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PASSIONATE ABOUT INNOVATIVE LEARNING

Creating a "Learning" Culture: Jumpstart Toolkit

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Abstract: Making the transition from a traditional training approach to a "learning" culture can be a daunting task, but well worth the effort. This toolkit contains worksheets and exercises that will help you define the landscape of your desired learning environment, build a business case for learning, create a strategy, systematically work through the technology selection process and evaluate the results of your transition. One of the most important factors in establishing a successful learning practice is to simultaneously provide support for both structured and informal learning. Informal learning not only provides immediate support for learners throughout your organization, but also provides a means for capturing and retaining expert knowledge, even as turnover and retirement occurs.

In addition to the embedded worksheets and activities, the toolkit provides a set of customizable slides that can be used during discussions with learning stakeholders and a comprehensive RFP template that can be used to solicit bids from learning technology solution providers.

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Welcome

Welcome to this interactive toolkit. It was specially designed, based on learning industry best practices, to help you systematically make critical decisions about how to leverage learning technology to meet the complexities of today's workplace environment. Many businesses, large and small, are now experiencing the benefits of transitioning from a "traditional training" approach, to a "learning" culture that embraces both structured training courses and, at the same time, engaging learners in content-rich, informal-learning networks.

The toolkit will walk you through the process of:

1. Defining the landscape of your desired learning environment
2. Building a business case for leveraging new technologies and methods in creating a learning culture
3. Creating a platform strategy
4. Choosing learning technologies that meet your specific needs
5. Measuring the success of your efforts

The toolkit does not focus on how to design or create online courses. There are a myriad of great books, conference presentations, certificate programs and other resources that cover this subject extensively. Rather, the focus of your activity here will be on establishing or revising your learning infrastructure to support your need to deliver training in a number of formats including instructor-led training, self-paced courseware, virtual classrooms, just-in-time learning, collaboration, etc.

Let's get started.

Step 1: Define the Landscape

> *"If you don't know where you are going, any road will do"*
>
> --Lewis Carroll

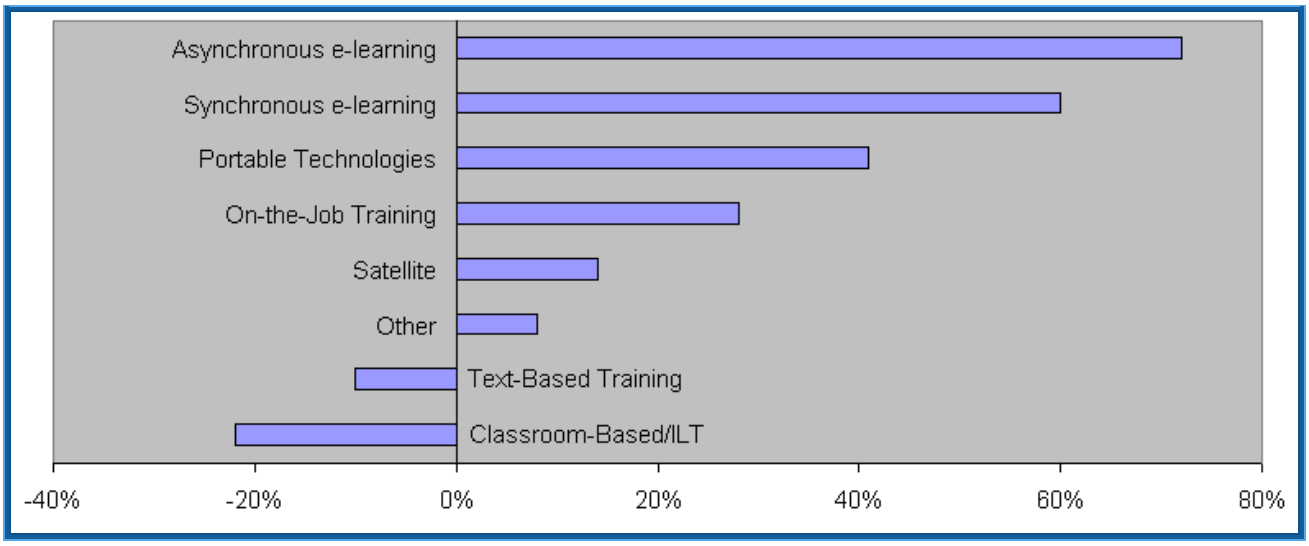
Over the years, many organizations have experimented with various forms of online learning. In fact, self-paced, self-service online learning courseware will likely be one of the key components of your learning infrastructure. But will it constitute the entire strategy? Likely not!

ASTD (American Society of Training Developers) included some great benchmarking information in its 2005, State of the Industry report, showing training delivery formats used most frequently. Here are the formats listed in order of highest use:

Instructor-Led, Classroom	64%
Online, Self-Paced	18%
Online, Instructor-Led (live, virtual classroom)	5%
CD-ROM	3.5%
Audio/Video	3%
Instructor-Led Distance (Satellite)	2.5%
Print-Based	2%
Other	2%

What does your mix of delivery formats look like in your organization? How will you change it the near future (in the next 1 to 2 years)? This is what it means to define the landscape and set your vision on the next evolution of your learning strategy and your learning infrastructure.

CLO Magazine and IDC (July 2006 issue) looked at how companies where planning on changing their mix of delivery formats. Here is what they discovered:



Notice the planned increases to create more asynchronous e-learning (online, self-paced), synchronous e-learning (online, virtual classroom), and portable technologies (delivered on mobile devices), etc., while text-based training and instructor-led training are on a sharp decline. This does not mean that instructor-led training is going away. It simply means that companies are using a more diverse set of delivery formats that will engage learners at the right time, in the right amount, and in the right place.

Although this information is very helpful for benchmarking your company against the rest of the world; it really only tells part of the story. The most important carry-away message here is that whatever learning technology or technologies you use need to match what you are trying to accomplish; that you meet your training/learning charter, and ultimately help strengthen your organization through learning (not to create learning for learning sake).

Here are a few examples of how some companies have created the right learning culture, by aligning their needs with the right learning technologies:

- √ **International Airline.** The company has pockets of learners geographically disperse all over the world. They use a mix live, virtual-classroom sessions and self-paced, e-learning. The distance sessions are focused on content that requires personal interaction and the online courses generally cover procedural and conceptual information.
- √ **Construction Company** (Medium-sized company). Their primary point of pain was the amount of time and money spent on annual regulatory and safety training. They invested in adapting their learning plan to automate the delivery of safety training, tracking and regulatory compliance using third-party, off-the-shelf courses; delivered through a learning management system (LMS).
- √ **Medical Association.** The association had literally thousands of documented case studies, including photographs, charts, graphs, narrative description of each case, etc. (all used for teaching purposes, and all with patient names and confidential information removed). These

excellent teaching materials where only available or even known by a few classroom instructors. The association decided to invest in making the teaching case studies available to 25,000 members (including doctors, hospital trainers, etc.) as an interactive knowledgebase, so that the information could be easily searched and used on demand. The results of this learning-culture transition where phenomenal, to say the least.

- √ **Retail Chain.** To reach a fairly large population of customer-facing employees across the Western United States, this company created (authored) their own training to teach point-of-sale systems and customer service. They set up a centrally located, hosted, learning management system and pushed simulation-based learning to trainees across the region.
- √ **Industrial/Manufacturing.** This very large company with well over 100,000 learners realized that many workers didn't know what was happening in other parts of the company. The first thought was to create an online newsletter and send to a mail list, but eventually the training group decided to create a Wiki and allow content contributors from all over the organization to write articles on specific topics. They initially invited about 200 writers to participate, but left the door open for them to invite their co-workers to join in. Within one year of the launch, there were 7000 article writers submitting and updating information on this company's valuable resource. Not learning…or is it?

As you can see, choosing learning technologies or creating a master learning infrastructure is not a one-size-fits-all proposition; rather, depending on what you are trying to accomplish, you may place emphasis on different key components of your learning infrastructure.

Now, it's your turn. Please complete the following activities to define your learning landscape.

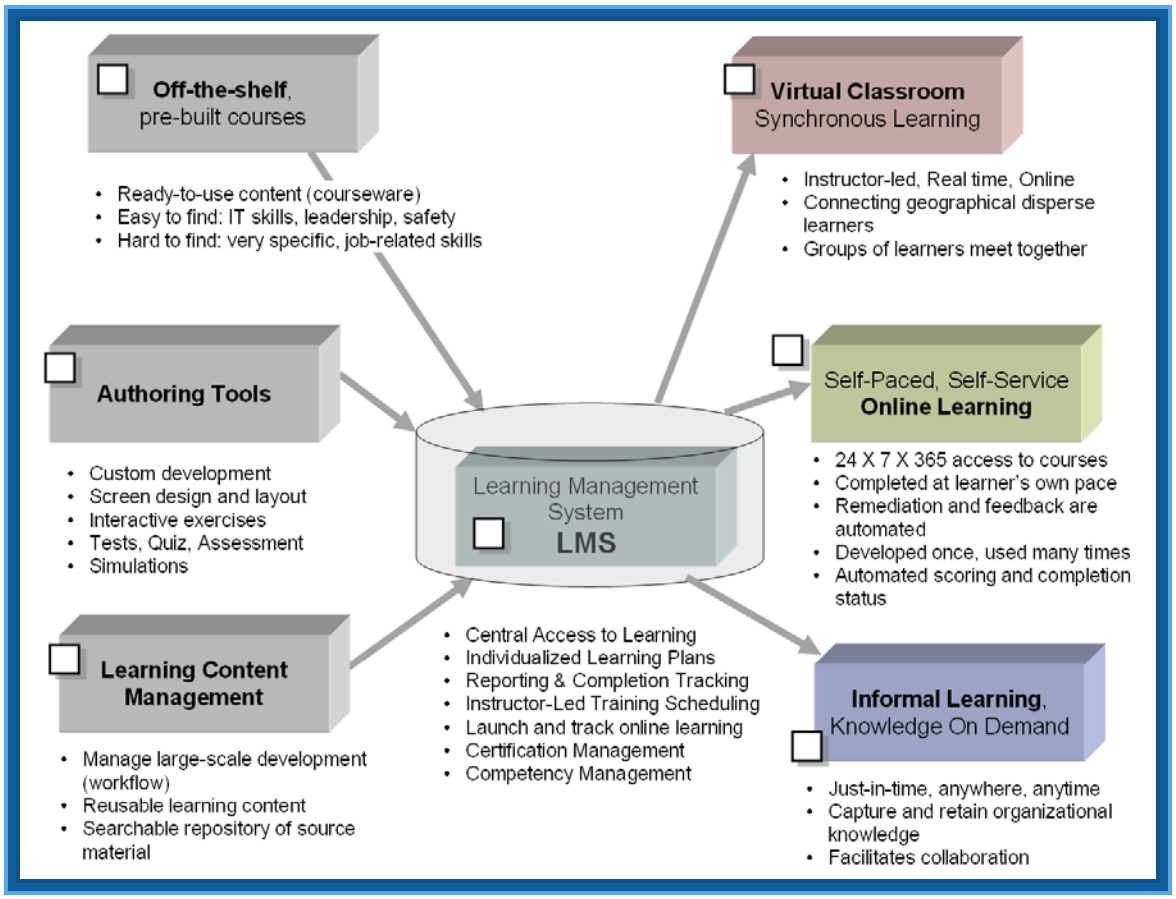
Activity

1. Write goals describing how you would like to create or enhance the "learning" culture in your organization.
2. Map these goals to delivery format changes that might need to occur in your organization. First assess the percentage mix today. Then, reset your percentage (if needed) to meet the goals you wrote in step #1 (See chart below). What areas would you like to increase, which ones will decrease?
3. Complete the attached Learning Infrastructure, Planning worksheet. Answering these questions will help you assess what technologies may be needed to meet your needs.
4. Use the pricing estimate guidelines for determining expected licensing costs for the LMS component and start determining what pricing tolerances you will be able to support. This will help later, to create a short list of candidate technologies.

