

## Helping Learning Management System Providers better serve their market

### White Paper

#### **Helping Learning Management System Providers better serve their market.**

**This White Paper is for Learning Management System providers as a tool for adapting their services to their market and for better understanding their clients.**

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This White paper looks at issues that potential clients are facing when starting to look into buying a Learning Management System.

### **Clients' Situation**

When clients embark on an e-Learning project, they do so with various degrees of preparation and knowledge.

It is sometimes hard for them to prepare because they have little idea about what they need to be prepared for. They may not know what they should learn or inquire about first, and where to start.

They can, and often do, attend conferences and other big events. However, during those events, they are showered with more or less organized information. It is hard for newcomers to digest the information, and organizing it is a long and daunting task.

Then, after organizing the information, clients have to put it in perspective in relation to their particular situation and corporate environment.

### **Creating Order Out of Chaos...**

An example of how deep the confusion runs is the job description of e-Learning related positions. There is often a degree of confusion as to what an e-Learning specialist is. An e-Learning specialist is a hybrid between a Web

specialist, a training specialist and a management/business operations specialist.

I have recently met recruiters looking for someone specialized in e-Learning but the ideal candidate was to be first and foremost a Web architecture specialist. From the job description they gave, they were looking for a Web architecture technician rather than an e-Learning specialist.

The Web-Learning field being fairly new, it is not quite organized yet, at least not in most people's mind. This goes to show that issues are not always clear cut and words or terms can take different meanings for different people.

When it comes to LMS shopping, providers are approached by people from various departments: Training, Information Technology, Human Resources and Marketing. All those people often have a different perspective on their company's operations. They do not necessarily all have the same objectives. The lower they are in the corporate hierarchy, the more varied the objectives tend to be. And those objectives might even be conflicting with one another within the same company.

Furthermore, objectives, needs and requirements are not always well established when clients start inquiring about e-Learning and Learning Management Systems.

Clients need to tackle several new issues: the Training Department needs to learn about technical aspects, the IT Department needs to familiarize itself with training issues, instructional designers need to rethink their approach, trainers need to consider playing new roles and so on.

## **Various Degrees of Welcome from Providers**

The potential client situation described above entails that providers meet with all kinds of situations when answering client requests.

Overall, providers range from very helpful to downright snob, with everything in between. This personal observation follows a recent survey that I did for a client. The survey I performed was for a client in the wireless industry, with a budget of about \$300,000 to serve 4,000 employees. Eventually, this client was considering serving its regular client base of about 2 million customers.

The response rate on the initial request for proposal was below 50%. Those providers who did respond did so very effectively and professionally. A few precious who chose not to respond sent a message to that effect. The others just ignored the initial request as well as the 2 following reminders.

Some providers phoned to let me know that they would reply only if I met with them first and told them who the client was. At that point, the client wanted to remain anonymous. One provider asked me to sign a non-disclosure agreement, which is quite understandable. But then, even after signing it, they tried to impose several additional and quite unreasonable demands on the overall process, which resulted in them being excluded from this project. Several other providers wanted to dictate how the client was going to proceed without any consideration for the client's process or requirements.

Providers are in a tight spot because they are solicited a great deal, and not necessarily always in a very constructive manner by potential clients. Their resources are sometimes stretched very thin. But some

providers' approach is very much besides the target.

### **Customer Service**

LMS providers cannot reasonably expect to impose their own conditions and pace to clients. Clients have specific needs and providers need to discover what they are. Clients must set the pace for their projects and providers need to respect it. Clients have objectives and requirements and LMS providers should assist them and meet their needs.

Providers are sometimes pressured with time to sell their products, for various reasons, one of them being the need for rapid income. However, e-Learning projects are large projects and affect several departments in a company and LMS providers need to realize that selling an LMS of several hundred thousands of dollars is not a "fast buck" selling process. This is especially true in this young industry, where people need to learn a lot before making their investment. Providers should be strong enough financially to withstand market and demand fluctuations. The e-Learning market is huge, but it is not all here yet.

Of course, it is reasonable for a provider to verify that the client is serious, has the necessary budget and is not only a "tire kicker". Providers need to make sure that the person approaching them is either the decision-maker or can seriously influence the purchasing decision.

