



LMS Reality Check

Are you Talent Management Ready?

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Sponsored by: NetDimensions

Abstract: Many Human Resource departments within organizations, large and small, are redefining their roles. New concepts such as “creating a learning culture”, performance support, and talent management are emerging. As these concepts surface, each organization needs to assess its own culture and stage within the embryonic growth cycle and determine what technological needs best support them now and moving forward.

With the smorgasbord of choices available it can be a daunting task to filter out what is really needed and what is simply trendy functionality that you believe your organization will utilize in the future. Creating a roadmap for your business to follow will assist you in purchasing technology that is a correct fit and will truly support the learning culture within your company.

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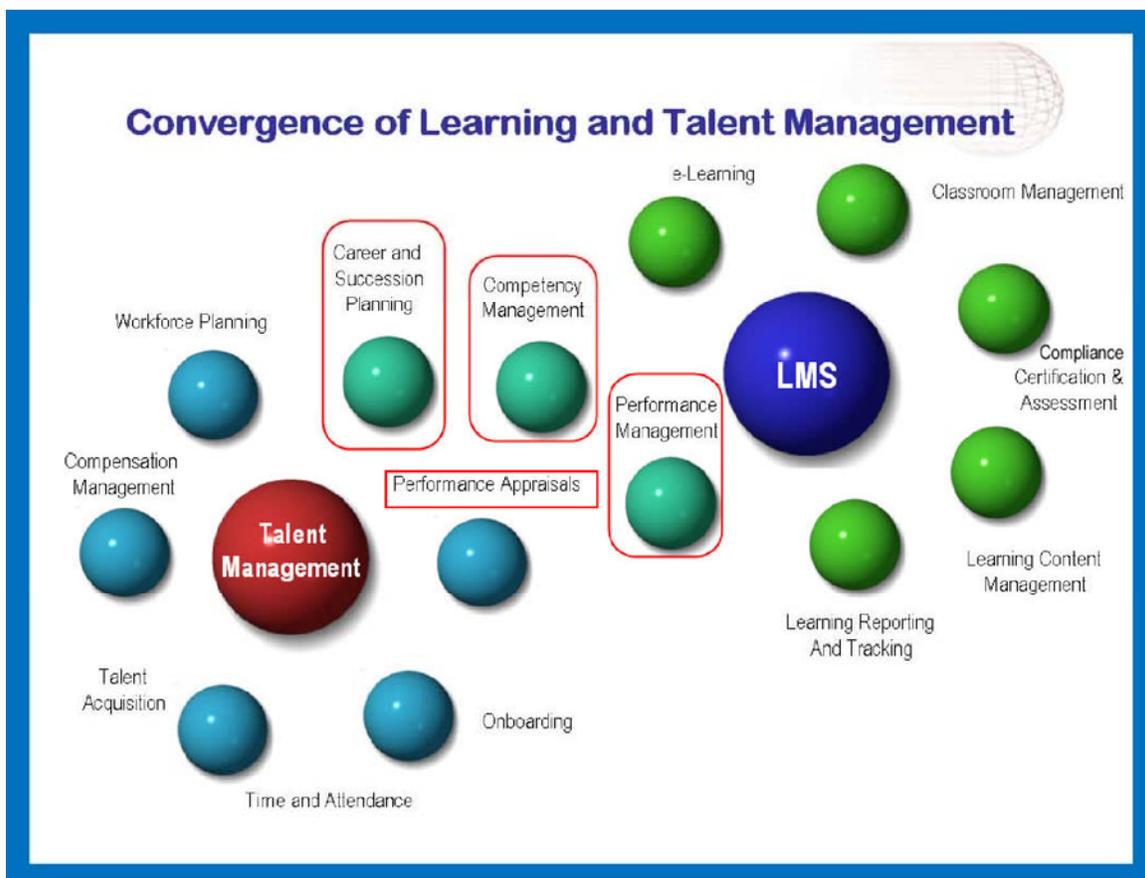
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Welcome

The evolution of the learning management system has produced a mix of very sophisticated, highly customized, feature rich applications, some of which have functionality unrelated to learning. Vendors have taken the varied needs of many and tried to create "one". By doing this they venture into a new and untested charter; talent management. The question begs an answer; are learning and talent management meant to co-exist in one application or should they compliment one another in separate but equal systems.