Today			In the next 12-18 months	
Instructor-Led, Classroom	_____%		Instructor-Led, Classroom	_____%
Online, Self-Paced	_____%		Online, Self-Paced	_____%
Online, Live, Virtual Classroom	_____%		Online, Live, Virtual Classroom	_____%
Knowledge Management (just-in-time)	_____%		Knowledge Management (just-in-time)	_____%
CD-ROM	_____%		CD-ROM	_____%
Audio/Video	_____%		Audio/Video	_____%
Distance (Satellite)	_____%		Distance (Satellite)	_____%
Print-Based	_____%		Print-Based	_____%
Other	_____%		Other	_____%

Learning Infrastructure, Planning Worksheet

1. The chart below shows the main components of a learning platform. Place a checkmark next to the components you anticipate using over the next 2 to 3 years.



2. How many learners will your system reach? Please estimate and itemize by type and then tally the column.

Internal Staff	_____
Partners/Resellers	_____
Customers (as a value-add service)	_____
Customers (selling courses as part of your business)	_____
Other	_____
Total # of Learners	_____

3 Is your preference to install the Learning Management System internally, on your own server or have it externally hosted by an Application Service Provider (ASP)?

- ❑ Internal, Locally Installed
- ❑ Hosted (ASP)
- ❑ Undecided

4 Will you be authoring your own content (in-house)? Please list the number of content developers you will likely have by type.

Novice, relatively non-technical	_____
Authoring Specialist (dedicated staff for development	_____
Other	_____
Total # of Authors	_____

5 Will you also outsource custom content development outside of your organization? If so, how many hours of online learning content will be created this way in the next year?

Hours of outsourced online learning content _____

6 Place a checkmark next to the functionality you will likely require in your learning platform. Please note that some features are more costly than others to help you in your decision making process.

Learning Management Functionality

- ❑ Secure access and login $
- ❑ Launch and track e-learning $
- ❑ Launch and track third-party courseware $
- ❑ Learner surveys – Happy Sheet evaluation $
- ❑ Test/Exam creation and delivery (basic) $
- ❑ Classroom management (scheduling, notification, etc.) $
- ❑ Reporting (test scores, enrollment, learner progress) $
- ❑ Advanced classroom management (scheduling instructors, rooms, equipment) $$
- ❑ Regulatory & Compliance Tracking $$
- ❑ Collaborative learning $$
- ❑ Certification Management $$

- ❑ Content Development Tools (groupware authoring) 
- ❑ Advanced testing and exam, question types (i.e. hot spot, drag-and-drop, etc.) 
- ❑ Informal Learning Repository, built-in knowledge management tools 
- ❑ Multilingual support (language packs) 
- ❑ Managing multiple learning portals from a single implementation 
- ❑ Skill Gap Analysis – Competency Management 
- ❑ Deep back office integration (connectivity with systems beyond batch enrollment of learners) 
- ❑ Reusable Learning Content (full implementation with advance LCMS capabilities) 
- ❑ E-commerce 
- ❑ Advanced Analytics (data analysis among learning and external data sources) 
- ❑ Additional Talent Management Functionality including performance appraisal, compensation management, talent acquisition tools, and workforce planning. 

Advice and Recommendations, based on your profile

Just by creating a simple profile of your desired learning infrastructure, you are establishing a framework that will help shape your learning-culture vision. Your roadmap is now taking form. For certain, there are still a number of decisions to be made. The plan may change and adapt along the way, but it gives you something to focus on when making decisions about how your learning infrastructure will be used.

What do these choices mean?

❶ Choosing Learning Infrastructure Components

If you chose this component, then….

- √ **Off-the-shelf courseware.** If you checked this item, you likely recognize that some skills in your organization can be taught using generic or slightly adapted baseline content, such as IT skills, leadership development, safety, etc. Buying a library or courses can help you immediately create an e-learning presence. The most important consideration here is to find relevant, instructionally sound courses that align with your learning goals. Our advice to you is: don't force the issue or put content online for content sake. We've seen too many companies who buy extensive libraries and then highly underutilize them. It is much better to buy courseware libraries with a purpose. For example, one organization was facing a huge challenge upgrading the Microsoft Office Users to the Vista versions of Word, PowerPoint and Excel. They purchased a library of courseware focused on that specific task and made it available through the company's central learning site (LMS).
- √ **Authoring Tools.** If you checked this box, hopefully it means that you have a good idea of who, inside your organization, will be available to create online learning courses, tests, simulations, etc. That's great. Many companies balance a mix of (1) off-the-shelf courseware, (2) internally developed courseware, and (3) custom development created by outsource providers. Now that you've identified "authoring" as a component, one of your next tasks will be to determine how much of the work you will do using in-house staff. Our advice is to write this into you plan, explaining exactly who will use the authoring tools. Will you be using experienced content authors, instructional designer, or novice (non-technical) content contributors? You will likely need to create realistic projections of the capacity and skill level of your team to create your own content. Don't worry too much. We've discovered that most organizations do at least some of their own development.
- √ **Learning Content Management (LCMS).** If you checked this item, you are moving toward a more sophisticated and likely a more costly solution, yet one that has lots of upside benefits for the right situation. We highly recommend considering the use of a learning content management system (LCMS) if you (1) have more than 5 authors, AND (2) you plan on creating at least 80 hours of finished online learning courseware (seat time) annually. This is a good rule of thumb for gauging your potential return on investment. LCMS solutions were created to manage large-scale development and for companies that create multiple, derivative versions of the same courses for different audiences.
- √ **Learning Management System (LMS).** The LMS is the heart of most learning platforms. They are indispensable unless you are providing learning content that doesn't need to be tracked or managed. The most important role of the LMS is as the interface learners will use to access learning, launch online learning events, enroll in classroom-based learning, manage their own learning plans, etc. Our advice is to make sure that you do your homework when choosing your

learning management system, as it will serve as the core technology in support of building out your learning culture for years to come.

- √ **Virtual Classroom (Synchronous Learning).** If you checked this item, you are likely seeking both the personalization benefit of classroom-based training and the distance learning advantages afforded through online delivery. Most employees have experienced, live, internet-delivered meetings and it is a natural extension to carry this over into your learning culture. Our advice is that you carefully consider whether live, online learning will work in your company culture. Please note that virtual classroom sessions don't automatically erase time zone issue or the need for tight scheduling to make sure everyone is available at the same time. On the other hand, virtual classrooms can be up and running very quickly, establishing an immediate online learning presence. Live sessions can also be recorded as a form of rapid asynchronous learning support (sessions played on demand).
- √ **Self-Paced, Self-Service, Online Learning.** If you checked this component, you are enabling your learners to be somewhat in control of their own learning experiences. As mentioned in the ASTD State of the Industry, self-paced, online learning accounted for 18% of the mix in 2005. Best practices suggest that online learning is best used for content that (1) reaches a large number of people, (2) content that must be delivered with consistency, and (3) to provide learning access to individuals at anytime and in anyplace – around the clock. Our advice is to carefully consider your own broad-based curriculum and find the right places to use online learning, preferably as part of blended learning delivery (you will find more information about blended learning later in this document).
- √ **Informal Learning (Knowledge On Demand).** If you checked this item, you realize that informal learning takes place continually whether you, your training department or your company takes a role in the process, or not. Facilitating informal learning will pay enormous dividends in the long run. For example, as the US workforce ages, many people will retire and take valuable knowledge and information with them as they leave their jobs. Informal learning is not just a library of information resources; it also provides an opportunity to capture and retain expert knowledge as learning occurs outside the discipline of structured learning. Our advice is to have a proactive plan for facilitating informal learning regardless of whether you build it into your learning platform or not.

❷ Number and Type of Learners

The dynamics of the workplace have changed. In many cases, learners are not restricted to those located within the walls of our companies. Most organizations provide training on many fronts including business partners, resellers, customers, etc. Understanding where training will occur and for what purpose will help us transcend the learning culture beyond our four walls to the benefit of all involved. Knowing the number of learners will also help us estimate the costs of our learning platform.

- √ **Internal Staff.** Our first priority is generally to train our own employees in areas such as new-hire information, procedural knowledge, job-specific skills, professional development, regulatory training, etc.
- √ **Partner/Reseller.** Many organizations have realized the benefits of training their extended, business partners in areas such as product knowledge, sales processes, ordering, professional development (as a benefit), etc.
- √ **Customer (as a value-add service).** Companies such as Home Depot and Charles Schwab have created brand loyalty by creating training around their products and services.
- √ **Customers (selling courses as part of your business).** There are a number of companies that have switched from considering training as a cost-center; to training as a business. For

example, a medical device provider created a series of training courses to teach customers how to use their product. Through the process they realized that their customers also had additional needs around diagnostic procedures (beyond the use of their equipment). In short, they created the courses as an actual product and it became a profitable, revenue-generating activity for the company.

Knowing the number of learners will help you start to estimate costs for you learning infrastructure. The following chart shows average price per learner to cover LMS licensing and maintenance fees. Notice that the cost goes down significantly, as the number of learners goes up. These averages were calculated across 60 LMS solutions included in Brandon Hall Research's 2007 LMS Knowledgebase.

# of learners	Avg. price per learner	High Avg. per learner	Low Avg. per learner
500	$74	$124	$45
1,000	$70	$119	$43
5,000	$46	$80	$29
10,000	$16	$31	$10
25,000	$11	$21	$6
50,000	$10	$19	$5
75,000	$8	$16	$4
100,000	$6	$14	$3

Source: Chapman, B. and the staff of Brandon Hall Research (2007). ***LMS Knowledge 2007***. Published by Brandon Hall Research, Sunnyvale, CA

❸ Hosted or Installed

Eventually, through the selection and implementation process, you will need to decide if you want the learning platform to physically be located on your own servers, behind you own firewall; or hosted by a third party, such as the LMS vendor. Our advice is to make this choice as early in the process as possible. The main reason for deciding at the beginning of the project is that you won't waste time looking at solutions that will not meet your needs. Although most vendors indicate that they will install according to your preference; the truth is that some vendors specialize in providing hosted (ASP) solutions and others do it only on demand. Here are the advantages and disadvantages of each approach.

√ Internal, Locally Installed.

Advantages	Disadvantages
• Lower reoccurring, annual costs after initial investment • Easier to create integration with backoffice software • Your IT group has full control over the platform	• Slower, upfront implementation vs. hosted solutions • Ties up critical resources from IT • Upgrades and maintenances releases are more difficult to implement • You will need to provide your own help desk support for end users

√ **Hosted (ASP).**

Advantages	Disadvantages
• Much quicker implementation • Minimize impact on your IT resources • Upgrades and maintenance are often automatic • Support services that come with hosting including help desk, backup of data, uptime and reliability, etc.	• Annual licensing fees (as opposed to larger, upfront investment) • Reliance on third party to respond to technical support issues

If you are currently planning your learning platform strategy, our advice is to make this decision a priority. There is no clear right or wrong decision. It is simply a matter of what fits your environment better.

