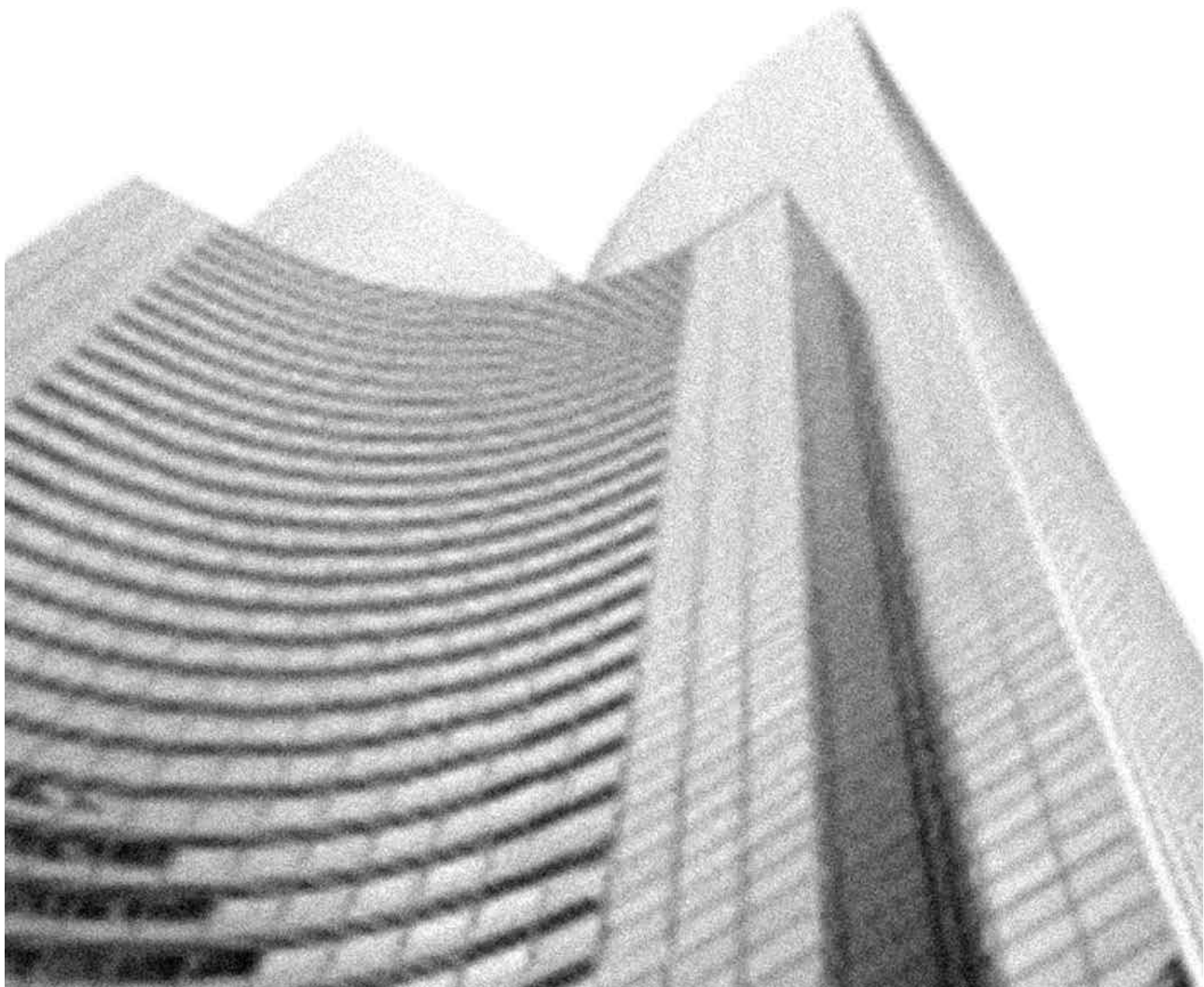




Smart Marketing: Driving Business
through an Intelligent Extended Enterprise



Solutions to Power the Intelligent Enterprise

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Introduction

This white paper was assembled for sales, marketing, channel operations, educational, and customer support executives who wish to make their partners and customers smarter about their company's products and services. The document suggests ways you can begin to grow your business today by ensuring your partners, customers, and prospective customers are well educated about your organization's products and services.

