



# Best Practices of Hosted Learning Solutions

By Thomas Laubenthal

An increasing number of enterprises are opting to use an application service provider (ASP) to host their learning solutions. However, many are struggling with knowing how to select a partner. Here are a few best practices to look for when evaluating an ASP hosted learning platform.

Web-based learning, as well as online access to learning administration and reporting services, requires a high-performance, scalable, and reliable platform to meet baseline user requirements. Users (learners, managers, and administrators) have come to expect a quality experience with any technology-enabled learning solution and generally will reject slow or unreliable solutions. These requirements are the same whether the learning solution is managed behind the firewall on a customer's intranet or through an application service provider (ASP).

Analysts from Gartner Inc. have recently projected that hosted learning solutions will outpace market growth of behind-the-firewall learning solutions through 2006. Given that market trends show increasing acceptance and adoption for ASP-hosted learning solutions, practitioners can make several general observations about the drivers behind this trend.

- There is greater market acceptance of technology outsourcing in general, and “the lack of in-house IT resources to support enterprise learning solutions make ASP learning solutions more attractive to organizations.
- Hosted solutions are increasingly more attractive for businesses that need a full range of services to adequately support their learning solution platform, and they must rely on a provider with a single point of accountability.
- An increasing demand for rapid deployment of learning platforms and accompanying integrations has driven the acceptance of hosted solutions.
- There are pressures on organizations to reduce total cost of IT ownership—applying new technologies and avoiding large upfront capital investments.

Business enterprises, medium to large, that have the following characteristics are typically the best

candidates for an ASP hosted learning solution:

- the need to leverage technology to support the development, delivery, and management of learning to drive workflow efficiencies and productivity
- the need to scale technology to serve large enterprise and/or extended enterprise user communities to enable self-service access without limitation
- the need to adopt a technology solution strategy, integrating and managing required components as a single platform to deliver a comprehensive service.

### A Customer Perspective

Enterprises that meet the criterion listed above are good candidates to consider hosted learning solutions. However, many organizations often are unable to conduct adequate due diligence without the benefit of an experienced partner. Enter ASP suppliers. Best practice suppliers can team with companies on an individual basis to help them evaluate and assess their unique needs in accordance to several key factors.

### Business model

Organization can avoid software application and technology infrastructure acquisition costs by adopting a hosted model, replacing the subscription-based, per-user pricing model. In other words, large investments in software licenses, server and network hardware, and dedicated support personnel required for a behind-the-firewall platform can be replaced by renting all components on a shared basis with other ASP customers. The benefits of a subscription model are in alignment with the extent of a customer's investment in technology as defined by the service level to be provided for platform capacity and availability, including failover requirements.

Generally, learning solution platforms must scale to peak capacity levels based on usage trends and forecasted requirements, with availability managed on a 24/7 standard. ASPs typically provide such service levels without limitation as standard practice, and they leverage a highly trained technical staff that monitors and manages the solutions of multiple customers on a shared basis rather than the dedicated staff required for behind-the-firewall platforms.

Further, technology obsolescence risk is shifted to the ASP, including responsibility for maintaining platform components to comply with evolving security and operating standards for web-based applications. As such, customers can limit the upfront investment of adopting or converting web-based learning technologies, as well as limit exposure to risks associated with managing technology.

Finally, organizations can avoid costly periodic upgrades to the technology. These upgrades, which typically occur on an 18- to 24-month cycle, are required to maintain each of the applications supporting the customer's learning solution. Technology refresh requirements, which typically occur on a 24- to 36-month cycle, also extend to the server hardware and operating system software that host the learning solution. Such upgrades and technology refresh costs are included services under an ASP, but they must be planned and budgeted as new acquisition costs for behind-the-firewall platforms.

## Standards and processes

Solution management requirements should be standardized, based on best practices, and outsourced. Indeed, such technology-enabled learning solutions are best managed through defined service level agreements (SLAs) that leverage standardized support processes based on best practices.

In many organizations, behind-the-firewall platforms can suffer from inadequate support levels or lack of accountability to manage to a defined standard. Organizations may have a limited number of resources with the technical competencies required to manage web-based applications and, therefore, dedicate such resources to core business functions rather than learning activities. Under an ASP, customer SLAs are clearly defined in the contract, with direct accountability for managing the learning solution, including penalties for non-performance.

Critical SLA requirements relating to solution operations include the following service areas:

- issue response and resolution standards, including timely escalation and effective troubleshooting of priority issues
- application development quality standards—defect containment for enhancements and required break/fix modifications.

Organizations may also find it difficult to identify and implement best practices for learning solution management, as opposed to an ASP that defines its core capability as managing a best practice environment. Key areas of focus for an ASP include performance monitoring and platform optimization to meet emerging demand or capacity requirements, as well as continually strive to improve the user experience.

## Security and scalability

Extended enterprise users communities (channel partner, supply chain members, and customers) can be given access to learning solution components, without

providing access to an internal network.

Due to security requirements, customers generally limit intranet access to employees and contractors. With such restrictions, behind-the-firewall platforms are unable to support extended enterprise users and the organization must build and maintain a separate—and potentially duplicate—environment on the Internet for these users, dramatically increasing platform acquisition and operating costs. ASPs provide secure Internet access for all authorized users as a core capability, thereby enabling multiple-use learning solutions to support customer enterprise and extended enterprise requirements.

Other customer decision factors include the ability to host third-party applications and content, relevant industry experience (with hosted learning solutions), competitive pricing, and financial stability of the ASP.

## Best Practice Characteristics

So what are the defining characteristics of a best practice learning ASP?

**Solution-centric.** The ASP platform must provide access and management of an integrated set of applications that support learning and content management workflow. Additionally, an ASP provider should be able to host and/or integrate commercially available third-party software (e.g., Livelink, Questionmark, Centra, and WebEx), as well as web-based content that delivers a customer's entire learning solution.

**Subscription service.** A subscription service eliminates upfront investments in software licenses, server and network hardware, dedicated support personnel, and other platform requirements. Most subscription services are available to customers on a registered-user basis as determined by the customer (typically through a data feed that defines authorized users). Such services can be extended to include the hosting of third-party applications and content licensed by the customer.

**Centrally managed.** ASP platform services should be managed from a central location rather than at

customer locations, allowing customers to access their hosted learning solution remotely over the Internet or via a dedicated network connection globally. As with other behind-the-firewall platforms, customers manage network bandwidth, desktop configuration, and general help desk support requirements.

**One-to-many service.** ASP platform services should be designed as a one-to-many offering. In this manner, customers benefit from economies of scale and related investments made by the supplier.

**Delivering on the contract.** The supplier is responsible for delivering on the customer contract, ensuring that all ASP platform services are provided as promised under the SLAs. Although a third party may provide hosting infrastructure and support services, your main partner is responsible for resolving all issues. A customer should be able to rely on a single partner to manage all components of its hosted learning solution, including related integration requirements.


### Support services.

Look for a partner that has developed and operates certain key strategic technology components, while integrating other non-strategic components available from third-party suppliers. Integrated components may include applications such as knowledge management and collaboration solutions, assessment tools, virtual classroom, web conferencing, dashboards, and so forth.

## Bottom Line

ASP hosted learning solutions are best suited for customers with 1) defined business needs to leverage and scale technology to support enterprise and extended enterprise learning, and 2) a solution strategy for integrating and managing required components as a single platform.

Customers can expect significant cost savings (compared to total cost of ownership for behind-the firewall hosted solutions), higher contracted service levels for comprehensive operational support, and a single point of accountability using



a best practice hosted solution.

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