Does e-learning click?
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WITH shifts around the clock, seven days a week, finding training time for 1800 staff at Brisbane's Conrad Treasury casino is a scheduling nightmare. With millions of dollars at stake every night, the operation needs its staff to be on top of all procedures. The casino turned to e-learning as a flexible means of shoe-horning training into staff work schedules. Last year, it piloted custom-built e-learning courses in occupational health and safety, responsible gaming, harassment and fire and emergency evacuation.

Such was the success of the operation, the programs, from TheCyberInstitute, are being made available to all staff this year, Conrad workplace development manager Vicki Barlow says.

"People are very happy with it and like the flexibility. If they can find half an hour of downtime on the floor, they can just whip away to a computer at the back and do some training and, if needed, go back to the floor," she says.

E-learning is growing because of its convenience for staff, who in today's fast-paced business world may not be able to leave their desks for a more traditional face-to-face program.

The concept has been around for a while but, like many new technologies, it had its share of sceptics after a shaky birth.

Marcus Bowles, author of Relearning to E-learn: Strategies for Electronic Learning and Knowledge, says the market is worth about $650 million in Australia, but statistics are hard to come by.

Another problem is defining e-learning. "E-learning is anywhere information and communication technology is used in the learning process," Bowles says.

"Some people would say online content and some wouldn't include CD-ROMs."

He says early adopters had a lot of difficulties, but a new generation of providers is offering low-cost products and services.

"It sounded good," he says. "They said they could do it, and you'd spend your million dollars and expect to get a solution, but 18 months into it people would still be trying to get it right," he says.

There are, however, "excellent Australian companies that don't have a strong list of current buyers but provide very tailored, accurate solutions".

The huge variation in costs in e-learning is a concern, Bowles says.

Conrad's Barlow says the casino spent about $20,000 on courses, after much research, and expects "significant return on investment this year".

"We looked at a lot of providers and were amazed at the range of pricing for products, but we were very concerned with the learning instructional design," she says.

"At the end of the day we had to assess the instructional design, and not just settle for looking at a jazzy website."
Australia-New Zealand online learning services head Scott Mahoney says the best delivery mechanisms are important, not just return on investment, "because that can massively alter your total cost base".

More organisations are looking to "aggregate" their needs with similar organisations in a non-competitive way, and suppliers are doing likewise, he says. There has been some consolidation in the e-learning sector in recent years.

Companies interested in e-learning face a maze of services, ranging from off-the-shelf packages available in computer stores or websites to custom-built services provided by a plethora of suppliers.

"If you've got a very small organisation, the cost of setting up a complex, tailor-made e-learning program is probably going to be prohibitive, but there's quite a number of generic programs," says Troy McGilvery, general manager of TheCyberInstitute, a subsidiary of the Australian Institute of Management. TheCyberInstitute, for example, offers a range of leadership and management courses on the web, including small courses starting at about $35, facilitated three-to-four week programs at $450, and 14-week programs at about $1200.

"You can develop tailored content for between $5000 and $10,000 to do something small with limited modules.

A full program with tailored content can cost anywhere from $50,000 to $100,000," he says.

Return on investment is of paramount concern to companies. E-learning advocates often say there are two components to take into account when looking at e-learning: the straightforward financial costs and the less tangible effects, such as employee behavioural change, reduced absenteeism, improved performance and increased customer satisfaction.

If a company is delivering courses in a classroom across a region, for example, it's relatively easy to do an RoI analysis, on cost savings if classroom training is replaced with electronically delivered learning, Click2learn chief executive Con Kittos says.

"The more difficult part lies in measuring additional contributions to the business: for example, how do you measure the effect of higher and more relevant education on your employees? "It's very difficult to measure how more relevant information and education to your employees translates into profits."

Companies need to know what they want to get out of e-learning.

A survey by the Australian Human Resources Institute and Click2learn finds almost 50 per cent of nearly 700 HR professionals do not have an adequate understanding of e-learning, but almost 90 per cent say it can be used to improve productivity.

