

Show me the money!

This article is for your own private use as a thanks for completing the Towards Maturity Impact Indicator survey. It will be published in the press at the end of January 2010.

When it comes to bottom line business results – do learning technologies actually deliver? New independent evidence from Towards Maturity (launched at LT2010) sheds some light!

In the last edition of Inside Learning Technologies, we spoke about the letting the numbers speak for themselves – all of our research highlights that demonstrating value back to the business directly impacts business engagement and helps to deliver results from investment within learning technologies. And we were not alone in this call for relevant metrics– Jay Cross, Piers Lee, and several others also wrote about the need to have valuable business metrics if we are to engage businesses in this new era of next generation learning.

There is clearly a lack of solid independent evidence that learning technologies can actually help to deliver more for less. This means that many new to learning technologies could be at the mercy of vendor hype at one extreme or may be tempted to throw the baby out with the bathwater at the other extreme.

Increasing reliance on learning technology

Over the past few years, Towards Maturity have looked at the drivers behind learning technology investment in the workplace. In 2007 the top drivers for investment were primarily linked to improving the delivery of learning and development - delivering flexible, accessible learning at a reduced cost with improved administration were the top drivers. However as the recession started to bite, the 2009 survey highlighted that organisation's expectations were considerably higher – they were not just looking for improvements for learning and development but were looking to add value to their business and to the individuals within the business as well. Improvements to induction, productivity, organisational change, staff retention were as likely to be mentioned as the learning benefits previously stated¹

¹ From Driving Business Benefits, Towards Maturity Jan 2009

We are expecting new approaches to add value to the bottom line, but are learning technologies actually delivering?

Late last year, we set out to investigate this question through with a number of objectives in mind:

- Can we clarify the extent to which learning technologies are helping L&D professionals
 - Delivering basic efficiencies i.e. more learning for less cost?
 - Deliver additional tangible, relevant business results to their organisations?
- We need to consolidate opinion in order to cut through potential hype that inevitably surrounds technology innovation
- We wanted to develop an independent evidence base that will
 - support organisations looking to make appropriate business decisions regarding learning technologies
 - help organisations engage management teams and decision makers

Gathering this information would not be easy. The varied drivers behind investment in learning technologies mean that what is important to one organisation isn't necessarily important to another; the wide range of learning technologies employed may influence the results. The lack of robust or consistent measurement practice (in learning and development as a whole) meant that we are reliant primarily on opinion – even when there is robust measurement, often companies are reluctant to divulge sensitive information! Our previous research with over 700 organisations also shows that implementation maturity also influences the impact of learning technologies in an organisation.

Given the nature of these challenges (and the reluctance of time starved participants to allocate precious resources to independent research), we believed that it would be inappropriate to isolate the impact of learning technology in a learning solution or to dig into maturity of implementation practice (covered in previous studies).

However, following discussions with a number of prominent L&D experts and supporting partners such as the Learning and Skills group, BILD and e-Learning network, we believed that the collective views of a significant number of participants would provide a useful indicator of the value that learning technologies can deliver to organisations.

We conducted an online survey in conjunction with our partners and supported by Becta as part of their Next Generation Learning in the workplace programme. 195 organisations participated from a wide range of sectors including transport, health (both 7% of sample), IT & Telecoms (11%), Education, business services, public sector and finance (each 12% of the sample). Participants in this survey reflected a range of maturity from embedded (10% of the sample), established (33%), developing a strategy (35%) and sporadic users (21%).²

The results of the Towards Maturity Impact Indicator will be launched in full at Learning Technologies 2010 but here is a snapshot of some of the key findings!

Delivering more for less –you get what you measure!

Whilst saving money and delivering more learning are not necessarily the only measures by which learning technologies should be judged, they certainly are useful indicators when efficiency is one of the key buzz words as we climb out of recession.

