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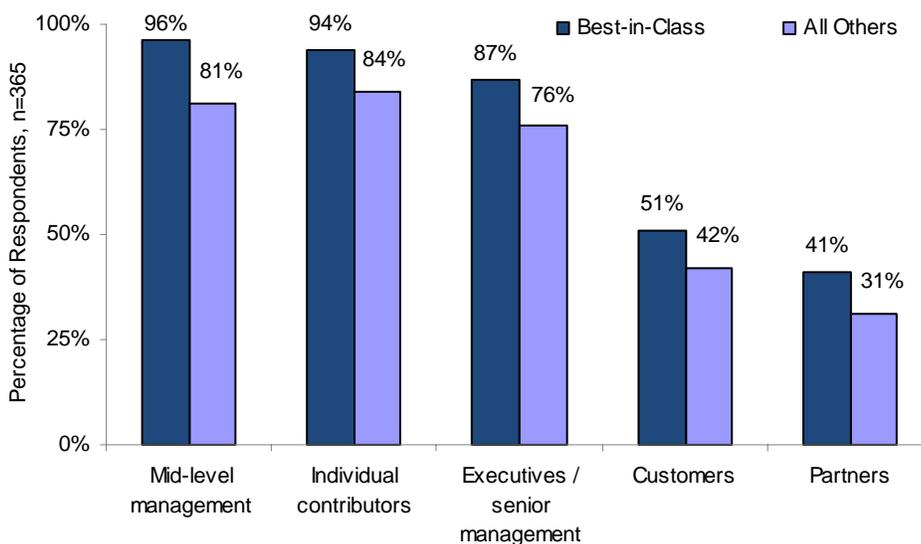
Key Technologies Enable Extended Enterprise Learning Success

Learning is not a new area of focus for most organizations, but it is one that has undergone rapid change and evolution in recent years. While many companies understand that learning is critical to their ability to meet organizational goals, they still struggle to keep up with the ways in which technology is changing how, where and the ways in which we learn. Aberdeen's October 2010 study of nearly 400 organizations on *Learning & Development* found that not only are top performing companies looking at learning differently, but that they are extending it outside the enterprise and using new tools to deliver it. Three key technologies – mobile learning solutions, social networking tools, and Learning Content Management Systems (LCMS) – are playing critical roles in helping organizations address their learning challenges, and improve key business metrics. This Research Brief will look at the key learning challenges faced by organizations today, and how these three technologies are being used to address them.

New Tools to Meet New Challenges

Learning is as essential to organizations today as its customers are. It is how intention is translated into action. Without learning, the core purpose of an organization - to generate revenue by delivering goods and services to paying customers - will rapidly grind to a halt.

Figure 1: Top Performers Extend Learning



Source: Aberdeen Group, June 2010

Research Brief

Aberdeen's Research Briefs provide a detailed exploration of a key finding from a primary research study, including key performance indicators, Best-in-Class insight, and vendor insight.

Best-in-Class Criteria

The following key performance indicators were used to determine the Best-in-Class for learning, with top performers achieving impressive results:

- ✓ 89% of organizational KPIs or MBOs were achieved in the previous year, as compared to only 59% of Laggards
- ✓ 86% of new hires met their first performance milestones on-time, as compared to only 55% of Laggards
- ✓ 75% of employees were rated "exceeds expectations" in their most recent performance review, as compared to 22% of Laggards

Best-in-Class: top 20% of aggregate performance scorers

Industry Average: middle 50% of aggregate performance scorers

Laggards: bottom 30% of aggregate performance scorers

Learning is how organizations ensure that their employees, partners, and even customers have the knowledge required to be successful themselves, and in turn make the organization more successful. It is the foundation for innovation, execution, and the ability to change and adapt to a rapidly changing marketplace. Continuing to expand skills and knowledge among company leaders, organizational veterans, newly hired employees, and even temporary workers, customers and channel partners is fundamental to the success of organizations today. And as Figure 1 shows, top performing companies (see the sidebar on the previous page) are continuing to expand the footprint of learning both inside and outside the organization. But this broader focus is a shift for many companies and requires new ways of approaching learning. While learning is still an important priority internally, one of the key differentiators for the Best-in-Class was their ability to extend learning both inside and outside the organization.