The Value of Smart Partners and Customers

'Our only strategic competitive advantage is the intellectual assets of our people.'
 – Visionary and Former GE CEO, Jack Welch

You can have the best product in the world, but it will be worthless unless your extended enterprise knows how to sell it and use it productively.

When most people read this quote, they assume Mr. Welch is referring to the knowledge of an organization's employees only. However, outsmarting the competition means more than just hiring and retaining the most competent employees. In addition to having knowledgeable employees, you need to ensure that your partners and customers are smart about your offerings – smarter about your offerings than about the competition's offerings.

Keeping your extended enterprise of partners and customers well informed is key to a well integrated marketing strategy. You can have the best product in the world, but it will be worthless unless your extended enterprise knows how to sell it and use it productively. This is true for all products and service's – from retirement plans to medical diagnostics machines, from routers to construction equipment. It is true whether your company sells to other businesses or to consumers.

EduCommerce: Using Education to Drive Business

EduCommerce drives favorable customer buying behaviors and improves the sales and service capabilities of partners.

As the name suggests, EduCommerce can be defined as the process of using education to drive business. Why is EduCommerce important when marketing and selling through your channel? Because when used correctly, EduCommerce drives favorable customer buying behaviors and improves the sales and service capabilities of partners. Consider the diagram below (Figure 1), which depicts the impact of targeted education on customers and partners throughout a simplified selling/buying cycle.

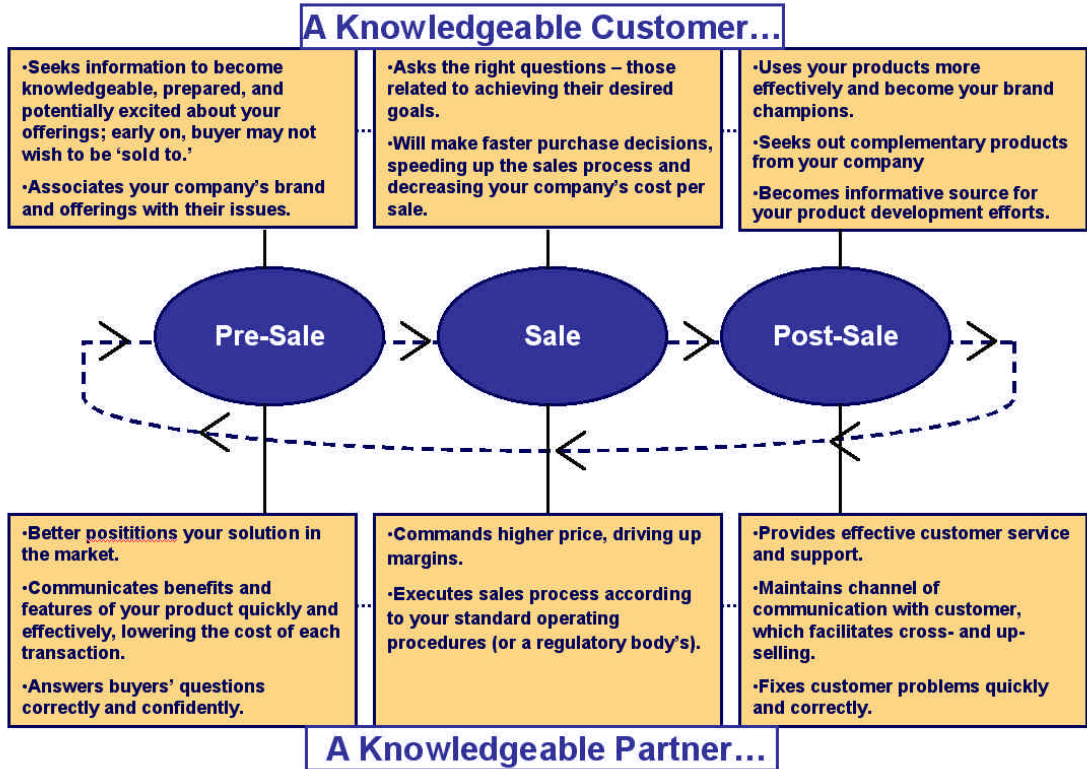
Knowledgeable customers and partners are an extension of a knowledgeable direct sales force. They are champions of your brand. Therefore, your enterprise has an interest in packaging and conveying its "know-how" not only to its direct sales and customer support staff, but beyond its own fences to its partners and customers as well.

