



Driven

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VISIONARY SPOTLIGHT:

A Conversation with Michael Skinner CEO, Operitel

Martyn Bassett Associates: Not only are you President and CEO, you are also one of 4 partners behind Operitel and were responsible for the management and development of your web-based **Learning Management System - LearnFlex™**. What is LearnFlex and how did this whole idea come about?

Michael Skinner: LearnFlex is a web-based application – a flexible framework - that is used to manage and track learning for individuals as well as for organizations. There really isn't a 10 second "elevator speech" which can explain LearnFlex. It's kind of a platform, an underpinning piece, to which organizations add their own training material. The training materials could be off the shelf training programs, it could be face-to-face training that companies themselves do, or maybe training they've set up with their outside partnership deals.



Every one of our customers uses LearnFlex in a different manner. There are really 3 major goals for LearnFlex; the first is to provide an interface for employees, partners or organizations to find their required/desired training material/courses, the second is for managers to be able to manage and report on their employees training and growth and the third and really the most important piece, is that LearnFlex enables the executive team to understand the total amount of learning which has been completed, who has taken what courses, what is currently planned, and to then identify any shortages in those learning plans from an overall corporate, organizational perspective.

LearnFlex helps employees reach their goals. For example, say you have an Administrative Assistant in the Finance department and their goal is to become CFO - they can actually map out what courses and what training they'll need to have in order to achieve that position. Then, the Finance Manager can see that the individual wants to learn and move on from their role and from an organizational point of view they can say, "Well, we're losing our CFO in 4 years and this person has mapped out a career plan to be qualified in 6 years." They can then go to that individual and try and tweak that career plan, so they can grow into the projected opening.

As to how this all came about, we actually acquired a Learning Management System back in 2001. The original idea came from Dr. Gary Woodill and Dr. Karen Anderson who built the very first version 1.0 and 1.5, then I became involved and for version 2.0, I re-architected the application's technology, made it a lot stronger and then we've continued to build on it from there.

The product has kind of evolved through a three-way partnership. The first is with our reseller channel, the second is with our clients (a lot of the product functionality has been driven by what our customer, or a given industry feels they need) with the third side of the equation being Operitel, our involvement with the ASTD and CSTD plus a number of other organizations that are market specific and really in touch with

the pulse of the market.

Martyn Bassett Associates: Operitel landed on the Profit Hot 50 list of Canada's Emerging Growth Companies in 2006 and just recently placed 45th on the Profit 100 list of Canada's Fastest Growing Companies, in addition to multiple other awards and accolades. Your solutions are now being used in 7 countries and this has happened in less than seven years... were you at all prepared for this much success and recognition to come so quickly?

Michael Skinner: (laughs) Well, I have to answer that question with both a yes and a no. As a management team, I think we did a good job forecasting what our growth requirements were, especially when it comes to our people, as they are a very important aspect of our company. We built the technology, but it's really the people and the knowledge they've acquired over time that drives us. I remember back when we only had seven people, but our organization chart had forty positions on it, so we just had everyone's name stuck in multiple places. We've really always had a good understanding of what positions were required and what skill sets were required, but that being said... it doesn't matter how much planning you do... sometimes when you do actually reach the goals you set, you aren't prepared for that level of success. You do a lot of planning and forecasting and put it all up on a whiteboard and everything makes sense and then if you achieve that – especially if you achieve it without any major difficulties or show stoppers along the way, you find yourself stepping back – at least it's this way for me – and going, "Wow. That was kind of a pie in the sky type of vision we had!" For us to actually have achieved that vision... sometimes it can be a little overwhelming.

Martyn Bassett Associates: So you suddenly realized the dream had come true and you were standing in the middle of it.

Michael Skinner: Exactly!

Martyn Bassett Associates: What preconceived ideas did you have when Operitel first started and how have they changed?

I think that my biggest preconceived idea was that we had to have a personal presence close to our customer base. When Operitel first opened we had offices in Toronto, Ottawa and Peterborough, Ontario. It took us about two years to realize that we really didn't need a presence like that. Originally, I didn't think we could achieve sales with big enterprise clients without face-to-face meetings and having them visit in the office. In fact, these days we close pretty large clients and we might have only flown in for one meeting, or to sign a contract. Before you know it we've had these relationships for 3 or 4 years and I haven't seen them in person for over a year! But, we do talk all the time on the phone, or over webinar technology. So, being in the same place is not as important as I originally thought and the original three locations came together here in Peterborough.

Martyn Bassett Associates: Operitel is very client focused and takes pride in paying close attention to the clients' needs. What role do you feel this has played in Operitel's success?

