Jim Obsitnik (00:00):

I believe diversification of revenue streams leads to lower risk for your company, so you're not reliant on just one single revenue stream.

Jeff Cobb (00:10):

I'm Jeff Cobb.

Celisa Steele (00:12):

I'm Celisa Steele, and this is the Leading Learning Podcast.

Celisa Steele (00:20):

Welcome to episode 282 of the Leading Learning Podcast, the midpoint in our seven-part series on the learning business MBA. This episode features a conversation with Jim Obsitnik, and it explores strategy, product development, the commonalities of software as a service and learning businesses, the relationship between revenue diversification and learning portfolio diversification, and more. Jim Obsitnik is the chief executive officer at Cadmium, a software-as-a-service provider that brings events and education technology together. And he's spent many years in the learning space. He believes in the higher social calling of learning and education, and, as luck would have it, Jim holds an MBA with a focus in marketing, which makes him an excellent guest lecturer in our learning business MBA. Jeff spoke with Jim in September of 2021.

Jeff Cobb (01:21):

I'd love to get your perspective—when you think about what it takes for a learning business to succeed and those MBA-type skills, knowledge, behaviors, what comes to mind? I mean, in other words, what do those leading and working in, whether it's an association or another type of learning business, what do they need to know or be able to do to be successful from your perspective?

Jim Obsitnik (01:47):

Know your customer, and ultimately know who you're trying to serve, and get to know them really well, as to what their pain points are and what value that you're bringing to the table. And so, taking it down to specifically learning organizations, of course, is knowing who that learner is and not only the type of content or the categories and subjects, which is, that's in many ways the easy part because a lot of it is driven, is kind of regulatory-driven. But also knowing your customer and the different types of customers that you have, especially generational because the different generations engage with content in a different way. So, to me, first is knowing your customer, then understanding what your product is. And in the case of learning organizations, it is that knowledge; it is the content. And if your product isn't of the

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highest quality, then chances are, ultimately, your audience, your learners, will go find the content somewhere else.

Jim Obsitnik (02:55):

Now, it could be the most accurate content, it could have all the right information, but if it's not engaging and something that is compelling and is delivered in a format that makes sense for who that person is or the category of person that that is, then pretty soon you'll see drop-offs. And in many ways, the move to on-demand learning and leveraging the Internet and digital technologies has actually helped evolve, overall, the learning landscape because there are so many more tools available to deliver content in compelling ways, to understand how that content is being engaged with, so that you know not only at the highest level did someone click on this link and actually open up this video, but you can dig into, okay, where did they pause? What did they spend more time on? Did they quickly jump in and then move out and click on a different video? This is the power of, to me, the digital world because we now have a much greater understanding of users and how they're interacting.

Jim Obsitnik (04:09):

For those out there who've received their MBA, you learn about the broad spectrum of how to run a business. And, to me, what is most important from a learning organization is understanding who your audience is, how they interact with your product, the content, and then, ultimately, how that delivers value, so that you can monetize it. Because ultimately, as organizations, you do have to generate revenue in order to keep people hired and enable them to put food on the table for their families. And, ultimately, that's how you deliver against your mission, whether you're a nonprofit, whether you're a for-profit. But I think what I've found over the years is that, especially for people who are actually doing the implementation of these programs and of the technology, I would just encourage them to think about the connection, always think about the connection back to the business, about the mission that your organization is on, about your customers, and, ultimately, how revenue is generated.

Jim Obsitnik (05:11):

If you can connect the dots there then (a) you can have a much better conversation with your executives about how you are helping to achieve the mission and generate revenue, but you'll also have a better understanding of what is going to move the needle for your customers in terms of compelling, value-added content and how you deliver that in the format in which you deliver that. Because, ultimately, I believe that people vote with their pocketbooks, in many ways. If people spend money, usually they are seeing value in that. And so that's just a simple way to correlate back to, from the top-level business, down to what is being done each and every day and the hard work of creating these events and putting on the learning programs and making sure that the content structure and categorization and the content strategy makes sense for the learner who you're then trying to engage multiple times throughout the year versus just seeing them for a couple days at the beginning of the year, middle, or the end of the year, and then, poof, they disappear, and then they come back again.

Jeff Cobb (06:20):

The two key points that you just raised there are ones that are always coming up, and that's around knowing your audience and what I broadly characterize as product development and knowing what the right products are to develop and developing them well. We see organizations struggle with both of those all the time—i's often why we're called in whenever we're doing consulting work. They know they need to do that, but really getting to the point

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where they feel like they've got confidence around it can be challenging. So I'd love to hear your perspective.

