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MEMORANDUM

To: Dr. Arthur Scott, *Head of Program Development*, XYZ Community College
From: Lealan Zaccone, E-learning Consultant for Business & Training Resources
Subject: Strategic Business Planning for Adding New Online Training Programs
cc: Dr. Eugene Rubin, *Director of OMDE Program*, UMUC

INTRODUCTION

In the workplace, the demand for skills training has never been greater, and with the rise of economic and technical changes, there is a growing need for online training. As a result, many community colleges are adding e-learning programs to enhance workforce development training. As your consultant, it is my job to help you analyze making this business decision and advise you in several areas of strategic planning: the purpose, method, measurement, support strategies, and marketing. This report reviews several key issues within each area and provides a set of criteria to follow when preparing a business plan.

ANALYSIS

A Case for E-learning: Benefits and Opportunities

According to a Benchmarking Study of Best Practices, in 2005 e-learning will be the single most-used application on the Web and organizations around the world are currently witnessing the benefits. In one year, “IBM reported savings of nearly \$200 million as a result of implementing an elearning strategy and corporate investments in elearning are expected to grow from \$2.1 billion last year to \$33.4 billion by 2005” (CFO, 2002, para. 5). 60% of companies are expected to deploy e-learning systems to achieve cost benefits and productivity improvements and “nearly 69 % of the organizations are turning to outside partners to deliver their training needs. There is a strong growth in the higher-education segment as a catalyst for further gains in the corporate e-learning arena” (ASTD Trends Report, 2002, p. 39) Other benefits of adding e-learning include: 1.) no travel costs, 2.) reduced time out of workplace, 3.) instructors not held by geographical boundaries, 4.) reduction of internal training costs and 5.) anytime, anywhere access for busy corporate customers and/or workers (Horton, 2001).

I. The Purpose: Why Develop a Strategic Plan?

Strategic Planning: Optimizing Success

The benefits, as listed above, may motivate you toward making a business decision to include elearning as part of your workforce development training, but this will not happen without thoughtful planning and analysis. Planning helps your organization look at your training initiative in an objective and critical manner and serves as an operational tool to define your present status as well as future possibilities. A strategic plan will act as a communication tool which will help you justify the resources needed to enhance the success of your online training initiative.

II. The Method: Strategic Planning

Formulating Your Business Strategy

Building a strategic plan is important for your e-learning operation to be profitable. You must have a clear understanding of the customers you want to target, your strengths & weaknesses, potential competition, what you want to accomplish and a willingness to articulate your plan to your stakeholders. Your business strategy should highlight an understanding of: (1) your business readiness; (2) the changing nature of learning and e-learning; (3) value of instructional and information design; (4) changes management; (5) reinventing the training organization; (6) the e-learning industry; and (7) your personal commitment” (Rosenberg, 2001, p. 1).

Steps in the Planning Process

Online training is a way to revitalize and innovate your existing training programs and the training imperative should be tied to your organization’s needs, mission, vision, and goals. The first step is to fully analyze your current situation as it pertains to the ability to launch and sustain e-learning (Rosenberg, 2001, p.292). A starting point would be to review the recent history and current culture of your organization and then determine your needs by listing your current strengths (programs, trainers, financial, marketing, etc) as well as weaknesses of what works or doesn’t work. “High quality assessment provides the data required for identifying training needs, markets to be served, industry trends, competitive advantage, solution planning, cost-benefit information, system design, system use and expansion (Chute, Thompson, & Hancock, 1999, p. 72). It also helps ensure that the initiative reflects the culture of your organization and aligns with your key business goals. Your training plan “should be concrete, with a detailed vision statement, goals identified for action over the next three to five years (adjusted and revised whenever necessary), action steps or implementation strategies, and measurable or easily recognizable ‘deliverables’ or outcomes, all clearly specified (Bates, 2000, p. 56). The chart below illustrates a list of criteria to follow in the planning process.

XYZ COMMUNITY COLLEGE PLANNING PROCESS

Step 1: Analyze- Understand situation:

Perform Strategic Analysis: In this step everything is under analysis: current training status, business & enrollment trends, market trends, marketing activities, revenue, expenses and profitability data; program development, investments; competition, assets and so forth.

SWOT Analysis: Identify and prioritize your top issues, opportunities, threats, trends, weaknesses outlined in a SWOT analysis to devise strategies.

To review reports and strategic plans of other community colleges, go to:

<http://www.mcli.dist.maricopa.edu/ocotillo/technoplan>.

Step 2: Create- Generate Idea:

Visualize possible strategies to each insights found in Step 1

Understand market and industry trends to reveal the potential for new or expanded markets

Step 3: Judge: Select Best Options

Develop strategic selection criteria (potential revenue, return on investment, risk, strategic fit, timing, etc) and apply them to your concepts and options.

Information adapted from Bates, 2000 p. 46

Step 4: Plan: Develop Tradition Elements of Strategic Plan

Mission: the purpose of your plan in a single sentence reflecting a customer referenced business and why it exists.

Environmental scan & demographic analysis: a review of the characteristics of the people who live and work in your service area; demographic factors to consider include educational levels, occupations, ages, and household income, as well as consumer access to technology; analysis review of local and national demographic information, economic information, and company/industry analysis.

Vision: A concrete description of what it would look like to fully achieve what you would really like to do

Objectives-goals: What are you trying to achieve, in observable terms, over the next three to five years.

Strategies: Actions to achieve your goals which serve as an implementation plan.

