

Key Considerations for Finding a Best-Fit Solution for Your Organization

The number of Learning Management Systems (LMS) on the market today is almost staggering, and new ones seem to pop up every week. With some estimates placing over 600 different providers on the market today, how can your small to medium-sized business (SMB) wade through the sea of LMS solutions and select the best one?

While there are a few whitepapers written on how large organizations can methodically go through a lengthy RFP process to review vendors and select an LMS, these steps may prove too costly and ineffective for the typical small to medium-sized organization. This whitepaper is specifically written for small to medium-sized organizations (5,000 employees or less) that are in the process of searching for an LMS for the first time, in support of internally facing learning or training initiatives.

With the myriad of options available in today's market, perhaps the biggest challenge is that **you don't know what you don't know**. If you never had an LMS in the past, how do you know what you need in an LMS?

In this paper, we will focus on the five biggest questions to consider – **The Five C's** – when searching for your organization's first LMS, as well as highlight how to apply them to your selection plan and process:



COST STRUCTURE

As a small to medium-sized organization, cost will probably be your biggest, up-front consideration. Without exception, an LMS is a recurring annual expense, so you must assess this investment in the context of your annual learning and development budget cycle.

Most LMS providers that focus on SMB organizations will offer their LMS products on a Software-as-a-Service (SaaS) basis. Typically, the cost for a SaaS-based LMS solution will usually be based on your number of registered users, typically your total employee headcount plus any external business partner headcount that might need to access your programs (e.g., for product education or channel support). As your user count rises, your overall monthly subscription cost will rise, but your cost per user will usually decrease.

In general, you should never pay more than \$5 per registered user, per month. A general rule of thumb is that if you have 2,500 or fewer users, a SaaS solution would normally be your most cost-effective choice, although the best SaaS solutions are designed to support audiences in the tens of thousands. At the 5,000-user level, your subscription fees should not be more than \$2 per registered user, per month. You should also expect to receive a discount when you subscribe and pre-pay for a SaaS subscription on an annual basis. Such discounts typically range from 15% to 20%, depending on the provider.

Over the past couple of years, some SaaS-based LMS providers have also begun to offer active user pricing models, which base the monthly subscription fee on the number of users who login to (or launch a course from) the LMS during a given month or quarter.

While this model may appear to offer lower overall costs, such a model also introduces variability into the month-to-month expense of the LMS, as well as painful fee spikes during peak or unexpected high usage periods. While there is no standard registered-to-active user ratio, a 10:1 ratio is a good benchmark to use when considering an active user pricing model. Such active user models are most appropriate for organizations looking to deliver learning or training courses to large, external audiences that are not required to access or complete the courseware in a given timeframe (e.g., for-fee training course publishers and membership-based not-for-profit organizations).

With either SaaS pricing model above, key advantages include: the ability to increase/decrease your commitment month-over-month, as needed, immediate access to the latest and greatest features upon release of the software, and the ability to cancel your month-to-month subscription at any time.

Although growing less common, a relatively small subset of providers still offers a perpetual license pricing model on an installed, unlimited user basis. If your organization has more than 2,500 potential registered users across the enterprise or has specific security requirements unmet by a SaaS model, you may want to consider an installed, unlimited user license for your LMS.

Such installed solutions will usually consist of three cost components: the perpetual LMS software license; monthly or quarterly web hosting; and annual support and maintenance (which usually includes bug-fixes for and point releases of the licensed software). Depending on the provider, installed LMS solutions may range from as low as a one-time, \$10,000 fee on up to more than \$100K annually. Should you decide to have the software installed within your organization's IT infrastructure, also be sure to factor in the related internal costs associated with the implementation and ongoing maintenance of the solution over time. Adding these items to the mix will give you true visibility on the Total Cost of Ownership (TCO) for the solution.

CLOUD HOSTING

Many business productivity software solutions – including Learning Management Systems (LMS) – are now typically offered under the SaaS business models highlighted above. In addition to the cost considerations associated with the SaaS vs. perpetually licensed, installed solution decision, there are some technical nuances to consider.

These days, SaaS solutions are typically hosted “in the cloud,” with the software readily accessible by your end users via desktop computers or mobile devices using an active LAN, Wi-Fi or cellular data connection. In most cases, SaaS-based LMS software solutions are hosted by cloud infrastructure providers such as Amazon Web Services (AWS), Microsoft Cloud, or Google Cloud, to name a few.

