



CEdMA Blog

R-E-S-P-E-C-T

Posted by Milind Gurjar on 12/13/2021



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If you are a leader in Education Services at a Technology company, answer this question – do your sponsors and stakeholders value Education Services? I often talk to technology training leaders. A pet peeve for a vast majority of them is their inability to get executive attention, funding and buy-in for their services. The few exceptions are leaders who work for SaaS companies or enlightened leaders. My own experience inside industry-leading hardware and software companies was similar. I invested more time and effort in selling the value of Education Services to internal stakeholders than selling the services to customers!

Why is Education Services often an afterthought for sales teams and services leaders? Why does education leadership not get a seat at the services leadership table? Why don't they get opportunities to inform and influence Services strategy?

The answer is obvious if you care to dig a little deeper.

Education Is Different

Different Operating Models

Technology companies have four essential services functions: Professional Services, Technical Support Services, Managed Services, and Education Services. Across organizations, the charter and operating model for Professional Services, Technical Support Services, and Managed Services are almost identical. What is startling is that Education Services are organized very differently and have a wide variety of operating models and charters. Some Education organizations operate as P&Ls, others as cost centers. If you run a cost center, you are most likely not getting invitations to quarterly business reviews and are probably the lowest on the investment priority list. How can your business case be more compelling than a revenue generating or margin improving idea?

If you are a P&L leader, you face a different dilemma. The size of your P&L is not material enough to get anyone's attention. The remaining metrics that you track are of limited interest to others.

Different Organizational Charters

Education teams at technology companies focus on four distinct customer segments: employees, channel partners, customers, and consumers (working professionals and college students). Employee development focuses on building technical capabilities for Support Engineers and scaling professional services. Partner Enablement focuses on scaling go-to-market sales and delivery capabilities. Customer Education focuses on making customers self-reliant and deflecting support cases. Market Development focuses on building entry-level talent in the market and re-skilling, up-skilling professionals. Most companies allocate these responsibilities to different teams, and there is no consistent method to this madness.

Different Reporting Relationships

CEdMA surveys reveal that Education teams report into Marketing, Customer Success, Engineering, Technical Support, or Professional Services. The parent organization's circumstances often drive the charter for Education.

Technical Support is the largest service with predictable revenues and healthy margins, and consequently, the Education P&L is not material. Education leaders under Support are unlikely to face much P&L pressure. Close to 50% of support cases are attributable to customers not knowing how to use the product. Support expects Education to help deflect service requests and reduce average handle time through better training of support engineers. Since Technical Support serves the entire customer base, stakeholders care more about Education teams' ability to scale and advocate for certification programs.

Professional Services' (PS) charter is to help customers cross the chasm, and PS Engineers who are often co-located with customers in strategic accounts are invariably at the cutting edge of technology. Education margins, most often are accretive to PS and under PS Education P&Ls come under greater scrutiny. For PS, scale is not as important as time-to-market, and technical depth. High-margin offers like digital learning subscriptions will get stakeholder attention and Support. Having SMEs on your team, is essential.

Some Metrics Don't Matter

Operating models, organizational charters, and reporting relationships influence how Education Services leaders present themselves. It is no wonder that Education Services leaders sound very different when they talk about their mission and value proposition. Lost in all this chaos is the fact that the traditional Education Metrics of Revenue, Margin, #s trained, #s certified, and customer satisfaction don't align with what key stakeholder care about. Why should anyone be surprised that Education Services leaders don't get a seat at the table?

Stakeholder	Key drivers	How education shows up
Marketing	<p>Educate customers about the product before they buy</p> <p>Give customers an opportunity to try before they buy</p>	<p>Focus on the post-sale stage of the lifecycle</p> <p>Free trials are not in the traditional Education lexicon</p>
Engineering leader	<p>Training for every product and release</p> <p>Available with product launch</p> <p>Train customers to use all product features</p>	<p>Focus on the top selling products</p> <p>Days, weeks, or months after product launch</p> <p>Training focused on job roles with lab exercises focused on select product capabilities</p> <p>Limited course duration results in lot of content being excluded</p>
Sales leader	<p>Close the deal quickly</p> <p>Reduce SKUs on PO and keep prices low</p> <p>Don't spook the customers with product complexity</p>	<p>Normally the last to learn about new opportunities</p> <p>Training is yet another SKU on the product attach list</p> <p>The need to train customers suggests that the product is not easy to use</p>
Professional Services leader	<p>Help customers cross the chasm</p> <p>Bookings, Revenue, Margin</p>	<p>Lack technical depth, are slower to market and have weak or no presence in key accounts, and consequently, many PS organizations provide shadow training services</p> <p>EDU margins are accretive and attractive</p>
Support Services	<p>Improve up-time for customers</p>	<p>Portfolio covers a small subset of the installed base, and Support often fills in the gap by delivering training for free</p> <p>Hard to measure impact and establish correlation between training and case</p>

	Improve operational efficiency (Deflect cases)	deflection
	Build customer advocacy	Services have the ability to scale, but we are limited by our poor attach rate

It Is Time To Lead

Digital transformation and the transition to XaaS are fueling the subscription economy. Recurring revenues are driving company valuations resulting in CXOs becoming increasingly focused on customer retention and churn. Customer Success organizations have been created to drive renewals. Their playbooks focus on customer onboarding and driving adoption. This presents a once-in-a-lifetime opportunity for training organizations to step up their game, revamp their business and operating models and play a pivotal role in onboarding customers, driving product adoption and reducing churn.

The key to success is to focus efforts on solutions for driving product adoption - bite-sized digital content for *every product* that help *all customer personas* at *every stage of the lifecycle*. This is no mean task and is beyond the ability of any single service function. That being said, Education is arguably the best placed to solve this problem with help from others. No other function in the Services organization has the assets, capabilities, or reach that Education services has. Education teams will need to create new playbooks on “**Education for adoption**” and Education leaders will have to get buy-in and support from stakeholders and services leadership. As Education leaders, sell this vision, and watch cost center constraints and P&L pressures disappear. Your time is now. Orchestrate your solution to deliver differentiated value to customers and secure your pole position in the Services hierarchy. Do this well, and you will no longer have to demand respect, you will command it.

Topics: executive, customer success, customer education

Jayme Silvestri

12/18/2021, 9:32:36 AM

Today I finally think I've made some progress in an area I really needed it. Hopefully, the mistakes I've been making with my attitude and lack of faith in this area won't need to be repeated. I'm grateful for my faith, my angels and for your always kind and wise words!

Reply to Jayme Silvestri

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5/2/2023, 1:45:22 PM

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