❹ Internal Content Authors

The important consideration here is aligning people, processes and technology to achieve your content development needs. For example, if you are planning on using a number of novice developers, you will want to make sure that the authoring tools (whether part of the platform or purchased separately) are suitable for use by novice developers.

Knowing the number of content authors upfront will also help you in calculating the platform costs. You should plan on including this number in your request for proposal (RFP) because the price of some solutions depends on the number of authors, as well as the number of learners.

❺ Outsource Custom Development

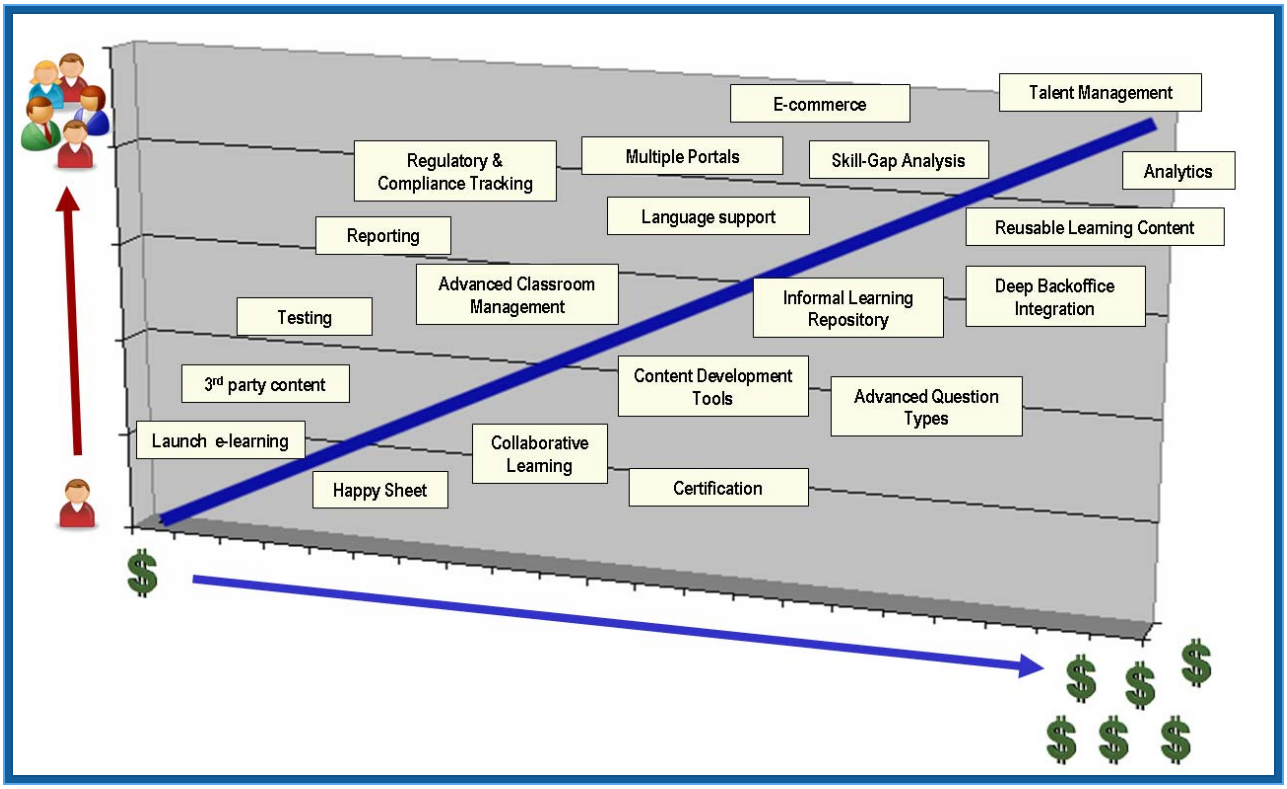
Most organizations outsource at least part of their online learning development. It is most important to know how much custom development will factor into your plans, so that you can budget accordingly.

For purposes of budgeting, you can use the number **$25,000** per finished hour of online courseware. This average came from a recent study by Brandon Hall Research.

Chapman, B. and the staff of Brandon Hall Research (2007). ***Custom Content Developers 2007: A Knowledgebase of 130+ Companies that Provide Courseware Development Services*** [online database, no page numbers]. Published by Brandon Hall Research, Sunnyvale, CA

❻ High-Level, LMS Functional Requirements

Making choices about your functional requirements for the central learning management system will have a great deal of impact on how much your platform will cost. Too many companies make the mistake of (1) getting a laundry list of all LMS features, and then (2) pencil whipping the entire list; even though they may not need all the requested features. The result is specifications for a system that will be very expensive and ultimately unusable. It is better to carefully consider your business and instructional needs and make choices from the bottom up. It also helps to have a clear understanding of which features and functions will drive the cost up unnecessarily. See the following chart for assistance. There are two main factors that lead to higher costs of the platform: (1) the overall number of learners, and (2) adding on modules with advanced functionality.



Step 2: Build a Business Case for Learning

Return on Investment Overview

Businesses regularly perform return on investment (ROI) analysis in a number of areas, from hiring staff to funding a new project. However, the exercise is a bit different when it comes to prescriptively calculating expected ROI through the use of learning technology. Parts of the equation work well, such as calculating cost avoidance by reducing travel and other expenses; but, there are also a number of other factors to consider, using both quantifiable ROI measures and less-tangible benefits. If you have been presented with the challenge of building a business case for introducing new methods of learning, you will need to draw on several of these projections and paint a holistic picture of how a learning culture improves you organization.

This toolkit includes an ROI worksheet, information about less-tangible benefits, as well as some slides you can use when making a business case through an oral presentation or in document form.

Activity

1. Complete the Return on Investment, cost avoidance worksheet against an upcoming learning roll-out. The worksheet will help you determine the cost and return on investment for the use of online learning vs. using traditional classroom-based instruction.
2. Studies the section entitled “Additional ROI Benefits,” and adapt the accompanying slides in the Toolkit resource PowerPoint that you could use to present your business case for learning to others in your organization.

Return on Investment (ROI) Worksheet

Cost Avoidance - Simplified

1 Calculate – Initial Development Costs

Traditional Classroom Approach		**Online Learning Comparison**	
How long would it take to cover this material in a classroom setting (estimate in hours)	[hours]	Online learning typically compresses traditional classroom learning to 40% - 50% of time taken in classroom. Multiple the classroom estimate by .5 and enter the amount.	[classroom estimated X .5]
Industry statistics indicate that it takes **34 hours** of development time to create one finished hour of classroom instruction	[hours X 34]	Industry statistics indicate that it takes 220 hours of development to create one finished hour of online learning	[compressed time X 220]
Average pay for in-house, content developer (classroom)	$pay	Average pay for in-house, content developer (online learning)	$pay
Total Estimated Development Cost (multiply line 2 and 3)	[development time X pay]	Total Estimated Development Cost (multiply line 2 and 3)	[development time X pay]

Your estimates will likely show that it costs more to create and deploy e-learning than traditional classroom-based training. We all know that. It should be of no surprise that your estimated cost to develop online learning will be higher, even with the anticipated time compression. However, online learning is based on the design-once, use-many principle and factoring in delivery costs will help you further assess potential cost savings of using online learning to delivery content that (1) reaches the largest number of people, (2) reaches people in remote locations, and (3) helps compress time spent away from the job (by 50%, according to most studies).

2 Calculate - Reoccurring Delivery Costs

Traditional Classroom Approach		**Online Learning Comparison**	
Learners travel to attend training sessions (airfare, hotel, transportation, meals, etc.)	$$$$	Hosting Fees (if using a hosted service)	$$
Instructor Pay	$$	Maintenance and Content Change Fees	$$
Instructor travel costs (training onsite)	$$$	Other	$
Location Fees (hotel meeting rooms, conference facilities, etc.)	$$$		
Printed Material (Lesson Plans, Student Guides, Handouts)	$$$		
Facilitator Fees (admin support for rostering, setting up events, etc.)	$$		
Equipment used (Projectors, computer-lab, flipcharts, etc.)	$$$		
Other	$		
Total Costs	[add up column]	Total Cost	[add up column]

3 Estimate - Opportunity Costs *(lost productivity by pulling learners off the job)*

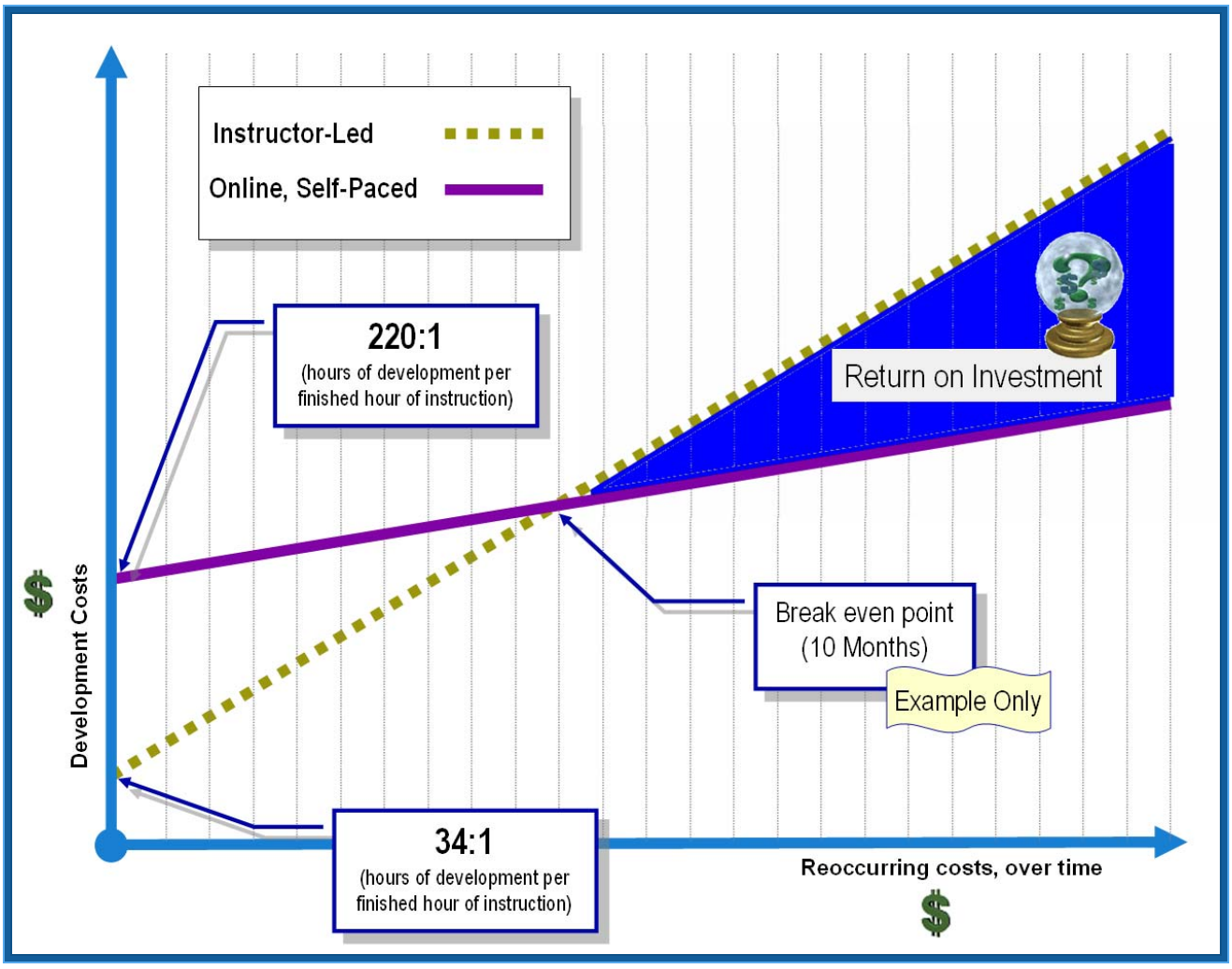
Traditional Classroom Approach		**Online Learning Comparison**	
Total number of learners who will attend classroom event	[# of learners]	Total number of learners who will engage in online learning	[# of learners]
Average pay of attendee population (estimate)	$pay	Average pay of learner population (estimate)	$pay
Length of the course (# of hours, should be the same as the hours you entered in the development cost section)	[length of course in hours]	Length of course (compressed hours, should be the same as the number you entered in the development cost section – 50% compressed time over classroom)	[length of online course in hours]

