

## **Session Number: SU304**

# **Clients are from Mars, Vendors are From Venus**

**Presented by:**

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### **Session Learning Objectives:**

- Clients—obtain the best e-learning solutions for your needs at the best prices available.
- Vendors—effectively assist buyers to evaluate alternative solutions and differences between vendors.
- All—effectively adapt the RFP process to match the best solutions, clients, and buyers with each other.

## **Introduction**

Often it seems as if vendors and client are on different planets when it comes to discussing learning and e-learning. Vendors speak of certain vague capabilities while clients speak of equally vague needs or outcomes. Clients say one thing and vendors hear another. Vendors say one thing and clients hear something else. There has to be a middle ground that can help bring the two parties together.

The first step in understanding each other is to understand that, while both sides speak a similar language, the words and ideas expressed are not exactly the same. Vendors classify and identify learning and e-learning needs in one way while clients or potential clients see them differently. The purpose of this session is to describe some common differences and to propose several rules for dealing with the differences between the two groups. While many of these traits are universal, not all traits or attributes impact every vendor or client. However, all clients and vendors have some areas in which the communication between the two is not ideal. This happens when discussing the development of blended learning, instructor-led material or, most often, when discussing e-learning.

## **Reasons for Miscommunication**

Vendors and clients do not purposefully try to confuse each other, the problem occurs because each has a different knowledge-based of information. Each has a different perspective. Understanding each other's perspective will help clear communication channels and allow for an intelligent and mutually beneficial relationship.

### *Vendor's Perspective*

Vendors spend hours and hours with different clients determining learning needs and developing solutions, they tend to know a great deal about how organizations can implement learning successfully as well as how organizations botch the implementation of learning programs. Yet, they are seldom seen as experts or partners.

Instead, vendors are sometimes made to feel as if they are snake oil salespeople. They are not allowed to ask questions about the organizational learning structure, can only communicate with one person and are pitted against each other in a duel to the death over price. In fact, vendors tell war stories of having the best solution but loosing the deal over \$24 because of the procurement office's edict to chose the lowest priced vendor.

Often vendors are told that "we have the budget" or "the price is secondary to the solution or the value" only to be told later that the "budget was pulled" the "board decided against e-learning" or some other excuse that totally negates the vendor's months and months of work trying to secure a sale.

Clients indicate that they want a high quality e-learning solution at the lowest possible price in the shortest amount of time possible. This, of course, goes against the Elridge's Axiom which states "Quality, Speed and Cost: You can have one or two, but not all three simultaneously." These same clients then turn around and tell the e-learning developer that "for the price of one of your modules, I can get three completed overseas."

This forces the vendor to compete solely on price or to find some other method of providing a solution that is perceived as inexpensive to the potential client.

Other times vendors feel as though an RFP is "wired" or a winner has already been chosen but the client must go through the proper procurement process and so an RFP is released to satisfy the legal and purchasing departments.

Vendors spend a great deal of time and effort developing proposals and none of this effort is rewarded if the vendor does not win the business. This tends to make some vendors cynical or a little condescending toward potential clients whom they feel may be wasting their time.

### *Client's Perspective*

On the other hand, clients can feel overwhelmed when they are on the receiving end of 10 to 15 vendor phone calls a day because "word on the street" is that the client is looking for a learning solution. Writing an RFP and selecting a learning vendor is additional work effort on top of an already hectic schedule. Yet the boss is pressuring them to make the right decision because the e-learning solution they choose must meet the needs of the organization for the next five to ten years. Clients don't want their learning or e-learning selection to be a career limiting event.

Clients feel as though they are forced into a negotiating with someone akin to a used car salesperson. When clients ask about price in a general manner, vendors always seem to reply "it is hard to give you a definite price because it depends on many things." The client wants to know how to budget for an "it depends."

In the case of e-learning, clients also don't understand all of the technical aspects and feel that buzz words and jargon are being thrown about at every turn. It seems, at times, that vendors are continually making up new words in an attempt to confusing the clients. Or that existing words are twisted. For example, the phrase "online simulation" has different meanings according to which vendor is leading the discussion. In fact, even a term like *e-learning* can mean different things to different vendors.