Michael Skinner: This is a major part of our success, for sure. Our relationship with our clients has helped shape the product and in many ways and has even helped shape our company. They'll let us know if they'd like to see increased support in an area, or need something else in another. That feedback has driven the way we are, as an organization. We're certainly more responsive than most. Today, client referrals are actually our biggest lead generation source. If you look at all the clients we are acquiring, client referrals rank the highest; over trade-shows, over marketing, or anything promotional. It's partly due to the market we're in as well. Most individuals in the training business come from a training background and traditionally are very collaborative and willing to share their knowledge and share what they like. Of course, if they think something is bad, they're quite willing to share that as well!

Some organizations are very quarter-by-quarter revenue driven but for us as a private company, though revenue is obviously important, we are most interested in establishing a long-term business model and being there for our customers through their growing pains, as we also continue to expand.

Martyn Bassett Associates: Within the last year or so, you've formed successful partnerships with Canadian e-learning company, dominKnow Inc. and their Learning Content Management System and also with Atlantic Link from Atlanta, Georgia for their advanced server based e-learning authoring tools. How do these systems work together with LearnFlex and what are the benefits of these partnerships to your clients?

Michael Skinner: First of all, they both work together very seamlessly with our product. When we went to market looking for partners, we were looking for three important aspects; first, that they were using very similar technology architectures so they would integrate well, secondly we looked for strong business development methodologies, how the technology had been developed and how the interfaces were designed, because we wanted to be certain they were following the same framework we were. Finally, we wanted to find organizations that had the same business philosophy. For us, that means doing whatever

it takes to make sure our clients are happy and keeping our focus on long-term relationships.

Our Learning Management System (LMS) LearnFlex is that base platform for all learning and then dominKnow's Learning Content Management System (LCMS) manages aspects of online learning, providing a lot more functionality when it comes to tracking who is accessing what course pages, how long they are they spending on each page, on each course, what is their path through that course, etc. With our LMS – it doesn't matter if it's face-to-face, or job shadowing, online/third party courses that have been purchased or courses created by the organization itself – all of those pieces run on our LMS. If you want to really focus on what is happening with employees inside your online courses, it's the LCMS which tracks it all. To visualize, you can draw a baseline across the bottom which is your LMS and then you put a module on top of that which is smaller in size, but deeper and that is the LCMS.

Now, Atlantic Link is a set of authoring tools. The LMS has authoring tools as well, but they are very specific inside the LMS. So, say you have an organization that is providing training courses to their internal staff, in addition to their entire dealership channel. All of their dealers may be running different LMS, so Atlantic Link allows you to link to different courses conformant to other LMS at the same time. You build your courses and deploy them inside LearnFlex and then through Atlantic Link, you can deploy them to each of your partners' LMS.

Both of these partners are about managing the creation of online content. You see, a lot of our clients have 30 – 40 online content developers that are building courses for either their internal staff, or external. Generally you see this more within the manufacturing vertical, Telus and Rogers come to mind as examples, they build courses and work with their other vendors to build courses about their cell phones and other products.

Martyn Bassett Associates: This must help executive management get a much better overview of the training happening within the organization too, instead of just relying on reports from the department managers?

Michael Skinner: Oh, absolutely. The next step is to output the data from the LMS and tie that back into ERP systems, or sales performance systems to take a look at your actual return on investment. Which courses have the greatest impact on sales? Which courses have increased customer service abilities the most? Then, the focus can be placed on the type of course development that is having the largest impact on the bottom line.

The thing is, learning is not typically a department. There is sometimes a Training department or HR will have a training aspect, but learning affects every aspect of the organization - sales, customer service, etc. Often all the different departments have their own training program, which they oversee. By providing an LMS, you are centralizing all of it and promoting a common methodology, common feel, common style and common educational practices for all training, so it becomes more uniform. This also allows for cross training. For example, in the past there may have been a lot of training and courses being given in the sales department, but no one in service had ever seen them. When they are in a central system, you can cross-train your service people to have some understanding of sales, your sales people can understand more about customer service, or more about the training in technical product development. So it allows for more collaboration across the departments and creates a common platform of terminology for those departments to relate to each other.

Martyn Bassett Associates: I read that Operitel recently identified a real need to integrate with a Talent Management Solution (TMS), to help clients plan in advance for the massive "baby boomer" retirement scenario. How does your alliance with Organization Metrics work to achieve this?

Michael Skinner: Organization Metrics is an application which helps forecast staff requirements with quadrant-based analysis, so the best fit can be determined for upcoming vacancies. It will actually identify the best individual in the organization, based on a lot of different criteria; from their years of experience, to actual training taken, previous work history, etc. And, you can define which criteria should be more heavily weighted. So an individual may have 100% of the course based training, but they don't have the practical experience or other aspects required. If training requirements are only weighted at 10% (for example) they may not be the best fit. There are also personality assessments that can be added in to the equation - so training just becomes an aspect of the overall umbrella that the TMS looks at. With the predicted mass retirement scenario, once the up-and-coming candidates have been identified, the LMS system figures out the knowledge required and pushes it through Organizational Metrics, which will map out all the talent aspects. A gap analysis is done to determine what the training requirements are to take the individuals from position A to position B, it gets pushed back into the LMS and the identified individuals' learning plans are expanded to include that training and prepare them to move into the new role.