Total Opportunity Cost – calculate the opportunity cost using the following formula (# of learners X $average pay) X length of course in hours.	[learners X pay X length of course]	Total Opportunity Cost – calculate the opportunity cost using the following formula (# of learners X $average pay) X length of course in hours.	[learners X pay X length of course]

4 Tally – Final ROI Comparison

Traditional Classroom Approach		**Online Learning Comparison**	
Total Development Cost (from above)	[dev costs]	Total Development Cost (from above)	[dev costs]
Total Reoccurring Delivery Costs (from above)	[delivery costs]	Total Reoccurring Delivery Costs (from above)	[delivery costs]
Total Opportunity Costs (from above)	[opportunity, indirect costs]	Total Opportunity Costs (from above)	[opportunity, indirect costs]
Total Costs	[total]	Total Cost	[total]

Compare the difference. These numbers will help you decide which learning initiatives might favor using online learning, depending on the cost factors that apply in your situation. For example, if you are training 90 people, who are all in the same office building (no travel); it is highly unlikely that online learning would result in cost avoidance. However, if the same 90 people were widely spread geographically across the world, online learning may be an efficient delivery technique to reach them.



The figure above shows the characteristics of typical ROI studies comparing traditional, classroom-based instruction with online learning delivery. Initial development costs for instructor-led training are often fairly low, but over time, reoccurring costs cause the line to slope upward. On the other hand, initial online learning development costs are higher, but the slope of the line, representing reoccurring costs, is less steep than classroom based learning. In many ROI studies the line intersects some time after the learning has been deployed. Where the lines cross is called the "Break even point," beginning the period where ROI savings are manifest. Quite simply, if the content is still of value after the break even point is reached; you will experience a positive ROI. In the example above, ROI is achieved 10 months into the project. NOTE: The break even point varies considerably from project to project. 10 months should not be considered an estimate of most typical ROI studies.

As you look at this example, it should be apparent that there are many factors that can dramatically change the outcome. For example, if you can decrease online learning development time, through rapid development techniques, the break even point comes sooner in the project. Or, on the opposite side of the spectrum, if classroom-based learning occurs in short sessions and everyone is in close proximity (i.e. on the same floor, in the same building); the slope of the reoccurring cost line will flatten, and the break even point may move further to the right.

Not every ROI study is the same. Your specific situations, such as number of learners and geographic dispersion will change the rules of the game.

Additionally, many companies find that using a blended technique provides cost efficiencies as well, for example, compressing a week long course to two days on site, by creating part of the curriculum into online learning (taken before arrival at the class) and then using the two days to synthesize the learning and provide additional personalization. This worksheet can be easily adapted to calculate how a blended learning course, containing both online and classroom segments may provide additional return on investment.

Additional ROI Benefits

When creating a business case for using online learning, not all benefits can be obtained simply through cost avoidance. There are a number of other, less tangible, but equally important benefits.

Here are just a few:

Increased Consistency. When instructors are in the field, delivering courses prepared by your training group, how do you know for certain that they are sticking to the curriculum? Of course, we want our instructors to infuse their own personalities and engage the audience; but it is also important to make sure that the learning experience is consistent among our learner population, especially when it comes to regulatory, compliance and company brand equity courseware. This is where online learning plays an important role.

Keeping up with Rapidly Changing Information. It is impractical to convene a new classroom session each time something changes in our workspace. Sometimes the changes are minor, yet have a big impact. For example, introducing a new product, or changing a standard operating procedure that everyone needs to know about. The length of some of these mini-modules may be as short as 15 minutes in duration, yet reach your global workforce moments after the online course is published.

Open enrollment. Even with a small learning population, we may not be able to get all the key learners together at the same time and in the same place. For example, let's say an organization is hiring 1 to 2 employees per week. It is often not cost effective to have trainers work 1 on 1 (or 1 on 2 in this example) to cover new hire orientation. Having an online version (at least for much of the redundant material) may do the job nicely. Open enrollment also applies to regulatory training that may occur throughout the year. It would be impractical to pull large numbers of workers off the job and hold an event; yet online learning would allow learners to access compliance training during down time, off hours, or conveniently schedule.

Building Customer/Brand Loyalty. Learning can be an important value-add for your customers. For example, retailer Home Depot offers online courses on how to build redwood decks or landscape your yard. These are valuable company assets and guess where the learner might likely buy the material to complete their own project? Similarly, Charles Schwab offers online courses on how to manage your Roth IRA account. What a great opportunity this is to learn at your own convenience. Enough said.

Capturing and Maintaining Corporate Knowledge. One of the best ways to capture and retain expert knowledge is to go through the disciplined development process of creating an online learning course. By nature, the process is to (1) outline critical topics, (2) interview and collect content from subject matter experts, (3) organize the content into learning modules, etc. At the end of the process, you have more than a course. You have a complete, interactivity and

self-paced record that emulates expert behavior. How important is that as we approach retirement age for millions of baby boomers?

Look inside your own company's needs and issues. You are sure to find many other ROI benefits that will make your business case even stronger.

Step 3: Create a Learning Platform Strategy

You know have a basic profile of what your learning platform should look like and supporting evidence as to how it will benefit your organization. The next step is to create a platform strategy and determine how the system will support your business and learning needs.

Structured vs. Informal Learning

The model used most frequently for training today is pretty much the same model that has been in play for hundreds of years, patterned around the way we learned in school. Using this model, information is basically dispensed and then learners tested for recall of facts and concepts. The problem with this model is that it doesn't match how businesses operate. We need information, on demand to do our jobs well. At times, information is over abundant and comes in a wide variety of forms, as opposed to formal, structured, training events. How will we access and utilize information will ultimately determine our effectiveness in the workplace.

Information evolves rapidly and people are retiring from the workforce and taking valuable knowledge with them. To remain competitive we need to transition from an organization that dispenses information in the form of training courses to a learning organization where employees have greater stewardship for their own learning and that information is easily accessed on demand. Rather than "test" our employees in the traditional sense, the real assessment comes when staff are utilizing resources to perform more effectively.

The best way to meet this need is to create a learning environment comprised of both structured and unstructured learning (informal learning) drawing on a number of delivery formats including classroom-based learning, self-paced e-learning, virtual classrooms, knowledge management repositories, and simulations.

There are a number of ways to create support for informal learning (short of converting the content into structured learning) including the use of knowledgebases or newer Web 2.0 technologies such as Wikis and Blogs. Web 2.0 technologies are often low-cost or free and easy to deploy. But, don't overlook the fact that using these free technologies may segregate and create additional content silos. Preferrably your master strategy will be to bring the best of structured learning and informal learning into a single repository, where content can freely flow from informal to structured learning, as needed.

If creating an informal learning network is part of your immediate plans, we highly recommend looking for this as part of your platform's core functionality.

Blended Learning

Blended learning is not just a fad or a recent trend. Arguably, blended learning has been around as long as teachers have used a combination of presentation and opportunities to practice what has been learned. What learning technologies make possible is a way to scale this technique to hundreds, if not thousands of learners; using the learning management system to automatically dispense the right learning activity at

the right time, track progress across multiple delivery formats, and manage the learning through to completion.

In the very first exercise in the toolkit, you were asked to list your current and future desired mix of delivery formats. During the planning stages, your goal is to now map deliver formats to specific topics in the curriculum. This activity will occur every time new learning content is created.

Here is an example of blended learning course that you can use to generate ideas about how this might work with your content. The following example comes from a high-tech company that used to provide a 1-week, classroom-based course to their customers on how to use their industry-leading software application. By re-engineering the material as a blended learning course, the company cut the classroom time to 2-days, with the remaining components completed on demand by learners.

Blended Learning Course Sample (Software Training)

Delivery Format	**Duration**
Pre-reading (sent out as PDF file)	2 hours
Online, self-paced (facts, concepts, and introductory simulations, walk through procedures)	4 hours
Hands-on lab in classroom	16 hours (2 days)
Offline Scenario – after the class, learners are given a scenario and asked to create a solution using the software application. Graded by the instructor during a virtual one-on-one session.	2-3 hours to complete .25 minutes to grade
Certification Exam (online)	.5 hours
Total	**25.75 hours**

Total Savings over Traditional Course (students and instructors)	14.25 hours

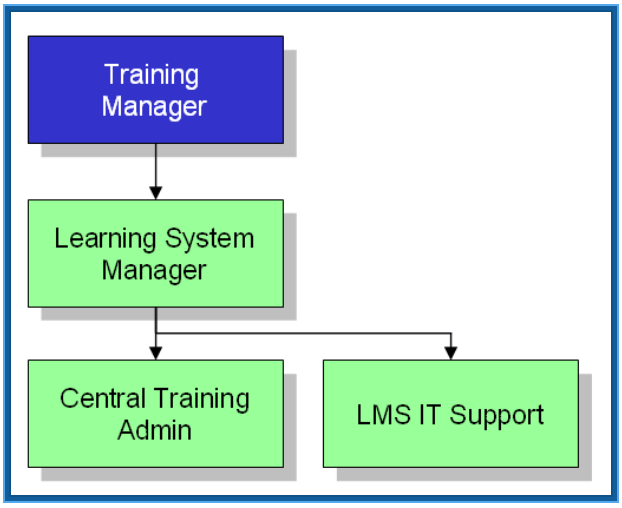
Learning Governance

To run a successful learning program, you need to have the right level of learning governance in place. Everyone asks, "How many people does it take to manage a learning platform?" The real answer is that it depends on (1) the number of learners serviced by the platform, (2) the number of courses managed at any given time, and (3) the amount of support required by your team (a strong argument for choosing an ASP, hosted model for your LMS).

Centralizing and coordinating learning event, tools, processes and delivery methods will do more to provide the "lean" approach to training and development in your organization than any single strategy. There is nothing more frustrating for learners than to have to use various systems to access learning. Multiple reporting standards, different authoring tools, and separate delivery methods take away any purchasing power you may encounter when pricing systems in addition to making things confusing. One cohesive strategy developed throughout the whole organization, but managed at the local level to ensure applicability, will do a great deal to promote a healthy learning environment and positive attitude toward change. Having the right people, tools and processes in place will facilitate that environment.

