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Selling E-learning to Members: Basic Success Factors

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The recent Tagoras report [Association E-learning: State of the Sector](#) provided further evidence that e-learning is becoming a mainstay of the association sector. Well over half of the nearly 500 organizations that participated in the research for the report either offer or plan soon to offer online education options to their members. In my work with associations, however, it is clear that many organizations feel they are not fully realizing the benefits that online learning promises—particularly when it comes to generation of non-dues revenue. The ones that have the most success tend to adhere to most or all of the following imperatives.

Know Your Market

Successful association e-learning initiatives start with a clear understanding of *whether* target stakeholders want e-learning, *why* they want e-learning, and *what* form of e-learning will best serve their needs. I find that many organizations assume they know the answers to these questions, but that these assumptions usually reflect only the views of particular staff or board members. Don't make this mistake: drop your assumptions and make an effort to really get to know your market.

The information you can gather through tools like surveys, interviews, and focus groups will not be perfect – you will still be operating on assumptions – but I have never seen an organization use these tools properly and not gain significant useful knowledge about its market while simultaneously achieving greater focus and alignment internally. Skip this step and you could easily find yourself selling the wrong things, in the wrong way, to the wrong people. That's not exactly a recipe for success.

Don't Devalue the Learning

Many associations start with the assumption that they should charge less for e-learning than for their traditional classroom-based training. In my experience, prospective customers also expect e-

learning to cost less than a similar classroom experience. These are difficult assumptions and expectations to overcome because they are based on flawed thinking that is already deeply engrained in the way that most organizations price educational products – namely, that the price should be based primarily upon underlying costs rather than on the value that the learner receives from the experience.

Correcting this flaw is a long-term process, but I would urge you to begin that process if you ultimately want to establish and maintain margins that will allow your organization to grow and thrive. The need to set e-learning pricing can provide an opportunity for a more fundamental shift in your education strategy.

In reality, this shift may not be as daunting as many organizations first believe. If for example, you break down your annual conference fees into the price per hour charged for each educational session, you will likely find that the price you charge per hour is not all that high. Chances are good that your market will bear similar, or perhaps higher, pricing for an hour of e-learning content – and ideally, the underlying costs associated with delivering each hour of e-learning are lower, so your margins are higher.

Even if the above scenario is not true for your organization, there are many other ways to differentiate your e-learning from your place-based learning and free it from your legacy pricing strategies. These include qualities of the learning experience itself – length, features, presenter credentials, etc. – as well as how the offerings are positioned and branded. Most fundamentally, you will need to return to the first imperative above – *know your market*. To the extent that you can determine what your audience most values and deliver it, people will pay accordingly.

Go for Critical Mass

Organizations very often have good success out of the gate with a focused, single-

product online learning program - particularly in areas where there is a perennial compliance, licensing, or certification need. As a rule, however, just like a restaurant with only one item on its menu will not be very successful, an association e-learning initiative with limited offerings is not likely to meet with success over the long haul.

Beware the “let’s just put a toe in the water” approach. If there is a “hot” topic in your market, you very well may want to use that as your path to trying out e-learning and testing the market. But don’t rest on your laurels. Take the lessons learned, apply items one and two above, and keep building. These days, with the availability of much lower cost software and “rapid e-learning” development approaches, a set of offerings can be built out much faster and at lower cost than ever before.

Also, consider looking to partners and vendors of off-the-shelf content to help your organization flesh out its initial range of offerings. There are many content vendors that may be willing to license “off-the-shelf” catalog content to you for re-sale. These include large companies like Skillsoft, ElementK, and MindLeaders as well as many smaller training firms that may have content very specific to your market.

Choose a Business Model First, Not a Technology

I had originally titled this section “Choose a Partner, Not a Technology.” I think that is an important thought, but it is subsumed within the overall question of developing a viable, sustainable business model – one, I should add, that supports the fundamental reason for offering e-learning in the first place: providing accessible, high-quality educational opportunities to members.

It is easy to get swept up in the exciting range of development tools and platform options that are now available for e-learning. Chances are good, however, that the core range of technology features and functionalities your organization really

needs to serve its market effectively is small. Certainly make sure that the technologies you select allow for future enhancements and growth, but don’t give non-essential features and functionalities more weight than they deserve. If you find doing this difficult, you may take some comfort in the fact that as the market matures and consolidates the differences between the available technologies continue to decrease.

As far as partners go: to the extent that you look to vendors for support, focus on finding ones that have a track record of supporting the types of benefits that you are trying to deliver. For example, providing a convenient, user friendly process for purchasing e-learning courses and effectively managing continuing education credit are typically critical aspects of a member e-learning initiative, but vendors that focus primarily on the corporate or academic sectors may have little, if any, experience in these areas.

Prepare to Sell

A “hot” topic or even just the sheer convenience of e-learning often helps to drive an initial surge in sales, but substantial ongoing revenue generation typically requires not just a focused marketing effort, but also a focused sales effort.

By “focused sales effort,” I do not mean that you have to hire a sales force or start calling members in an attempt to sign them up for the latest course – though in some organizations these approaches might have a place. Rather, actively train everyone on your staff to speak knowledgeably about your e-learning offerings and to convey your value proposition clearly. Then consciously plan to take advantage of key opportunities for talking to stakeholders – for example, at meetings, conferences, and classroom-based training events.

Most importantly, look for leverage wherever you can. For example, even if your organization is made up of individual members, there may still be opportunities

for selling e-learning licenses “in bulk” to corporate or government purchasers or finding valuable partners to serve as distribution channels. Ideally, at least a portion of a staff member’s time should be devoted to finding and pursuing these sorts of opportunities.

Putting it all Together

Basically, everything above points to the need to develop a solid but flexible e-learning business plan—something that, like formal market assessment, I see too few organizations undertake in a truly

systematic, effective way. (Indeed, in an informal survey Tagoras conducted in 2009, only 31 percent of participating organizations indicated that they had developed a formal e-learning strategy, much less an actual business plan.) As with any other new initiative you might launch, spell out clearly where you want to go, how you will get there, and what measurements will enable you see that you have achieved your goals.

With those pieces in place – and a commitment to revisit them periodically and adjust as needed – your chances of success will be high. ■

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About the Author

Jeff Cobb serves as the managing director of Tagoras, where he heads up the company's consulting and education services. He is an experienced Web entrepreneur who writes and speaks frequently on topics related to social media and the strategic implementation of Web 2.0 and learning technologies for engaging customers and members. **More information about his speaking is available on his personal Web site at jeffthomascobb.com.**

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