



UNLEASH YOUR eLEARNING CONTENT – GROW BEYOND THE LMS

How to Turn eLearning into a Profitable Business
with an Extended Enterprise



EXECUTIVE SUMMARY

“Learning Management System” (LMS) and “extended enterprise” are not new terms in the world of eLearning. While businesses, organizations and experts have talked about the extended enterprise in an academic way, organizations have remained LMS-centric, and larger discussions on how to make eLearning into a profitable business have been lacking.

A FULLY REALIZED EXTENDED ENTERPRISE ALLOWS AN ORGANIZATION’S VALUABLE INVESTMENT – ITS CONTENT AND INTELLECTUAL PROPERTY – TO REACH NEW AND BROADER AUDIENCES, AND AS A RESULT, AVOID TRAPPING CONTENT IN AN LMS.

The idea of eLearning as an effective educational strategy is not new. In the early 1990s, the move from information delivery to interactive learning began to take place with a few online-only schools. By the 2000s, businesses were using eLearning more and more for employee training and professional development.

Until recently, however, eLearning has generally stayed within an organization’s four walls or its membership, focused on

utilizing the LMS for internal workforce and/or value-added member training. But, today, organizations of all types are seeking to create different and new types of revenue streams.

By leveraging investments in learning technology, organizations can take eLearning content to new learners – generating new, untapped revenue and extending the company brand beyond its traditional reach. This concept is referred to as the “extended enterprise.”

The extended enterprise takes more than technology. It requires key business support services, such as sales/channel development, marketing, finance and customer support. This part of the equation has been missing in current extended enterprise discussions.

This paper will hone in on defining what it takes to build a profitable eLearning extended enterprise and highlight the benefits of thinking beyond the LMS.

UNDERSTANDING THE EXTENDED ENTERPRISE

Chrysler Corporation coined the name, “extended enterprise,” in the 1990s to explain a collaborative relationship between supply chain members, and focus attention on

the competitive advantages the company believed could be gained when suppliers become partners.

Since then, the term has matured and evolved as countless industries and sectors in both the corporate and nonprofit world have adopted and adapted it. The eLearning world is no exception.

The extended enterprise for eLearning means that an organization is ready to offer courses beyond members and internal training, through external distribution channels.

A distribution channel, simply defined, is a way to move courses (often in bulk) to new, target audiences that could benefit from the organization's content. Channels are comprised of affiliates, partners, chapters, distributors and resellers, for example.

**THE EXTENDED ENTERPRISE
DELIVERS TRAINING TO...ENABLE
DEEPER CUSTOMER ENGAGEMENT,
GENERATE ADDITIONAL REVENUE,
AND MAXIMIZE VALUE FROM
PRODUCTS AND SERVICES.**

Forrester Research, Inc.

There are THREE key components to a fully realized extended enterprise for eLearning:

- 1** Identify and develop distribution channels that are ready and willing to resell your organization's content
- 2** Use technology to distribute and easily manage course sales
- 3** Leverage business support services, including marketing, sales, financial services and reporting, customer support and project management

THE 3Rs OF EXTENDED ENTERPRISE LEARNING

Building an eLearning extended enterprise is not a side project or flavor of the month tactic. It should be part of an organization's strategic goal to leverage its content and intellectual property and turn its LMS into a significant revenue-generating business. This decision to build an extended enterprise requires vision, buy-in from top leaders and a commitment of time, energy and resources. Without buy-in and follow-through from the C-suite, the extended enterprise – no matter how well-executed – is likely to fail.

The organization can think of the extended enterprise's benefits in three areas: reach, revenue and reputation. The extended enterprise leverages an organization's valuable educational content, hooks in distribution technology to resell courses housed in an LMS across multi-channels, and utilizes a focused sales and marketing strategy to extend the reach, revenue and reputation of the organization.



REACH

The eLearning extended enterprise opens the door for the organization to reach new learners, and as a result, build brand awareness with new audiences. By utilizing distributors or resellers to sell courses, the organization's brand exposure skyrockets.



REVENUE

The eLearning extended enterprise generates additional direct revenue by reselling existing courses and programs beyond current members or learners. Moreover, it turns the LMS from a cost center into a revenue-generating investment.

By utilizing distribution technology and channels, an organization can move beyond one-step sales to a two-step distribution approach that moves course inventory and supports bulk sales.

An extended enterprise with business intelligence also impacts revenue by allowing an organization to collect data analytics on the learner

experience, course sales and use data. These data help identify ways to improve training, enhance courses and/or create new content – all leading to additional revenue.