An EduCommerce solution provides the enterprise with a Web-based environment that augments its brand's online presence with formal and informal learning resources. It can be a dynamic component of your enterprise marketing strategy when integrated with traditional programs such as product development, incentives, product placement, and advertising. EduCommerce allows for blending formal instruction with a mix of informal communications such as ads, commercials, and access to product documentation. Generally speaking, EduCommerce solutions are valuable to any enterprise that:

1. Sells complex products or services
2. Faces critical time-to-market pressure
3. Sells and services through large and /or geographically dispersed channels (e.g., contractors, resellers, brokers, franchises, etc.), and/or
4. Experiences considerable turnover in sales and services staff – internally or in the channel.

Do any of these characteristics apply to your enterprise? Do all of them?

Figure 1 – EduCommerce Effects throughout Selling/Buying Cycle



Most organizations are not set up to impart to people the knowledge that really makes them better decision makers from a buying or selling perspective.

Smart Marketing – Building an Intelligent Extended Enterprise

Successful companies started by identifying a problem that they could measurably improve with well-placed content, reliable infrastructure, and repeatable processes.

A company that truly wishes to fully capitalize on the performance of its stakeholders – employees, partners, and customers – requires an environment that allows for systemic, repeatable access to supportive content, people, and experiences. At the same time, such a company needs to ensure that these stakeholders are equipped to make decisions that support business objectives (e.g., sell more, support customers more effectively, etc). Unfortunately, most organizations are not set up to impart to people the knowledge that really makes them better decision makers from either a buying or selling perspective.

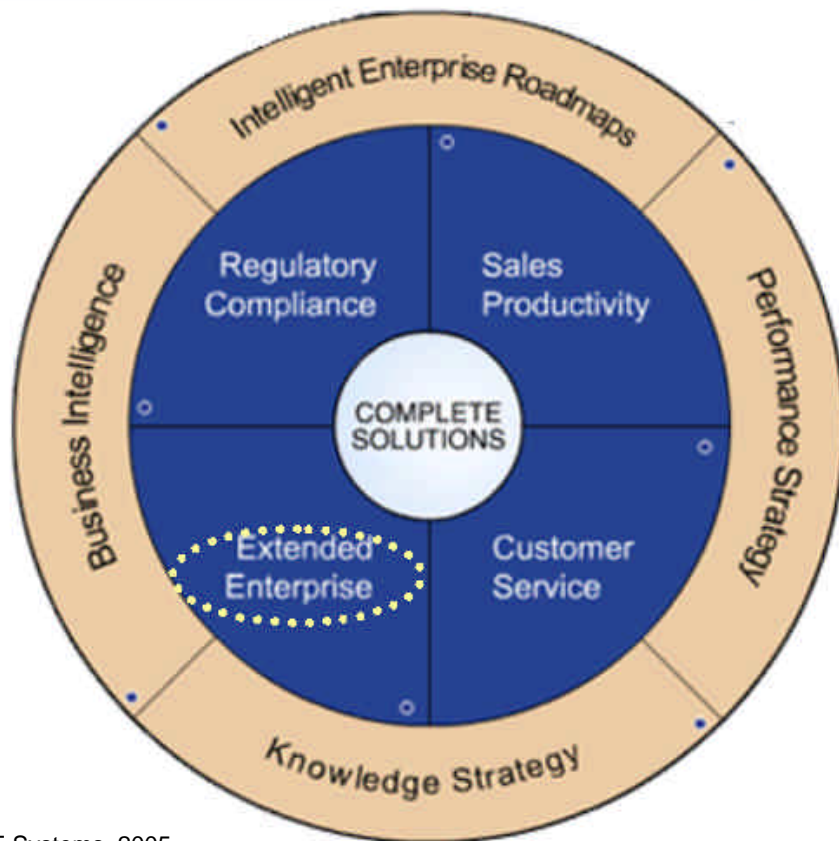
Many have tried and failed to address these issues by investing in broad knowledge management and e-learning initiatives that had a lot of promise, but ultimately, failed to deliver due to:

- **Poor Economics:** Making a big upfront investment in a program that is not targeted at a critical need (or too many critical needs at once, resulting in a lack of focus or measurable goals).
- **Immature Technology:** Investing in poorly designed tools and platforms that are hard to use.
- **Little "Human" Investment:** Neglecting the corporate culture and/or not promoting benefits so clearly that people say, 'Amen!'
- **Lack of Process Integration:** Creating an obstacle to performance rather than a supportive intervention that is there when it needs to be (e.g., when a critical decision needs to be made).

Over the past 10 years, WBT and its partners have implemented successful learning and performance support solutions for hundreds of organizations. Those enterprises that have experienced the most success have been the ones who set out to solve a problem. In other words, successful companies started by identifying a problem – compressing the time to roll out a new product, driving down warranty costs, boosting customer satisfaction, etc. – that they could measurably improve with well-placed content, reliable infrastructure, and repeatable processes. Those clients who have consistently garnered the greatest returns from our solutions when teaming with us typically start by addressing performance in one or more of the four interrelated aspects of their business, depicted in the center of Figure 2.

As you can see in the chart below (Figure 2), one of these interrelated areas of performance is the extended enterprise where partners and customers are very much in the driver's seat of a company's success. Indeed, WBT has helped several organizations such as The Liberty Group, Volvo CE, and Husqvarna improve financial performance by making their respective extended enterprises smarter about their offerings.

Figure 2 – Intelligent Extended Enterprise Framework



Source: WBT Systems, 2005

WBT recommends starting with a consolidated plan that takes into account organizational goals, structures, business processes, and culture.

Intelligent Enterprise Roadmaps

Events that change behavior are discrete – from peer-to-peer interaction to formal training. To harness these interactions and create and deploy an EduCommerce solution effectively, WBT recommends starting with a consolidated plan that takes into account organizational goals, structures, business processes, and culture. When building an Intelligent [Extended] Enterprise Roadmap, your organization should set out to answer questions such as the following in order to establish a current- and future-state analysis:

- What should our partners and/or customers know to make us successful?
- How well do our partners/customers actually know our offerings?
- Does the extended enterprise feel we support them with the coaching and learning material they need to be successful?
- What are the objectives and benefits for yielding more of our intellectual capital to the extended enterprise?
- What makes a top-performing partner good at selling or servicing our offerings?
- What makes customers buy? How can we influence them through education and support?
- Who inside or outside our organization can best answer these questions? Who should be in on the design of our EduCommerce solution? Our salespeople? Marketing? Our customers? Our partners?

Knowledge Strategy

A holistic view of knowledge components (i.e., content) within an organization helps reduce wasted and duplicate efforts and promotes content reuse.

A holistic view of knowledge components (i.e., content) within an organization helps reduce wasted and duplicate efforts and promotes content reuse. Specific processes that need to be addressed as part of Knowledge Strategy include:

- Establishing the source(s) of knowledge components for the Extended Enterprise – Marketing, Research and Development, HR and Training, vendors, etc. Identifying and establishing such sources and repurposing their content (e.g., product documentation) will likely eliminate a lot of current duplicate efforts related to content development and distribution.
- Devising a content reuse strategy; establishing best practices for rapid development and turnaround.
- Integrating marketing and learning strategies.
- Determining what the delivery infrastructure should comprise. What new systems will need to be developed/procured? What existing systems do we have? How should these systems be integrated?
- Designing a content management strategy that includes development of a learning object architecture.
- Deciding what tools should be used to create content.
- Developing surveys and assessments to evaluate and/or certify the competencies of partners and customers.

