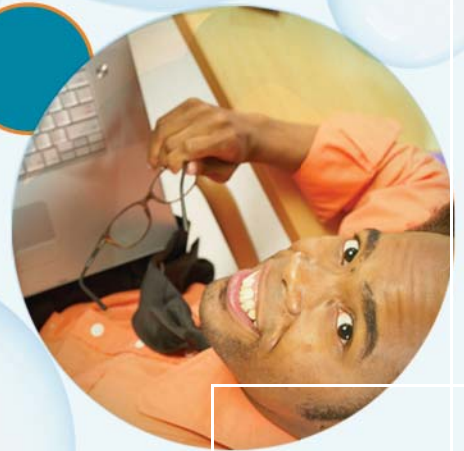


Stretch...

Your Training Budget At Least 60% Further



by John Crosbie, PhD



Make Award-Winning Training They'll Love *Fast...* And Smoke Your Competition!

Dear Training Professional:

If you're like most of our clients, you're being squeezed. Every year the business demands that you produce better, faster, more engaging, more relevant training... and every year they cut your budget.

You're in a terrible position. You want to produce effective training so your employees will be more productive and help your company survive in this brutal economy. And you want to save money so your company can compete and prosper. And you want to achieve those conflicting goals at the same time. No wonder so many training pros work too many hours... and are forced to neglect the people they love.

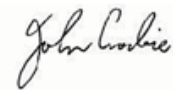
Most of our clients were stuck in this nightmare. And most of them escaped. It took a little time and a lot of thinking outside the cubicle, but they did it. And you can too.

How?

First, read the following 10 tactics to see how to stretch your shrinking training budget further than you thought possible. Then, if you'd like more suggestions tailored for your company and your unique challenges... just go to www.ame-learning.com/revolution/consultation to schedule a free consultation, and we'll get the ball rolling *FAST*.

Here's to your success (and stopping the nightmare forever)!

All the best,



John Crosbie, PhD
CEO, AME-Learning, Inc.



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10. Guard Your Most Valuable Resource—

Your Employees' Time.

Workshops take a long time. It seems like even the simplest task takes at least 2 days with stand up training.

Why is that?

Well, it's the nature of the training technique. In workshops, there are so many students that frequent interaction is impossible... so learners just sit and watch... and trainers continually recap points and throw in exercises to keep learners awake.

It's not the fault of the trainers or learners. It's just the nature of the technique. I faced exactly the same problems when I taught undergraduates and Ph.D. candidates at world-class universities. Even the brightest and most enthusiastic students get tired and their attention wanders when they don't do anything for extended periods. It's just basic physiology.

Imagine you have the world's best workshop trainer teaching 100 people in a large room. That Olympic-class trainer would involve the learners as much as possible. She would continually ask them challenging, stimulating questions that make them explore the concepts and principles that only experts ever consider. And she would make them respond to her questions. At the end of the day, each learner would probably give 2 or 3 answers to those amazing questions.

Now imagine that the world's best trainer can't come to the workshop—she has to stay at home and look after a sick child—so she produces e-Learning based on her normal stand-up course. As she builds the course, she's amazed. She can present the same information—text, graphics, case studies, exercises, audio, videos—plus additional things—like animations and targeted Socratic techniques—that are impossible in a large group all progressing at the same slow pace. She loves standing in front of a class, but—for the first time—she realizes that that technique limits what she can achieve.

Then she realizes that her e-Learning students won't make **2 or 3 responses a day** (like her workshop students), they'll make **200 to 300 responses per hour**. They'll be working so hard they won't fall asleep. So, she won't need constant recaps and exercises to keep them awake.

When she finishes the new course, she discovers that—without the recaps and exercises and breaks—she can cover her material **60% faster** than in a workshop. And learners won't waste time traveling. They can stay at work, and spend time with their families. And while they're taking their e-Learning, they'll be participants—not dozing spectators—and

learn more than in the old training, and they'll love it.

By changing her format, she can produce training that's more effective, efficient, and engaging. How's that for a win win win?

9 PRODUCE BETTER TRAINING. A famous psychologist once said, "learning requires participation; it's not a spectator sport."

OK, that's a lie—I'm not famous. But 100 years of learning science have proven that I'm right. To learn, you must do something. You can't just watch somebody else do it. If it were that easy, we could all slam dunk like Michael Jordan and drive like Tiger Woods and serve like Serena Williams. Every sports coach knows that.

