

Mission Critical

Has the LMS reached this lofty status?

THE CIO of one of the world's largest pharmaceutical companies had this fascinating revelation recently: "Our LMS is the second most used application in the company today," he declared, "right behind email."

I'm sure many critics of learning management systems (LMSs) would be surprised at this statement, unable to fathom that the LMS has become almost as ubiquitous in some organizations as email. Yet there are few so-called "enterprise technologies" that apply to every employee in an organization—and even audiences outside of an organization—like the LMS. In many of these organizations, the LMS has become a core application on which other business functions are significantly dependent. This bodes well not only for learning technology, but for the learning function in general.

When a technology reaches a position of ubiquity and dependence, it is often called "mission-critical," or, in other words, a technology that the organization relies on for critical functions. Without it, that same organization would be significantly disadvantaged. Mission-critical is a status that is usually reserved for an organization's most important technologies. Has the LMS really reached the mission-critical level? I asked about two dozen industry professionals that very question, and received some interesting answers.

"We do consider our LMS mission-critical," said Steven Jeffrey, director project and service improvement at Glaxo-SmithKline, one of the world's leading research-based pharmaceutical and health care companies. "The majority of training now resides on our LMS, and this training covers critical areas like the reporting of adverse medical events with patients, the safety of medicines, manufacturing product safety, and management certification on business ethics. Providing 24/7 access to the learning and certification, together with securing and

providing access to training records and certification data, is now considered business critical. In addition, we now have a number of systems that only allow you to use them if there is a corresponding entry in your training record."

"I would absolutely consider our LMS mission-critical," said Steve Wells, senior director of sales training and management development at Wyeth, a global leader not only in pharmaceuticals, but also consumer health-care products and animal health-care products. "If our system goes down for even an hour—we get help desk calls. Employees are learning all the time via online courses, tests, (various) curricula...thousands of courses and tests are being completed daily. We have courses each month going out to the field as well as within the home office that must be completed on a timely basis."

As the comments from GSK and Wyeth indicate, the pharmaceutical industry in particular is a vertical market that clearly has come to rely on the LMS for core functions. Another prominent company in this space, Johnson & Johnson—the fourth largest pharmaceutical company in the world—has seen its LMS become closely tied with other important functions of the company.

"I am observing that the LMS is becoming further connected with critical portions of the business," said George Flanagan, manager of learning management for J&J E-University. "For example, we need to show not only training results for our manufacturing processes, but tracking retention of knowledge contained in SOPs (Standard Operating Procedures). This means that the LMS becomes more like a document management system for our SOPs. As the lines between business processes fade, the LMS will be more critical to our business. Our way of getting to this point is creating more connection points to other systems, but also re-examining how we use each system for our business to ensure optimal use."

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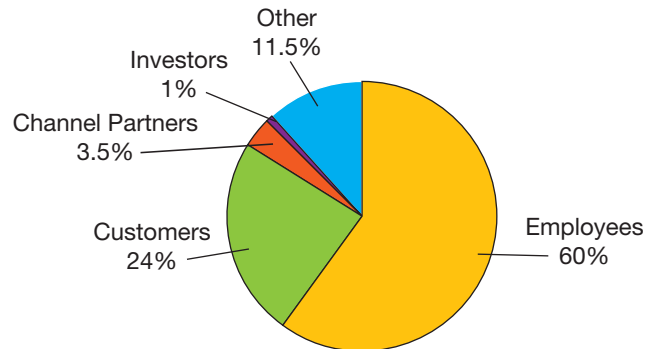
How an LMS intersects with other systems often dictates how critical it is to a particular organization. But how that LMS interfaces with business processes can be just as important.

“At United Airlines, our LMS is mission-critical in two ways,” comments Jeff Presseau, program manager for United’s Workforce Performance Systems group. “First, our LMS is used to efficiently and effectively administer and manage numerous regulatory training and qualification requirements. Secondly, the LMS is mission-critical in the sense that it is an enabling platform for business transformation. It allows us to leverage technology to support performance improvement in our organization in ways that are not possible in disparate systems.”

“The implementation of a web-based LMS has given United new tools to boost organizational readiness and speed,” Presseau continued. “The airline industry is undergoing a massive and fundamental transformation and the LMS has provided the organization with a platform that is designed to effectively manage the changing talent landscape of our business. The new tools also have allowed us to manage talent in a faster-better-cheaper model providing a competitive advantage in our highly competitive environment.”

