FORWARD
OBSERVER

E-learning? Show me the money!

By Samantha Chapnick

A few years ago when I was in charge of customer service training for a large software firm, I believed in the benefits of e-learning, especially the potential cost-savings, and set out to convince my boss. I used all of the arguments in vogue: No instructor to pay, no travel expenses, no lost productivity. He was converted; six months later, we could cite productivity gains, a decrease in turnover, and a more empowered workforce. As for cost-savings, note to self:

Stop laughing.

Many of us have learned the hard way there are few claims as outlandish and unsubstantiated as that e-learning is a money saver. Lately, I've dared anyone to prove e-learning saved their company money, excluding off-the-shelf computer-skills applications. Some responses heatedly quoted the typical PR put out by the *Fortune* 100s; a few were "I'm sure what we said is accurate, but I need to get back to you

with the details"; most were from frustrated professionals thanking me for challenging the myth.

People who argue that e-learning saves money focus most on the elimination of travel costs, faster learning, and decreased time away from productive work. I wholeheartedly agree that off-the-shelf courses on computer skills can provide significant cost-savings over classroom training. As the great learning theorists have said, training is most effective when the skill being taught is learned in the setting in which it will be practiced. But computer skills are only one part of a much larger training picture. The arguments become murkier when teaching other skills, particularly soft skills.

Hmm…

First, let's consider the purely economic aspects of e-learning. Say we're discussing a seminar or simulation from a typical e-learning provider. With classroom training, you incur the costs of sending people to the class or having the instructor brought in-house, as well as the opportunity cost of lost productivity. With e-learning, you need at minimum computers with fast processor speeds, sound and video cards (US$1,000 each), and a T1 line (US$10,000 a month). Though the connection is the norm in many U.S.-based universities and *Fortune* 500 firms, most people who go online still use a dial-up connection. Even employees at well-wired companies frequently beg for faster computers with more storage space.

Hmm. Doesn't that sound more expensive than a few days in a hotel? The argument: "But once you've made the initial investment, you'll never have to make it again, and then you'll realize the cost benefits!" I suspect that the people who make that argument aren't familiar with Sierra's Law: *As*

processor speed gets faster and the average reasonably priced hard drive contains more storage space, the people who make software will find a way to ensure that programs take up more space and require more speed than you have. (Sierra is my golden retriever.)

Let's talk service. Everyone who has an IT department that's seeking more work, please raise your hand. *Hmm.* Not too many hands. Unlike traditional classroom training, e-learning, whether hosted remotely or behind a firewall, requires IT involvement to maintain and upgrade the computers, Internet connections, servers, and software even if you're using a browser. As e-learning applications become more complex, IT assistance becomes more crucial. Who will hook up all of those Webcams and add the plug-ins?

Now let's get down to administration. Most classroom training requires an agreement between a manager and the training company—end of story. When an e-learning solution is brought in, it can take two to three months to sign a contract because of collaboration; there's no such thing as a department acting on its own to select an e-learning platform. Meetings have to involve cross-functional heads; contracts have to be passed through the legal department; finance has to approve the initial outlays; and so on. Still think you're going to see substantial savings? Compare the cost of sending a few employees away for a couple of days to the cost

of having high-priced executives and lawyers in all-day meetings.

Still, you might be able to convince me that e-learning can save money in the long run. Over many years, the time put in by managers might be negligible; the new computers might require only minimal upgrades; and, by some miracle, the need for IT support might be lessened by using an ASP model. But can you prove I'll reap savings due to participants "learning faster" and spending less time away from work? The typical chain of thought: When people have e-learning available at their desks, they don't need to go to a central location at a particular time to learn, and the information is chunked so they can take just the sections they need. Therefore, they'll learn whenever and wherever they want (as long as

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they have access to the Internet). That means the time that used to be spent getting to and from class can be spent working. Voila, increased productivity! But consider your work culture. Aren't you frequently interrupted by calls, emails, and people who drop by? Aren't you more productive when working from home? Would your manager support your spending 30 minutes wearing headphones staring at a video on you PC in the name of learning?

Which is more likely to lead to increased productivity: Spending the 30 minutes of downtime you can cadge learning at your PC how to be a

better presenter, or getting away for a day to take a class offsite? Most work cultures don't support e-learning. When people aren't given the discretion, space, or time to focus uninterrupted for a concentrated period on one task, they will do that task (and others sandwiched around it) poorly. If e-learning is such a productivity booster, why do companies still hold trade shows and executives still attend summits and workshops?

It costs a great deal to create instructionally sound e-learning. Add to that the cost of a mentor or facilitator who's available 24/7 to answer questions. So, where are those cost-savings?

Tell people the real benefits of e-learning:

Respond!

Do you have evidence I'm wrong? Send me an email at sierra@researchdog.com. Anyone who provides concrete evidence of cost-savings realized through e-learning will be quoted in a future column.

● It's the ideal way to provide training on computer applications for people who don't need an instructor.

● It provides a learning option for self-motivated people who will make time to do it.

● It's a great way to increase revenue by providing customer and partner training on product usage and to provide product training to geographically dispersed sales reps and partners.

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