

# How to increase human capital, customer loyalty, and shareholder value on Internet time

by Jay Cross, Internet Time Group

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Ask the chief executive of a public company what she wishes for, and she'll probably tell you:

- **people** who know their stuff, make sound decisions, and take pride in their work
- **customers** who consider us their partner, who turn to us for answers and help us build future
- an **investment community** that regards us as a focused, can-do enterprise with the agility to prosper over the long haul, thereby showering **our shareholders** in wealth

Twenty years ago, an executive might spend a career working to achieve any of these. Today's executive can expect to generate results in a matter of months. The Fortune 500 are using networks to boost human capital, be it knowledge in the heads of employees or the minds of customers. Just as ERP integrates an organization's transactions into a real-time system, leading companies have assembled holistic, on-demand structures for leveraging the effectiveness of their people.

These enterprise knowledge initiatives are transforming businesses, reducing cycle time, improving customer service, building enthusiastic teams, responding to constant change, and fostering innovation. By its very nature, they destroy silos and quicken the pace. It's good business.

In the past three years, people-centered enterprise technologies (shorthand = "eLearning") have evolved from pie-in-the-sky dreams to practical, productive business tools.

This paper will address:

- How major companies are reinventing themselves as e-Businesses, making mergers work, launching new products with ease, and improving management efficiency
- How customers, channel partners, and suppliers are sharing knowledge and collaborating as never before

- How companies are mitigating risk through incremental investments and choosing eLearning partners wisely

One of the principles of eLearning is that you're in charge of your own learning, not some instructor or author who doesn't know what you want to learn. Please skip around as you choose. Each section of this paper is freestanding.

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What's in it for me? For my market cap?

A Fortune 50 company used eLearning, knowledge management, and collaboration to bring new-hire sales people up to speed in six months instead of fifteen. Nine months x 1400 new hires/year x \$5 million quota = **\$5 billion incremental revenue**. To be sure, better products, sales campaigns, and a host of factors contributed to the gain but a tiny fraction of \$5 billion still yields a significant ROI.

Ten thousand consultants at a Fortune 100 technical services company earned professional certifications via eLearning. The result? Less attrition, better esprit de corps, and **\$100 million revenue/year** attributable to higher billing rates.

A software firm launches a new system into a \$250 million global market with eLearning and virtual meetings. This accelerates time-to-market by two months, gives them first-mover advantage over a major competitor, builds a more confident and enthusiastic sales force, and gets the channel up to speed at the same time as the direct sales force. Gain? **\$80 to \$100 million incremental revenue**.

A very large retailer of personal computers realizes that customers are frustrated with their products because they don't understand the software that accompanies them. The company offers customers free admission to an online learning community created by SmartForce. More than 100,000 customers sign up to learn Windows, Word, and Office apps online. Value of increased customer loyalty? Conservatively, **\$20 million in repeat business** over three years.

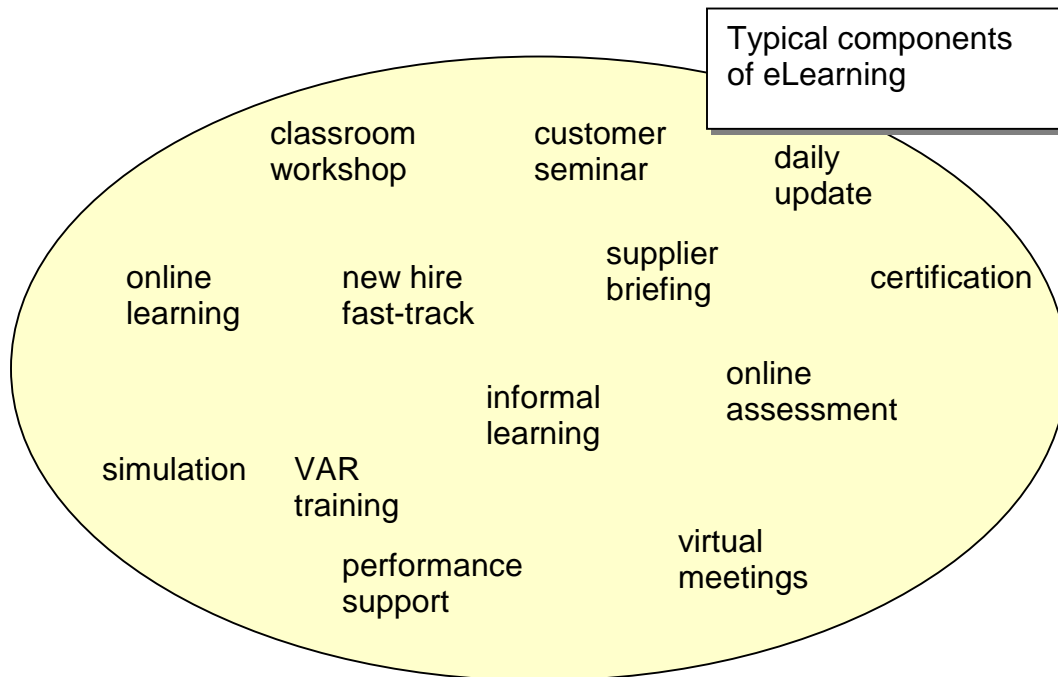
Often an e-Learning initiative pays for itself right off the bat by eliminating travel and facility costs, but that misses the point, because in comparison, upside gains dwarf cost savings.

