Ease of Use

It’s as simple as this: if a Learning Management System (LMS) is easy to use, people will use it. If it’s not easy to use, they won’t.

When selecting an LMS, it is important to keep “ease of use” as key criteria. We can get caught up in the fancy bells and whistles shown in demos of various LMS systems. They may emphasize ‘gamification,’ ‘xAPI,’ ‘social learning’ and all the other buzz words of the day.

Who wouldn’t be impressed, right?

But, if using an LMS is too complicated, no one will use it. Learners will get frustrated and the goals of your business objectives will fall short – or fail.

While the Learning Department (if there is one) usually “owns” the LMS, there are also stakeholders involved. Your IT department usually has a lot of involvement, as do your front-line managers who are assigning and approving training for their teams. Most importantly, your employees, all whom you want to be true “Learners,” need to feel at ease with the system so that they will use it.

The average employee is expected to learn many software systems at work (e.g. CRM, Microsoft Office). This can be overwhelming.

Technology changes fast, and employees must master the tools of their workday in a short period while remaining a productive member of the company. If the LMS, where they are supposed to learn those tools, is unfamiliar or involves a huge learning curve to use, employees simply won’t use it. What will they do? Go to Google.

So what improves the Ease of Use of an LMS?

Ease of Use for software solutions usually come down to these things:

1. **Intuitive User Interface.** When a learner or administrator uses the system, it must be easy and they must naturally know exactly what to do without explanation.

2. **Customer Support.** Open and friendly lines of communication with your vendor’s support team is a must because there will always be questions.

3. **Customization.** Tailoring the system to your business’s specific needs will reduce unwanted clutter and/or features that won’t be used.
4. **Automation.** The system should make it easier for you, not more complicated, by handling some activities automatically.

5. **Search Functionality.** It’s important to be able to find what you’re looking for with a system that provides speedy and seamless navigability.

During the LMS selection process, keep these features top of mind while exploring additional requirements.

**The Selection Process**

Most companies stay with their LMS from 3-7 years. People say that the main reason they switch is that "the technology won't work or meet their needs." The real reason, though, is usually that at the time of implementation, the LMS wasn't set up to be easy to use with how that particular company does business. What are their processes? What are the workflows? Also, as the business changes, does anyone bother revisiting the LMS to make sure its processes and workflows match the new business direction?

The frustration people experience with the technology actually circles back to this idea of Ease of Use and how it fairs over the lifetime of using the system. Can the system continue to grow with the company? Can the LMS be flexible and be customized? Is the cost of owning the system and access to updates with increased functionality appropriate for the business value?

Not all systems are created alike and not every system is right for every company. For example, if your company is not running SharePoint, then our solution, ShareKnowledge, is not a good choice. If your business is running SharePoint, then your employees are already familiar with how it works, so it might be the solution you were looking for.

Selecting the right LMS for your company is not an easy or a quick decision. There are many variables to consider. Ease of Use impacts the effectiveness of not only the system, but your Learning and Talent Development programs as a whole. Be sure it’s one of your primary considerations in your selection process.
The more connected our world becomes, the more security has become a concern when it comes to purchasing software.

Is my Learning Management System (LMS) secure?

This question should be at the top of your list when it comes to selecting an LMS. Any new software immediately becomes part of your business ecosystem – and as they say, a chain is only as secure as its weakest link.

An LMS usually contains sensitive information. This includes employee data and confidential product or strategy details. A breach of the LMS could be disastrous. You could lose competitive advantage, or worse, commit a compliance infringement.

Would you want your LMS to be the weakest link in your enterprise network?

Data security is a huge issue. Thousands of websites are hacked every day causing businesses to lose their data and reputation. It can also cause financial harm, emotional distress and clients’ confidence lost.

There is a trend toward training in the cloud, but this could potentially put the safety of your business at risk. Some Cloud LMS providers don’t perform security audits, they might not deliver your data over secure connections or even store all of your personal and learner data in plain text.

It’s really very simple. Once you put data into a SaaS system, you give permission to unknown entities who can and will access your data. So, it’s imperative that you feel confident that the LMS provider you choose takes security as seriously as you do.

So, what makes an LMS secure?

Here are some things to consider when choosing an LMS that will help keep your LMS secure:

- **On Premise Deployment**. On-premise is the only way to have full control of your security, information and data. Single Sign-On with Active Directory.

- **Single Sign On with Active Directory**. An authentication system demonstrates who is accessing the system.

