DigitalThink: The Corporate E-Learning Solution

Executive Summary

Business today is changing faster than ever. Rapid product cycles, a tight labor market, and the dramatic impact of e-business are forcing companies to re-engineer their products and processes. E-Learning has emerged as a critical business enabler to address these business challenges. What business areas should you focus on for your first e-learning initiative? What are the steps you should go through to implement your e-learning solution?   What is the role of the learning management system (LMS), content development, subject-matter experts, and other technologies in the solution? This whitepaper will answer these questions.

DigitalThink, the industry leader in corporate e-learning, provides a complete end-to-end solution that addresses the entire range of a corporation's e-learning needs. Our solution is designed to be cost-effective and provide a faster implementation than purchasing a learning management system and building from scratch. More than 300 customers have experienced the benefits of using the DigitalThink approach. Unlike a "build-it-yourself" approach, the DigitalThink solution is based on extensive experience and proven technology. With DigitalThink, you can implement a solution rapidly and measure ROI in months, rather than years.
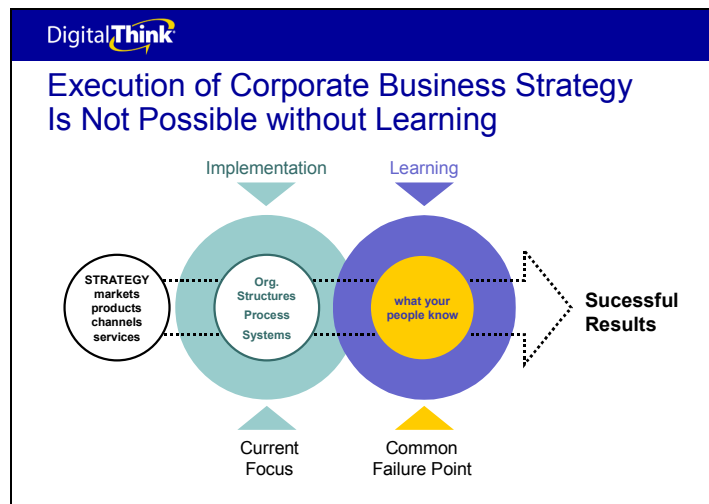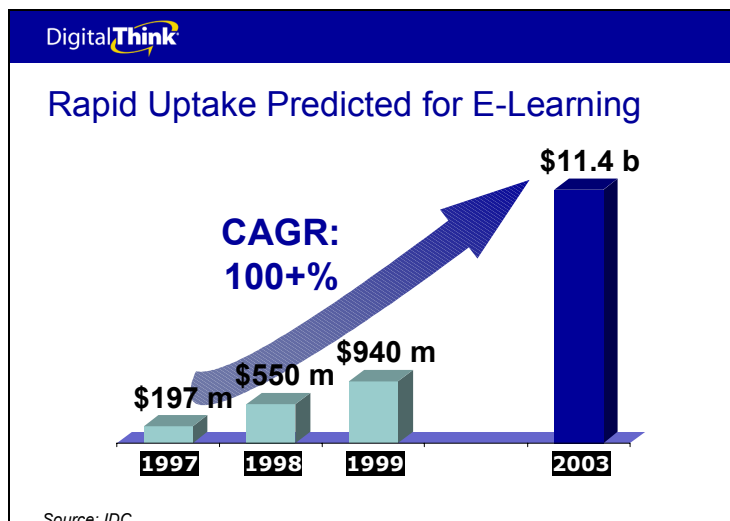
E-Learning

Introduction to E-Learning

Business today is changing faster than ever. Rapid product cycles, a tight labor market, and the dramatic impact of e-business are forcing companies to re-engineer their products and processes.   E-learning has emerged as one of the most critical e-business enablers for dealing with these business challenges.

Let's examine the history behind these changes. In the 1980s, companies focused on corporate strategy, giving birth to the management consulting industry. In the 1990s, technology advances allowed companies to implement ERP systems and processes to implement that strategy. Today, with e-business causing rapid change and accelerated product cycles, companies are more focused on quarterly execution than ever. One of the most important tools a CEO has for insuring the execution of corporate strategy is directed learning. Directed learning improves execution, retention, and skills. Evincing this trend is Merrill Lynch's estimate that 25% of all companies now have Chief Learning Officers, up from less than 5% two years ago.

