



the essence of learning



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Mona Engvig, Ph.D (mona.engvig@quisic.com)

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- Partnership Models
- Universities are from Mars, .coms are from Venus
- Times They are A-Changin’
- How to Get Attention
- Possible Future Scenarios

About Quisic: Overview

- 4 years old, rapidly growing startup company
- Focus: High quality business courseware
- Full-service providers: Consulting, production, marketing, implementation
- Broadband
- Synergy: Educators, “techies” and the production community
- Numerous awards
- End-user: High-potential mid-to senior level managers

About Quisic: Product History

- Teleweb courses
- Undergraduate web courses
- CMBA with UNC Chapel Hill
- Mark Albion and Gary Hamel
- Pre-MBA and boot camp with Tuck
- E-business series
- Educavia
- Corporate training and executive education

Market Overview, Corporate Training

The US corporate training market is huge at ~ \$ 63 billion in 1999. While e-Learning is still a fraction of the total market, it is poised for explosive growth, especially in the content and learning services segment in the soft skills area*.

		\$Billions			
		<u>1999</u>	<u>2003</u>	<u>CAGR</u>	
Total US corporate training market \$63 bb (1999)	e-Learning \$1.1 bb (1999)	By segment			
		By skill type			
		Content	0.74	6.16	70%
		Learning services	0.20	4.11	113%
		Delivery services	0.18	1.14	59%
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		1.11	11.41	79%	
		Soft skills*	0.24	6.11	125%
		IT training	0.87	5.31	57%
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		1.11	11.41	79%	

Quisic's space

“[Education is] the next big killer application on the Internet.”

– John Chamber
CEO, Cisco Systems, Inc.

*Includes general management, leadership, communication, team building, sales and marketing, human resources, professional development

Note: Numbers do not add due to rounding

Source: Training Magazine; IDC: team analysis

Partnership Models

- With professors: Textbook model, options and revenue stream in exchange for rights
- With the business schools: Build ongoing relationships, school policies dictate how revenue is split between school and professor(s)
- With the universities: Rare, opens up for negotiations with business school or professor(s)
- With consortia: Pooling resources for production cost

Mars and Venus..

Universities:

- Long history
- Established hierarchies
- Slow, involved decision making processes
- Non-profit with some for-profit aspects
- E-learning affects various groups differently
- Threatened by change
- Open to advice

Mars and Venus..

.coms:

- “We’re a 4 year OLD company”
- Ongoing changes in organizational structure
- Extremely fast decision making
- Increasingly focusing on ROI
- E-learning is absolute focus
- Change is the “name of the game”
- From follower to leader

Times They are A-Changing

1996-1998: Knocking on doors

1999: Open-minded exploration of opportunities for cooperation

2000: Total shift of power

How to Get Attention

Challenge:

- Shortage of quality content and production capacity
- Need for customization
- Result: Universities compete for scarce resources

Solution for the universities:

- Appoint one dedicated, well-positioned university administrator person to coordinate and drive the process
- Focus on products that fit the strategy of the .com
- Be flexible on timing, branding and customization
- Share or cover production cost
- Show established relationships with corporations who might use the course(s)

Possible Future Scenarios

- Consolidation among the .coms
- Rising stars among the better schools (those ranked 20-50 by Business Week?)
- Windfall among the lower-ranked schools
- MBA programs: Move to hybrid model (face-to-face and online in same course)
- Executive education will lead the way