As a minimal starting point, there are three main roles that you should addresses when creating your learning governance model. It should be noted that, depending on the volume of your system, these may NOT have to be full-time employees (FTE's), nor do they even have to be your people (if you would prefer to outsource the functions to your LMS vendor or to a third-party learning outsourcing vendor. However, we suggest mapping these functions to individuals as part of your platform strategy.

Here are the roles and responsibilities:



 Learning System Manager	■ Full stewardship responsibility for all things pertaining to the overall learning infrastructure ■ Manages team of dedicated learning system support staff ■ Head of the Learning Governance Committee, liaison with stakeholders ■ Creates the LMS Charter (with input from the committee) ■ Owner of standards for learning platform ■ Single point of contact with vendor reps for issues with the learning platform (although others from IT, training and stakeholder groups will be involved in discussions and decisions) ■ Single point of contact for supporting divisional training needs ■ Provides training for LMS admin users and content contributors company wide ■ Manages relationships with 3rd party courseware providers and external development resources ■ Communicates with management and users on project status, planned activities and future enhancements ■ Promote and support system adoption, including the use of new functionality ■ Oversee the compilation of system statistics, publishing them for key user groups on a monthly, quarterly and annual basis. ■ Supervise day-to-day administrative operation of the LMS

 Central Training Admin	■ Responsible for compilation of system statistics, publishing them for key user groups on a monthly, quarterly and annual basis ■ Expert resource on how to use the system for classroom enrollment, registration, self enrollment, etc. ■ Responsible for owning and running the automated notification schedule, making sure the right learners will be in the right place at the right time. ■ Trains group training administrators and managers interacting with the system ■ For groups that don't have admin staff, this person can operate as an ad hoc training admin; scheduling classroom/workshop events, tracking attendance and completion, and mining reporting data. ■ Provide help desk support for admin users and managers ■ Provides 2nd tier escalation of help desk issues ■ Generating and validating chargeback/billing reports on system usage ■ Detail tracking of all work done to support system upgrade enhancements and requests. ■ Works with stakeholders to design reporting template specification ■ Understands workflow processes/procedures within the organization and make suggestions and improvements to better align learning with day-to-day workflow

 Central Training Admin	■ Responsible for insuring that the LMS is meeting company needs. ■ Responsible for making changes to the system, based on Governance Committee approved enhancements. ■ Maintains a record of system bugs, issues, problems and recommended enhancements ■ Develops workaround for limitations in system functionality ■ Creates report templates and mines data for ad hoc reporting ■ Maintains interoperability between the LMS and back office systems ■ Assist in the development and maintenance of systems documentation (design specifications, technical manuals, user guides, etc.) ■ Provide systems training and support to both internal and partner administrators, facilitators, and coordinators. ■ Handles 3rd tier help desk issues. Chases down and validates bugs vs. user error. ■ Quality assurance and platform testing for online learning solutions ■ Manages and maintains specifications for learning applications ■ Uploads learning content to central server and ensures smooth operation of training delivery ■ AICC/SCORM expert; tests interoperability of learning content ■ Manages system uptime

Using these descriptions as a starting point, develop a strategy that brings about the desired change in a systematic way and minimizes disruption to the workplace. Learning and Development are meant to make things better, not more frustrating.

In the Toolkit resource slides, you will find additional job roles and responsibilities for learning content developers. If you are planning to create content internally, it would be worthwhile to review these responsibilities as well as you create your plan.

Activity

1. With stakeholders on the project, discuss and create a plan to address informal learning.
2. With key stakeholders, discuss and create a plan for how you might use blended learning in your organization
3. Begin the process of mapping roles and responsibilities to the right people. Remember, the roles may be divided across many people, combined, or even outsourced. Create a governance plan for your learning environment, balancing people, processes and technology.

Step 4: Choose and Implement a Solution

The next step in the process is to use all of the decisions and plans you've made to find and secure technology that will support your business and instructional needs. If you think about the decisions you've made so far through the exercises, you already have a good head start on creating a short list of technologies. Here are some of the key areas where you now have consensus:

- √ Major components you need in your learning platform:
  - o Off-the-Shelf Courseware
  - o Authoring Tools
  - o Learning Content Management (LCMS)
  - o Learning Management System (LMS)
  - o Virtual Classroom
  - o Self-Paced, Online Leanring
  - o Informal Learning/Knowledge On Deman
- √ Cost Tolerance – you've used the number of learners to estimate average licensing costs for the LMS component of your platform.
- √ Hosted or Local – hopefully you've made the decision as this will help very much to cut the space in half when looking at learning technologies
- √ Preliminary, high-level features required in the LMS. You now know which features you will need, but, more importantly, which ones you don't need.
  - o Secure access and login
  - o Launch and track e-learning
  - o Launch and track third-party courseware
  - o Learner surveys – Happy Sheet evaluation
  - o Test/Exam creation and delivery (basic)
  - o Classroom management (scheduling, notification, etc.)
  - o Reporting (test scores, enrollment, learner progress)
  - o Advanced classroom management (scheduling instructors, rooms, equipment)
  - o Regulatory & Compliance Tracking
  - o Collaborative learning
  - o Certification Management
  - o Content Development Tools (groupware authoring)
  - o Advanced testing and exam, question types (i.e. hot spot, drag-and-drop, etc.)
  - o Informal Learning Repository, built-in knowledge management tools
  - o Multilingual support (language packs)
  - o Managing multiple learning portals from a single implementation
  - o Skill Gap Analysis – Competency Management
  - o Deep back office integration (connectivity with systems beyond batch enrollment of learners)
  - o Reusable Learning Content (full implementation with advance LCMS capabilities)
  - o E-commerce
  - o Advanced Analytics (data analysis among learning and external data sources)
  - o Additional Talent Management Functionality including performance appraisal, compensation management, talent acquisition tools, and workforce planning.
- √ Informal Learning – you now have a proactive plan for what you'd like to do with Informal Learning (if you opted to make this part of your platform). This will help you quickly eliminate systems that won't meet this need.
- √ Blended Learning – after much discussion, you now know what level of blended learning support to look for in your core platform technology

Believe it or not, you have a wealth of information to use to narrow the field, create a short list and start evaluating candidate technologies.

Creating a Short List

With the decision you've made, creating a short list will be a much easier task. You can compare the process of creating a learning technology short list with meeting with a realtor to look for a house. For example, if you told the realtor that you were (1) looking for a house in a specific area, (2) with at least 3,500 square feet, (3) located on a cul-de-sac, and (4) within walking distance of an elementary school; the list of available homes would shrink dramatically – a short list. You can see that even just a few items can narrow the search quickly.

So it is with looking for learning technology. For example, if you list that you are looking for (1) a hosted learning solution, (2) under $200,000 for 6,000 learners, (3) includes tools and utilities for authoring content, and (4) has informal learning repository to capture and maintain learning that takes place outside structured courses; the list short list almost creates itself.

Using just a few highly differentiating characteristics is much superior to what most companies do – prioritizing 300+ features and then trying to figure out how they can use this information to narrow the search. By quickly eliminating systems that won't meet your needs at the highest levels, you can now focus on proper due diligence with the remaining choices.

Writing Use Cases (rather than features)

Sorry to disappoint, but we still recommend staying away from the lengthy feature lists. Instead, let us recommend a much better approach called "use cases." A use case is a descriptive scenario that describes a day-in-the-life of users who will work with the learning platform on a regular basis. The purpose of writing use cases is so that you (and your stakeholders) can truly evaluate how the learning technology will match your needs and culture.

- √ The use case document will be used to further qualify learning technologies for your project.
- √ The use case document will be given to vendors to use as a demo script when showing you their technology. The results will be a demonstration that focuses on what you are trying to accomplish and expose gaps (if present) in what the system can do for you.
- √ The use case document can be included in an RFP providing the target requirements for the vendor bid. They won't be bidding on generic feature requirements.

Here are a few examples you can use to write use cases:

Feature Listing (Typical)	**Use Case Scenario**
Competency Management Capabilities	An admin user will be assigned to maintain a master competency listing for Sr. and Apprentice-level engineers. When creating tests, we need to be able to create a many-to-one relationship between test items and competencies. Learners will receive a pretest before each course. They will have the ability to test out of modules by answering questions related to specific competencies. Each major competency item will have at least 10 items. If

	learners answer 8 or more correctly (80% of higher), the system will automatically mark the module as completed, but allow the learner to still take the module if they wish. Create a master competency item, called "Ability to read schematics." Link a series of 10 questions to the competency and demonstrate how you system allows for test out.

See how this will yield better results through subsequent demonstrations, when conducting apples-to-apples comparisons of systems, when the vendor responds to this as part of a proposal? OK, so it takes a bit longer to write. Believe me; it is well worth the effort.

Here's another example, commonly seen in RFP's:

Feature Listing (Typical)	**Use Case Scenario**
Interoperability with PeopleSoft, HR database	User records in our PeopleSoft HR system should result in automatic registration in your LMS. We are OK with batch enrollment with changes being synchronized overnight (every 24 hours). However, about 20% of our learners are partners, and their records are not in PeopleSoft. We would like to send our partners a special code that they can use to self-register in the system. Please discuss the process you will use to meet this specific need.

Writing use cases is the key to finding exactly what you are looking for, or at least understanding what candidate system can provide out-of-the-box vs. functionality that must be highly customized to meet your need.

Creating an RFP

The final step in the selection process is to create an RFP and send it to vendors for a final bid. You may possibly narrow the list even further through the use case/vendor demonstrations. This is good for both you and the vendor who may not be a good fit for your project.

The toolkit includes a very comprehensive RFP template that you can use to solicit a final proposal and bid for the project. Please feel free to cut out sections that don't apply to what you are doing and expand upon it if you have additional needs. The RFP template is also included as a separate Word document to make it easier to edit and reuse for your convenience.

Activity

1. Create a short list of learning technology candidates that most closely match your needs. Remember that only a few key items can narrow the list quickly.
2. Write a Use Case document that describes exactly how you intend to use the system and what items must be addressed during demonstrations and in any proposals.
3. Create an RFP for you project using the enclosed RFP template.

Step 5: Evaluate the Results

"If you don't know where you are going, you won't know when you get there"

--Yogi Berra

We recommend that you write goals for how you will judge the success of your transition to a learning culture long before you implement any learning technologies. Keep these goals handy throughout the project, include them in your RFP, and definitely share them with internal stakeholders.

Donald Kirkpatrick's four levels of evaluation provide an excellent guidance for framing your goals. Your new technology infrastructure will be able to help you automate collection of some of the data, although it will still take work to accomplish, especially levels 3 and 4.

Level 1 – Reaction

The basic idea of Level 1 evaluation is to determine how well your learners (internal, partners, customers, etc.) like the new self-empowered, learning culture. Do they find the system easy to access and use? Is the content relevant? Do they like the mix of e-learning and classroom-based instruction?

The easiest way to automatically collect this data is through end-of-course surveys, often referred to as "Happy Sheets." Most learning platform provide Happy Sheet surveying tools as a standard part of the core offering, although you will likely need to modify the surveys to collect the data you are looking for.

You can set goals ahead of time to reach a specific level of satisfaction (i.e. an overall rating of 4.0 or higher on a five point scale).

Level 2 – Learning Gains

With an online learning platform comes online testing. However, collecting Level 2 data may require a slight orientation shift in your learning process. The best way to collect this data is to issue a pretest before each course and then compare the results with post test data. If learning increases, then the system is likely working.