The increased focus on "learning" is fueling the "e-learning" industry. E-learning, which involves the deployment of corporate learning and training over the Internet, has become one of the hottest growth areas of the new economy. IDC projects that by 2003, the market for e-learning services, content, and technology will be over $11 billion, growing at a nearly 100% compound annual growth rate.

We have entered a knowledge-based economy, where by 2005 nearly 40% of all US workers will be "knowledge-workers." What better way to keep these people up to date and current than through e-learning.

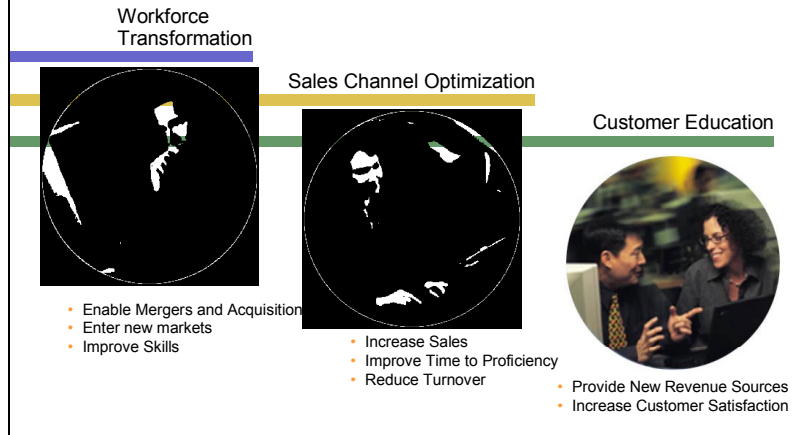

Key Corporate Applications for E-Learning

The most effective and successful e-learning initiatives are focused on meeting business needs. Through our experience implementing such solutions, we have found that the corporate e-learning applications with the highest Return on Investment (ROI) fall into three major categories: workforce transformation, sales channel optimization, and customer education.

Workforce Transformation applications address the business need to re-skill, re-train, and integrate people with information and training, especially following a merger or acquisition. Businesses that are reworking their strategies to include the Internet can also benefit from retraining. KPMG, for example, used e-learning to train their 10,000+ consultants on the fundamentals of e-business and e-commerce as they shifted their business toward Internet consulting.

Sales Channel Optimization applications address the business need to constantly train, educate, and update the sales force, resellers, and channel partners. Businesses that provide comprehensive "new product education" alongside fundamental sales skills training can see results in the form of huge ROIs. When a new product is introduced, the e-learning system can enable the business to train sales, channels, and distributors simultaneously and very quickly, enabling rapid market penetration. Cisco uses DigitalThink to provide value-added selling strategies to their solutions sales force.

Customer Education offerings can provide companies with a huge ongoing revenue source. Typically consisting of classes, books, and other educational materials, customer education is both a source of revenue and marketing resource. Companies can use e-learning to supplement and expand customer education, by offering fee-based classes as pre-requisites or complements to classroom training. IDC believes that by 2003, the e-learning market will be as big as the classroom education market, although it will not necessarily replace it. Charles Schwab uses DigitalThink to provide customer education on investing to their prospects and customers, driving increased trading and customer satisfaction.

Corporate Applications for E-Learning

Workforce Transformation
- Enable Mergers and Acquisition
- Enter new markets
- Improve Skills

Sales Channel Optimization
- Increase Sales
- Improve Time to Proficiency
- Reduce Turnover

Customer Education
- Provide New Revenue Sources
- Increase Customer Satisfaction

Although corporate e-learning solutions will eventually address a wide range of training needs, the best approach to implementing e-learning within an organization is to ensure that the initial e-learning solutions focus on specific business problems. This approach will provide the best ROI for the company and will ultimately set the stage for the future use of additional e-learning solutions. E-learning is NOT intended to replace classroom instruction; rather, it is a strategic business tool for increasing business speed, flexibility, retention, and employee satisfaction. The classroom is here to stay; e-learning simply complements and further leverages your current investment in corporate education and training – by providing more people with access to more information at a lower cost.

