

## *Scaling Business Development Services through Distance Learning: A Case Study of WESST*

### Introduction

Microenterprise development organizations (MDOs) are adept at doing more with less. Compelled by the drive to serve larger numbers of aspiring entrepreneurs amid a tighter funding environment, many are, not surprisingly, looking more closely at distance learning. Both urban and rural programs have grown geographically by establishing branch or regional offices wherever potential clients work and reside in numbers. But, the costs and organizational impact can be high, leading MDOs, especially those focused on training and technical assistance, to explore virtual alternatives.

MDOs have observed factors pushing and pulling entrepreneurs toward distance learning as well. The cost and difficulty of traveling to set business development events can be a strong push factor, especially for low-income people or in rural areas where distances between physical offices are greater. On the pull side, the greater availability of computers, the Internet and hand-held devices, even among the disadvantaged, makes electronic forms of business assistance attractive. As content of all types explodes online, entrepreneurs expect access to business information and services on a 24/7 basis.

What is distance learning? Distance learning is content or assistance delivered via remote technologies, including phone, Internet or television. The focus of this research is on business-related content provided through these mechanisms. Examples include online seminars or courses; online worksheets, tools, tips or fact sheets; counseling, coaching or mentoring delivered remotely; business podcasts; and blog and social networking sites that offer information and dialogue on business issues.

As organizations have explored distance-learning approaches, several questions have emerged: What content is appropriate? What are the considerations when choosing the specific technology through which to deliver business content or assistance? What are the implications for the products and services the organization already offers? And, which clients are best suited for distance learning?

### Focus of this Case Study

This case study profiles an MDO that has been working on distance learning since 2007. WESST serves small businesses in New Mexico with a focus

#### About this Research

This case study is part of an ongoing research project by FIELD that examines how U.S. microenterprise development organizations (MDOs) can scale up their Business Development Services (BDS) to serve many more microentrepreneurs, and to serve them effectively. In this project, BDS is defined as non-financial resources, including, but not limited to, training and technical assistance, which microenterprise organizations provide to help entrepreneurs start and grow their businesses.

This BDS research project is supported with funding from the U.S. Small Business Administration's PRIME (Program Investment in Micro-entrepreneurs) program, as well as with funding provided by the C.S. Mott Foundation in support of FIELD's Scale Academy for Microenterprise Development.

on microenterprise development. Founded in 1988, WESST expanded from a single Albuquerque office to its current statewide structure, which includes five regional offices. In early 2009, WESST opened the “Enterprise Center,” a mixed-use business incubation facility that also houses WESST’s Albuquerque staff. WESST has a strong business development services (BDS) focus and each office participates in the Small Business Administration’s (SBA) Women’s Business Center program. Additionally, WESST operates a lending program and participates in the SBA Microloan program. In FY2012, WESST served 1,440 microentrepreneurs and disbursed 52 microloans for a total of \$805,460.

WESST developed a distance-learning strategy to increase staff efficiency and respect the time challenges of aspiring entrepreneurs. New Mexico’s population is just more than 2 million, and the state ranks 45th out of 50 states in terms of population density. It is the fifth-largest state in physical area (122,000 square miles), but has a population density of 17 people per square mile. Even with six offices, many entrepreneurs seeking assistance are several hours from the nearest office.

As WESST has experimented with distance-learning strategies, it has encountered challenges presented by rapidly changing technology, the explosion of social media and the “competition” of other business content freely available on the Web. While testing and discarding content, formats and Web sites, it has pursued developing the hardware and software capacities to deliver professional content, and is poised to open a digital media studio at its home office. This progress note captures both the lessons learned and new directions for WESST.

## Early Distance-Learning Efforts Goals

WESST’s engagement in distance learning was spurred by two primary goals: increasing the scale of entrepreneurs assisted through business development services and generating earned income. Rather than continuing to expand geographically and launching new business development services that required full subsidy, WESST hoped that distance learning would reach entrepreneurs not easily accessed through brick and mortar sites, reach them more efficiently and generate income from selling the training content.