- **Two Factor Authentication**. In addition to SSO, it’s important to authenticate users outside of the system who access the LMS.

- **SSL**. Encrypted communications provide optimal security conditions by industry standards.

- **User Role Setup**. User roles determine what activities users are allowed to perform, what data they have access to and whom they can work with.
The Selection Process

Choosing an LMS is no small task. In order to have the best chance of success, it’s imperative to put a team together that represents all stakeholders and their needs.

The IT department should be center stage when choosing an LMS. They bring useful insight about technical requirements needed in an LMS, such as:

- Deployment Models
- Integration ability
- Customization strategy
- Feature development
- Enhancements
- Security

In the past year, 31 percent of LMS buyers switched to a new LMS system. Not meeting IT security requirements is one reason why they switch. Another issue is the LMS not integrating with other business systems.

Security is important in the selection of an LMS. Ask yourself these questions: Does the vendor provide enterprise-grade encryption? Do they show you a service-level agreement with clearly defined data policies? Does the platform comply with regulations for your industry (e.g., HIPAA, PCI-DSS, GLBA)?

For some companies, the nature of their business requires ultimate security. That means the cloud will never be an option. Even with the popularity of the cloud, larger organizations are still more likely to be running on premise. And, this generally comes down to the need for control.

Choosing an LMS isn’t for the faint of heart. It takes a lot of work and due diligence before making a final decision. Your IT strategy must be considered and positioned as a top priority. As a result, there will be a higher chance that your LMS will fit cohesively within your business environment and contribute successfully to the goals of your company.
Shopping for an LMS can easily turn into what many experience when they visit Costco or Target. You write a checklist of essential items but leave the store with a bunch of other things and a huge bill. It is important to choose an LMS based on your business goals and select features that fit the big picture.

Part of choosing an LMS, which is often forgotten, is eliminating systems that come with too many frills. As a result, the system will be cluttered and hard to manage even simple tasks. This makes the process less efficient.

And, the last thing you need is an inefficient LMS.

When you focus on so many ‘what if’ situations or the latest buzz words in the industry, you wind up with a bloated LMS and underutilized feature sets. But the catch is that you’ll be paying more for all the extras of the system even if you’re not using them.

Complicated feature sets are well-known for derailing business software roll-outs too. Even companies that do well with change have a hard time with adoption and user satisfaction.

What are the top feature sets every LMS should have?

Every business will have unique needs, but there are certain features that are universal. This is because they provide definable value, either in increased Return on Investment (ROI) or improved Key Performance Indicator (KPI).

These features enable an LMS to perform its essential functions for administrators, and encourage the highest adoption rate amongst an audience.

- **Reporting.** Analytics are important for any training program in order to demonstrate how it has impacted your business goals.
- **Content Creation and Delivery.** There is no LMS without content so it’s imperative to have a seamless system that can be scaled accordingly.
- **Skills/Certification Tracking.** Certifications provide assurance that those extended enterprise groups are properly trained in your product. Besides the training aspect, certifications elevate an organization’s brand value and build an ecosystem of users.
- **Integrations.** An LMS will never operate independently so having integration capabilities is crucial so it can link with systems such as a CRM or HRIS.
- **Personal, Automated Learning Paths.** Automation makes your job easier while personalized learning supports career development.

The Selection Process

When selecting an LMS there are a few things that can be done in order to not be paralyzed by ‘choice overload.’

It’s easy to get distracted by the availability of ‘extra’ features that will only add unnecessary cost and complexity. Try to focus on the subset of LMS functionality that is essential for your business.
The first thing you’ll need to do is create a high-level features/requirement list created by your LMS team. Think about your company goals as well as some future projects coming up. These use case scenarios will set the stage for what features will be essential for your business goals and needs.

Some questions to think about include,

1. What tasks am I going to perform with the new LMS?
2. If there is an existing LMS before, what features weren’t utilized and why not?
3. How will I show that my goals have been achieved?
4. What processes do I need to set up?

Each member of your LMS selection team should come up with several use cases that are pertinent to their job. Then it becomes easier to map back specific feature sets that are ‘must haves’ and then rank the ‘nice to haves’ afterward.

Using this strategy, you clearly define a set of features and functions that your LMS absolutely needs to have in order to be a good return on investment.

The feature sets of an LMS are very important which is why it should be high on your priority list. Creating use case scenarios is the best way to narrow down only the features your business will need and use. Remember that the longer the feature list the more difficult it will be to check if everything is really working; you may end up having all boxes checked and a Learning Management System that doesn’t really suit you.
Choosing an LMS and implementing it comes with its own challenges. But, it doesn't stop there. **It's important to think about the continuing support of an LMS such as updating software versions.**

Bypassing this crucial detail in the LMS selection process could result in additional costs and staff hours.