Eliminate corporate training

Corporate training deserves the bad reputation it has with executives. For the most part, training is labor-intensive, disrupts the flow of business, relies on non-experts, and is dated, inconvenient, and dull. Most of us would pay a lot for a

smart pill that would make our employees proficient overnight without any training whatsoever.

e-Learning <sup>1</sup> is much more than computer-based instruction. (Some computer-based training is even worse than the workshops it replaces.) Better to think of eLearning as a continuous flow of diverse learning experiences. It's a system that delivers what an individual wants and needs to know. It uses personal events such as workshops and coffee-room huddles where they have impact and relies on other means to convey facts and reinforce learning through individual practice.



### Why CEOs care

eLearning is finally getting the attention of CEOs. The reason, in part, is because cool companies such as Cisco Systems, Dell Computer, KPMG, Microsoft, and Charles Schwab are doing it, and proclaiming it so loudly. It's also because e-Learning as a concept promises all the things chief executives like – efficiency, scalability, uniformity and accountability.

Most importantly, e-Learning pings CEOs' hot buttons because it can be used to educate customers and build brand loyalty, thus increasing the acceptance of e-Business and generating incremental revenue. e-Learning also can be used to educate employees and significantly change corporate culture in a matter of

<sup>1</sup> More about the definition of eLearning in the [Appendix](#).

weeks, rather than months or years – something that can be beneficial during a merger or acquisition or when introducing a new bet-the-farm product.

Clark Aldrich<sup>2</sup>

e-Learning doesn't replace training. Rather, it puts training and instruction under the same umbrella as knowledge management, collaboration, performance support, assessment, competency management, and other activities.

### Make major transformations

When I attended business school, shortly after the Stone Age, professors compared making big corporate changes to “turning around the Queen Mary.” Turn the rudder and in a few miles, the ship begins to change course. These days, organizations that lack the agility to turn on a dime are going to go about as far as the Queen Mary (which is moored in cement, condemned to live out its days alongside a pier in Long Beach, California.)

IBM contends that eLearning is the *only* rational means of confronting these common situations:

- Merger & acquisition
- New channels
- New product introductions
- Regulatory compliance
- ERP (which changes business)
- Supply chain
- Business transformation

Cisco's John Chambers agrees, saying that implementing eLearning was a matter of survival. Cisco acquired 23 companies last year; it grew 55%-60% every year for the last five. Supply chain? Cisco doesn't make the equipment it sells. eLearning is the only way for people to stay abreast of this level of hyper-progress.

### Business webs

“We have 32,000 employees, but only 17,000 of them work at Cisco.”<sup>3</sup>

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<sup>2</sup> Clark Aldrich, *Losing by Winning*, *Online Learning* magazine, October 2000

<sup>3</sup> Steven Behm, Cisco vp of global alliances, quoted in Tapscott, p. 170

The Internet is weaving businesses into “business webs.” The business best-seller, *Digital Capital, Harnessing the Power of Business Webs*<sup>4</sup>, describes how:

Business webs are inventing new value propositions, transforming the rules of competition, and mobilizing people and resources to unprecedented levels of performance. Managers must master a new agenda for b-web strategy if they intend to win in the new economy.