## Target Market

WESST began its distance-learning initiative in 2007 with www.WESST.TV, a platform to deliver webinars and video training. Initially the site was designed to reach WESST’s “typical” entrepreneurs (women, low-income individuals and entrepreneurs in the start-up stage) across the sparsely populated rural regions of New Mexico. However, staff expectations grew to envision the program expanding to serve entrepreneurs nationally.

## Content and Delivery Methods

Initially, staff involved in distance learning focused on how to incorporate video, podcasts and webinars into the work that WESST was already doing with clients. Most content was created opportunistically as a specific training or tool was identified as one that could be delivered using distance-learning technologies. WESST, therefore, entered the market with a broad range of content. In addition to basic business planning, it placed special focus on its technology and marketing content. Some simple material – an entrepreneur assessment quiz for example – could be created as a self-guided and independently-used tool.

However, WESST had most success with blended learning. In WESST’s case, blended learning refers both to a mix of in-person and online content delivery and to the blend of staff engaged in training from Albuquerque and the regional offices. Albuquerque staff would present content using webinar tools. Clients at WESST’s regional offices would attend and then receive additional tailored content and services in person from WESST regional office staff.

## Staff Involvement

A handful of technology-savvy staff led WESST’s early efforts. These members planned the organization’s Digital Media Studio (see sidebar) and developed WESST’s Web site. One also offered in-person technology training to entrepreneurs.

## Phased Approach

Staff envisioned these initial offerings as a first stage that would prepare the way for more sophisticated content development and delivery through the digital media studio. The team also anticipated that the studio could both support WESST’s programming and generate revenue by leasing it to other users.

## **Comcast® Digital Media Studio**

A key piece of WESST's distance-learning program is its digital media studio, which was included in the 2009 construction of WESST's Enterprise Center.

The Enterprise Center is a mixed-use business incubator that houses up to 20 light manufacturing, service, professional and technology businesses.

The Comcast® Digital Media Studio features a green-screen cyclorama studio with 42-seat retractable stadium seating, full recording and production capability for distance-learning content, audio, and video.

The studio is funded by WESST's donors and contributors and through a partnership with the State of New Mexico, City of Albuquerque and Comcast. Funding for purchase and installation of final equipment for the studio is expected to enable the studio to open in the fall of 2013.

## **Initial Results**

In about 18 months, WESST.TV had 18,127 views, and the limited data staff was able to capture from the site suggested that traffic came from a variety of sources, driven by news reports on ABC-TV's affiliate in Albuquerque, WESST's Twitter postings, and other media.

## **Challenges**

### **Market and Competition**

WESST.TV's original business model envisioned providing content to site subscribers for a fee. Sites such as Lynda.com — a subscription-based site that provides educational materials for individuals, businesses and schools — inspired WESST staff to believe that microentrepreneurs would also pay for rich, entrepreneurial content. However, free online business content exploded as WESST was testing WESST.TV between 2007 and 2010. This competition from free content providers caused WESST to downgrade expectations for earned income from distance-learning services.

### **Technology Changes**

All organizations face the challenge of keeping up with technology advances. For nonprofit microenterprise programs with fewer resources, the challenge is even greater.

WESST secured funding for the development of WESST.TV, and built it on a Clip-Share platform that enabled staff to quickly post content and pilot its use. However, the platform's limited capacities for data collection and e-commerce made it problematic for longer-term development. Because of these limitations, after three years, the organization took WESST.TV down and selectively transitioned a small amount of its best distance-learning content to its own Web site, where upgrades allowed it to add quizzes, and host videos and podcasts. It also tinkered with the development of a second site, called [www.BizLearn.org](http://www.BizLearn.org), intended to support WESST's content and that of other, collaborating MDOs. WESST ultimately chose to focus distance-learning content on its own site so as to reinforce, rather than dilute, its brand.