Not to mention, if the LMS doesn't have regular updates, you'll be the proud owner of an outdated system that is no longer useful.

An outdated LMS is a big reason why companies choose to replace it with another system every few years. This can cause a significant investment in cost, time and potential disruption to your organization.

An LMS should be a helpful tool for the training and productivity of your employees – it shouldn't slow you down or get in the way.

**It's important for your LMS of choice to have regular software updates.** If not, this opens the door for huge security risks and means you'll miss out on improved functionality, too.

**So, what should I know about software updates and an LMS?**

Software updates are a given with any system. But, they are necessary.

Depending on the LMS system, there could be a huge discrepancy between software updates that are a breeze and those that are chaotic, time-consuming and generally a bad experience.

Here are a few key things to keep in mind that will help avoid this situation:

- **Existing IT Infrastructure.** An LMS that ‘plays nice’ with your existing IT infrastructure will make for an easier, seamless software update process. Staff in charge of updates will also have the benefit of familiarity.
- **Product Roadmap.** It's important to know not only what features an LMS has but also what the plans are for feature development. In order to access those new features, be sure to ask what kind of upgrade costs, if any, are involved.
- **Scalability.** A scalable LMS will continue to accommodate your business as you grow, saving you the time, effort, and resources it would take to find and implement an entirely new LMS.
- **Customization.** In order to not get outdated, an LMS should be able to be tailored to your specific training needs. Is it easy or difficult for IT staff to implement these changes?
- **Integration.** As times and needs change, integration is essential. Implementation of an LMS and any updates it has should be non-disruptive to your business. Utilizing your existing technology will help avoid lengthy, complex updates.
The Selection Process

The IT team has their hands full making sure all software for your business is up and running. It's important when looking for an LMS to not only consider current features but also to understand the process of software updates and what that entails.

Software updates are a critical piece of the LMS puzzle.

If an LMS hasn’t been updated within a year or two, it’s simply not keeping up with what is going on in your industry. You can do better.

Every time the software is updated it incorporates new user-requested features and also provides security patches for any issues that may have arisen.

During the selection process, ask a few simple questions regarding features and software updates:

- How frequently do you update the software?
- What is the process for installing updates and upgrades?
- What will it cost you to get upgrades?
- Will the IT staff need specialized training to maintain the LMS once it's installed?
- Will we be able to integrate other tools and technologies into the platform?
- Do they have plans to improve or upgrade the LMS platform?

Just as with any software, an LMS will fall behind in security and functionality if not properly upgraded. As your business changes, your LMS should also grow and change with the times. However, it shouldn’t be a big ordeal. Software updates should be hassle-free with minimal service disruption. Software updates and features sets should be at the top of your list when choosing an LMS.
A Learning Management System (LMS) is a big ticket software purchase. But, hidden costs and other ‘addons’ could take you by surprise.

One that you didn’t expect.

The purchase of an LMS should create a learning experience that ultimately impacts your bottom line in a positive way.

Does the software provide employees the ability to sell better, save better, be more aware of how they’re using company resources or make them excited to come to work every day?

If not, your LMS is not providing the return on investment (ROI) that it should.

It’s easy to get distracted by fancy feature sets during the LMS selection process. If you’re not paying close attention, there will inevitably be hidden ‘gotchas’ that come up along the way in the form of unplanned expenses and labor costs.

Choosing the wrong LMS has profound financial implications.

Research shows that companies, on average, switch LMSs every few years. This could be because the LMS is difficult to use, it doesn’t evolve with business needs or is not able to integrate with other systems, among other things.

Do you really want to make a very large LMS purchase every few years?

Not to mention, all the staff hours it would take to get it up and running as well as a loss in productivity.

**So, how can an LMS increase profitability and productivity?**

If you want to make a good financial LMS decision than keep these things in mind during the selection process:
• **Leverage Existing Resources.** By utilizing technology you already have, this not only reduces costs dramatically but increases efficiency. Even when it comes to maintenance, your staff already know the system and can quickly and easily make updates when needed.

• **Integration.** Systems that are not integrated result in significant increases in cost and resource consumption. It’s wise to choose an LMS that has the ability to easily ‘talk’ to all your other business systems.