Mahoney says more organisations are seeing that the value of online learning is not necessarily just deploying content online, but managing enrolment in and completion of all courses online.

He says companies considering e-learning need to consider four aspects: strategic objectives, learner objectives, sourcing strategy and delivery or execution strategy.

McGilvery says measuring RoI is one of the first questions that gets raised in e-learning discussions. "That question gets asked in the e-learning game a lot more than in the traditional game," he says.
He often replies by asking the questioner how they measured traditional programs in the past, to draw an analogy.

"A lot of the cost of e-learning needs to be up-front: to establish programs, to invest in technology, to invest in some change in management and ongoing cost of roll-out over time.

"That's probably where scepticism or concern starts to be raised," he says.

The scepticism may have something to do with the past. When e-learning first made waves, the reality fell short of the hype.

Companies that invested big dollars in e-learning schemes often saw it as a cost-cutting measure, concentrating on the technology rather than exploring the underlying issues it was designed to tackle.

Click2learn's Kittos says the hype is gone "and there are practical examples around the world of how the technology works and makes a difference".

Among some companies, particularly those that were burned in the past, scepticism lingers.

"In the past, there was inconsistency in the way products were being priced and offered to deliver outcomes to a client.

"Many organisations were very short-term focused: get in quick, make some money and leave a trail of destruction behind," Mahoney says.

"There have also been some very good players that have been very ethical and have actually been hurt through that.

"They're the long-term players, focused on the client, providing value and doing that as an ongoing service."

Mahoney notes three types of vendors in corporate e-learning:

ERP vendors with a large and loyal following.

Small companies with one or two employees that have "built a course or a system to deploy a course, and doing it at very low cost. Some of the functionality is fairly limited, but it suits a particular niche such as one-off training events".

An "interesting space" made up of learning management system and content vendors that offer standalone systems.

"These vendors are being squeezed from the top end of town, by the big ERP vendors, and at the bottom end of town," Mahoney says.

"The mid-sized vendors are being squeezed by the small companies, which are offering things at very low cost. That leaves the mid-tier vendors in a fairly delicate position."

Worldwide Centre for Organisational Development chief executive Jon Warner divides the e-learning world into four spheres: learning management systems, content learning, and diagnostic and other areas such as administration.

He warns the problem with content development is that it has been "particularly uncreative", with people often using online media to make electronic versions of what existed already in paper form "without much thinking about the medium".

The realm of online diagnostics and questionnaires is huge, and his company uses such tools extensively.
"What I like about this is that we're making the best use of what the internet can do, and because you can render it so quickly it is incredibly powerful."

The quality of the information is also very good because of the algorithms. "You can be quite intelligent about patterns of response you get, in a way you could never do on a paper instrument," he says.

"I think that's why it has grown."

Big areas of take-up in Australia at the moment are online content and content management, according to Bowles.

Leadership and compliance are the big-budget areas for content and development.

Gartner principal analyst Dean McGhan says financial services and communications companies are big users of e-learning.

The e-learning sector - worth about $US6.6 billion ($9.5 billion) and forecast to grow to $US23.7 billion by 2006 worldwide - is growing by about 5-8 per cent annually in Australia, he says.

McGhan says a trend in e-learning is mobile delivery to portable devices, such as PDAs, notebooks, laptops, etc.

E-learning does not have to mean the end of traditional face-to-face teaching.

Blended solutions, including e-learning, multimedia, collaboration online and face-to-face learning are popular, IBM business consulting service learning practice leader Amy Poynton says.

Blended solutions take components out of each learning style and offer advantages, such as catering to different learning preferences, he says.

With a recent IBM global survey showing growth is back on the agenda, Poynton says, chief executives are concerned about employee skills.

A CyberInstitute survey conducted last year also shows increasing interest.

It finds that 44 per cent of respondent organisations have invested in e-learning, and 72 per cent plan to invest in the next two years.

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