WESST also encountered delays in building out and furnishing the digital media studio. Because the studio is a public-private partnership, state and city budget issues affected the timeline for its completion. Initially expected to open in 2011, WESST now is hopeful the final equipment will be purchased by the City of Albuquerque and installed by fall 2013. WESST had anticipated that the studio and its equipment would enable it to produce more sophisticated and professional content. The delays led the organization to place additional content development on hold.

WESST's experience raises a note of caution for other nonprofits. A strategy requiring expensive or equipment-heavy technologies, especially ones the nonprofit owns, creates additional risks for the organization. Services built on free or low-cost subscription-based tools may prove a more manageable way to begin. Despite this, given the financial support it has been able to generate, WESST has purposefully continued to develop its digital media studio. It expects to create and record training content, and stream it to WESST's regional offices as part of its blended learning strategy. WESST's market analysis also suggests that the studio will fill a market need in Albuquerque for mid-range production facilities among customers, such as creatives, seeking to make Kickstarter videos to raise funding for their projects and business owners (such as realtors or car dealers) needing public relations videos for public access television. The digital media studio will be available for a fee to these clients. Although WESST has not yet completed its formal business plan for the digital media studio,

preliminary analysis, based on expected start-up costs and customer demand, indicates that the digital media studio could break even within 18 months of start-up.

It is too early to assess how the studio will fare in terms of WESST's business expectations, and the organization's experience will bear watching. However, within the context of a more strategically-focused distance-learning strategy, this tool should enhance WESST's services to its primary market, its own clients.

### **Cultural Disconnect**

Very few staff led WESST's early distance learning. Selecting staff who were among the most "technology savvy" for what was largely a pilot made logical sense, but slowed uptake in the organization. It kept distance learning as something unique and distinct from, as opposed to integral to, the training and technical assistance work that is the core of WESST's work with entrepreneurs. And, it meant that less tech-savvy staff was not drawn into early experimentation, doing nothing to reduce the skepticism some felt toward this new approach. Finally, when key staff departed, WESST had no one in place to take over program implementation. This issue is a familiar one for nonprofits with lean staff structures.

## **Toward a New Model**

### **Strategy Before Tactics**

WESST management now has a favorite saying, "strategy before tactics." It points to the lessons WESST has learned from its first phase, in which opportunism and tools took precedence over client needs assessment, organizational feasibility, culture and staff development. WESST is now confident that it is approaching distance learning, and the organization's own overall technology development, with this new orientation. Its new strategy, in final stages of development, is now driven by integration — into staff responsibilities organization-wide, and into existing training offerings. It will be based on market research to determine distance-learning content and demand. The strategy will focus first on serving WESST's existing target market and will have a business model based on blending earned and donor revenues.

## **Integrate rather than Isolate**

In 2011, WESST began working with a technology and online-learning consultant to develop a technology framework that would offer a more rational and strategic way to approach distance learning. Initial interviews with staff in Albuquerque and the regional offices revealed enormous expertise among the business counselors and abundant curriculum, yet skepticism toward technology adoption.

In the initial effort led by a very few staff, the skepticism some staff felt toward using distance learning to serve entrepreneurs was not addressed. Some people were more technology savvy than others, and some more eager to apply technology to WESST, but it became clear the organization as a whole was not prepared to adopt, endorse and use distance learning as a key way to expand services to entrepreneurs. WESST came to recognize that as a distributed work environment with six physically separate offices, internal distance learning was a great starting place. To that end, WESST assembled a technology working group to test, evaluate and roll out distance-learning tools.

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*"I've seen quite a few failures where an organization adopts a nice-looking tool or piece of software, but it doesn't get fully adopted within the organization and is then dropped."*

Mark Pugsley,  
Technology Consultant

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### **Practice Before You Preach**

To begin to shift organizational culture, WESST leadership assembled the technology working group with staff from the various offices and with varying technology skill levels. This working group has become crucial to the redevelopment of the distance-learning program at WESST. Working group members have identified, tested and modeled distance-learning tools. This tactic provides a trial period before staff is expected to deploy specific tools with clients. Involving staff of varying technology levels also means that the

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*“If an organizational culture is not supportive of technology, how will staff advise clients to use tools they don’t?”*

Mark Pugsley,  
Technology Consultant

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organization gains experience bringing technologically-reticent staff along, before dealing with wary clients.