Does investment in learning technologies increase the volume of learning delivered or both? Which tools are more likely to reduce cost or improve volume?³

- > To understand the core question of cost reduction, it was useful to establish which of the participants actually measure cost savings (comparing learning technology costs with previous methods) and which are basing their opinions on estimates. When asked, we found that only 29% of the participants actually measure the budget that they saved as a result in investing in learning technologies which is surprising given the current economic climate

Many concerns around opinion based research such as this is that participants are often likely to exaggerate the benefits that they have found. We segmented the participants views on cost saving and volume of learning delivered based on the 29% who measured budgets (and are more likely to have answers based on facts) vs. the 71% who did not (and are more likely to estimate and possibly exaggerate their answers).

Across the whole sample we found that all of the technologies investigated had a positive impact on both cost reduction and increase in volume of learning delivered. We also found that the group who actually measure cost saving consistently report more cost and volume benefits than those that relied on estimates.

² Find out more about these maturity levels established via the Towards Maturity Benchmark research over the past 5 years at <http://tinyurl.com/TMbenchmark>

³ The full results of this study, including comparisons of cost and volume efficiencies across technologies is available to download at <http://bit.ly/TMImpInd>

For example figure 1 highlight that a significantly larger proportion of the group that measure budget impact are likely to report a cost reduction of 25% or more from the use of learning technologies than those who do not.

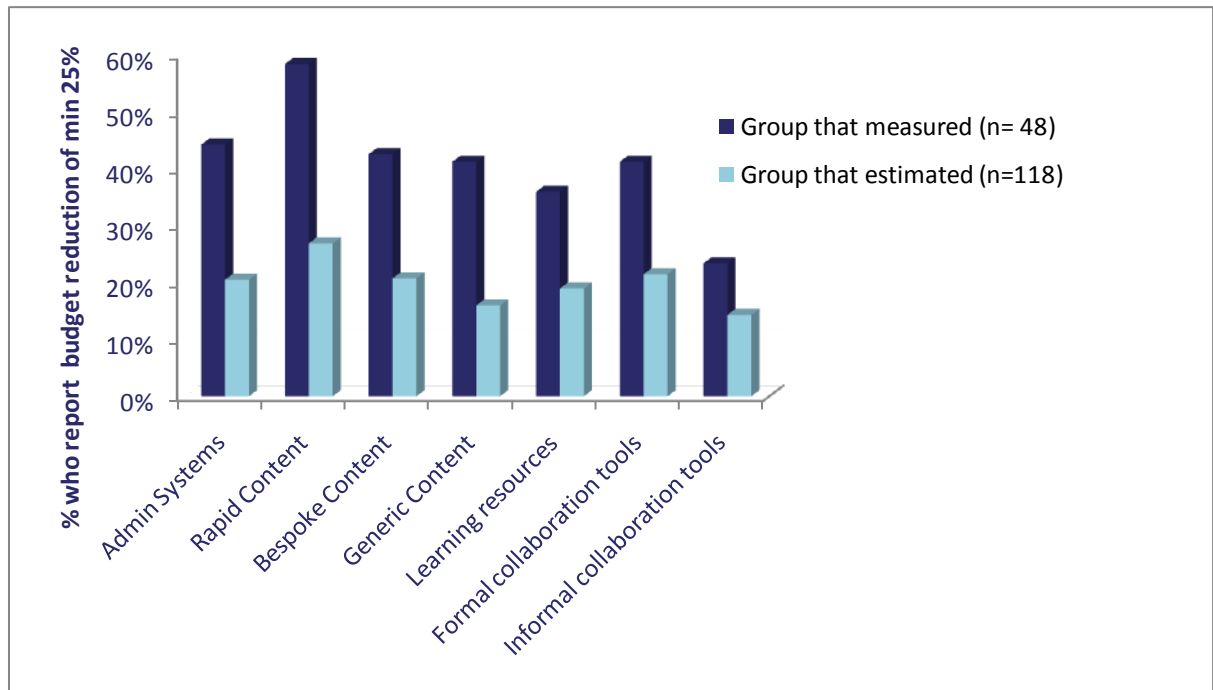


Figure 1 - cost efficiencies reported by those who measure budget saving vs. those who estimate

We were able to dig into those technologies likely to deliver cost savings and those more likely to deliver volume efficiencies (not necessarily the same) and you can find out more by downloading the full report.