• **Talent Development.** It costs a lot of money and a loss in production when employees leave. An LMS that engages employees and supports their career journey will save in the long run.

• **Reporting Analytics.** A good LMS will have top notch reporting capabilities so you can drill down to specific information that can connect training performance to essential business results.

• **Compliance.** A breach in compliance can result in huge financial penalties. An LMS should have thorough compliance tracking capabilities in case of an audit.

### The Selection Process

It would be natural to assume that choosing an LMS would be a straightforward process. However, there are certain things during the selection process that may not be obvious and could potentially have a financial impact on your business.

Hidden LMS costs should be considered when selecting an LMS.

The most common hidden costs include,

• **Implementation and Setup Fees.** Some vendors charge an extra fee for setting up your system, others don’t. If they do, they should mention it. If they don’t mention it, you should ask about it.

• **Licensing Fees.** Some vendors give a license for a limited period of time — six months, one year — and demand a recurring fee after that. You need to pay attention if this fee exists, why it does, and how much it affects the overall cost.

• **Upgrade Fees.** Not if, but when your business grows, will the LMS handle it and what kind of cost does that entail?

• **Customization Fees.** Anything that will be custom to your business and is not ‘standard’ can cost you. Be sure to ask beforehand on what the vendor’s policy is.

• **Maintenance Fees.** Who is responsible for maintaining the LMS?

• **Support Fees.** It is inevitable that questions will come up with the LMS. If you have a question or concern, will it cost you? Some resources are free, but others can be an extra fee. Be sure to know which is which before purchasing an LMS.

Utilizing existing technology can reduce or completely limit the hidden costs of an LMS. It makes the most of your organizations existing infrastructure, processes and know-how, resulting in lower overall costs in upfront acquisition, annual per-user license fees and expenses related to support, deployment and integration.

There are many reasons why one LMS may be a better fit than another for your business. Cost usually plays an important factor. By digging deeper into the true cost of ownership of an LMS, you’ll discover that utilizing existing resources can help increase profitability and productivity of your business.
Choosing an LMS that isn’t flexible creates a lose-lose situation.

If it no longer suits your learning needs then you face paying excessive amounts in time and money to break your contract and switch to something else.

Or, you continue using an LMS that remains inflexible but misses the mark on potential learning opportunities that could create a profound impact on your bottom line.

This is a painful mistake to make.

It’s important when choosing an LMS to think about how the LMS will not only meet your current goals and situation, but also how it can adapt to your changing business needs.

An LMS that isn’t flexible can cause a ruckus of other problems too.

Some LMS systems claim to be flexible but when the time comes you’re faced with hours of labor from your IT team, additional costs or both.

What the vendor didn’t mention during the selection process was that flexibility doesn’t come easy.

But, it should.

Change is a given. And your LMS should be able to easily roll with the changes of your business. Simple as that.

So, what makes an LMS flexible?

Flexibility for an LMS usually come down to these things:

- **Scalable and Adaptable.** As your business grows and changes, it’s important for an LMS to easily be able to accommodate without a fuss.
- **Integration.** No LMS functions in a bubble. It must be able to integrate with a variety of business systems.
- **Permissions.** An LMS with flexible permissions gives a variety of people, from front line managers to learning administrators, access to the LMS and more freedom to do their jobs.
- **Reporting.** Flexible reporting options can give crucial insight into your learning programs and is a very important feature to have.
- **Features.** An LMS should offer the flexibility to do whatever kind of training you need. Create your ideal learning processes that are the most beneficial and effective ways to develop your people.

During the LMS selection process, keep these features top of mind while exploring additional requirements.
The Selection Process

There is a small percentage of companies that purchase an LMS and use it as-is. More often than not it will need to be customized to some extent.

In fact, according to a report by eLearning Guild, more than 62 percent of companies purchased an LMS and customized it to fit their needs.

So, how can you make the most of your investment, now and in the future? The answer is flexibility.

But, it’s not good enough to just ask if an LMS is flexible.

Go into the process with specific questions that will help paint a picture of how the LMS will fit into the big picture.

- What types of learning paths are offered?
- Can the user interface be adapted?
- What are the authentication protocols?
- Can you adjust the look and feel of the LMS?
- What flexibility comes out of the box and what must be customized?
- How difficult is it to customize and how much man power will I need to get it to do specifically what we need?
- Does the vendor customize or will that fall on my staff?
- What kind of costs are associated?

Of course, it’s also important that once a vendor is chosen that you maintain open lines of communication about what your business needs. In this way, the vendor can take your suggestions and possibly work those new features into their planned roadmap.