Key advantages to a cloud-based software solution include system scalability, availability and security, as the cloud infrastructure providers routinely invest significant, best-in-class resources to ensure that the quality of their global networks is unparalleled. In addition, cloud hosted solutions also minimize the need for your organization to make investments in its own IT infrastructure and associated management resources.

Cloud-hosted SaaS solutions – especially those whose software is 100% browser-based – also offer more graceful access to new and improved feature sets, with little to no need for end users to upgrade client software to take advantage of such upgraded features.

In contrast, installed or “behind-the-firewall” solutions may be installed within your organization’s internal network, hosted on your own managed web server, or co-located on a qualified web server managed by a third-party ISP of your choosing. In addition to any license restrictions on software upgrade paths, accessing new features or functionality typically requires network administrators and/or end users to install and test the new software.

Unless your SMB organization already has IT infrastructure and resources in place (and a strong commitment to invest in such, year-over-year) or must consider specific security requirements that may not be fully met by a cloud-hosted solution, an installed solution may not be best fit for you.

Some providers will offer both options, based on your organization’s specific requirements. As with any new IT investment, it is critical that you incorporate the perspectives of business, learning and development and IT stakeholders into your review and selection process.

CORE CAPABILITIES

With an understanding of what an LMS will cost you and why a cloud-based solution might make sense for your SMB, the real work begins: deciding on the features you need to meet your current and future learning and business objectives.

From the onset, it is very important at this stage to recognize that although many LMS offer comparable feature sets, no two LMS systems perform functions exactly alike. You will want to measure the “value proposition” of a given solution, comparing the cost of the system against its included (and optional) capabilities.

There are many “low cost” LMS providers on the market, and the range of features offered by each of them varies upon careful inspection. Your goal is to find as many features as you require with a reputable supplier at the lowest possible price. Once you determine the features you need, rank them in order of importance. This will be important when you

begin to contact LMS suppliers, as they will gain a clearer understanding what is most important to you and hopefully, provide you with a solution tailored to your needs.

Make no mistake, the relationship between LMS price and functionality is not linear. Often, there is a tendency for companies, as they start to investigate available LMS features, to want to pile on the bells and whistles during the selection process.

Be wary of the, "Wow, I didn't know an LMS could do that," trap. It is tremendously important to be judicious about what you truly need in an LMS solution, from the onset of your search. Not only can the price grow exponentially as you add option after option, but so too will the complexity and usability (or lack thereof) of the system.

All too often, we hear about companies who end up hating their LMS, having paid exorbitant fees for complex systems and "can't miss" features that sounded really cool at the time but, ultimately, ended up never getting used. Going into the selection process with eyes wide open and a carefully considered, prioritized features list will help ensure you don't end up making the wrong decision.

The first question to consider is, "Are you looking to get just an LMS or do you need your LMS to do more than traditional learning management functions?"

While enterprise class LMS solutions are used by large organizations due to their cost and sophistication, only a small number of SMB organizations truly benefit of their enterprise capabilities.

Such complex systems will do much more than just learning management. Some may refer to this type of LMS as "enterprise," which in many cases is actually an incorrect label. Enterprise typically means that the LMS is incorporated across your enterprise vs. it simply has what the provider has deemed "enterprise" features. In addition to offering standard learning management features, true enterprise systems typically offer talent management, performance management, career plan management, physical resource management, certification management, data analytics, and much more.

For reference purposes, the annual cost for an enterprise LMS solution starts at about \$50K and up, so make sure that your organization truly requires such functionality in advance, instead of falling prey to "knee jerk" consideration of optional bells and whistles during your selection process. As noted above, such lack of discipline could (unnecessarily) run up your LMS investment significantly while not meeting your expectations at the same time.

The biggest reason why most organizations begin the hunt for an LMS is to track and report on learning or training activities that have already happened (or are about to happen). Although not the most exciting aspect of any software solution, flexibility of system administration, learner activity tracking and reporting capabilities are key places to start when considering an LMS solution.

Many LMSs offer a set of "canned" report templates, with some offering the ability to generate custom reports. In our

experience, canned templates can provide a good starting point. However, as your business and the organization that sustains it are unique, you will likely end up needing to create custom reports to provide your business with the proof points necessary to demonstrate learner impact and business value.