A scan of practice, conducted by FIELD in 2011 of distance-learning efforts revealed that programs offering distance learning reported the “need to identify staff who are dedicated to and skilled in using, experimenting with and championing different distance-based training methods.”<sup>1</sup> In its first phase, WESST certainly had skilled staff who tested and deployed distance-learning methods, but they did not serve as the champions needed to take the whole organization along on their journey. Now, these working group members are likely to fill that bill as they describe and demonstrate their learning to others.

### **Blended Content is King**

WESST’s early distance-learning experimentation revealed that successful distance learning required more than simply recording in-person training and posting the content online. Attempts to record training sessions revealed that some presenters who were dynamic in an interactive setting fell flat when presenting in front of a camera without an audience. Similarly, simply recording and posting content presented in a live group session was not the most effective way to deliver content remotely, as the sessions were too long for remote viewers and delivered too much content at once.

WESST’s technology consultant also helped staff understand that one of WESST’s core strengths is the direct contact it offers clients – helping clients face-to-face to assess their needs, identify resources and move up the next rung of the business ladder. This contact could not be outsourced to a Web site with non-interactive content as a client’s needs and appropriate content would not be efficiently matched. However, some of the content, especially the more basic and rote business assistance materials, could be moved online

with WESST staff guiding clients to content appropriate for them. Now, WESST’s approach will weave together in-person and online content. Albuquerque staff can present live or recorded content using webinar tools and the session can be attended by WESST clients at its regional offices. Remote sessions can then be supplemented with more tailored content and services delivered in-person by WESST regional office staff.

The first implementation of this approach will most likely focus on the Business Plan Course and Toolkit, WESST’s traditional eight-session business plan course that guides early-stage and pre-business clients through the process of writing a business plan. An existing online toolkit will offer entrepreneurs access to basic materials to help start and manage a business. As envisioned, additional recorded content and guidance will introduce entrepreneurs to the Toolkit’s self-guided assessments, worksheets and other materials. In-person sessions will allow for the critical thinking, questioning, discussion and networking that contribute to the success and value of the class for entrepreneurs. By focusing on its core business-planning course, WESST will echo what other MDOs have done. FIELD’s survey of 69 microenterprise programs that provided distance-learning services found that 73 percent of respondents offered business-planning curricula online.<sup>2</sup>

### **Decentralize Content (Creation)/ Centralize Content (Access)**

Early distance-learning efforts by WESST were centralized – both in the involvement of a few staff, as discussed earlier in the report, and geographically. In the original model, Albuquerque staff created content and delivered it to entrepreneurs via the regional offices.

The new distance-learning model will be both more decentralized in some ways and more centralized in others. Content will be created in Albuquerque, particularly after the digital studio opens, but the regional offices will create content as well. Regional staff will most likely create their own content using cloud-based technology that does not require traveling to Albuquerque to use the digital media studio, and that allows centralized storage and

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<sup>1</sup>Luz Gomez and Joyce Klein, *Distance Learning and the Changing Face of Business Development Services* (Washington DC: FIELD, 2011), 14.

<sup>2</sup>Gomez and Klein, *Distance Learning and the Changing Face of Business Development Services*, 7.

remote access. Thus, all content will be easy to find and accessible to staff from any location.

WESST began offering group training and one-on-one technical assistance when it was created in 1988. Much of the content developed over the past 25 years was done ad hoc as a client had a specific need. Twenty-five years of training means a lot of curriculum located across the institution and, sometimes, limited knowledge among trainers regarding what exists in sites other than their own. Staff is now developing a “WESST Curriculum Library” to be housed on Microsoft SharePoint, providing statewide access. Every curriculum will be similar in format, including a training design, slide deck and handouts. An “Introduction to Facebook” class, developed in the Albuquerque office, for example, can be delivered by any of the regional staff. This will eliminate reinvention of the wheel and allow trainers to more efficiently apply their time to client services.

