Learning: a key enabler to becoming an on demand organization.

Enterprise learning enables success in an on demand world
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How the on demand world is changing the way we work

Think back to a time when your business was more predictable. You knew when to expect spikes in demand and when things were going to be slow. Today, you can’t always predict market fluctuations or rely on forecasts. You can’t always know just how impatient your customers might become. But what you can do is learn to adapt to however your market does change. That means your organization must be responsive. Agile. Efficient. Able to operate around the clock, at the speed the market requires. Not merely to survive, but to thrive, in an ever-changing marketplace.

Regardless of the economic climate.

Many organizations are doing just that—looking for ways to become more responsive and more flexible. They are shifting from a business-unit focus to complex partnerships and value nets that extend beyond the enterprise. They are replacing static, rigid structures that have slowed them down with new, dynamic learning organizations that enable them to adapt quickly.

But this evolution doesn’t happen overnight. How are enterprises making these changes? Generally, the journey begins with initiatives to automate and streamline internal processes by giving select employees, customers, partners and suppliers access to information; we call this the access phase. This usually leads to an expanded focus on integration across the enterprise—enabling information sharing across business functions; we call this the integration phase. Building on these efforts and leveraging advances in technology, organizations begin to enable and encourage collaboration across the enterprise and across the value chain. They foster an organizational culture committed to continual learning. We call this e-business on demand™.

What does such an on demand business really look like?

A national retail chain might decide to strip out inventory-carrying costs by keeping goods in the warehouse and delivering to each store exactly, and only, what is needed on a daily basis. An electronics manufacturer might decide to adopt a customized products manufacturing program for its preferred customers to both leverage production floor downtime and increase customer retention. For a government agency, it might mean building a technology-enabled dynamic workplace for the organization and its suppliers that streamlines job bids, the bidder certification process and project and budget management. For a school, it is to create an environment that enables continuous improvement in teaching and learning. It includes the implementation of integrated school processes and information that allow for the collecting and analysis of formative, leading indicators of student performance in order to determine necessary redirections and realignments, and appropriate midcourse interventions.

e-business on demand may look different to every organization, but the basics are the same. The focus is on enhancing the ability to satisfy customers, students and stakeholders who want products and services that are customized dynamically and delivered in realtime. It results in employees, suppliers and partners having access to the information and insights they need to do a better job—and to do it faster and cheaper. It creates a core infrastructure that has the flexibility to support integration with an ever-changing spectrum of suppliers. It creates a supply chain that can be reconfigured based on schedule or price or location—whatever makes sense at the time. It’s about producing meaningful results. And it’s about learning to think and work differently.
What sets our retailer, electronics manufacturer, government agency and academic institution examples apart from so many failures at organizational change? The effective planning and implementation of three key elements of enterprise transformation: business processes, technology, and organization and culture.

As an organization evolves to becoming on demand, it adapts its business processes to be more responsive to changing requirements. It reshapes its infrastructure into an integrated, open system to which it can add capabilities and capacity on demand, when and where needed.

People are the most critical factor in this equation. With the right skills and mindset, people can make a success of most any process change or technology investment and help to move the enterprise forward. A responsive workforce and supportive culture can go a long way to supporting initiatives to transform an organization and what it does.

An on demand enterprise must develop its organization, people and relationships specifically to support its new organizational models.

Learning effectively engenders and encourages change in people and in culture. Learning equips people with the skills, knowledge and mindset they need to perform effectively. In the enterprise, learning can help foster the collaboration, teaming, virtual teaming, team building, communications and interactive relationships—up and down the value chain—that are so critical to becoming an on demand business. As an integral component of effective human capital management, learning helps close the skills gap that can lead to underperformance, increasing costs and declining quality; learning also helps ensure that crucial enterprise knowledge is transferred and not lost when job roles change or people leave.