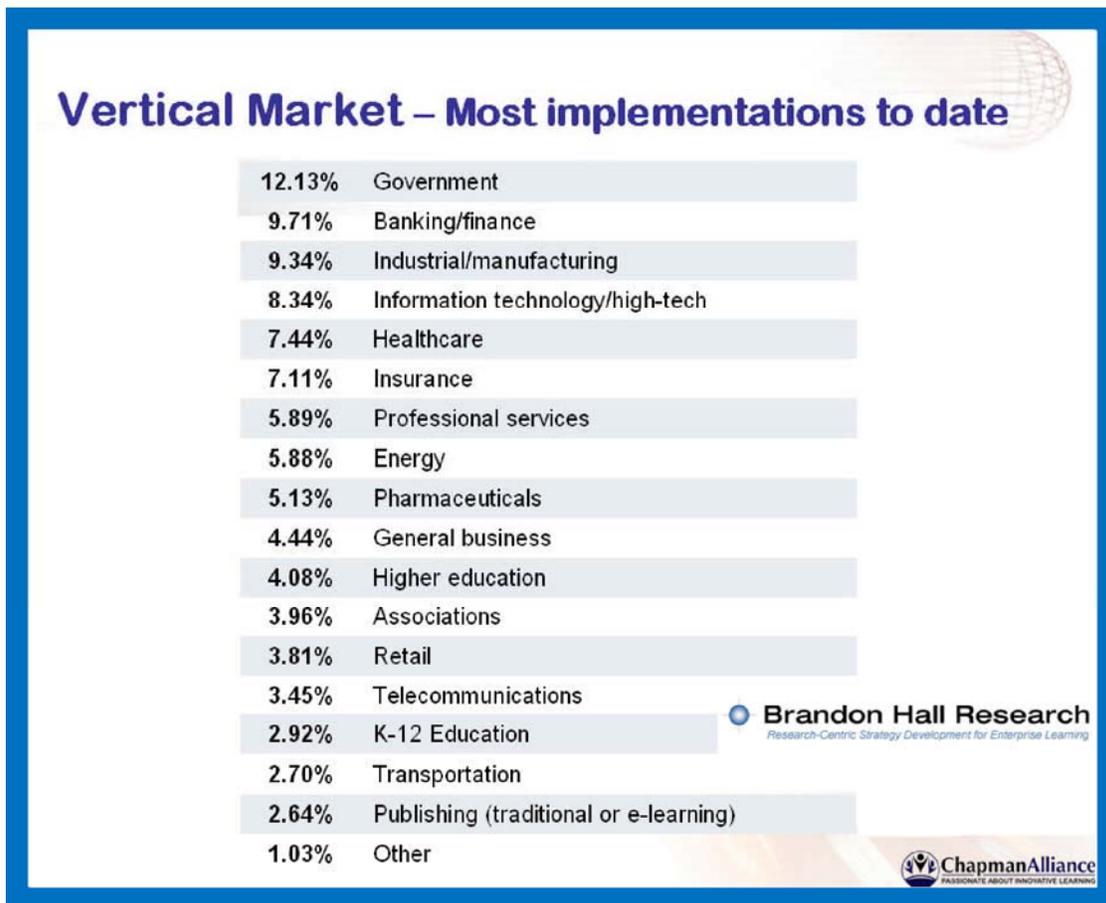
For a moment, let's explore the evolution of learning and talent management systems. From there we can focus our efforts on how organizations can evolve to adopt a more holistic approach to learning and talent with technology used to support that structure, as opposed to being the driving force for integration.

Within systems on the market, there are three functional areas that most often cross the Learning Management – Talent Management divide. They are Succession Planning, along with Competency and Performance Management.



There are roughly 50 large scale talent management systems on the market. In addition there are approximately 15 more that provide limited talent management functionality. Out of those approximately 20 have fully integrated functionality for both learning and other human resource applications.

As your strategy for learning develops and you explore the variety of systems on the market it only makes sense to explore what companies are saying is their primary “driver” for purchasing a learning management system? The E-learning Guild’s most recent 360 report indicates that these highly regulated organizations are the most likely to purchase an LMS.



Among those who purchase, compliance issues have been a major consideration in the purchasing decision. The ability to track successful completion of compliance and certification courses and their associated versions is a key business objective for these organizations. Thus, LMS suppliers originally built to their rigid standards to satisfy that need.

Stick to the basics

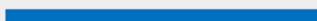


Industry specific solutions continue to be needed to meet those demands. Learning management suppliers that address that need capture a significant share of the market. Their products tend to be allergic to things that glitter and that are sold on hype. They focus on marketplace demands. Their priority is in depth functionality that supports the record keeping of compliance and certification courses.

Along with the need to address compliance, a new trend is emerging. With the expansion of talent management solutions in to the learning space, the question is circulating around whether these systems need to converge or develop a best of breed approach where data is shared but functionality remains siloed. Technology aside, should HR groups grow organically, separate from training or should they come to a meeting of the minds?

The convergence of these technology systems made it increasingly difficult for vendors to build the “one size fits all” solution. Rather than focus on basic features that all customers need, they built a basic system and allowed the customer to customize the application to meet their needs. This model, on the surface, seemed very workable. It allowed the customer to purchase needed functionality and the vendor to sell their products to a more diverse market.

Current industry buying trends demonstrate a move away from that model. We see organizations who bought systems that required customization three to four years ago, purchasing again. A survey conducted by the Chapman Alliance in October of 2007 reveals that approximately 42% of the respondents who have purchased an LMS since 2000 had switched to another LMS since that time.

