

## Gamified eLearning Platform for Employees

### Business Services e-Learning



**Carol Leaman**  
CEO

**BIO:** Carol is responsible for driving the overall strategic direction and Axonify's commitment to revolutionizing employee awareness and corporate learning. Carol brings more than 20 years of leadership and technology executive experience to the company as she has a history of building start-ups into multi-million dollar successes.

Most recently, Carol sold *PostRank* to Google in 2011 after growing the company from a free social media measurement solution, to a unique, social media analytics platform for web content. Prior to *PostRank*, she helmed *RSS Solutions* (enterprise class manufacturing software), and *Fakespace Systems* (a high-end virtual reality company). Both organizations were sold to strategic acquirers.

Carol brings her experience and insight to numerous boards, is a much

sought after keynote speaker and has won multiple awards, including the Waterloo Region Entrepreneur Hall of Fame Intrepid Award (2011).

### About Axonify Inc.:

Axonify dramatically changes employee behavior by flipping the way organizations think about and deliver corporate learning on its head. We started the company to drive real performance support in the new age. Today's employees expect training from their employers that addresses their own personal learning styles, fits in their workflow, is fast and makes it fun. Employers need ways to engage their workforce in learning and techniques to make it stick – the failure of learning transfer costs them millions.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
**CEOCFO Magazine**

**CEOCFO:** Ms. Leaman, what is the concept at Axonify?

**Ms. Leaman:** Axonify is an eLearning platform that actually gets employees to acquire critical knowledge, and not just that; translate that knowledge into action. We change behavior and get employees to sell more, and execute properly to save money. We do that through a unique game based eLearning platform that combines game mechanics with real brain science in the area of cognition and memory. What we've proven is that when we can effectively make employees remember, they do. We use two core concepts called Retrieval Practice and Interval Reinforcement in a bite-sized, question-based format which are proven to drive retention.

**CEOCFO:** Are there particular types of learning or subjects of focus?

**Ms. Leaman:** No. It doesn't matter to us what content an employer wants to drive knowledge and action around. Often times it's used to drive sales and improve customer service. We have customers who reinforce core concepts around products and pricing - features in complex pharmaceutical products for example. We also have customers who reinforce things like health and safety procedures to reduce medical incident rates. In the retail sector a big topic area consistent across many of our customers is inventory shrink, believe it or not, which is theft of merchandise. It is completely up to the employer in terms of what they need the employee to remember and then translate into action on the job. The platform allows them to do that dynamically and easily.

**CEOCFO:** Are you providing customized solutions? How does it work?

**Ms. Leaman:** The only customization has to do with the content and the customer can easily do that themselves. We provide an intuitive canvas that allows them to create content in the form of questions, select games, offer rewards and get tons of analytics about knowledge. The customer creates questions in as many topic areas as they want, with different levels of difficulty, different styles of questions and different versioning. Questions can be changed instantly as they need to, and automatically pushed out to whoever needs to see them. The questions are embedded in any one of a vast array of arcade-style or brain teaser games that the employer can choose to make available. Questions are repeated intelligently over time, person by person, using a concept called Spaced Repetition, which

drives retention. An employee will choose a game with each daily session and the questions will pop out over a 2 – 3 minute period of play. We create a Personalized Knowledge Map that measures what they know, but more importantly what they don't know, through each iteration of question, and the platform works intelligently and effectively to close knowledge gaps. We also allow the employer to upload rewards like gift cards or merchandise, so as the employee answers questions correctly they can acquire points that can then be redeemed for rewards. There are a host of analytics that come with the platform related to knowledge acquisition, and how that can be tied to performance.

**CEOCFO:** What does Axonify understand about the learning process that has enabled you to develop an effective platform? It is certainly a crowded field.

