

Notes on [eLearning Forum](#), June 13, 2003

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On Friday the 13th (June 2003), the eLearning Forum gathered at Microsoft's Mountain View Conference Center to hear Sam Adkins and a panel of representatives from Learning Management System vendors address "Enterprise Learning in the next 24 months".

A [white paper](#) Sam had written for Training & Development (an ASTD publication) was made available beforehand, and after some introductory remarks from Jay Cross, our host and the CEO of the eLearning Forum, Sam launched into a presentation about the findings from Sam's research report "Simulation in the Enterprise".

Following the presentation, a series of questions from the audience and Sam were answered by members of the panel.



Represented were Oracle, Docent, Thing Plateau, SAP, Knowledge Planet, PeopleSoft, Siebel, VCampus, Saba, Knowledge Products, and Click2Learn, largely by product marketing folks. The panelists were, by and large, quite open and honest with the crowd, providing some humor, some controversy, some conflict, and good debate. Details follow.

[As editorial license, my comments appear in square brackets like here. I'm digesting the discussion, and while I will occasionally credit some thoughts, the views were generated around a vibrant discussion and no one should feel bad if their particular thought isn't directly attributed (hey, it's *hard* to keep up with a dynamic discussion). I extend my personal thanks to all the wonderfully thoughtful, candid, and responsive participants. Note that I couldn't catch all the names, and referred to them in my notes by their organizations, and that is reflected in my summary. All errors in recording or interpretation are mine.]

Intro

The session opened with introductions, the agenda, and the rules of engagement. A "Lethal Weapon" metaphor was used by Jay to illustrate the process: Sam Adkins as the good cop (Danny Glover), and Jay as the crazy cop (Mel Gibson). Jerry Neece was introduced as the timekeeper, Agent Smith (just to mix our metaphors). Jerry did an outstanding job of lightly but deftly keeping comments short and events moving. [I think 'sergeant at arms' may need to be a permanent meeting addition.]

Sea Change

Jay set the scene by suggesting a 'sea-change' that is not replacing, but supplementing, our existing learning model. He introduced the concept of "Workflow Learning" with a historical overview, starting with a simplified model of business operation - taking materials (input), processing into a product/service, moving it out (logistics), marketing and selling, and post-sales servicing. Layered on top is HR, Finance, etc. It's well recognized that they can't be treated as separate; you need to integrate these into one big "Value Chain", and support with IT. So, enterprise applications (ERP) were created: Supply Chain Management, Customer Relationship Management, HR, Learning Management Systems, Knowledge Management, and other TLO's (Three Letter Acronyms).

However, they were (and still are) big silos, not integrated. The new move is to use web services and XML to start tying these silos together, the first step towards a more comprehensive integration: Enterprise Application Integration. The question is what this implies for Enterprise Learning.

Findings from "Simulation in the Enterprise" Research

Sam then stepped up to present key findings from research he conducted into "Simulation in the Enterprise". This includes serious interactions with the marketplace including interviews with key players, and Sam's obviously well-honed skills.

[Note that Sam's use of 'simulation' here is different than the traditional concept of simulation familiar to those in training. He's talking about real-time monitoring of performance metrics creating a model of the organization workflow, which can be used for optimization as well as optimized learning support. Heady stuff, if not immediately intuitive.]

For the research, he chose companies on the 'leading edge'. He stated that the trajectory of eLearning systems is tracking similar developments in SCM and CRM, moving from lots of similar systems to 'best of breed' solutions that compete on unique feature sets.

He also stated that EAI is a 'good thing': it gives parity to everyone so the best can rise to the top. His claim is that the eLearning industry has done relatively well in these tough economic times. One dark spot he highlighted is IT content (attributed to the general downturn in IT).

His claim is that the new eLearning product on the market is WorkFlow-based eLearning. This is eLearning that comes to the user in conjunction with the integrated application environment, similarly integrated and configured from materials about the application in the same way the applications are pulled together. He stated that you couldn't provide the traditional application pre-training, as there wasn't an application! It would co-exist with courseware.

What Customers want

He moved on to talk about what customers want. The short answer: cut costs, cut costs, cut costs. People are not buying technology, but integrating technology to get greater productivity. Analytics is the key, getting metrics across the organization about how things are going. Workforce optimization is the goal, increasing productivity. As a consequence, Business Process Management is doing well. Business Intelligence had arisen as an outward looking activity, tracking the market, but the principle has been broadened and is now inward looking. The integration and analytics are critical to companies maximizing their IT investment. eLearning can't operate independently of this trend, and *must* be integrated.