Your enterprise is a member of numerous business webs. The days of the vertically integrated enterprise that does everything from extracting raw materials to selling at retail are long gone. The Internet connects everything, making it easier to farm things out to partners rather than to do them yourself. Each entity in a web of businesses, every “business ecosystem,” gets the highest return from focusing on its core abilities and shifting everything else outside.<sup>5</sup>

What does it take to succeed in this new environment? Good connections, otherwise known as *digital capital*.

Simply put, digital capital results from the internetworking of three types of knowledge assets: human capital (what people know), customer capital (who you know, and who knows and values you), and structural capital (how what you know is built into your business systems). With internetworking, you can gain human capital without owning it; customer capital from complex mutual relationships; and structural capital that builds wealth through new business models.<sup>6</sup>

In the old days, business plans focused *inside* the corporation: internal budgets, *our* plans, manufacturing efficiency, training *our* people, and improving internal processes. Now business webs or “value networks” of organizations work in concert to deliver quality goods to customers. Our business models embrace other corporations because they are integral to the functioning of our business web. We need top performance from everyone in our web, no matter who issues their paychecks.

In the smokestack economy, when “our people” meant our employees and they were manual, not knowledge, workers, human resources was a backwater. (Did any department get less respect than HR?)

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<sup>4</sup> Don Tapscott, David Ticoll, and Alex Lowy, *Digital Capital, Harnessing the Power of Business Webs*, Boston: Harvard Business School Press, 2000,

<sup>5</sup> For example, If ADP can process our payroll checks better than we can, they’re welcome to it; it’s core for them, not for us. Geoffrey Moore’s *Living on the Fault Line* provides a useful summary of this philosophy. Tapscott et alia say that “in the most elegant of b-webs, each participant focuses on a limited set of core competencies, the things that it does best.”

<sup>6</sup> Op cit.

How times change. These days, most work is knowledge work. People are the source of innovation and competitive advantage. We're taking responsibility for the performance of everyone in our ecosystem. Getting the most from human capital has become strategic.

Business webs work because their members share knowledge via networks. No knowledge flow, no business.

Knowledge isn't like water. What flows through networks is just data until people interact with it, magically converting it to knowledge. *Learning* is required to make knowledge actionable. The better the learning process, the more an organization can extract from its knowledge flows.

That is why chief executives and senior executives are exploring the payoffs of the convergence of the Internet and people. The combination of the two is the fast, effective, distributed means of leveraging human capital. It is essential for making business webs function. It can produce enormous payoffs. eBusinesses cannot flourish without it.

**Enterprise e-Learning** does for human capital what ERP & CRM are doing for transactions. In return for upfront effort, it dramatically cuts unnecessary steps, integrates the business, replaces loosely-coupled processes with real-time control, lays the groundwork for e-business, and slashes the distance among far-flung global operations.

Enterprise systems such as ERP, CRM, and B2B can streamline operations and do what logic dictates. Corporations expect them to cut costs, improve customer service, increase sales, improve quality, accelerate delivery, reduce inventory, and enhance logistics management. A recent survey finds that two-thirds of domestic companies with more than 500 employees have a value chain strategy (47%) or are developing one (16%).<sup>7</sup>

However, without people who are knowledgeable about the priorities of their organizations and can troubleshoot the inevitable glitches, these giant systems fail to perform to expectations. Without in-house experts working with one another to stay ahead of the game, process innovation dries up and competitive edge is blunted. It is impossible to optimize transactional enterprise systems without e-Learning, the enterprise system that nurtures human capital.

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<sup>7</sup> <http://www.iwvaluechain.com/Features/articlesiwgc369.asp>

In summary, before we address more specifics,

Training courses are...	e-Learning is...
slow	fast
dated	current
a cost	an investment
for employees	for customers, suppliers, resellers and employees
a one-time event	a continuous delivery system, infrastructure
an annual expense	a capital decision
a staff responsibility	a senior management concern

### Courses are dead

Traditional courses are an anachronism from an earlier era. They tend to come in one-hour, one-day, two-day, or one-week packages, even if you're looking for ten minute's worth of stuff (or don't want to bite off an entire subject area at once.)

SmartForce has chopped former courses into tens of thousands of smaller pieces, each with a learning objective. This yields three primary benefits. First, if you only need to learn one concept, that's all you need to take; we've broken grains of learning out of their rigid, time-consuming containers. Second, SmartForce's architecture can mix and match the pieces to create personalized, just-what-you-need learning experiences. Third, since many of the chunks of learning fit many situations, they can be reused in alternative situations, and this lowers overall cost.