### Organizational and cultural characteristics of an on demand enterprise

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<tr>
<th>Organization</th>
<th>Flexible, integrated organizational structure</th>
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<td>Simplified, distributed governance and decision-making process</td>
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<td>Adaptive performance management systems that dynamically link individual incentives with business objectives</td>
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<td>People</td>
<td>Responsive, fluid global sourcing and labor model</td>
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<td>Self-directed, “just-for-me” pervasive learning integrated into work and life</td>
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<td>Leaders that are hands-on, entrepreneurial and customer-centric</td>
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<td>Relationships</td>
<td>Self-organizing, virtual, global communities</td>
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<td>Trusted partnerships with customers and suppliers that extend beyond contractual agreements</td>
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When an organization becomes a learning organization, it enables the key attributes of an on demand enterprise:

- Responsive through the dynamic sensing of learners’ needs and responding to them just-in-time
- Variable through the deployment of the most cost-effective learning methods for the situation
- Focused on the delivery of the right content to achieve the learning objective
- Resilient using the latest technology to optimize the efficiency of the learning system.

ADVO targets service excellence with IBM

Company: ADVO, the largest direct-mail marketing services company in the U.S., with annual revenues of more than US$1 billion, 4,700 employees nationwide and over 23,000 clients.

Challenge: Support the global restructuring of business processes and technology as well as future corporate initiatives by cost-effectively helping employees become more responsive and adapt to changes in their roles and in the corporate culture.

Solution: Enterprisewide learning strategy and infrastructure from IBM.

Benefits: Better responsiveness to customer needs due to consistent internal communication of service values and objectives.
Although the journey is different for each organization—driven by different starting points, different objectives and different organizational imperatives—it typically covers three main phases of learning evolution. In what we call the access phase, learning is typically static, instructor-led and classroom-based. The focus during this phase is in reducing operating costs. For example, an enterprise might automate formal learning and deliver it online to reduce both travel and administrative costs.

In the integration phase, organizations begin to focus on deriving more value from learning by integrating learning programs with business process and systems. For example, an organization might integrate learning with performance support systems to increase workforce efficiency and speed time to performance.

Finally, as learning evolves, organizations are enabled to develop and deliver truly user-driven, user-directed learning that is available on demand, wherever, whenever and by whatever means it is needed, in support of achieving overall organizational goals and objectives. In this phase, innovations in learning will help drive performance by enabling organizations to:

- Be more responsive to changing business demand
- Innovate on demand
- Develop deeper relationships with clients
- Reduce risk
- Deliver financial results.

Learning drives ever greater business value on the way to on demand business.

So how does a business use learning to cultivate the organizational and cultural characteristics of an on demand business? Let’s look at how learning has become a critical element of an on demand enterprise.

**Retail in an on demand world**

To support its new distribution model, our hypothetical national retail chain launched an enterprisewide learning program to demonstrate to its employees, partners and suppliers exactly how the new model would save time, reduce costs and contribute to increasing customer satisfaction levels—all critical business goals. When faced with issues or problems regarding the new processes or technologies, employees could quickly access learning on demand through both handheld devices and store terminals. This learning included access to experts and best-practice databases as well as the ability to launch short e-learning modules and simulations specifically related to the issue at hand. This program allowed the executive team to establish consistency of message and business practice across a dispersed employee, partner and supplier network. In addition, the employees embedded realtime access to information, and experts eliminated any negative impact on customer service as the systems and processes were rolled out.
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Innovation in learning

How learning drives ever greater business value on the way to on demand business

**Electronics manufacturing in an on demand world**
For the electronics manufacturer, expanding to include customized production required a major shift from a product focus to a customer focus. To ensure that this shift was successful, it deployed an extensive learning program that reached from the executive floor to the production floor to its partners and suppliers. It embedded learning into the workflow associated with its new enterprise resource planning (ERP) and customer relationship management (CRM) systems. Allowing for learning at the point of need, it implemented tools to support identification and collaboration between communities and experts inside and outside the enterprise, which created new ways to rapidly identify and solve problems. It enabled this learning environment in an on demand workplace accessible to its manufacturing, distribution and sales operations, and extended the environment to include suppliers and channel partners. The results are a tightly linked value chain supported by realtime information and collaboration. In addition the organization has improved its operational efficiency through the development of enterprisewide, rather than department-based, learning programs.

