

## **Customer Education: Expanding Revenue and Driving Business Growth**

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If you want a real opportunity to get out in front of a trend, try typing “channel partner education” into a search engine. You’ll count fewer than 100 hits, with “channel partner training” not doing much better. Yet, 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. More than half of the organizations surveyed are currently working on extending learning programs beyond the “four walls” of their companies. The high-performance organizations—those learning groups that have 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? They understand 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 deliver 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 IT. 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.

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.

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.

Yet, although many companies have grown their direct learning channel, the partner channel often remains seriously under-funded. In addition, there are tangible benefits to managing that channel better from a learning perspective. Companies really need to think 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.

Channel partner education increases in importance as the complexity of the product set increases. Microsoft, for example, noted early in the rollout of its .NET Web services strategy that the complexity and scope of the initiative meant that, more

than ever, the company needed to help its thousands of business partners understand it. Microsoft invested in new channel partner training that has helped crystallize the importance of .NET to its partners.

### **Lessons From the Early Adopters**

Based on recent work with a number of early adopters of channel partner and customer education programs, several 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 profit and loss (P&L) of the entire business.

Other impacts may come from driving down various kinds of customer service costs. Take Nielsen University, for example, the learning center of Nielsen Media Research, the provider of television measurement services. One benefit of Nielsen’s customer education programs is fewer calls to the help desk. “At one point, we estimated that about 60 percent of calls we received were for educational issues,” said Julie Aquan, senior vice president of client support services for Nielsen U. “Now, through Nielsen U., customers have a viable choice when they need assistance. They can speak to us on the telephone, or they can access the NielsenU Web site, take a quick tutorial and find the answer themselves.”

The issue of charging a fee for customer and partner education remains a difficult one. On one hand, people tend to place more value on education when they have to pay for it. Companies that do not charge for customer training often find themselves with empty seats because there is no penalty for simply not showing up. Although that is not as much of an issue with online training, knowing when and how much to charge is something companies are learning as they go.

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 the P&L for the training itself. The second 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 users and better repeat buyers.

Prioritization of investments is another issue that requires upfront 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 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.

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-on-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.

### Keys to Success

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

- **Eliminate redundancy:** Companies venturing into customer and channel partner education can stumble over several kinds of redundancy that interfere with realizing the full business case. For example, because many learning organizations have evolved in a fragmented way, a customer organization cannot quickly and easily locate the learning or knowledge resources it needs. At one company where Accenture performed an analysis, 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 in turn could help them serve their customers. Increasing what we might call the “locatability” of learning opportunities is vital.

Companies also can increase their investment return by minimizing redundancy and inefficiency in content development. There may be, for example, a 75 percent to 80 percent overlap in the primary learning content of training for the primary constituencies—internal sales people, customers, partners, etc.

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

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 the organization has been able to leverage its company’s existing “Dealer Daily” technology platform

to launch the University of Toyota Online, a multidimensional learning content management system based on the concept of “quick hits” and just-in-time learning. “Frankly, 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,” Zeinstra said.

Effective customer support also is 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 also can help with anything that might interfere with an optimal learning experience on the part of the company’s partner network. A good help desk also knows how to steer users over to Web-based training or CBT, which ultimately reduces traffic to the more expensive customer service staff.

- **Nurture 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 programs founder due to other urgent demands (or bad quarterly business performance). As one 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.”
- **Ensure 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. Overcoming that negative means that companies also must use channel partner education as a feedback loop about customer experiences. Education thus can become a vital lifeline to ensure 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.

#### Customer and Channel Education Capabilities

Ask yourself the following three questions about your capabilities in customer and channel partner education:

1. Are my investments relevant to my business needs and, through business-interlock strategies, am I maintaining close alignment between learning and what the entire organization needs to succeed?
2. Am I running my external education as a business? Am I as efficient as I can be?
3. Am I maintaining an assessment and feedback loop, using business insight to fine-tune my programs and maintain executive support?

#### 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 training within an overall solution is the right answer. 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 also may be that a discussion of channel partner and customer education one day will be dominated by how great it is for generating revenue, but that time isn't now. Learning executives certainly are interested in breaking even some day, but their real goals are somewhat loftier. They know that channel partner and customer education is an important tool for increasing brand awareness, building customer loyalty and gaining competitive differentiation in the marketplace.

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