3. Why did you switch? (You can select multiple answers)		Response %
Current version too costly		21.2%
Needed more functionality		50.0%
Customer service issues with vendor		25.0%
Company merged (we didn't switch, stayed with merged company)		7.7%
Company merged (we moved on to a new vendor)		7.7%
Company went out of business		0.0%
Moved to an open source application		7.7%
Other		38.5%

A majority of the respondents in the "Other" category indicated they wanted an LMS that was simpler to manage. Most of the respondents in the "Too costly" category were looking for a less customized system to reduce cost. This indicated that repeat buyers are moving away from highly customized applications. They are costly to maintain and upgrade. This creates a dilemma for vendors whose business models support service intense contracts. The primary revenue stream came from customers who purchased additional services to customize the system, services that generally exceed the licensing costs. Quite often vendors will give away the licenses or software to compensate for the service charges they collected.

From a vendor's perspective, it is not a seamless or inexpensive path to keep many customers with different applications upgraded. Each one must be managed as an individual application. There needs to be a streamlined process for vendors to provide systems that meet their customers' unique needs and a mechanism built for companies to purchase an application that aligns with their business objectives.

To create a solution where "no customer is left behind" in the upgrade process providers are beginning to rely on systems that are configurable. A feature rich application can be created for all customers. Each customer is then able to select from a smorgasbord of functionality and in essence create their own version of the application. When upgrades and fixes are desired or required, they become a part of the base product and available to all customers who can then pick and choose if they want the added attribute. Winners will optimize for client configuration, and that typically takes 1/5 the time to implement and costs 1/10 the price.

Distinguishing Attributes within the LMS Industry

Despite the attractive configuration model provided by many vendors there will always be a need for some minor customizations. How can vendors best support those customizations and develop a system that is easy to use and cost effective to maintain? What tools are available those allow end users to make simple adjustments to their system?

NetDimensions offers clients a Customization Toolkit Kit (version) that makes 80% of the code available. Only a percentage of their clients actually take advantage of larger percentage prefers either NetDimensions or their the customizations. The Toolkit is available to their at no cost but clients have to purchase it. With the clients can create their own pages or front page. The manipulation of data for the Portal Toolkit is easy since it only requires an understanding of HTML and Java whereas the Customization Toolkit requires programming. In addition, there are connectors for single sign-on, skins and CSS (cascading style sheets).



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International solutions that not only address the language component but are designed to bridge cultural gaps are emerging on the horizon. As more organizations go global, the need for one solution to manage varied business learning models becomes paramount. How does one system meet the demands of multiple languages and various configurations? (NetDimensions, outline your process here?)

The **level of security** to house, transfer and protect confidential employee indicative and HR data is a concern in a world where identity theft is one of the most common crimes committed. Customers are looking for systems who processes are secure and meet the rigid demands of customers who store and transfer sensitive data. (NetDimensions, outline your process here?)

Analytics

Learning departments focus their efforts on ensuring that those they train acquire and use the skills secured. Leadership however has a totally different view on learning. They are focused on the business outcomes associated with improved performance. Business data can ensure that learning professionals are provided the necessary feedback required to develop learning solutions that drive performance.



Reporting is a primary feature that motivates the purchase of most systems. The data in the system is only valuable if extracted from the system. To accomplish this talent management systems come with an engine to run analytics. Analytics systems are typically complex to use and custom reports need to be tailored to the needs of the organization, furthering the complexity. Everyone needs the work horse reports but simply pasting wings on the horse doesn't make it fly. The added reporting features tend to feed the complexity issue

Datafeeds from the LMS typically don't support integration with talent management systems. At their core, they don't speak each other's language, thus communication between the two is weak. The use of API's to connect data between applications has proven a good alternative. With a best of breed approach customers can have the best of all functionality and still integrate the data.

Support for blended learning

Blended learning is not about delivery methods as much as it is a model for performance support.

A rising trend in the use of LMS technology is the ability to track **On the Job training**. It is proving to be a valued educational method and organizations want to formalize this once undocumented learning experience and capture the results.

A recent Yankee Group study indicates a rise of approximately 30% in the tracking of OTJ training initiatives.

Case Studies

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McDonald's Corp.: Taking Knowledge From the Classroom to the Job Through Apprenticeship (Edited)

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According to a recent META Group report, almost 80 percent of IT organizations said that a lack of enterprise project management capabilities was a key issue for their workforce. For IT managers and chief information officers facing this issue, ensuring that the workforce is skilled and knowledgeable is an imperative. For McDonald's Corp., where IT project management represents a critical business function contributing to competitive advantage, classroom education is the first step in the learning process for project managers. But now through a workforce development grant from the Department of Labor, the Computing Technology Industry Association (CompTIA) is collaborating with McDonald's on an apprenticeship program that will help project managers take their classroom learning and apply it to their daily work, while reinforcing best practices in IT project management.