Choosing an LMS is a complex decision with lots of things to consider. Flexibility should be at the top of your list of ‘must haves.’ In an increasingly fast-moving world, it provides companies the ability to stay agile and competitive. It also improves training effectiveness because it creates a learning environment that is most conducive to the way people learn. Be sure an LMS with flexibility is top priority.
Simple and easy generally aren’t words used to describe creating reports. More often than not the words time consuming and tedious are used.

Reports play a very important role in learning and development which is why it should be one of the top things to consider when choosing an LMS.

Creating a report is so much more than providing a document with checkmarks showing a staff member took a course. It should tell a story that clearly defines how your training initiatives have impacted your business goals. And most importantly, how to continue down the path of training success.

If front line managers have difficulty pulling the information needed, it’s impossible to check what is working and what is not.

Common challenges that happen when it comes to reporting include,

- Difficulty accessing information due to permission restrictions.
- Creating a report that is too complicated and too many steps involved.
- There isn’t an option to customize the report to fit specific needs.

These example scenarios are just a few of the problems that could be avoided by choosing the right LMS.

Information is power. That is why choosing an LMS with excellent reporting features will give you the tools to help make informed decisions about all aspects of your business.

So, what reporting features are a ‘must have’ when choosing an LMS?

It’s true, no two businesses are alike and not everybody will have the same needs. But, here is a list of some of the most valued reporting features:

1. Simple and easy. When you need to pull information quickly, it’s imperative that the report can, not only be created, but reviewed in a few simple clicks so managers can get the information they need to make business decisions.

2. Integration. The LMS should be connected to all your business systems so any report can easily and quickly be analyzed against data from your HRIS or any other system.

3. Customization. One size does not fit all when it comes to reports. Excellent data reporting tools can compile records from a variety of categories and organize them in any way you see fit.

4. Permissions. The LMS administrator shouldn’t be the only person able to create and review reports. Each front line manager should be able to access the system without issue and create reports for their department or team.
5. **Automation.** Nobody wants to spend hours every month recreating the same reports over and over again. The ability to save templates so that data can be shared each month automatically allows more time to analyze and use the data versus time spent compiling the data.

### The Selection Process

There are a variety of reasons why a company chooses to switch their LMS. According to *TechnologyAdvice.com*, about 66 percent of the time it has something to do with issues related to reporting.

This means that a little more attention should be paid to reporting features during the LMS selection process.

One of the biggest reasons for an LMS to have great reporting capabilities is that it should demonstrate a return on investment for your organization. And if your learning program is not meeting expectations, the report will help you identify where improvements can and should be made.

A helpful tip is to create scenarios of how you will use the LMS and what types of reports you may need. This will provide a guide outlining the various types of reporting features that will be most useful.

For instance, department managers often times need to run reports for their departments but some training systems only allow LMS administrators access. So, in this case, they will need an LMS that allows permissions for managers to run their own reports.

In other instances, it might be important for a business to get very detailed, granular information in their reports.

*ShareKnowledge* has a Question-Level Report that would be very useful in this scenario. It allows users to see how well learners did on a test but also assess the test itself.

If everybody got the same question wrong there is a high chance there is something wrong with the question and you can reword it next time. If the results show a mixed bag, learning professionals, instructional designers and course creators can decide whether it’s something that can be addressed with more training or change the wording so the question is understood more clearly, or implement both.

Choosing an LMS is difficult as it is. Selecting the right feature sets for learning management systems is important but you also need to make sure that reporting is up to par as well. Being aware of your specific needs and pairing that with an LMS that can solve the problem will pave the way to a stress-free reporting process. And, the best part of effective reporting features in an LMS is the positive impact it will have on the success of your business.
Reporting features in a Learning Management System are particularly important for those in a finance position because it provides critical decision-making data.

Without specific information, it leaves you making decisions based on a guess, assumption or estimate.

This is never a good idea when making business decisions.

All data is not the same either. That is why it’s important to learn more about the depth of reporting capabilities of any LMS you’re considering.

Can your LMS integrate with other business software in order to see the bigger picture of your LMS investment? Are you employees better skilled, more productive, staying with the company and moving the business forward?

All these questions can be answered with the right reporting from an LMS that ‘plays nice’ with all your other business systems.

It’s also important for reports to be in an easy to read format.

Some users struggle to read long numeric reports. Visualizing data will make it easier for many members of your team to understand and interpret learning results.