He presented a graphic of customer pain points: conceptualized as the scattering of originally integrated strategy through technology (silos of automation), business units (silos of strategy), and in calcified business models (change is resisted). He cited a statistic about how much of the workforce doesn't even know why they're there (their role in the enterprise is "just breathing air").

[Sam circulated paper copies of some very complex diagrams that were also on the slides, but also said he wasn't going to talk about them even though showing them. Sam moved *very* fast through a lot of slides. They largely represented models he used to help conceptualize his understanding of the directions things were converging on. There were lots of elements to these diagrams that did not get discussed. The models aren't much use out of context, and are skipped here.]

Methodology

Sam used a framework based upon Peter Drucker's claim that everything in business was either innovation or marketing, and asked questions based upon that framework. He said there were five questions that covered the areas, and used these in the interviews.

Innovation

He created a framework of eight patterns he saw as a result:

- Enterprise Application Integration
- Learning Technology integrated
- Performance as core business process - ROI -> KPI
- Real time collaboration - biggest 3rd generation
- Analytics - Business rules running eLearning
- Inward facing BI - what workforce and more importantly don't do
- Embedded simulation - embedded workflow eLearning (coaches, wizards)
- Personalization - days of standalone product are gone

The point being that people are integrating applications to create custom interfaces, and learning technology is one of those core applications. The goal is *not* ROI, but measuring against Key Performance Indicators. It's about performance, and measuring it in real time, including learning.

As an indication of the direction, the recommendation was to consider Microsoft's Office 2003 as the interface for *every* office application.

Question

Before launching into the panel work, there was a question that Sam addressed. The question was, based upon a statement Sam made about being in a post-browser era, and the question was about how we connect in such an environment.

His reply suggested that everything's going wireless/ubiquitous, and we're getting to the point where you'll pay an information bill like your gas/water bill. He also quoted Scott McNealy of Sun about privacy: "get over it."

Panel Questions

From there, we moved to questions to the panel. These came from a variety of sources, and I'll summarize both the questions and the answers.

Who is the customer? Are you selling to the C-level?

It appeared the big players, PeopleSoft and SAP, were selling to the C-level, and differentiating the sale by the individual: cutting costs to the CFO, increased productivity to the CEO, in general minimizing and managing risk. Other players were selling to individual business units and addressing particular needs, though getting the C-level involved was crucial to closing the deal. Currently there were not many new customers, but with repeat customers, the locus of responsibility for the deal was moving up the management chain.

Learning and tech professionals have zip to do with workflow; how is this affecting the purported trend to workflow? (Allison Rossett)

This became a recurrent thread, with Sam's model suggesting that learning needs to be integral to business processes, and the panel's insistence that training professionals need to understand the bigger context of the business goals and align with those providing value to be relevant. One claim was to not call yourself training but align with IT, for instance but another view was that the training responsibility needed to move up the relevance chain to organizational functioning (Plateau).

One empirical fact is that training headcounts are down, and the recognition was that training folks were *not* aware of or not articulating how they impact the bottom line, hence being seen as a cost-center (SAP). In other cases, empowered individuals were end-running the training department to get content developed (though, it was consequently not likely to be well-

designed). It was also claimed, that instructional/pedagogical models were not keeping place. For example, one claim was that there was no formal program that uses IM (Oracle).

[I'd agree, but while Sam's model addresses organizational goals, we also need to address individual goals, which can be different, increasingly in the so-called 'free-agent nation'.]

If learning's important, why are HR and training the first to be cut?

The reality, as it was put, is that we heard a lot of hype about CLO's, but do you know any (KProducts)? The issue of trainers not being aware and able to contribute to performance was again raised. However, the opportunity is there, when you look at how Cisco is investing in innovation (PS). Heck in some sales, not just the C-level but the *board* gets involved (C2L)

[My take is that visionary companies recognize the importance of learning and invest, even though they're not quite sure where it goes, and others are holding off waiting for the first to figure it out. Everyone *knows* that innovation is going to be key, but how do you balance the requirements for reflection and failure with the goals of quarterly dividends and stock value?]