Jeff Cobb (06:52):

You're somebody that, for your own business, your own company, you have to understand your audience. You have to make decisions about which products to develop and how to develop them. Starting with the first one, around knowing your audience, knowing your perspective customers, how do you get comfortable, or how do you know or achieve comfort that you do actually know your audience? What are some of the signs you're looking for, and how do you get to those signs that "We've got it—we know who we're serving and how we need to serve them"?

Jim Obsitnik (07:24):

Customers are ever-changing. And so I don't know if you ever achieve fully knowing your customer always. It's a complete iterative process that you go through. And so, as I said, we're a software-as-a-service technology provider in this space, and in my years of experience with software-as-a-service organizations, there's one thing that—and why I actually love the business model that really started back in the late '90s, early 2000s, and fortunately I was on the forefront of that, what I love about that business model is the *service*, that second S in SaaS, because it does focus you on your customers. Because the great part about the Internet and Internet technologies is how easy it is for someone to engage, and literally, most of the time, you just need a browser, you need a mobile phone with an app, and it's so easy to engage. The downside is, if you don't get the service part right, people could leave pretty quickly.

Jim Obsitnik (08:20):

The switching costs are pretty small when it comes to software as a service. Now, it's not that easy because once you identify a solution and implement it, there's a lot woven into that. But the key point here being that, with service, you have to build your organization focused around "How do I understand the customer?" And even being very agile in that understanding. We are an agile software company, and I don't say that just because it's the cool, hip language of today. It's because it basically recognizes that you really have to focus on getting to know your customer and that if you don't truly engage with them throughout your entire process as a company—because they are ever-changing—you will miss out on something. You will miss out on a change.

Jim Obsitnik (09:14):

What I mean by that is, when we develop products, we do engage our customers in that process. And we ask customers, "Hey, just tell me, to what level do you want to be engaged?" Because we do look for people who are engaged all the way from initial conception of an idea, all the way through the development and onto them implementing, so that we make sure that we're getting it right. Because in the old way of building software products it was, "I'm going to go out and interview someone. And now I'm going to take all this information back, and we're going to disappear and build something." And six to nine months later, "Ta-da! Here you go." Well, what we found over the years is the big bang approach, the ta-da, usually falls pretty flat because then customers actually engage with it, and they go, "Well, it's missing this, this, this, and this," and we're like, "Oh, we missed that."

Jim Obsitnik (10:07):

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So, I think it's important—and I think this does apply to learning organizations because, fundamentally, you are building a technology product, if you will. I mean, it's a digital asset, and, again, whether that asset is in the form of a video, a presentation, an audio recording, a Webinar that's been recorded, a keynote at a conference, all these assets, these digital assets are being created. Especially when it comes to things like your on-demand learning programs, getting representative users and customers engaged in the process as early as possible and having them be a part of that development process and making sure that whoever is involved from your organization in that development process is hearing directly from the customer. What I mean by that is, a lot of times, especially in our case, we have software developers, and there's always this, with many software organizations, there's kind of two main roles.

Jim Obsitnik (11:12):

There's the product manager, and the product manager is supposed to be the one who interacts with customers, gets all the requirements, creates this nice document, and then hands it off to the developers, and they go code based on this document. Well, the problem is that the developers are hearing through a filter. They're hearing through a person, known as the product manager, who's interpreting what the customer is saying. What I have found in my career is that having filters is not a good thing because people are people, and people interpret different things differently. And if you truly want to innovate, if you truly want to create, if you believe that having multiple minds come together to create something is better than having one mind creating, then you need to have everyone listen in on what customers are saying.

Jeff Cobb (12:04):

Well, I like that you drew the comparison between being a software-as-a-service company and what that involves and what it's like these days to create learning experiences and learning products because I think there's a lot of overlap, and learning businesses can generally benefit, I think, from observing and learning from how software-as-a-service company do things. From understanding their audience, to how they go through that product development process, and engaging in things like—well, there are agile processes now in the learning creation world as well. So, making sure you are being agile, that you're using approaches like, whether it's piloting or prototyping or minimum viable products, to test things out and to iterate on what you're doing is just becoming increasingly important. Nobody can afford to dump a whole bunch of money into a product or an experience only to get it out there and figure out that nobody really wanted that.

Jeff Cobb (13:04):

We learn in a diverse range of ways—different types of content, different experiences at different times. Organizations are, I think, waking up to this need for revenue diversification as well. The two are completely connected. When you're talking from the perspective of being in the learning business, revenue diversification can equal learning diversification, but you've got to connect those dots. You've got to weave the story, create the path for the people that you're serving. How conscious are you finding organizations of that, both challenge and opportunity, versus how much are you having to help them see that and get them to embrace that as the path forward?

