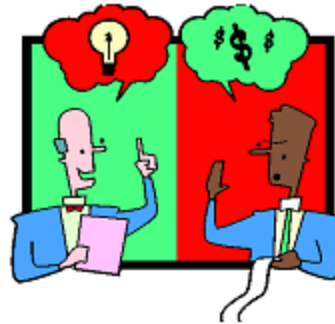


CALCULATING OF COST OF WBT

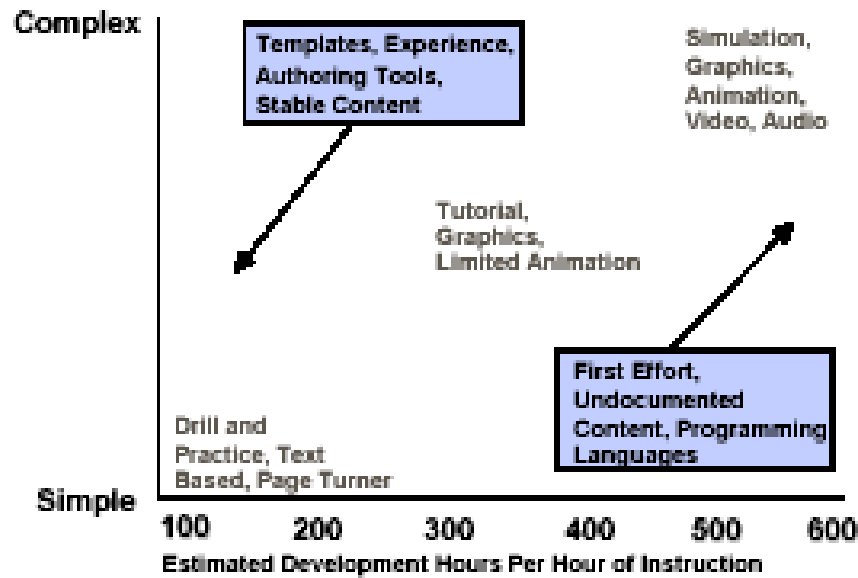


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Factors Affecting WBT Development Budgets

- ⌘ Design complexity
- ⌘ Content complexity
- ⌘ Development system
- ⌘ Staff experience
- ⌘ Existing materials/templates/standards

WBT Costs



Estimating WBT Costs Per Hour of Instruction (1st Hour)

Parameter	Factor (x 25)	Total
DESIGN COMPLEXITY High Medium Low	6 3 1	
CONTENT COMPLEXITY High Medium Low	3 2 1	
DEVELOPMENT SYSTEM Programming Language Visual Authoring Systems Wizard Authoring Systems	6 3 1	
EXPERIENCE None Some A lot	5 2 1	
BROWSER/OS SUPPORT Four or More Two-Three One	4 2 1	
EXISTING MATERIALS None Some A lot	4 2 1	
TOTAL	____ x 25	Development Hours Per Hour of Instruction _____

Estimating Total WBT Costs Planning Sheet

Parameter	Units	Cost Per Unit	Total
Development Time*			
Graphics*			
Duplication*/ Disks			
Video Editing			
Development Equipment*			
Web Hosting			
Bandwidth Fees			
Sound Editing			
Staff Support*			
Office Supplies*			
Packaging*			
Communication Costs (Mail, Phone, Modem)*			
Travel Costs*			
SME Fees*			
Authoring Tools			
Totals			