### **Dealing with Consultants**

Clients may choose to retain the services of independent consultants to help them with their e-Learning project. This may be

a wise decision for them to avoid endless solicitation from numerous LMS providers. When it becomes known that a client is shopping for an LMS, there follows a flow of brochures, presentations both in person and online, phone calls, follow-ups and so on.

This can be enough to bring to a halt a Training Department that has already a lot on its plate with day-to-day training operations. They may elect to remain anonymous during the early phases of the process: for instance until their needs and requirements have been fully established. They might also wish to keep disturbances to a minimum until the amount of interaction is brought to a satisfactory level and it is time for them to get involved with a short list of providers.

Besides, a knowledgeable consultant will greatly facilitate the process by going through certain steps with the client, that providers would otherwise have done at great expense.

### **Strategy for Product Positioning**

On an another level, some LMS providers have a credibility problem among potential clients because they are perceived as very biased when offering e-Learning related information. This is true to a certain extent and, even if a good part of the information is unbiased, clients cannot necessarily distinguish it from the biased material. The tendency is therefore to discard everything they hear under the bias label, thus rendering the provider's efforts quite useless.

### **What Is a Provider to Do?**

First and foremost, treat customers with respect. This may sound quite obvious, but it is not always the case. Second, provide the

information the client is asking for without trying to impose your conditions. You need to adapt to the client and not the other way around.

Avoid behaving like you're doing a favor to the client by selling your LMS. Be prepared to answer specific questions such as briefly describing practical features of the system in a precise enough manner. Also tell customers what benefits using your system will bring them. In other words, you only have a few minutes to get to the point and stand out from the competition. This may sound pretty basic, but you would be surprised how few providers can actually do that.

Be patient, because it takes time for people to become familiar with new technology and fully embrace it. Gently encourage clients to get organized. Helping clients get organized does not mean that providers need to educate them entirely.

To overcome the credibility issue, providers need to find a way to offer clients unbiased information while informing them about their products. For instance, let's say that during a seminar or other general session of information given by an independent third party, a specific product is presented as an example of a particularly interesting feature or practical application of a concept. This will have a far better impact on the audience than lining up the 100<sup>th</sup> brochure on their desk.

Another solution could be for providers to offer their clients some business tools, such as white papers, models of Request for Information, Request for Proposal and Request for Quote documents. Providers do not need to be the authors of the documents: they can use some that are already available on the market or they can commission someone independent to prepare the documents for them.

Several interesting white papers about e-Learning are available from third parties for distribution. Informing clients about them will help them get organized properly and be better structured when approaching LMS providers.

Several excellent books are also available to educate clients about the aspects of an e-Learning project. For instance, the recently published *e-Learning as a Business Asset* book is an excellent tool for potential clients to learn everything they need to know about various aspects of e-Learning. The book will save them between 6 months and 1 year of work and research, for the price of a few hours of their time.

### **Trends**

Currently, there seems to be a trend being established where clients shun large systems, that are expensive and take years to implement, for smaller modular systems. For instance, they will more easily get involved with one specific module and, when satisfied with the result, will add complementary modules to their existing installation. An illustration of this would be a client purchasing or leasing an LMS module to manage its online learning, and later on adding a classroom management module or a performance measurement module, a digital asset management module or an electronic library management module.

Providers would be wise to keep this in mind when developing their products. Those who have flexible products and can modularize their systems will have a definite advantage on the market, because they will more readily meet customers' needs. Remember that in this new era, flexibility is a key element for success, both in the approach and in the product

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*This white paper and other documents, as well as the various initiatives on <http://www.daniellevallee.com> have been produced in order to help both the providers and their customers.*

### Available Resources

Here are a few independent sources for neutral information about e-Learning and Web-based training:

#### ***e-Learning as a Business Asset From A to Z, Everything e-Learning and Web-Based Training Can Be***

2001, 478 pages, Danielle Vallee

This book contains a wealth of information about all aspects related to e-Learning, from technical to strategic, from conversion of existing training material and production of new Web-based training to selecting a learning management system. From obtaining high level management support to following-up after implementation. For more information:

[www.daniellevallee.com](http://www.daniellevallee.com)

#### **White Papers available for free distribution:**

This white paper and the following white papers are available for free distribution, provided that they are not modified:

- *Looking at Learning Management Systems: Finding Neutral and Comprehensive Information in the e-Learning Jungle*
- *Why Should Employees Embrace e-Learning? How Can You Help Them Do So?*

All are available at:

<http://www.daniellevallee.com/whitepap>