

**Knowledge Management
Solutions, Inc.**

**Introducing KMx
The Advanced Distributed Learning Platform**



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Introduction

When we founded KMSI, we had a vision of what could be done to reinvigorate the learning technology marketplace. Our founding team brought over 100 years of hands-on experience with nearly all of the "leading" learning technology platforms and e-learning development suites. Our plan was simple; interview organizations using learning management systems, identify the major areas for improvement in both technologies and processes, and use that information to create the platform that we call KMx. Our initial interview process lasted for over six months and uncovered the following major areas for improvement:

Per-user licensing and Maintenance fees - Nearly every executive we talked with despised the industry practice of software vendors charging these anomalous fees. Several organizations interviewed restricted the use of their learning content to minimize these fees.

Delivering the wrong content – We discovered that the majority of offerings available at corporate universities were regulatory compliance, HR, soft skills or information technology related material. Based on our interviews, we learned that the initial goals for many of the clients interviewed were to create programs that could significantly increase revenues and decrease costs. Our research also showed that nearly all of the offerings were delivered as stand-alone e-learning courses with no effort applied to determine which courses applied to which personnel with very little effort applied to the development and delivery of employee performance support materials.

Implementation cycles - Our discussions with executives with Fortune 500 companies disclosed that many of the learning technologies purchased were never fully implemented. A dizzying array of issues, primarily stemming from learning management data systems that were so poorly designed that the integration with true enterprise human resource management systems and other enterprise resource planning software ultimately proved futile. This research revealed implementations that had cost clients triple their original estimates and have taken years to achieve any productivity.

E-learning development tools – Our interviews revealed that companies were paying vendors as much as \$85K to produce a single hour of e-learning material. Discussion with the vendors disclosed that the costs were primarily attributable to the amount of labor expended generating testing materials and instructional content using manual processes and difficult authoring tools. Some e-learning development vendors estimated as much as 450 hours of labor to produce a single hour of instruction. In the end we became convinced that the e-learning development vendors were not unfairly overcharging for the services they provided. The manual processes and difficult development tools revealed themselves as the real culprits.

Standards conformance - Our review of the leading learning technology platforms revealed that the underlying data systems and logic were built long before the introduction of the Shareable Content Object Reference Model (SCORM). This has resulted in a "retrofit" approach to implementing the one standard that nearly everyone agrees is the optimum environment for e-learning materials. This retrofit approach has led to a "watering down" of what the materials produced to these standards can and should be doing for both the learner and the administrator. Truly shareable, highly granular, reusable content is what the SCORM standard is all about. Unfortunately most companies will never realize these benefits with their current learning technology platforms.

Initial acquisition costs - In talking with executives that had already purchased a learning management or development technology, it became apparent that the high initial acquisition cost (sometimes in excess of \$1M) caused these companies to conduct lengthy proposal and evaluation processes to ensure that the planned investment would be well spent. Unfortunately, many of these same companies ended up spending the remainder of their learning technology budget on the integration of the newly selected technology platform with nothing left for migration of content into the newly purchased technology.

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Learning Management

- ▶ Online/Offline Delivery
- ▶ Blended Learning Modes
- ▶ Virtual Classroom
- ▶ SCORM Conformant

Performance Management

- ▶ Classification Management
- ▶ Performance Evaluations
- ▶ Competency Measures
- ▶ Organizational Development

Training Development

- ▶ eLearning/ILT Programs
- ▶ Online/Offline Assessments
- ▶ No Programming Skills
- ▶ ISD Automation Tools

Performance Support

- ▶ Advanced Search Tools
- ▶ Help Desk Support
- ▶ Controlled Access
- ▶ Knowledge Management



**The Advanced
Distributed
Learning
Platform**

Talent Management

- ▶ Recruitment and Retention Tools
- ▶ Compensation Decision Support
- ▶ Talent Pool Development
- ▶ Position Specific Measurement

Our Solution

KMx Enterprise is an Advanced Distributed Learning Platform that provides fully integrated e-learning content development, learning management, performance management, learning content management and virtual classroom technologies in one easy to use application. KMx was designed to provide a total development, delivery and management solution. Our innovative design virtually eliminates costly integration and startup expenses.

KMx is a globally scalable Tiered Enterprise Class Web-Application built using MS .Net and MS SQL Server. The KMx architecture is based on the Shareable Content Object Reference Model (SCORM). KMx is accessible using standard desktop applications and browser technologies and supports popular learning, content and document management technologies. KMx can be installed in your data center in a few hours without wasting time and money bogged down in long, expensive implementation cycles or we can host it for you in our state-of-the-art data center.

KMx provides development and delivery of online, offline and blended delivery methods and also provides performance management and support from a central content management architecture. Course developers can use the KMx environment to instantly create new programs that can include presentations, video, audio, animations, images, assessments, surveys, collaborations, and documentation.