With literally hundreds of vendors selling some type of learning solutions, clients do not know where to turn for objective, unbiased advice. They feel that many of the sources of information are bias making comparisons between vendors difficult at best and unethical at worst.

## Current Communication Vehicle

Part of the problem is that one of the most popular vehicles for communications between vendors and clients is the Request for Proposal followed by the vendor's response which is the proposal. These are imperfect methods of communication and can lead to all sorts of problems. The charts on the next few pages illustrate some of the problems and areas in which vendors and clients have trouble communicating.

The format of the chart includes what each group writes, what the other group reads and then what the first group actually meant. The first couple of charts deal with the client perspective.

Client Writes...	Vendor Reads...	What the client really meant...
We want a high level of interactivity in our training program.	Include drag and drop exercises, and a few multiple choice questions.	We want a course that engages the learner and forces him or her to think and interact with the content. Doesn't even need to be an e-learning solution.
We have 50 PowerPoint slides that we want converted to web-based learning...at the most inexpensive price.	Provide a template tool to convert the PowerPoints to HTML and add a few graphics.	We want to take this boring content and convert it to an exciting format and we think just putting it on the web will do that.
The chosen solution must be AICC and SCORM compliant.	Our solution is AICC and SCORM compliant so we are covered. Even though we know it means different things to different vendors.	We aren't sure really what these terms mean but we know we want to be able to plug-in Banker's Edge and SkillSoft content into our LMS.
We require bi-weekly meetings with the vendor to ensure project success.	We must commit resources to this client to help ensure their success or else we get blamed for a failed training implementation.	We are not sure how to manage a large scale project like this. We hope the vendor will help us for no additional cost. Project management can't be that expensive.

As you can see, there are different expectations in terms of definitions like the word "interactivity." There are also different expectations in terms of development efforts.

Clients can begin to address these issues by being more open with the vendor and providing more concrete expectations of outcomes and desired performance results.

Here are additional quotes from proposals.

<b>Client Writes...</b>	<b>Vendor Reads...</b>	<b>What the client really meant...</b>
Need to be able to support multiple languages.	What languages need to be supported? We support all the “Romance” languages but not difficult character sets like Chinese.	We have one branch in China that might, in the future, need some translated learning. We don’t think this will cost much. Its just a simple translation.
We need to be able to author and update the e-learning provided by the vendor.	Client wants an authoring tool. Include one in the proposal.	We don’t have any technical staff in the training department who know about authoring WBT but how tough can it be?
We are in need of a comprehensive evaluation plan that will measure success or failure of the project (of our investment.)	The client wants us to commit significant resources to an evaluation plan that they will never have time to implement.	We use smiley sheets and a test at the end of every training event but we have no idea if our workers are using the new knowledge, skills or attitudes back on the job and we don’t have the skills or the time to properly evaluate.

Translation of a course from one language to another is usually a misunderstood aspect of e-learning. What most clients don’t realize is that there is more to preparing a course for delivery in another culture than simple text translation. The conversion of a course has to include such things as cultural context (globalization), differences in infrastructure, and different business drivers; all of which influence the instructional strategies and deliverables.

In terms of updating information and creating courses internally, the client needs to be aware of the knowledge and skills that are required to do that successfully and the large time commitment that is required. If an organization doesn’t have skilled developers, some type of personnel development process will need to be undertaken. Yes, some subject matter experts from the lines of business can be successful developers but they are few and far between. Additionally, if those people are so knowledgeable and valuable to the organization, it might be better to use their skills in some other manner. Instructional designers can develop a course more quickly and effectively than a subject matter expert.

Evaluation plans are only successful if the organization is committed to evaluation. Evaluation is usually the first item to go when the budget gets tight or, if not the first, it is the second after analysis (another critical but often dropped step in the instructional design process.)

Here are more instances from actual RFPs where the client writes one thing but means something else.