**Government in an on demand world**
The government agency leveraged its learning investments to create a personalized learning environment that supported the individual’s role in the organization. For example, employees, suppliers and contractors could easily access learning modules that are tailored to their role in the new budgeting process. It developed online learning programs
designed to increase understanding of and compliance with its new processes. In addition, the agency implemented best-practice databases as well as collaboration tools that help capture the transfer of knowledge among new, existing and soon-to-retire employees. It established links between its learning initiatives and organizational priorities and strategy—and enabled leadership to track the agency’s performance as a result of these learning initiatives. The result is an environment that allows for the rapid and cost-effective compliance with regulatory and compliance issues and the tracking of learning outcomes and its alignment to organization priorities.

**Education in an on demand world**

In the school, the administration worked hard to reenergize its mission, focusing on driving the best student achievement possible. The school implemented a rich, collaborative portal and made it available to administrators, teachers, parents and students. The innovative portal provided for online communication and collaboration tools, linking all members of the school community to rich sources of online information. The tools provided a new route for students to learn and to collaborate with faculties and other students. In addition, due to access to learning content databases, electronic lesson planning and assessment building tools, instructors gained the ability to dynamically enhance and expand curriculum content. Instructors can use these tools to help them achieve greater efficiency and effectiveness in their classrooms.

**Getting started on the road to on demand learning**

As companies journey to an on demand world, learning begins to take on an increasingly strategic role. In the on demand enterprise, learning is not a distinct event in the day of an employee. It is seamlessly embedded in their jobs. It includes the convergence of learning, collaboration and knowledge management to effectively drive increased individual and organizational performance. To ensure a successful journey to on demand learning, organizations should focus on three key areas: strategy and accountability, content and delivery, and technology.

Most importantly, an organization must develop an enterprisewide view of learning, aligning learning investments with organizational priorities. It must develop and continuously refine a model for accountability and governance in learning, and a standardized method for demonstrating and documenting measurable outcomes.

Second, an organization must develop and deliver the most effective learning programs available. It must find or create compelling digitized content. It must strategically integrate formal and informal learning into everyday workflows so that it can be accessed whenever and wherever it is needed. It must also develop ways to create and deliver learning experiences that are customized and personalized to each individual learner—based on learning styles, special needs, age and more. It must capture individual learning experiences and enable them to be redistributed to the entire organization, allowing every receiver of learning to also become a giver of learning.

Finally, underlying these efforts are careful investments in evolving learning technology. An organization must plan to integrate its learning technology investments across the enterprise. It must enable the creation and support of a truly pervasive learning environment. And it must design and implement a scalable and resilient learning infrastructure.
As a recognized learning thought leader with a proven track record, IBM is uniquely positioned to help organizations leverage learning in their journey to becoming on demand. Based on our extensive experience with customers and our own learning programs, we understand that one key to successful transformation is a strategic investment in learning—learning that can give people the right skills, knowledge and mindset to do their jobs most effectively, however frequently their job role or your business objectives might change.

IBM has over three thousand learning experts worldwide, focused on organizational learning. We can help you apply the best practices and learning solutions portfolio that we use extensively ourselves, from strategy development to content customization and development, hardware and software technologies, outsourcing, world-class partner alliances and innovation from IBM Research. We can help you integrate your learning applications with your existing enterprise infrastructure. We can blend the most appropriate and most effective content and delivery for your increasingly mobile and global workforce and value net. Leveraging our extensive portfolio of learning capabilities, we will work with you to create a comprehensive learning solution tailored to your unique objectives and priorities—wherever you are on the journey to on demand.

For more information
To learn more about how IBM Learning Solutions can help you make the journey to becoming an e-business on demand, please contact your IBM representative, or visit:

ibm.com/learning