

Ideas & Insights from

expertus[®]

TrainingIndustry, Inc.

2008 Training Efficiency Masters Series

Survey Results

Training Efficiency: *Optimizing Learning Technology*



trainingefficiency.com

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SURVEY HIGHLIGHTS

In May 2008, Training Industry, Inc. and Expertus partnered to conduct the second of four surveys in the Training Efficiency Masters Series. We asked corporate training professionals about the efficiency gains they have realized from their LMS and about several other factors that we expected to have an impact on efficiency. Respondents also shared qualitative best practices and challenges in optimizing LMS use. The results can be used by readers to identify areas of improvement and achieve greater efficiency gains themselves.

The survey was completed by 53 training leaders whose organizations varied in the time since they implemented their LMS, their initial investments in their LMS, and the number of learners their LMS supports. Most respondents were managers or administrators of an enterprise-wide LMS.

KEY FINDINGS

Finding #1: Compliance Readiness

An LMS has the strongest impact on being compliance ready. Other major LMS efficiency gains result from learners finding and registering for training more easily and reducing administration costs. An LMS has the weakest impact on employee productivity, which is also the least well understood area of expected LMS impact.

Finding #2: Content Management

The LMS functionality which generates the strongest efficiency gain is content management, followed closely by roster management and scheduling. When asked which one area had

“The longer a company has an LMS, the higher their efficiency gains are in nearly all areas.”

the biggest impact, content management was the overwhelming choice.

Finding #3: Outsourced Administration

Companies that outsource administration to an external partner and integrate their LMS with other systems have stronger efficiency gains than those who do not.

Finding #4: Duration of Implementation

The longer a company has an LMS, the higher their efficiency gains are in nearly all areas. After the third year of implementation, companies experience the most consistent efficiency gains.

Finding #5: Reporting Capabilities

The biggest challenges in making the most from an LMS are inflexible reporting capabilities and a lack of integration between the LMS and other systems.

**SURVEY ANALYSIS:
WHAT IMPACTS
EFFICIENCY GAINS**

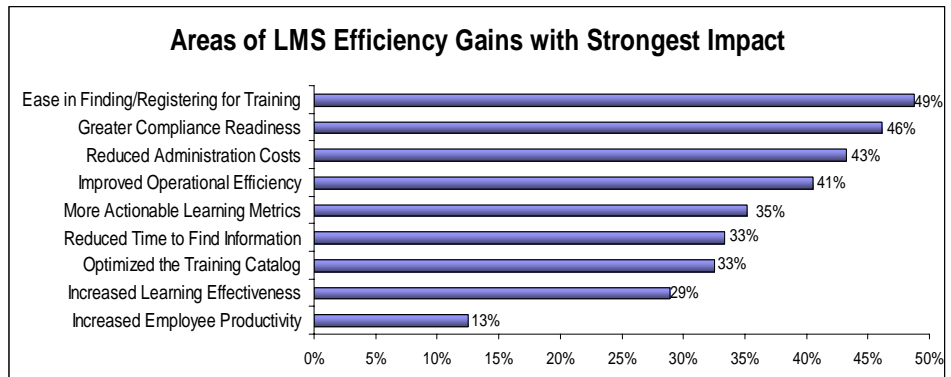
“The strongest known LMS impact areas were being more compliance ready and learners finding and registering for training more easily.”

A. Areas of Greatest Impact on Efficiency

The primary purpose of this study is to understand the impact of LMS use on efficiency. As such, a great deal of focus is centered on the answer to the following question:

‘How much impact has your LMS had in the following areas?’

Among those who reported a known LMS impact, the strongest impact areas were being more compliance ready, learners finding and registering for training more easily and reduced administration costs.



Respondent Number (N) = 38 [Note: This excludes respondents who implemented their LMS less than one year ago.]

Note: All horizontal bar charts in this report represent the percentage of respondents.

