10 Steps to Developing an Effective Learning Solution Business Case

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Introduction

You may already know the value that a Learning Management System (LMS) could bring to your company. Unfortunately, most organizations still don't emphasize the importance of learning and development as much as they should. Although the need may be very clear, you'll probably have to convince the rest of your organization to jump on board. However, building a business case for a learning solution involves much more than a static business plan. This guide takes you step-by-step through the process of addressing your immediate problems, building alliances throughout your organization, and making a successful business case for a learning solution, including:

Analyzing your current processes and identifying your needs

Mapping out the various processes and training requirements

Calculating the financial impact of training

Making the case and managing the project

So, let's say you already know the value that an LMS can bring to an organization. Perhaps you're already using one, or maybe you're considering this investment for the first time. To convince the rest of your organization this is a worthwhile investment, you'll need to show them the true value learning can deliver. Whether you know it or not, you're about to embark on a huge marketing effort. Building a business case involves much more than producing an ROI document or static business plan. Winning buy-in from those who can ensure your project succeeds requires more than creating those two deliverables.

Following the 10 steps below will help you address immediate problems, build alliances throughout the organization, and make a successful business case. These best practices come directly from SumTotal customers who have faced similar challenges.

#1 Start with a Self-Assessment: Analyze Your Processes and Identify Your Own Needs

Solutions sell better when they address real issues. Examine your current learning strategy. Where are the inefficiencies? What are the organizational risks? What work isn't getting done that should? Identify the checklist of specific pain points and process inefficiencies that a learning solution help alleviate.

#2   Learn How Your Organization Does Strategic Planning

Before you get too far down the path of building the case for your learning solution it's important to find answers to the following questions as they will guide your plan development:

• How does your company plan its business?

• How does your company set goals (independently by business unit, or cascading from the top)?

• Do you use the Balanced Scorecard approach or any other formalized methodology?

• What are the planning cycles by group, and what key metrics impact planning?

• What key metrics are used to evaluate each business plan's success? What is the evaluation period?

• When you get to the point of presenting a case, what format should it be in? Can you get a copy of a successful business case that was presented and approved recently to use as a template?

Strategy

Building a compelling business case is a key part to any successful learning management project.

#3 Find Out Your Organization's Process for Purchasing Software

Now is a good time to take a person from IT out for coffee. Learn all you can about your organization's software procurement processes. The details in this bureaucracy matter. Through this process you may realize that teaming with an externally hosted learning solution makes more sense than hosting a solution internally. Either way, this knowledge is power.

Ask IT to educate you on the following:

• Request for Proposal (RFP) Templates

• Sole source opportunities

• Return on Investment (ROI) & Total Cost of Ownership (TCO) presentations

• Sample legal contracts from previous purchase or rental agreements

You will prevent future frustration and your expertise in how your IT group works will help down the road.

#4 Determine Which Units in Your Organization Really Need Training

Mandatory and strategic training requirements often exist in many different areas of your organization, and it's your job to discover them. For example, compliance training, often the primary driver for many learning solutions, is usually distributed among many different departments in varying forms. Form a task force to find out who is carrying out redundant processes and activities. Look into the following areas:

• **Human Resources:** Onboarding training, workplace conduct compliance training, leadership development training

• **IT Group:** Systems rollout training, IT skills training, internal process training

- **Customer Support/Call Center:** Product training for internal support, extended enterprise customer training

- **Marketing:** Extended enterprise prospect/customer training

- **Sales:** Sales training, leadership training, new product rollouts

- **Alliances:** new product training and competency certifications for partners

- **Health & Safety Departments:** Mandatory compliance training

#5 Interview All Your Stakeholders

1. What are your strategic goals for the quarter and year?

- Get a plan from them

- Do they map to corporate goals, or roll up to other departmental goals

2. How will you be measured on success?

- This could be surprising

- You are a business partner interested in their success.

3. What key metrics do you track to run your business/department?

- Understand what these are, how they are gathered and how often

- Know what influences each metric

4. What are the barriers to your success?

- These are the pain points

- Do other groups in the organization share these barriers?

5. What issues are you facing today?

- These may be different from goals

- Alleviating existing pain could allow breathing room for future success

6. Are you dependent on other departments for your success?

- Showing interconnectivity could increase your case

- Linking common goals drives synergy

Each of these interviews will reveal direction, challenges, and possible opportunities for consolidated learning initiatives. Finding common needs and obstacles across departments helps show the broad impact of your learning investment.