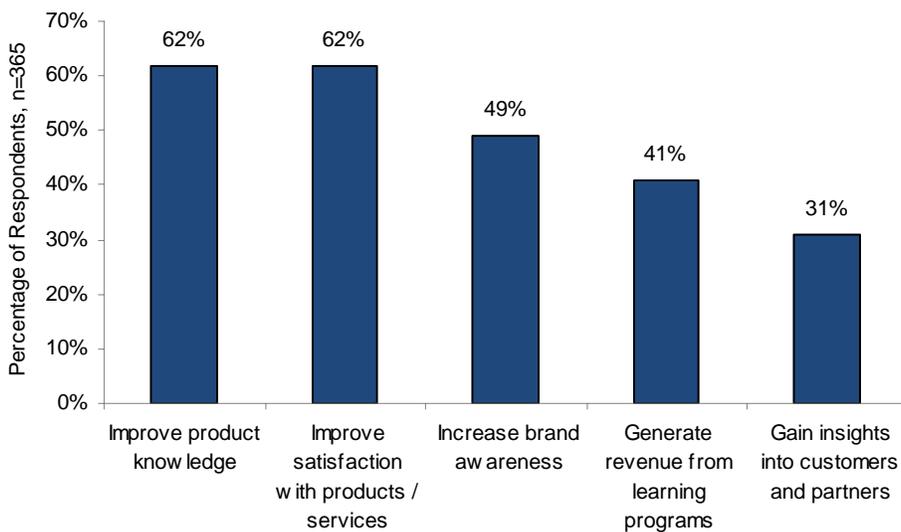
Investment in extended enterprise learning (that is, learning specifically for customers and/or partners, beyond just internal stakeholders), is a hallmark of top-performing companies and is paying off for them in a big way. Organizations that focus their learning efforts exclusively inside the company saw a 5% year over year increase in revenue per Full Time Equivalent (FTE) in the last 12 months. But those that had some sort of learning programs for either customers or partners saw a 40% greater increase in revenue per FTE, at 7% year over year. And those organizations with formal learning programs for both customers and partners saw nearly double the revenue increase, at 9% year over year.

So what kinds of things are organizations educating their customers and partners about? Figure 2 shows the most common goals organizations have for their extended enterprise learning.

Fast Facts

- √ Organizations extending learning to both customers and partners saw nearly **double the increase in year-over-year revenue per FTE**