Indeed, the ability to quickly affect the business culture and processes of a company is something for which the senior executives in many organizations are turning to the LMS to help facilitate. Earlier this year, articles in the *Wall Street Journal*, and by its parent, Dow Jones, highlighted how Citigroup—one of the largest financial services firms in the world—plans to use learning technology to drive ethics training. The articles describe how Charles Prince, Citigroup’s CEO, committed the bank to ethics training for all employees, part of his five-point plan to restore respect in the company. Under the plan, the bank’s top 250 executives around the world will assist in training 3,000 senior managers in ethical issues. While the bulk of the training will be delivered to Citigroup’s 300,000-plus employees glob-

Types of E-Learners



GOTO/Learning Circuits, 2004

ally, via the company’s LMS, the real driver behind this initiative is unifying the company’s culture and quickly shifting business processes.

“We need to change the way we do business,” said Prince in one article. “But we don’t want to throw away our performance-based culture.”

We’re not there yet

While LMSs are clearly performing important tasks in important companies, not everyone is ready to anoint it as a mission-critical technology.

“I do not ever see it becoming mission-critical to our business on a par with billing, point-of-sale, payroll, or other ERP systems. It just isn’t capable of being that type of application,” said Rob Lauber, executive director of learning services for Cingular Wireless, the largest wireless company in the United States. “I would consider it ‘mission-critical’ in the sense that our organization has become dependent on it as the means to deploy, monitor, and measure execution of learning activities of all kinds across the enterprise and extended enterprise. I would not consider it ‘mission-critical’ in the sense that the company can’t do without it...that would be awfully presumptuous of me.”

“There are levels of mission-critical,”

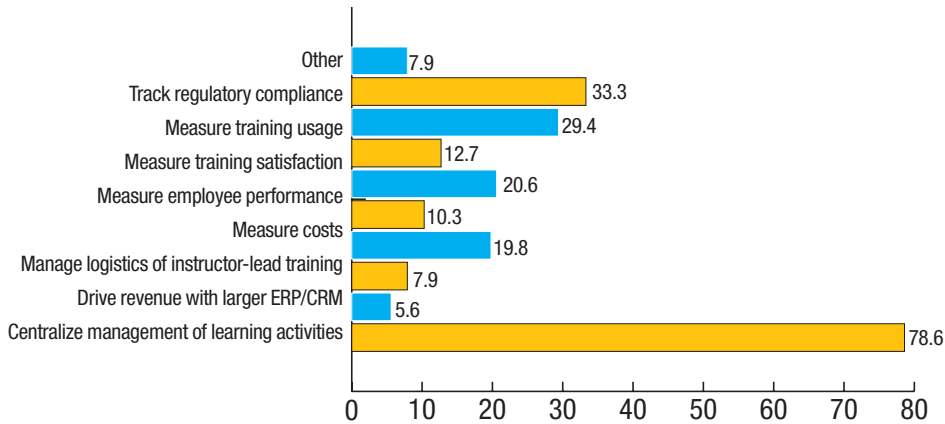
explains Jim Bauman, director of NCR University Operations. NCR is a leading global technology company headquartered in Dayton, Ohio. “Our LMS is not critical at the same level as the order processing and billing systems, for example. These systems have higher levels of backup and support. However, NCR University, which includes the LMS and surrounding functions, are critical to the success of NCR. Employees, channel partners, and customers rely on it 24/7. Since we deliver more than 70 percent of our training online, users are dependent on its availability for training when they have time. Also, reporting from the system is used constantly to develop proposals, dispatch technicians, and develop learning plans.”

As Bauman points out, the LMS’s targeted audience often dictates how critical it is to an organization.

“For internal training, our LMS is not considered mission-critical,” said Lesley Durham, director of global sales training of Symantec, now the fourth-largest software company in the world. “But, for our customer and partner revenue-generating training, the LMS is definitely considered mission-critical...primarily because it is a key source of revenue.”

“Our LMS is incorporated into our product portfolio and as a result is tied into our ability to meet our annual rev-

Why Did Your Organization Implement an LMS?



GOTO/Learning Circuits, 2005

enue goals,” said Jeff Spreen, business systems analyst for Credit Union National Association (CUNA), the U.S. trade association serving credit unions. “That relationship between the corporate budget and the LMS does make it mission-critical.”

In a column published in the March issue of *T+D*, I wrote about the role learning is increasingly playing in externally-facing activities for companies. Technology plays a big part. For several large organizations, the ability for the LMS to reach partners, distributors, and customers has had a real impact on business performance. A study by ASTD’s *Learning Circuits* showed that more than 25 percent of LMSs are targeted at external audiences.

