succeed. You should also consider tiered certification paths – such as gold, silver and bronze levels – to encourage ongoing training and engagement. Also, you need the ability to deliver annual or interim assessments to maintain status.



REPORT: Tracking extended enterprise activity is essential to success, so immediate, web based access to meaningful and detailed data is crucial. Administrators and managers may also want dashboard views to show training completions by customer type or certification status by partner type.



ADMINISTER & SUPPORT: You need the ability to decentralize administration while maintaining centralized control and reporting. You should also have a partner that can offer appropriate support for strategy, implementation, content development, measurement and assessment.

Training for Profit

Offering training to customers and partners can increase product sales, generate revenue and reduce overall support and training costs. Customers can learn how to use your products better and find answers to questions, which can increase engagement and loyalty as it brings down support costs. Partners can benefit from access to specialized training that may be more difficult (or expensive) to access otherwise. Your benefit is a revenue stream that can transform training into a profit driver and not a cost center.

Companies that have implemented training as a revenue channel have found that it is a profitable line of business with 35 - 50% typical margins.¹ Increased revenue can come from higher product sales, improved product use and customer training. Also, reduced support costs are a byproduct of smarter partners and clients who can access communities that can help them find the answers they need. Self-service capabilities can help users access the information they need, when they need it.

With easy access to these tools, both customers and partners can greatly increase their time to productivity and build closer relationships with these audiences. Social networking tools can greatly facilitate these initiatives and drive continuous learning from peers and moderators. When people today go online, they are more comfortable seeking out information from other product users and experts on discussion boards, blogs and wikis. These channels aren't simply preferred, many users expect them and can quickly become frustrated when access to the information they want is not available.



Training for Profit Case Study: MSC Software

MSC Software is a world leader in engineering simulation software. Since 1963, the company has helped multiple industries save time and reduce costs associated with the design and testing of manufactured products.

In-person attendance at MSC's training centers was in rapid decline, due to both shrinking travel budgets and an increasing shift in preference towards mobile learning. To address attrition, MSC searched for an extended enterprise solution that would enable them to deliver on-demand training to customers—crucial to both ensuring continued use of their highly sophisticated software and maintaining training

revenue. Any new system had to be quickly deployable and hosted to accommodate MSC's global customers. With Cornerstone, MSC discovered not only an on-demand, always available training system but the flexibility and functionality they needed to customize access for clients.

MSC now offers 40+ online courses, as well as opportunities for customers to collaborate with and learn from each other. Since partnering with Cornerstone, the company has seen significant increases in training revenue every year—from \$200k to \$300k and rising—and is now cash positive for their on-demand training initiative.

¹ Next Century Media; BusinessObjects; SearchCRM.com.

Partner Enablement

Throughout your extended enterprise are business partners who enable your success. Increasing their knowledge can reduce your support costs, increase their loyalty to your products and achieve more sales to your mutual customers.

Extended enterprise training can facilitate training and certification and reduce time-to-productivity. Certification programs are a perfect example of how organizations can leverage the maximum benefit from partner enablement. Certified training in use or maintenance of your product can set your partners apart from their competition because of increased knowledge. Creating channels for partner enablement can also allow you to offer consistent, high-quality training about your product. For example, you can deliver important product or maintenance updates or require periodic recertification for reselling.

As with the for-profit training model, social networking technologies can provide significant advantages. Self-service options can allow partners to work independently but still have access to support from experts and other members of the user community.



Enablement Case Study: A Leading Web Security Company

With a few thousand employees, this leading Web security company is able to support an extended enterprise network of over 35,000 distributors, which allows the company to grow revenue by increasing product sales and reducing costs by decreasing support and training expenses. Extended enterprise technology allows the company to offer consistent training to all channel partners globally and maintain a global security certification program for all regions.

Integrating the Cornerstone Extended Enterprise platform with its partner management systems in EMEA and North America provides their channels with easier access to training. The result has been increased sales and technical certification in all regions with the support of only two administrators for the over 100,000-user network.

The Benefit of Social Collaboration

In the past, training usually meant a classroom, an instructor and reams of printed material. Today, that is no longer the case, thanks to the Internet and the spread of e-learning. Social networking technologies take this a step further. Learners have far more access to others who are currently going through the same training or have in the past. They can also access the expertise of authorities across a broad spectrum of subjects.

Whether it is through online communities, wikis, blogs, tweets, discussion forums, RSS, profiles or search, users can connect with a real-time support network in their specific area of business or focus. If your partners or customers have difficulty with one of your products, many of the solutions can be found through social collaboration channels that can eliminate the need to contact your organization through a formal customer support channel.

Not only does this reduce costs for support, it improves engagement. Partners in resale channels will know they can learn from top resellers, and novice users of your product can collaborate with super-users or subject-matter experts. In today's knowledge-based economy, access to these types of "just-in-time" learning initiatives is increasingly expected. When people are challenged by a project or directive for which they are unprepared, access to the specific knowledge needed to complete a task becomes mission critical. The social network provides them with an easily accessible repository of information. It effectively bridges a global enterprise – a short message to a colleague a continent away can start a meaningful conversation.²

² Sylvester, Mark. Learning Opportunities Embedded in Social Networking. Chief Learning Officer. December 2008. <http://www.clomedia.com/features/2008/December/2464/index.php?pt=a&aid=2464&start=6315&page=3>

Best Practices for Enabling the Extended Enterprise

Before moving forward with extended enterprise technology in your organization, consider these best practices:



DEVELOP A SINGLE POINT OF ACCESS FOR GLOBAL NEEDS. A single access point allows you to leverage the full value of learning technology and content you already have in place. You can increase quality and consistency between aligning internal and external learning initiatives. You can also gain insight into the needs of customers and partners by monitoring user-generated content such as discussion boards.



USE E-COMMERCE TO SUPPORT COST RECOVERY OR TO DRIVE PROFIT.

You may have acquired learning technologies and developed relevant content for your employees, but rolling these out to external audiences can make these cost-neutral or even profit centers for the organization. For example, tech companies generally earn 6-10% of total revenue from training. Developing learning as a revenue driver can also help offset the costs for integrated talent management that are currently incurred by HR.



LEVERAGE THE POWER OF SAAS. Software-as-a-Service (SaaS) solutions allow you to access extended enterprise technologies through any web browser, which eliminates hardware and IT maintenance costs, makes upgrades seamless and allows access from any location with a computer and Internet access. Costs are far lower than for technology hosted on your own servers, and security is just as stringent.



TRACK SUCCESS & FINE-TUNE WITH THOROUGH, CENTRALIZED REPORTING.

With the proper analytics and dashboards set up to monitor usage, you can see how users actually prefer to learn, which enables you to provide more effort and resources in these areas.

Conclusion

Learning technologies that support the extended enterprise offer great potential. Many companies and associations are realizing that they need to serve external audiences and are intrigued by the possibilities of using learning as a way to drive revenue. They are also interested in the power of these technologies to make it easy for customers and partners to understand their learning options and find what they want.

Cornerstone Extended Enterprise can help your organization deliver training, certification programs and knowledge assets to their extended networks of partners, suppliers, resellers, distributors and customers. We make it easy to:

- **Help your customers know how to effectively use your products/services.**
- **Certify your resellers to sell and service your products.**
- **Keep your franchises compliant with regulations and processes.**
- **Nurture partners to become strong ambassadors of your brand.**

To learn more about how to use today's technology to enable your extended enterprise, visit us at csod.com/extended-enterprise or click on an industries below:

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