A robust set of distance-learning offerings combined with centralized curricula and materials have the ability to transform WESST, creating a team that is more closely knit and communicates more efficiently and effectively with each other and clients. Migrating key curriculum online will reshape WESST’s services so that business consultants become the curators of knowledge shared across the organization. Rather than being central providers of business assistance, business consultants will play more of an assessing, connecting and coaching role with entrepreneurs. For instance, in an initial counseling session, a business consultant may determine that an entrepreneur needs help with the basics and needs to create a business plan for their business idea. The consultant would direct the client to the online Business Toolkit and request that they complete specific pieces to prepare for enrolling in the next blended Business Plan course. After completing the Business Plan online training, as well as in-person group sessions, the client could return to the business consultant for additional help with marketing. This assistance could take the form of tailored marketing assistance provided by the staff member, a technical assistance session pulled from the WESST Curriculum Library, or a referral to an online course being offered at a WESST office.

## Tap Market Knowledge

WESST’s early distance-learning offerings were more likely to be opportunistic rather than tailored to market

feedback or demand for specific topics from clients. In 2008, WESST began offering search-engine optimization (SEO) in-person workshops and found a strong appetite for the subject matter from clients seeking to improve their businesses’ online presence. WESST experimented with providing follow-up consulting and one-on-one SEO technical assistance using remote tools.

Experiences with technology-related distance-learning offerings led WESST to recently develop a “technology toolkit” that assists entrepreneurs with incorporating appropriate technology into their businesses. For instance, a business assessment might reveal that an entrepreneur needs to improve the business’s online presence in order to expand its market. A WESST business consultant could direct the client to the technology toolkit, which includes resources to help the entrepreneur create a social media strategy, and then offer follow-up technical assistance to help the entrepreneur evaluate and implement the strategy. WESST’s focus on technology-related content, in response to its clients’ needs, distinguishes it from other MDOs. Only 26 percent of respondents to FIELD’s distance-learning survey reported providing technology-focused distance-learning offerings.<sup>3</sup>

WESST continues to research the market. A December 2012 client survey collected information on the topics that entrepreneurs identified as important to their business success. Clients also answered questions about the mechanisms, including distance-learning options, they would be likely to use to learn a new business skill. WESST is using the results of the survey to guide online and in-person services. Additionally, at the conclusion of workshops in every region, WESST collects information from its clients on their wants and needs regarding a variety of training topics.

This data, and interviews with regional staff by WESST’s technology consultant, revealed that the needs of entrepreneurs differed greatly across the regions WESST covers. Albuquerque is characterized by a prevalence of technology start-ups, whereas family farmers predominate in the Roswell area. The specialized content needed by these entrepreneurs varies widely. In the new distance-learning model, Albuquerque and the regional offices will co-market distance-learning offerings, in order to target the largest, but most appropriate, audience for each specific topic.

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<sup>3</sup>Gomez and Klein, *Distance Learning and the Changing Face of Business Development Services*, 7.

The move to centralize training products and decentralize content creation has big implications for WESST's business consultants and how they spend their time with clients. The new strategy adds a task and necessary skill to their job description — client learning assessment. Business consultants would be responsible not only for determining what the client needs assistance with, but also how they need to best receive that assistance. WESST staff still has a lot of questions about the type of clients that will be most successful using online or blended services.

### **Start With Your Current Market and Then Think About Expansion**

Programs must be clear about the market for their distance-learning offerings. WESST's early excitement caused it to envision its market jumping from New Mexico entrepreneurs to entrepreneurs globally. WESST's new strategy puts the focus squarely back on New Mexico entrepreneurs who fit the profile of WESST's core clients: women, low-income individuals, and those looking to start or grow a young business. WESST is interested in serving more existing businesses as it recognizes their importance to job creation, and so plans to focus on the type of distance-learning offerings these business clients might need. It is also thinking ahead to the needs of young adults who will become WESST's clients in the next five years. This market is accustomed to, and will expect, technology-supported services from WESST, and the organization needs to prepare to meet them on those terms.

