

Building a business case for eLearning in your hotel or restaurant

Robert Duprey

eLearning, which offers rapid delivery of a consistent message to a geographically dispersed audience, can offer Hoteliers many quantifiable benefits compared to traditional Instructor Led Training delivery. As with any other investment, executive management demands that eLearning proves its value.

When discussing the implementation of eLearning and Return On Investment, the prime focus is usually based on the potential cost savings in replacing traditional Instructor Led Training with eLearning courses. However, there are other related benefits inherent with eLearning solutions, such as speed of delivery, consistency, and flexibility.

Reduce training costs with eLearning

Despite these benefits, proving a business case for eLearning typically means being able to demonstrate a reduction in cost. At first glance, completing a comparative cost analysis between eLearning and 'live' face to face Instructor Led Training (ILT) is fairly straightforward.

The first step in preparing a cost-benefit analysis is to measure all of the direct and indirect costs involved in the design, development, delivery, and maintenance of both types of training. If you would like a detailed cost benefit analysis worksheet, please contact me via email.

Another cost reduction can be found in the reduction in time spent on training. eLearning case studies from companies like Xerox, IBM and Federal Express comparing traditional Instructor Led Training to equivalent eLearning consistently indicates that eLearning reduces training time an average of 40%.

Reduction of training time and cost can be a major benefit of eLearning. However measurement of ROI should also incorporate the achievement of specific business objectives, such as improved performance or a reduction of risk.

Improving performance with eLearning

Improvement in employee performance can be measured in a number of ways. A simple method is to compare pre eLearning performance against post eLearning performance. One example would be to compare average check sales before and after implementing a wait staff sales eLearning course. This can be a major factor in an ROI evaluation, but depending on the specific business objective, can also be the most difficult and time consuming to research and prove.

Collective experience with deployment of eLearning is that it is not only faster than classroom training (and nearly always cheaper over 2-3 years), it is also more effective. People learn better by doing, and well designed eLearning is highly interactive. Because the course demands interaction and feedback from each trainee taking an eLearning course, trainees remember what they learn more accurately and for a longer period of time (learning retention). Trainees are also better equipped to use what they learn to

improve their performance (knowledge transfer). Numerous studies and reports from the military, education and industry show 15-25% increases in learning achievement.

Mitigating risk with eLearning

An eLearning course typically tracks, assesses and records employee knowledge with regards to the course subject matter. This information can help managers to assess employee competencies, and provide a real-time snapshot of each employee's strengths and weaknesses. By identifying and proactively addressing each employee's training requirements, a company can reduce its 'risk' exposure in several ways.

eLearning is an extremely cost and time effective way to keep employees up to speed on the latest Food & Beverage service regulatory mandates, such as Food Safety/HACCP or Responsible Alcohol Service, consequently reducing the risk of a lawsuit should things go wrong. If certain processes are not in place, a company can be subject to fines and lawsuits. With eLearning, companies can deliver consistent training, while tracking their workforce compliance and performance.

Extensive studies have linked the consistent provision of training and development with increased employee retention and job satisfaction. The ease and cost effectiveness of providing eLearning on an ongoing basis helps to reduce the risk of high turnover and job dissatisfaction.

How to Build Your Business Case

In addition to considering the 3 major factors listed above, there are simple steps that you can take to build a case for eLearning. By conducting a 'pilot' eLearning project using an 'off the shelf' eLearning solution, ROI can be tested in a cost effective environment that can then be extended once proven.

Conduct an eLearning Pilot project- a simple and cost-effective approach

Step 1. Identify an ongoing training requirement where traditional training is currently being delivered to meet the requirement. The requirement must have clearly defined, consistent business metrics. The objective here is to identify a 'control group' that can serve as a reasonable example for the rest of the business.

For the case of this example I will use Food Safety Certification training. Food Safety training and Certification is a growing requirement in many areas nationwide and worldwide. If you are currently providing Food Safety training in-house or using an external provider, you should have a clear indication of the time required to attend the course and instructor costs. You should also take into consideration the travel costs, time away from work, and scheduling logistics to cover for the student whilst away from work taking the course.

Step 2. Select an 'off the shelf' eLearning course provider so that you can quickly rollout an eLearning pilot program to your control group. An 'off the shelf' course will enable you to trial eLearning at minimal cost for a short period of time. A quality eLearning course provider will help you design a viable three- to five-month pilot project to help you assess the value and ROI.

Step 3. Conduct a quick cost assessment, comparing eLearning course costs against the 'face to face' training costs outlined in Step 1.

Step 4. Introduce the eLearning course to the control group. The new training should be highly focused, and closely linked to the business metrics. Our example would include successful completion of Food Safety training and Certification. Validate efforts by conducting pre- and post-training assessments and also monitor course enrollment, completions, time of usage and test results. Ensure via spot interviews that employees and managers feel confident that the new skills can be applied on the job.

Step 5. Monitor eLearning results and work to correlate them with business metrics. You can accomplish this by looking at before-and-after accounts of the metrics you are tracking, such as training time required and pass rate for Food Safety certification. Because clear business goals and learning metrics have been defined, eLearning will provide relevant information into the feedback loop.

The feedback loop ensures that data is continuously monitored, measured and evaluated. As long as the feedback loop continues to produce meaningful data, it is possible to maintain training ROI.

Step 6. The final step is to extrapolate the local impact within this control group to the overall company and quantify the results. For example, a hotel group implements a Food Safety eLearning course in a specific location. After one month of training, 4 new members of kitchen staff have taken Food Safety training online, with an overall cost savings of \$75 per student, compared to attending a 'face to face' course. Total cost saving- \$300. If the benefit of eLearning were extrapolated across the Hotel's 100 sites, the hotel would reduce Food Safety training costs by \$30,000. Or simply multiply the number of employees that require Food Safety certification training every year by the costs savings from using an eLearning course.

By developing a pilot program and focusing on the performance improvements, reduced costs, and mitigated risk--HR and training departments can build a solid business case for eLearning. These three factors contribute to the business effectiveness of a hotel, which is the strategic focus of any executive management team. Hoteliers that use a structured approach to building the business case for eLearning will be able to meet specific business goals, achieve objectives and prove the eLearning ROI- while staying ahead of the competition.

If you would like more information about developing a cost benefit analysis, or would like to discuss the implementation of eLearning in your hotel, please email me at robertduprey@lexingtoninteractive.com

Robert Duprey has over 22 years management and training experience in the Restaurant and Hotel industry. He started Lexington Interactive to develop eLearning specifically for the Restaurant & Hotel Industry. The company offer a catalog of interactive hotel and restaurant training courses for the video game generation. Contact Robert at robertduprey@lexingtoninteractive.com or visit www.lexingtoninteractive.com