Martyn Bassett Associates: You are running a successful International business from Peterborough, Ontario, a city of approximately 135,000 people. What do you say to those who believe you need a big city corporate address in order to be a major player in the high tech world?

Michael Skinner: At one time I would have agreed with them, but business is being done virtually today, to a great degree. When you look at organizations such as Microsoft and HP, they have employees that telework both part and full-time. They just have a temporary work area for whenever they do come in to the office. With globalization, you have organizations that have teams in multiple countries all working together on one common project without ever being physically there. All this has changed things so that corporations don't always need to be physically there either. The way technology has expanded - webinar technology, video conferencing ect. - I think we've jumped over a milestone and organizations are now used to working with people that they don't see sitting across from them.

There are benefits to us being in a smaller town like Peterborough as well. First of all, we're still close to the airport in Toronto, about an hour away. There is a much lower cost of operation from a land and taxes perspective, we're at about ¼ of the cost that Toronto would be. The telecommunications in Peterborough is also great, we're completely wired. We also have a top-notch University and College in town. (Trent University and Sir Sanford Fleming College) and that has worked well for us from a resource point of view - getting the best talent right out of school. We run a bursary program with Sir Sanford Fleming and we contribute to Trent U. as well. Then, there are the lifestyle benefits. Most of our staff live less than 10 or 15 minutes away and can go home for lunch. We have a big, brand new hospital. And of course, if you look at the highways on a Friday afternoon, you see everyone sitting in traffic trying to rush to cottage country... we get to live in cottage country, year 'round.

Martyn Bassett Associates: I know that Operitel is very involved in the Peterborough community, volunteering, making donations (\$100,000 to the Regional Health Centre, \$50,000 to the Trent U. Int'l Consortium on Anti-Virals, and more) and is a repeat winner of the Chamber of Commerce's Business Excellence Entrepreneurial Spirit Award. Recently, you joined the Peterborough Innovation Cluster and their mandate to support local business and community growth. What is the philosophy behind Operitel's strong commitment to your community?

Michael Skinner: To begin with, our community is our home. This is where we live and play, so when we invest in the community, we are really investing back into our own staff. Not just the staff currently at Operitel, but in our potential future staff as well. I think it is important for all organizations to set a good example and be a good corporate citizen, so to speak. I really hope that in many ways we are leading by example and that other organizations will fall in line as well.

Martyn Bassett Associates: What is Operitel's number one priority right now?

Michael Skinner: We don't have one single priority. We have three that we are focusing on:

1) Ensuring that we are always, continuously meeting our clients' needs and feeling the pulse of our customers. We're running our 2nd User Conference in the middle of September and have 31 clients enrolled, coming from all over the world. I think the one travelling furthest is from Australia. And yes, they are coming in person, not virtually (laughs). This Conference is really for us, we want to get to know them better, get feedback from them and how they feel about their market.

2) At this Conference we are unveiling our next priority - the new version of our LearnFlex product, which will be launched next year. It has been re-engineered from the ground up and provides capabilities for the interface to be extremely flexible. What I mean by that is, we're going to be able to launch to WebTV technology, Mobile technology and to SharePoint, so the training will be embedded inside people's desktops instead of them needing to go to the web. The way we've architected it, using a new architecture from Microsoft, it allows the interface to be independent, so it doesn't matter what medium we push it out on. So if brand new technology comes out next year, it will be extremely easy for us to expand and launch our training on the new device.

3) The next initiative is a little off to the side of the alignment we've had up until now. We've launched a portal called **ITSkillbuilder** which provides Microsoft IT courses to organizations. With the release of Vista and Office Vista, a lot of organizations are struggling with user adoption. Instead of just going out to the market with that platform as we've always done, we're actually launching a platform with the courses pre-embedded inside of it. All the Microsoft learning plans are pre-created as well. With basically just a turnkey, organizations can acquire our LMS and all of our courses pre-loaded... I think there are 1,400 courses that come "out of the box" with the system.

So those are the three priorities that we are concentrating on right now.

Martyn Bassett Associates: You are quick to share all the accolades with your employees and praise their dedication and hard work. How have you gone about building such a strong team?

