10 Ways to Slash Your Training Costs With an E-learning Management Solution

By, George Ritacco Exec. Dir. Client Services

I think most people agree that when employees are trained properly... wonderful things happen to an organization. More often than not however – a successful training program typically costs an organization thousands of dollars.

Many companies have a regular training program that involves air travel for those employees that live out of state. Flying everyone into town for a week long training session can be very, very expensive. Air travel is just one aspect of the total cost, you also have:

Hotel Stay, Meals, Incidental travel (cab fare, parking, train, etc.,), AND... Removal of employee from field or position (while training - they're not doing their job).

Multiply these costs by 3, 50, or 100 employees - are your budget can swell. The truth is... you can have a great training program delivered seamlessly online for a fraction of the cost of what it would cost to run it manually (manually meaning - not leveraging technology for help).

Here are 10 significant ways for your organization to save money by implementing and leveraging an e-learning management solution.

1. Annual Training Hours – Businesses report that training made available on-line reduces the number of hours employees need to learn over the course of a year;

2. Travel Costs – Reduced or often ELIMINATED because training is available 24/7 anywhere your employees have Internet access;

3. Lost Productivity – Besides the obvious cost of travel (trains, planes and automobiles), lost productivity can also be estimated by;

total employees × hours spent on travel and training per employee × average hourly salary = lost productivity, e-learning greatly reduces this loss;

4. Cost of Renting Facilities – The need to rent facilities and bring workers to one location is reduced;

5. Cost of Producing/Maintaining Training Materials – is reduced significantly and updating, maintaining and delivering your content is quick and simple;

6. Instructor Costs – A careful blend of instructor-led and system-led training is the perfect balance. E-learning does a better job of putting the learning in the hands of the learners, and eliminating the cost of hiring trainers or instructors... and it makes your instructors more effective;

7. Decreased Learning Time – When you're training is delivered by using media rich technology – employees learn quicker. People learn in different ways. Some learn better by reading, others learn faster by listening and others still learn faster and retain your information longer if they can see and hear your information simultaneously. The bottom line – when you engage their senses – your information becomes "sticky" and your employees learn faster;

8. 24/7 Library – accessible with any internet connection. Your employees don't need books or manuals and are not forced to train during the time when they should be most productive –during working hours. With an e-learning management solution in place – your program becomes much more flexible by allowing your employees to train on their own time – which won't interfere with their jobs;

9. Full Measurement and Tracking in Real Time – all tracking is automated, reports are generated instantly and all of your information and progress is available at your fingertips whenever you need it. With an e-learning management solution in place – there's no need to compile monthly reports to management. They're done automatically;

10. Automatic Scheduling and Delivery – no need to worry about who's getting the proper training and whether people are being trained when they're supposed to. With an elearning management solution – new hire's are scheduled and their training is delivered automatically... you don't need to do a thing – it's all done for you instantly and seamlessly;

Let's Get Into Some Facts.....

According to IDC, when a collection of objective and subjective calculations are included, U.S. firms report savings of 50 to 70 percent when replacing instructor-led training with e-learning.
The Conference Board of Canada found that employees said the following about e-learning:

• 83 percent said it increased productivity;

• 82 percent said it improved job performance;

• 98 percent said it contributed to personal development.

Nucleus Research reports that of all IT investment options in 2002, e-learning had the highest ROI. Benefits of e-Learning included:

• Reduced training costs

• Decreased learning time by an average of 40-60% (* Brandon-Hall -Web-based Training Cookbook)

• Increased speed and retention levels (J.D. Fletcher - Multimedia Review)

• Consistency and frequency of user experience increased

• Key documents and presentation access 24/7

• Accountability, proof of completion and outcomes measurement

Why all the good news?? Is there more?

• Content is quickly and easily updated to reflect changes and additions in policies and procedures

• Able to reach geographically dispersed populations quickly with a minimal impact to other business functions

• Training flexibly that meets the needs and schedules of the learner

• Learners are able to work independently without impacting other learners

Look to the Hidden Intangibles…..

Hidden costs or "intangible" costs from errors that result when employees are not properly or regularly trained can be prevented with the right training frequency plan in place. When a salesperson doesn't close the deal because of a training related issue - what's the cost to you of a lost sale? $100? $20,000? When a medical provider does not complete a claim for payment properly, what is the cost of correcting that?

Studies show when e-learning is done well, systematically…, your training becomes more effective, you're able to solve problems quickly… and most importantly - employees learn better. E-Learning can be one of the most important investments you make this year.

George Ritacco is the Executive Director of Client Services for Global Vision Technologies, Inc (GVT)., (http://www.globalvisiontech.com)

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