The Challenges of Corporate E-Learning

Developing and implementing a corporate e-learning solution in-house is not easy. In many ways it is analogous to the development of an e-commerce system, but perhaps even more complex – because we are working with people, knowledge, and many forms of content. The market is still fragmented, so there are many pieces of content, technology, and services that must be pulled together for the e-learning solution to be successful.
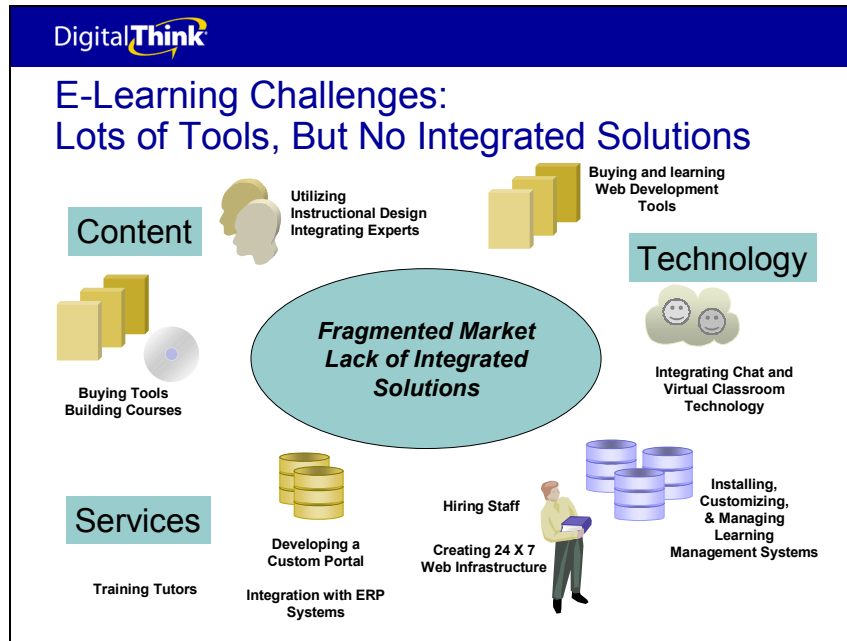
Let's review some of the challenges involved in each step of developing and implementing an e-learning solution:

Identify the business requirements and target audience. It is important to understand early on that e-learning is a strategic business tool, not simply a supplement to classroom training. As such, it must focus on business problems that typically fall into one of the three application areas described above (workforce transformation, sales force optimization, and customer education). Once the business problem is identified, you can identify the target audience.

Build or buy the necessary content. Remember that, in e-learning, content is the single most important factor for ensuring success. This means that your company must get into the content development and instructional design business. You must purchase Web development tools, hire instructional designers and subject matter experts, and develop a methodology for courseware. Excellent courseware is much more than text and HTML – it must be compelling, interesting, instructionally relevant, and content rich. It must address the business needs identified in the first step, above.

Build the portal and tracking system to register, enroll, and track users. In this step, you have to understand how to implement RDBMS technology; how to track results and assessments; how to buy or build customization software; how to develop course catalogs and searching and reporting applications; and how to integrate the e-learning solution into your existing ERP systems. It must accommodate e-commerce for fee-based courses. It must accommodate skills mapping, certifications, and course roadmaps. In this step, many of the learning management systems on the market may appear helpful, but as you will see below, an LMS alone is not a solution – and may, in fact, lead you to a dead-end if you're not careful.

Integrate tutors and subject matter experts. Learning content alone is not enough to create an e-learning solution. Experienced content experts are the key to making an e-learning solution work. Every company has tutors, subject matter experts, and outside experts who are critical to the success of an e-learning course. Commercially available learning management systems don't include this important component – you have to build this yourself.

Create an environment that supports multiple modes of learning. Not all people learn the same way. E-learning solutions accommodates each individual's preferred learning mode through a mix of asynchronous Web-based technologies, documents, chat and discussions, and live e-learning. To provide

this type of environment, companies must purchase tools and products for collaboration, video, virtual classroom, etc.

Create a high-availability, high-performance Web infrastructure. This challenge is much harder than it may seem. In an e-learning system, you may have hundreds to thousands of users simultaneously online, possibly for long periods of time. The system must be very fast, very reliable, and able to support a wide range of workloads. Content must be designed with speed and performance in mind to provide users with a fast, truly interactive experience. Finally, you have to build in redundancy and control so that the system is available around the clock for off-hours or globally distributed users.

Integrate with ERP and CRM back end systems. Your e-learning solution will eventually generate a lot of data (from applications such as student enrollment, progress tracking, and financial transactions) – all of which must be integrated into corporate financial and human resource systems. This will require the use of APIs or custom programs.