<b>Client Writes...</b>	<b>Vendor Reads...</b>	<b>What the client really meant...</b>
It will be the responsibility of the vendor to partner with the change management team to develop a comprehensive change management plan.	The client wants us to develop a web-site, a few newsletters and a poster or two that tells everybody that a change is coming. We can put a lower skilled employee on this assignment.	Communication at all levels of our organization is poor. We want you to fix it as part of this proposal as an added bonus. We don't really want to pay for it. This is because we have no idea how to prepare our staff to deal with all the new changes.
The vendor must be the sole source provider of all material and services.	Money is not a concern with client.	There is no way to ensure quality of the project, if the vendor out sources materials and services off-shore. So we want it done here at overseas prices.
We want a partner to help us build our strategy with e-learning.	We have several documents, a fairly large guidebook and some online articles that can guide our clients through all the appropriate steps.	We want someone to sit down, discuss, collaborate with us on our strategy, not just to supply some tools.
We want the vendor to design and develop the eLearning content from our existing paper-based materials.	Yes, we can take your materials and slap them online.	We really wanted someone to apply effective eLearning strategies to the design and not just place our documents in a Powerpoint or Word format online.

While some of these issues may seem trivial, they can become quite large when it comes time for implementation or contract negotiations. The time to determine the differences is before problems arise.

Clients are not the only ones who write one thing but mean something else.

<b>Vendor Writes...</b>	<b>Client Reads...</b>	<b>What the vendor really meant...</b>
We have a large e-learning library available.	We won't have to create any learning because all that is needed is already built.	We have some courses available in the library but we can't possibly have everything you need.
(page two of a proposal) Our exceptions to your RFP terms, We have the following exceptions and deviations to the terms of the Request for Proposal. Our proposal is contingent upon resolution of these issues. (bulleted list of items)	The vendor is confrontational already and we haven't even spoken with them about how they can help us solve our problem. We don't like to be "lectured" before we even read the proposed solution.	We've been burned in the past by conditions and terms in an RFP and there is no way we are going to let it happen again!
We have extensive experience in retail banking. Our clients include: <ul style="list-style-type: none"> <li>• Citigroup</li> <li>• Fannie Mae</li> <li>• Federal Insurance Credit Division</li> </ul>	These are not retail banks. The vendor doesn't know our business. These are financial organizations but not focusing on the retail aspect of banking.	These organizations are similar to retail banks, this is close enough. The issues are the same regardless of the exact content.

One of the biggest complaints that clients state about vendors is that "they don't understand our business." The counter argument that many vendors claim is that "learning is learning" regardless of its application. The truth is somewhere in the middle. Advantages are gained from industry knowledge but many things are applicable in a variety of industries in terms of learning in general and online learning specifically.

Here are some other quotes pulled from learning proposals.

<b>Vendor Writes...</b>	<b>Client Reads...</b>	<b>What the vendor really meant...</b>
As members of our Customer Advisory Group, ABC industries and Super Healthcare, have been instrumental in contributing to our product development and strategies vision.[sic]	Typos and mistakes mean that the vendor doesn't really care about quality.	This is the sixteen proposal I have had to write with yet another impossible deadline. I was up until 2:00 am writing this since the deadline was so tight.
We have the knowledge and experience to bridge information from your legacy mainframe database into your new web-enabled application.	It will be no problem and take a minimal amount of effort to incorporate data from our legacy system that was built 25 years ago.	We will try but if we can't do it easily, we will charge additional hours of consulting. If we still can't get this to work we will just have the client hire clerical staff and input the data by hand.
We can provide you with an easy to use authoring tool so your staff can maintain the courses we develop for you.	Great, we'll give this to all of our Subject Matter Experts from the lines of business. They will be developing training in no time. In fact, we may not even need a training staff in the future.	The tool is easy for our highly trained and skilled staff, but it would take a non-technical, non-ID person a full month to learn how to use the tool and the instruction they would develop would still be page-turners. Most likely you'll assign the task to someone who is already too busy with no understanding of instructional design and within three months, you'll come back to us to develop and maintain courses at an additional premium cost.
We have the knowledge and experience to identify and deal with problems before they slow or stop the progress of the implementation.	The vendor has a comprehensive team to deal with any problem. They have a complete risk mitigation strategy.	There is no way to identify all the potential problems that will arise before, during or after the implementation of this project. If a problem occurs, we'll just deal with it.