Figure 2: Goals for Extended Enterprise Learning



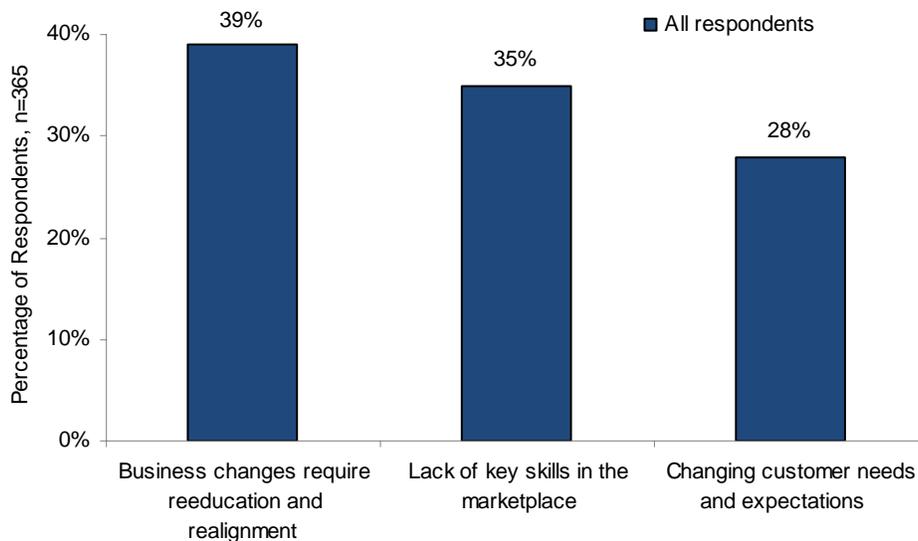
Source: Aberdeen Group, June 2010

Much like learning aimed at employees, organizations that extend learning want to make sure customers and partners have knowledge of their goods and services, ensure that they're meeting customer and partner needs, and even generating revenue. Employees need skills and knowledge to do these things, but through direct education of the extended enterprise, organizations are hoping to have an impact as well. The following sections of this research will go into detail about the tools and processes that Best-in-Class companies are putting in place to support this broader use of learning and development.

Key Challenges

As testament to learning's importance to organizational success, the number one pressure that responding organizations indicated they were looking to learning to address was the rapidly changing business environment (Figure 3). Learning is critical, inside and outside the organization, to ensure alignment. New products, new processes and new strategies meant to move the business forward can cause confusion when they're not clearly communicated, so education for employees, customers and partners about these changes is key.

Figure 3: Top Pressures Driving Learning



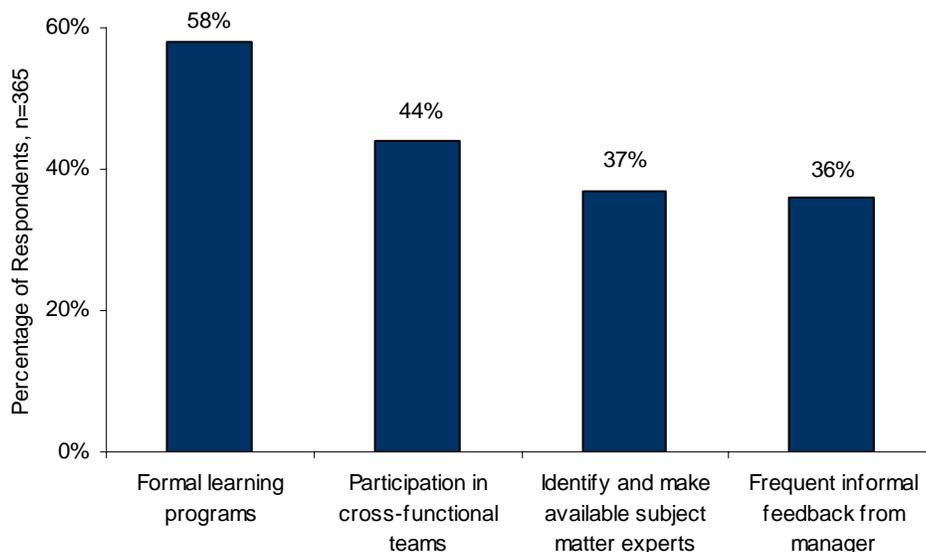
Source: Aberdeen Group, June 2010

In addition, organizations must also build key skills among their staff and partner networks, and ensure that they can meet customer needs and expectations. The drivers of learning are not just internal concerns like employee productivity or upskilling of staff. The demands of the marketplace are what is driving learning for most organizations today. But even as organizations focus their learning on ensuring alignment within and among stakeholders inside and outside the organization, they face two critical challenges, each cited by just under half (47%) of survey respondents:

- **Supporting learning after formal events.** While formal learning events, either classroom based or virtual, are still the most widely used learning delivery modalities, an increasing number of companies see the need for new ways of keeping that learning alive after the event. Finding opportunities to provide information in alternate ways that individuals can access when they need it back on the job is a big challenge for many organizations.
- **Linking learning programs to business results.** Best-in-Class companies are, by definition, doing well at helping individuals and the overall organization achieve objectives. But keeping learning grounded in the rapidly changing business context can be difficult and organizations are looking for tools and processes that can help them keep up.