The KMx user interface was designed for easy customization and branding and is available with language packs to provide for localization and multilingual distribution.

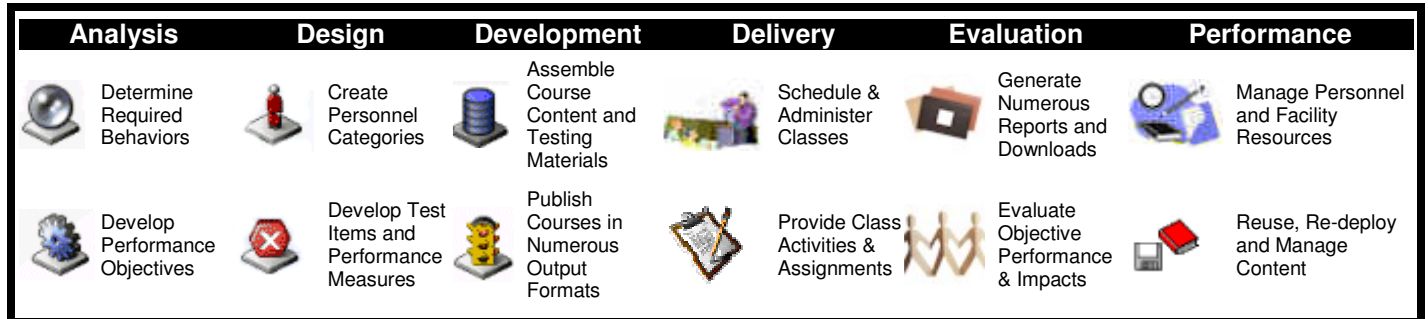


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Instructional Systems Design and Development Automation

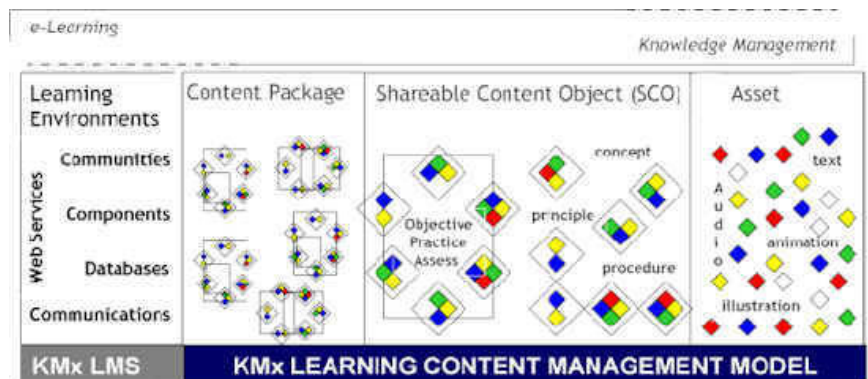


The KMx training development process implements the instructional system design and development model specifically tailored to ensure performance-based results. Using expert system technology, KMx accelerates the courseware development process with Wizards that automate the development of task analysis data and the development of behaviorally specific learning objectives:

- ❑ Leverages built in Knowledge and Skill behavioral templates for systems, equipment, policies and procedures.
- ❑ Enables designers to create new templates that are organization or industry specific.
- ❑ Provides tools to index and sequence task and supporting behaviors to create a comprehensive Knowledge and Skill inventory for indexing content, test items, objectives, performance criteria, personnel category requirements and certification requirements.
- ❑ Incorporates the Performance-Based objective construction model (behavior, condition & standard) that leverages customizable learning templates.
- ❑ Automatically links objectives to learning content, testing materials and student performance information.
- ❑ Enables Return On Investment (ROI) assessment, reporting and management at the learning objective level.

Content Management for Learning and Performance Support

KMx provides a highly granular and reusable content management architecture that implements all SCORM requirements, including support of the SCORM Application Program Interface (API) and the SCORM Data Model. KMx provides fully automated processing of SCORM Content Packages providing import and export without user intervention.



"The American Heart Association needed an integrated platform for its Continuing Medical Education (CME) programs to help over 100,000 health care professionals keep current with new research and treatments."