* Both WBT and Classroom Training

Calculating the Total Cost of Virtual Classroom Instruction

Category	Factors to Consider	Estimated Costs
Development of Materials	If you are leveraging existing classroom materials use a 20 to 1 development ratio. For every hour of finished material estimate 20 hours of development time. If you are developing the course for the first time with little or no existing materials use a 40 to 1.	
License/Purchase of Virtual Classroom	License fees will vary depending on vendors billing approach. Some vendors bill by the user i.e. 10.00 per use others bill by the event i.e. X dollar per event. Others provides a monthly fee i.e. X per month for a 25-person classroom. Other charge a premium for different types of services i.e. live demo for applications are charged an extra 25% while showing slides is less. Single event licensing is quite expensive regardless of provider.	
Telecommunication Fees	Cost will be considerable less if you use voice over IP however voice quality is highly affected by the speed of your participant's connection. Another factor is remote participants. They will need to have data line and voice line to participate. Not all employees have access to two lines. Employees that travel may not have two lines in their respective hotel rooms. We pay about .10 a minute for our bridge lines through Vialog. If you spending more than this for a direct dial line you're paying too much.	
Trainer Costs	Calculate the costs associated with your trainer to present the course.	
Participant Costs	Calculate the costs of your participants taking the course.	
Hardware Costs	Determine if you have any specific costs associated with hardware upgrades, rental or acquisition. Include these here.	
Software Testing/Installation Costs	Determine if your IT group requires a testing procedure that might cost you money. This might include a network test to make sure the virtual classroom will not impact your network. All Virtual Classroom products require plug-ins.	
Total Costs	Add up all cost categories.	

Cost of LMS

Need Questions	ASP External and internal users, outside the firewall	Software Internal users, inside the firewall	LMS Light Internal users, inside the firewall
Audience			
Training audience comprises users inside firewall - company intranet access only.		X	X
Training audience comprises the supply chain (suppliers, resellers, customers, co-developers and/or partners).	X		
Training audience is mixed of both internal and external users.	X		
Time To Implement			
Organization has 4 or more months to implement e-Learning LMS.		X	
Organization has less then 2-3 months to implement e-Learning LMS.	X		X
Organization has less then 1 month or less to implement e-Learning LMS.	X		
Internal IT Resources			
IT resources readily available		X	X
IT resources have limited availability	X		
e-Learning Organization View			
Mission critical		X	
Mission sensitive	X	X	X
Investment			
Software license is preferred		X	
Software ownership is preferred			X
Software rental preferred	X		
Organization can afford high start up costs		X	
Organization can <u>not</u> afford high start up costs	X		X
Customization			
Extensive customization desired		X	
High degree of configuration but limited customization desired	X		
Access To Internet			
Users have no access to Internet		X	X
User have access to Internet	X		
Help Desk Support			
Company can provide help desk support to users	X	X	X
Company can <u>not</u> provide help desk support to users	X		
Robustness of the Solution			
Only basic user data and tracking required			X
Detailed user data and tracking required	X	X	

Estimating Total LMS Costs Planning Sheet

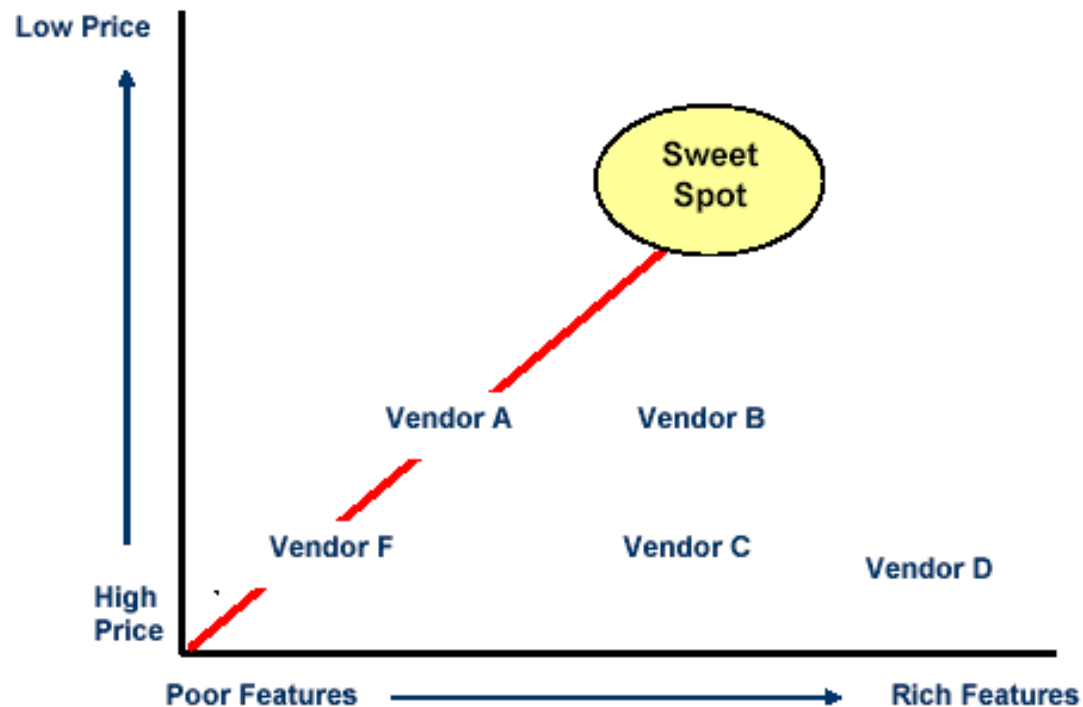
Parameter	ASP	Intranet Software	Best Price
e-Learning Readiness Planning			
Software License			
Service Contract			
Customization Fees			
Set-up Fees			
Monthly Rental Fees			
Server Farm and Service Contract			
Database			
Service Contract Hardware			
Bandwidth Fees			
User Fees			
Customization			
Administrator Support			
End-User Support			
Publisher Support			
Training Users, Administrators and Publishers			
End-User Hardware			
Proxy Server			
Network Enhancements			
Integration into ERP systems			
Personnel Requirements			
Totals			