These challenges, combined with the expanding role and scope of learning for organizations, comes down to one thing: organizations today face the challenge of delivering knowledge in a consistent, aligned, and flexible way to multiple audiences through various delivery channels. And as learning includes more people and takes on a broader meaning, new ways of delivering it must be explored. Formal, instructor-led training will not disappear, but expanding its reach and reinforcing its impact in other ways will be essential. Figure 4 shows that when it comes to the most effective means of knowledge transfer, both formal and informal or social methods all show up as part of the mix. Learning isn't just about teaching a skill or teaching in a classroom to a set facts and figures. It's also about unleashing the power of people to innovate and serve customers better.

Figure 4: Most Effective Means of Knowledge Transfer



Source: Aberdeen Group, October 2010

Aberdeen’s latest research has uncovered three technologies that are having a significant impact on an organization’s ability to meet this challenge, and help them achieve Best-in-Class results; social networking tools to support social learning, mobile learning tools and the LCMS.

Social Learning

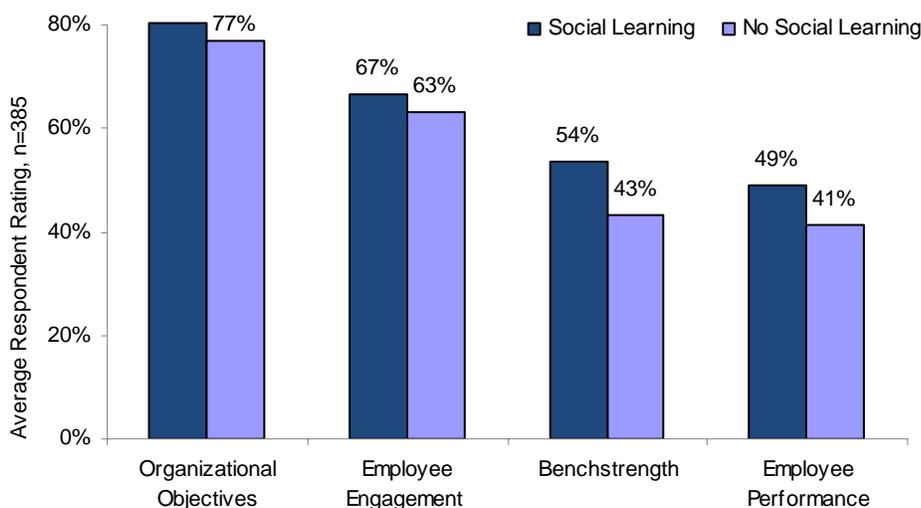
Much attention has been paid to social learning in recent years, but it is not new. Social learning is simply a way of thinking about the kind of learning most of us experience on a daily basis, asking questions and getting answers, working with teams and individuals who know different things and can help us think about problems in new ways. And this social learning - the kind of peer-to-peer learning that comes from mentors, project team members, and the seeking out of experts - is a strong differentiator of Best-in-Class companies in Aberdeen’s research. While still adopted by only a third of all organizations, Best-in-Class companies are 37% more likely than all other organizations to have this capability in place as a formal part of their learning strategy (41% vs. 30%).

And given the importance of social and informal learning for many organizations today, providing technology tools to support this interaction makes sense from a knowledge transfer perspective, as well as a business results perspective. When asked to identify the most effective means of knowledge transfer, 37% of organizations indicated that identifying subject matter experts and making them available to others as a resource as one of the top three most effective. Using internal social networking tools such as blogs, wikis, forums, communities and instant communication tools can help with these kinds of critical activities.

Fast Facts

√ Best-in-Class companies are **37% more likely** than all other organizations to use social learning as a delivery modality within their formal learning strategy

Figure 5: Using Social Learning Impacts Performance



Source: Aberdeen Group, June 2010

Fast Facts

√ Organizations that leverage internal social networking tools for learning and knowledge transfer are **53% more likely to achieve Best-in-Class results** than those that do not

With social networking tools, experts can be identified by understanding where they interact with others, the types of questions they answer, and

the types of information they share with colleagues. In several conversations with end users conducted as part of this research, stories were shared about how social networking helped uncover experts in areas far outside of their standard job description who were able to share their knowledge with others. This type of learning is having an impact on achieving individual and organizational goals, employee engagement, and bench strength (Figure 5). And technology can also bring colleagues together over long distances. Participation in cross-functional teams was cited as a top three method for knowledge transfer by 44% of survey participants. Whether it's convening a team meeting via virtual workspace or connecting a project lead facing a leadership challenge with a colleague in another country who's been through a similar situation, technology can bring teams of people together to learn from one another. This technology is so powerful that even though just under half (48%) of Best-in-Class organizations have it place, companies that do have it are 53% more likely to achieve that Best-in-Class ranking.

