

eLearning Value Chain and Case Studies

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Abstract

A long with the rapid change in network technology, companies must take advantage of the existing network infrastructure for learning in order to maximize success in the business. However, the network technology must be integrated into end-to-end systems to meet customer needs. To achieve this integration, E-learning can initiate end-to-end systems to provide new opportunities both in the customer-facing side of the business and in the supply-chain end of the enterprise. This paper presents the value chain of e-learning result to its business being worth. The results eventually come from many cases that could be represented and evident for the e-learning tool success. This paper will be a valuable contribution in the future development of E-learning tools for business organizations.

1. Introduction

The age of knowledge has come. Among the high progressive technologies, the knowledge was simply delivered and discovered through Intranet and Internet based system, including other electronic devices. Users now can be able to access information at their conveniences. However some have reached a point of “information overload” [1], [2] – they do not have time to find the valuable information themselves and convert into knowledge.

According to Peter Drucker [3], the only distinctive differentiator in new economy is human knowledge and innovation. The further step is how to manage company

skills, knowledge and people as a heart of value chain. E-learning is an effective means of human capital development and management. To incubate a tacit knowledge for smart learners, e-learning can be implemented more quickly as a dramatically dynamic strategy of the corporation.

In the commoditizing global economy, technological facility is a standard-based infrastructure of all organizations. Hence, using e-learning inventions will deliver and track closely on an enterprise-wide learning management platform. This notation will report you what E-learning’s value chain is, as well as, its market segment position. You will explore why businesses view it as a lucrative asset. Finally, some cases are brought up to represent which value that beneficiaries should take from them.

2. Definition of eLearning/Market Segmentation

Before understanding E-learning’s business value chain, this section presents the meaning of E-learning and how it differs from traditional learning form.

“E-learning is the continuous assimilation of knowledge and skills by adults stimulated by synchronous and asynchronous learning events—and sometimes Knowledge Management outputs—which are authored, delivered, engaged with, supported, and administered using Internet technologies.” [4]

“E-learning is a paradigm shift in the way education is viewed and delivered. At the beginning of the new millennium, corporations view learning increasingly as a

competitive weapon rather than an annoying cost factor. Business success depends more and more on high-quality employee performance, which in turn requires high quality training. Corporate executives begin to understand that enhancing employee skills is the key to create a sustainable competitive advantage. In the quest to remain competitive in today’s labor-tight market, companies are exploiting the advances in technology to train employees more rapidly, more effectively, and at less expense than in the past.” [5]

“Web-based learning, online learning, technology-based learning and distributed learning are synonymous to e-learning that is the acquisition and use of knowledge distributed and facilitated primarily by electronic means.” [6]

Using technology as an enabler and process as framework, e-learning has the ability to fundamentally transform the way employees and enterprises learn in the new economy in which knowledge is valued and change is indisputable. Human resource is the key implementer to create a business value from useful knowledge. Most of enterprises now emphasize its human capital improvement by providing high-quality learning courses to employees through multiple channels in order to generate some benefits further to the organization and need to interpret their tacit experience to become an explicit knowledge embedded to the corporate culture.

As mentioned above, E-learning is likely a profitable asset for the business, so its market place and segment is widely large. The figure 1.1 will illustrate the major of e-learning market segmentation.

There are three key segments in E-learning segmentation namely, content, technology and services. Currently the most popular forms of e-learning content are technology, business, education, science, health & medicine, social sciences, personal interest, and so on. They can be purchased

either in a prepackaged form “off-the-shelf” or in custom-built form, specially tailored to fit the particular needs of your organization or adding to it in a way unique to your organization.

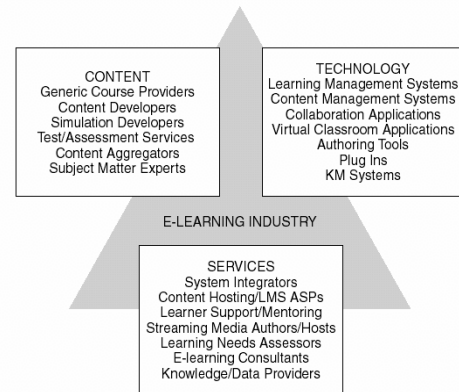


Figure 1.1: E-learning segmentation [4]

The second component is Technology sector. It is composed of authoring and development tool used for creating e-learning content including software applications such as multimedia creation, audio and video capture and edit, Java programming, etc.

The last component shows the Service sector. This is actually a large sector and there are various services you can buy-everything from consulting on strategy and deployment to technical support. To conceptualize, service is to think about the help you or your organization will need as you progress from planning e-learning, to implementing purpose, to assess outcome and scaling up [7].

Content, technology and services all lead to distribution to market via the portals, distributors and integrators sector. These are the channels where end users really get to see and buy finished product.

3. The eLearning Value Chain

Value chain analysis describes the activities that take place in a business and

relates them to an analysis of the competitive strength of the business. In other words, value chain analysis is thus a mean for examining internal processes and identifying which activities are best undertaken by a business and which are best provided by others (outsourced) and supplemented to the business competencies.

Fathi Elloumi [8] analyzed the internal value chain of an online learning institution according to Porter's rule [12]. The constitution of e-learning industry was separated under two elements: Primary activities and Support activities as shown on figure 1.2

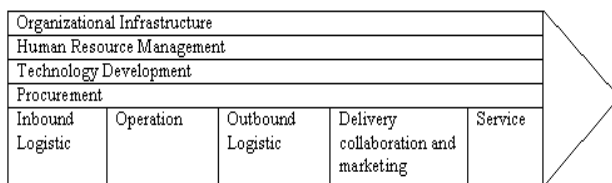


Figure 1.2 the e-learning value chain [8]

Primary activities are major business that provide, create and deliver its product and/ or service to customers while support activities are indirectly implicated in production and operation. Support activities would be assisted to the core business for high effectiveness and efficiency.