"Of course, when most people, me included, think about apprentices, you think, 'Well, we don't really have plumbers and carpenters here, so how do we do that?'" explained Rowland. Working with the Department of Labor and CompTIA, Rowland has innovated on the program to fit McDonald's needs. She added, "It's a great balance between the classroom education and on-the-job improvement because anybody who's really serious about learning in a business environment knows that most learning occurs on the job. ... Rowland hopes to be able to expand the apprenticeship program into additional groups and adds that eventually the current apprentices might become mentors of future apprentices. "I'm hoping that it has this sort of momentum, and that it's a self-perpetuating process," she said.

Several learning methods need to be tracked in this experience

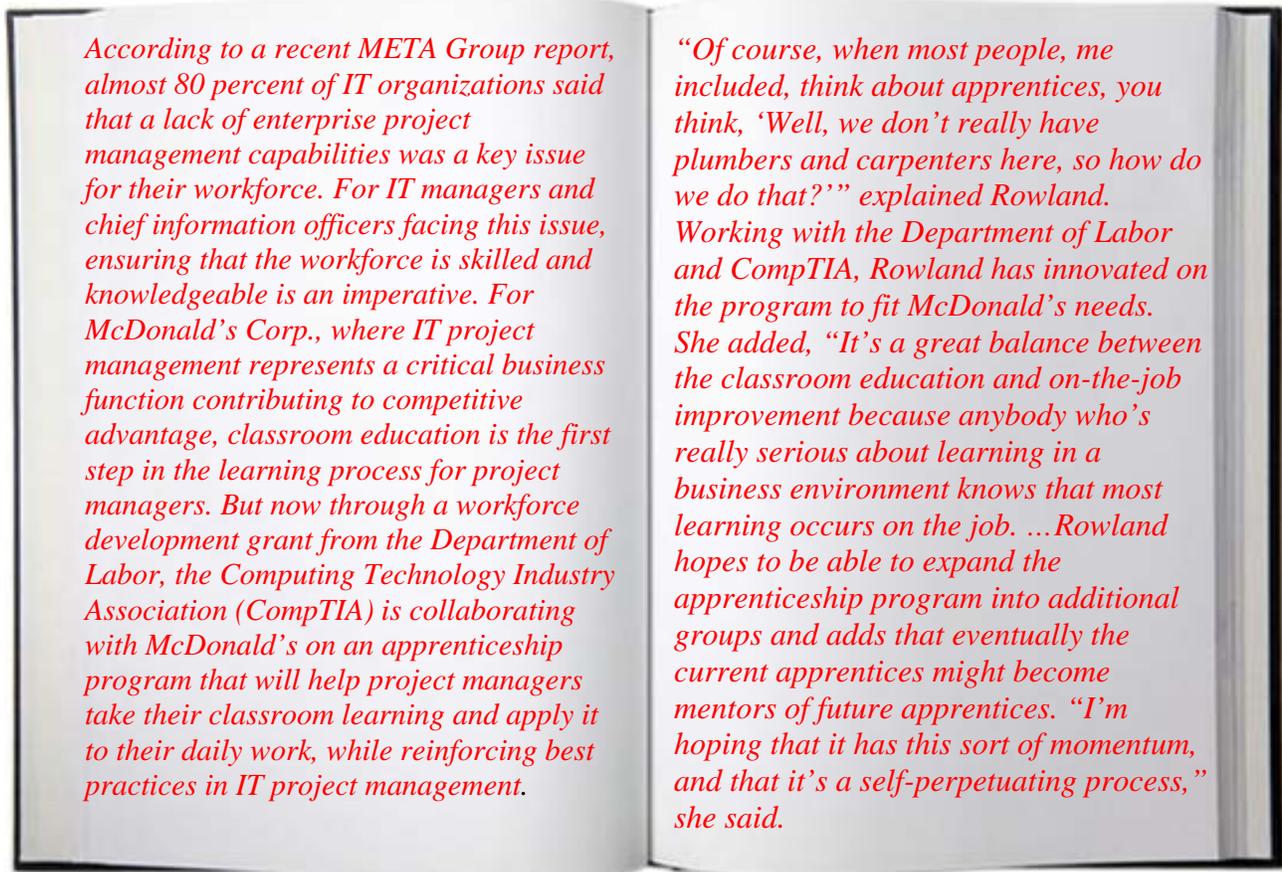
1. OTJ Training program with structured learning paths
2. Performance Support Resources
3. Mentors



In the following example, Hunter Douglas outlines how they integrated performance support in to everything they do.