Jim Obsitnik (13:47):

That's a great question. I think it's a mix. There are some customers who are forward-looking, who actually started this journey years ago. We, as Cadmium, we have our own annual conference each year for our customers, and that happened at the end of July. And it was a hybrid event, where we had some people on site, as well as most people were virtual. During

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my keynote there, I brought up one of our customers, Mary Pat Hanlin, from the International Society for the Study of Trauma and Dissociation. And they're definitely a smaller association, but what was so compelling about her story was—and she's the CEO of the institute—what was so interesting and compelling about her story is she actually, when she started at the association, I think it was three to four years ago, that's when she started her journey, this digital transformation journey. And, as you said, it's a learning diversification and a revenue diversification strategy.

Jim Obsitnik (14:42):

And so she started it three years ago because they were, they had their annual event, and then she started introducing things like Webinars and then virtual meetings and then also getting much more robust on-demand learning programs. In her case, she was already on that journey, and she had the strategy and the vision in mind, and we were just a provider that could deliver a lot of what she needed in order to do this. I'm sure the audience will appreciate this—for learning organizations, there's a lot of technology out there, and pretty quickly it can turn into a bunch of gobbledygook, and you have to manage all this, and integrate it all and deal with these vendors and all the differences. And what we see is that, number one, you have to have this strategy, and we help our customers understand what this means for their business and how they can evolve there. But also knowing that they have a partner in us, with a technology platform that can enable that whole spectrum.

Jim Obsitnik (15:43):

Now, we don't expect—customers and organizations, they've made investments in technology, and so we don't expect everyone to rip everything out and replace it, but it's an evolution over time. It's an evolution in strategy, and then it's an evolution in how you implement that strategy. We try and work with our customers to figure out, "What is that immediate pain point that you're feeling that we can help you solve?" Ultimately, we, as an organization, are driven by, we need our customers to see value from our solutions, the return on investment. So we want to focus on, "What can deliver that ROI for you in the short term?" But as we're going through that conversation, we're explaining to them our vision for where every organization should go. And each organization has a different starting point because it could be more of a learning, an on-demand learning starting point; it could be an event starting point. It could even be a, "Hey, I want to engage with video more effectively—how do I start there?"

Jim Obsitnik (16:45):

That's the long way of saying it runs the gamut. There are some customers who are—they know their strategy, they understand why it makes sense that learning happens in multiple formats and at different times, and some of it's on demand, some of it's live, but ultimately that is linked to their revenue streams. And, for other customers, we need to help connect those dots, both at a strategic level, in conversations that we have with executive directors and CEOs and COOs but also at the people who are the feet on the street and actually doing the work. And they have pain points that we just need to help them solve, so they can be much more effective. We're trying to help both people who are doing it day in and day out as well as the executives understand that all of this is so intimately intertwined and ultimately correlates back to the business and generating revenue so you can achieve whatever mission is that you're on as an organization.

Celisa Steele (17:55):

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Arianne Urena (18:01):

The COVID-19 pandemic catalyzed the merging of events in education for organizations across the globe. Organizations have realized that synergizing their education and event strategies produces immeasurable benefits, but they need a technology solution that facilitates that merge. Cadmium is focused on providing a full suite of technology solutions, enabling organizations to meet the changing environment head on. From a host of event technologies to integrated learning management and content creation tools, Cadmium offers everything an organization needs to generate revenue and drive engagement. Learn more, and request a demo to see how Cadmium can help your learning business at gocadmium.com.

Celisa Steele (18:44):

Now, back to Jeff's conversation with Jim.

Jeff Cobb (18:49):

I do want to turn a little more pointedly towards technology because you obviously are a technology company—we've been talking about that—but towards the use of technology as a learning business. And I know you, no doubt, have got customers that span the spectrum. Some are just really savvy and know what to do with the technology. Others much less so and are trying to learn as they go along. When you think about your most savvy customers and how they're using learning technology to leverage it, to get that return on investment, are there things you see those organizations doing that you wish other learning businesses would embrace?

Jim Obsitnik (19:27):

Yes, definitely. Some of our customers are just very good in understanding their entire strategy. And, oftentimes, the biggest disconnect is this belief that the events that I hold—and all in the context of professional development, and I'll give a couple of different specific examples to make this real for everyone is. A lot of organizations do think of the events world and the work that they put in to get people into a room, whether it's physical, virtual, et cetera, is separate from what a learning team is doing. In a lot of cases, organizations do have this separation between, "Hey, I have a team that's putting together the on-demand learning programs, courses, content" and then, "I have my team that's actually producing the events." And that is true. They are two extremely different skill sets, no question, but where the companies and organizations that we work with, where we see them delivering so much more value is those who think of these two together. They, organizationally, still could be separate, but there is an overarching strategy that links the two together.