Performance Strategy

Developing a Performance Strategy helps align your Knowledge Strategy with business objectives and determines how best to deliver education to the point of need. Tasks involved include:

- Devising detailed key performance indicators and critical success factors of each phase.
- Figuring out what business model to use for delivering education and support. Should customers be charged? Should partners? How sensitive are these audiences to price? Should EduCommerce be tied to incentives?
- Deciding what measurement tools are in place and what tools are needed.
- Profiling top performers and industry specific best practices; Determining the role of coaches and subject matter experts.
- Putting into place the appropriate marketing plan for your EduCommerce environment to drive usage.
- Determining what gaps in performance of the extended enterprise can be attributed to gaps in knowledge.
- Deciphering what modes of content delivery (e.g., classroom, IM, simulation, manual, etc.) will best accommodate the partner/customer at the time of need (e.g., when flagging a customer support call).
- Establishing what systems will best assist in this delivery – A portal with chat on top of a CRM system? A call center? Etc.?

Learning interventions can also feed into larger marketing analytics efforts aimed at analyzing partner and customer behavior.

Business Intelligence

Critical to the execution of an EduCommerce strategy is the means to effectively measure and analyze the solution's impact and to make fine-tuning adjustments in response so that partner and customer learning experiences grow richer and richer over time. Business Intelligence activities that arise from EduCommerce include:

- Reporting on relevance and value of learning interventions.
- Reporting assessment results.
- Using control groups to mitigate risk (if time allows).
- Integrating learning with business processes focused on quality, sales volume, customer retention, profitability.
- Tracking hard and soft costs associated with learning development and delivery.

Learning interventions can also feed into larger marketing analytics efforts aimed at analyzing partner and customer behavior. Surveys administered during or following delivery of content – in a classroom or online – can be used to gauge not only satisfaction with the content itself, but also with your company's products and services in general. Such survey-based research can feed into product development efforts. Survey results can also be used to predict future behavior and provide up-sell and cross-sell opportunities.

Personalization of Learning Content

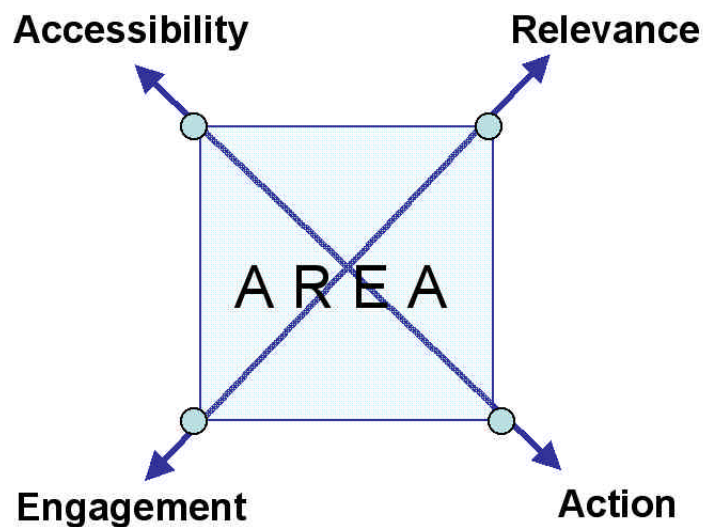
Once a Solution Framework finalized, EduCommerce leaders should come away from away with a good sense of how to maximize the AREA of their content. They should devise scales for each of the 4 criteria as depicted in Figure 3. The ultimate aim here of course is to maximize the size of the rectangle – the AREA.

If content is not relevant, it is useless.

The power of suggestion is paramount when trying to change behavior.

- **Accessibility:** If information is not accessible, it is irrelevant. Learning content must reside in the resources (e.g., people, systems, shelves) where people would think to look for it in a given situation. In addition, the content must be accessible in its format. It must be in a format (e.g., length, presentation, medium, tone, and depth) that supports both the context of the question and the particular needs of the learner – partner or customer.
- **Relevance:** If content is not relevant, it is useless. People often spend too much time looking for content not because they do not have access to it, but because they often need to sift through materials before finding the golden nuggets they are seeking. For instance, financial advisors do not want to spend time reading about local tax codes that do not apply to their geographic locale.
- **Engagement:** Interesting content is more likely to be absorbed, and eventually applied. We have all had boring instructors and been forced to read through textbooks that make root canal sound appealing. Learning experiences need to be designed well (i.e., to get their point across). In some situations such as needing pricing information for a product, this might entail a quick conversation with a company representative or a site search of FAQ's. In other situations such as learning to become a more effective salesperson at your organization, this might entail a simulation (done online or in a lab-like setting) that asks you to react to certain customer questions/comments and to recall product knowledge.
- **Action:** The power of suggestion is paramount when trying to change behavior. Making your content suggestive is key to its being applied in the situations for which it was designed in the first place such as when selling to a prospective customer or providing thorough customer support. Action is often maximized when content is delivered in the performance environment at the point of need – think about looking something up quickly or asking a colleague a question related to the task at hand.