Mobile Learning

The cell phone and smart phone, and even the more recent mobile tablet device for business use are not new. But despite their widespread use in personal and business life, they have only recently begun to be used widely for human capital management activities. But despite the limited adoption of mobile learning thus far – 20% of Best-in-Class and 12% of all others in the October 2010 learning and development study – Aberdeen is already seeing a correlation to improved performance. In fact, companies that have leveraged mobile technology to support their learning strategy are 58% more likely to achieve Best-in-Class results.

Aberdeen's June 2010 study [*Mobile HCM: Workforce and Talent Management on the Move*](#), looked more deeply into how organizations are using mobile technologies for learning. This study found that mobile devices were being used to support formal learning, informal learning, and participation in online communities. Given the challenges mentioned earlier in this report about the need to reinforce formal learning after the event, mobile devices are one tool organizations are looking to to meet this need. One Fortune 500 company interviewed for this research shared their use of mobile content as a follow-up that sales managers could use in weekly sales meetings to reinforce key messages from a new product launch meeting hosted by the CEO. While it is unlikely that mobile devices will be the right medium for all learning, their reach into the employee base makes them a strong candidate for ongoing learning touches on a less formal basis. And even today, mobile devices are already being used to deliver a variety of content types (Table 2). And the use of mobile learning delivery is having a big impact on learning results. In addition to being so highly correlated to Best-in-Class performance, 70% of employees at organizations utilizing mobile tools as part of their L&D strategy indicated that they were "highly engaged," compared to 64% among organizations without mobile functionality. And 79% of new hires at organizations with mobile learning functionality met their first performance milestones on-time, compared to 72% in organizations without mobile learning. Mobile learning, in its many

Fast Facts

- √ Companies that have leveraged mobile technology to support their learning strategy are **58% more likely to achieve Best-in-Class results**

facets, is likely here to stay, so keeping it in mind when developing learning strategies and content will be important for successful organizations.

Table 2: Types of Learning Content Delivered on Mobile Devices

Activity	
Video-based (lectures, webinars, etc.)	69%
Text-based (manuals or worksheets)	60%
Presentations	51%
Full, online courses	43%

Source: Aberdeen Group, *Mobile HCM*, June 2010

Learning Content Management

Aberdeen defines an LCMS as a system focused on allowing multiple authors to create, review, edit, manage and store content for learning programs. Currently just 27% of organizations indicate that they use LCMS solutions. But organizations with an LCMS in place are 82% more likely to be Best-in-Class, making it by far the most impressive impact of a single tool of any of the enabling technologies Aberdeen surveyed. Being able to tap into multiple authors to create content, and make that content reusable is so strongly correlated to top performance that those who have this technology in place are performing at Best-in-Class levels by a margin of almost two to one.