Support activities consist of

1. **Organizational infrastructure** respect to a wide range of support systems and functions, such as finance, planning, quality control, and general senior management.
2. **Human resource management** involved recruiting, developing, motivating, and rewarding the workforce of the organization.
3. **Technology development** associated with managing information processing and the development or protection of "knowledge" in the organization.
4. **Procurement** is to support which resources are acquired for the organization

(e.g., sourcing and negotiating with suppliers).

Primary Activities include

1. **Inbound logistics** implicate the contributions for course development, including curriculum planning; acquiring or preparing for learning specific hardware (LSH), learning management systems (LMS), and learning content management systems (LCMS).

2. **Operations** involve the actual process of course development and advertisement, including writing, multimedia creation, editing, formatting, graphic design, printing, and Web publishing.

3. **Outbound logistics** concern the packaging and storage of courses, the process of mailing or otherwise delivering the knowledge material to the students and customer requirement.

4. **Delivery collaboration and marketing** craft a branding strategy to communicate the benefits, attributes, culture and competitive advantage and also the business' uniqueness.

5. **Service** provides the knowledge support both of technical and academic through Web sites and Web portals.

The value chain analysis explicitly recognizes the interdependencies and the profit cost efficiencies accruing from exploiting linkages among value across the organization. Moreover, today's efficient companies know that e-learning is not only a supporting tool for the organization workforce but also a powerful weapon for reaching supplies, distributors and customers to drive business results. See figure 1.3 for understanding the effect of value chain to each stakeholder.

4. Case Study

These case studies will illustrate your viewpoint on the benefit of e-learning system to the businesses.

4.1 Lucent Technologies [7]

Web-based training enriches learning for customers. They provided a VitalSuite Web-based training (WBT) to offer customers an alternative to classroom-based training.

Lucent has provided customers the flexibility and convenience of anytime access to its VitalSuite 8.0 product training. Customers are able to access courses from any location without the burden of travel schedules, course availability and conflicts typically associated with training. They are also able to take the course and perform work at their own convenience. Another benefit provided by the on-line training for customers is the ability to repeat all or an individual module in the course. Lucent has greater control over course content; lesson content can be updated instantly, providing customers the immediate access to the latest material.

4.2 Munters Corporation [5]

Munters Corporation, the world leader in humidity control, selected PrimeLearning.com™, the business skills e-learning experts, and the American Management Association (AMA), to implement an integrated training solution utilizing the Prime eLearning System™.

Munters Corporation has chosen to invest in its people and their leadership development, emphasizing the key areas of empowerment, which are:

- 1) Global employee training; the need for all employees to learn new business skills in order to stay ahead of immediate changes of the market.

- 2) Sales training; the need for many internal employees, restructured into sales roles, with varying levels of sales experience, to quickly access to world-class sales training.

In order to achieve these goals, Munters choose PrimeLearning.com™ and AMA as

joint strategic partners because of the unique benefits offered through the partnership of these two organizations, and the way in which their service offerings linked precisely to Munters' national training needs. In addition, the demonstrated ability of both organizations and partner effectively and also fits well within the Munters' culture.

The Munters' sales team will first go to the AMA Instructor-led Sales Course, followed by the PrimeSales™ curriculum. Sales Managers will then conduct "refresher" sessions and discussions via the PrimeLearning virtual chat room on a monthly basis, while also providing the sales staff with access to the PrimeLearning.com discussion boards and electronic resources to further support their learning. The goals are to have everyone understand the basic principles of selling, to have resources available when and where needed to share knowledge and experiences, and to have everyone focus only on the material they need most so that each employee can progress successfully to higher levels of learning.

4.3 Canadian Tire Corporation [9]

One of Canada's largest retail organizations was posted annual revenues of over 7 billion dollars in 2004, operating over 450 stores coast-to-coast with approximately 45,000 employees.

Canadian Tire built an online Customer Service Representative (CSR) training program in order to facilitate their employees for selling the variety of products. Provincent has cooperated with their instructional designers to invent an ongoing tutorial course comprising over 300 lessons. The courses are integrated into the IBM Lotus Learning Space: Learning Management System (LMS).

Provincent's consultants planned and executed a multi-phase measurement and evaluation plan for gathering any

information of staff and customer satisfaction, staff knowledge gains, work performance and sales. Interviews, online surveys, mystery shopping, and sales analysis provided Canadian Tire with an extensive outlook of the impact of the e-learning strategy on key business indicators, and analyzed data that could be applied to the strategy's further improvement.

Provinent's evaluation strategy, completed in November 2002, it revealed that favorable learner satisfaction and measurable increases the employees' performance and confidence, which are the result from training. This expression of return on investment from the corporate e-learning strategy paved the way for further e-learning innovation in other areas of the company.

5. Conclusion

This paper has reported why e-learning system was favorable for the various organizations. Then the lines between learning and working or doing will be blurred. Students may not even identify themselves as students because the act of learning will become a part of their work and everyday life. Instead of taking fixed length classes, people will go to the plentiful variety of resources to solve a problem (i.e. certification courses). Each person will be in charge of his/her own learning plan, but would be able to use high school standards and requirements to help direct their paths.

We can imply that e-learning tool is not only valuable for business but also for the learners ubiquitously. E-learning, however, may be eliminated in the next decade because of the rapid change in technology innovation and replaced with some more facilitative inventions. Hence, the organization should not break off the development. The presented information in this paper shows that e-learning is the effective tool of business's competitive

advantage today, emphasizing for knowledge management, human capital and intellectual capital management.

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