Published

Hunter Douglas (replace existing text with the appropriate text)



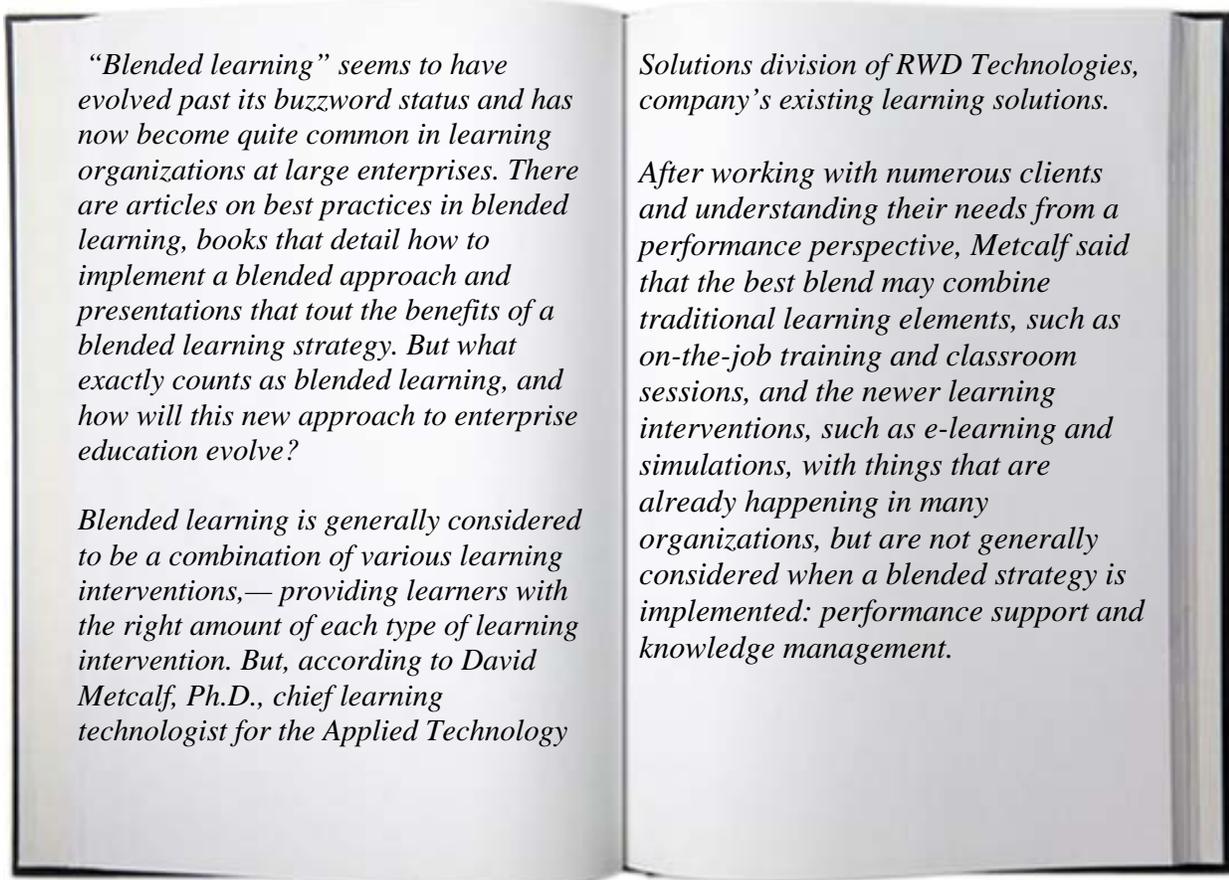
There are several schools of thought surrounding performance support. Is it as simple as providing the right resource at the right time or providing users sophisticated search technology to locate resources. Others take it to a new level and want to provide proactive help from mentors in conjunction with a library of resources. The biggest question that plagues companies is "who owns performance support". Is it a training issue and the resources disseminated through learning channels or does the "Help" and "User Documentation" department own it? Depending on the types of resources (IT related, call center information and tips, process documentation, etc.) there is no clear answer to that question.

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Next-Generation Blended Learning Solutions