There may be many reasons that organisations do not collect this type of efficiency data – lack of time, unwillingness to provide a disproportional focus on cost (highlighting that learning technologies are merely a cost cutting exercise). However the more mature users are more likely to put measures in place - we found that the more mature were 2.5 xs as likely to measure budget savings compared to both the developing and less mature users.

This finding certainly backs up the mantra that what gets measured gets managed. If an L&D department needs to demonstrate efficiency improvements to senior management, they will be able to demonstrate significantly more improvement if they measure it rather than estimate it.

Time is money

We asked, when compared with other learning methods, what impact has technology had on the study time of learners?

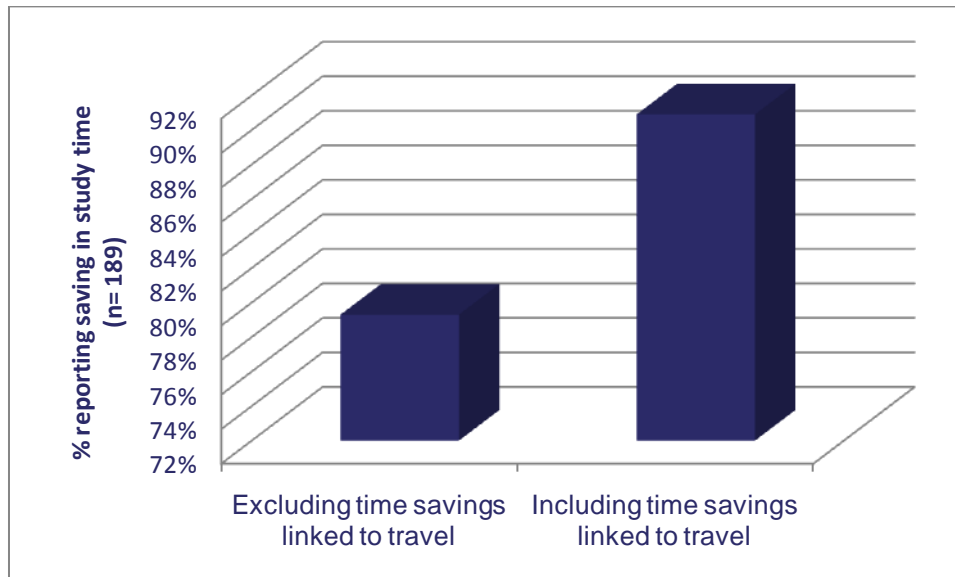


Figure 2- Savings on study time

Figure 2 highlights that 79% of participating organisations said that study time was reduced when learning technologies - 30% of the total sample said they were saving 50% **or more** of study time. And that was without adding the time saved travelling. When travelling time was added to the time savings, 91% of participants said that they were able to save time compared with other learning methods, with 45% of the total sample saving 50% or more.

A word of caution!

Learning technologies are delivering cost savings, time savings and increasing the volume of learning delivered and this study helps us to quantify those efficiencies. These statistics, primarily concerned with learning inputs, may help organisations to support a business case. However, if the technology is not actually helping to deliver learning then that investment is completely wasted!

Whilst difficult, we wanted this research to shed some light on the perceived improvement on learning outputs as well – the issues that really matter to organisations.

Improving Business agility

Business agility is defined (in Wikipedia) as the ability of an organisation to adapt rapidly and cost efficiently in response to changes in the business environment. This is a significant output of effective learning in the current economic climate and something that technology has the potential to contribute to. We considered 2 aspects that might contribute to business agility influencing the time to competency and the ability for of L&D professionals to respond faster to changing business needs.

So, does introducing learning technologies in the mix impacted the time that staff reach and prove competency in their jobs? 20% of the sample did not measure time to competency but figure 3 shows that 69% of the remaining 153 participants reported that time for staff to reach and prove competency in their jobs was faster. The majority (57%) said that competency was reached (and proven) more quickly than before but were unable to quantify by how much, but an additional 12% were able to comment that staff were reaching time to competency in less than half of the time as a direct result of implementing learning technologies.

