



Calculating the Cost Savings Associated with e-Learning

careLearning and more broadly, e-learning in general, provides technology-based tools that enable organizations to deliver education online via the Internet. Cost savings and Return On Investment (ROI) can be important factors in your e-learning investment. Cost savings such as expense, workers compensation, turnover, productivity etc., vary substantially from one organization to the next. This is due in part to the variation in the needs of the organization and how the organization handles its education today. This instructional guide is offered as a tool to assist your organization in identifying opportunities for cost savings and defines a method of calculating some of these savings. It is important to note that there is no “one correct way” to calculate Return on Investment. Formulas such as Net Benefit, Benefit Cost Ratio (BCR) and ROI % are but a few examples. Also keep in mind that not all calculated cost savings are transferred to the bottom-line. These “savings” may instead allow for the ability to focus those limited education resources to more meaningful educational sessions like improved patient quality of care and safety.

Opportunities for Cost Savings

An organization that deploys an e-Learning solution, could expect possible cost savings in:

- Reduced training expense
- Reduced staffing expense
- Reduced reporting and record-keeping expense
- Reduction in fines and penalties from the numerous regulatory agencies
- Reduction in training time
- Reduction in orientation time
- Reduction of costs for printing educational materials
- Improved staff performance
- Increased consistency of training materials
- Increased utilization of existing hardware





Evaluating e-Learning For Your Organization

Understanding the benefits and cost savings of e-learning is critical in developing sound business strategies for the future. Because e-learning is still considered to be in the “early adopters” stage of its life cycle, it is critical that each facility fully understand the cost savings associated to this education investment and new business strategy. Each facility is unique, therefore; each facility will have different cost structures associated to the current training components.

To fully analyze and determine true cost savings each facility must develop a training cost worksheet that documents each component of the current training method. This information should include the unique components necessary to deliver, manage and document the current training methods and associated costs. These figures can then be compared to the cost of implementation of *careLearning*.

After completion of the cost analysis, a discussion must take place to determine how your facility would implement an e-learning solution.

- Some organizations find the need and savings so apparent that they implement the e-learning program all at one time.
- Others sometimes find that rolling an e-learning solution out one department at a time over a period of 6-12 months more appropriate.
- While a third group may discuss which departments have the greatest need for e-learning and which departments may act as the pilot groups for an e-Learning trial for their organization.

Once a strategy has been developed, an organization can readily calculate the costs associated with the proposed e-learning solution. But, there are other considerations in addition to these costs. How rapidly deployment will take depends on things such as purchases of computers, upgrades to current computers, and Internet access availability and costs. A member of your IT department should be apart of your e-Learning task force. A member of the *careLearning* team is always available to share the implementation strategies and experiences of other organizations. Hearing about others experiences is one way to assure a smooth rollout and choosing a solution that makes sense. Choosing an e-Learning company that has these experiences and allows for flexibility without additional costs is another.