



WHITE PAPER

Cost-Effective Training The eLearning Solution

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Building The Business Case for a Cost-Effective eLearning Solution

eLearning has grown consistently in recent years to become a key tool for organizations seeking to gain a competitive advantage by upgrading their corporate training strategies in a highly accountable way. In fact, the corporate online training market is expected to grow by 13% per year through 2017. Today, 77% of domestic companies offer some form of online corporate training to improve the professional development of their employees [Pappas, 2015].

What contributes to this growth? Many factors impact the adoption and use of eLearning (also commonly referenced as e-learning or e learning) tools. One reason is the fact that the Cloud continues to change the way businesses and employees interact. Within Cloud solutions, eLearning has become a higher priority to corporations as they look at ways to integrate a cloud-based learning management system (LMS). The LMS market is expected to be worth approximately \$4 billion in 2015 and over \$7 billion in 2018. The highest proportion of revenue contribution is expected to be generated in North America [Pappas, 2015].

Growth Contributions

Integration
Trackability
Efficiencies
Financial Value

Perhaps most importantly, however, online employee training programs are proving to be an attractive, trackable workforce investment. Research shows a steady increase in businesses using eLearning to reduce the cost of training employees, save on operational expenses and provide the velocity to train employees quickly on required knowledge and skills. In addition, online learning can help retain employees, increase their productivity and successfully help team members prepare for leadership roles.

In Docebo's 2014 study from the [E-Learning Market Trends & Forecast Report](#), various surveys and analyses indicate at least three financial reasons why we are seeing big growth in training software services.

- Speed of implementation
- Savings on capital expenditures
- Saving on operational expenses

Thus, an effective training solution may be poised to deliver a strong return on investment (ROI) impacting an organization's bottom-line.

This white paper illuminates the potential added financial value of eLearning training as well as the new level of cost-effectiveness it can bring to overall staff development. Results of independent

research analyzing key cost-saving benefits are addressed and special attention is given to three key cost-saving training benefits of using a cloud-based LMS:

COMPLIANCE & BUDGET CONTROL	<ul style="list-style-type: none">• Meet corporate compliance requirements• Reduce recruitment costs and productivity losses• Trackable systems provide cost synergies
EMPLOYEE RETENTION & DEVELOPMENT	<ul style="list-style-type: none">• Decrease employee turnover by providing focused training and development• Improve company performance with training that aligns with employee development needs
OPERATIONAL SAVINGS	<ul style="list-style-type: none">• Lower or eliminate administrative costs for program management, IT requirements and investments, travel and facility costs with eLearning LMS and online tools

Compliance & Budget Control

Businesses can reduce the liability and legal risks they face every day by incorporating compliance training into their overall business strategy. In its broadest sense, compliance training may encompass risk management, human resources, safety, quality system operational practices and standards. Three common benefits stand out:

1. Easy-to-Access Data

By integrating an employee training program, companies have a resource where all learning records are stored to document when and how compliance training has been offered and successfully completed. eLearning adopters now query the system to quickly determine which employees have failed to complete required training reducing lost productivity for both

supervisors and corporate staff. In a growing number of instances, this data can even be used to mitigate insurance costs. Not only can they prove that training has occurred, but firms may also obtain discounts when offering OSHA, harassment and safety training to all employees.

2. More Effective Options

A common challenge organizations face today with corporate training is the fact that many of the best training resources are not equally accessible to all employees. The cost of employee training can not only be reduced, but reach all employees. Travel and entertainment costs as well as time out of the office generate both hard and soft costs that can be significantly reduced by developing online training. With a solid eLearning

LMS solution in place, training becomes a flexible element of each employee's work schedule accomplished on demand when it best suits the need of the business.

In addition, eLearning is proving to offer organizations a cost-effective method to customize curriculums based around strategic elements, such as a firm's vision, mission or values. While employees may learn at different paces, eLearning systems allows users to quickly assess and revisit topics they have struggled with, without incurring additional instructor fees. Over the past few years, eLearning tools have proven the ability to provide all types of training methodologies to teach more people more effectively and improve knowledge retention. In essence, you can provide training to more employees more frequently with all the money and time you save (Jones, 2016).

3. Increased Productivity And Growth

Numerous studies have shown that engaged

employees are highly valuable assets to an organization, yet employee engagement has stagnated in the U.S. recently (Gallup). With half of all employees being cited by Gallup as "not engaged" and another 17% as actively disengaged, organizations have the opportunity to greatly increase the quality of their workforce through tools that bring employees value as a professional, a team member and a person. Utilizing eLearning costs to develop a well-constructed training plan enables the person receiving training to not only grow professionally, but to also feel informed and valued as part of the organization. When training is relevant to their day-to-day functions, engaged employees become better contributors to the company's growth, customer satisfaction and brand identity.

Specialized training with access to a targeted online learning catalog, perhaps even supplemented with in-person seminars, can be contracted with unlimited usage. ■

Employee Retention & Development

Training can help attract and retain the talent your business needs. Companies today want talent that is trainable and looking for growth opportunities. With relevant eLearning-based training, employees are provided with the room and ability to grow out of their position, providing an engine for succession planning and both short term and long-term staff development. It's smarter financially to facilitate internal advancement instead of consistently hiring from outside the organization, potentially without the pre-developed skills from company training (Pomeroy, 2016).