**Ms. Leaman:** It certainly is. We know that what we are doing is very, very unique and takes corporate learning into the next generation. We absolutely do not subscribe to the view that training in a corporate setting should be done with large volumes of content delivered all at once; or static content that does not change based on the employee's level of knowledge or their job position. Unfortunately most corporate learning is exactly that today. It is largely event based, one time, with no reinforcement. It is not fun. It is not social. It is not gamified or rewarding in any way. There are absolutely no mechanisms to track what employees truly know or do not know and what the measurable outcomes are. Axonify has busted through all of those issues and created a way to actually get employees to remember, and do. We deliver short bursts of bite-sized learning that involve three to five core pieces of information a day. We do it in a way that makes it fun and engaging for the employee. Then we repeat questions at very specific intervals, person by person, as they answer previous questions. Tracking individual performance and success on the platform every day

allows our adaptive algorithm to close very specific knowledge gaps in core topic areas. No one else delivers a short burst of learning in a gamified, fun way that has the kind of analytics exposing where employees are struggling and how to close those gaps very, very quickly in a highly targeted fashion. Then we tie their on-the-job behavior to how they answered questions, how long it took them and how many times it took them. In the case of sales, for example, if a customer is reinforcing product and pricing information they can actually correlate success on the platform to that individual's increased sales activity. In an organization that sells complex, frequently changing products, it's a huge challenge to get sales reps to remember what to sell and how to sell it properly. And typically there is no way to know what that employee understands or does not understand until it may be too late.

**“Axonify dramatically changes employee behavior by flipping the way organizations think about and deliver corporate learning on its head.” - Carol Leaman**

Most employers have no other way to deliver knowledge than through a once a week annual training session, followed up by emails and memos. What they know, is that it doesn't work. The simple reality is that memory begins to degrade almost immediately after a training session, and most people don't read and digest email. Therefore, the money spent on classroom instruction is almost completely wasted, as is the sporadic follow up. And it's because we're not delivering knowledge in a way that our brains can successfully remember it.

**CEOCFO:** When a company is using your platform are they reading the analytics? Do the analytics automatically trigger new events for that learner? How does the personalization work?

**Ms. Leaman:** Based on how each individual answers questions, the algorithm works to deliver new questions that are highly targeted to close demonstrated knowledge gaps. Virtually instantly, from the moment the employee starts on the platform,

the experience becomes highly personalized. For example, if you and I started the same day doing the same job we might get the same questions on the first day. However, if you get them all correct and I get them all incorrect, starting the second day you are going to get different questions than me, because you happen to know more about the topic area than I do. Therefore, almost instantly, the questions adapt to the person based on how they answered previously.

**CEOCFO:** How do you reach prospective clients?

**Ms. Leaman:** We do a variety of things. We have a direct sales team and an inside sales team that does outbound outreach to our target customers. We also attend events. We participate in trade shows and speaking engagements at conferences. We have done advertising sponsorships. We do a ton of social media. We run webinars. We engage a PR agency. We try to reach our customer base, basically every way that we possibly can.

**CEOCFO:** When you are speaking with a prospective customer is there an “aha moment” when they understand the difference that Axonify offers?

**Ms. Leaman:** Yes. We often first get asked about the Gamification because it's the new buzzword in learning. How does the gamification work? What does it mean? Employers are still a little bit reticent when you say we use game mechanics, because they have a natural reluctance to let their employees play games at work. They quickly understand that that is not what it is. This is about actually transferring knowledge and changing behavior in dramatic ways. The “aha moment” comes when they see the clear difference between what they have been doing in a classroom setting or even with online modules and how we get employees to remember. They recognize that retention is a massive issue resulting in a gigantic waste of training dollars. When they look at how Axonify drives employee

engagement and performance in 2 – 3 minutes a day, a huge lightbulb goes on. They see instantly how repetition and the intelligence that creates the repetition actually creates knowledge. It is fast. It is fun. It's effective. We can clearly demonstrate through analytics that knowledge grows dramatically in all of the topic areas that get delivered to employees whether it's soft skills or procedural based knowledge. More importantly, we know that when employees acquire long-term knowledge that sticks, it translates into significant financial outcomes for the employer. Our customers are tracking sales people who perform on the platform to improved sales, and others see huge reductions in expenses through compliance with procedures. The ROI for some of our clients is astronomical.

**CEOCFO:** What is the business model for you?

**Ms. Leaman:** We are a SaaS, in the cloud based model. We price the solution per employee per month. The cost is tiered based on the number of employees on the platform and the amount of content being delivered.

