



Effectively Outsourcing your E-Learning requirements to a Vendor: a rigorous approach

Speakers:

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Learning Objectives

- Evaluate an e-learning vendor using the given set of tools, techniques, and strategies.
- Formulate and apply customized (project-specific) processes and procedures for an outsourced e-learning project



Agenda

- Background & Introduction
- Short listing vendors - RFI
- Selecting a vendor - RFP
- Finalizing the contract - SOW
- Working with the vendor - Managing the project
- Q&A

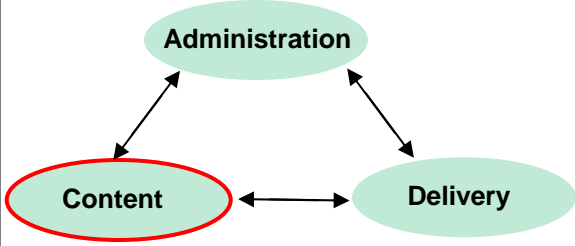
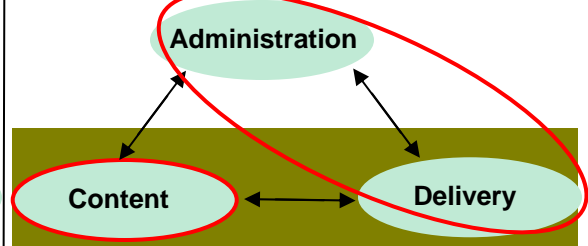
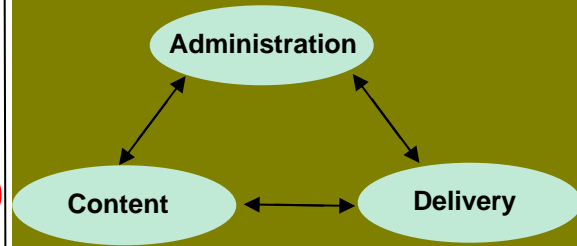


Background

- Outsourcing is a growing trend.
- Offshoring is becoming increasingly more accepted.
- Gains from outsourcing can be enhanced by optimizing the process.



Training Outsourcing: The Context

Out-Tasking	Selective	Comprehensive
		
<ul style="list-style-type: none"> • Most Traditional Business • Low Risk • Project Driven • Transactional Pricing • Primarily Content/Delivery • Administration -Tools • Value Proposition -Cost 	<ul style="list-style-type: none"> • Most Leveraged Strategy • Mitigated Risk • Process Driven • Annuity Streams • Primarily Admin Services • Content – Variable • Value Proposition – Cost to Value 	<ul style="list-style-type: none"> • Strategy and IP Retained • Highest Annuity Stream • Greatest Level of Risk • Process Driven • Admin Services – Fixed • Content – Variable • Value Proposition – Profitability

Adapted from: "The Changing Face of Corporate Training - Outsourcing vs. insourcing", March 2005, a presentation made by Doug Harward CEO and Managing Partner The Exceleration Group And Founder of TrainingOutsourcing.com, LLC

**Request For
Information**

**Managing
an Outsourced
Project**

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Short-listing Vendors

The Four Parts of An RFI

1. Vendor's Background

2. Vendor's Client References

3. Vendor's Resources

4. Vendor's Processes



RFI

Smart Learning Solutions: A case study on the RFI phase Client Background

- You are a large consumer electronics company, seeing a sudden ramp-up in employee strength worldwide, because of the success of a brand new product. Your trainee profile is changing drastically because of the sudden need to expand your employee base. At present, you have pressing training needs emanating from the following business divisions:
 - **Human Resources** (Approximately 25 Hours of self-paced, highly interactive training to reduce the logistical burden of inducting new personnel and familiarizing them with company policies)
 - **Customer Support** (Approximately 10 days of instructor-led training to help new personnel support your product lines)
 - **Manufacturing** (Approximately 50 hours of skill-intensive training for supply chain management, compliance, and process training)
- While the overall training needs are clear, a deeper understanding of each of these domains will be required from the vendors who develop the solution for you. You need to select a pool of vendors who will meet these training needs.

Smart Learning Solutions:

A case study on the RFI phase

Vendor Background

Smart Learning Solutions Corp. is a five-year-old company with two primary business units:

- E-learning
- Web Applications

Smart Learning Solutions Corp. has combined revenues of USD 10 million. The company is profitable and well funded. Its two founders have proven track records of 20 years each, and they have managed to get funding from two of the best known names in Silicon Valley.