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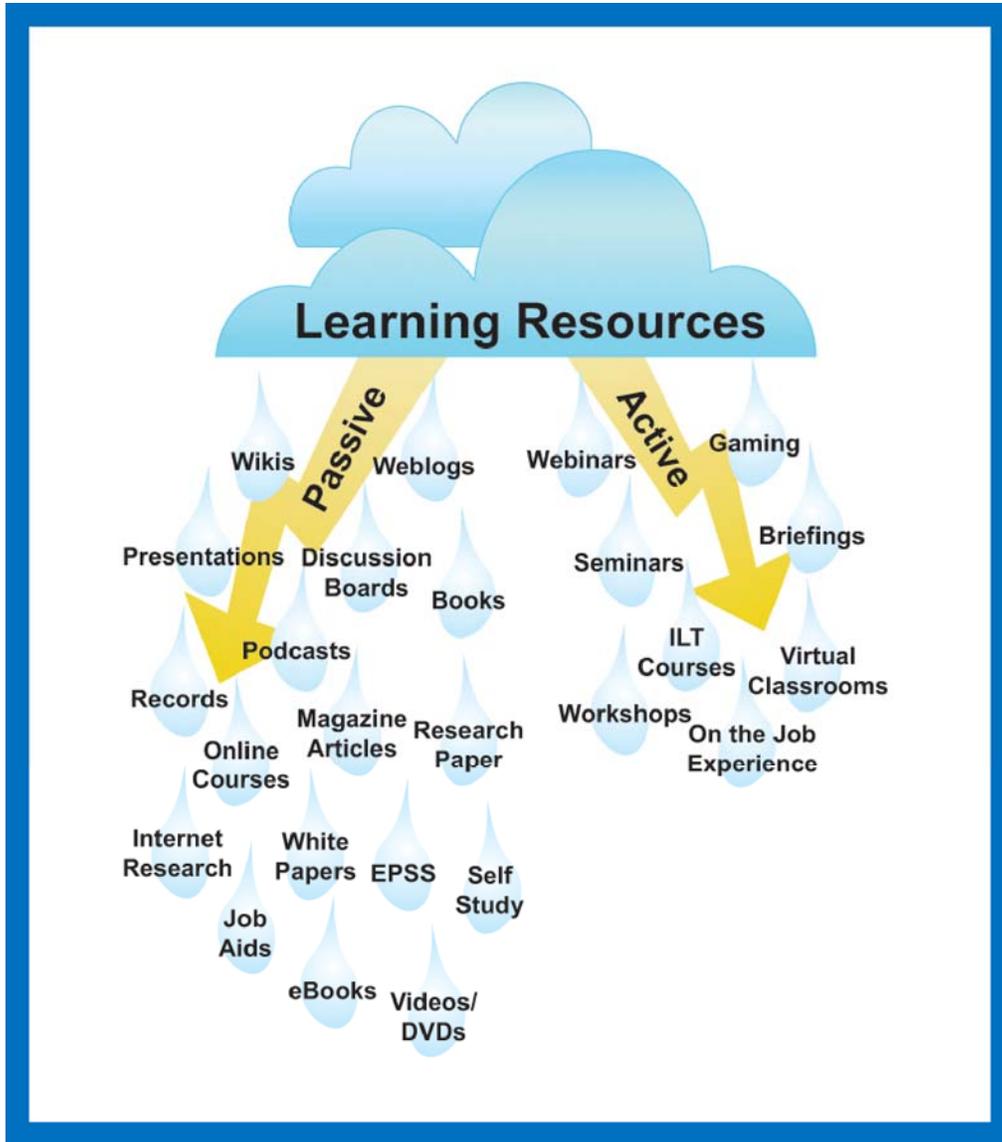
“Blended learning” seems to have evolved past its buzzword status and has now become quite common in learning organizations at large enterprises. There are articles on best practices in blended learning, books that detail how to implement a blended approach and presentations that tout the benefits of a blended learning strategy. But what exactly counts as blended learning, and how will this new approach to enterprise education evolve?

Blended learning is generally considered to be a combination of various learning interventions,— providing learners with the right amount of each type of learning intervention. But, according to David Metcalf, Ph.D., chief learning technologist for the Applied Technology

Solutions division of RWD Technologies, company’s existing learning solutions.

After working with numerous clients and understanding their needs from a performance perspective, Metcalf said that the best blend may combine traditional learning elements, such as on-the-job training and classroom sessions, and the newer learning interventions, such as e-learning and simulations, with things that are already happening in many organizations, but are not generally considered when a blended strategy is implemented: performance support and knowledge management.

As you can see from the diagram below there are a myriad of resources available for learners. Organizing and tracking these resources is becoming a primary function of most learning management systems. Easy access for users is critical to making the experience successful. Accurate tracking that those resources have been accessed and utilized is a challenge that NetDimensions is addressing by: **(NetDimensions, outline your process here?)**



Talent Management vs. LMS



Here is where the lines between learning and talent management start to blur. Which technology solution is designed for what and similar to the question of "who owns performance support"; are the questions "who owns competency management" and whose versions of competencies are going to be used? Should the systems be integrated and all utilize the same version of the competencies or should the applications themselves be separate and use their own flavor of a core set of competencies. It is challenging to make applications work in unison when most large organizations are not yet ready to mesh the departments that use those

applications. Other than sharing some common competency models, LMS functionality is divergently different from Talent Management applications. The possibility of sharing data is realistic, but it is not reasonable to expect cross functionality at this point in time. The primary driver for purchase of any of the systems is still inherently different. Although some similarities exist, and need to be converged, they can typically be united with simple data feed transfers. Learning companies who want to survive in this evolving market need to remember why people purchase an LMS in the first place; tracking learning events. The added glitter sparkles but is rarely used.

