Executive Summary

In this growing age of “Big Data,” decision-makers on all levels are clamoring for business-driven data regarding the effectiveness of human capital investments. Hard quantifiable evidence, like business impact or ROI, can be complex and seem out of reach especially in the face of rapid change and constrained L&D resources. Just like the stakeholders in your organization, Skillsoft is an external stakeholder that proactively seeks results to ensure we continue to deliver on our legacy of value. To put clients on the fast track to powerful insights illuminating core strengths and opportunities, we are pleased to offer a simplified process and toolkit called the Impact Analysis. This paper introduces the Impact Analysis and shares some of the key findings we’ve uncovered since its inception in 2008.
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The path to impact using off-the-shelf elearning

Learning impact is the product of instructionally sound content that delivers on solid reaction, learning and application objectives; however, the path to impact expands somewhat when digital off-the-shelf content is in play. Reaction, learning and application remain essential. But, if those elements are already covered in the design of the asset itself, what must the “curator” (usually Learning & Development) of those assets do to promote a positive return on the hard dollars invested in the content?

After extensive study of our growing global customer base, Skillsoft sees a defined set of building blocks emerge to provide this critical “how-to” expertise. The four building blocks fueling rich value are Engagement, Alignment, Adoption and Value (Figure 1). When the building blocks are activated, strong value is delivered. When one or more of the building blocks is weak or absent, positive results are still possible but they are constrained unnecessarily and waste can occur. In some cases, waste is so high that program funding becomes at risk or is lost.

Skillsoft brings know-how and tools to aid L&D clients in gaining powerful insight into the strengths and opportunities of their current implementations in these four critical areas. The Impact Analysis is recommended to examine your unique elearning investment and define what’s working and what needs improvement. With this information, an action plan can be created to build meaningful value; stakeholders can buy-in to better engage, align more tightly, lead adoption and create strong value.

Four Building Blocks

- **Engagement**
  - Value objectives defined upfront with stakeholder buy-in
  - Annual success criteria is defined in order to deliver progress toward the value objectives

- **Alignment**
  - Learning solutions aligned to enable value objectives
  - Context is key (right people, right content, right time)

- **Adoption**
  - Marketing of how learner performance expectations contribute to organizational value objectives
  - Accessibility and visibility are vital

- **Value**
  - Demonstrate impact against the value objectives
  - Outcomes are optimized through the quality of engagement alignment and adoption efforts

Figure 1: The four building blocks are the result of Skillsoft experience of health indicators tracked over a three year period from 2011 – 2013.

Skillsoft Impact Analysis Findings

- **58,800**
  - Individual respondents (end users) participated from North America, EMEA & APAC

- **$800**
  - Estimated (self-reported) instructor-led alternative cost

- **2:1 Ratio**
  - Online learning delivers content in approximately half the time as classroom

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1 Source: End users estimated the cost of an instructor-led alternative based on the content they pursued.

2 Source: eLearning Advantages, compiled by Karl M. Kapp, Ed.D., CFPIM, CIRM, Assistant Director, Institute for Interactive Technologies, Bloomsburg University
Changing the conversation with the Skillsoft Impact Analysis

According to industry research, the average corporate L&D department has 4-5 staff per 1000 employees. This requires L&D teams today to seek continuous improvement in operational efficiency. In learning, however, solution effectiveness is equally important so cost balanced against benefits is an essential comparison. Further still, stakeholders funding and supporting learning expect to see business results yielded from investments. The realities of constrained resources, rapid change and limited program return experience cause many teams to struggle to provide metrics and evidence supporting these critical categories. Skillsoft can help.

The Impact Analysis is designed as a low burden, estimate-based, rapid analysis requiring limited client-side resources. When applied in the right environment, the key findings can serve as the “voice of the learner” and speak to the business effects realized through adopting elearning as part of the culture.

Additionally, the Impact Analysis provides useful and powerful insights the L&D team can quote when promoting its stewardship of resources (efficiency), effect across the employee base (effectiveness) and positive influence on key business metrics (outcomes) such as increasing productivity or increasing quality. With these types of measures, L&D can change the conversation from inputs, such as activity summaries, to impact stories upon which decision-makers can draw conclusions and take action.

What kind of results should we expect?

For clients without an existing evaluation strategy or one that focuses largely on activity metrics and reaction, the Impact Analysis offers a fast-track to insights representing the strengths and improvement opportunities related to the Skillsoft investment so more business impact can be derived. The image below contains of summary of the metrics considered via the Impact Analysis. (Figure 2)

Gain Insight in 3 Key Areas

- Operational Efficiency
  - Hard cost displacement
  - Opportunity cost
  - Reach
  - Cost per user
- Content Effectiveness
  - Application rate
  - Skill gain
  - Relevance
  - Satisfaction
  - Motivation
- Business Outcomes
  - Influence on key outcomes
  - Benefit-to-cost ratio

Figure 2: The Impact Analysis is a fast-track approach to gaining insight into key efficiency, effectiveness and outcome measures.

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3 Bersin’s 2014 Corporate Learning Factbook
4 Source: Challenging the Status Quo: A Smarter Approach to the Global Talent Crisis, Kieran King, Skillsoft Corporation, 2013
Since 2008 hundreds of analyses have been completed, creating a sizeable body of data from which Skillsoft has established a set of typical results called benchmark averages. Skillsoft does not normalize or statistically validate the benchmark averages to provide scientific validation. Our benchmark averages serve as a common point of reference to create confidence that the feedback from your population is, generally, in step with other clients.

