



Duthie Learning

Learning that lasts.



The Economics of E-Learning

Can E-learning save your
training costs?



Learning that lasts.

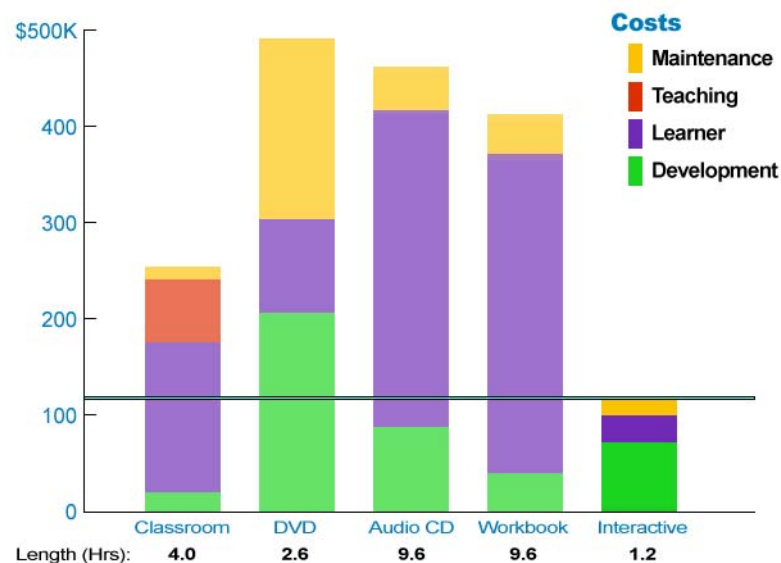
The Economics of E-Learning

By Bob Duthie, June 2005

When development costs for different learning approaches are compared, classroom-based materials require the least expense and video-based materials the most. Moreover, cheaply produced videos are ineffective at commanding and keeping the attention of prospective learners. Properly produced videos require a hefty investment, both in the professional staff needed - videographers, lighting technicians, performers, editors - and the equipment required.

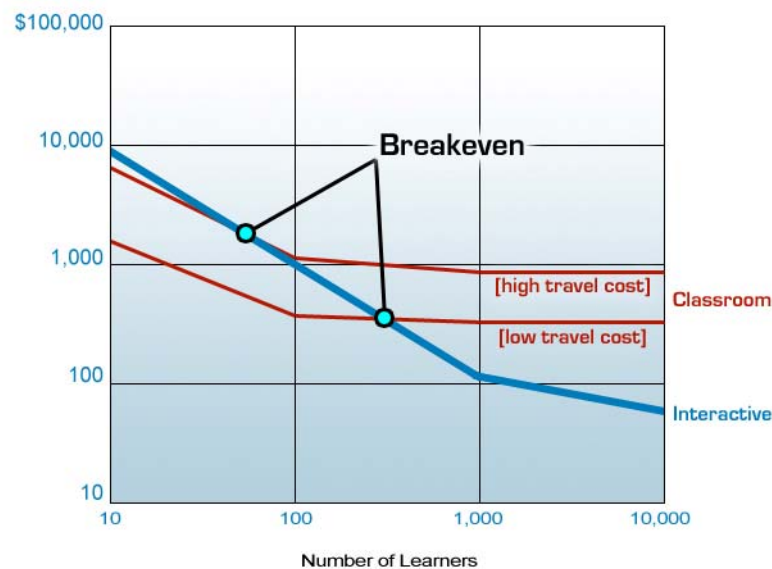
In contrast, interactive training presentations can be crafted by small teams using high-productivity tools such as Adobe Authorware and Flash, saving the client up to two-thirds the total budget needed to achieve the same training objective in a video format.

Total Cost for 100 Learners



While the initial costs of developing interactive presentations are higher than those typically required for traditional classroom training materials, the number of learners to be reached can result in net savings overall. In most situations, an interactive course needs an audience of 65 to 200 learners in order to beat classroom-based training on total cost per learner. If you would like a study of the potential savings for your particular situation, please call or send us an email to request a short consultation, during which we will analyze your numbers and advise you on approaches to your training needs.

Dollars Per Learner



Electronically accessible resources can also reduce travel and payroll expenses, given that classroom-based training often requires gathering employees from multiple locations, is generally conducted “on the clock,” and frequently pulls employees away from their regular duties. In addition, given the ease of administering and distributing changes and updates to online courses as compared to manuals, an e-learning-based approach to information management can help your company save money on supplies and reduce waste.

Lastly, be aware that your investment needs to be protected over the long term. Request full rights to the final work , source code and any proprietary tools used so that updates can be made by your staff or any qualified developer.



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About the Author

Bob Duthie graduated in Engineering Physics from Queen's University in Kingston, Ontario, Canada. Bob has 27 years experience with GTE and Northern Telecom in R&D, product management, new business development, and general management. Prior to starting his own firm in 1989, he was Vice President Business Development at Northern Telecom Inc.

About the Company

Duthie Learning develops custom, interactive online courses that assist clients in training employees, customers, prospects, and suppliers. The firm combines business experience with computer and communications technology. Since its inception, the firm has completed over 600 projects.

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Bibliography

Source: Company estimates. Cost model developed based on Richard H. Brandt's 1987 Videodisc Training: A Cost Analysis, Future Systems Inc. publishers of the Videodisc Monitor.