



An investigation into the hidden benefits of a Learning Management System (LMS), and how to earn significant ROI

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The reality of ROI

For businesses that survived the turbulent past few recession-ridden years, there has never been a greater need to identify and understand return on investment, because if anything has been learnt from the downturn, it is get the most for your money and be prudent wherever and whenever you can.

For the training and development industry it is no different, and today companies that provide training and those that invest in development on behalf of their employer to boost skills within the workplace, need to know where their money is going and what the reward is.

Technology, today, permits more intelligence around ROI than ever before, and while some in the training world may say that they can account for every penny spent, unless they have the tools in place to generate the appropriate facts and figures, they will be falling short of the mark.

It was once fair to roll training up into the theory-heavy world of HR, where returns are notoriously difficult to find.

However, technology today means that every step of the training journey can be watched and assessed by management, which offers a far greater and far more revealing insight into the real success levels of corporate training.

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How the LMS will benefit you and your training programmes

The Learning Management System (LMS) is, put simply, an online platform that users can log into, and get access to, a range of training programmes.

This is software that is often used for administration, documentation, tracking and reporting of training programmes, classrooms and online events, e-learning programmes, and training content.

For those working in the training industry, a sophisticated LMS will incorporate functionality that can:

- **Manage, schedule and cost classroom-based learning**
- **Deliver industry standard e-learning**
- **Deliver and allow users to share learning material or resources, such as documents, video and audio**
- **Support a flexible structure that allows different combinations of user groups to be created e.g. location, job role**
- **Provide an intuitive and user-friendly interface for learners**

An effective LMS will automatically track and trace the learning journey within different training programmes and produce reports on its findings. To do this the system will provide delegates with a variety of interactive multiple

choice statements to respond to based on the content that has already passed, and also generate score cards at staged intervals so progress can be monitored at all times. Everyone should be able to identify a return, though when it comes to training there are two key sections of the industry that have ROI as a business-critical need: Training providers

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and training managers. Via an LMS, training executives within companies can easily track and trace the progress that employees are making on training programmes, and therefore get a clear idea of how valuable the course is compared to the money invested.

And, more and more training providers are being confronted with the need to show a return on investment when selling their development programmes to companies.

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Debunking the e-learning and LMS myth

The mere fact that both e-learning and LMS are provided on online platforms signals an excursion into the digital training world for many organisations, but it is not always the case that the two sit side-by-side to maximise effectiveness. They are not irrevocably linked.

In fact, it should be noted that many training organisations deploy an LMS specifically to track and arrange their classroom-based training and resources, and although LMS can support e-learning programmes, this is not an exclusive partnership.

Trainers and LMS: The hidden benefits V alternative uses

Overhauling the provision of training and putting it onto an online platform has benefits that have been well-documented. Here are FOUR of the accepted benefits of deploying an LMS:

1. Reduction in costs of delivering and managing learning by converting to online training
2. Optimisation of training expenditure and usage for all learning resources
3. Rapid deployment of targeted learning across widely distributed organisations
4. Flexibility to provide learning that is 'just-in-time' not 'just-in-case'

Example 1

You have twenty people scheduled to attend a two day course in an internal training room. The opportunity cost for each learner (i.e. wages, cost of temporary replacements, loss of productivity) is £250 per day. The e-learning course can be completed in one day due to reduced learning and no traveling times.

COSTS	CLASSROOM TRAINING	E-LEARNING
Trainee Costs	£10,000	£5,000
Course Development	£2,000	£3,000
Trainer Costs	£1,600	£0
Room Hire & Catering	£600	£0
Equipment Provision	£200	£0
Travel Expenses	£400	£0
Accommodation	£1,200	£0
Total	£16,000	£8,000

The saving from e-learning is £8,000 (50%). The next time you run the course the development costs are paid for and the saving is £11,000.