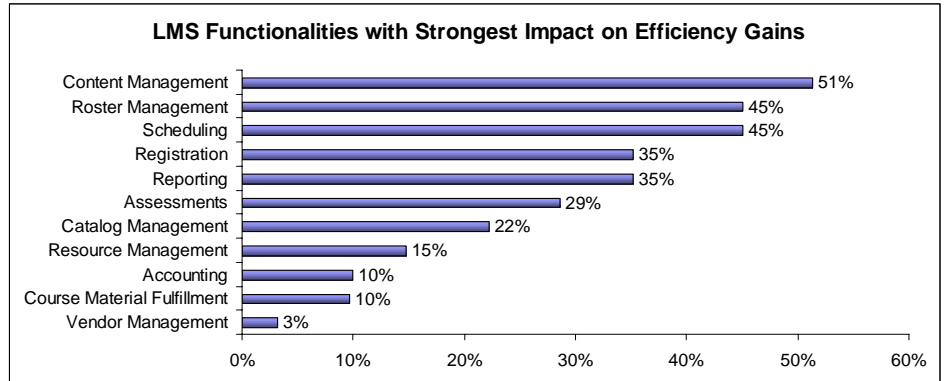
Interestingly, the low percentage of respondents who rated “increased employee productivity” as having a strong impact may have had to do with many people simply not knowing or being able to measure the impact on employee productivity. In fact, the highest percentages of respondents rated this area as “unknown impact” (25%).

B. LMS Functionalities with the Strongest Impact and How to Optimize Them

To find out which part of the LMS had the greatest impact, we asked this question:

‘What impact have the following LMS functionalities had on the efficiency of your training organization?’

Among those who used the LMS functionalities, the functionality with the strongest impact on overall efficiency gains was content management, followed closely by roster management and scheduling.

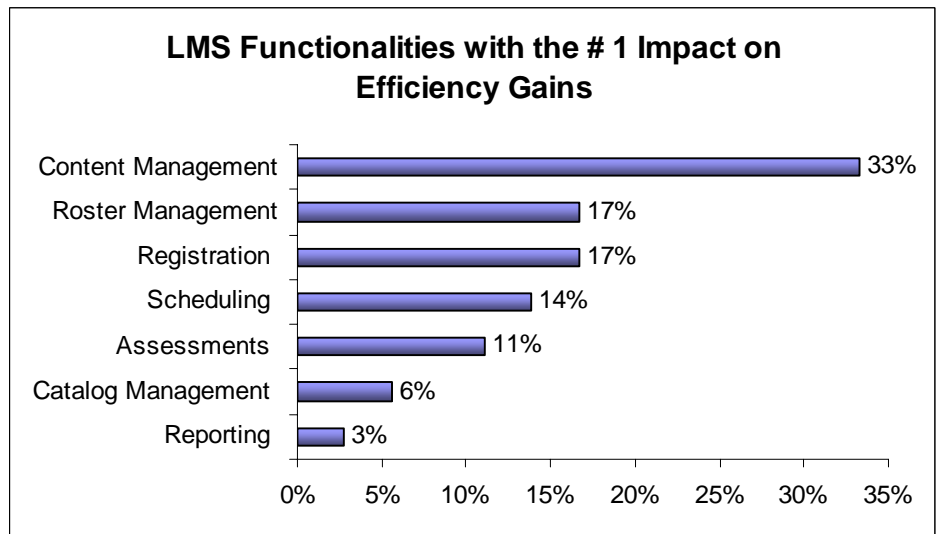


N = 40 [Note: This excludes respondents who implemented their LMS less than one year ago.]

To find out the strongest LMS functionalities in a different way, we asked respondents this follow-up question:

'Which of the above functionalities has had the biggest impact on efficiency gains in your training organization?'

For the most part, the same functionalities appear, in roughly the same order, as having the greatest impact on efficiency gains.



However, there are a few noteworthy differences. In the chart above, notice that content management was chosen by twice as many respondents as any other functionality. Also notice that only 3% of the respondents selected reporting as the functionality that generated the biggest (or #1) impact on efficiency gains, even though 35% rated it as having a strong impact. This may be due to widespread frustration with the

“33% of the respondents indicate that content management has the #1 impact on LMS efficiency gains. This is twice that of any other functionality.”

flexibility of LMS reporting capabilities, which is listed as a top challenges under section F (Challenges) of this report.