One caution is to spend time to make sure that test questions are valid and differentiating.

Level 3 – Performance

Level 3 is a bit harder to ascertain through simple automation. The basic idea of level 3 is that the learning should have some impact on how well the employee performs on-the-job after training occurs. This is often assessed through annual performance reviews, performance metrics (such as improved efficiency ratings at work), or through observation. Where the system may be of some assistance is in delivering post-course assessments several months after training occurs, asking the learner to outline what skills from the course they are most frequently applying to their job and then coupling that information with performance review data.

Level 4 – Business Results

Only a relatively small number of organizations evaluate their learning at Level 4, which measures the impact training/learning have on overall organizational goals, such as increased sales, decreased turnover, higher customer satisfaction ratings, etc. A majority of learning platforms only take you part way there by collecting information about what was learned; but you will need to be creative to figure out how to mesh this information with company productivity results such as sales databases, inventory systems, etc. This is something that most companies aspire to over time.

Return on Investment Goals

Setting goals to achieve a positive ROI by a specific date is also a good way to measure the success of your project, especially for upper management. Remember that ROI means more than just cost avoidance. You can continue to watch for improvement and efficiencies in areas such as capturing and retaining knowledge that may be lost due to attrition (difficult to put a dollar amount on the value of this information, but important from an ROI perspective none the less); or increased brand loyalty from training customers.

Summary

Making the transition from a traditional-training environment to a “learning” culture will help you stay competitive in today’s workplace environment, but you must have a good plan for leveraging technology and finding the right balance between people (governance), processes and technology to make it effective. Learning technology provides new ways to help people learn at the right time and in the right place. One of the most important factors in establishing a successful learning practice is to simultaneously provide support for both structured and informal learning. Informal learning not only provides immediate support for learners throughout your organization, but also provides a means for capturing and retaining expert knowledge, even as turnover and retirement occurs.

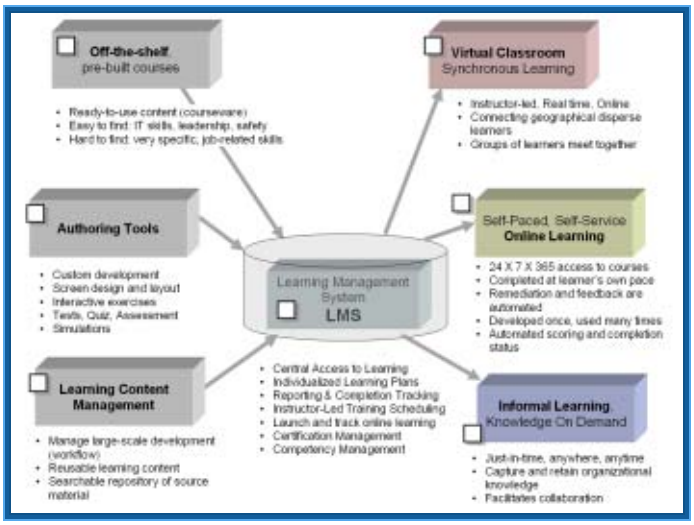
The best way to establish a learning culture is through systematic due diligence, having a plan and vision; and making the vision a reality.

APPENDIX

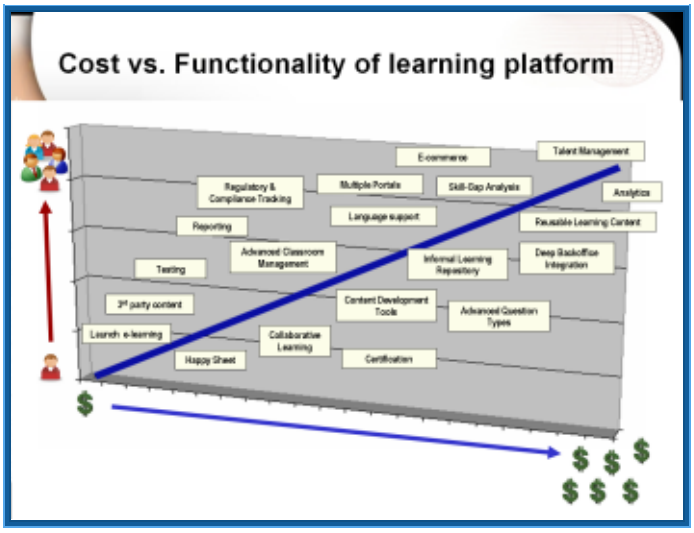
Resource Slides

See the attached slide pack for resource slides (*Toolkit resource slides.ppt*). Please feel free to use the slides when (1) meeting with stakeholders to make plans for establishing a learning platform, (2) to make a business case for online learning, and (3) when discussing plans to create a learning governance model that's right for your organization.

Here is some additional information on how and when to use specific slides:

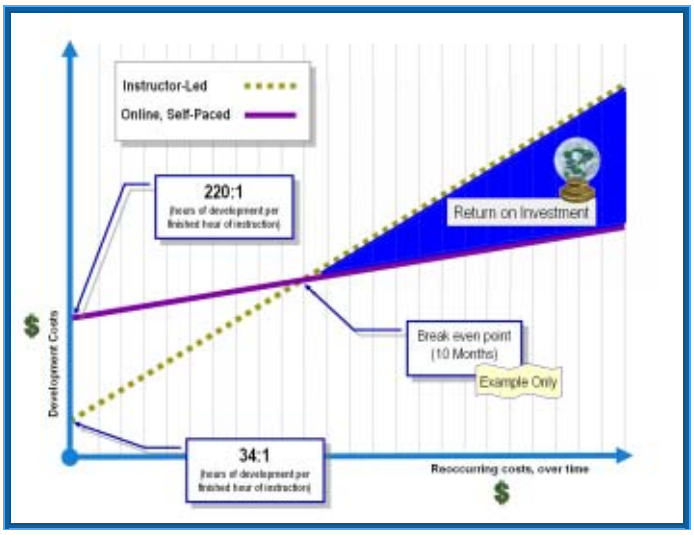


This slide can be used in presentations to orient stakeholders on the main components of a learning platform.



This slide becomes handy when in discussions about how to keep costs down when selecting a learning management system. There are specific features and modules that tend to drive up the cost of some LMS solutions.

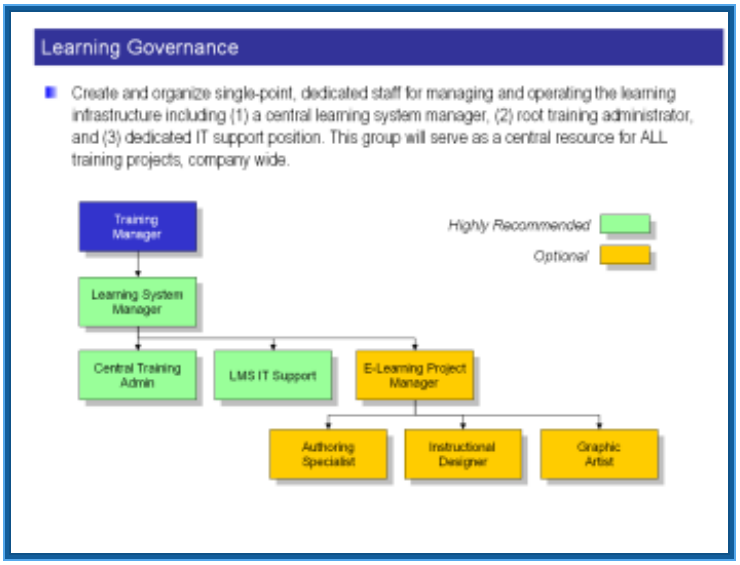
Use this slide to leading into a presentation about your specific ROI calculations. The slide includes the key factors used inside the ROI, cost-avoidance worksheet.



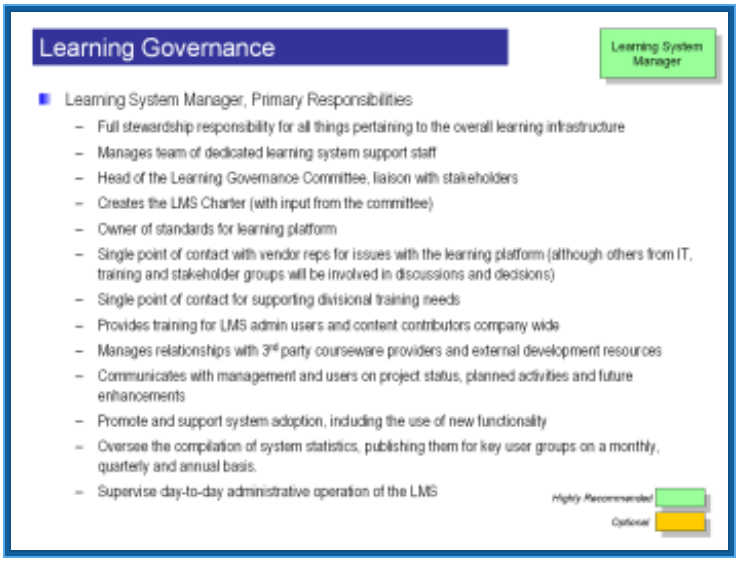
Sometimes people need visualization of how return on investment works when considering online learning. It is easy to lose focus when some people hear about how much it costs to create e-learning. Sometimes it's hard to step back and look at the big picture. This slide does a nice job to put it all in context.

Be sure to point out that the 10-month, break even point is just an example. This point will vary from project to project, based on number of learners, etc.

A bulleted slide, matching the Additional ROI benefit headings included in the toolkit.



This slide suggests a report structure for those who work directly with the learning platform and sets the stage for the itemized positions and roles slides to follow.



There are actually several slides in the deck, outlining a series of recommended and optional positions to build out a learning team to manage learning. There are role descriptions for:

- √ Learning System Manager
- √ Central Training Admin
- √ LMS, IT Support
- √ E-Learning Project Manager
- √ Authoring Specialist
- √ Instructional Designer
- √ Graphic Artist

Please feel free to adapt the slides for your own use only. The slides are the property of Chapman Alliance and may not be sold or copied for commercial purposes.

RFP Template

$Logo$

Request for Proposal (RFP)

for a $Hosted_Installed$ learning management system infrastructure to support company-wide learning initiatives

Prepared by:

$LMSTeamMembers$

Version 1.0

$Date$

This document is confidential to $Company$ and may only be used by organizations responding to this Request for Proposal. Proposals provided will be kept strictly confidential.

Table of Contents

Company and Project Information

$CompanyName$ Info

$CompanyBackground$

For more information on $CompanyName$, see our website: $Website$

Checklist of things to consider including in this section:

- ❑ Company History (from website or annual report)
- ❑ Number of employees
- ❑ Number of learners (both inside and outside the company)
- ❑ Locations (where are the learners located?)
- ❑ Languages used in training
- ❑ Problem statement – what are you trying to fix?
- ❑ Anything else that will help the vendor understand you better.

Project/Opportunity Overview

The reason you are receiving this proposal is that you have already been short listed as a potentially good match for this project. Through the demonstration sessions, our LMS selection team has had the opportunity to find out more about you and the technologies you represent. Through the use case document and our time together, you have had the opportunity to learn more about our specific needs.