Sam claimed that HR is the number one outsourced area, so it's not strategic, but it was countered that outsourcing and strategic impact are not mutually exclusive (Oracle).

Is the eLearning industry 'rosy', and is training the right concept anymore?

The general reaction is that given the context, eLearning is doing relatively well. Sales are moving up the value chain, customers are using the products and getting value which is not generally true for IT (Docent).

There was a general feeling that there's a paradigm shift (VCampus) but the market is still developing. The move is to KPI and balanced score cards (Siebel) and the need is to provide data that can track important outcomes. There was also a viewpoint that the industry is in a state of denial, making money but not as clearly delivering real value.

Interest in analytic justified, and are there problems with ERP?

There was general interest in analytics, but a strong feeling that it was harder than it sounds. Web services are just not 'plug and play', there's a lot more to be done. An easy solution posited was that integrated data might not be available, comparative data would at least allow comparing individual performances (KP).

Jay intervened, and pointed out that while he talked to every vendor he could find at ASTD (and the majority of the panelists companies were *not* there), none seemed able to demonstrate real analytics. There was a general response that most vendors added capability when Brandon Hall put a feature on his checklist, but that it didn't mean anyone cared.

What's the changing interface?

The answer depends on industry and application (Plateau). However, to be successful, it really needs to work like people work (VCampus).

[Naturally, I couldn't agree more, but believe there's still a gap in understanding the ways people work. I have a model I'm still telling Jay to let me present at one of these forums, but feel free to take a look at <http://www.ottersurf.com/InformalLearning/> . Also, note that some questions didn't generate a lot of response, and/or my attention wandered...]

Table-Talk Break

(We took a break to reflect around the tables, but this only fed into the event if the outcomes were turned into questions and submitted.)

Questions, round 2.

How do we make eLearning a core business process, particularly for offline events?

The first answer was to integrate the associated learning objectives into all business processes (PeopleSoft). It was also postulated that learning has always been part of business but now it can be tracked. Jay interjected to say that he didn't care if his learning were a checkmark in the system, he just wanted the answer.

[The audience didn't get the usual opportunity to interject and challenge statements, so I didn't get a chance to say that Jay's answer is partly right, but in the bigger picture if he finds the answer to a question, it'd be nice to capture the answer so the next time someone's asking the same question they don't have to do the same sort of discovery. This part of KM that eLearning *should* be blending with just isn't captured even in LCMS.]

However, it was noted out that training is still important, because the informal answers how, but not why (KProd). The point being that while we may provide information, it's not necessarily learning.

Significance of web services?

The general response was that web services sounded great, but it wasn't yet ready for prime-time, it's still a hard slog ahead. There is no magic bullet yet.

What's important in Tech? What is the 'must know' stuff?

A thoughtful answer was that we tend to overestimate the power of tech in the short term, but underestimate the power of tech in the long term (VCampus). It's the long term that will provide strategic learning capability. Training will be strategic by effect.

Do 'best of breeds' belong in the doghouse? Why point solutions? How do the players work together? Do they have the same customers?

This question really went to the heart of the spread of vendors represented. It was a question to incite controversy, but the panel's answers were diplomatic (and good-natured). The LMS-only companies gamely pointed out that they are not out of business, and that they have more full-featured offerings. The ERP vendors supported the notion that there was market space for all, but the 'best of breeds' would need to continually innovate to maintain relevance (Saba). The best summation was made that in many IT spaces, there wasn't just one vendor, saying "is only Microsoft needed?" (C2L).

What's the eLearning industry look like outside US? What are the global challenges?

The answers indicated that the European and Asian markets are definitely of interest. Asia is a huge opportunity, *where the infrastructure exists*. Europe is quite advanced. It's not just selling product, however, and you may need local support.

How is content managed in this integrated world? Has non-IT content overtaken the traditional base of IT content? And address any architecture issues as well.

The first answer was that people are paying for custom content. There was also a comment made that standards are not providing an answer. Jay asked who thought SCORM will be key a year from now. There general reaction indicated little concern with SCORM. There were opinions expressed that the standards were not yet meeting any real need, as they were not yet delivering any real value (though it was also reminded that the 800 lb. gorilla, the government, was still in the game, and that academics were using it to, and that good tools were still an issue).

