Questions Clients Frequently Ask About E-Learning Systems

James Lundy

Many Gartner clients realize that investing in e-learning systems can provide value to employees, customers, partners and suppliers, but are unsure how to approach such projects. We answer some of their pressing questions.
ANALYSIS

An e-learning strategy can bring many benefits to an organization and its staff, customers, partners and suppliers if it is implemented properly. We answer client questions about differences between learning "ecosystems" and e-learning suites, and show how training departments and business managers can justify investments in e-learning projects.

What Is the Difference Between Learning Ecosystems and E-Learning Suites?

A learning ecosystem is the set of relationships between learners, resources and knowledge providers that enables knowledge sharing in structured and non-structured ways to achieve corporate performance goals. It relies on informal activities in addition to the structured training activities that allow people to gain the knowledge they need to successfully complete their job. These informal activities include mentoring, participating in communities of practice, collaborating with peers and accessing content that is critical to their job. The key attributes of a learning ecosystem are personalization of learning experiences, collaboration between learning stakeholders, and the management of those resources and relationships. The main goal is to leverage existing training resources, learning content and e-learning software into a managed learning experience.

An e-learning suite is a set of products and services that, when combined, enables e-learning. E-learning suites have four key elements: learning management systems (LMSs), delivery capabilities, learning content management systems (LCMSs) and professional services, such as integration with other business applications.

How Are E-Learning Suites Evolving?

E-learning suites have an LMS, an LCMS and integration with a Web conferencing tool or a dedicated virtual classroom capability at their core. More and more vendors are offering complete e-learning suites, and analytics are increasingly being included as core elements of these suites. The growth of e-learning suites is a consequence of user demand for more economical integration and implementation of the components contained in e-learning suites.

Some vendors are also blending their e-learning software modules into an emerging talent management suite and are focusing on selling these suites to HR departments. E-learning suites will continue to be sold as stand-alone products but they will also be bundled with other HR applications, such as performance management tools.

What Are the Key Differences Between Reporting and Analytics in E-Learning Solutions?

LMS products and e-learning suites usually have embedded reporting tools. These tools offer a choice of 30 to 70 standardized prepackaged reports. Such reports can demonstrate value to organizations in measuring static return on investment (ROI) for savings on training, as well as for compliance and competency monitoring, without having to be integrated with other enterprise reporting. However, e-learning reporting tools usually cannot tie the value of training to customer support call resolution time, manufacturing error rates, channel sales performance, cross-selling measures and so on.

Analytic solutions provide more analysis capabilities, including a wider variety of reports and more specific features, such as:
• A separate database (or data mart) structured for analysis.
• Integrated data from nontraining sources, such as CRM and ERP systems.
• Pre-built intelligence about the business measures and views.
• Online analytical processing (OLAP) engines that enable slicing, dicing, pivoting and drilling of information.
• More transparent integration with other repositories and business intelligence tools.

What Key Job Roles Are Learning Ecosystems Being Developed For?

Developing a robust learning ecosystem is not easy, and it can be an expensive proposition. So, enterprises tend to focus on key roles that have a high impact on the bottom line. These include call center personnel, salespeople, managers and service people, who all need critical information at critical times to do their job quickly and effectively.

When and Why Should I Consider Investing in an LCMS?

You should invest in an LCMS when controlling your e-learning content becomes difficult, costly and time-consuming. Two key factors determine whether you need to deploy an LCMS: the amount and diversity of your content, and the frequency with which you need to update that content. Both tend to increase as e-learning initiatives mature. This is because companies keep adding to their portfolio of courseware, and the complexity of that content grows as companies become better at using the technology.

An LCMS is also important from a cost-savings perspective, because it will enable you to more easily reuse learning objects stored in the content repository. For example, you might create a module that gives new employees in the finance department an overview of your company. You could reuse this module in a course for new HR employees without having to build it from scratch. The LCMS's development environment facilitates collaboration between different content courseware authors and the reuse of existing learning objects.

How Much Should I Expect to Invest in an E-Learning Software Implementation?

Your base investment in e-learning will be in the technology to develop, deliver and administer the training — an LMS. Typically, the base LMS infrastructure, at a perpetual license purchase price, will cost between $15 and $25 per employee in a 5,000-employee organization. This doesn't include content, implementation support or ongoing maintenance.

The addition of Web conferencing tool or a dedicated virtual classroom product will increase the cost. This support can be purchased in multiple models: concurrent users, named users, blocks of time or even ad hoc usage. For example, a 5,000-user population may require 50 hours per user per year, or 125,000 hours of time in training events — some with multiple users, and some with one user. Ask vendors to price the requirement in all approaches (concurrent usage, named users, blocks of time and ad hoc) to determine the best pricing structure for your organization.
Which Business Metrics Should I Use to Justify Investments in a New E-Learning Project?

Your training initiative must support broader organization goals. Therefore, every organization is likely to have a different measure of success. For instance, universities might use improved student outcomes to justify investments for integrating e-learning with classroom or administrative applications (see “Web Conferencing Helps Avnet Prosper in Complex Supply Chain”).

The choice of business metrics to justify your investment might include:

- Greater retention of employees or customers.
- Faster resolution of customer problems.
- Higher customer satisfaction ratings.
- Conversion of more prospects into customers.
- Increased sales through resellers trained on your e-learning systems.
- Better adherence to regulatory requirements.
- Wider sharing and exploitation of the company's intellectual capital.
- Faster time to market for new products.
- Faster rollouts of new technologies, corporate policies and operating principles.
- Increased productivity from workers.
- More effective processes providing greater efficiencies and cost savings.
- Higher revenue and profits.

You need to work with business managers to determine where e-learning can be integrated with front-line applications and what metrics will be most appropriate for measuring success. Start these conversations as early as possible, because your initial investments in e-learning infrastructure should eventually integrate with your company's larger software stack. The support of business managers will be crucial to winning approval from corporate leaders for continued investment. Therefore, even before you start planning integration projects, educate the business side about the potential business benefits of e-learning. When you reach the integration phase, run pilot projects to demonstrate to business and corporate managers that integrated e-learning can help them achieve their goals.

How Do I Justify Investments in an Existing E-Learning Initiative?

Courseware needs to be kept fresh; there really isn't an option not to. Custom courses need to be updated to provide the most current information, otherwise they are of no value to your organization. Training budgets need to accommodate this.

Who Should "Own" the E-Learning Project?

Business units, and training and IT departments need to work together on e-learning projects. The business unit and the IT organization should agree on the requirements for the learning
infrastructure. The IT organization should then lead the procurement process for an e-learning suite that best meets those needs.

The business unit should assess how it will source the learning courses and take steps to do so. Sourcing courseware is complicated and challenging. In many cases, it requires the involvement of internal and external resources to custom-design courses and purchase off-the-shelf courses.

RECOMMENDED READING

"Web Conferencing Helps Avnet Prosper in Complex Supply Chain"
"Right Approach to Content Is Essential for E-Learning Project Success"
"How to Use Social Software to Support Your Learning Ecosystem"
"The Four Categories of Stand-Alone E-Learning Authoring Tools"

REGIONAL HEADQUARTERS

Corporate Headquarters
56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters
Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters
Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Japan Headquarters
Gartner Japan Ltd.
Aobadai Hills, 6F
7-7, Aobadai, 4-chome
Meguro-ku, Tokyo 153-0042
JAPAN
+81 3 3481 3670

Latin America Headquarters
Gartner do Brazil
Av. das Nações Unidas, 12551
9° andar—World Trade Center
04578-903—São Paulo SP
BRAZIL
+55 11 3443 1509