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*“Our focus is first and foremost, serving our client of today. But then, we have to focus on serving our client of tomorrow (young entrepreneurs).”*

Agnes Noonan,  
WESST Founder and Executive Director

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### **Evaluate and Iterate**

WESST staff understands that distance learning, like all training offerings, must continually evolve based on client demand and feedback. Evaluating these services will mirror the evaluation of its traditional

trainings: what is the uptake and what kind of rating do clients give? But, beyond this basic approach, WESST will collect feedback on whether the technology was appropriate for the specific content. Feedback on alternate mechanisms that might have been used will also be collected. Staff recognizes that rolling out distance learning will be an iterative process, not only as WESST determines which content works best for distance learning, but also as it works to evolve appropriately as technology continues to change.

### **Build a Business Model that Matches Market Expectations**

WESST found, in its first phase that a subscription-based business model would not work for www.WESST.TV. Even though some Internet providers were successful offering proprietary content to a paying audience, the “freemium” model was dominant in the industry. In this model, developed because most content providers found that users were resistant to paying anything, users access the site and content for free and third-party revenue streams (most often from advertisers) underwrite the costs. In that type of market, and in one in which business content was rapidly proliferating, WESST's original model in which users would pay for content was doomed.

In consequence, WESST has adopted a business model that expects to blend earned and donor revenues for the foreseeable future. WESST now treats its distance-learning offerings as it does its in-person services: charging something for services whenever possible, but expecting fairly low cost recovery for the overall organization. As the digital media studio comes on line, WESST anticipates that charges to external users will cover its operating costs and eventually provide some earned income to partially offset the costs of its own distance-learning efforts. Ultimately, WESST's business model for its distance-learning program hinges on generating modest earned revenue and continuing to subsidize offerings through traditional government and private grant funding.

### **Conclusion**

WESST's experience demonstrates that developing distance-learning services is not simple. But, as society embeds online activity into its daily life, other

microenterprise programs will not be immune from the push/pull factors that led WESST to explore, and continue to experiment with, distance learning. The promise of reaching more entrepreneurs more efficiently will expand the number of microenterprise programs interested in distance learning — especially if nonprofit budgets remain constrained.

WESST's attempts to integrate distance learning into staff/client interactions offer lessons for MDOs seeking to develop or improve their own distance-learning products and services. The importance of market knowledge and staff engagement, the necessary integration of internal and external technology use, and the high value of blended strategies may be universal touchstones. WESST's

experience also teaches MDOs that they should expect program development to be iterative and that staff roles will change substantially as distance learning becomes integrated into the normal discourse between clients and staff, and into how an MDO organizes its resources. And, WESST's pursuit of a workable business model underscores how modest aspirations should be for income generation. Through its ups and downs, WESST's progress illuminates how organizations should think about and build distance-learning services from the start. After years of experimentation, WESST stands at the cusp of an even more exciting phase in its development. The next few years will be interesting to watch.

*Progress Notes from FIELD* offer case-study examples of innovation and advances in the practice of business development services. These Notes document practice as it is evolving and point to promising initiatives from which others can learn.

## Credits

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### For More Information:

Readers interested in learning more about distance learning are invited to visit a resource page on the FIELD Web site at: <http://fieldus.org/Projects/DistanceBDS.html>. Publications by FIELD that explore the topic of distance learning are on the FIELD Web site and include:

*Distance Learning and the Changing Face of Business Development Services* (2011)

A long-time challenge facing microenterprise programs is how to reach larger numbers of entrepreneurs efficiently despite the distance to a program office. In order to bridge the distance gap, more and more practitioners are providing distance-based business development services. This "scan of practice" explores practitioners' use of a range of strategies — from phone and Web-based webinar technology to podcasts and social networking.

*Focused on Growth* (2010)

This FIELD publication discusses the range of business development products offered by microenterprise organizations looking to scale up services. Distance learning is discussed as part of those product offerings.

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