As corporate e-learning becomes more of a standard application, integrated tools and solutions will come to market. Today, however, in order to be successful, customers have to become systems integrators and develop expertise in all these areas.
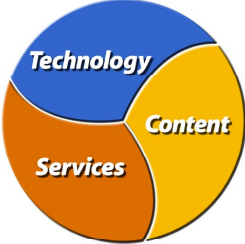
The DigitalThink E-Learning Solution

Introduction to DigitalThink

Enter DigitalThink. DigitalThink was founded in 1994 to develop the world's best learning content, designed entirely for the Web. Over the last 5 years, DigitalThink has focused on enterprise solutions, and has built a complete end-to-end solution that addresses the entire range of a corporation's e-learning needs. We call it the DigitalThink Platform – and it consists of technology, content, and services – focused on business needs and business results.

DigitalThink has been recognized throughout the industry for our leadership role in developing and delivering an end-to-end e-learning solution. We have become the standard to which other companies are compared.

Components of the DigitalThink Solution

The DigitalThink solution consists of technology, content, and services.

Technology

Our industry-leading technology manages course delivery, tracking, registration, enrollment, and all learning management features in a highly scalable, high-availability environment. We deliver our technology as an outsourced Business Solution Provider (BSP). You don't need to install any software to implement a total solution with DigitalThink.
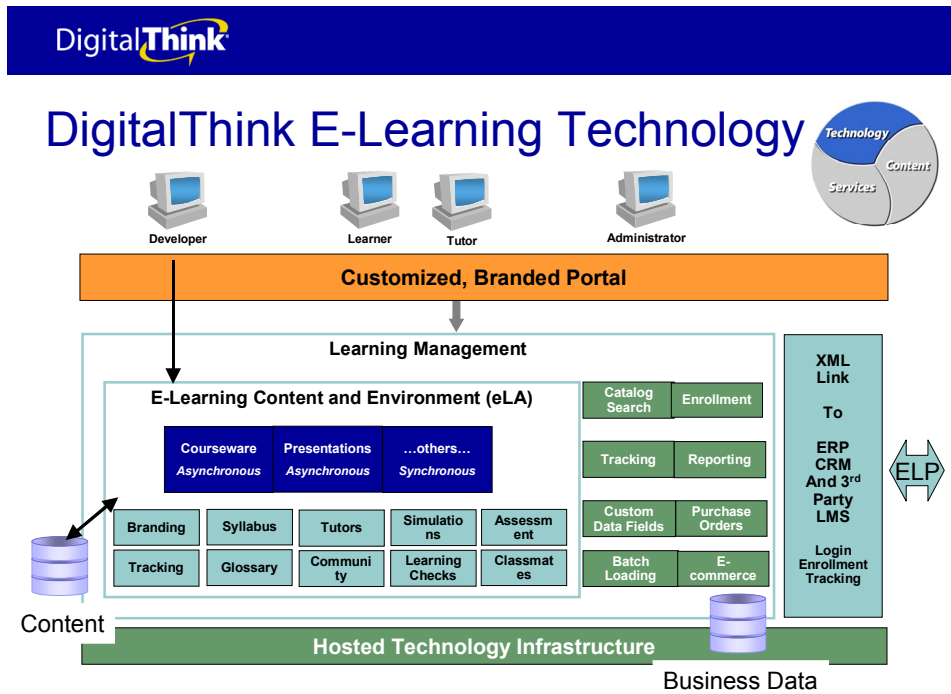
One of the greatest benefits of the DigitalThink technology is that users have a complete and integrated learning experience. Everything they need is accessible from a single interface: courses, each course syllabus, the glossary, tutor support, discussion, classmates, references, simulations, and learning checks. All of the application interfaces have a consistent look and feel. Menus and keyboard functions are consistent from one application to another. All interactions are tracked and can be reported; and the system automatically bookmarks every interaction so that users can exit at any time and later return to wherever they left off. This level of integration is critical to the success of an e-learning system and its users.

