



SUMTOTAL
WHITE PAPER

10 Steps in Presenting an Effective Business Case for a Learning Management System

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So you already know the value a learning management system brings. Perhaps you already have one that is delivering everything you promised, or maybe you're considering this investment for the first time. Unfortunately, most organizations don't emphasize the importance of learning and development as much as they should. The need may be very clear to you, but how do you convince the rest of your organization to jump on board?

You are about to embark on a huge marketing engagement. You may not think you are, but a business case is much more than an ROI document or a static business plan. If those are the deliverables you are expecting out of the gate, you're destined to fail.

Following the 10 steps below will help you address immediate problems, build alliances throughout the organization, and make a business case. These best-practices come directly from SumTotal customers who have faced similar challenges.

1. Start with a Self-Assessment: Analyze your current processes and identify your own needs

Solutions sell better when they address real issues. Take an assessment of how you manage learning today. Where are the inefficiencies? What are the organizational risks? What work isn't getting done that should? For specific details reference SumTotal's whitepaper: *Calculating the ROI of an LMS*. This whitepaper holds a checklist of specific pain-points and process inefficiencies that learning management systems help alleviate.

This list will surely change as you go out looking for support throughout the organization. But it's important for you to be able to articulate your specific vision with this project and to have a good understanding of the benefits an LMS can provide as referenced in the whitepaper above.

2. Learn how your organization does its strategic planning

Before you get too deep in this process it's important to know how the game is played. A lot of learning management systems get scoped into other projects like ERP system rollouts or talent management projects. Later you will go out and try to bring others on board, but first get the following questions answered:

- How does your company plan their business?
- How does your company set goals- independently by BU, or cascading from the top?
- Do you use the Balanced Scorecard approach, or any other formalized methodology?
- What are the planning cycles by group, and what key metrics affect the planning?
- What are key metrics involved in evaluating the success of the business plans by evaluation period?
- When you get to the point of presenting a case, what format should it be in? Can you get a copy of a successful business case that was presented and approved recently (to use as a template)?

3. Find out your organization's process for purchasing software

Now is a good time to take a person from IT out for coffee. Find out all you can about your organization's software procurement processes. The details in this bureaucracy matter. Now, through this process you may realize that teaming with an externally hosted LMS makes more sense than hosting a solution internally. Either way, this knowledge is power.

4. Determine the units in your organization that really need training

Mandatory and strategic training requirements show up in many different areas of your organization. For example, compliance training, often the primary driver for many learning management systems, is usually distributed among many different departments in varying forms. Form a task-force to find out who is carrying out redundant processes and activities. Look into the following areas:

- **Human Resources:** *Onboarding training, workplace conduct compliance training, leadership development training*
- **IT Group:** *Systems rollout training, IT skills training, internal process training*
- **Product Support/Call Center:** *Product training for internal support, Extended-enterprise customer training*
- **Marketing:** *Extended-enterprise prospect/customer training*
- **Sales:** *Sales training, leadership training, new product rollout*
- **Alliances:** *Partner new product training and competency certifications*
- **Health & Safety Departments:** *Mandatory compliance training*

5. Interview these different stakeholders

Now that you have identified who the key people are, take the time to get to know their training challenges and their business needs. Below are some questions that will help in your discovery:

- **What are your strategic goals for the quarter and year?**
 - Get a plan from them
 - Do they map to corporate goals, or roll up to other departmental goals
- **How will you be measured on success?**
 - This could be surprising
 - You are a business partner interested in their success
- **What key metrics do you track to run your business/department?**
 - Understand what these are, how they are gathered, how often
 - Know what influences each metric
- **What do you feel are the barriers to your success?**
 - These are the pain points
 - Ensure that they map directly to the goals and measures

- **What issues are you facing today?**
 - These may be different from goals
 - Alleviating existing pain could allow breathing room for future success
- **Are you dependent on other departments for your success?**
 - Showing interconnectivity could increase your case
 - Linking common goals drives synergy

Each of these interviews will illuminate direction, challenges, and possible opportunities for consolidated learning initiatives. It is your job to identify them, and come up with a compelling case for presentation.