Instead of saying that "Courses are dead," perhaps we should have said that they are optional. A learner could reassemble individual learning components back into courses. But who would want to? The object of the exercise is to gain the knowledge to solve business problems. This might involve some chunks of learning from the vault at SmartForce, coupled with other chunks containing lessons specific to your organization.

Forrester Research advises that firms "craft targeted online solutions in response to specific business problems. Companies should mine core business functions to identify problem areas and:

- Improve customer service productivity.
- Enhance sales responsiveness.

- Improve managerial efficiency.”<sup>8</sup>

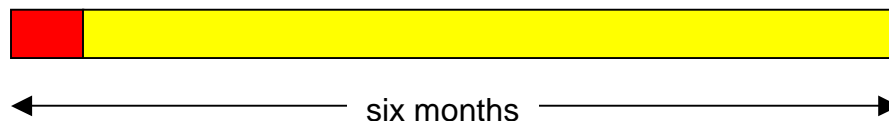
SmartForce is packaging chunks of learning into solutions to common challenges, for example, implementing CRM. Rather than a course, SmartForce will offer learning experiences in CRM for managers, for sales people, for customer service personnel, for technicians, and for programmers. Extensive solution sets are in development for many e-Business and enterprise-wide challenges. This approach makes it easier to develop the sort of solutions we’re going to address next.

### Timing is everything

We’re going to describe a few of the companies using eLearning and what it does for them. A common thread is eLearning’s ability to speed things up. Remember when time was plentiful? Bankers worked bankers’ hours. Managers occasionally slipped away to take the kid to a ballgame. Salespeople had time to do the crossword puzzle. Even urgent projects could wait a day or two. Today time is scarce. Everything happens quickly. There’s no time to dawdle. The slack is gone. Wasted time is lost productivity. Time is money.

- Every day “lost” to sales training is a day of foregone revenue. e-Learning shifts sales training to non-peak periods.
- Speed to competence is money in the bank. Getting a hundred new hires up to speed six months faster is equivalent to adding fifty additional people.
- e-Learning begets e-habits. Process improvements such as virtual meetings, collaborative problem solving, and information harvesting increase time available for face-to-face 5% to 10%.

In a marvelous new book, *Breakaway*<sup>9</sup>, Charles Fred describes how eLearning slashes “time-to-proficiency,” the time it takes for a worker in a new situation to competently fulfill the organization’s promise to its customers.



Assume it takes a new hire six months to get up to speed. The first week or two (represented by the red portion on the bar above) entails orientation and training.

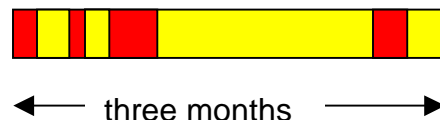
<sup>8</sup> John P. Dalton, Online Training Needs a New Course, Forrester Research: August 2000. This excellent report is available free of charge at [www.forrester.com](http://www.forrester.com).

<sup>9</sup> Charles L. Fred, *Breakaway*, Ground River Publishing, 2001.

But the trainee isn't running on all cylinders until completing six months of practice, trial-and-error, application, and gaining the experience to make things second-nature (and this learning by experience is represented in yellow.)

What's wrong with this picture? Traditional training focuses only on the red zone, the formal training. After that, it's sink or swim. We leave the most important part of becoming proficient on the job almost to chance. It's unstructured, hit-or-miss approach.

eLearning structures and monitors learning experiences throughout the entire learning cycle. Simulations can provide six months of customer situations in a day or two. Punctuating formal learning with opportunities to learn by doing packs a more powerful punch than day after day of formal learning.



## Getting down to cases

In **marketing and sales**, Aetna, IBM, Fujitsu, Merrill Lynch, SBC Communications, Kaiser Permanente, and hundreds of others use e-sales training, online coaching, knowledge sharing, practice simulations, and virtual workshops to achieve a variety of benefits.

Sun Microsystems gained more than \$100 million by accelerating the development of new hires. Bristol-Myers Squibb Co. slashed distribution time for training materials from several days to less than an hour by putting documents on its internal Web site rather than on LANs.<sup>10</sup>

Virtual product rollouts cut time-to-market by three to six months. eLearning is often the only way to keep up with today's shorter product life cycles. eLearning can be instrumental in shifting from selling products to selling solutions. eLearning helps organizations implement complex product/service hybrids. Similarly, eLearning shows how to make best use of sales automation technology, CRM

Members of sales teams must understand one another's roles. They must know how to solve problems jointly. eLearning teaches how to function well as a member of a sales team. A solid eLearning backbone lets sellers take advantage of informal channels for sharing best practices.