Our system is designed to interoperate with your corporate ERP and CRM systems, so we can automatically interface with your corporate portal, HR, financial, and marketing systems to fully integrate e-learning into your corporate infrastructure.
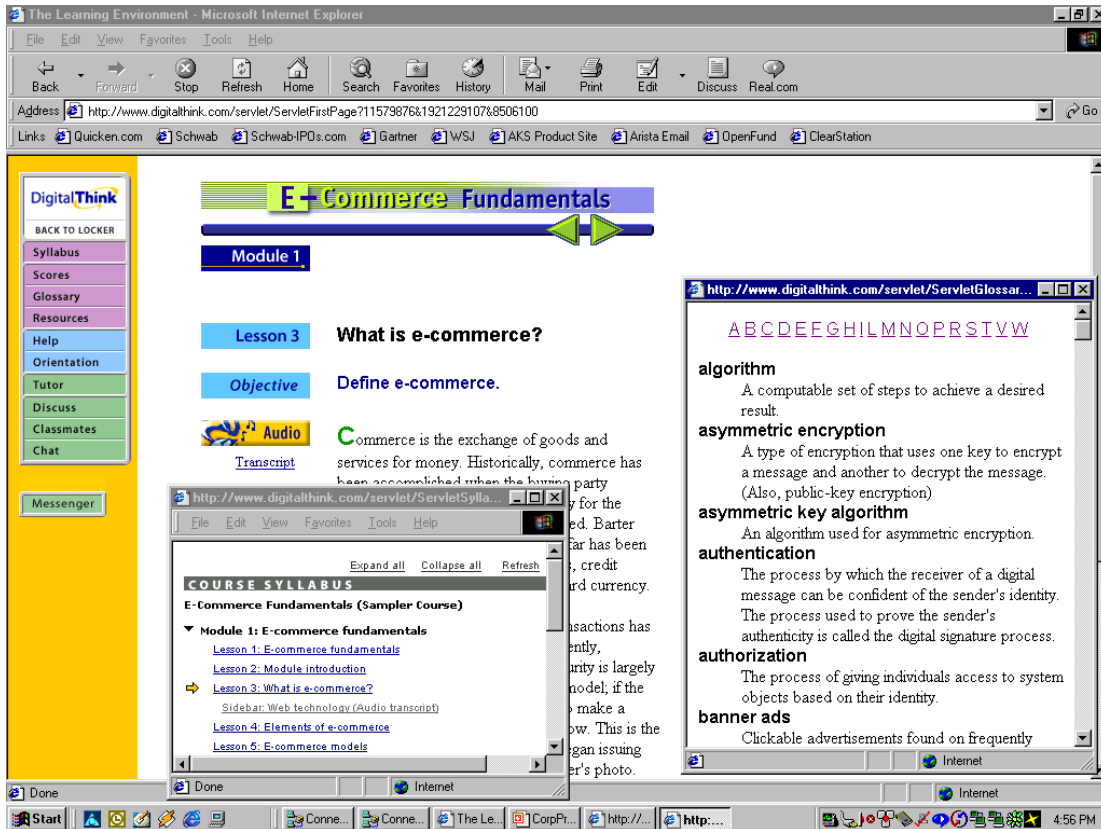
The DigitalThink Integrated E-Learning Environment

Content

The second, and maybe more important, part of DigitalThink's solution is our content**.** The content is the single most important factor in determining the success of a corporate e-learning system. Our content has won award after award for its focus, business approach, and integrated environment. Today, DigitalThink offers more than 250 courses focused on IT, IT management, Internet, e-business, e-commerce, sales, and financial management. We are also creating branded content with strategic partners such as the American Banker's Association, Siebel, Tenet Healthcare, and others. It uses the tracking, personalization, and performance services in our technology to deliver a totally integrated and effective learning environment.

Services

The third and final component of the DigitalThink solution is our services. DigitalThink has developed a world-class methodology that is used by our customer consultants, development staff, and support engineers for needs assessment, content development, technology services, and client support throughout the e-learning process. We can train tutors, customize your learning portal, and help you build the reports and analytics you need to effectively operate your e-learning system. We can also provide you with a total solution, using the DigitalThink API, for integrating DigitalThink with your ERP and CRM systems. These services have been developed through hundreds of e-learning engagements, and incorporate DigitalThink's proven methodologies and e-learning instructional design.

More than 300 customers have experienced the benefits of using the DigitalThink approach. Unlike a "build-it-yourself" approach, the DigitalThink solution is based on extensive experience and proven technology. With DigitalThink, you can implement a solution rapidly and measure ROI in months, rather than years.