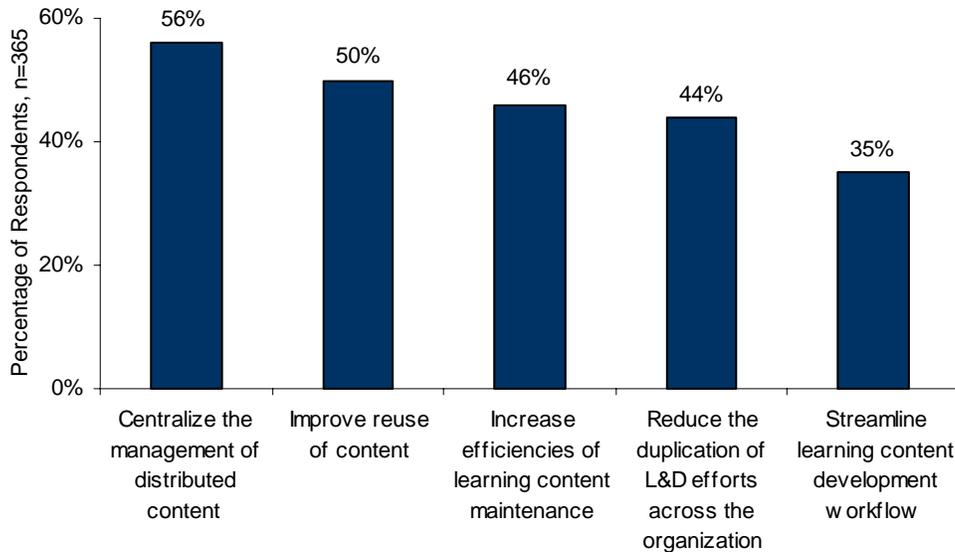
So why are organizations looking to an LCMS? Figure 6 highlights the main goals organizations have when it comes to using an LCMS, and it's no surprise that chief among those goals is centralize the management of distributed content. Throughout this report, the theme of extending learning to new audiences has come up again and again, along with the idea of delivering learning through new tools. But in order to execute on both of those, you need content. So it makes sense that tools that assist with the creation, management, storage and distribution of content across a broad group of contributors would also be correlated to learning success. By tapping into a broad group of experts, and being able to use and reuse content for multiple purposes from classroom to e-learning to mobile podcasts to fodder for discussion groups, organizations are taking what could be a Herculean task of managing all of this content for all of these audiences and distributing it to the people most qualified to create or contribute to it.

Fast Facts

√ **70%** of employees at organizations utilizing mobile tools as part of their L&D strategy indicated that they were "highly engaged," compared to 64% among organizations without mobile functionality

Fast Facts

√ Organizations with an LCMS in place are **82% more likely to be Best-in-Class**

Figure 6: Goals for the Use of an LCMS


Source: Aberdeen Group, June 2010

And to achieve these goals, the most commonly used features or functionality of an LCMS solution are:

- Content authoring/publishing tools – 73%
- Built-in assessment or testing tools – 68%
- Central management of content – 68%
- Assessment or test building tools – 67%
- Tools to track and report learner activity – 66%

Organizations not taking full advantage of LCMS capabilities, either from a formal LCMS tool or solution, or some of the "LCMS lite" capabilities that are built in to other learning solutions they may have in place should think seriously about how their use could improve performance, consistency and efficiency in creating and distributing and reusing learning content

Key Insights

It's not new news to many leaders that learning is critical to driving performance and execution. But as we emerge from the economic turmoil and uncertainty of the past several years, organizations are placing increasing importance on the role learning plays in its ability to get things done, and improve its ability to create revenue and serve customers. As companies work to leverage the power of learning to improve results they need to keep a few key points in mind:

- Learning isn't one-size-fits-all and must be flexible and targeted to address the needs of a wide swath of stakeholders and make the

most of the emerging technologies and new delivery methods in concert with traditional learning.

- In light of their strong correlation to Best-in-Class results, the three technologies presented here – social networking tools, mobile learning, and the LCMS – should be given particular consideration.
- Learning needs to expand its footprint inside and outside the organization, supporting employees, customers and partners at all stages of their relationship with the organization in order to leverage learning to its full advantage to develop employees and improve organizational performance.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research	
<p><u>Mobile Tools for Workforce Management</u>; September 2010</p> <p><u>Learning and Competency Management: Core to Talent Management</u>; September 2010</p> <p><u>Effective Talent Management Drives Profitable Business Growth</u>; July 2010</p>	<p><u>Mobile HCM: Workforce and Talent Management on the Move</u>; June 2010</p> <p><u>Integrated Talent Management: Improving Business Results through Visibility and Alignment</u>; December 2009</p>
<p>Author: Mollie Lombardi, Senior Research Analyst, Human Capital Management (mollie.lombardi@aberdeen.com)</p>	

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