So why don't we follow this fundamental principle of human learning in our training? In most workshops, learners never get a chance to do anything. There are too many learners in the audience... and not enough time.

Imagine that every one of your employees had a personal tutor—somebody who would sit next to them throughout training, encourage them, guide them, tell them immediately if they misinterpret a point then gently steer them back on the right path and give them targeted remedial training to fix that misunderstanding and master the material ASAP. Wouldn't that be a perfect learning situation? You'd have expert performers who love training.

But you'd need thousands of tutors with infinite patience, and that would get pretty expensive. So, that perfect scenario is just a dream, right?

But wait! E-Learning can do all those things. Computers have infinite patience, every employee has one, and your master trainers can pass on their expertise with carefully sequenced e-Learning so each learner can progress at her own unique pace and master the material ASAP. And computers can analyze each learner's performance and provide individualized, targeted remediation that takes not 1 second more or less than she requires for mastery. And learners can work on

Table 1.
Example cost comparison for the same content delivered as a 5-day workshop and as 5 hours of e-Learning.

Training Solution				
Costs	Workshop		e-Learning	
Airfare	2,500 flights @ \$400	\$1,000,000		\$0
Hotel	2,500 X 5 nights @ \$100	\$1,250,000		\$0
Lost Productivity	2,500 X 40 hrs @ \$30/hr	\$3,000,000	2,500 X 5 hrs @ \$30/hr	\$375,000
Course Development				\$125,000
TOTAL		\$5,250,000		\$500,000

real tasks—like simulations of your systems.

Hmmm, maybe your idea isn't just a dream after all.

8 MINIMIZE TRAINING COSTS

What does workshop training cost? Well, you need:

- lots of paper
 - one of our clients exceeded his workshop paper budget by \$2 million before he switched to e-Learning
- printing
- storage
- shipping
- travel
 - your employees and trainers must travel across the country
- accommodation
 - for hundreds of employees and trainers
- training rooms
- lost productivity
 - while your most valuable resources sit and watch a trainer for a week

What does this cost? Well, one of our clients—who manages training for a Fortune-100 engineering company—had all these problems a few years ago. Every year, he ran a 1 week workshop in San Francisco for 2,500 employees. Let's look at what this workshop cost him. We don't have all the numbers for paper and printing and storage and shipping (and he was a little embarrassed to share them), so we'll focus

on the big-ticket items (see Table 1).

He ran this workshop every year, and this was only one of his training courses. No wonder his training budget was stretched to the limit. And no wonder he was tearing his hair out trying to find a more cost-effective way to train.

A few months after he talked with us, he offered this course as e-Learning. His employees completed the new course in 5 hours (e-Learning is much faster than workshops) and did not travel. What did that new online course cost him? Just \$500,000—about one-tenth the cost of the workshop.

Guess who was a hero at his company!

7 MAKE TRAINING MORE RESPONSIVE TO KEY BUSINESS INITIATIVES

A few years ago, one of our clients—Bob—was going crazy. He needed to train new employees at his Fortune-100 bank on all their products and programs and procedures, so Bob spent a fortune producing and printing and distributing a stack of 3-ring binders for each new hire. That was a hassle, but it was worse than you can imagine because the products and procedures changed so often that training was often delayed while they waited for a few more forests to be printed and shipped. All those changes, and the training delays,

and the waste, and the enormous cost drove Bob nuts.

And they were locked into a slow, paper-based production system, so they couldn't train employees on new, important products until the mountain of paper glaciated through the system. Think of all the money they lost because employees couldn't sell the exciting new products. Did I mention that that system drove him nuts?

Don't worry—this story has a happy ending. Soon after we started working with Bob, we converted all those workshop courses to e-Learning, and Bob's company saved a fortune, and—for the first time—they could train employees on exciting new products within a few weeks instead of months or years. And when the products changed—that's common in any dynamic company—we changed the training and distributed it to every employee across the country within a few hours.

Guess who stayed out of a padded room!

And guess who goes to Bob's Christmas parties.

6 OUTSOURCE E-LEARNING PRODUCTION

A few years ago, we almost worked with a major university to produce their introductory Psychology course. It was a natural fit. We have lots of team members

with PhDs and Masters in Psych—so we understand the course content—and lots of experience producing Porsche courses at Volkswagen prices—which is important for universities because they're always strapped for cash—and they needed the course in a hurry—and we're the Ferraris of custom e-Learning development. That project seemed like a marriage made in heaven.