6. Conduct process-flows

Mapping out the various processes and training requirements across the organization will have 3 major benefits. First, you highlight areas of redundancy and leverage opportunities. Second, you highlight manual steps in each process (for example, email notifications or course assignments). Finally, the process flows reveal weaknesses in your compliance management and show areas of risk.

7. Calculate the financial impact of training

Once you've mapped out processes, met with other groups, highlighted redundancies, and showed inefficiencies, you can calculate how much time and money is spent managing training and reporting with current systems and processes. With this information, you'll be able to present a case for centralizing and automating these functions. Using a single learning management system, a platform used to plan, implement, and assess learning activities, will streamline processes, automate administration tasks, and reduce non-compliance risk.

Again, to calculate this ROI, download the *Calculating the ROI of an LMS* whitepaper.

8. Find a champion in management

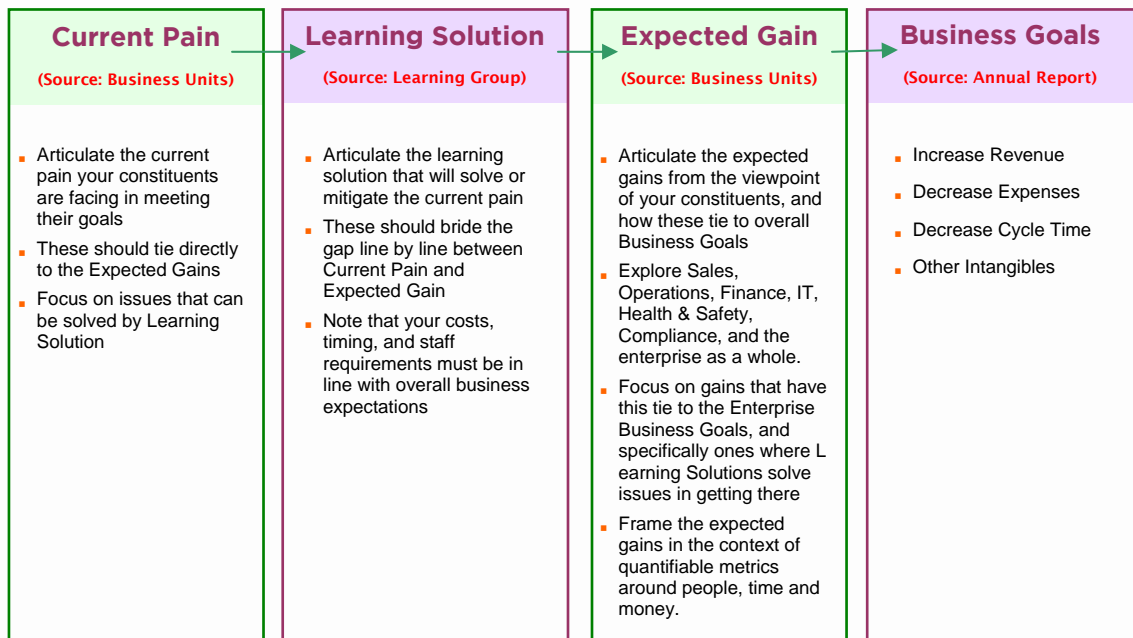
Buy-in from management is crucial to organizing an enterprise-wide initiative. Training organizations aren't always top of mind for CEOs. Management does understand items presented in terms of cost efficiency, revenue potential, and corporate risk. Finding a champion will:

- Provide you valuable feedback on what is important in making this case
- Report on collaborative activity
- Help endorse the project once you are actually making the case.

9. Make the case

Writing up the actual business plan often differs from organization to organization. The important thing is to take your ROI numbers and the process flows you've put together and ensure they are compelling and coherent.

Remember to address the major issues in your training process and articulate how an LMS will alleviate them. The diagram below has been used in the past to help with this framework:



10. Project manage to the end

Like any project in life, the only way to ensure that you are going to get what you want when you want it is to lead it yourself. Be wary of having other groups pick up this initiative and it losing steam or delivering something unexpected. This is your baby, and like it or not you'll have to carry the project to closure to make it work.

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