Workers reported that companies generally satisfy their needs for on-the-job development and that they value these opportunities, which include high-visibility positions and significant increases in responsibility. But they're not getting much in the way of formal development, such as training, mentoring, and coaching—things they also value highly.

– Harvard Business Review

It has been well documented that employees value on-the-job training that provide opportunities for advancement and lateral

job movement. However, without professional development budget, tools and training, companies are missing out on other needs that can lead to unmotivated and disconnected employees. Gallup estimates that \$300 million are lost each year due to actively disengaged employees (Boettege, 2016).

A recent study by the Center for American Progress estimates that the average cost for losing a single employee with an average salary of \$60,000 could cost the company anywhere from \$30,000-\$45,000 to replace. The cost of hiring an employee to replace a highly trained executive position could be up to \$255,600 (Boettege, 2016). In another recent study, career development was discovered to be particularly relevant for retention, as about 70 percent of employees say they are dissatisfied with growth opportunities at their companies (Elejalde-Ruiz, 2016).

What's the solution? Companies can utilize their eLearning development costs to keep employees motivated by offering internal development plans through eLearning career development programs and employee training software. By offering

online training, companies can cultivate their employees through acquiring new skill sets to help position them for growth opportunities within the organization.

Companies that improve the career growth environment can see turnover decrease by a third.



With turnover costing organizations about \$25,000 per professional employee, that could result in savings of \$7.5 million for companies with at least 10,000 employees (Elajalde-Ruiz, 2016).

If an organization prioritizes their employee's development and growth, they are ensuring that their company has the teams and individuals in place to meet their business goals and do so in an efficient and cost-effective manner. As senior management evolves to think of employee training as an investment in their human resources, employees will more comprehensively be investing themselves in the company. ■

Operational Savings

Today, cloud-based training with LMS deployments and management advocacy provide a solution that reduces numerous operational and HR costs, help contribute to risk management efforts, expands the capacity of the company to grow—all demonstrable contributions to the bottom line. Independent research shows that a cloud computing learning environment provides a pricing model that enables clients to benefit from multiple operational efficiencies,

enabling organizations to realize a 100% on their investment in fewer than 12 months (UL, 2016).

A cloud-based LMS should no longer be considered a luxury—it's a necessity for firms who want to stay competitive at the top of their market while controlling cost. The lack of any new IT requirements or hardware investment limit expense exposure obviously, but a potential vendor should also be evaluated by their ability to

deliver a truly turn-key solution. Cost estimates for training should begin with key questions that will streamline a provider's offering is. Key questions may include:

- If we have an existing LMS, can you integrate with it?
- Do you offer a no-hassle, satisfaction guaranteed solution?
- What is required by my IT department to implement the LMS? Is there a need for a dedicated server?
- How long will it take to go from contract to actually utilizing the eLearning platform?
- How many clicks will get my users from login to active training?
- Do you offer on-boarding tools such as an employee training plan template?
- How do you track and measure results of your eLearning program?
- Can I tie courses to career development goals?
- Is support and new course creation covered?
- How can you help spur user adoption?
- Can you supplement eLearning with in-person courses?

Consider the Various Areas to Measure ROI and Obtain Cost Savings:

Lower administrative costs for program management

Ensure cost savings due to no new IT requirements or investments

Reduce travel and facility costs with eLearning and online tools

Increase revenues and get quicker returns on the cost of training new employees with a faster path to employee proficiency

Improve time-to-market training of sales, customer service and business partners

Seek less financial risk and possible insurance discounts associated with regulatory compliance and safety training

Decrease employee turnover costs by providing focused engagement, training and staff development

Improve company performance by ensuring the employee training plan strategically aligns with employee development needs

Deliver precise accountability of training and meet compliance objectives

Control costs simply and reliably through unlimited eLearning contracts

About Pryor Learning

Fred Pryor Seminars and CareerTrack, divisions of Pryor Learning, create one of the most respected international providers of professional training. Since pioneering the one-day seminar in 1970, our organization has built a reputation for high-quality, convenient, and practical business-skills training around the world, in every industry and sector. Our recent name change to Pryor Learning, LLC better represents our full line of training which includes live seminars, online training, and enterprise solutions.

Today, with more than 13 million satisfied customers, we continue to pride ourselves in providing the superior training you've come to expect. Our cutting-edge research and course development are designed to meet the adult learning needs of your employees and your organization.

At Pryor, we offer training for any learning type—in-person and through live seminars, online with videos, quizzes, e-books, webinars. Every learning style is an option based on the company

and employee needs. As a cloud-based LMS, learning is three clicks and three days away from adoption of learning plan.

Tracking and measurement can be cost-effective and simplified. Drive accountability and ROI with Pryor's advanced admin features. Admins can assign, track, and report on training in real-time with single-click reports or export to Excel. Learning objectives can be tied to professional development goals to more accurately gauge employee performance around review time.

With the Pryor LMS turnkey solution, businesses can be up and running quickly. Ongoing support and maintenance is covered. You can save money on resources and manpower to launch and train employees on how to use the system. Built-in custom marketing campaigns are available to aid in the launch and roll-out of company directed business goals such as employee emails or poster campaigns to welcome new learners; and reminders to existing learners on where to access to all online and in-person offerings. ■

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