Michael Skinner: I think building a strong team really comes down to attitude. I always look for people who are willing to help out and who aren't afraid ask questions, or to ask for help. Attitude is the most important thing and this way, you create a culture where people don't really have egos, don't feel threatened and help each other out as much as possible. Attitude is as important as skill when we are

hiring and I think you just keep raising that bar, asking that people share and contribute knowledge. In our market, the technology is changing so fast. Even on the sales side, new marketing initiatives and new applications are always coming out, new learning concepts... things are constantly and rapidly changing. If you don't have individuals who are willing to learn, who can help each other out, teach and ask questions, then eventually they are just going to fall behind within the organization and that is never something that you want.

Martyn Bassett Associates: Can you share a little of your personal business philosophy with us?

Michael Skinner: One of the things I always say to every manager that comes into the organization is that you need to lead by example, not dictatorship. If you want to lead your team, you need to do it first yourself.

Also, the slogan that we've put up in our staff room is, "Work Hard, Play Hard". I think there needs to be a strong balance between work and play. I've heard many people say that a work/life balance is trying to balance two worlds, but for me it's actually not, it's more about integrating those two worlds. These days, a lot of my best friends are people who work with Operitel and outside of work we spend a lot of time together as well. Sometimes we talk about work and sometimes we are doing something entirely different. I really try to create that "family" atmosphere where everyone works together. Then, when a problem arises within the organization, everyone sort of jumps in to help instead of just standing around pointing fingers. I believe this atmosphere is also one of the reasons we've been successful.

Martyn Bassett Associates: Is there one thing that you can identify from all your past experience, which you feel has had the most influence on your success today?

Michael Skinner: The biggest impact would have to be... prior to Operitel I was a partner with Progestic International, an IT consulting company. While I was there I worked directly with our CEO who spent a lot of time working with me and mentoring me. At the time, I was pretty young and didn't realize all the knowledge that he was transferring to me. We'd talk about situations he'd gone through, how he'd solved them, things like that. I find that today, when I'm in a situation and can see similarities; I'll remember how he told me he'd addressed it. It always gives me perspective. It may not be the way I choose to address it, but I always take that perspective into account. I have a lot of respect for him as a businessman, he was extremely successful and I think he really kick-started my career, even though I didn't know it back then. He gave me a lot of tools and I didn't even realize I was acquiring them.

Martyn Bassett Associates: So have you followed in those footsteps, sharing and mentoring within your organization?

Michael Skinner: Absolutely. I spend a lot of time talking to staff about why we make our decisions. As I said earlier, we have a "no ego" environment, but we also have a very high level of transparency. Obviously there has to be a certain level of confidentiality, but as much as possible, I try to share about where we came from, how we got there, why we made certain decisions, where we are going... and try to make sure everyone understands.

Martyn Bassett Associates: What advice would you give to young software entrepreneurs who are looking to enter the market?

Michael Skinner: They need to keep a strong focus on exactly what their goals are, but there is a fine line between being focused and being reactive. Both are important. I've heard lots of advice that says to just focus on your goal, concentrate on your goal, but at the same time you need to constantly be aware of your surroundings and continue to evaluate whether that goal still makes sense. As you head in one direction and acquire more and more facts, are you consistently receiving the same message? A lot of people go back and forth. Some are focused and have blinders on, but miss the objective at the end of the day. Others are distracted by every new initiative that comes around and end up constantly bouncing back and forth. You really need to balance the two. I don't have the right answer for the mix, because it changes on a case-by-case basis. I know that for me that's always been a very fine line between following through on your initiative or going off on a tangent, while at the same time trying to maintain the individual goal.

Additionally, respect *everyone*. That would actually be my number one piece of advice. The business world is extremely small, especially in Canada, but it extends well beyond Canada. You never know who is related to whom. One of my best examples is; a number of years ago, I had to let an employee go who just wasn't fitting well with the organization. Six months later, that former employee walked into my office as the representative of a new company we had just partnered with. It was okay, because we'd maintained a good level of respect. I'd explained to him, at the time, why it wasn't working and we'd both agreed that it didn't make sense to continue. We'd exited on great terms. If I'd handled that situation differently, you never know how it could have affected the new partnership. Customers become partners, employees become competitors, you just never know. How you treat people now will definitely come back to you in the future. Respect everyone.

Martyn Bassett Associates: What words of wisdom can you share with up and coming Presidents and CEO's?

Michael Skinner: You are only as good as your employees. You need to always make sure you listen to their perspective. The other thing is – and this goes for any type of manager – you really need to surround yourself with different types of people. At Operitel we are extremely diverse. Our executive team all come from different backgrounds, we're in different age groups, we have different philosophies and when we come together, we don't always agree. However, we do all share the ability to collaborate and work together and we all have the same end goal.

Create a culture of collaboration and constructive thinking within your organization, instead of just having a bunch of people around who agree with you. The different viewpoints coming together will give you the full solution, as opposed to just the aspect you see on your own. If the people you work with really challenge you, then you'll definitely make it better, together.

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