<sup>10</sup> No More Books, *CIO Web Business Magazine*, October 1999

AMD, Tektronix, Office Furniture USA, Marshall Industries, and HP apply similar logic to keep **the channel** productive.

HP VARs who participate in e-Learning build better customer relationships and make more sales. Certification and e-certification programs insure that VARs master product and service knowledge, increase staff productivity, motivation, and performance, improve service quality, technical support and user satisfaction, and increase the VARs reputation as a technical services provider

Certification programs benefit individuals, thereby reducing turnover, by increasing technical credibility, improving problem-solving skills, peer recognition of accomplishment.

Cisco, PeopleSoft, Oracle, Novell, SAP, Sun, and others have created certification programs that both define a standard of individual achievement and generate a significant revenue stream.

e-Learning reduces **customer service** costs while increasing customer loyalty.

Kodak, Dow Jones, TD Waterhouse, NDB U (National Discount Brokers), and others incorporate how-to training directly into their websites. Prospects become customers. Self-confident users buy more.

Charles Schwab provides user-friendly, high-quality, and effective learning tools on the Web, thereby creating more knowledgeable investors and increasing the likelihood that they will become long-term customers. In effect, they are outsourcing service to customers and converting service to self-service.

Kaiser Permanente teaches customers to help themselves via medical reference material, confidential query to nurses and pharmacists, and on-line discussions on topics such as pregnancy. Who would have guessed that HMOs would be offering the equivalent of teaching customers to pump their own gas?

At e\*Trade, three-quarters of a million people have joined the online community and, many investors participate in active discussions about investments there. e\*Trade streams a video broadcast to customers once a week; a transcript is available on their web site for those who miss the live session.

**Call centers** may have 400% annual turnover, which makes fast, efficient new-hire training a necessity. Central customer service facilities are often cut off from

operations in dispersed across many countries and yet are expected to know how to deal with local customs, cultural differences, and customer-handling skills.

Tellers at Bank of America, Citibank, Wells Fargo, and First Union e-learn sales and operations skills such as profiling prospects, cross-selling, and navigating central customer information repositories. Federated Department Stores uses e-Learning to improve the selling skills and product knowledge of its 70,000 associates.

SmartForce offers an online resource center to help its customers promote e-Learning initiatives in-house. The center includes instruction on in-house marketing and professional-quality posters, invitations, presentations, and awards that are easily tailored to reflect the local corporate culture.

“...Everything inside an organization is a cost center. Results only exist on the outside.”<sup>11</sup> Peter Drucker

Companies are using e-Learning **improve business processes**, for example:

- share knowledge with business partners
- collaborate with customers and suppliers when designing new products
- improve the management skills of smaller suppliers and representatives
- help suppliers and partners learn to comply with regulations

At Cisco Systems, everyone from manufacturers to customers go online to learn how to work with Cisco. End-user training? e-Learning is supplemented by partners who manage administration, mentor support, review sessions, and testing. Manufacturing? Cisco doesn't have a factory; they use the Internet to teach other companies how to make what they need.

e-Learning drives knowledge to business partners outside the corporate walls. Innovative companies are pushing e-Learning outside traditional boundaries, teaching suppliers how to fill the warehouse when the bins are getting empty. Consider these examples:<sup>12</sup>

Cisco's Partner e-Learning Connection provides certification training to major customers. The Cisco Manufacturing Supplier Connection trains the workforces of suppliers, distributors, and resellers on new products and services.

Hewlett-Packard's Knowledge Services Unit provides customer and channel-partner e-Learning. HP reports that the better trained the partner, the higher the partner's sales.

<sup>11</sup> Peter F. Drucker, *Management Challenges for the 21<sup>st</sup> Century*, HarperBusiness: 1999. p. 38.

<sup>12</sup> SRI Consulting, *eLearning along the Value Chain*, SRI: July 2000, p 9. SRI's Learning on Demand practice looks more deeply into the future of eLearning than anyone else.

A high-tech fabricator in Thailand cut manufacturing defects and eliminated paper manuals by deploying 50 e-Learning kiosks on the factory floor. SBC employs virtual reality simulations to prepare telephone technicians. Programs like this help current staff to do more with less, be more versatile, and make better use of what the organization knows.