As such, one of the first capabilities to focus on is to make sure that your LMS can export any standard report into a standard delimited file format (like .CSV) so that you may view and manipulate the data in standard spreadsheet programs (e.g., MS Excel, Google Sheets, SmartSheets). Look for an LMS that provides learning administrators with the ability to easily customize canned reports or better still, to access the complete dataset managed by the system and the ability to create ground-up custom report templates that meet your specific reporting requirements.

A bonus reporting capability is support for automated delivery subscriptions, where your report may be sent to you (or other stakeholders) directly on a scheduled basis, one-time or recurring. In practice, across multiple learning activities across your entire organization, this quickly becomes an indispensable time saver.

Lastly, while some course authoring tools will allow you to create a certificate of completion for a given course (or lesson), many do not. Even if they do, the LMS may not have access to these certificates or can track or report out which learners earned the certificate(s). If your learning or training requirements include the issuing and tracking of completion certificates, be sure that the LMS (and not the course authoring tool) has the ability for admins to create, award, track and report out on certificates, independent of the course content.

Bottom line, more important than any other features offered by the system, make sure your LMS offers robust activity tracking and reporting functionality that lets you generate the reports you want and deliver them the way you need.

Another less-than-glamorous capability question to consider at the onset of your search is interoperability: “Do you have the need to connect your LMS to another software system, like your HR Information System (HRIS) or Customer Relationship Management (CRM) system?”

If so, make sure that your LMS has the ability to gracefully connect to third-party systems. Very few will have built in direct connections to the specific program(s) you need to integrate with, so the integration will usually be accomplished via a configurable, Application Programming Interface (API) available from the LMS provider.

Most API's will allow an external program to pass information into (and out of) your LMS' database. Common examples include Single Sign On (SSO) integration - where users who've already logged into a company intranet or extranet are automatically logged into the LMS - and data endpoints where user profile and activity data may be sent to third party HR systems. Lastly, for those LMS systems offered on an installed, behind-the-firewall basis, such systems may also be directly connected to a Lightweight Directory Access Protocol (LDAP) directory service, like Active Directory, for centralized user authentication and profile data management.

Also keep in mind that even if your LMS provider offers a robust API, the provider, your IT team, and/or another third party will need to be engaged to implement the required integration. This will require additional investment in time and money by your organization. Be sure to factor such “hidden” costs into your evaluation.

As a best-practice, if you have a specific third-party application integration need, make sure that you fully review and document the technical requirements with your organization's IT stakeholders prior to your engaging with prospective LMS providers. Better still; have your IT organization engage with the LMS provider(s) to review the approach, scope and cost associated with any such integration effort(s).

COURSE MANAGEMENT

There are several dimensions of course management that you need to consider when selecting an LMS for your organization.

The first dimension is the course modality (or modalities) that you plan to offer to your target audiences.

Most organizations use an LMS for asynchronous ("not live" or "on-demand") delivery of online courseware, or e-learning. If you only plan to deliver your courses online when and where your learners are able to take them, then this is the only modality you need consider, and virtually all LMS solutions do a good job here.

However, many organizations plan to incorporate all learning and training activities into the LMS, which will include synchronous ("live") learning and training events, such as Instructor Led Training (ILT), delivered either in a physical classroom or via a virtual web conference technology. If synchronous events are (or will be) an important part of your learning mix, be sure your LMS is designed to support both delivery modalities. At a minimum, your LMS must be able schedule live events (along with classroom location and instructor information), allow for learners to register for the event, and add them to their preferred calendar app, as they are day and time dependent.

In addition to the asynchronous and synchronous delivery modalities above, the ability of your LMS to support informal learning, social learning and performance support will allow you to offer your learners a truly blended learning experience. Such an experience goes beyond the delivery of learning or training content, helping ensure that the new knowledge, skill or abilities (KSA) are successfully retained by the learners and ultimately, applied in practice.

The second dimension is the course content source(s) that you will be using to support your asynchronous learning and training activities. Typically, your e-learning course content will be created internally using popular authoring tools such as Adobe Captivate or Articulate Storyline, among others. Alternatively, you may choose to engage a third party to develop custom e-learning content for you or purchase ready-made Off-the-Shelf (OTS) training courses.

Independent of which course content development approaches you use (likely some combination of above), the key consideration to confirm is that your authoring tools and any vendor-supplied custom or OTS content and your LMS are compliant with common industry standards.