Learning plays a significant role in talent management but is not part of talent management. Learning helps develop talent which is valued as an asset. That asset takes on more and more value as the talent increases in knowledge, skills and abilities. You can purchase talent through recruiting efforts or you can develop talent with learning experiences. "The Labor Department estimates as much as 70 percent of what a worker knows about successfully performing a job comes from direct experience gained from doing the job itself." ("Learning's Role in Talent Management", Echols, Michael E. PhD, Chief Learning Officer, October 2007) Thus, the better an organization trains, documents, tracks and manages competencies and talent, the more likely their assets are to increase in value.

Competency Management Issue

Competencies, competencies, competencies. Who uses them? Why use them and whose definition do we use? Performance systems use them to measure how an employee measures against KSA's (Knowledge, Skills and Attitudes) Succession Planning uses them to define gaps that exist in employees for future jobs and traditionally establishes a career ladder for senior members to bridge those gaps. Compensation and Benefit tools use them to determine an individual's financial value to the company. An LMS's core competency lies in knowledge support. Learning paths can drive job defined competencies to what knowledge skills and abilities are required to perform that job. They link learning resources and courses to defined curriculums enable employees to either learn their job or improve their performance. This provides a clear path anyone in the organization can follow to climb their own ladder of success. This learning path can be defined during the Performance Review cycle to instill confidence that they are being given the opportunity to grow and develop, just like all members of the organization.

So where do the competency lines merge or connection. Traditionally, organizations have separate and most at this point in time are toward an integrated approach. A concern is moving that direction help create a more cohesive approach to developing talent. Rather than take a huge leap into the unknown, prudence would suggest that an organization mature at its natural rate and allow the technology to follow suit, supporting that growth rather than initiating it.



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For example, in the past employee evaluations had little to do with learning. It only makes sense that when a manager sits down to discuss performance and development, that the same application that manages the performance review process would include a link to the training resources that can

help the employee bridge that gap. Right now, many systems are not programmatically linked. You record those activities in two separate systems. This begs the question; is your organization ready for integrated functionality? The question on the table at this point in time would be: is it part of your normal process to have training discussions during the performance review cycle or is that something you would like to do in the future? The answer to that question is pivotal in determining your technology needs.

As you explore this question take the time to carefully evaluate your current processes. Map the areas where competencies link between systems. Determine if each system needs its own defined competencies or if you can have one set and use derivatives for each tool. From there you are ready to develop a plan for growth and maturity.

Where do the natural links occur?



Where are you today?

There is a natural connection between Human Resources and learning. HR has a listing for every learner. Systems typically have the ability to batch enroll learners from that listing. There may be some competency listings in HR that will define the learning that each job role requires. Depending on their role, learning can be prescribed for them. Human Resource departments manage the performance evaluation process. During this meeting goals can be set and learning recommended achieving those goals. Do these connections currently exist in your process today? Do you need technology to support those processes or is that a future objective?

Moving up to the Next Level

It seems appropriate that the competencies used in Performance can and should be enhanced with those used in Learning. Skill and competency gaps can be identified and a path for employee growth and development defined.

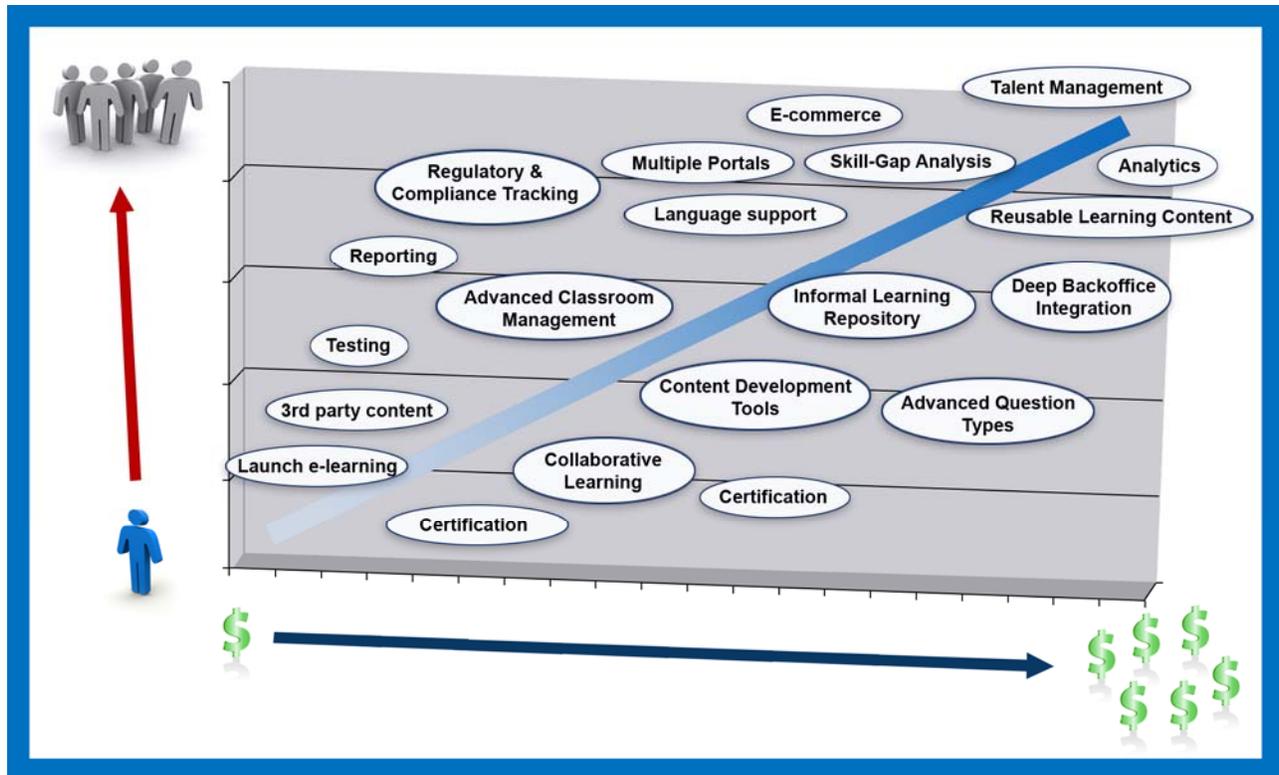
Create a very strong learning, development and performance on defined competencies and evaluation of 360 assessments. career advancement or performance support is a key driver in organization. You may find both to be important but which is primary driver. Assess how competencies in your organization How those competency gaps are currently measured and filled?



