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Sage Software creates a multi-million dollar revenue model with WebEx Training Center.



INDUSTRY

Accounting Software

WEBEX APPLICATIONS

Training Center

SUMMARY

Sage Software has projected over \$4 million in training revenue and accelerated the adoption rates for new product releases by implementing WebEx as the delivery vehicle for its training program.

ABOUT Sage Software

Line of Business

Construction and Real Estate

Headquarters

Beaverton, Oregon

Number of Employees

250

WebEx Customer Since 2001

Sage Software, Inc. develops and supports automated business management software and solutions. Its highly successful products include ACT! contact manager, Timberline accounting software for construction and real estate applications, and Peachtree accounting programs. Owned by Sage Group PLC in Newcastle, England, Sage's product lines have a history of being managed by independent business units that establish their own operational procedures when engaging in product pricing, marketing, support, and training.

The Challenge

Sage's Timberline business unit had traditionally provided product training to its support staff via live classrooms in its Beaverton, Oregon office. This required the unit to basically shut down its support call center for a staff development day whenever a new product enhancement was launched, or whenever the team needed content refreshers. According to Steve Thiessen, IS Project Manager and WebEx Administrator for Sage, "This was very inefficient. We had to take our people away from customer calls to be able to provide training, and it was hard to ensure retention with just one day of training before sending them back to the phones." In 2000, Thiessen felt e-learning technology had advanced to the point where it could provide a viable alternative to live classroom training.

The Solution

Timberline began looking at type of calls it could handle with "training triage"—repetitive support calls that always came

in during peak times. Thiessen's team came up with the innovative idea of creating brief training modules that addressed specific functionality, then recording them for anytime viewing on demand. The unit had already begun using WebEx web meeting applications for basic online meetings and communications, but Thiessen quickly realized that the recording feature would be ideal for creating and delivering its on demand training modules. It kept support staff in the call center and let them train only on the modules they needed.

"Using WebEx to record our training modules for online viewing, along with avoiding closing the call center for a day whenever we needed to train, saved us \$90,000 in the first year," says Thiessen. "The second year was even better because all we had to do was update our existing recordings." It was only a matter of time before Timberline began to apply WebEx's cost and process efficiencies to training its external constituents.

Many of Sage's business units use a vast partner and channel network to sell its products. This included those partners who set up Authorized Training Centers to provide Timberline training to end-users. According to Thiessen, "In 2002, our training partners came to us asking to supplement their live, classroom training with our online modules. This had to be handled carefully, because we were also looking at how to use WebEx Training Center for live online training at that time." Timberline understood that its partners were not interested in offering what Thiessen describes as "one-time trainings"

like new product releases or new hire trainings. Instead, the partners felt their greatest revenue opportunity was training new clients on common, day-to-day functions. Timberline responded by allowing its partners to resell its prerecorded training modules, while promoting and selling one-time, live training events direct to end-users. This allowed the unit to create a win-win business model that significantly increased training revenues in a non-competitive way for the entire organization.

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— Steve Thiessen, IS Projects Manager, WebEx Administrator, Sage Software

The Benefits

Timberline's elegant solution has proved to be an overwhelming success. In 2003, Timberline began offering recorded modules as part of its high-end service contracts, and as a subscription service to supplement existing service contracts. According to Thiessen, “Our first year out we had an 80% adoption rate on new orders taking the WebEx training subscription with the software. Renewal rates are somewhere around 90% after the first two years. In December of 2004, we beat our revenue projections on recorded trainings

by 300%.” As the enormous financial benefits of the WebEx web meeting applications were realized, Thiessen was tasked with rolling out similar training models for all Sage's business units. “Our use has resulted in over \$4 million in learning revenues projected for the entire organization for FY2005,” says Thiessen.

Before this model was implemented, the company's end users were reluctant to take on a new product release because its partners didn't want to support it with what they considered to be one-time training. Because Timberline moved to fill that content gap, they now enjoy larger and faster adoption rates for new product releases, increasing profitability without competing with partners' revenue opportunities.

The model also brings greater productivity to the end users. Says Thiessen, “Users can access just the training modules they're interested in, learn or refresh on the specific function they're stuck on, then immediately get back to work. That's huge for them.” This focus on quality has even resulted in a decrease in support calls during Timberline's peak January thru April time frame, a benefit Thiessen attributes to the quality of its live year-end trainings in preparation for tax season as well as recorded training subscriptions that focus on year end tasks.

Finally, Thiessen feels its unique training solution has enabled its trainers to become better at their jobs. “Preparing for an on-demand recording keeps our trainers focused on the rapid, concise delivery of information,” says Thiessen. The result has been a sharp increase in satisfaction in exit surveys.

“We project over \$4 million in learning revenues generated for the entire organization.”

— Steve Thiessen, IS Projects Manager, WebEx Administrator, Sage Software

The Future

According to Thiessen, “We plan on expanding our WebEx training solution to all of the Sage business units this year. And we will be rolling out to our owner, Sage, in the coming year as well, so we are also focused on developing an international training solution.” Sage is exploiting all of WebEx's functionality to support this development, including looking at creating a new profit center around “renting” lab computer space via Training Center's Hands-on Lab feature. They are also looking at the enhanced recording, editing, and indexing capabilities provided by WebEx's integrated on-demand module. This would allow Sage to create recorded modules and attach course materials, include tests, and bring more interactivity into its on-demand training solution overall.

“We were always focused on creating a robust e-learning program,” says Thiessen. “We see ourselves creating a ‘Sage University’, supporting certification trainings and a very robust curriculum, with WebEx Training Center as the delivery mechanism. WebEx enabled us to move forward with this kind of expansion with nimbleness and flexibility, and at a price we could afford. We really hit one out of the ballpark with WebEx.”

HIGHLIGHTS

- Sage began using WebEx to train support reps without closing the call center for each training. This saved the company \$90,000 the first year.
- Sage Software's Timberline business unit then developed a world-class e-learning solution that has proven so popular it has a 90% renewal rate.
- Timberline's innovative training model is being rolled out to all Sage Software business units and projects over \$4 million in training revenue for FY2005.