

## Jump Start Skills Development via E-Learning

In today's global economy, "time-to-market" is one of the most important factors in corporate success. It is a pillar of business performance improvement, so it becomes absolutely critical that effective skills development be deployed quickly across a workforce. Using e-learning is one of the most effective ways to make this happen, both from a cost perspective and in the number of people who can be trained in a relatively short period of time.

In a recent Caterpillar University study, published at [www.learningcircuits.org](http://www.learningcircuits.org), comparisons between e-learning and traditional classroom delivery showed that e-learning classes:

- were 40% less expensive than instructor-led classes, even in relatively small classes of under 100 trainees learning in one-hour time blocks;
- provided greater flexibility, allowing classes to be delivered just-in-time and to more people over a shorter time frame; and
- made the subject matter more consistent, more efficiently delivered, and more easily updated.

The same study showed that, with a larger audience learning more material (i.e., more than 100 trainees in four-hour classes), e-learning could garner savings of up to 78% over traditional classroom training.

In another study conducted by Ron Kustus on [www.school-for-champions.com](http://www.school-for-champions.com), the return on investment for e-learning, computer-based training, and web-based training versus traditional classroom training was demonstrated with the following chart\*.

	<i>Classroom Training</i>	<i>E-Learning</i>
<i>Trainee wages (\$20/hr, burdened)</i>	<i>\$ 400,000</i>	<i>\$ 240,000</i>
<i>Travel costs (50% of people traveling)</i>	<i>\$ 250,000</i>	<i>\$ -----</i>
<i>Trainer wages</i>	<i>\$ 47,500</i>	<i>\$ 11,400</i>
<i>Trainer travel</i>	<i>\$ 20,000</i>	<i>\$ -----</i>
<i>Development costs (custom training)</i>	<i>\$ 160,000</i>	<i>\$ 400,000</i>
<i>Delivery systems (first year amortized)</i>	<i>\$ -----</i>	<i>\$ 35,000</i>
<b><i>Totals</i></b>	<b><i>\$877,500</i></b>	<b><i>\$686,400</i></b>

\*Assuming a traditional classroom training plan that includes 500 trainees who each experience a week of training, travel for half of them (250 employees), the time constraint of a 3 month roll-out (5 trainers, 10 locations) - all compared to an equivalent e-learning scenario using very conservative assumptions, including an opportunity cost rate of \$400 per day.

These figures indicate that the e-learning approach, given conservative assumptions, saves approximately 20% in the first year of implementation. In the second and later years, when development costs are not a factor for this course, the savings for e-learning grows to nearly 50%. In addition, the computer-based training or web-based training, once deployed, can be rolled out in half the time.

Of course, e-learning is not a stand-alone solution to skills development across a workforce. E-learning can cost-effectively provide fundamental information and skills needed to prepare an individual for performance, but it does not address specific scenarios or situations faced on a day-to-day basis. This is where blended learning plays crucial role.

In her article *Blended Learning: Why Everything Old Is New Again—But Better*, ([www.learningcircuits.org](http://www.learningcircuits.org)), Caroline Gray identifies “Four Stages of Learning:”

1. initial knowledge or skill acquisition;
2. increased knowledge or skill proficiency;
3. ability to apply knowledge or skill in simple situations; and
4. ability to apply knowledge or skill in increasingly complex situations.

She provides the following model to show how training needs at each stage can be addressed via blended learning.

Stage	Description	Goal	Learning tools and instructional strategies
1	Initial knowledge or skill acquisition	To assess the learning need, then teach skills and knowledge	Assessments or diagnostics, e-learning, self-study, mastery cards, job aids, information access systems, examples, analogies
2	Increased knowledge or skill proficiency	To improve understanding of the context for performance, and to test proficiency	E-learning tutorials with practice exercises, modeling and testing
3	Ability to apply knowledge or skill in simple situations	Involve participants in simulated simple situations and provides feedback on responses	Interactive multi-media, simulations, projects, practice exercises, workshops, role-plays, mentoring, lab work, monitored on-the-job application with performance coaching
4	Ability to apply knowledge or skill in increasingly complex situations	Involves participants in complex situations where they must problem-solve and react instantly to changing circumstances, and offer feedback on their performance	Mentoring, coaching, expert presentations with group discussion and practice, case studies, advanced workshops and simulations, videotaped skill practices

This modular training approach allows e-learning to provide knowledge and skills development (initially and incrementally), along with workshops, coaching, and other exercises to help apply them. In a corroborating presentation on [www.astd.org](http://www.astd.org), Scott Dade of Bank of America reported that using blended training produced a 115% return on investment when applied to his company’s training needs.

A blended training approach to improving business performance clearly can prove advantageous for many organizations and this is the basis for USC Consulting Group’s (USCCG) M-Abler® training. It provides a solid platform for building Lean awareness across the workforce, and then instructs trainees in the various Lean concepts and techniques. It is an excellent way to establish the initial knowledge base, as well as providing further skills and principles. And, since USCCG has already developed a generic Lean curriculum, development costs

are significantly less than outlined above, even if M-Abler is customized to fit an organization's own verbiage – making the total investment at least 30% less than standard classroom training.

USCCG also offers workshops, exercises, coaching, and project management, which can vastly enhance the value of M-Abler by providing the right mix of skills, knowledge, and abilities needed to most effectively develop workforce skill sets in many areas.

*Tampa-based USC Consulting Group is an independent management consulting firm with nearly 40 years' experience in the area of business performance improvement. The firm excels at operational effectiveness and offers an array of services that include Six Sigma, Lean transformation, supply chain optimization, process optimization, logistics, training and modeling. For more information, visit [www.usccg.com](http://www.usccg.com) or contact the company by phone at 800-888-8872.*