There are several leading content standards that an LMS should support. The original standard for computer or web-based training is AICC. While it is rare that new courses are published to this older standard, you may have legacy courses that will require that your LMS to support the AICC standard.

The primary standard currently is Shareable Content Object Reference Model (SCORM) and virtually every LMS worth reviewing supports this standard. However, there are two main versions, SCORM 1.2 and 1.3 (commonly referred to SCORM 2004), and not all LMS support both. SCORM 2004 gives you more flexibility in your managing courses and lessons, so an LMS that is compatible with both SCORM versions will give you more options in deploying and reporting for your courseware.

The final standard is a relatively new standard called Experience API or xAPI (originally called the "Tin Can" API). While many course-authoring tools have incorporated this new learning content standard, most LMS companies are still in the process of incorporating it (assuming they plan to) into their products.

At a minimum, make sure that your LMS is SCORM 1.2 compliant and preferably, SCORM 2004 compliant. Lastly, if the LMS you are considering has a built in, SCORM compliant course authoring tool, confirm that it can both create and export SCORM-compliant lesson objects (SCOs). This will be critically important should you ever decide to change to a different LMS and want to migrate your course content from your legacy LMS or make course edits in future. You never want to be held hostage by course content you developed using built-in authoring tools on a legacy system.

The final dimensions to consider for course management are LMS system administration and your learners' user experience.

Beginning with your audience's very first interaction with the LMS, you need to decide how important it is that the user experience reflects your organization's brand or whether the User Interface (UI) design needs to echo that of other business systems used across your organization.

Some LMS solutions allow a high degree of flexibility on site branding and UI customization, while others offer very little. A related capability is commonly known as white labeling, which allows an organization to completely remove all vendor references and branding from the user experience. At a minimum, most organizations require that their learning environment reflect their branding, so make sure that you find a system you can configure as extensively as needed.

When selecting an LMS, most usually consider permissions management, but this often overlooked capability is critical to providing a streamlined user experience and enabling effective user management. Generally speaking, you want a system that offers an extensively configurable permissions layer. Configurable permissions will allow you to create specific user profiles across your entire user universe – system administrators, course administrators, managers and learners – enabling your organization to more efficiently manage its entire learning ecosystem.

Beyond permissions, support for user groups is a real plus when it comes time to managing the ecosystem over time. For example, consider the following questions: Are your users categorized in any way? Do you need them to be in one or multiple groups? Do you need reporting, management or course access permissions attached to one or more specific groups?

User group management is a more advanced feature in an LMS and will offer you significant productivity gains post-implementation. For those solutions that do offer group management, confirm how configurable the grouping structure is and what actions may be managed or automated at the group level (access, enrollment, reporting, permissions, etc.)

Grouping can get complex, so it is usually a good idea to have a thorough understanding of how you might use such capabilities before engaging with prospective vendors on the topic.

As with many business systems today, workflow in select LMS solutions may also be automated. Automated workflow can prove to be a big time saver for any user that interacts with the system – whether administering it, managing courses or users, or enrolling in and completing courses. Automated features to look for include: email confirmation and notification; course enrollment; multi-course learning paths; group membership; permission assignment; certificate award and delivery; and report subscriptions, just to name a few.

In addition to the core capabilities highlighted above, other key learning management features to consider include:

- Self registration and course enrollment;
- Social learning and interaction (learner-to-instructor, learner-to-mentor, peer-to-peer);
- Course and/or lesson prerequisites;
- Mobile-ready user experience and support for mobile course content;
- Support for multiple languages, in both the system UI as well as catalog, course and user data.

CUSTOMER SUPPORT

As with many new technology initiatives across your organization, a lot emphasis is placed on cost and capability. While these are certainly important considerations, it is also critical to prepare for success. Simply put, how will your administrators, managers and learners be supported following successful system implementation?

Make sure your prospective LMS vendors review their customer support capabilities, including the following key elements:

- System availability and performance commitments – a typically covered under a Service Level Agreement (SLA);
- Escalation procedure for system outage response and resolution;
- Communication procedure for planned system maintenance or upgrade outages;
- New user orientation and support – including standalone or inline user tutorials, user documentation, user training options, knowledgebase access, and online ticketing system;
- Specific customer support levels – including dedicated or shared account management, admin-only or full end-user support, email- and/or phone-based support, support hours (24/7 or during business hours only), and response time (typically within 24-hours or next business day);
- Helpdesk management model – internal team or outsourced? If outsourced, is the support team on-shore, near-shore or offshore?
- System integration, customization and other managed service offerings;
- Current customer testimonials and references.