Compliance can have a huge impact on staff billing hours when reports take too long to create. And, reports that can’t demonstrate compliance with regulations can also mean additional fines.

With that said, an LMS that provides good reports will give a very clear window on processes, efficiency and costs which will make your job easier.

So what reporting features should I be looking for in an LMS?

Each business has unique reporting needs, but there are specific features that make a CFOs job easier:

- **Integration.** Learning data and performance data often reside in different systems, making it difficult to make comparisons. With integration capabilities, there will be an increased range and depth of reports available.
- **Detailed Data.** For financial purposes, the more granular the data the better. This helps you make educated business decisions such as creating an annual budget for L&D.
- **Automation.** Automation helps streamline processes which will have a positive impact on staff billing hours. It will also offer efficiency to learning processes.
- **Dashboard Summary.** Dashboards that present information in a visually pleasing way help to better understand the analytics from data pulled.
- **Customization.** An LMS should be able to be customized so that it can pull the data you specifically need.
The Selection Process

Of all the features of an LMS, reporting is probably one of the most important for the CFO.

In fact, a recent survey by *Chief Financial Officer* Magazine, states that this year executives have the highest expectations of their technology investments when it comes to positive impacts in the areas of process efficiency, cost reduction, reporting accuracy and data/analytics availability.

To get a full idea of the types of reporting needed, it’s important for everybody in your LMS selection team to have their input.

Be sure to write up a list of use cases that you can disclose to any potential LMS provider. Then, during the demo, ask to have the LMS provider show you how a report is created.

Ask yourself questions and write notes about things such as:

- How easy or difficult is it to create a report?
- Who will be pulling reports? The LMS administrator, manager, chief financial officer?
- How easy is it to share a report?
- What does the report look like? Is it easy to understand or difficult to digest?
- What if reporting needs change? Is it possible to still pull the information I need with some customization? Will this cost an additional amount?

Great reporting in an LMS is essential - especially for the chief financial officer. Assessing the risks of adopting new technologies is a tough job, but an LMS that can provide reporting that successfully fills in the blanks will lessen that burden. In fact, it might even show a profound and insightful link between learning programs and the positive success of your business!
Scalability

The ability to scale is an important feature of a Learning Management System. If an LMS isn’t able to grow with your business, there could be dire consequences.

One obvious issue is the inability to add more learners to the system in a fast, efficient way.

This is a huge and stressful roadblock.

Your employees are the foundation and success of your business. If they aren’t learning and evolving, neither is your business.

Naturally, when a business grows this equates to more customers, more data and more resources.

It’s a costly nuisance to discover that an LMS that worked sufficiently with a limited amount of users – crashes under the pressure of 10,000+ learners all over the world.

If your organization is unprepared to handle these increases, you lose efficiency and business agility – key factors to stay competitive in your industry.

Financially speaking, scalability is also critical.

A system that does not scale could wind up costing your business a lot of money. Payroll could be exceeded if the IT department are tasked to fix the issue or, if not solved, you could be faced with buying another LMS all together.

An LMS should fit the needs of your organization now as well as tomorrow.

What makes an LMS scalable and adaptable?

When selecting an LMS, it’s important to look for features that promote growth and adaptability such as,

- **Users.** An LMS should be able to tolerate a large number of users accessing the system at the same time, from all over the world, without delays.
- **Data.** The ability to handle a large amount of data is imperative to scalability.
- **Administrative.** As the system grows, it’s important that different branches of an organization can access the LMS in order to get the information they need.
- **Integrations.** An LMS will never operate independently, especially as a business grows, so having integration capabilities is crucial so it can link with systems such as a CRM or HRIS.
- **Automation.** With growth comes more work and processes. Automation features help streamline and removes the stress of managing a long list of tasks.

ShareKnowledge
The Selection Process

Choosing a system that can change and adapt to the growing needs of your learning initiatives will be a key component in your organization’s growth.

A scalable LMS will continue to accommodate your business as you grow, saving time, effort, and resources it would take to find and implement an entirely new LMS.

When it comes to scalability, it’s important to know exactly what your business needs are.

- **Does you need an LMS that is built for corporate or an educational environment?**
  Most LMS systems will have their core niche in the market – corporate, educational or human resources. An LMS designed for corporate use can handle a user range of 80,000+ while other systems can manage not more than 5-10,000 users effectively. If the system is human resource focused, there is an even greater chance that the learning aspect is very small and limited in scope.

