A Case of Training the Extended Enterprise

Company: DAIMLERCHRYSLER CORPORATION

DaimlerChrysler Corporation, owned by the Chrysler Group, was created in November 1998 through the merger of Daimler-Benz AG and the Chrysler Corporation. DaimlerChrysler is a leading supplier of passenger cars, SUVs, sports tourers, minivans, and pickups, and is the world's largest manufacturer of commercial vehicles. DaimlerChrysler's products are sold in more than 200 countries. DaimlerChrysler Academy is responsible for providing training and performance improvement services for retail employees working at Chrysler Group dealerships throughout the United States.

www.daimlerchrysler.com

BUSINESS CHALLENGE

The Chrysler Group has approximately 3,800 franchise dealerships in the United States, with more than 100,000 staff members. Training and certification programs help establish consistent performance levels throughout this large dealership network by helping technicians to stay current with required certifications, and helping management determine personnel training needs. DaimlerChrysler Academy needed to upgrade the Learning Management System (LMS) used to administer dealer certification and training programs to provide better web access, scalability, flexibility, and control.

VENDOR OF CHOICE: LATITUDE CONSULTING GROUP

Latitude Consulting Group Inc. is a technology consulting firm that helps enterprises optimize challenging, information-driven channel partner networks. They design and deliver channel portals, B2B applications, and the Ready Solutions learning management system for sales readiness, channel/client management, and certification programs. Headquartered in southeast Michigan, Latitude has worked extensively with companies in the automotive industry on large dealership portal projects and has expertise with their business processes and unique challenges.

www.latitudecg.com

THE PROBLEM IN DEPTH

Dealership certification and training programs are crucial to a company like the Chrysler Group, which wants to ensure that customers have a consistent experience with sales, service, and parts technicians at every one of their dealerships. A flexible, dependable delivery channel for learning is critical to an extended enterprise like Chrysler.

In 2004, DaimlerChrysler Academy was revisiting its Learning Management System (LMS), which had been in place since the mid-1990s. Back when the mainframe-based system was developed, most training was done in person. But by 2004, almost half of the company's training was being delivered on the computer, and it was strained the capabilities of the old system. Says Patrick Kittle, director of the DaimlerChrysler Academy, "We needed a system that was one hundred percent web-enabled.

They also wanted an LMS that would be scalable and reliable, with the capability to handle what Kittle refers to as the "Easter Sunday" crowd, those rare but unprecedented traffic spikes that put the old LMS under such pressure. Bob Hoyer, DaimlerChrysler Academy's manager of technical operations, estimates that the old system was down one day a month on average. DaimlerChrysler wanted a system that could continue to grow with the company and handle the increasing demand for access to computer-based training.

A third major element of the search for a new LMS was a requirement to gain increased control and flexibility. Certification rules for technicians changed frequently, and DaimlerChrysler Academy wanted an easier way to reflect those requirements in their LMS. With the old system, certification rules were hard-coded, and it took months to make any
modifications—by which time the certification rules might have changed yet again.

DaimlerChrysler Academy assembled a cross-functional team that included stakeholders from the sales, service, parts, technical training, and administrative groups. A core cross-functional team did the heavy lifting in terms of looking at LMS vendors. The team also considered building a Java-based LMS from the ground up, but when they came across Latitude Consulting's Ready Solutions LMS, they realized they'd found a product that met all their requirements—and more.

THE SOLUTION

Latitude Consulting's LMS actually originated at Novations Learning Technologies. Novations, also based in southeast Michigan, had been offering web-based training and certification programs since the mid-'90s, and was acquired by Latitude Consulting in 2005. Novation's LMS became the kernel of the Ready Solutions product that was eventually deployed by DaimlerChrysler Academy.

The Ready Solutions LMS provides a range of course catalog, administrative, progress tracking, enrollment, and reporting features. It includes a rules-based certification engine that supports complex logic like required and elective courses, performance data, and other certifications. Its auto-enrollment feature allows users to choose courses based on certification requirements and geographical location. The LMS is built on Microsoft .NET and is SCORM 1.2 compliant.

Bonnie Beresford, SVP at BBDO Detroit, which administers training administration for DaimlerChrysler Academy, was part of the cross-functional team that chose Latitude's LMS. "The core of the Ready Solutions product was right on target. It contained the key functions we needed, but wasn't overly complicated," she says. The team liked that the LMS didn't contain a lot of extra functionality that they didn't need and couldn't use.

Another key factor in the decision to work with Latitude was the company's deep knowledge of the automotive industry. In particular, Latitude understood the importance of certification to enterprises in the automotive industry, and could suggest ways to tailor the LMS to meet DaimlerChrysler's needs. John Zonneveld, a senior consultant at Latitude and the product development manager for the Ready Solutions product, had, in fact, worked with both the vendor of the old LMS and with Novations. Zonneveld says, "We were able to bring to the table an understanding of DaimlerChrysler's business process background and the extended enterprise model," which helped shorten the development process.

Zonneveld also credits DaimlerChrysler's willingness to invest staff resources in the project to make sure the LMS met user requirements. "Half of the DaimlerChrysler team came out to the Latitude site while we were customizing the LMS—they were basically hotelling in our conference room during the project." This enabled constant and immediate feedback on design issues and user requirements which kept the development process
moving along at a rapid clip. Zonneveld says it took the Latitude/DaimlerChrysler team only about six months to customize and deploy the Ready Solutions LMS.

**THE OUTCOME**

DaimlerChrysler Academy rolled out its new Ready Solutions LMS in October 2004 as part of its DealerConnect portal. DaimlerChrysler Academy held a series of in-person training sessions and also offered web-based tutorials, a “quick tip guide,” and a help hotline to dealership users.

DaimlerChrysler has been thrilled with the impact of their new LMS. Hoyer, the technical and operations manager, points to the new system’s more-than-99% availability, a big improvement over the old system’s performance record. BBDO’s Beresford points to a substantial drop in the volume of calls to the dealer hotline as well as a sea change in the type of calls being made. She says, “The calls coming in to the hotline now are more tutorial in nature, not the type of troubleshooting we used to get.” And encoding new certification rules now takes a matter of days, rather than months, and is rolled out across the extended enterprise automatically.

So what might DaimlerChrysler have done differently if they could start all over again? “The biggest mistake we made was underestimating the complexity of the work in integrating the new LMS with our legacy systems; we had over seventy feeds to pull in,” says Kittle of DaimlerChrysler Academy. “My advice to anyone doing a project like this would be to figure out how much time you think you’ll need and double it, to account for complexity.”

Perhaps the biggest tribute to the success of the Latitude/DaimlerChrysler team comes from the sudden attention that the new LMS is getting from other companies. Kittle says, “We have been fielding calls from companies outside of Chrysler who are interested in having us be an application service provider for them, using our customized LMS to deliver training in their organizations.” Zonneveld says that Latitude and the DaimlerChrysler Academy are discussing how Latitude might deliver the Ready Solutions LMS as part of a full-blown learning solution.

With the rollout of the Ready Solution LMS customized for DaimlerChrysler’s internal training needs, the two companies just may have found a solution that could work for extended enterprises everywhere.

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**COMMENTS?** Email Letters to the Editor to ECletters@infotoday.com.