**CEOCFO:** Do you find that companies tend to start small and increase the people that might be using your offering gradually or do customers tend to jump in full force?

**Ms. Leaman:** In fact, we have had both cases. We have had some companies who want to test it on a smaller group of employees and see results first. We had a situation this year where a large pharmaceutical company piloted it on three hundred sales people in one division. That was six months ago and the results of the pilot were so positive that we are now in seven divisions. The original VP Sales said to the others, "You will not believe how well this works". His endorsement allowed us to expand through the organization. We have other customers who understand that the world of learning is changing and realize they just need to have it. And once they do, they realize it is not just a learning tool, it is a communication tool. We have the ability, on any device, to get any kind of message, like a daily message from the CEO, in

front of employees. When you have a global work force and people are hard to reach, having that consistent way and those two to three minutes a day of captive attention is very, very appealing for large corporate enterprises.

**CEOCFO:** Do you see more focus on using the tool for communication, not just for learning or will that remain ancillary for you?

**Ms. Leaman:** We actually expect in the next twelve months that we are going to see much more interest in expanding use of the tool to any area of communication that the employer wants to use it for. In fact, we have a large Fortune 100 company who has asked about that very thing. Their CEO would like to deliver a daily message in a form that's accessible and engaging. The ability to grab that very quick, captive attention and then attach it to an equally quick learning event is highly appealing to them. We just spoke to another customer yesterday who is an insurance company, who said, "We have been using it to do claims error rate reduction and we are now expanding the use internally and looking at all of the ways that we can use it to deliver general corporate information, policies and procedures, and HR related message." There are all kinds of ways to utilize the power of the platform to get in front of the employee and weave it into their workflow.

**CEOCFO:** Are employees mandated to look at the training each day? What is the typical process?

**Ms. Leaman:** It is typically not a mandatory rollout. The vast majority of our customers make it voluntary. What we find is that very quickly, word starts to spread and employees who are not using it want to see what's going on and get on the platform. We have a customer that has been using it for three years and has, on average, ninety percent voluntary participation every month. Therefore, the ability to learn interestingly in a very short way that gives the employee actual visibility into their own success is a highly motivating factor. The games, the social elements, the rewards are all engagement tools to get the

employees interested in getting on, but they start to realize very quickly what they know and what they do not know and intrinsic motivation kicks in - they want to acquire knowledge. It becomes almost like a personal challenge to them to answer the questions correctly and to be exposed on leader boards and with peers in terms of their success. It rapidly becomes a self-motivating sort of exercise where employees want to get on and do it. We always see participation grow in the weeks after the initial rollout.

**CEOCFO:** You personally have many years in the industry and have been involved with startups. What have you learned from past ventures that have been most useful at Axonify?

**Ms. Leaman:** Many things. I have learned a lot of lessons over the years. However, I would say that some of the key things are to hire the best people you can hire, focus in terms of your market, have a crystal clear message that you are communicating to your target customer base, understand the core value you are providing to customers and be very careful with your cash in the early stages. Understand your cash flow and your runway as you acquire customers, but go out and get customers as quickly as possible.

**CEOCFO:** How is business these days?

**Ms. Leaman:** It is awesome. We raised a seed round of capital eighteen months ago with one customer and it really got us going. We have contracts with over thirty Fortune 5000 companies today and are growing very rapidly.

**CEOCFO:** Will you be seeking additional funding as you continue to grow?

**Ms. Leaman:** We likely will and that will be late 2014, early 2015.

**CEOCFO:** Why should the business and investment arena pay attention to Axonify?

**Ms. Leaman:** We are completely changing employee behavior in ways that are highly valuable to the employer. We do it by flipping upside

down the way corporate enterprise thinks about and gets value out of delivering knowledge to employees. We are the only solution that translates knowledge into measurable outcomes. The outcomes are measurable in terms of knowledge

acquisition by the employee, but also measurable growth in revenue and expense reduction. No one else is doing what we are doing in the way that we are doing it and getting the kinds of results that we get. Employers are realizing that the day

of that big, heavy learning event; whether measured in hours, or days or weeks in some cases, is long gone. People simply do not learn that way.

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