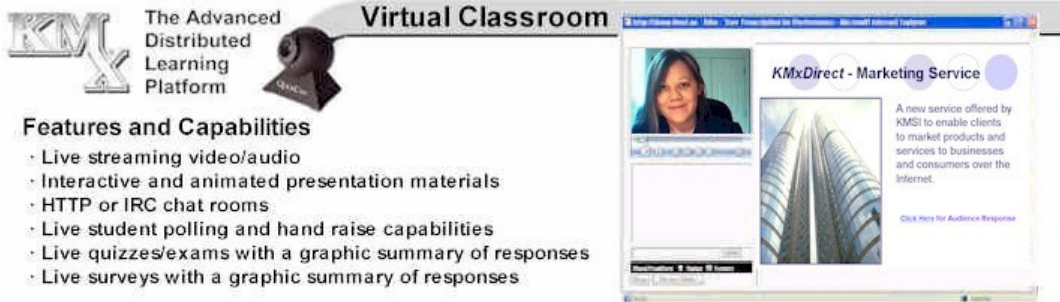
Bersin & Associates Case Study

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Virtual Classroom Technology



KMx The Advanced Distributed Learning Platform

Virtual Classroom

Features and Capabilities

- Live streaming video/audio
- Interactive and animated presentation materials
- HTTP or IRC chat rooms
- Live student polling and hand raise capabilities
- Live quizzes/exams with a graphic summary of responses
- Live surveys with a graphic summary of responses

KMxDirect - Marketing Service

A new service offered by KMSI to enable clients to market products and services to businesses and consumers over the Internet.

[Click Here for Audience Response](#)

KMxLive eliminates the barriers associated with delivery of live training using the Internet. At less than half the cost of our nearest competitor, KMx Live provides the technology you need at a price you can afford.

Compare Competitor Capabilities and Pricing

Our primary competitors are SumTotal Systems, Inc. and Saba Software, Inc. Before buying KMx, prospective clients should determine which of our primary offerings is best suited for their organization's needs by reviewing the KMx offerings and prices on our website:

- ❑ KMxASP – An ASP hosted service for unlimited end-users
- ❑ KMx Enterprise – A software license agreement installed in the client's data center.
- ❑ KMx Small Business Edition – A low cost solution for organization with less than 500 end-users.

Each product page provides a link to our free **Learning Technology Evaluation Spreadsheet**. This spreadsheet will enable you to rank your organizational learning technology requirements and provide a template for you to compare features, capabilities and pricing with our competitors. Most new clients opt for the unlimited end-user KMxASP offerings starting at \$33,000 per year. All KMx offerings include the LMS, LCMS, Performance and Talent Management Suite, e-learning Development Suite and one "30 seat" Virtual Classroom

Organizations Using Learning Management Systems

We recognize that many organizations have already licensed learning management system technology. We also recognize that many of these solutions have provided a minimal return on investment or have been unable to meet client expectations. Organizations that have incurred the significant expense and time required to implement the offerings of our competitors are sometimes reluctant to consider alternative solutions, fearing additional expense and delays. In order to counter these reservations, KMSI offers solutions specifically designed for organizations that have already licensed learning management technology.

Our clients include many of the largest companies in the world. Our clients include retail chains, pharmaceutical companies, manufacturers, technology companies, public utilities, governments, software companies, universities, associations, insurance companies and many more. The satisfaction that our clients achieve with our solution quickly overcomes any hesitations that they may have had when considering abandoning the use of the learning management technology that they previously licensed from our competitors.

"After almost 2 years of research and exhaustive evaluations, TVPPA is convinced that KMx will quickly become the standard by which all other systems are measured"

Doug Peters, TVPPA Education & Training Director

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Learning Technology, Performance and Talent Management Features Only Available in KMx

Fully automates the import and conversion of Microsoft Office ® files for use as e-learning.

- ❑ Maintains all native animations, interactivity, branching and indexing.
- ❑ Creates extremely bandwidth friendly runtime files that can include graphics, audio, video and flash.
- ❑ Supports post-conversion editing in Microsoft Office ®.
- ❑ Provides book marking, session time recording and completion status management.
- ❑ Provides fully SCORM conformant reusable learning objects..
- ❑ Use MS PowerPoint ® to create e-learning that rivals any authoring suite, without programming.

Provides a comprehensive testing and examination system suitable for high-stakes exams.

- ❑ Extensive test item types including true/false, multiple choice 3-6 answer, fill-in, Lykert scale, matching and drop-down list.
- ❑ Pool and specification based test item randomization.
- ❑ Test item answer randomization.
- ❑ Timed and proctored testing.
- ❑ Scored, un-scored and weighted testing.
- ❑ Complete test item and test reuse with fully independent weighting, retake, pre-requisite management and test item response analysis.
- ❑ Use of supporting media including audio, video, flash, graphics and supporting documentation.
- ❑ Enables authors to provide end-users with test item remediation, rationale and references.
- ❑ Behavioral indexing of all test items for competency and talent management.

Enables managers and administrator to dynamically create, modify and save reports and graphs from user, enrollment, course, class, SCORM and other data by simply selecting the columns or representative graphical elements from an easy to use menu.