Below are the key themes from respondent answers to this question:

‘For the one LMS functionality that you chose in the question above that had the biggest impact on efficiency gains, please describe what specific processes or practices you used to optimize this functionality.’

Content Management:

- Use web technology to expand distribution of all eLearning courses.
- Create content with departments for specific employee groups and/or specific learning objectives.
- Outsource content management to a third party with hosting capability.

Registration:

- Streamline registration by clearly communicating what training is mandatory, pre-approved, and budgeted, and when learners need to take it.
- Allow students to self-enroll; this frees up considerable administrative time.

Scheduling:

- Customize the LMS’ room-booking feature, min/max attendees, etc. to meet administrative and student needs.
- Contract with an external partner for administrative functions.

Catalog Management:

- Upload catalogs of external vendors, information on courses and price lists.
- Use the catalog as list and access point for all customer training resources - live & recorded.

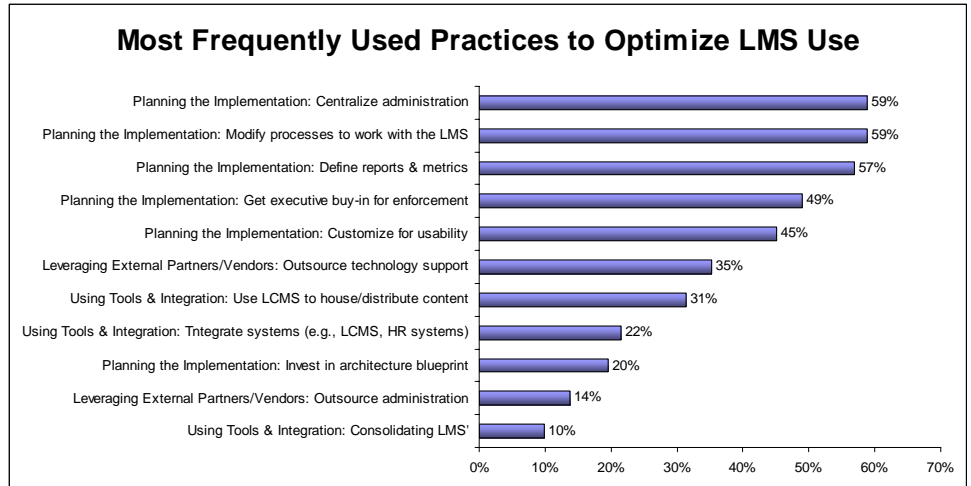
“Study results show that companies who integrated their LMS with other systems and leveraged external partners for administration had much higher efficiency gains than those who did not.”

C) General Practices to Optimize LMS Use:

Expertus identified eleven general LMS best practices that we asked respondents to select from:

‘Which of the following practices has your organization used to optimize the use of your LMS?’

The top three most frequently used practices are: centralize administration, modify processes to work with the LMS, and define reports and metrics.



N = 51

Study results show that companies which integrated their LMS with other systems and leveraged external partners for administration had much higher efficiency gains than those who did not.

A related survey finding showed that companies with any level of integration with other learning or HR systems (from real-time to less often than weekly frequencies) had greater overall efficiency gains than companies which had no integration at all. As expected, the impact area most affected by whether or not a company integrates its LMS with other systems is more actionable learning metrics. This makes sense, considering that metrics related to learning outcomes are often dependent upon access to other HR and performance data combined with LMS data. Access to multiple data sources helps training leaders make better decisions about which training courses are making a difference.

D) Time to Impact

Do organizations have more efficiency gains with their LMS over time? Generally, yes. The data shows that “the more time since the full implementation, the stronger the impact on efficiency gains.” However, in the first few years (less than three years) efficiency gains are not as consistently positive as they are after three years. It seems that there is a learning curve or time period in which employees learn how to best use the LMS before their full impact on efficiency is realized.