$ProjectInformation$

$CurrentState$

$Opportunity$

The purpose of this request for proposal (RFP) is to solicit a bid for (1) $Hosted_Installed$; (2) initial services required to implement; (2) training for key development and support staff, and (4) on-going maintenance and support services. Further detail about specific bid items is included in the section entitled – Project Scope.

Here is a recap of the goals for this project:

$HighLevelGoals$

Checklist of things to consider including in this section:

- ❑ Describe the exact opportunity
- ❑ Re-state number of learners
- ❑ Number of developers
- ❑ Hosted or Locally Installed
- ❑ How you hope to use the system (for what purpose?)
- ❑ Request for services (content development, language translation, etc.)

What's in this Document

This document contains $Company$'s Request for Proposal (RFP) for an LMS to which vendors are encouraged to reply. More specifically, this document contains the following sections:

$Sections$

Create a list and description of anything you are adding to the RFP, such as:

- ❑ Confidentiality agreement
- ❑ Contracts
- ❑ Diagrams showing IT infrastructure
- ❑ Detailed plans for learning system
- ❑ Items in the APPENDIX
- ❑ Etc.

Technical Environment

Introduction

This section provides details on $Company$'s:

- Application Architecture and Integration
- Application Architecture – Future Changes
- End-User Computing
- Standard Desktop
- Implementation/Migration Guidelines
- Desktop Configuration

Application Architecture & Implementation

$Company$ $Architecture$

Application Architecture – Future Changes

$FutureChanges$

End-User Machine Configuration

$EndUserMachine$

Standard Desktop

$ApprovedStandards$

$Company$ E-mail Environment

$E-Mail$

- ❑ In this section, provide any information that will help the vendor match their solution with your IT infrastructure.
- ❑ Be sure to state IT preferences (i.e. the solution must be based on MS-SQL database; preferences given to systems based on .NET)

Project Scope (what to bid on)

$Scope$

In order to assist you in preparing your proposal and bid, we outlined the following major components of the project. We have included an itemized bid project worksheet in the Appendix and are looking for the cost of each line item so that we can align the project scope as needed. For example, during your demonstration to the team, we became interested in your Competency Management module. However, we are still in the process of determining if our budget will cover its use in the project.

Checklist of Major Components of this project:

$Requirements$

Be very clear as to what you want them to bid on. Here is an example of the types of things to list here:

- ❑ LMS License for 5000 registered users
- ❑ LCMS (Content Development license) for 25 content authors
- ❑ Initial Set-Up and Configuration
- ❑ Migrating learning transcript data from our old LMS into your system
- ❑ Automatic Batch Enrollment and synchronization from Oracle (our ERP) into your LMS
- ❑ Integration with Documentum (our content management system)
- ❑ LMS interface needs to be in English, Spanish, German and Japanese
- ❑ Training for 25 LMS administrators
- ❑ On-going support and maintenance

RFP Goals

The goals of the RFP are:

1. To identify and select qualified companies capable of supporting $Company$ with the highest degree of support and in the most cost-effective and administratively efficient manner possible.
2. To select a stable, organized, efficient, and forward-thinking learning platform integrator interested in developing a long-term relationship with $Company$ and providing cost-saving recommendations and ideas to us on an ongoing basis.
3. To award business to a supplier whose capabilities and experience can support our current project demands and could potentially grow with us as our business needs evolve.

RFP Process and Administration

This section describes the time frames associated with administration of this RFP, including:

- RFP administration (and time frames)
- Schedule of events
- Vendor demonstrations
- Follow-up and Communication

Submission Instructions

Proposals must be submitted electronically by $SubmitDate$. Electronic copies of the proposal must be in MS Word XP format, if applicable, must be in PowerPoint XP or Adobe Acrobat (PDF) format. In addition, submit one hard copy by mail or reliable courier service within 2 business days of the deadline. One copy of the proposal and one electronic copy of the document must be delivered to:

$ProjectContact$

Schedule of Events

The following dates have been established for this RFP:

Event	Date
RFP Issued	$RFPDate$
Conference call to answer questions (1 hr)	$ConfCallDate$
Submission date for proposals	$SubDate$
Select short list	$ShortListDate$
Vendor presentations (short list only)	$VendorPresentDates$
Final selection made	$SelectionDate$
***Estimated Dates**	

Vendor Presentation

Short-listed vendors will be required to make a formal presentation, including a demonstration of the proposed system to selected members of the firm.

$Company$ Contact –

All inquiries and information concerning the RFP process and the requirements should be directed to:

$Contact$

Instructions for Responding
Sections to Include in Your Proposal

Your response to this RFP should be submitted in accordance with the schedule below and should include the following components:

1. **Proposal Overview.** Please provide a summary of your proposal for working on this project letting us know how you would go about working with us.
2. **Company Background Worksheet.** In order to accurately evaluate your proposal, we have included a number of questions on a project worksheet in the Appendix of this report. Please answer all questions and attach the worksheet inside your proposal.
3. **Supplier Information Worksheet.** Since we've already seen your system in action through the demonstration session, we are not asking you to simply respond that you have the functionality; rather the purpose of this worksheet is to (1) assess the amount of customization required to meet each use case item, and (2) provide information on "how" you will work with us to meet the need.
4. **Out-of-the-Box Report Samples.** During the demonstration sessions, we didn't have much opportunity to assess the reports you provide out-of-the-box. Please send as report samples, lists and descriptions of what we might expect out-of-the-box so that we can assess what customized reports may be needed.
5. **Itemized Project Bid Worksheet.** Please complete and include the Itemized Project Bid Worksheet found in the Appendix. The worksheet is designed to help us assess up-front costs vs. reoccurring costs over a 3-year lifecycle of the project.
6. **Reference Accounts.** Include references for at least three clients that are using your solution. We would prefer references with similar project needs and configuration as possible.

All pages of your response should be numbered and include your company name and the date of your proposal.

Confidentiality

This RFP and the information contained herein belong to $Company$ and are considered confidential and/or legally privileged. The information is intended only for your company's use in preparing a response to this RFP and may not be communicated to any other parties, either internally or externally, who are not directly involved in preparing the response requested.

Notification

Suppliers will be notified of the outcome of the selection process at its conclusion. Over a period of several weeks following proposal submission, suppliers may be contacted for additional information or clarification of proposals. $Company$ may ask for additional meetings before making a final decision. The date for this meeting will be determined and forwarded each Supplier still in consideration. Please do not inquire as to the status of your proposal as Suppliers will be notified when the evaluation process is complete.

Evaluation Criteria and Method

Overview

Introduction

This section describes various criteria $Company$ will use to evaluate all RFP responses, including:

- Functionality
- Data Integration
- Price
- Service & Support
- Vendor Viability
- Vendor Vision

The evaluation criteria are presented as information only and are not presented in any order. $Company$ does not commit to accepting the least cost proposal or any proposal submitted.

Functionality

The degree to which the vendor is able to propose a complete solution to the documented needs of $Company$.

Data Integration

We will be looking at platform support, data integration & validation, scalability, security, system administration, workflow and process automation.

Price

The total cost of the solution, including initial costs required to license software, acquire hardware, and successfully implement the solution and on going post-implementation costs including maintenance, professional services, training, incremental cost for upgrades and expansion.

Service

The vendor's ability to deliver professional services necessary to ensure capability of application and efficiently deploy in the shortest time frame. The quality of user training, implementation assistance, documentation and application software support. The success of the vendor in installing similar systems of comparable size and complexity.

Vendor Viability

The reliability of the provider assessing financial health, overall track record of management team, success of sales and development units, the measure of commitment to complete in the market.

Vendor Vision

Product, corporate and marketplace strategies communicated by the vendor. Determines if such plans are executable and aligned with $Company$'s agenda and priorities.

APPENDIX

Company Background Worksheet

Please answer the following questions and attach additional information requested:

1. Provide a brief history of your company, a listing of your corporate officers, and your most recent two years financial statements.

2. Outline your strategic initiative and business philosophy as it relates to the described project.

3. Who from your company will be the project manager? Please provide a current resume or biography.

4. Describe how your company will interact with and receive consensus from user groups with respect to overall needs?

5. Describe your company's role in helping us acquire and install the equipment needed to run your system.

6. Describe how your company will coordinate installation needs with our IT group.

7. Describe how your company will coordinate training needs with $Company$.

8. Describe the process used to insure that corrective action is taken in resolving system issues (i.e. not working to our satisfaction).

9. What is your plan for interfacing with all parties beyond the vendor selection and contracting phase?

10. Please provide examples of deliverables that we can expect (i.e. documentation of milestones, progress reports, evidence of consensus and sign-offs by department managers and end users, etc.).

Supplier Information Worksheet

Please complete the following worksheet in its entirety and submit with your proposal. The purposes of the worksheet include (1) making sure that the bid matches stated requirements (as shown below), (2) helping $Company$ understand what functionalities can be expected "out of the box" versus functionality that requires customization, and (3) to provide an opportunity for you to propose how you intend to meet each functional requirement in an itemized fashion, especially if customization is required.

Items and questions surrounding specific functional and service requirements are organized in the following categories:

1. $FunctionalCategory1$
2. $FunctionalCategory2$
3. $FunctionalCategory3$
4. $FunctionalCategory4$
5. $FunctionalCategory5$
6. $FunctionalCategory6$

To complete the form, assess the "Extent of Customization Required" for each functional requirement (see legend below); then make a proposal about how your technology or services meet this need.

Where indicated, provide additional evidence of your ability to meet this requirement (i.e. provide stated examples of how you have fulfilled this requirement for other clients). Also, propose proactive plans for making this a successful implementation to meet the needs of $Company$.

Legend for Extent of Customization Required
(use the following characters in the corresponding column)

- **A.** Out of the box
- **B.** 2 hours of customization
- **C.** up to 1 day of customization
- **D.** up to 3 days of customization
- **E.** up to one week of customization
- **F.** 1 to 2 weeks of customization
- **G.** More than 2 weeks of customization
- **H.** Not Possible or Highly Discouraged

Ideas for categories:

- ❑ Learner Perspective
- ❑ Administrative Capabilities (notification, reporting, etc.)
- ❑ Classroom Management
- ❑ Collaboration
- ❑ Certification Requirement
- ❑ IT Configuration
- ❑ Back office Interoperability
- ❑ Etc.

1. $FunctionalCategory1$

Ref #	Functional Requirement	Extent of Customization Required	Proposed Process for Meeting This Need
1.1	**$FunctionalTitle$.** $FunctionalDescription$		
1.2	**$FunctionalTitle$.** $FunctionalDescription$		
1.3	**$FunctionalTitle$.** $FunctionalDescription$		

2. $FunctionalCategory2$

Ref #	Functional Requirement	Extent of Customization Required	Proposed Process for Meeting This Need
2.1	**$FunctionalTitle$.** $FunctionalDescription$		
2.2	**$FunctionalTitle$.** $FunctionalDescription$		
2.3	**$FunctionalTitle$.** $FunctionalDescription$		

Repeat the grids for as many functional areas as you require. Please note, the titles match the summary list located at the beginning of this section.

Instead of listing these as "features and functions," it is highly recommended to write "use cases" that describe exactly how you want the system to operate (from a user's perspective). This will result in a better match and bid and require the vendor to address the need, not the feature.

You can see example of use case statements in the section entitled "Writing Use Cases (rather than features)."