Example 2

You have fifty people from a national sales team booked on a five day classroom based training course. The opportunity cost for each learner is £1000 per day. The e-learning course can be completed in three days:

COSTS	CLASSROOM TRAINING	E-LEARNING
Trainee Costs	£250,000	£150,000
Course Development	£10,000	£15,000
Trainer Costs	£5,000	£0
Room Hire & Catering	£5,000	£0
Equipment Provision	£200	£200
Travel Expenses	£4,000	£0
Accommodation	£15,000	£0
Total	£290,000	£166,000



The saving on this example is £124,000 (42%). Imagine the cost savings that could be made if you had a sales team of 100 people or you were a multi-national company who's sales team all required the same training!

Example 3

You have two hundred people from a call centre booked on a one day classroom based training course (20 people x 10 weekly one day classes). Their opportunity costs are £200 per day. The e-learning course can be completed in half a day:

COSTS	CLASSROOM TRAINING	E-LEARNING
Trainee Costs	£40,000	£20000
Course Development	£1,500	£3000
Trainer Costs	£3,000	£0
Equipment Provision	£200	£200
Total	£44,700	£23,200

The saving from e-learning is £21,500 (48%). Figures release from CIPD in July 2008 indicated that the average employee spends five days per year in training sessions. If this company replaced all classroom based training with e-learning the savings would be £107,500.

In this example the e-learning courses could be completed by all 200 employees in one week whereas the classroom based course would take 10 weeks for all employees to be up to speed.

Example 4

On average you have fifty 'new starters' per year, the entire induction process takes approximately one day (8 hours). The opportunity costs are £200 per day. The e-learning course can be completed in 2 hours:

COSTS	CLASSROOM TRAINING	E-LEARNING
Trainee Costs	£5,000	£1,250
Course Development	£1,500	£3,000
Trainer / Manager Costs	£5,000	£0
Equipment Provision	£0	£200
Total	£11,500	£4,450

The saving from e-learning is £7,050 (61%). The following year development costs are paid for and the saving is £10,050 (total two year saving is £17,100).

In this example you can see how you see how the cost of the most basic training need can be reduced by using e-learning. How many other elements of training could be switched to e-learning?



However, there are multiple benefits that many will not know of unless they have been involved in the development of an LMS product, or have first-hand experience of using the product in the working environment.

So, for anyone who works in the training arena who is yet to experience the impact of an LMS, here are some of the lesser-known benefits that can be enjoyed:

- **Manage instructor-led training and administration** – This goes beyond simple booking and generating of email confirmations. A good LMS will manage the entire operation including:
 - Administration - generation of reminders, joining instructions, certificates, sign in sheets
 - Automatic emails for reminder - expiring awards, learners falling behind
 - Online booking
 - Resource scheduling
 - SMS reminders

The accessplanit LMS can be used exclusively for instructor led courses

- **Easy and simple reporting** – Especially useful in terms of handling compliance issues and identifying where and when qualifications or certificates are due to expire. A good LMS will have reporting functionality that could save a training department many weeks of time consuming reporting – even better some will deliver these reports to your inbox automatically.
- **Training spend per department** – Use the LMS to see 'at-a-glance' where training budget is being allocated and when, by company department
- **Manage and meet regulatory requirements** - More and more industries are becoming affected by the demands of compliance. Industries that are required to train, assess and report for compliance purposes include:
 - FSA-bound companies within the financial industries of insurance, banking and building societies.
 - Healthcare organisations that must comply with industry regulations
 - Building and construction companies that must adhere to COSE and other health and safety regulations
- **Learner self-service** – empower employees and line managers to take control of their learning:
 - Self-service training which learners can personally subscribe to without intervention from trainers or line managers
 - Learning plans which help learners understand the paths they must take to improve their performance
 - 24/7 self-service learning which enables learners to work on independently away from the workplace
 - Deadlines to encourage and help learners understand the importance of completing training

- **Web based or hosted solutions** - Many LMS are now provided on a hosted or SaaS basis. No longer do you need a costly IT team to incur the cost of managing and maintaining a training system, servers etc . A good LMS provider will offer a SLA which also guarantee's the availability of your LMS. A knowledgeable support team will also help you get the most out of your system.