Of all areas of impact, the area which shows the greatest improvement over time is compliance readiness. People who are not seeing an early impact in this area should take heart; improvement should come over time. B. Output and Volume Metrics

E) Initial LMS Investment Levels

There is little to no relationship between the amount invested per learner and overall efficiency gains. One cannot expect more efficiency gains based on a higher-priced LMS; the combined factors of time and both general and functionality-specific practices may have greater influence over the kinds of results you can expect.

To see how much respondents are spending on their LMS for how many learners, see “About the Survey Respondents.”

F) Challenges

To understand why some respondents were able to get more efficiency gains than others, we asked this question:

‘Please describe the biggest challenges or obstacles your training organization faces in using LMS functionalities to increase efficiency.’

The most frequent challenges are lack of integration and inflexible reporting capabilities.

Interestingly, these two challenges were also reported among the biggest problems in learning measurement in an April 2007 Expertus and Training Industry, Inc study.

Without effective reporting and system integration, it is difficult to provide internal stakeholders with meaningful metrics about the impact of training on the business. Instead, training departments must rely on volume and activity-based metrics (e.g., courses,

hours, registrations or test scores). The April 2007 study also found that more survey respondents relied on internally-developed software or manually compiled reports for learning metrics than LMS-generated reports. This is a further indication that the reporting functionality was inadequate.

Below are key challenge areas that respondents had in getting the most from their LMS:

Lack of Integration

- With HR and accounting systems
- Lack of standards from system to system

Inflexible Reporting Functionality:

- Inability to create report templates that allow collection of learning metrics to benchmark with ASTD
- Limited, clunky, and inflexible reporting

Lack of User Acceptance & Responsibility:

- Some want the training group to do all the work rather than accepting responsibility for their learning
- Need to create and use learning plans

Slow, Old-School Technology:

- LMS technology can be described as “the big, lumbering dinosaur in the middle of a world more suited to small, nimble animals.” As such, Generation Y or “millennials” are not “jazzed” by it.
- LMS is not suitable for blended learning or other innovative learning solutions
- Need to dig to get to things

Lack of Resources:

- Insufficient development resources for creating content or managing content
- Organization lacks emphasis on continuous learning, resulting in inadequate staff to do more with the LMS

Adapting Processes to LMS:

- Difficult to adapt current processes to the LMS features and functionality
- Lack of Consolidation with Other LMS'

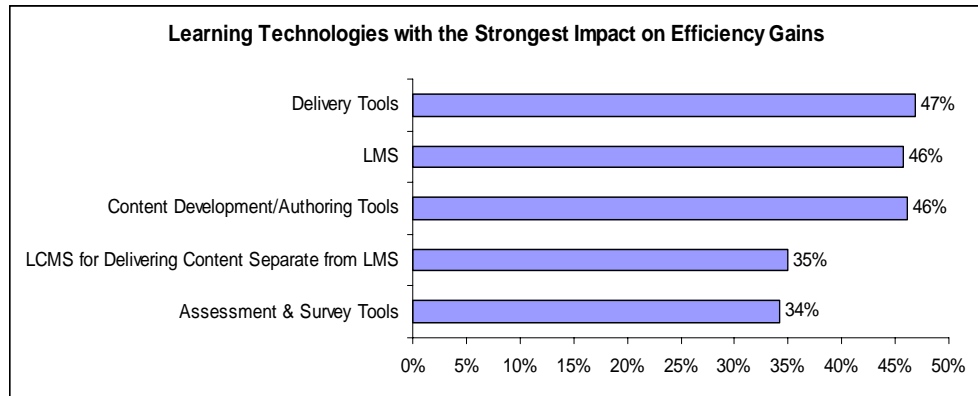
- Having multiple LMS' makes some processes like scheduling very complicated
- The process of consolidating to one LMS requires a lot of time, effort, and support

G) Other Learning Technologies

To understand the relative impact of different learning technologies, we asked respondents this question:

'For each learning technology which your training organization has used for at least a year, please indicate the impact each has had on efficiency gains.'