Figure 3 – Maximizing the AREA of Learning Content



Source: WBT Systems, 2005.

Architectural Components of WBT's Intelligent Extended Enterprise Solution

When designing an EduCommerce environment, two perspectives need to be considered – the organizational and the individual.

Those people in charge with designing and building an Intelligent Extended Enterprise solution must concern themselves with addressing partner and customer learning/performance needs from two perspectives – the organizational and the individual:

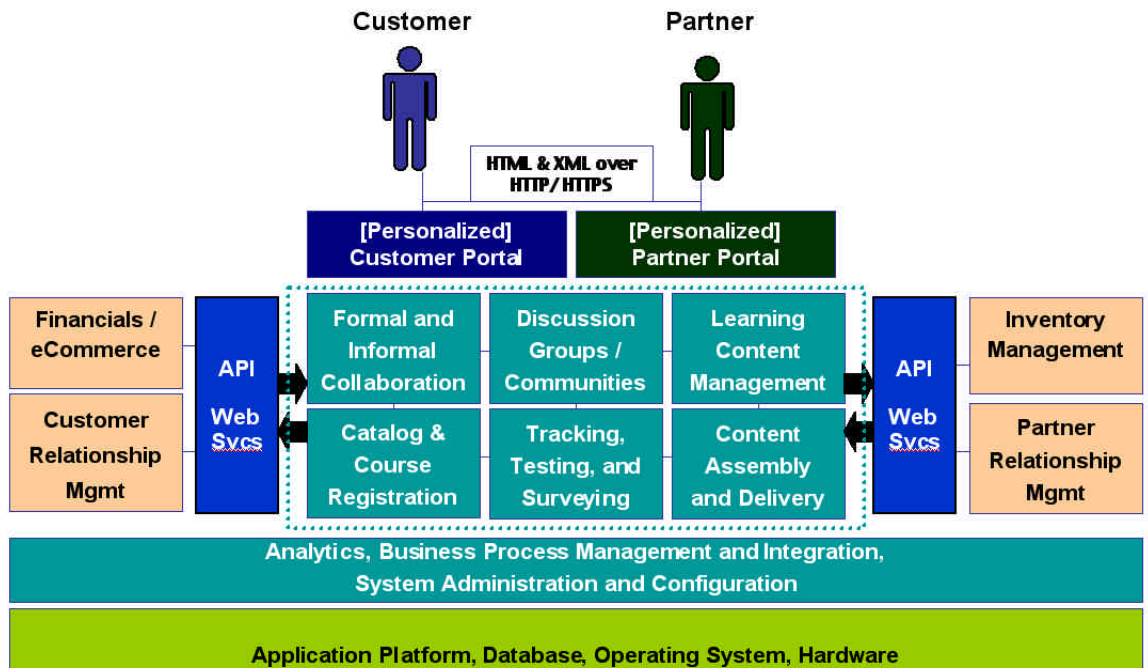
- From the higher-level organizational perspective, EduCommerce – like any marketing or enterprise training solution – must be designed to bring together the right stakeholders to drive business objectives and boost shareholder value. These objectives need to be laid out from the beginning, reported on and modified over time as market conditions warrant.
- In addition to focusing on the Big Picture, it is important not to lose sight of the impact on individual partners and customers – ultimately if an EduCommerce environment does not suit them, the effort will be unsuccessful in driving performance at the organizational level.

The goal of an EduCommerce environment is to familiarize partners and customers with your brand and to help them use your products and services to their advantage.

WBT thinks of this as bridging the gap between knowledge and performance. After all, there is a difference between passing a test on something you have read and being able to contextualize what you have learned and applying it when needed. One of the things that is sometimes lost in the cycle of implementing marketing and learning solutions is that they should not be put into place simply for the sake of themselves. The goal of an EduCommerce environment is to familiarize partners and customers with your brand and to help them use your products and services to their advantage.

