

Instructions

Enter your base learning data in this section.

1. Classes

Enter the number of classes that you offer annually by duration in days. Include classes longer than 6 days as six days or group them as two classes of shorter duration. For example, if you have ten 7-day classes, add ten to the number of 3-day classes and ten to the number of 4-day classes. This will skew the results slightly, but not significantly.

2. Average Training Hours per Class

Enter the typical training hours per class day. If you typically hold classes from 9AM until 4PM and take an hour for lunch, enter 6 hours (9-12, 1-4PM).

3. Average Enrollment per Class

If most classes have similar number of students per class, then enter that number. If the classes vary widely in size, then enter the typical or most common number of students enrolled per class.

4. Total Classroom Capacity

Enter the number of students that you can support in a training day. This is the sum of all classroom capacities.

5. Employees Trained per Year

Enter the total number of employees or students trained per year. An employee taking multiple classes counts as only one.

6. Your Annual Training Budget

Enter your total training budget, or if you have the specific allocations for instructor-led training only, enter that budget item.

Improvement

Improvement contains two areas of interest. On the right side are three columns. The first column, "Baseline", is calculated by the data you entered in the "Baseline" section above.

Cost per Class Day

Cost per class days is the Budget divided by the total number of class days. This illustrates how much it cost to operate a classroom for one day.

Cost per Training Hour

Cost per training hour is the Budget divided by the total training hours. Total training hours are determined by the total class days (multiplying the class duration by its count and summing those) multiplied by the average hours per class day.

Cost per Student Hour

Cost per student hour is the Budget divided by the total number of student training hours. Student

training hours are calculated by multiplying the total training hours times the average student count per class.

This calculation shows the current value of a training hour and is used to determine the “Improvement Value” later.

Percent of Capacity

Percent of capacity is calculated by dividing your current classroom enrollment by your total capacity. Your total capacity assumes that you can run training five days a week, 52 weeks in a year. (It does not factor in instructor fatigue.) This is mostly informational and is not used in any of the other calculations.

Note that later, when you add “improvements”, the calculator permits you to go above full capacity.

Training Hours

Training hours is number of class days times the average training hours per class days. This shows the total number of hours spent on training in a year.

Student Training Hours

Student training hours is class training hours times the average enrollment and shows the total number of student hours trained per year.

Training Hours per Student

Training hours per student is the number of total student training hours divided by the number of students trained per year. This illustrates the average number of hours each student is trained per year.

Classes per Student

The classes per student metric is the average student count per class times the total number of class days divided by students trained per year.

What If?

One of the benefits of implementing an LMS is to recognize some improvements in the logistics of managing a complex training operation. If your LMS is not helping you achieve that, then you are either using your LMS for other purposes or you have the wrong LMS.

It is interesting to see how even modest improvements to your training can have significant financial improvements.

These next three variables illustrate the financial improvements that an LMS can provide.

+ ADD Class Days

Learning management systems use course administration tools to help balance workloads between classrooms, instructors, and other resources. This improved efficiency can help to manage class scheduling thus adding more training days each year. Use the slider control to show the effect that adding more class days has on the value of your training.

Note that adding class days does not affect the cost per student trained, however it does improve all of the metrics indicated above.

+ ADD to Total Employees Trained

Learning management systems improve how employees find the right training for their organizational and career needs. This often leads to an increase in how many employees are trained. Use the slider control to indicate how many more employees you plan to train.

Notice that changing this value without adding class days or enrollments per class improves the cost per student trained, but reduces the training hours per student because you have more students but the same number of classes and enrollments.

+ ADD to Enrollment per Class

Learning management systems use several methods help direct the right students to the right training through curricula management (popular with the older LMSes), individual development plans (more modern LMSes), and more “push” technology to get students into the classrooms. Expect to see classrooms closer to full capacity with the more modern LMSes. This is often the biggest improvement that an LMS provides and also is the most valuable.

To see the value of increasing students trained, slide the control to increase student training. Notice that this does not change the “cost per student trained” calculation because you are still training the same number of students, you are training them more so the student training hours increases.

Improvement per Year

Using the numbers provided in your initial baseline, the LMS Calculator calculates the cost that you currently place on a student training hour. The assumption is thus made that the value of that training must be higher or you would not spend that money on training. Using only the cost however, the LMS Calculator applies that cost to the “improvement per year” that the LMS will provide based on your current operation and the improved operation.

The “improvement per year” is calculated by multiplying your current cost per student training hour by the difference in the improved student training hours from the current student training hours.

Try it now. After entering your base information, slide each slider control one notch to the right. In other words, add 10 class days per year, 20 additional students trained, and increase the enrollment per class by only one student.

Notice the changes.

The Improvement per Year probably went up more than you anticipated, and probably more than the first year price of the LMS, including implementation costs.

The Cost per Student Trained improved modestly as did all of the other metrics.