The top three learning technologies with the strongest impact on efficiency are delivery tools, LMS, and content development/authoring tools.



N = 39

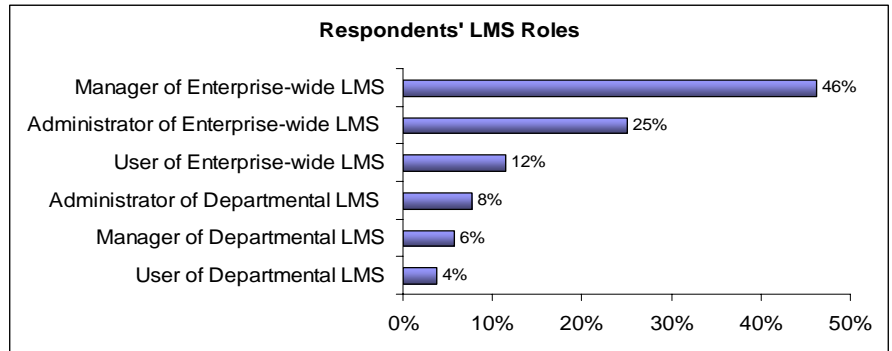
ABOUT THE SURVEY RESPONDENTS

The following charts describe several characteristics of the survey respondents.

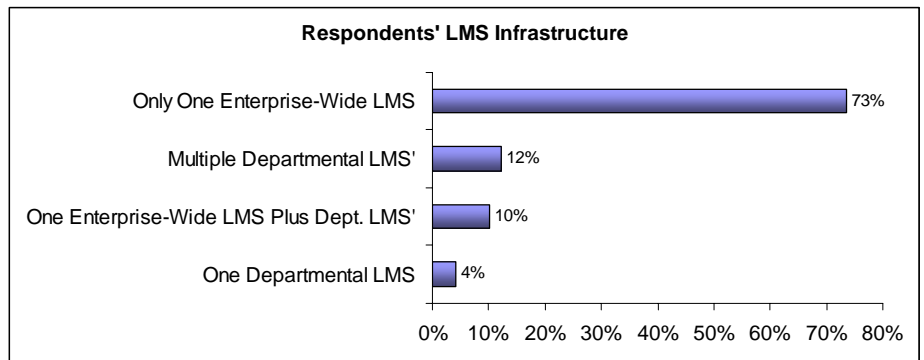
A) LMS Role and Infrastructure

The vast majority of respondents were managers or administrators of a single enterprise-wide LMS.

“On average, respondents reported an initial investment of \$31 per learner for their LMS.”