- ❑ Reports can be portrait or landscape, have up to five sort criteria and have five independent filters.
- ❑ Provides the ability to delegate reports to managers and supervisors with automatic scope management.
- ❑ Reports can be output to MS Excel ® and HTML for easy sharing and printing.
- ❑ Dynamic graphs provide up to 50 elements with nearly unlimited data filtering and selection.

Provides the industry's only fully integrated learning suite supporting all blends of training and education.

- ❑ E-learning development suite capable of producing fully SCORM conformant Shareable Content Objects and courses that can incorporate any SCORM conformant third-party courseware.
- ❑ Traditional learning development suite that supports design and development of instructor guides, student guides, self-study guides, eBooks and more.
- ❑ Learning management environment that provides comprehensive catalog, search, schedule, personnel category qualification and certification profiles.
- ❑ Learning delivery environment that will automatically adjust to the end-users language preference (with over 20 languages now available), brand affiliation and individual authority.
- ❑ SCORM conformant Learning Content Management System that provides shared and stand-alone workflow environment with the ability to promote unlimited reuse of content, test item and exams.
- ❑ Complete performance and talent management system that provides qualification management, certification management, talent pool management, personnel and peer evaluations.
- ❑ Built-in interface for easy integration with Single Sign-On (SSO) technologies, Human Resource Information Systems (HRIS) and eCommerce transaction processing technologies.

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Frequently Asked Questions - The following table provides the answers to the most frequently asked questions about KMx from prospective new clients.

Question	Answer
What types of companies are using KMx and will they provide a solid reference?	Our clients are both large and small organizations in nearly every industry. Our clients include many of the largest companies in the world. Our clients include retail chains, pharmaceutical companies, manufacturers, technology companies, public utilities, governments, software companies, universities, associations, insurance companies and many more. Unlike our competitors, we do not list our clients on our website or advertise our client list in the general media. Serious prospective clients are provided with up to three references of clients that are using KMx to solve similar problems of a similar scope in their industry.
How much does KMx cost?	Our lowest priced offering is KMx Small Business Edition, starting at under \$10,000 per year. Most of our clients opt for the unlimited end-user KMxASP offerings starting at \$33,000 per year. Our most expensive offering is our KMx Enterprise software license agreement that retails at \$75,000 installed in the client's data center. All KMx offerings include the LMS, LCMS, Performance and Talent Management Suite, e-learning Development Suite and one "30 seat" Virtual Classroom. We do charge a nominal fee for additional "language packs" and our KMx Enterprise clients can replicate the software to provide data segregation for a nominal fee. KMSI never charges per-user, maintenance or software upgrade fees.
How long has KMx been available and what is the current version?	KMx has been on the market since December 2002. The current version is KMx 5.0. We release a minor update to all of our clients every quarter. We develop a major release every year. Our clients are the driving force behind our technology improvements. Every year we conduct an extensive client survey to create our software upgrade strategy and development plan.
How do I get a demonstration of KMx?	Prospective clients should first determine which of our primary offerings is best suited for their organization's needs by reviewing the information on our website: <ul style="list-style-type: none"> <input type="checkbox"/> KMxASP – An ASP hosted service for unlimited end-users <input type="checkbox"/> KMx Enterprise – A software license agreement installed in the client's data center. <input type="checkbox"/> KMx Small Business Edition – A low cost solution for organization with less than 500 end-users. <p>Complete the "Information Request Form" at the bottom of any of these pages, making sure that you check the box to "Have a salesperson contact me", and we will contact you to schedule a private demonstration.</p>
My organization already has an LMS, can KMSI migrate the courseware and enrollment history to KMx?	Yes. Most of our clients were using an LMS from one or another of our competitors before realizing the benefits of KMx. The cost of the migration will vary based on the scope of the migration project. Recent migration projects have been as low as \$5,000 and as high as \$20,000.
How/why does KMSI sell KMx for so much less than its' competitors less-capable offerings?	KMSI generates a very respectable profit. Simply stated, KMSI is a very efficiently run organization that does not need to charge more for its' offerings. Most of our competitors charge five to seven times more than KMSI and are still losing millions each quarter. We can only speculate that their organizations are not as efficient as KMSI.
What is the financial condition of KMSI?	Unlike nearly all of our competitors, KMSI is profitable and growing at double-digit rates, without having to acquire other failing learning technology companies. We are a private company with the best possible Dun & Bradstreet rating. Serious prospective clients can request our audited financial statements under a non-disclosure agreement.
Can I get a no-obligation trial of KMx?	Yes. Serious prospective clients can be provided with a 60-day no-obligation free trial of KMx. We do require that at least one representative from the requesting organization complete our 4 hour web-based training program prior to beginning the free trial period.

"KMSI is revolutionizing e-learning and is positioned to be the leader in the corporate learning space through delivering superior technology with measurable, high return on investment for its clients"

Duke Essiam, IPA Advisory & Intermediary Services

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