Learning Management Systems

Many companies contemplate purchasing an LMS to establish an e-learning infrastructure, with the intent of buying or building content at some point in the future. While this may initially appear to be a good approach, upon closer inspection you will find that it will not provide a true "e-learning" environment and will prove to have some severe limitations.

Introduction to Learning Management Systems

First, let's look at the role of the learning management system. Learning Management Systems have been around for more than 10 years. They were initially developed to help companies manage the administration and scheduling of classroom-based education – managing rooms and course rosters, scheduling instructors and classroom equipment, and handling customer billing. They were also implemented as a client/server ERP style application. As e-learning has become a bigger and bigger market, LMS vendors have tried to add e-learning features to their offerings. Due to the lack of adopted standards for content, however, most LMS systems today can launch and track content only on a module-by-module basis.

Limitations of Learning Management Systems

First, the LMS systems currently on the market were architected for client/server implementation. They do not provide the scalability and Web-centric management features that a true e-learning solution requires. Our DigitalThink technology is based on Enterprise JavaBeans, which, as you can see below, is in the latest generation platform, providing maximum scalability and functionality.

According to Clark Aldrich of Gartner Group, " the useful life of any LMS is at MOST two years." This is because of the rapid evolution in technology and the fact that most LMS technology is first generation or older.

The LMS Does Not Tightly Link Content

The integration between content and management is critical in an e-learning solution. Users expect an integrated and high-performance learning experience, which requires tight integration between content and management. In an LMS solution, the best technology available for tracking content is the AICC standard – which provides only simple tracking and completion information. None of the currently available LMS

systems have implemented more than the first level of AICC, which provides only for chapter-level bookmarking and completion information. The result of this is that learners cannot accurately bookmark their current location, and companies are dependent upon course developers to provide built in tests or assessments to evaluate learner comprehension. Course to course learners cannot take advantage of common facilities for chat, expert assistance, glossaries, references, and other infrastructure.

LMS is a "build it yourself" Approach

When a company purchases an LMS, it takes on the responsibility for being the systems integrator. The company must install and manage the LMS, customize it, and manage the RDBMS and Web servers it requires. The company must purchase content and perform the integration necessary to make it available and easy to use. The company must host the solution and provide the right hardware and environment to keep it up and running. The company must tune it, install new releases, and make sure that it has the operational staff to maintain it. Typically, for a small implementation (<1000 users), ongoing operations support alone will require a half time employee. As the supported population increases, so will the resources required to operate and maintain the system.

Finally, in an LMS-centric approach, you must build the interfaces to your ERP systems, which involves skills you may not have in house.

The Better Solution

Learning Management Systems are not designed to do such things as manage learner performance, integrate tutors and subject-matter-experts, provide a consistent interface between different content types, let you create branded content, and track and bookmark page-by-page progress. They are also typically architected to run as an internal application behind a corporate firewall, so they require installation, maintenance, tuning, and relational database expertise. LMS implementations can take months or even years, in some cases, and the overall result may never be a totally integrated learning environment.

The DigitalThink solution, on the other hand, provides all the features and functionality of a learning management system tightly integrated with the total learning experience. The DigitalThink solution will almost always be more cost-effective than purchasing an LMS and building from that foundation. With DigitalThink, you do not have to hire implementation and operations staff to operate and maintain your e-learning site. We have honed our skills in learning management through experience with hundreds of customers, which allows us to offer you the benefit of our practices and technology along with the best e-learning solution.

Summary

DigitalThink is focused on supporting the learning management needs of major corporations as they strive to meet strategic training goals. We believe that learning management should include critical features such as registration and enrollment, a course catalog, subject matter and tutor integration, branding and customization, management approvals, custom course roadmaps, and integration with ERP and CRM systems. But even more importantly, we believe that learning management and content must be tightly integrated – providing users with a completely integrated and compelling experience. Learners must be able to get help, locate other users, email a tutor, or exit a course – at any time and without losing context. Content without context is meaningless, and learning management must integrate the two.

Our newest release of the DigitalThink e-learning platform, due out at the end of 2000, will include many new features for the advanced management of e-learning. Today, more than 300 customers are managing hundreds of thousands of learners with DigitalThink, and getting dramatic business results. For additional information on specific features or to discuss how DigitalThink's e-learning technology can address your business needs, call us at XXX-XXX-XXXX.

About DigitalThink: add PR tagline here and list of key customer accounts.