[GOTO/www.learningcircuits.org/2005/jun2005/LMS_survey.htm](http://www.learningcircuits.org/2005/jun2005/LMS_survey.htm)

In those situations, it’s easy to see how a revenue-generating function would be deemed critical to a company. But not all training departments get a chance to directly impact revenue, particularly when their only focus is on employees. Today, however, there is one big catalyst that is affecting the way organizations are internally viewing the importance of their LMS. In addition to merely centralizing learning activities, that catalyst is compliance.

The growing importance of compliance

If you work for a public company, you are undoubtedly aware of how Sarbanes-Oxley (SOX) has impacted many aspects of your organization. SOX has had an immediate effect on the role training needs to play in a public company’s compliance with these new regulations.

“The need for compliance training has increased dramatically with SOX and doing face-to-face training would be cost-prohibitive,” said Janice Beavin, principal consultant with Southern Company, the premier super-regional energy company in the Southeast and number 178 on the *Fortune*’s 500 list. “We are using the LMS to roll out compliance training through web-based courses. We have an initiative to look at reducing our instructor-led training and moving to Web-based where appropriate, so the value of the LMS to our company will continue to increase.”

Compliance is important in many different areas beyond SOX, and administration of completions and reporting are often brought up as primary benefits of an LMS.

“We have a huge initiative at Wyeth for compliance training for sales, operations, and other groups,” observes Wells. “In the old days you would try to get every one into a classroom and com-

plete this. But with thousands of employees, this is impossible and can be completed as good—if not better—in other ways.”

“From the standpoint of administration, the largest dependencies are compliance and manpower planning. The LMS has allowed United to extensively simplify the process of effectively complying with regulatory mandates and provides aggregated data on qualifications for work assignments,” said Presseau. “This is a key requirement in order for United to have the right people with the right skills available for business units to deploy to the place of need.”

“Our LMS has become the essential tool for the delivery of required compliance training,” said Justine Milberg, vice president of Pacific Life Academy, the corporate university for the Fortune 500 insurer. “The reality is that compliance training is now mission-critical to Pacific Life because we, like everyone else, must comply with new regulations and introduce new processes. The company needs a platform that allows us to distribute the required information and knowledge in the most time- and cost-effective way possible, and to have the ability to track effectively. Achievement of this goal would not be possible without the LMS and e-learning.”

Along with compliance, certification has also gained in popularity recently.

“Certification in particular has become a new strategic tool to the organization’s senior executive team,” said GSK’s Steven Jeffrey. “The use of the LMS currently provides the foundation for a major ‘all-business-unit’ training operational excellence initiative sponsored by that team.”

Visibility

While GSK’s learning programs have caught the attention of the senior executives, has the LMS helped raise the visibility of learning in other organizations?

“The LMS has definitely increased the

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strategic value of training,” said Durham of Symantec. “Our sales managers rely on the employee skills information for retention and employee development. Information from the LMS is tied to our performance-review process to determine eligibility for the highest level of performance. As we make the data and information from the LMS available to managers in more meaningful ways, the perceived strategic value of training increases.”

“The LMS has totally increased the visibility of learning in our business,” said Cingular’s Lauber. “Because it is the central point of entry into all learning activities, it is the single source for the entire business to see what is being done. That allows it to be positioned on the main employee portal pages and other key sites which increase its overall visibility and subsequently the accessibility of learning in the business.”

“The LMS alone has not raised the visibility of the strategic value of learning in our organization, but it has given the learning professional at United capabilities in the administration and analysis of performance improvement that they never had in the past,” added Pousseau. “This combination of factors has clearly raised the visibility and recognition of our ability to partner with the business units to maximize the realization of their strategic business initiatives.”

While it is clear that several progressive companies have been using the LMS for strategic purposes, the sentiment of most is that an LMS alone won’t be the panacea.

“I think we—as a profession—need to be realistic about the role that the LMS can play in the business,” cautions Lauber. “It can be up there on the mission-critical app list, but likely not one of the ‘we will die if it crashes’ apps for

most companies not in the learning business. The value of the LMS is not in the application itself but instead what it enables the business to do that it could not do nearly as efficiently otherwise.”

Johnson & Johnson’s Flanagan shares the value sentiment. “We define a successful learning and development deployment when the user population is not aware of the systems. We want to have the best platform in place where systems are designed so well that users will not need to be concerned about what application they are using. We can then focus on the content behind our learning and development initiatives.”

While the definition of the importance of an LMS is relative, it seems clear that more and more organizations will discover critical business functions that their LMS will impact. Whether the technology is considered mission-critical or not, if it increases the strategic value of learning, it increases the value of the learning professional. And that’s something all industry professionals should deem “mission-critical.”

Kevin Oakes is president of SumTotal Systems (NASDAQ: SUMT), the largest provider of learning and business performance technologies and services.