What are the alternative uses for an LMS?

Though it is not just the lesser-known benefits that training professionals need to hear about, because the alternative uses of LMS also need to be pushed to the fore for anyone who has little experience of using the online tool.

Alternative uses of LMS

- Total training management – The more sophisticated LMS will allow companies to streamline the day-to-day running of the training department. From administering courses to reporting on completion, the LMS is often seen carrying out the tasks that most organisations are paying administrative staff to complete
- Selling e-learning – LMS with specialist ecommerce functionality will actually allow training companies to market and sell their courses, which is especially useful for training providers looking to expand into new markets.

A traditionally classroom-based provider of training could expand their training offering using an LMS by introducing an e-learning offering

- External Training – Suppliers can maximise their sales by ensuring that customers have a sound understanding of how their products operate, all via an LMS.
 - Improve customer education and support
 - Improve the effectiveness of your distribution channel
- Franchisees – Franchisers can quickly on-board geographically dispersed franchisees to enhance brand awareness and drive sales
- Training Outsourcing - An LMS can be used by training outsourcing companies to manage their clients training...

Five KEY things you need to know about the accessplanit LMS:

1. **Flexible** - The accessplanit LMS is designed to fit into any organisation regardless of industry, size or structure
2. **Three Editions** - The accessplanit LMS comes in three editions, which are: Enterprise, Standard, and eCommerce
3. **Money saving** – This is a piece of software that has proven to streamline administration for training companies and in turn save huge costs in terms of administration
4. **Award-Winning** – Last year the accessplanit LMS won Best advance in learning management Technology for External Training in the 2009 Brandon Hall Excellence in Learning Awards
5. **Complete Solution** – The accessplan LMS is not just a tool for delivering online training, it will take control of your entire training department.

You can have access to a free demo by [clicking here now](#)



Case study: How the LMS fits into a business

For the Royal Brompton and Harefield NHS Trust, the key element of the LMS is its ability to track and record the progress that employees are making in terms of training and development.

For an organisation that relies on having its staff fully-trained and up to speed in terms of awards and certificates, having a system that manages where each employee is tracked, is essential and critical to the effectiveness of the organisation.

The accessplanit LMS auto-generates emails to notify key stakeholders of any upcoming renewals, as well as expiring certificates and awards. What is more, the system took a huge administration burden away from the management team within the organisation, as the manual process of monitoring when and where individuals needed to re-train, was removed.

Paul Mendes, head of learning and development at the trust, said of the LMS: "Accelerated course bookings and learning and development information will massively reduce the administration burden on the learning and development department, thus freeing up time for service improvement."



About accessplanit

Award-winning software house accessplanit was established in 2001, and is dedicated to the development and support of learning and training management solutions.

Now in its tenth year in the software market, the service and products have been designed to ensure its clients enjoy the maximum ROI, supported by a hassle-free front end customer experience.

Using the latest web based technology, accessplanit deliver flexible solutions across a diverse range of sectors including privately owned companies, large corporations and local authorities.

Author

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In 2009, David invested in the business to become commercial director.



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What our clients say:

"They have a great attitude to their system. We wanted to tailor our system to suit our clients. By working closely with Accessplanit we were able to achieve this".

"The service has been fantastic, it feels personal and we have never come up against any issues that have not easily been resolved".

Zoe Peters, Mace Business School

"The service is great! Everyone you deal with at accessplanit knows you, and is willing to please. The welcome to the AccessPlanit family has been great, and we look forward to many years of mutually beneficial business."

"We were really impressed with accessplanit's prompt response to our web contact request, and their willingness to engage with us. It was this drive and passion that ultimately carried weight in our decision to purchase Course Manager from accessplanit".

Russell Steyn, Foster Melliar