Assembly-line technicians e-learn how to set up, start up, and shut down an assembly for making pagers via Motorola University. Boeing workers use head-mounted visual displays to show them how to perform tasks. (Boeing predicts that by 2006, aircraft mechanics will wear computers containing all of the relevant technical manuals.) This increases uptime on automated production lines, gives operators on-the-spot troubleshooting support.

Saga Petroleum uses e-Learning to keep employees and users in compliance with environmental, health, and safety regulations. Dow Chemical plans to deliver 80% of its 1,000,000 hours of compliance training online this year. Many firms apply eLearning to certify compliance with health and safety regulations.

Sometimes e-Learning cuts **costs** sufficiently to pay for itself.

IBM saved more than \$120 million by converting 30% of its internal classroom training to e-Learning.<sup>13</sup> Oracle estimates that e-Learning saves the firm \$100 million a year.

Some applications naturally affect the **entire enterprise**.

**Mergers and acquisitions** require rapid transfer of knowledge, processes, and cultures. BP's knowledge management, informal networks, and learning communities have smoothed its recent acquisitions of Conoco, Amoco, and Atlantic Richfield. Chase and JP Morgan are accelerating the merger of their banks by merging their respective e-Learning systems.

The modern corporation has the lifespan of a box turtle – about 40 years – and the mortality rate goes up every year. To remain viable, enterprises must continually **reinvent themselves**. These transformations include the launch of new products and services, merger & acquisition, and large-scale reengineering initiatives. In every case, they mandate the retraining of most, if not all, of the enterprise. e-Learning is the only way to accomplish this.

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<sup>13</sup> *Business Week*, April 1999

## Strategic considerations

Shareholder value (AKA market cap) is a function of competitive advantage, and organizations achieve it by focusing on core functions. Everything else is unnecessary distraction. This is the thesis convincingly described by Geoffrey Moore in his recent book, *Living on the Fault Line*.<sup>14</sup>

"Managing for shareholder value" means focusing on strong, sustainable competitive advantage. All businesses must concern themselves with market segment leadership, execution focus, and differentiated offerings.

How do you maintain that focus? By concentrating time and talent on core activities and outsourcing everything else. (Your context is someone else's core. ADP can process your payroll cheaper than you can.)

Unless you're in the same sort of business as SmartForce, building industrial-strength e-Learning platforms is not core for you. It's distraction. Five years ago, you had little choice about running your own training department. These days, SmartForce and a few other firms offer fully hosted e-Learning, including company-specific sites and learner records, over the Internet. It's no longer necessary to pull IT off of critical projects to accommodate a learning application. If it's not core, farm it out.

## Gain control by giving control

Corporations used to plan training in a fashion similar to Stalinist Central Planning. No, I don't mean purges and Siberia. Rather, I refer to plans created by bureaucrats for a system whose dynamics they did not and could not understand.

The result for the Soviet Union? Shortages. Cheating the system. Unsatisfied demands. Extremely low productivity. And sometimes nothing to eat but potatoes grown in one's back yard.

The result for corporations? Workers who lack the skills to perform their jobs. Workshops no one wants to attend. Low productivity. And sometimes nothing but memos to help the sales force learn a new product.

Empowering the learner puts individual self-interest in charge of making decisions about what to learn. Training managers no longer have to guess what each person needs to know.

People don't want training; they want the skills and knowledge to perform. They want it on their schedule. Less is more. Chunks are better than whole days or even weeks at a time. They want choice and convenience. They want a

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<sup>14</sup> *Living on the Fault Line* by Geoffrey A. Moore, 288 pages, (May 2000) Harperbusiness; ISBN: 0887308880

meaningful learning journey, not a one-shot training fix. They want a satisfying learning experience. They want to be fully engaged.

Giving people the freedom to choose what and how they learn brings many of the economic benefits and efficiencies of e-Business.

Mitigating your risk at the front end

**Outsourcing.** About half of the e-Learning being licensed today isn't running on in-house systems; a vendor is hosting it via the Internet. A hosted solution provides for a fast launch, doesn't pull in-house IT staff off high-priority projects, has predictable costs, is easy to scale up or down, and shields one from maintenance and upgrade hassles. Also, a hosted solution relieves you of investing in hardware and software up front. If things aren't working to your satisfaction, it's easier to pull the plug. Caveat: Make sure the hosted solution is a system, not just a collection of individual web-based training courses.