Monitoring: Ways of measuring achievements & adjusting strategies to keep on track for implementing goals.

III. The Measurement: Monitoring The Business Benefit

The genuine value of a strategic plan is manifest in evaluation. Evaluation measures success. Therefore, it is important for your organization to determine what constitutes success. (Herzel, 2003). A good way to do this is to base your efforts on four major criteria: cost, quality, service, and speed. “Blend measures of learning success (enrollment growth, retention, customer satisfaction, service response time, etc) with measures of business success (net income, revenue growth, cost quality, profitability) and align them specifically with your strategy, by detailing at least one specific metric in each area and then linking that metric directly to stated business goal” (Rosenberg, 2001, p. 301). This will help you justify your case for e-learning as well as monitor and report results.

IV. The Support Strategies: Implementing a Plan of Action

Institutional Support & Allocation of Resources

After reviewing the needs of your organization and the capabilities that e-learning has to offer, you will need to incorporate your action plan. “All of the activities that precede the actual development of strategy are fluff without action, people, and schedules, as well as other resources to give the plan legs” (Herzel, 2003, para. 12). The success of using technologies to deliver online programs depends on the extent to which your organization will manage the learning system to ensure effective utilization and reliable system performance (Bates, 2000). Strategies include:

1. *Financial Support-* Financial planning for funding and maintaining your business decision is required. “Although technologies allow for new markets and increased potential in revenue from sales, licensing and franchising of materials and courses, it also increases the human resources and expenditures needed to support it (Bates, 2000). Your organization must provide adequate funding for implementation. Costs to consider include: projected start up costs, technology selection, equipment purchases, cost of materials, license agreement with vendors, annual & ongoing operating costs, technical and facility operation (on-site option such as lab availability), marketing expenses, personnel (sales and administration), support services, materials/supplies, subject matter expert, blended training methods, and hardware and/or licensure fees (Hall, 2001).
2. *Partnership Support-* Collaboration efforts through quality partnerships can help your institution share costs. This is a growing market where “the community college provide the “brand name,” intellectual property, pedagogy, credentials and credibility, and the e-learning company offers the business and marketing expertise, technology and opportunities to profit from (Latchem and Hanna, 2001, p. 10).” Partnerships are encouraged, especially since your “community college already has the technology and infrastructure in place and is increasingly seeking out opportunities to work with small to mid –sized companies” (Rosenberg, 2001, p. 287). It is necessary, however, to effectively assess and evaluate the quality of partnerships before selecting and combining resources.
3. *Administrative Support-* Your institution will be responsible for administering and supporting the e-learning programs you deliver. Many similar institutions choose a centralized model, including a “learning management system (LMS) that manages user registrations and profiles, define roles, set curricula, chart certification paths, assign tutors, author courses, manage content, and administer internal budgets, user payments, and chargebacks” (Shafter, 2002, para 6). When choosing quality content in an e-learning vendor or LMS system, it is wise for your institution to develop a checklist or rating scale to review and evaluate key criteria such as the “reputation of the vendor and their company, resources available to you (people with the right skills to spare your

project), location and accessibility of these resources, cost range (including maintenance and upgrades), subject matter expertise, and willingness to support your organization” (Rosenberg, 2001, p. 277).

4. *Technical Support*- Whether technical support is internal or outsourced, best practices include recognizing the importance of appointing a team in charge of the information technology policy throughout your whole institution. You will need to develop and organize a “staff responsible for the technology infrastructure, academic technology policy, and administrative requirements of your system” (Bates, 2000, p. 193). This includes a team of experts who keep abreast of technological development, technicians who maintain hardware and software installations and up-date equipment, and IT professionals who provide ongoing training and support of internal staff in charge of e-learning technologies (Bates, 2000).

V. **The Marketing: Internal/ External Communication**

Marketing: Identifying Stakeholders

Moving your organization to include e-learning requires a wide range of skills, talents, knowledge and viewpoints and your organization will need to identify key stakeholder to participate in your strategy development. It’s important to start early and implement a communications plan to get others to “buy in” to your vision. This requires “input and support from a broad section of the organization (training managers, developers, instructors, administrators), your clients (students, companies, organizations, sponsors), and other stakeholders (senior managers, accreditation organizations, business partnerships, Board of Directors)” who play a role in your community (Rosenberg, 2001, p. 292). Individually address each stakeholders needs before creating marketing messages. “Each group has varying goals, success factors, and political stakes” (Hall, 2001, p. 236). It is critical to speak the business language of each group so that they understand its value

Creating a Brand Name for Online Training Programs

“In an entrepreneurial society wherein customers have many choices, all of the customers’ needs, and every aspect of each learner’s experience, must be given primary focus (Latchem & Hanna, p. 36). Your organization *must* develop an aggressive (and ongoing) marketing initiative to promote your new online training programs to new and existing markets. Today, many “companies are responding to the desire for one-stop shopping and choosing e-learning solutions that include blended learning formats with the integration of e-learning applications into existing enterprise resource management systems” (Hartley, 2001, p. 16). Therefore, to improve on your brand excellence, your organization can highlight the cost and value advantage of adding “wrap around services” to your e-learning programs.

NEXT STEP

You are most likely at a key decision point---whether or not to move forward? Adding e-learning to your existing programs is an exciting venture but there are several steps to consider before making that move. The preceding analysis highlights that with the proper planning and adequate

support strategies in place, your community college can offer e-learning programs that mandate your vision to move workforce development training into the next level of excellence.

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