Published averages include:
- Sample size
- Average % relevance
- Satisfaction rate
- Motivation
- Influence on outcomes
- Average % skill gain
- Time savings
- Average alternative costs
- Application rate

Some of the above measures were studied in depth as part of a 2013 research study comparing Skillsoft’s effectiveness to classroom and other elearning. The results derived from that macro study are summarized in the Why Skillsoft Elearning is the Smart Answer infographic.

How the Impact Analysis works

Skillsoft Learning Consultants play a vital role in helping your organization adopt the Impact Analysis approach with comfort and confidence. As part of our core service, Learning Consultants facilitate the four steps within the process and share a stake in the process by owning key deliverables, collaborating closely with your team to execute and managing the project to ensure its completion. Further, our team will advise ways to capitalize on the results to craft a compelling story describing the value accrued to represent the strengths, opportunities and action plan associated with the Skillsoft investment.

The graphic below outlines the key stages of the standardized process for conducting an Impact Analysis and provides high-level guidance in terms of timelines and roles.

Primary reason for using Skillsoft online learning in ranked order according to respondents:

1. Career development
2. Continuing professional education
3. On-the-Job training
4. Productivity
5. Required training
6. Certification

Respondents cited positive influence on key business outcomes as a result of using Skillsoft.

Below are typical business outcomes ranked in order of strongest influence:

1. Increased quality
2. Increased employee satisfaction
3. Increased productivity
4. Increased customer satisfaction
5. Decreased costs
6. Decreased cycle time
7. Decreased risk
8. Increased sales (revenue)

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Ensuring the Impact Analysis is right for your organization

Estimating the credible impact of a training program can be a difficult. The exact value will never be known, just as the impact of an advertising program will never be known precisely. However, reasonable estimates are a generally accepted technique for measuring learning’s impact as well as for decision making in other parts of an organization. Sales forecasts, growth estimates and the like are used daily to make choices about how dollars should be spent. In that same spirit, the Impact Analysis is not intended to provide an exact impact figure. Rather, it is designed to produce a credible estimate based on conservative values obtained from a survey of the program participants.

Before implementing Skillsoft’s Impact Analysis process, it is vital to define how applicable and accepted this approach is for your circumstance and organization. To assure the Impact Analysis process is a good fit, the following assumptions should be considered in advance of implementation:

1. The Impact Analysis has potential to deliver insights and estimates including cost displacement, time savings, influence on business outcomes, satisfaction, motivation, application rate and skill gain within its scope.

2. Employees generate results that have monetary value to the organizations that employ them, so results should be monetized whenever reasonable.

3. Employees differ in the degree to which they produce results even when they hold the same position and operate within like circumstances, so averages will prevail.

4. Since program durations can vary, durations defined in the analysis are based on averages and comparisons will be made based on accepted industry averages.

5. Skill gain is calculated based on the estimated average gains reported by the most credible source for the estimate, usually the end user.

6. By nature, self-reported figures tend to inherit a positive bias. Therefore, the learner self-reported figures in the calculator have been reduced 35% in order to conservatively compensate for self-reported bias.6

The Learning Consultant will review these assumptions with you as a first priority in the planning process to ensure the metrics and approach are accepted and understood prior to the start of the engagement. If, for some reason, the Impact Analysis is not right for your organization our Learning Consultants are prepared with alternative recommendations including leveraging existing internal processes, referrals to outside partners and more.

6 35% adjustment recommended by KnowledgeAdvisors, the world’s leading human capital analytics firm
The next step: driving even more efficiency

When efficiency and effectiveness of the Skillsoft investment is quantified, the next natural question often becomes, “How can I deliver similar results on a wider scale across the enterprise?” To help clients size opportunities to further optimize existing budgets, Skillsoft offers a companion toolkit to Sourcing/Procurement officers or L&D Operations leaders called the Budget Optimization Analysis (BOA). This additional conversation as a companion to the Impact Analysis will help deepen efficiencies further across the enterprise by identifying redundancies, quantifying the value of time savings and uncovering rogue spend. Learn more about the Budget Optimization Analysis by watching a webinar A Smart Answer to Doing More with Less where the BOA is featured.

Download the Budget Optimization overview and ask your Skillsoft account team for more information today! If you’re not working with an account team, contact us via www.skillsoft.com.
Author Bio

Laura Rexford, Global Manager, Client Loyalty, Skillsoft Corporation

Laura believes technology has changed the way the world learns – for the better! Her key areas of expertise include linking learning strategy to business-drivers, improving the learning experience with technology and helping L&D teams tell a compelling story describing the value they deliver. A passion for coaching and getting results combined with Laura’s first-hand experiences as a practitioner, business leader, salesperson, sales coach and Certified ROI Professional provide a strong backdrop for her role as Global Manager, Client Loyalty at Skillsoft Corporation. Travels across North America, Europe, India and South Asia help her fully embrace diverse points of view and drive a stronger global perspective. A growing interest in social media provides a new platform for her to share ideas. Follow Laura on Twitter @LauraRexford or connect on LinkedIn.

About Skillsoft

Skillsoft is a pioneer in the field of learning with a long history of innovation. Skillsoft provides cloud-based learning solutions for its customers worldwide, ranging from global enterprises, government, and education to mid-sized and small businesses. Skillsoft’s customer support teams draw on a wealth of in-house experience and a comprehensive learning e-library to develop off-the-shelf and custom learning programs tailored to cost-effectively meet customer needs. Skillsoft’s courses, books and videos have been developed by industry leading learning experts to ensure that they maximize business skills, performance, and talent development. Skillsoft currently serves over 6,000 customers and more than 19,000,000 learners around the world. Skillsoft is on the web at www.skillsoft.com.

For more information or to learn more, call 866-757-3177 or visit www.skillsoft.com