**Single-source accountability.** You can license an integrated e-Learning solution from a single vendor or assemble your own system with components from many vendors. While it's theoretically possible to seamlessly mesh piece-parts, be prepared to hear "It's the other guy's problem" when trying to pinpoint breakdowns.

**Vendor Stability.** Many of the four hundred vendors in the e-Learning will not survive 2001. Choose an e-Learning partner with a track record and staying power. Don't bet the ranch on a dot-com.

**Growth Potential.** A system that works flawlessly for a few hundred learners can grind to a halt trying to serve a few thousand. How big is the vendor's largest implementation? Be skeptical if the vendor's underlying architecture was developed entirely in-house. For example, under the hood at SmartForce, you find the same one-on-one e-Business engine that powers GE, Boeing, Wal-Mart, and Sears.

**Don't wait beyond the fail-safe point.** "Once a company gains a knowledge-based competitive edge, it becomes very much easier for it to maintain its lead and ever harder for its competitors to catch up."<sup>15</sup>

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<sup>15</sup> *Managing Professional Intellect: Making the Most of the Best*, Harvard Business Review, March 1, 1996 Quinn, Anderson and Finkelstein

Is this for you?

Pick one or two areas you consider vital for your organization.

- Virtually launch new products
- Shift from selling products to selling solutions
- Radically upgrade customer service and CRM
- Teach customers get the most from our products
- Accelerate the merger of disparate organizations
- Outsource context, emphasize core
- Reduce time-to-market of new products
- Reinvent the company as an e-Business
- Ensure compliance in sexual harassment and other areas
- Certify the technical literacy of large populations
- Ensure readiness for new technology roll-out
- Enlighten the entire supply chain
- Manage human capital globally
- Share knowledge with business partners
- Accelerate the development of the sales force
- Boost the sales productivity of the channel
- Outsource services to customers
- Build brand loyalty by bringing customers into communities
- Help staff do more with less and become more versatile
- Found and maintain a corporate university

Just do it.

## Appendix

### More about eLearning

**e-Learning** is a better and faster way to learn. Better, because it is engineered for performance, current up to the second, and delivered in an engaging manner. Faster because it is tailored to the needs of the individual learner, is always available, and uses the best media for the message. e-Learning is Internet-enabled, centered on the learner, mass-customized, highly scaleable, and always on.

In addition to traditional training methods, e-Learning encompasses

- keeping informed,
- honing existing skills,
- certifying expertise,
- building working relationships,
- forming teams,
- discovering what you don't know you don't know,
- researching new areas,
- staying ahead of the competition,
- improving the quality of decision-making,
- smoothing down one's individual rough edges,
- grabbing information on the fly,
- planning one's development path,
- testing one's knowledge,
- capturing and sharing intellectual capital,
- attracting new recruits,
- and retaining the people already on board.

e-Learning plays a role in every step of the human value chain.

"With the interactivity of the Internet, we get the equivalent of a one-to-one teacher-student ratio. The means are finally at hand to improve productivity in education." Peter Drucker

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### SRI Learning on Demand Project

SRI's **Learning on Demand** program analyzes, evaluates, and explores current and future e-Learning developments, issues and their implications for users and vendors. This paper borrows heavily on ideas expressed in the SRI Learning on Demand research reports. For information about participating in the Learning on Demand project, contact Eilif Trondsen ([etrondsen@sric.sri.com](mailto:etrondsen@sric.sri.com), 650 859 2665) or email [info@future.sri.com](mailto:info@future.sri.com) for general information.

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**Jay Cross** has been passionate about harnessing technology to improve adult learning since the sixties. Fresh out of college, he sold mainframes the size of Chevy Suburbans. Later, he designed the University of Phoenix's first business degree program. He has managed several software startups and is the former president of MegaMedia WorldWide. Jay advised CBT Systems during its transition to **SmartForce**, the eLearning Company, and helped **Cisco** e-Learning Partners plan, implement, and market their initial web-based certification programs. Jay serves as CEO of **eLearning Forum**, a 450-member think tank and advocacy group in Silicon Valley. He is a graduate of Princeton University and Harvard Business School.

**Internet Time Group** provides hands-on advice on implementing eLearning, developing information architectures, advising management, and accelerating sales. Jay and his team also provide out-of-the-box, results-oriented marketing advice to eLearning companies. Five hundred people visit [www.InternetTime.com](http://www.InternetTime.com) for eLearning information every day.

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