So what happened?

They decided to cut costs by doing it themselves.

Are you a do-it-yourselfer? Are you uncomfortable delegating? When I first started in e-Learning, I did everything myself. Sure, that took a lot of time, and some things weren't perfect, but I had the satisfaction of knowing I did it myself. That felt good. A little later, I realized that was self-indulgent and ... what's the technical term? ... ah, right ... dumb. I wouldn't handle my own brain surgery or fix my blocked toilet, so why would I even consider doing some task that somebody else—a professional in that area—could do better, faster, and cheaper. Pretty soon I abandoned false pride, and focused on things I do better than anybody else. And you know what happened? Our company made a lot more money.

So, what happened to the Psych course?

Well, four professors worked full time on that course for 4 years.

How was the final course? Let's grade it.

The content was excellent... but those professors aren't e-Learning pros, so they don't have the technical skills to produce fancy graphics, engaging animations and interactions, and the programming to make the course sing. It was a pretty good course—for amateurs.

They produced that course in 4 years. Most e-Learning vendors could build it in 8 months (6 times as fast as the professors). We could build it in 4 months (12 times faster). In terms of speed, that course was a big disappointment. And that's the common, hidden cost when amateurs do it

themselves.

What did that course cost?

Well, the Dean will say it was free. He means they didn't pay vendors to build it. Of course they paid for teaching replacements while their core team members were seconded to e-Learning development, and students had less supervision because the professors were racing around trying to solve technical problems, and those professors had less time for research so they brought in less Federal research money during that 4-year period, and that new online course took 4 years to bring to market.

Was that course free?

It was a breeze working with the staff at AME-Learning. Many times they worked long hours to fulfill the immediate training needs we had at Washington Mutual.

I always felt I could count on them. I would recommend their services to anyone.

e-Learning Consultant
Washington Mutual Home Loans
Irvine, CA

Not even close.

Some of our corporate clients also try to build courses themselves. First they try to do it all themselves. That doesn't work because they don't have the specialized skills and experience to tackle the job, so they offer to help us produce portions of courses. That doesn't work either because they're too busy working with their clients—what they do well and what they were hired to do—so eventually, they focus on their core skills, and leave e-Learning to the pros.

And there are two more good reasons why companies shouldn't do all their training in-house:

• **In-house training costs up to 73% more than outsourced training** (Avatech, an

information management firm) .

• **Outsourced training programs produce a 218% higher gross income per employee than in-house programs** (The American Society for Training and Development).

For all these reasons... eventually, even the most independent clients have the same "aha" experience I had years ago. Let professionals do it. The result is always better, faster, and cheaper.

5 WORK WITH TRAINING EXPERTS... NOT SALESPeOPLE

Salespeople are great. They're charming and funny and they agree with everything we say. Nothing is ever a problem. No modification is ever a hassle. No timeline is ever impossible. No negotiated price is ever too low. "No" isn't in their vocabulary. And often, they have no idea what they're promising.

But—after the handshake—it's not their problem. They're off to make some more friends. The guys at head office can sort out any mess. Hey, they're relationship builders—not propeller heads. Life is good. Unless, of course, you're one of the guys at head office who follows those charmers with a mop and bucket to clean up the mess.

Years ago—when I managed e-Learning at a startup—we had salespeople who negotiated deals for us. One day, one of our salesmen—let's call him Sam—dropped by my office and told me he just closed a big deal for a 40-hour course with a new client.

That's great, Sam. Time and money?

Oh, plenty of time—3 months—and a fantastic rate.

He then mentioned a rate, and I reached for antacid. Sam had promised the course in 25% of our normal production time, and at a rate that wouldn't cover our costs. Our CEO didn't want to lose the new client, so it was my job to follow the elephant with a shovel. Thanks Sam!

At AME-Learning, we don't have salespeople.

The people who negotiate deals are experts who can—and often do—design, develop, and deploy e-Learning. They assess clients' needs, design a course to satisfy those needs, then manage a team to produce that course.

There are no surprises and no disappointments—for the client or our developers. We can all focus on solving the client's problem, and keeping one more client for life.

That's good business.

And nobody needs a mop or shovel or antacid.