Charting LMS Cost/Features

Charting

Charting can be a highly effective way to help make vendor comparisons. Here is a methodology I have used with my clients.

1. Determine the feature set your company really needs.
2. Determine the feature set that your company would like but is not a requirement.
3. Determine what you can afford to invest.
4. Mark on the chart where your company resides.
5. Gather data from vendors and chart them on the graphic based on price. Note that you will need to convert their pricing into a common formula i.e. cost per user, cost per course delivered etc.



Determining Deployment Requirements

To: Training and Development Personnel

From: IT Manager

RE: E-Learning Infrastructure Support

Here is the information you requested. I am very supportive but your e-Learning initiative may not impact our mission critical applications.

Server/End User Platform

The web-based training courses will be hosted on a shared company server. This machine is a Novell (3.12, 4.11) running WinNT 4.0. We utilize a SQL database 7.0. So any application requiring database connectivity must integrate with this or we will not support it.

End-User Systems Deployed

Hardware:

50% - Pentium 266 mhz PC
30% Pentium 3 and 4 1000 mhz PC
10% UNIX Workstations
128 MB RAM
5-100 MB or less hard disk space per machine
50% VGA-640x480, 256-color display, 15" monitor
50% 800 X 600, 1.6 million color, 17" monitors
SoundBlaster-compatible sound card and speakers - 65%
CDROM = 0%

Software:

Windows 98, or NT 4.0
IE 5.5 no plug-ins installed

Network:

Lockdown desktops
ISDN-speed network connection at corporate but 2x in field
Network or portable printer
Firewall Port 80 only – restricted to HTML, Java Script
Proxy Server – approved URL's only

Remote Users:

Remote users connect with laptop using 2 x modems

How to Reach Dr. Parks

☞Email: eric.parks@askintl.com

☞Phone: (916) 536-1276 (USA)

☞Knowledge Center: www.askintl.com

<http://www1.istd.org/TK04/pdf/TU405.pdf#search='cost%20of%20wbt'>

Item	Unit cost	Nature of cost and cost driver	Base Scenario		Modest growth		Large growth		
			Vol.	£	Vol.	£	Vol.	£	
Staff									
Director	40,000	Fixed	1	40,000	1	40,000	1	40,000	
Admin/secretary	20,000	Semi-variable, driven by the number of administrative transactions	1	20,000	1	20,000	1	20,000	
Trainers	25,000	Variable (groups)	5	125,000	5	125,000	9	225,000	
Accommodation									
Teaching	4,000	Variable (groups)	5	20,000	5	20,000	9	36,000	
Offices	20,000	Fixed (but variable in the long term with staffing)		20,000		20,000			
Equipment									
Workstations	2,000	Variable (student pairs)	25	50,000	30	60,000	45	90,000	
Stocks									
Materials	720	Variable (students)	50	36,000	60	43,200	90	64,800	
TOTAL					311,000		328,200		495,800
Net increase							17,200		167,600