

The Business Impact of Customer And Channel Partner Education

Education offered to channel partners and customers – both enterprise customers and consumers – delivers clear benefits including repeat business, increased loyalty and lower costs.

By David Y. Smith, Accenture

According to recent survey research conducted by Accenture Learning, channel partner education – and its cousin, customer education – are very much on the radar screens of learning executives and their companies who are journeying toward high performance. More than half of the organizations surveyed are currently working on extending learning programs beyond the “four walls” of their companies. And the high-performance organizations – those learning groups having the most positive impact on the business performance of their companies – are twice as likely to offer customer or channel partner education as their peers.

What do these companies know that others do not? That learning organizations are now a prime enabler of a number of business trends that are vital to top-line growth and increasing shareholder value. Rapid development of the programs and infrastructure necessary to deliver effective and efficient education programs to channel partners and customers can provide competitive advantage.

Trends

What’s happening? First, the use of channel partners to increase sales is a booming trend in the enterprise space, especially in industries like high tech. Although this strategy dramatically increases the selling reach of a company, it also means that a company is competing not just for the final buyer, but also for the mindshare of the channel partner sales force. If a salesperson is selling six or seven different products, it stands to reason he is going to do a better job selling the products with which he has had the most learning opportunities and hands-on experience.

A second trend is the move made by increasing numbers of companies to offer total packages of services and solutions, instead of merely offering a product or software package. “Solution selling,” as it is most often called, is helping sales organizations move higher up their customers’ value chains in pursuit of top-line growth and a greater ongoing share of the customer’s wallet. Education and training are vital parts of an overall solutions package. Siebel Systems, for example, is offering its customers a comprehensive framework of services, including educational content that users can access via a customizable, Web-based interface. The strategy is explicitly aimed at helping Siebel’s

customers improve their overall business performance. Siebel CEO Mike Lawrie notes that the company is moving beyond technology for its own sake and using customer education and training to help in “driving business performance.”

Finally, education offered to channel partners and customers – both enterprise customers and consumers – delivers clear benefits in repeat business, increased loyalty and lower costs. One recent survey showed that 92 percent of executives affirm that effective customer training brings in repeat business. It’s easier to see this benefit of customer education when you are working with your direct sales channel. For example, as Dell has made a major strategic shift into the enterprise space, they have also grown the learning organization and certification programs that support that channel. As a consequence, Dell has dramatically reduced overall service costs and increased customer loyalty. For example, Dell has experienced more than 40 percent fewer warranty and support calls from customers who attended Dell storage training courses.

Yet, although many companies have grown their direct learning channel, the partner channel often remains seriously underfunded. Companies really need to be thinking about customer education from a more integrated perspective, ensuring that customers receive consistent, robust information and support whether the sale is through a direct channel or through a partner.

Lessons From the Early Adopters

Based on recent work with a number of early adopters of channel partner and customer education programs, a number of common themes are emerging. First, developing the business case requires care and focus. Many companies still struggle to remove the “learning is a cost center” blinders from their executive teams. Some management teams may see customer or channel partner education as a way to start bringing in revenue from the learning function, but it may be some time before revenue generation is the primary benefit from these programs. Instead, companies need to look at the impact on the P&L of the entire business.

Other impacts may come from driving down various kinds of customer service costs. One benefit of Nielsen University’s customer education programs, for example, is that they have reduced

the number of calls to the helpdesk.

The issue of charging a fee for customer and partner education remains a difficult one.

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On the one hand, people tend to place more value on education for which they have to pay, and companies that do not charge for customer training often find themselves with empty seats because there is no penalty for simply not showing up. On the other hand, many organizations feel pushback, especially from their larger customers.

There are two basic strategies to pursue when it comes to charging a fee for partner education. One is to say that the primary purpose is “evangelism” – expanding the reach and buy-in from partners about your products, which puts the ROI focus on the overall return, rather than on the P&L for the training itself. The other is to focus on the fee and the upside in learning course sales and in product uptake. The common result from both strategies is better educated and better users, and better repeat buyers.

Prioritization of investments is another issue that requires up-front consideration. An effective business case includes prioritizing spending for maximum business impact, but there is always going to be more demand for learning content than organizations have the budget or capacity to provide. Thus, to avoid sending resources to the person or department yelling the loudest, it’s vital

Keys to Success

What characterizes successful channel partner and customer education today? Here are a few things to consider:

- **Eliminate redundancy** — Companies seeking to improve business value by venturing into customer and channel partner education can stumble over several kinds of redundancy that can interfere with realizing the full business case. For example, because many training organizations have evolved in a fragmented way, a customer organization cannot quickly and easily locate the learning or knowledge resources it needs. One company discovered through analysis that 28 independent training organizations had grown up all around the company, including half a dozen that were externally focused. No wonder their customers and partners were frustrated in trying to locate consistent information that could help them, in turn, serve their customers. Increasing what might be called the “locatability” of learning opportunities is vital.