As you can see, there is a great deal of opportunity for confusion and frustration on behalf of both parties, however, there are a number of rules that can be followed to improve the communication process.

## **Rules for Building an Effective Client/Vendor Relationship**

Here are some rules that can be followed to improve the communication between the vendors and clients. Perhaps both parties can land on Earth and have a discussion in a neutral third party location☺

1. Clients and vendors, provide a list of definitions of terms. Both RFPs and proposals should have a list of defined terms. This helps clear confusion and allows both sides to have an intelligent discussion while speaking the same language.
2. Clients and vendors, avoid legalese in the RFP and the proposal. Save the legal caveats and requirements for the contract.
3. Clients, form a partnership with a vendor. Many years ago, manufacturing organizations moved away from multiple-sourcing of raw materials to a single source of material. This didn't mean only one source was available but it meant a few select vendors provided all of the raw materials needed. The single source vendor model helped to reduce procurement costs, eliminated adversarial relationships and improved the bottom line of both organizations. As a client, you should look for that kind of a relationship to help reduce your costs. As a vendor, suggest this type of relationship with potential clients and pass on the marketing and sales costs associate with prospecting new clients to your existing single source client.
4. Clients, if price is the driving factor for the purchase decision, let the vendors know up front. This saves a lot of time and energy and will allow you to get good pricing in a short period of time.
5. Vendors, keep jargon and buzz words to a minimum. Write clearly and professionally with a clear picture of the problem the client is trying to solve with their RFP (clients, be clear if you know what problem you are trying to solve or be open about the fact that you don't exactly know what problem you want to solve.)
6. Vendors, have a clear pricing model. Most clients do not understand existing pricing models and are intimidated by having to ask questions to figure out the complexities.

**Conclusion**

It is possible for vendors and clients to have a positive and productive relationship. The Learning and Development field (formerly known as training), needs to take some lessons from other industries and develop productive and proactive purchasing and selling strategies that benefit both parties and reduce the overall transactional costs of acquiring learning and e-learning solutions.

**About the Author:**

**Karl M. Kapp, Ed.D., CFPIM, CIRM**, is a scholar, consultant, and expert on the convergence of learning, technology and business operations. His background teaching e-learning classes, knowledge of adult learning theory, and experience training CEOs and line staff provide him with a unique perspective on organizational learning.

Karl understands how to promote effective learning within an organization. He received his Doctorate of Education in Instructional Design at the University of Pittsburgh in Pittsburgh, PA. The field of Instructional Design focuses on the systematic design, development, delivery, implementation and evaluation of instruction.

As Assistant Director of Bloomsburg University's Institute for Interactive Technologies (IIT), Bloomsburg, PA, Karl helps organizations write proposals, develop effective sales presentations and serves on the board of several e-learning firms. On the client side, Karl has helped with the e-learning vendor selection process, coached e-learning selection teams and counseled organizations on the best course of action for enterprisewide e-learning roll-outs and implementations .

As a Professor of Instructional Technology at Bloomsburg University, Karl teaches a unique class. Students are formed into "companies," write a business plan, receive an e-learning Request for Proposal (RFP), respond with a proposal, develop a working prototype, and present their solution to representatives from various corporations.

Karl has written an informative book containing information about writing and responding to RFPs which covers both the vendor and the client's perspective titled *Winning E-Learning Proposals: The Art of Development and Delivery*.

Karl is committed to helping organization's develop a strategic, enterprisewide approach to organizational learning. He believes that effective education and training are the keys to increased productivity and profitability for both vendors and clients. Visit Karl at [www.karlkapp.com](http://www.karlkapp.com).