Sam suggested that customers were dissatisfied with the quality of content. This sparked a variety of issues. One viewpoint suggested customers were concerned with 'connecting the dots', connecting their content mechanisms to LMS. Another focused on the need to recognize other than formal learning needs. A point of contention was whether diverse learning objects could create a coherent course. It was pointed out that any really strategic content *had* to be custom (Saba).

Is there a role for sophisticated personalization?

Sam interjected that such personalization must be rule-based. There was general agreement that personalization was important, but little concrete response of what that meant or how you delivered it. It was pointed out that if it can be done for shopping, it ought to be done for learning, and that while it isn't done yet, in a year or two it will be "table stakes" (Oracle).

[I'm biting my tongue here. OK, I'm not: other than one attempt that I had the opportunity and pleasure to lead for 2.5 years, no one's really

gone farther than a two-dimensional 'learning styles' inventory. That's not going to cut it. We need a rich context model, learner model, *and* content model to do something truly personalized, but we're far from it. And the standards aren't tight enough to help doing it well, yet.]

Jay asks how many of the companies had competency management. Many hands go up. When Jay expressed skepticism, the rejoinder was that while they had it, not one was using it. [Which mirrors my experience.]

How do you address the needs of the User?

The initial response was that it need to be easy to use and seamless in implementation. Others managed to drive it forward and suggest that you had to get real users, even though it was hard (SAP).

[Another one of my personal crusades, courtesy of a Ph.D, with a guru of interface design: I think the general answers sounded good, but I've seen few that have actually done the hard yards to not just look at feature-sets from marketing and how to deliver, but go beyond look at real needs of users in context, and develop an appropriate information architecture and then an aligned user interface.]

What is the role of System Integrators (the big 4)?

This answer had some interesting responses. One said "none" if they could help it (KP), but others acknowledged the role they had to play. In many cases they thought it was competition about who could provide the best capability.

How many use your own systems internally?

All hands went up, basically (though of course there's no way to verify :). One, to their credit, said that they used it for their customers, too (Plateau).

Is the academic market important?

The general response indicated that it probably wasn't. Note that WebCT and Blackboard were not represented.

Jay reminded all that the eLearning Forum was regularly conducting surveys, and pointed to Eilif and Richard as the instigators and analysts. While the full results were posted on the wall, a specific response was relevant to this question. Richard chimed in to indicate that in answer to a question, universities were *not* seen as a likely source of innovation in eLearning!

Lunch Break

We all took a break for a buffet lunch of sandwiches, fruit, chips, and cookies. The panelists were requested to join us at our tables, and very agreeably did so.

Final Summations

The panelists were reconvened and asked to provide their summary comments. All were gracious about the opportunity to attend, and absolute credit to them for this. A few of the more interesting comments included:

Thing's representative pointed out that technology will change, but business needs won't. [I'm reminded of Don Norman's point that the barriers are no longer technological, but social and organizational. Quite right.]

I had talked to the PeopleSoft representative during a break, and she took our discussion to the group: that the one thing lacking in the day's discussion was a goal of improving people (not just meeting business needs), and that social responsibility was important. [Obviously, I couldn't agree more.]

Siebel commented that it nice to have mix of different types of vendors, and that we were privileged to hear not just one answer from a vendor. [Hear hear!]

VCampus used the "best of times" "worst of times" framework: best being that having relevant Clevel positions (e.g. CLO) is good, but that it's bad that we don't actually know any! We are now able to deliver learning the way we want, but we need people to know how to relate what we can do to the business.

Is performance as a new concept? The speaker from Saba had just heard them trumpeting it at ASTD, and was bemused. Yes, it's right, and good that it's percolating up, but...

Knowledge Products summarized well a general feeling that it is an immature marketplace, despite mature products, and consequently technology was driving, when it shouldn't. He believed that when the macro environment improved, prospects for the industry would too.

Plateau cited some repeated, and wrong, themes, such as that customers don't think of eLearning as an enterprise issue, but as a department issue; customers replicating existing flawed approaches; and that eLearning is cost cutting. This is *not* the way to get support. Don't get sidetracked by technology, LMS is the automation of administration, but also allows you to relate learning to the rest of the business.

Thanks

This was a thought-provoking session, and thanks were due and given all around, including to the panelists, the hosts, the volunteers who captured the event in many ways, and of course to the audience. It was a great meeting, and while this summary can't do it justice, I hope it captures some of the thoughts and most importantly motivates you to look for more, to think more, and to join us in generating the relevance we know this work deserves.