A common set of functionality and services exists for a Web-enabled EduCommerce solution. Figure 4 below provides a simplified view of how EduCommerce components, encapsulated in the middle, are often architected and integrated with other application such as customer relationship management (CRM) and partner relationship management (PRM) systems.

Figure 4: Components of EduCommerce Environment



The Value of EduCommerce Components to Partner Relationships

Convenient access to learning content via a partner portal is particularly helpful when companies release products in competitive environments where time-to-market is critical.

Are intermediaries critical to your company's top line? Effective sales and services partnerships allow businesses to lower costs, to expand more aggressively into new markets, to more quickly develop new customers, and to better serve and support existing ones. Customers increasingly expect to deal with knowledgeable sales and services people – whether they work directly for you or your partners. An effective EduCommerce environment is key to driving efficient execution and positive customer experiences through a network of channel partners. The EduCommerce components called out in Figure 4 above drive the value of partner relationships in the following ways:

Increasing the Time Partners Spend Selling and Servicing Customers

Just as many organizations have moved other marketing processes to the Web, many have begun the migration to online learning in earnest. Convenient access to learning content via a partner portal is particularly helpful when companies release products in competitive environments where time-to-market is critical. Gone are the days where people are forced to sit through week-long courses in order to learn the 10% they need to perform their jobs more effectively. Using learning content management, personalized content can be delivered on-the-fly to individual partners based on their characteristics (e.g., language, expertise, etc.). They automatically receive only the material they need. Such personalization also streamlines the time it takes for partners to get their new recruits up to speed.

An EduCommerce environment must accommodate 'blended' learning models that combine classroom-based courses with online learning content and collaboration to support the entire range of channel partner learning needs.

Ensuring Customer Satisfaction through Certification and Compliance

A pre-requisite for partners serving your customers is their knowing your offerings. An online testing tool allows companies to certify proficiency with their offerings in the channel. A learning analytics engine allows companies to track partner compliance and determine what partners have invested human resources in selling and servicing its products.

Delivering Learning Experiences that Accommodate All Partner Objectives

Of course not all learning happens online. An EduCommerce environment must accommodate 'blended' learning models that combine classroom-based courses with online learning content and collaboration to support the entire range of channel partner learning needs. These needs may be as informal as quickly accessing the right page in product documentation to answer a customer question. On the other hand, it may be as formal attending live classes (in a classroom or live-over-the-Web) in pursuit of a certification on the company's products and services.

Offering a Partner Feedback Loop for More Effective Product Marketing

A potential disadvantage of selling and servicing through partners is a loss of direct communication with your customers. Web-based surveys and blended learning experiences can be used by your company to collect feedback from partners on your products and service's, thus fostering research and development.

Making Learning Experiences Relevant

If an educational offering does not offer a clear economic benefit to partners, they will disregard it – remember the AREA of content. When designed well, an EduCommerce environment helps channel partners find relevant learning opportunities quickly. Object architectures help organizations manage large libraries of learning and informational assets (e.g., e-learning courses, pages, tests, test questions, access to subject matter experts, instructors, etc).

Adapting to Your Channel Workflows

Remember that the Action of content is maximized when it is delivered at the point of need (e.g., when a partner has a customer on the other end of the phone). In addition, approval processes for formal training events should be defined and automatically routed by an EduCommerce solution. Multiple training business models (e.g., charge-backs, partner credits, self-service, differential pricing, etc.) should be accommodated as well. Lastly, integration with other systems facilitates preferential treatment (e.g., customer referrals, discounts, etc.) for those partners whose employees keep current on company offerings through the channel partner education solution.

Lowering Support Costs

Partners may choose to provide customers with direct access to your company's learning environment. Steering customers to small, targeted 'chunks' of Web-based learning content in an EduCommerce environment takes the heat off customer service staff. It also gives your company direct interaction with the end customer through the intellectual capital that forms the basis of this content.

The Value of EduCommerce Components to Customer Relationships

Steering customers to small, targeted 'chunks' of Web-based learning content in an EduCommerce environment takes the heat off customer service staff.

