



## Creating a New HR Technology Best Practice – and a New Profit Center

Over the past several years, the idea that HR needs to link its results to business objectives – to be more “strategic” – has become the mantra not only among HR executives, but also at the C-suite level.

After all, senior management saw HR mostly as a place where money is spent, rather than earned.

Today, efforts such as technology-fueled talent management suites and other similar innovations have given learning and HR departments the tools to build a strong business case about the strategic and economic benefits of talent management best practices. But, it has also sparked an opportunity to partner with other business areas – such as sales or marketing or channel management – and create a new profit center.

An emerging best practice is focused directly on turning today’s talent technology into a profit-making entity in what can be termed the “extended enterprise.” Forward-thinking businesses, coaxed by training, and HR efforts and innovation, are finding a fertile area for new growth by effectively reaching out to and engaging with their extended network of customers and business partners to develop those new profit centers, along with increasing sales, cutting support costs and boosting channel productivity.

Simply defined, the extended enterprise is the collective of customers, business partners, members of associations, franchisees and vendors along the supply chain, who depend on each other and work together for mutual benefit. Organizations with an investment in e-learning and training capabilities – a learning management system (LMS) – can leverage this existing technology infrastructure as an asset that can be shared with that broader audience.

Traditionally, employers have leveraged the power of learning technologies to increase knowledge and skills and improve the performance of the internal workforce. Now, those same or similar tools are being turned to the outside, finding new uses and new audiences.

Specifically, HR can focus on two areas to drive revenue, productivity and loyalty:

- **Training for Profit** – For both customers and distribution channels, learning technology can generate revenue by delivering training content while simultaneously cutting support costs and reaping the benefits of “educated” customer and partner communities.
- **Enablement** – Delivering product training and certification and decreasing time-to-productivity can boost output from partner networks and channels. Partner communities allow for rapid exchange of information in markets where information is currency.

Also, offering technology support to the extended enterprise can address significant business challenges and benefit an organization in many areas, including product knowledge, partner incentives, brand loyalty, compliance and risk mitigation, and visibility and metrics (by correlating investments in training to business results).

Social networking and collaboration tools, which are continuing to emerge as a component of learning and talent management suites, also can help power the success of extended enterprise initiatives. It’s clear that people have grown to accept social media. With that, they have come to expect a greater ability to collaborate and interact with online communities to gain knowledge. Those two factors mean any extended enterprise solution should have social networking functionality at its core.

Naturally, external audience needs are different from those of an internal audience. It’s a good idea that an extended

enterprise software solution offers capabilities that include: easy access; social connectivity (wikis, blogs, discussion forums, profiles and RSS feeds); certification (for partners, certification programs to ensure they have the right knowledge); on-demand reporting (tracking extended enterprise

activity); and, administration and support.

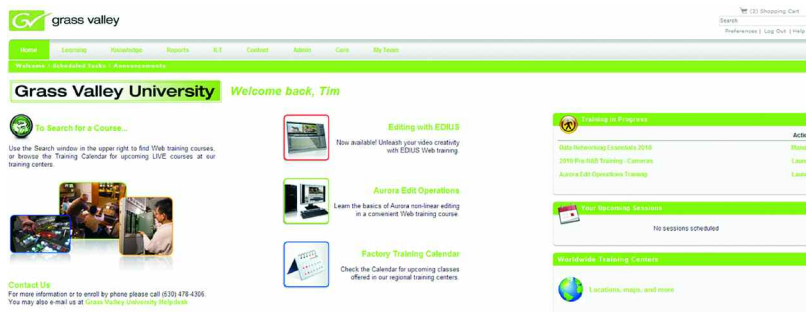
Offering technology-based training to and increasing engagement with customers and partners offers clear benefits: It can increase product sales, generate revenue and reduce overall support and training costs. Customers can learn how to use your products better and find answers to questions, which can increase loyalty and bring down support costs. Partners can benefit from access to specialized training that may be more difficult (or expensive) to access otherwise. Your benefit is a revenue stream that can transform training into a profit driver and not a cost center.

Creating a new talent management technology best practice that supports the extended enterprise offers tremendous potential. I have already seen many companies in a wide variety of industries that are realizing the benefits of serving external audiences, and others that are intrigued by the possibilities.

Most of all, they are interested in the power these technologies offer, which make it easy for customers and partners – not just employees – to understand their learning options and take advantage of them.

### About the Author

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Broadcast solutions provider Grass Valley provides its customers with an online learning resource that has also helped to boost the company's training revenue.