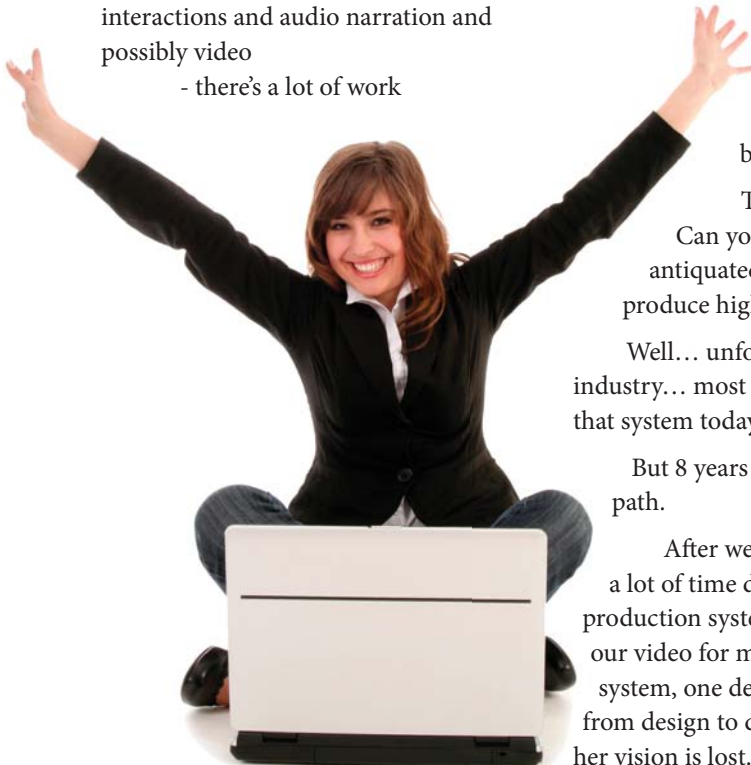
4 USE E-LEARNING VENDORS WHO ARE FAST

How long does it take to produce custom e-Learning?

- The industry average is 6 weeks for 1 hour of high-level online training

Why does it take so long?

- e-Learning is 60% faster than workshops
 - 1 hour of e-Learning covers as much content as 2.5 hours of workshop training
- High level e-Learning contains graphics and animations and complex interactions and audio narration and possibly video
 - there's a lot of work



- Most e-Learning developers use an inefficient production system
 - they normally use an assembly line like GM

How can you get e-Learning produced faster than the industry average?

- Reduce course features like graphics and animation and interactions
 - It's a shame to compromise course quality to gain speed
- Find a vendor with an efficient e-Learning production system

Back in the bad old days—at the startup—we developed e-Learning with the normal production line system. How did that work?

Well, an instructional designer—let's call her Diane—designed a course and passed it on to a graphic artist—let's call him Rashid—who ignored Diane's design and produced something artsy. Then Rashid passed it on to a programmer—let's call her Ming—who ignored Diane's design and built something cool, then—a month or two later—sent it back to Diane, who freaked out. Her baby was nothing like she and the client had in mind. It was a disaster. So, Diane added lots of comments and sent the course back to Rashid and Ming, who ignored those comments, and did something else artsy and cool. That cycle continued until the course was due, then Diane sent it to the client, even though it was a mess and had bugs.

That was back in 1998.

Can you imagine using such an antiquated production system to produce high-level e-Learning?

Well... unfortunately for our industry... most e-Learning vendors use that system today. What a waste!

But 8 years ago... we took a different path.

After we left the startup, we spent a lot of time developing an efficient production system—the AME way (see our video for more details). With our system, one developer does everything from design to deployment. Nothing in her vision is lost. Nothing falls through

the cracks. And she's responsible for everything... so the quality is fantastic.

How fast can WE produce world-class e-Learning?

The industry average is **6 weeks per course hour**. We routinely do that in **3 weeks**. And occasionally, we can go supersonic.

A couple of years ago, a client forgot about a 1-hour course until it was due in a week. He was frantic. It was the CEO's pet project. Our client would lose his job. He knew the industry average. He knew it was hopeless. All he could do was post his resume on Monster. He told us about his dilemma—and he's a good friend and client—so we went into hyper drive, and produced a **fancy 1-hour course in 6 days**.

Now, we don't do that for everybody... but for good, long-term clients, we're happy to help any way we can.