Jim Obsitnik (20:43):

The International Society for the Study of Trauma and Dissociation, and what they have successfully done is link this content strategy and the ways in which they deliver that content. As I previously said, they deliver it through in-person events and Webinars, on-demand learning programs. And Mary Pat, the CEO, said to me, she's like, "We actually had our best year ever in 2020." And that is the year COVID hit, and they had their best year. And she also said that they generated more revenue from their on-demand learning programs than they did from their events. Now, in the association world, that is just a tremendous accomplishment, just because of how event-centric associations have always been. That is a great example of how you can create a comprehensive strategy that ultimately diversifies your revenue streams. I believe diversification of revenue streams leads to lower risk for your company, so you're not reliant on just one single revenue stream.

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Jeff Cobb (21:48):

Any rapid, last words of advice you might have for a learning business that's looking to grow to the next level, particularly in the context we now find ourselves in?

Jim Obsitnik (21:58):

Yeah. There clearly has been such dramatic change since early 2020 with COVID. I empathize with our customers, I empathize with the learners out there, as to how difficult it is now because of just the uncertainty and disruption that has occurred to all of our daily lives. But, having said that, I think learning organizations can help maybe calm things down a bit by coming back to, if you have a strategy—and it doesn't have to be this. Strategy can always be viewed as overly complex, and it really doesn't have to, it's just a methodical way of how you view the world. And it could be a rather simplistic way, but I often find that strategy boiled down to its most simple elements can actually be quite simple but highly valuable.

Jim Obsitnik (22:54):

And what we think about as an organization always is, "Where are we innovating on behalf of our customers, and what are the really apparent areas that we can innovate on behalf of our customers?" That could be the, "Oh no, duh, why didn't I think about that?" So I want to make sure that, given all of the change, it can all be so overwhelming. And I think the key here is just the simple act of writing down what your strategy is a first step. It's going to be imperfect. I know it is, but then you iterate on that. Again, back to agile, don't always go for perfection. Go for putting a stake in the ground and then iterating on it, and at least you have an anchor point when it comes to strategy, that you can then make better decisions about your technology and who you want to partner with.

Jim Obsitnik (23:49):

And we view ourselves as not only a technology provider, but I view us as a partner for our customers, and that's how I want our customers to perceive us, as we're here to help them achieve their outcome. And then, through that, we'll have our own success. So, number one, just at least have a strategy. It's going to be imperfect, but then commit to iterating on it on a regular basis. And then don't try and boil the ocean. I know everyone says this, but find those immediate pain points that are connected to your strategy, and go solve those. But also, as you're looking at who you work with, especially when it comes to technology providers and service providers as well, is make sure that you know what value they're bringing to the table, not only immediately but also to spend a little time thinking about, "Are they a future-proof partner for me? Can I continue to rely on them?"

Jim Obsitnik (24:51):

Because what I do know is that, if you can rely on less partners, it makes it less complex for you, and, ultimately, I believe that partnership leads to value for both organizations, the provider, the customer. We're all so intimately tied together, and that is very much a business-to-business viewpoint that I bring to the table and that I always aspire the organizations that I run to live up to. But take those simple steps. I think it will actually help remove a lot of ambiguity, both within your organization, within your learners, because then everyone will start seeing that it is a much more...there is a much more strategic angle to it and a well-thought-out angle to everything that you're doing, versus what I oftentimes see is, and it's definitely exacerbated it in the event world because there's a date that the event's been set.

Jim Obsitnik (25:51):

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So I have to quickly run and put on this event, and there's different pressures more on the on-demand learning side. But just taking pause and figuring out, "Am I teed up not only to solve the immediate problem, but do I have line of sight that I can continue to work into the future on this path?" Then you're just constantly iterating as you go along and, ultimately, heading towards that North Star that you've laid out. So it gives you that direction, and it puts your decision-making into a better context.

Celisa Steele (26:28):

Jim Obsitnik is CEO of Cadmium. You can learn more about Cadmium at gocadmium.com, and you can reach Jim at jim [dot] obsitnik [at] gocadmium.com or find him on LinkedIn. Jim welcomes the chance to talk, and he can bring his years of experience in the learning space to bear on any conversations he has.

Jeff Cobb (26:52):

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Celisa Steele (26:58):

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Jeff Cobb (27:11):

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Celisa Steele (27:26):

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Jeff Cobb (27:37):

Thanks again, and see you next time on the Leading Learning Podcast.

[music for this episode by DanoSongs, www.danosongs.com]

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