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are identified.

What is your current budget for technology solutions? Define your "critical needs list" and prioritize what those needs are today versus you future needs. To ensure your organization acquires the necessary functionality in addition to features that will make the job simpler, while staying within budget it is imperative that a strategy to locate the right system be put in place. The chart below

delineates what attributes tend to drive the cost of technology up. At what break point are you selecting a system that does not support your current business model and costing you unnecessary funds?



Rather than selecting a vendor based on what their system can perform functionally, seek out vendors who want to truly partner with you to develop a process which technology can support, not drive your strategy. Take the time to define your process and then allow potential vendors to propose configurable solutions. Have them share their vision for the future and have them develop a plan to meet your business needs – not your technical needs.

Moving on



Once you have a business and financial strategy in place for next three years you can start looking to the future. Taking those same competencies and mapping them to the Succession Planning process is not currently a “natural fit”. Those competencies lend themselves to future positions within the company. It is best at this point in time to let them mature in their current environment and create links when your organization is ready. It’s more about ‘promotions’ than “development”.

When your organization is ready to implement Succession Planning, work with tools that can help you extract the information from your performance and learning systems to populate that system.

With the tools available on the market today it is relatively simple to merge performance and learning. Moving on to succession planning will require a programmatic approach to integration, whether with a holistic application or a best of breed approach.

Key to Success

The key element to any successfully technology solution is to immerse yourself in the business drivers that bring your company profitability and success. From there take those drivers and research technology solutions that will facilitate that process. **Make the needs of your organization drive the purchase of technology.** This concept alone will ensure that you will have a system that can meet budgetary constraints and provides functionality to drive performance issues in your organization.



Where do you start today?

What if you could:

- Cut compliance issues today by 5%
- Reduce attrition with onboarding by 10%
- Increase customer satisfaction by 5%

What would that mean to your company? These very simple concepts can make a significant impact to your organization. To accomplish this, very basic systems can meet your needs. This keeps costs down, provides a system that is easy to learn and maintain and most important will provide the analytics you need to justify future growth with the Executive Committee.

To begin;

1. Define your business objectives that technology can support
2. What basic technology functionality will meet those goals
3. Define the competencies to be used
4. Determine where those competencies can best be utilized
5. Locate a partner that shares the vision you have for the future and can meet your current needs.

This simple process can eliminate the daunting task of purchasing technology and will ensure that the system will meet your needs now and well in to the future. **Keep it Simple!**

About the Author

Cheryl Johnson is a Performance Solutions Specialist with RWL Tech, Inc. with 10 years experience in learning, development and performance. She is recognized in the industry for success in building innovative learning programs and wide-scale learning initiatives, introducing learning technology and pragmatic learning strategies into many organizations, large and small. Her unique value is the ability to identify needs, address gaps and develop long term strategies to influence positive change. The key to her effectiveness is her true passion for learning, strategic thinking patterns, and the desire to facilitate self discovery.

Cheryl is engaged in a number of cutting-edge learning projects such as designing and developing virtual world training environments, using an artificial intelligence engine to provide individualized, custom training solutions. She was also a pioneer in working with patented, interactive voice recognition technology long before online learning was considered mainstream.

She firmly believes that setting goals, learning, and creativity are essential ingredients to personal empowerment, growth, and ultimately success.

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