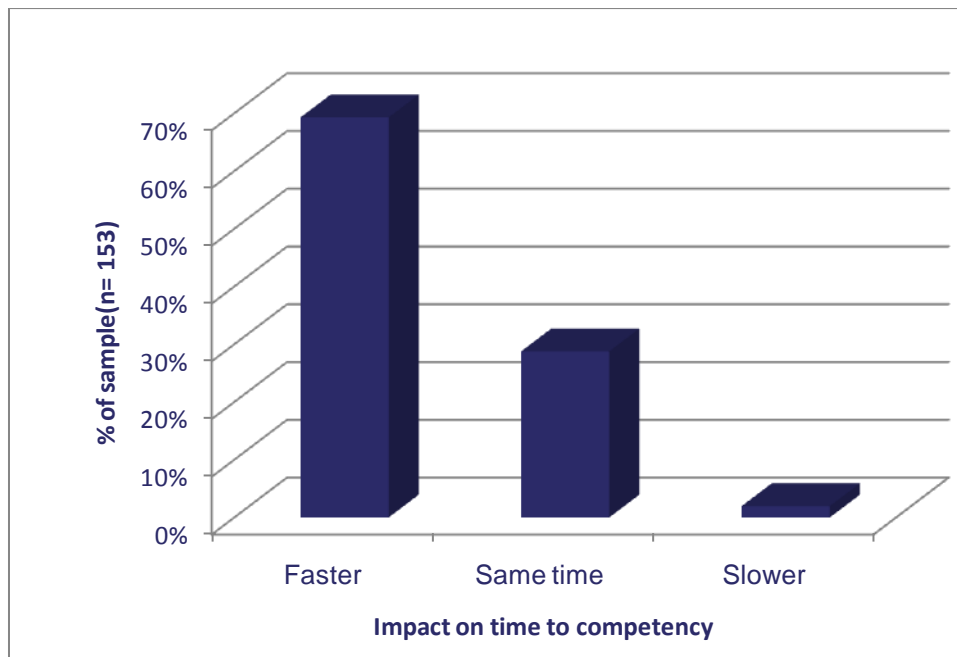


Figure 3 – Learning technology impact on time to competency

Mature organisations are 65% more likely to report that staff reach and prove competency faster than those that are less mature.

Similar patterns were reported for response time highlighting that, when used appropriately; learning technologies can speed up learning outcomes and the time it takes to respond to changing business challenges.

The study went on to investigate other indicators of business success –Figure 4 provides some of the highlights. In the main study, we also report on those that do not report any significant difference as delivering the same outcomes but with improved efficiency (as outlined above) is an important factor.

The study also highlights the way that these success indicators are perceived by management – you can find out more by downloading the free report.

Figure 4 – Impact of learning technologies on Learning outcomes

- 68% say that efficiency in demonstrating compliance has improved
- 59% report an improvement on the organisations’ ability to implement change in product or procedures
- 53% now roll out new IT systems faster
- 44% report an improvement in staff satisfaction and engagement
- 32% report an improvement in customer satisfaction measures
- 20% report revenue increases

NB these figures only represent those that report an improvement and do not include the figures where no significant difference is reported or those who say that the outcome is relevant to them but not measured – see full report for details.

We hope that you find the indicators within this research useful in helping to build your own business case but whilst these numbers may be helpful, the true value is only achieved via successful and appropriate implementation – using technology in the right place at the right time in the right way!

Find out more:

- The Towards Maturity Impact Indicator is part of our Evidence for Change programme and will be available for download for free at <http://bit.ly/TMImpInd>
- For specific examples of e-learning implementations that deliver tangible results go to our Evidence for Change page at <http://tinyurl.com/TMe4c>
- For free resources to help improve the impact of learning technology in your workplace – www.towardsmaturity.org
- Meet us on stand 107 or join us for the launch of the full results during the Learning Technologies exhibition. See www.learningtechnologies.co.uk for more details.