When we delivered the 6-day course, our client was thrilled. He didn't lose his job. The CEO loved the course. And we kept a good friend and client. How's that for a win-win-win.

Never wait the industry standard time for custom e-Learning. You need the training NOW, so find a vendor who's FAST. You and your company deserve that level of personal service.

3 USE E-LEARNING VENDORS WHO AREN'T GREEDY

What does it cost to produce custom e-Learning?

- The industry average is **\$35K-\$45K for 1 hour of high-level online training**
 - that's reasonable given all the work required... and all the money you save by switching from workshops to e-Learning
- Some vendors charge **\$60K-\$80K/course hour**
 - that's too high—they're greedy
- **We charge \$25K/course hour**
 - If it's easier to produce—like a system simulation—we charge less
 - If it's more involved—like a Spielberg video extravaganza, or a Pixar animated epic—we charge more
 - But for most of our high-level

courses—even those that win Brandon Hall Gold medals—we charge \$25K
- CFOs love that

Why do we charge less than the industry average for our high-level, award-winning courses?

- We produce e-Learning twice as fast as the industry average, then pass on our savings to clients
 - We make our margin
 - Clients get a great deal... and stay with us for life
 - Our competitors can't make a profit at that rate, so we get even more clients
 - It's a smart business decision

As your Uncle Leo would say, "never pay rack price." Especially when you know somebody in the business.

2 USE E-LEARNING VENDORS WHO ARE PROFESSIONAL

When you select a vendor to produce your custom e-Learning, make sure they

- Have lots of experience in lots of businesses
 - You don't need to hold their hands—they can produce a world-class course with minimal information
- Have an efficient production system that evolved over hundreds of courses
 - If they produce e-Learning on an assembly line—with all the frustration and delays and dismal quality and exorbitant cost—walk away
 - Stick with a streamlined production system like the AME way
- Use industry-standard programs
 - Avoid vendors who produce e-Learning in their home-grown programs
 - How do you modify those courses later?
- Avoid vendors who produce e-Learning in older programs like ToolBook and AuthorWare
 - Those programs aren't optimized for the Internet, and are tough to update
- Stick with vendors who produce e-Learning with industry standard programs like Flash and Captivate and Articulate
 - They're the standards because they're the best... and many people—

including your own employees—know how to use them

- Use vendors who are the Goldilocks size
 - big enough to build the pyramids in a hurry
 - small enough to turn on a dime
 - just right
- Use vendors who do everything from design to deployment

Pick vendors with all these features—they're pros.

1 USE E-LEARNING VENDORS WHO WANT TO BE PARTNERS

When you select a vendor to produce your custom e-Learning, make sure they

- anticipate your needs
 - if they really listen, and really understand you and your business, they'll know what you need—you won't have to ask
- minimize your work
 - their primary job is to lighten your load
 - if they make you do most of the work—like designing or writing courses—walk away—you can do

better

- make you look good
 - their secondary job is to make you look good in your company so you'll do well and keep them on your team as you advance
 - One of our clients started as an e-Learning supervisor, and made his reputation by producing great training at twice the normal speed and half the normal cost. Recently he was appointed the VP in charge of all e-Learning for his Fortune-100 company... doubled his salary... and bought a shiny, black Porsche.
 - if you worry about their quality or speed or cost, walk away—don't risk being embarrassed, or worse
- are with you for the long haul
 - make sure they're flexible enough to be long term allies
 - if they won't change anything—like course features, cost, production speed—to help you, walk away—they're hired hands, not partners

When you select an e-Learning vendor, aim for a marriage—not a one-night stand. You'll be much happier with a partner. \$

About the Author

John Crosbie, PhD, Co-Founder and CEO, AME-Learning, Inc.

John has a PhD in psychology—human learning on computers—from Flinders University of South Australia, and more than 25 years' experience in teaching, training, and instructional design—including 12 years training doctoral-level instructional designers as a professor in the US and Australia.

Since 1998, John has developed and managed e-Learning at a dot-com-start-up and AME-Learning, for clients in the automotive, construction, financial, health-care, pharmaceutical, and many other industries.

Before grad school, John was a computer programmer, so he merges his love for computer technology with his passion for effective teaching to make sure our courses engage learners, stretch them, and give them the skills to be stars.

You can contact John at (877)747-1776 Ext 708 and jcrosbie@ame-learning.com. Visit www.ame-learning.com/revolution/consultation to schedule a FREE consultation.