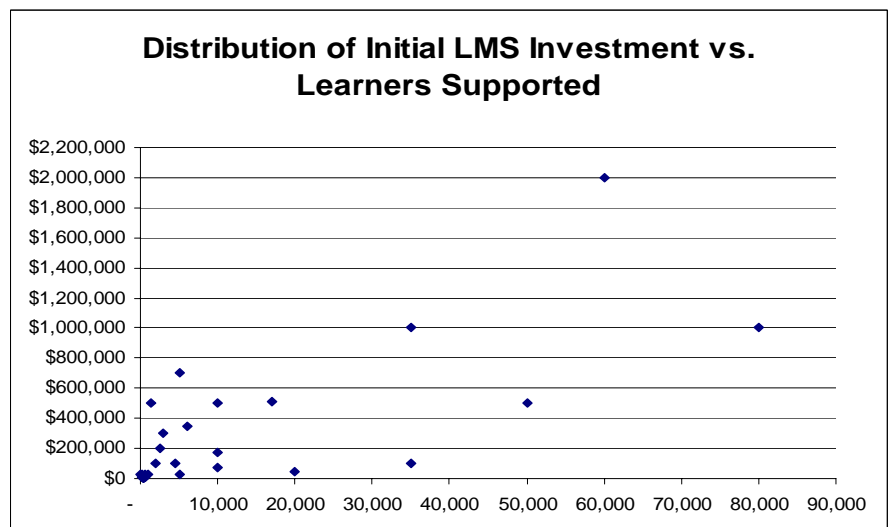
N = 53



N = 53

B) Initial LMS Investments and Learners Supported

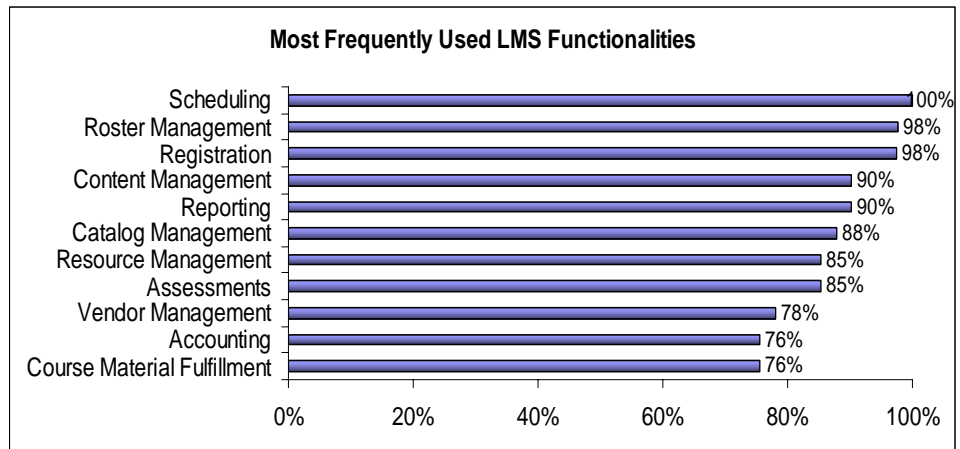
LMS respondents reported an average initial investment of about \$867,000. The average number of learners supported is approximately 28,000 with an average investment of about \$31/learner.



N = 30

C) Most Frequently Used LMS Functionalities

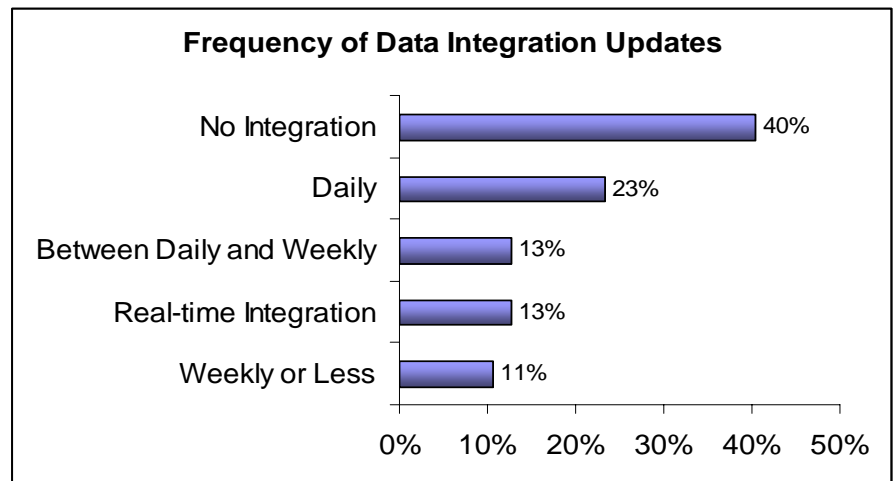
The top five most frequently used LMS functionalities are also the top five functionalities with the strongest impact on efficiency.



N = 53

D) Level of Integration with Other Systems

The most common state of integration with other systems is no integration at all. However, when there was integration, it was most often done on a daily basis.