- **Does your business have simple or complex needs?**
  Some companies will always have very simple learning needs. But, if there is any chance down the road this might change, it’s imperative to factor in scalability into an LMS. This allows for more complex workflows and the capacity to handle more data that comes along with multiple organizational units and very complex needs.

Every business knows that to stay competitive, it’s important to be agile. The faster a company can make changes, whether in learning or other business processes, the more competitive they’ll be.
If an LMS doesn't scale, it's going to cost you

Scalability in an LMS plays a vital role in the future success of your business and contributes to competitiveness, efficiency, reputation and quality. And, it should be one of the top considerations when evaluating a learning system.

Yes, there will be costs associated with buying a new LMS. But, if it doesn't scale you'll be faced with significantly more costs than you can ever imagine.

It's safe to assume that every business will have varying needs as it grows.

And, during the LMS selection process it's easy to fall into the 'I want every feature under the sun' mentality. But, unfortunately, that's just not possible and there is no way to foresee exactly what your business will need five years down the road.

And, that is why scalability is so important.

Because, if an LMS is unable to scale with the needs of your business you're faced with two options,

1. Keep the LMS that is unable to keep up with your business requirements or,
2. Buy a new LMS

Both options cause a financial impact.

Keeping an LMS that does not scale means you're losing out on job efficiency and productivity. And, most likely, payroll will be exceeded because the IT department will be tasked with trying to adapt the LMS – if it's even possible.

Buying a new LMS is very costly as well, especially if you didn't choose the right one to begin with.

In addition to the expense of a brand-new system there are also hidden costs of switching software vendors such as,

- Cost of training
- Lost productivity
- Custom integrations
- Set up and porting data

To avoid these costly scenarios, it’s important to prioritize scalability when choosing an LMS.

So what improves scalability of an LMS?

Ease of Use for software solutions usually come down to these things:
If an LMS doesn't Scale, it's Going to Cost You

1. Integration. As a business grows, the importance of connecting with a variety of other systems is of utmost importance.
2. Automation and workflows. Processes get more complicated and tedious the more a business grows. An LMS that has automation and workflows dialed in will go a long way.
3. Users and data. The LMS you choose should be able to handle very large amounts of users and data.
4. Authentication. As more users flood the LMS, it's crucial to have an easy way to authenticate who is accessing the system.
5. Customization. How easy will it be to customize the LMS as needs grow and change?

During the LMS selection process, keep these features top of mind while exploring additional requirements.

The Selection Process

It's always a challenge to predict what your future business needs may be but it is possible to at least make an educated guess.

During the selection process, it's important to consider what projects are coming down the pike. What are your 3-5 year, and beyond, business goals? And, how will that impact training?

Ultimately, scalability isn't a 'bonus feature.' It's the quality that determines the lifetime value of the software and will save time and money in the long run.

Choosing a scalable LMS solution protects your initial technology investment. Not to mention, there's also a shorter "ramp up" time to bring new features online than to implement entirely new software.

As a general rule, though, scalability is easier and less resource-intensive when considered from the beginning. This should be considered when choosing an LMS.
Wouldn’t it be nice to buy an LMS ‘off the shelf’ and not be shocked to learn of additional expenses that weren’t planned for?

Unfortunately, purchasing an LMS isn’t the same or as easy as buying a pair of jeans. And, there are many factors that play into the total cost of a Learning Management System.

Being blindsided with extra expenses related to an LMS is frustrating and stressful to say the least. Nobody wants to have to pull from other, just as important, budgets to make up for the mistake of overspending on an LMS.

Did you know that a survey by Capterra found that most companies had underestimated their expected LMS costs during the planning stage by an average of 59 percent?

Don’t let this be your situation.

The more you know, the more you can prepare yourself so there won’t be any surprising costs along the way.

So, what are some surprising and/or hidden costs of an LMS?

During the selection process, the ‘hard costs’ are the most talked about. They’re the cost of the Learning Management System including any licensing fees, setup fees or pricing models. But, this is only part of the equation when it comes to the true cost of a Learning Management System. Here is a list of the top 10 most surprising LMS costs that get overlooked.

Here is a list of the top 10 most surprising LMS costs that get overlooked.
1. **Time.** If an LMS has a very low initial pricing cost, but is taking up large chunks of company time, then it may prove more expensive than an LMS with a large pricing cost that fits seamlessly into your organization’s processes. As an example, the IT department could be spending numerous hours trying to integrate or customize the LMS. Another example would be administrators having a hard time uploading content or pulling reports.

2. **Hardware and Software Required.** Is there additional hardware or software required? Examples include database technology, document management and workflow solutions.