Finally, the extended enterprise serves as a crucial business diversification strategy. A profitable eLearning business line provides greater stability for the overall organization and permits organizations to weather business ebbs and flows that naturally occur.



REPUTATION

As an organization builds a strong course distribution network, it is also creating a way to share its mission, values and brand in the marketplace through its reseller network, boosting its overall reputation. And, since courses represent the organization's intellectual property, an extended enterprise establishes and strengthens the organization's position as a thought leader with target audiences. These audiences may include donors and sponsors for associations, as well as customers, prospects and suppliers for all types of businesses.

BUILDING A SUCCESSFUL EXTENDED ENTERPRISE

Just as with an LMS, a successful extended enterprise requires more than technology to grow a thriving business. It needs the right combination of valuable content and channel marketing – as well as distribution technology.

IDENTIFY THE DISTRIBUTION CHANNEL

While eLearning programs generally began as internal training programs or member-focused

37%

*of organizations consider developing training for external audiences a learning priority, and 15 percent consider it to be **critical to their business.***

BRANDON HALL GROUP'S 2015
HCM OUTLOOK SURVEY

educational benefits, many organizations have potential non-member learners who would be eager to consume a course. A skilled marketing and channel expert can help identify this network of potential learners/purchasers. Once identified, the organization can reach these learners through partners, chapters, associations or other resellers that would benefit from offering additional courses to their networks.

Selling a course portfolio via a multi-channel distribution network will be different for every organization. Each effort requires an analysis of the marketplace and the identification of the right audiences for the organization and its eLearning content.

DEVELOP AND COMMUNICATE AN ADOPTION MODEL

The first step is to develop the business case and model to incentivize distribution partners. For distributors, they receive a ready-made, high-quality course that is available for sale immediately. They are then incentivized with a return on the resale of an organization's course.

29%

*Said their eLearning courses
increased their position
as a top-of-mind provider in
their market niche.*

DIGITALWITS – AUGUST 2014 SURVEY

The next step is to support the marketing of the course. Distribution partners should be able to leverage existing marketing materials and assets to make their investment and startup time shorter. Marketing materials may include printed collateral, email marketing, web content and even vanity URLs. Co-branded tools can help extend the relationship between the organization and its

partners, enhancing the brand for all parties.

TECHNOLOGY GEARED TOWARDS EASY DISTRIBUTION

Technology for the eLearning extended enterprise should expedite distribution, helping an organization move course inventory through partners and distributors seamlessly and easily.

Powerful reporting and analytic tools should allow the organization to track course distribution in real time, and provide insight on which markets are using what content in what ways. This feedback mechanism should give an organization information that allows for continual modification and improvement of eLearning content – and the ability to assess the health of its business.

DON'T GO IT ALONE

Some organizations try to implement an eLearning extended enterprise on their own, but most organizations find it more productive and strategic – and far less expensive – to work with a consultant or partner that has experience in building an extended enterprise for their eLearning.

An experienced consultant or partner can guide the organization through the critical steps of identifying a distribution network, approaching resellers and providing crucial marketing support. Many consultants offer a way to minimize startup costs until revenue generation kicks in, making the process a smoother, less stressful and productive experience.



CONCLUSION

The eLearning extended enterprise leverages an organization's valuable asset – its educational content – and makes sure it is not trapped in the LMS. While eLearning programs generally begin as internal training programs or member-focused educational benefits, visionary organizations now realize that they can market their eLearning courses beyond membership and outside the four walls of their organization. When the extended enterprise begins with a strategic business decision driven from the top, and develops with a strong distribution network, adoption model, technology and experienced partner, the results can significantly impact an organization's reach, revenue and reputation.

ABOUT SCITENT

We help associations, nonprofits, healthcare organizations and for-profit organizations build successful eLearning businesses that can reach wide audiences and generate solid revenue for ongoing success. Organizations can tap into our in-house experts in instructional design/courseware development, distribution and LMS technology and services, marketing, eCommerce and customer support to help them dream, design, deliver and distribute their eLearning.

OUR SERVICES

- Business and Consulting Services
- Strategic eLearning Growth Plan
- Instructional Design/Courseware Development
- eLearning Sales and Marketing
- eLearning Customer Support
- Custom Software Development
- Hosting
- Finance and Accounting Support

TECHNOLOGY

- PROPEL™ Enterprise + Distribute, Scitent's distribution technology and services that drive your business into new markets — comes with a built-in learning management system (LMS) or integrates with your existing LMS.
- SmartLink API
- Integrations (SSO, AMS, Salesforce...)
- eCommerce Module
- Online Key Manager for effective course access and distribution
- eLearning Strategies and Tools