Companies can also increase their investment return by minimizing redundancy and inefficiency in content development. There may be, for example, a 75 to 80 percent overlap in



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that companies develop “business interlock” – that is, that they align their learning priorities with their overall strategy, and then maintain that alignment. To obtain maximum ROI, they need a methodology or comprehensive strategy to assess what content should be developed, and what media should be used to deliver it.

A third lesson from early adopters is that it’s not only the executive team that needs to come to a new understanding of the value of customer and channel partner education. The learning organization itself needs to be transformed. Even the best training departments may need help overcoming their internal mindset. One telecommunications company moving to channel partner education mistakenly presumed that its training organization would jump on board immediately. When development dragged, the company had to step back and address the change management issues within the training organization, to ensure everyone was in step toward implementing the new strategy.

Last, but certainly not least, blended learning models are a must for channel partner education. Classroom training will always have its place, but the expense and short shelf life of knowledge these days often makes it less appealing. Some form of one-to-one mentoring is proving especially effective at places like University of Toyota, where trained coaches are going directly to the dealers to present the latest information and education.

the primary learning content of training for the primary constituencies – internal salespeople, customers, partners, etc. So companies who continue to pay for content development separately each time are making a bad economic decision up front; but they are also paying the price downstream for the inevitable inconsistencies in content that will arise. New content management systems are helping companies move faster toward an object approach to learning. That is, they can create learning objects once, and different groups can access them for different reasons. As a result, customers calling a service representative will get the same messages and information they receive by using a self-service Web portal.

- **Make it relevant** — Successful companies help their customers and channel partners find relevant learning opportunities quickly. You say you offer thousands of Web-based courses? Big deal. How many of them are relevant to what your customers need, and how quickly can they find it? Some

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companies are experimenting with engines that allow a customer to input a few basic variables (size of company, product or service purchased, basic description of issues and needs) and then receive a first level of learning recommendations to guide them.

- **Give your customers and channel partners good “how, when and where” options** — You will not be the only company offering training to your channel partners, so you can distinguish yourself by being flexible in how your partners access it. If you lock a software developer into a five-day training

programs founder due to other urgent demands (or bad quarterly business performance). As one client CEO put it recently, “This is different. It’s bad enough to have to tell my employees we’ve had to cut back on a program we’ve promised them. But I absolutely can’t tell my customers and partners that. Once we commit to this, we’re committed. There’s no turning back.”

- **Make sure you have an effective feedback loop** — One potential negative in the booming trend toward greater reliance on channel partners is removing your company from more direct communication with the end customer.



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course, three days of which are irrelevant, you are not going to make many friends. If you offer training only a few days a year in a few locations, you may find yourself teaching a lot of empty seats.

If it is to contribute to the achievement of high-performance, channel partner education needs to be especially flexible and “digestible.” Get granular. By creating a course through aggregation of learning “chunks,” you can be the company providing the most efficient and flexible training. Flexibility also means going to your customers, rather than just making them come to you. Bob Zeinstra of the University of Toyota notes that they have been able to leverage their company’s existing “Dealer Daily” technology platform to launch the University of Toyota Online, a multidimensional learning content management system based around the concept of “quick hits,” and just-in-time learning. “Frankly,” says Zeinstra, “the value of this kind of training is much higher in the eyes of dealers, because they don’t have to send someone out of the store.”

Effective customer support is also important. Avaya University, for example, ensures that live representatives who can assist with technological configuration questions support its extensive business partner education courses, many of which are Web-based. They can also help with anything that might interfere with an optimal learning experience on the part of their partner network. A good helpdesk also knows how to steer users over to Web-based training or CBT that ultimately reduces traffic to the more expensive customer service staff.

- **Nurture your executive sponsorship** — Communication with senior management about channel partner or customer education programs cannot stop with the business case. Ongoing work to nurture that sponsorship — especially with updated metrics about business impact — is vital. Think about how often

Overcoming that negative means that companies must also use channel partner education as a feedback loop about customer experiences. Education thus can become a vital lifeline to ensuring high quality and continuous improvement. The feedback loop also must include meaningful measurements about business impact, so senior management is tracking with you every step of the way.

Final Destination: An Integrated Approach

Where are these trends in channel partner and customer education headed? Ultimately, companies are moving toward a fully integrated approach to embedding intellectual property and experience into their products and services for maximum impact at the best price. One way of embedding experience, after all, is simply through the functions and features of a product. Effective feedback from customers and channel partners means better design and better kinds of service. In other cases, bundling coaching, mentoring and/or training within an overall solution is the right answer. And the coming days of ubiquitous broadband will certainly revolutionize all aspects of learning, including customer education. Online learning promises to be the dominant mode of differentiating products and services through education and support.

It may also be that, one day, a discussion of channel partner and customer education will be dominated by how great it is for generating revenue, but that time isn’t now. Learning executives are certainly interested in breaking even some day, but their real goals are somewhat loftier. They know that channel partner and customer education are important tools for achieving high performance in several ways: by increasing brand awareness, building customer loyalty and gaining competitive differentiation in the marketplace. ■