Itemized Project Bid Worksheet

Please complete and submit this form with your proposal to help us understand your pricing model by itemizing individual expenses and calculating the full amount of the bid for the project. You must address every pricing category with one of the following entries:

4. **$$$ amount** - List the actual price for that fee or service
    1. ...or list **"no charge"** (please list if this is covered under another fee on the worksheet)
    2. ...or **"not covered as part of this proposal"** (in other words, this can be negotiated beyond the contract. However, we encourage you to include any recommended services that can be assessed as "line items" in the final price).

Please do not leave any answer blank.

Section 1 - Initial License		
Item	**Explanation**	**Cost ($$$)**
LMS Base License Fee for $Users$ registered learners	If you use an annual license model, just list the first year of licensing here. You will be asked later to list reoccurring annual license fees.	$0.00
LCMS Base License Fee for $Authors$ authors (content developers)	First year only or total if perpetual licensing	$0.00

Section 2 - Set-up and Consulting Fees		
Item	**Explanation**	**Cost ($$$)**
One-Time Setup fee for creating $Company$ Learning platform	List any fixed price set-up fee (if any) (not itemized consulting fees. These can be listed below). Do NOT include hosting fees or support fees. These will be covered in the next section.	$0.00
Itemized Consulting Services	List separate costs for each of the itemized consulting services below. Please make sure that if the fee is included elsewhere on this list, tell us where it is included.	No Entry Required
Front-End Analysis	The cost for assessing our individualized needs to set business rules for the system and	$0.00

	create blue-prints for the overall implementation. Provide an estimate for the whole project. Do not simply quote an hourly rate.	
Data Migration	Our needs for this project are fairly minimal. There is no planned ERP integration. We may need some help batch enrolling learners. Provide an estimate for the whole project. Do not simply quote an hourly rate.	$0.00
Report Customization	We don't know if your standard reports will match our needs. Make the assumption that some of the reports may need to be altered for our use and provide an estimate. Provide an estimate for the whole project. Do not simply quote an hourly rate or "per report" charge.	$0.00
Project Management	What will the cost be for project management throughout the implementation process (based on the needs of our project)? Provide an estimate for the whole project. Do not simply quote an hourly rate.	$0.00
Professional Services	What will the costs be for other consulting specialists throughout the implementation such as programming engineers, graphic artists for establishing $Company$'s Learning platform look & feel, design consultants, etc. We are not planning on any custom content development resources for this project. Provide an estimate for the whole project. Do not simply quote an hourly rate.	$0.00

Travel Costs	Based on our project requirements, do you think it will be necessary to have some of your people come onsite? If so, please estimate the number of trips required, estimate the cost per trip and supply this information on this line. Provide an estimate for the whole project. Do not simply write "per trip" estimates.	$0.00
Other consulting Fees	Are there any consulting fees we didn't ask about? If so, please list here and provide an overall cost for the project for "other consulting fees."	$0.00
Training Fees	Plan on a standard recommended training package for our implementation size and provide the total cost for all training included instructor fees, training materials, and travel (as necessary). Provide a total recommended amount. Do not list "per course" fees, or "per hour fees" or even "per student" fees. Tell us how many people you think we should train on the system (given the project size) and provide a total estimate.	$0.00
Other Set-up Fees	Beyond consulting, are there any other set up fees we should know about. Please be as thorough as possible to avoid hidden setup and consulting fees.	$0.00

Section 3 - Reoccurring Annual Costs (first year only)		
Item	**Explanation**	**Cost ($$$)**
Annual Hosting Fee	Please list any hosting fee that is not covered in the product licensing or consulting fees. Do NOT list monthly price, rather list the hosting charges for the entire	$0.00

	first year of the contract.	
Hardware Costs (if any)	If hardware is not included in the annual hosting fee, please list the equipment cost separately. If this is covered by the hosting fee, simply list – "Covered by the annual hosting fee." List annual fee or one time charge for hardware.	$0.00
Backup/Archiving Fees (if any)	Are there separate charges for backing up our database periodically? List annual fee.	$0.00
Annual Maintenance Support Fee	Are there additional fees for staff to run the hosted solution (maintenance technicians, etc.)? Please list the annual support fee if not covered as part of the hosting fee.	$0.00
Annual Technical Support Fee	Is there a fee for making technical support staff available to Company X personnel? Assume that we would like technical support during normal business hours and list the annual fee (if not covered under the hosting fee). Additionally (in parenthesis), please list if 24-hour technical support can be purchased through a separate contract. (or if it is also covered under the fees listed above).	$0.00
Other reoccurring costs	Any other reoccurring support fees not covered above? Please itemize here.	$0.00

Section 4 - 1st Year – Total Cost of Ownership		
Item	**Explanation**	**Cost ($$$)**
TOTAL – SECTION 1 First year base licensing costs	Please add up all the numbers in the Section 1 and provide full first year licensing costs for the LMS and LCMS.	$0.00
TOTAL – SECTION 2	Please add up all the setup fees	$0.00

Set-up and Consulting Fees	and consulting services in Section 2 to provide the total consulting cost to set-up $Company$'s Learning platform (including consulting and training)	
TOTAL – Section 3 Reoccurring Annual Costs (first year only)	Please add up all the annual reoccurring costs in Section 3. Please note that these costs should be isolated to the first year only.	$0.00
GRAND TOTAL – Total Cost of Ownership for the first full year.	Add up all the subtotals in this section to create an estimate for the whole first year of use. If there are any pricing items that we have left off the list, please make sure they are added to reflect the full cost of ownership (excluding content development)	**$0.00**

In the next few sections, you will help us understanding what annual fees are involved in the total cost of ownership.

Section 5 – 2nd Year Annual Costs (do not include any of the first year costs)		
Item	**Explanation**	**Cost ($$$)**
Annual **LMS** License Renewal Fee (if any) for $Users$ registered learners	Please list the cost for annual license renewal fees for the 2nd year only. If you only charge annual maintenance fees, do not list here. Add maintenance fees below.	$0.00
Annual **LCMS** License Renewal Fee (if any) for $Authors$ authors (content developers)	Please list the cost for annual license renewal fees for the 2nd year only. If you only charge annual maintenance fees, do not list here. Add maintenance fees below.	$0.00
Annual Maintenance Fees	If you offer a perpetual license, maintenance fees are generally around the 15-20% of the base license.	$0.00

	If you use annual licensing, please indicate if there is an additional maintenance fee or if this is covered under the annual license.	
Annual Hosting Fee (for 2nd year only)	What are the total annual hosting costs for the 2nd year including hosting fee, support staff fees, hardware, technical support, etc.? Remember, this cost should be isolated for 2nd year of contract only.	$0.00
Other charges to expect during 2nd year of ownership	Please list any other reoccurring fees and provide estimates for the 2nd year of ownership.	$0.00
GRAND TOTAL for YEAR #2	Please total up all 2nd year fees in SECTION 5 and list the total cost of ownership for the 2nd year (excluding any content development)	**$0.00**

In the next section, we want to determine if the annual costs remain the same for the 3rd year (or see if there is any variability in the pricing for subsequent years). It is highly likely that the numbers here will be identical to those in the Section 5 (2nd year pricing).

Section 6 – 3rd Year Annual Costs (do not include any of the first or second year costs)		
Item	**Explanation**	**Cost ($$$)**
Annual **LMS** License Renewal Fee (if any) for $Users$ registered learners for 3rd Year Only	Please list the cost for annual license renewal fees for the 3rd year only. If you only charge annual maintenance fees, do not list here. Add maintenance fees below.	$0.00
Annual **LCMS** License Renewal Fee (if any) for $Authors$ authors (content developers) for 3rd Year Only	Please list the cost for annual license renewal fees for the 3rd year only. If you only charge annual maintenance fees, do not list here. Add maintenance fees	$0.00

	below.	
Annual Maintenance Fees for 3rd Year Only	If you offer a perpetual license, maintenance fees are generally around the 15-20% of the base license. If you use annual licensing, please indicate if there is an additional maintenance fee or if this is covered under the annual license.	$0.00
Annual Hosting Fee (for 3rd year only)	What are the total annual hosting costs for the 3rd year including hosting fee, support staff fees, hardware, technical support, etc.? Remember, this cost should be isolated for 3rd year of contract only.	$0.00
Other charges to expect during 3rd year of ownership	Please list any other reoccurring fees and provide estimates for the 3rd year of ownership.	$0.00
GRAND TOTAL for YEAR #3	Please total up all 3rd years fees in SECTION 6 and list the total cost of ownership for the 3rd year (excluding any content development)	**$0.00**

SECTION 7 - GRAND TOTAL – TOTAL COST OF OWNERSHIP (3 Full Years)		
Item	**Explanation**	**Cost ($$$)**
Enter the Grand Total from SECTION 4 – 1st Year – Total Cost of Ownership	This is the final line from SECTION 4 (including all the licensing, setup, consulting and hosting fees for the 1st full year of ownership)	$0.00
Enter the Grand Total from SECTION 5 – 2nd Year Annual costs	This is the final line from SECTION 5 (reoccurring costs incurred during the 2nd year including annual licensing for the LMS, annual licensing for the LCMS, annual maintenance fees, annual hosting fees, etc.)	$0.00

Enter the Grand Total from SECTION 6 – 3nd Year Annual costs	This is the final line from SECTION 6 (reoccurring costs incurred during the 3rd year including annual licensing for the LMS, annual licensing for the LCMS, annual maintenance fees, annual hosting fees, etc.)	$0.00
GRAND TOTAL – for TOTAL COST OF OWNERSHIP over the entire 3-year life cycle of this project.	This is the overall estimate for the implementation and 3 full years of ownership of the hosted LMS/LCMS solution. This is the number that we will use to compare your pricing proposal with other finalists in the selection process.	**$0.00**

About the Authors

Bryan Chapman is Chief Learning Strategist at Chapman Alliance; a provider of research-centric consulting solutions that assist organizations to define, operate and optimize their strategic learning initiatives. As a veteran in the industry, he has over 20 years experience and has worked with such organizations as American Express, Shell, Kodak, Sprint, Sharp Electronics, Honda, IBM, Microsoft, Avon, UNICEF, The Food and Drug Administration, U.S. State Department, and many others; to help them optimize learning efficiency through the use of innovative learning techniques and technologies.

Bryan was formerly the Director of Research and Strategy for independent research and consulting firm Brandon Hall Research, where he served as the primary author and researcher on high profile projects such as the LMS Knowledgebase, LCMS Comparative Analysis Report, Comparison of Simulation Products and Services, and a comprehensive study of custom content developers in the industry. In addition, Bryan was responsible for structuring Brandon Hall Research's consulting practice. He continues to provide technology-selection services in partnership with Brandon Hall Research as a registered Associate.

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Cheryl Johnson is a Performance Solutions Specialist with RWL Tech, Inc. with 10 years experience in learning, development and performance. She is recognized in the industry for success in building innovative learning programs and wide-scale learning initiatives, introducing learning technology and pragmatic learning strategies into many organizations, large and small. Her unique value is the ability to identify needs, address gaps and develop long term strategies to influence positive change. The key to her effectiveness is her true passion for learning, strategic thinking patterns, and the desire to facilitate self discovery.

Cheryl is engaged in a number of cutting-edge learning projects such as designing and developing virtual world training environments, using an artificial intelligence engine to provide individualized, custom training solutions. She was also a pioneer in working with patented, interactive voice recognition technology long before online learning was considered mainstream.

She firmly believes that setting goals, learning, and creativity are essential ingredients to personal empowerment, growth, and ultimately success.

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