Employees of Smart Learning Solutions are distributed geographically — 80% of the employees work out of a development center in India, while 20% work out of sales offices in the USA, where Smart Learning Solutions is headquartered. The company has aggressive growth plans and intends to double its workforce in India in the next 24 months. They have recently set up a sales office in Europe and expect to get 20% of their revenue from there in the next three years. To further sharpen their vertical focus, they are now looking for potential acquisition targets in the US.

The company has developed expertise in the areas of custom content development and technology. They also provide some support in the area of learning services. They have worked on several projects, including web-based training, in many different areas. They have also created material for Instructor-Led Training (ILT), comprising instructor notes, PowerPoint slides, and student guides. Some of these training programs have also been adapted to the Virtual Classroom format. The company has a small team focusing on emerging technologies and solutions, but has yet to achieve a significant breakthrough.

Case Study (continued)

The company counts several multi-billion dollar customers among its clients, including Zion pharmaceuticals, Clinical Drug Trials, and Sojourn Hospitals. Other customers include the Autoworks Motor Company and Nimbus Electronic Corporation, both of which have revenues of over USD 1 billion. In addition, the company has many smaller customers across a range of verticals. Overall, most customers are happy with the work of Smart Learning Solutions and are looking to continue or expand their relationship with the company.

For example, when Autoworks decided to introduce a hybrid vehicle, it engaged Smart Learning Solutions to train their 10,000 salespersons to sensitize customers to the new concept. Smart Learning Solutions also helped Zion to roll out US-HIPAA compliance training to 25,000 employees worldwide.

Smart Learning Solutions uses a range of delivery media to provide solutions to its customers. Web-based courses constitute nearly 60% of the USD 8 million revenues from e-learning, and the rest comes from instructor-led and blended learning solutions.

Smart Learning Solutions is very active in participating in various industry forums and contributing to them in its efforts to make itself more visible. A few of its Project Managers represented the company as part of the Brandon Hall jury, and a prominent business magazine recognized Smart Learning Solutions as one of the fastest growing companies in the region. In addition, one of its solutions won the ASTD BEST Award for the year 2006.

Smart Learning Solutions has established certain key relationships over the years. It has tie-ups with the top three LMS vendors in the world. It has also tied up with the largest software reseller in Europe to boost its sales in that region.

The development centre in India has been assessed at Level 4 of the Capability Maturity Model developed by the Software Engineering Institute at Carnegie Mellon University.

Smart Learning Solutions

RFI Evaluation Checklist: Vendor Background

Rate the vendor on each of these parameters as High (H), Medium (M) or Low (L).

- Focus on learning solutions
- Relevance of vendor's experience to your solution needs
- Financial stability of the company
- Revenue distribution across clients
- Alignment of Growth Vision with your outsourcing needs
- Recognition of vendor in the industry
- Industry networks, partnerships, and alliances
- Company's ability to innovate
- Track record in the domain
- Customer retention

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Case Study: Evaluating the Vendor

- Focus on learning solutions
- Relevance of vendor's experience to your solution needs
- Financial stability of the company
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H – High M – Medium L - Low

Other Points

1. Vendor's Client References

2. Vendor's Resources

3. Vendor's Processes





Selecting the vendor

The Parts of an RFP

1. Description of the Problem

2. Proposed Solution

3. Project Management and Sched

4. Budget/Pricing



Description of the Problem

(Key points to consider)

- Long-term perspectives vs. short-term perspectives
 - Off-the-shelf vs. Custom
 - Content re-usability
 - Risk of Obsolescence
- Budget
- Criticality of the Project
 - Degree of De-risking



Proposed Solution

(Key points to consider)

- Effectiveness
 - Interactivity
 - Complexity
 - Instructional Design
- Delivery Mode
 - Media usage
- Resources being brought to the table



Project Management and Schedule (Key points to consider)

- On-shore, Off-shore, Dual-shore
- Extent of Client Involvement in the Development Process
- Detailed Specs vs. Evolving Solution



Pricing

(Key points to consider)

- Biases emanating from cost
- Pricing Model
- $\text{Effort} \times \text{Rate} = \text{Total Cost}$



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The Three Parts of a SOW

1. Assumptions

2. Deliverables

3. Process Specifics



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Managing the Project:

Key aspects of the process

- Approval and sign off process
- Progress Reporting
- Change Management
- Risk Management
- Configuration Management
- Problem resolution and escalator
- Termination



Project Management: Key aspects

- Alignment
- Communication
- Culture



Closing Remarks

- Demonstrated benefits of outsourcing
- Increasing trend
- You can benefit



Resources

- Visit www.liquid.com/learningoutsourcing for detailed formats and checklists for each of the four areas.



Questions & Answers



Thank you

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