Ensuring that your selected LMS provider will remain an accountable and responsive partner after the deal is done is perhaps one of the biggest things you can do to ensure sustainable success with your LMS implementation.

THE NEXT STEPS

When preparing to wade into the sea of LMS products available in today's market, efficiency is the key. With over 600 providers out there, your selection process can quickly become overwhelming and unmanageable. Know in advance what you want to spend on the solution, what features are must have and which are nice to have, and what your implementation timeline targets are (and be sure to pad these targets by at least 90 days, to account for any issues).

Fast track your selection process by reviewing independent LMS review and analyses from industry experts such as the [Brandon-Hall Group](#), [Bersin by Deloitte](#), and [E-Learning 24/7](#) (Craig Weiss), building a short list of three to five providers that meet your program's requirements.

Armed with that short list, hit the providers' websites and review their positioning of the product's features and benefits, participate in a live product demo and get a free trial account to kick the tires, first-hand, keeping your users' experience top-of-mind.

When reviewing features of each product, go beyond the "checkbox exercise" and take the time to fully consider all the potential use cases the system will need to support. Also scratch below the surface of vendor product literature and marketing materials, making sure you actually see critical features in action during any product demonstration or trial account review and compare how they work.

Simply put, focus not just on the "what," but also the "how." While it is important to validate what features are available in a given system, it is critical to fully understand how they've been implemented by a given provider in their system, and how that implementation supports (or doesn't support) your use cases.

Once you have completely qualified the product, your final pre-selection step is to qualify the vendor by contacting provided references and searching the web for press releases highlighting financial performance or new customers/partners announced by the vendor.

Only when both the LMS software and the provider are deemed to meet your business requirements and learning objectives, are you ready to make a purchase.

And you will make that investment knowing that you followed The Five C's, did your homework and got the best bang for your buck.

Good luck out there and happy hunting!

Don't let learning management get in the way of great learning.

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Considering a learning management system for your organization for the first time? Looking to replace a first-generation LMS that no longer meets your (and your learners') expectations? Need a learning solutions partner who has the proven experience and expertise to make your learning and training programs a sustainable success?

ICS Learning Group looks forward to discussing your learning management needs with you and giving you a tour of our next-generation learning management system - Asentia.

To request an in-person or virtual demonstration, please go to www.asentialms.com/requestdemo or call toll-free (877) 427-4770. International callers may dial (410) 555-1212 (international long distance call fees may apply).

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Asentia is offered exclusively on a fully hosted, Software-as-a-Service (SaaS) basis. Your IT managers won't miss the servers (and the headaches that come with them). And your learners, managers and administrators will love having anytime, anywhere access to their personalized, plug-in free learning dashboard through a standard web browser - whether they're on their computer, tablet or smartphone.

Supported browsers include:

- Internet Explorer 6.x - 10.x
- Google Chrome
- Firefox 2.x - 18.x
- Safari 1x - 6.x

ICS Learning Group - Your Proven Learning Partner

With over 20 years' experience in providing effective learning solutions, ICS Learning Group is committed to enabling our customers to engage and empower their audiences with customized, compelling and highly-interactive e-learning programs, deployed when and where they're needed most.

In addition to the Asentia platform, ICS Learning Group also offers our valued customers a range of Learning Solutions, including:

- Library of over 4,000 off-the-shelf e-learning courses
- Custom courseware development - let us create learning content to address your specific business needs
- Authoring tools - create your own content with one of our authoring tool provider partners
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- Software development and system integration services

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Asentia has been designed to seamlessly support the full range of learning content and delivery modalities favored by today's connected organizations.

Whether you're offering your learners classroom-based or virtual instructor-led training, interactive e-learning, mobile learning or even on-the-job reinforcement and reference, don't let learning management get in the way of great learning.

Asentia supports the following learning content standards:

- SCORM 1.2
- SCORM 1.3 (2004) 4th Edition
- xAPI (TinCan)

Authoring tools compatible with Asentia include:

- Adobe Captivate
- Articulate Presenter
- Articulate Quizmaker
- Articulate Storyline
- Compositica
- Elucidat
- Knowledge Presenter
- Trainersoft
- Trivantis Lectora