Similarly, EduCommerce can be used to engage prospective and existing customers in a non-intrusive way (refer back to Figure 1). Well targeted education can influence their research process as they investigate new purchases, and in some cases, can help them figure out how to best leverage the products and services they have already purchased. EduCommerce solutions can be used to establish your organization as the authority on its market categories.

Shortening the Learning Curve to Drive Initial Adoption

Convenient access to relevant, actionable learning content via a customer portal is particularly helpful for companies marketing complex products with many practical applications. Using learning content management, personalized content can be delivered on-the-fly to individual prospects and existing customers based on their characteristics (e.g., products purchased, language, etc.). The end result will be better understanding of how your products can meet their needs.

Offering a Customer Feedback Loop for More Effective Product Marketing

A potential disadvantage of selling and servicing customers online or through partners is a loss of direct communication. Web-based surveys and blended learning experiences can be used by your company to collect feedback from customers on your products and services, thus fostering research and development.

Web-based surveys and blended learning experiences can be used by your company to collect feedback from customers on your products and services...

Ensuring Ongoing Customer Satisfaction

A survey tool tied to an analytics engine allows companies to track customer satisfaction not only with learning content, but also with the company's products and services generally. Permission-based surveys administered during or after learning events – be they online or in a classroom – help organizations build stronger relationships with customers.

Adding New Revenue Streams

In many cases, enterprises charge customers for premium learning content that may or may not lead to a formal certification. If your site is a popular destination for customers, supply chain partners may choose to sponsor educational offerings as part of their advertising efforts. Integration with financials is needed to accommodate such revenue streams.

Augmenting Customer Support Efforts

A self-service EduCommerce environment may provide customers multiple modes of support to enhance their use of your offerings. As with partners, these modes might be as ad hoc as accessing blogs or FAQ's or as formal as registering for live classes (in a classroom or live-over-the-Web) in pursuit of a certification on the company's products and services.

A self-service EduCommerce environment may provide customers multiple modes of support to enhance their use of your offerings.

Where Do You Go From Here?

WBT has recognized EduCommerce as a growing business driver in its customer base. Its business value and increasing adoption have also been documented by analyst firms such as IDC and Gartner. Based on these trends, WBT recommends readers of this document consider the following actions:

- Establish the appropriate stakeholders. Sales and marketing people as well as training staff may already have much of the experience and resources to get started. Economies of scale can be driven when their efforts are combined by sharing infrastructure, content, and processes.
- Take a bottom-up approach. Start by identifying a pilot audience and construct solution frameworks using the activities discussed under Intelligent Enterprise Roadmaps, Knowledge Strategy, Performance Strategy, and Business Intelligence.
- Consider usability – wrap it into your current Web property.
- Map your business requirements to functional requirements. Will certification management be needed? Will it have to accommodate differential pricing (e.g., discounts for select partners or client accounts). Will access to certain areas need to be restricted?
- Determine the right sourcing model by taking inventory of the expertise and infrastructure you have in house.
- Assess the sensitivity to cost amongst the audience. Should your EduCommerce environment be a profit center, break-even center, or cost center?
- Coordinate training efforts with other marketing processes, including product development and advertising.

About WBT Systems

Since 1995, WBT Systems has built a world-class business by helping organizations plan, implement, and manage successful learning solutions. WBT's products and services help its customers efficiently create and deliver personalized learning experiences to all stakeholders in the immediate and extended enterprise that optimize the job performance of these individuals, their peer groups, and ultimately, of the enterprise itself. Our solutions are built on our award-winning TopClass Learning Suite, which comprises a modular design, built on an open object architecture. WBT customers leverage its training, certification, and compliance tracking solutions to enable key parts of their business, and in many cases, their entire enterprise.

With over two million users world-wide, WBT has an enviable record of successful, large implementations in competitive, complex, and highly regulated environments. WBT's implementation experience spans a variety of industries, in first-rate organizations such as Dow Chemical, Valero Energy, Bayer, Credit Suisse, Basler Insurance, Volvo CE, LOMA, The World Bank, Liberty Group, Belgacom, Smith & Nephew, and the U.S. Department of Defense. WBT Systems is recognized as a leader in both the e-Learning Suite and LMS Magic Quadrant Reports by the Gartner Group.