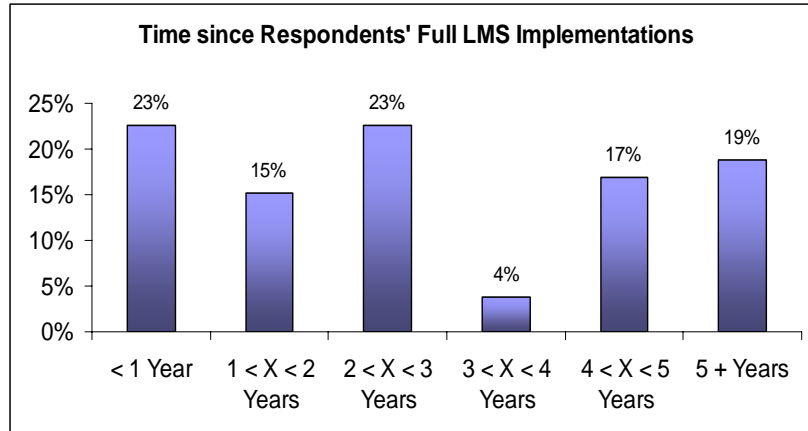


N = 53

E) Time since Full LMS Implementation

Respondents were evenly distributed across the time spectrum since implementation, which the survey defined as for both the internal training department and learner use. In many of the impact-related questions in the prior section, "Survey Analysis:

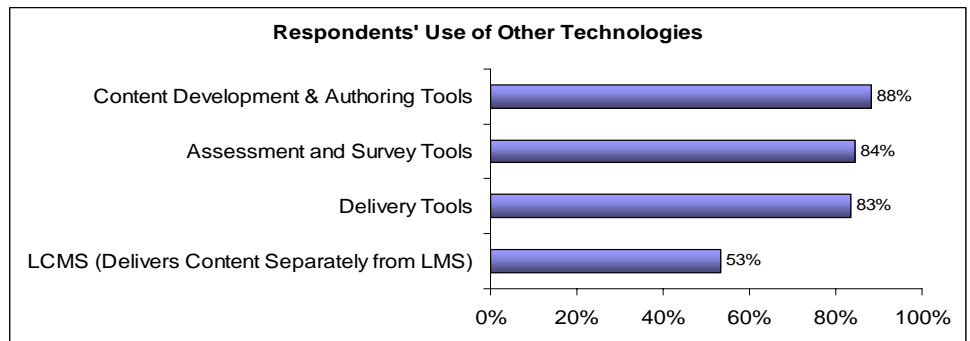
What Impacts Efficiency Gains?" the group of respondents who were within their first year of LMS implementation was excluded.



N = 53

F) Use of Other Learning Technologies

Besides the respondents who use LMS', they typically used three other learning technologies: content development/authoring tools, assessment and survey tools, and delivery tools. LCMS' that delivered content separately from the LMS were used by about half of the respondents, which may be due to the use of the content management functionality within the LMS by 90% of all respondents.



N = 51

ABOUT EXPERTUS INC.

Expertus provides a variety of training outsourcing services for technology, administration, program management, and strategic initiatives. From implementing and managing LMS and learning-related technologies, to supporting major customer training initiatives, to seamlessly handling all aspects of training administration, Expertus has helped major companies such as NetApp, Cisco, ADP, EMC, Schlumberger, and Hyperion achieve efficiencies in corporate learning and development.

Expertus is headquartered in the Silicon Valley and has offices in London, New York, and Chennai, India. Its staff of highly trained business and technical consultants, content developers, and process specialists deliver to clients the experience, skills, and knowledge that have an immediate impact on learning initiatives.

For more information, go to www.expertus.com or contact Mike Murrell at 803-802-9971 or michaelm@expertus.com.

ABOUT TRAINING INDUSTRY, INC.

Training Industry, Inc. is an objective and trusted expert on the marketplace for learning. Its mission is to make the marketplace more efficient through the world's largest online community of training communities and through services such as Training Industry Conferences, Training Industry Quarterly Ezine, Training Industry Webinars and Training Industry Research. Through these channels, Training Industry, Inc. provides news, articles, strategies, practices, and processes.

Training Industry, Inc. is headquartered in Cary, North Carolina and serves sponsors and clients throughout the world.

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