#6 Document Process Flows

Taking the time to map out the various processes and training requirements across your organization will provide three major benefits:

- Expose areas of redundancy and opportunities to increase efficiency

- Highlight the manual steps in each process (for example, email notifications or course assignments)

- Reveal weaknesses in your compliance management and show areas of risk (through the process flows)

#7 Calculate the Financial Impact of Training

Once you've mapped out the processes, met with other groups, highlighted redundancies and demonstrated inefficiencies, you can calculate how much time and money your organization spends managing training and reporting with the current systems and processes. With this information in hand, you'll be able to present a case for centralizing and automating these functions. Using a single learning application to plan, implement and assess learning activities will streamline processes, automate administration tasks and reduce non-compliance risk.

#8 Find a Champion in Management

Management buy-in is crucial to organizing an enterprise-wide initiative. While learning solutions aren't always top of mind for CEOs, leadership does understand items presented in terms of cost efficiency, revenue potential and corporate risk. Finding a champion will:

- Provide you valuable feedback on what is important in making this case

- Share your progress with leadership

- Help endorse the project once you are actually making the case

#9 Make The Case

Although the process of writing the business plan will differ from organization to organization, the most important thing is to take your ROI numbers and the process flows you've put together and ensure they are compelling and coherent. Do they support each other in a clear and understandable way? Do you have a compelling story? Make sure you address the major pain points in your training process and articulate how a learning solution will alleviate them. Our clients have used the diagram below to help with this framework:

Current Pain (Source: Business Units)	Learning Solution (Source: Learning Group)	Expected Gain (Source: Business Units)	Business Goals (Source: Annual Report)
• Articulate the current pain your constituents are facing in meeting their goals • These should tie directly to the Expected Gains • Focus on issues that can be solved by a learning solution	• Articulate the learning solution that will solve or mitigate the current pain • Bridge the gap line by line between Current Pain and Expected Gain • Note that your costs, timing, and staff requirements must be in line with overall business expectations	• Articulate expected gains from your constituents' viewpoint and tie to overall business goals • Explore IT, Sales Operations, Finance, Health & Safety, Compliance, and the enterprise as a whole • Focus on gains that tie to enterprise business goals, especially where learning solutions help reach goals • Frame expected gains as quantifiable metrics around people, time and money	• Increase revenue • Decrease expenses • Decrease cycle time • Increase customer satisfaction • Expand into new markets • Other intangibles

#10 Project Manage to the End

Like any project, the only way to ensure that you get the results you want is to lead it yourself. Be wary of having other groups pick up this initiative — loss of control could lead to the project losing steam or delivering unexpected results. This is your project, and for it to be successful, you'll need to be its biggest champion. If you follow all of the steps above, you'll be well on your way to presenting a successful business case.

Conclusion

This is an exciting time for learning technology. Critical workforce needs and advances in technology mean that learning professionals are at the forefront of the most important talent challenges. With the right technology, you can know that you are up to the task and ready to deliver.

As the market leader in enterprise learning, SumTotal can help you address your learning challenges and make the most of the latest industry innovations.

Why choose us?

1. We offer an industry-leading learning solution, next-generation mobile technologies, and cutting-edge delivery of content and extended-enterprise solutions.

2. We've taken a different approach to product and technology integration. While everyone else is still talking about product integration, it's a reality with us today. And no one in the industry can match our ability to integrate data with other HR systems; other enterprise systems, like CRM and POS; and even popular third party sites like salesforce.com and LinkedIn.

3. Our learning solution is completely integrated with talent and workforce applications.

4. Our professional services teams are committed to your success — before, during and after implementation.

5. We put your people first. We're all about learning and development. We'll help your people be their best.

About SumTotal

SumTotal Systems, LLC, a Skillsoft Company, is the only HR software provider to deliver Talent Expansion™ solutions that help organizations discover, develop and unleash the hidden potential within their workforce. SumTotal goes beyond traditional talent management and HCM applications, offering contextual and pervasive HR solutions that actually help improve employee performance in real time.

More than 3,500 organizations, including some of Fortune's "Best Places to Work," rely on SumTotal's award winning solutions to empower their employees. For more information, visit **www.sumtotalsystems.com.**

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