3. **Implementation and Setup Fees.** Some vendors charge an extra fee for setting up the system, others don’t. This includes single sign-on and integration of the LMS with other systems of record such as your HCM/HRIS system.

4. **System Administration.** Is the LMS so complicated or removed from the daily work processes that it requires a dedicated, full-time LMS administrator?

5. **Upgrade Fees.** Not if, but when your business grows, will the LMS handle it and what kind of cost does that entail? If you need to upgrade your plan to add additional users –or downgrade if you need fewer seats– some companies will charge fees for that. Anything that will be custom to your business and is not ‘standard’ can cost you. Many LMSs advertise themselves as “white label” but really only permit some basic branding within their library of templates.

6. **Customization.** Anything that will be custom to your business and is not ‘standard’ can cost you. Many LMSs advertise themselves as “white label” but really only permit some basic branding within their library of templates.

7. **Maintenance Fees.** Who is responsible for maintaining the LMS? One of the most important costs to consider is LMS maintenance. This includes keeping your online training content fresh, downloading add-ons or adding new releases. IT will most likely need to revisit customization and update workflows that were broken by the new version. Is there a charge for new versions or add-ons? Can the LMS admin manage it or is IT support required?

8. **Support.** If you have a question or concern, will it cost you? New software always requires significant end-user training, help desk support and hand-holding to ensure sustainable configuration and adoption.

9. **Creation of Online Training Content.** Calculating the LMS costs also extends to the online training content itself. After all, your new LMS won’t be of any use if there isn’t any online training content to upload. Therefore, you must factor in the expense of developing or curating online training content.

10. **Tool Replacements.** You may discover that your new LMS doesn’t mesh with third-party eLearning authoring tools, CRM software and other essential assets. As a result, you’ll have to invest in replacement tools to fill the gap.

**The Selection Process**

Creating an accurate budget is the secret to LMS success. And, in order to get a holistic number to work with you’ll need to factor hard costs, hidden costs and miscellaneous costs.

During the selection process, be sure to collect this information before making a final decision.
10 Surprising Costs of an LMS

**Hard Costs**

Generally, most businesses have a pretty good idea, depending on their unique situation, if they’ll need an LMS in the cloud or self-hosted. Both have different costs associated.

A **self-hosted** situation generally will require more time, resources and technical experience initially.

Both a SaaS and self-hosted LMS will offer similar features, licensing and administration costs, but the real difference in added costs for self-hosted will come from: set up (including system software, LMS, backup etc.), system administration and purchase of required hardware and software.

Installed LMS software, though it requires more significant initial investments is much more economic when considering a period of three years or more. As studies show, the bigger the company gets, the more it inclines to choose a self-hosted LMS as it acquires necessary infrastructure, IT resources and expertise. Plus, if the company already hosts another management software such as talent management or HR the implementation of one more system doesn’t involve that much extra difficulty.

One of the most cited benefits of the **cloud** is that it is cheaper than self-hosted installations — making enterprise-quality technology affordable for small businesses.

While a SaaS LMS will offer similar features, licensing and administration costs as other training systems, the real difference in added costs will come from: single sign-on authentication, integration with systems of record, risk and compliance management/security and customization and integration.

**Hidden Costs**

We’ve discussed this in the previous section. It’s important to ask questions to really pull the information you need from the vendor. This will likely reveal several hidden costs you probably weren’t aware of, and should be considered before purchasing an LMS.

A useful tip is to have a couple of sample use cases for vendors to consider when quoting which will help uncover some of those hidden costs and allow you to compare apples to apples.

**Miscellaneous Costs**

In addition to considering the main players, and even the hidden players, of LMS cost, there are also functionality issues with an LMS that will hit your pocketbook.

- If an LMS doesn’t integrate with other systems...it’s going to cost you.
- If an LMS doesn’t scale...it’s going to cost you.
- If an LMS doesn’t provide thorough reporting...it’s going to cost you.
- If an LMS isn’t...it’s going to cost you.
- If an LMS isn’t intuitive and easy to use...it’s going to cost you.
You get the idea.

There are many variables that go into the total cost of an LMS. Before choosing an LMS for your business, it’s important to gather all cost information together before making a decision. Because, when you do your due diligence, you’ll feel a sense of relief that you’re getting an LMS that fulfills your training and business needs without causing stress of going over budget.

We hope you enjoyed this free eBook and found the information helpful. If you’d like to learn more about ShareKnowledge, please click on the link below.