

# ELEARNING OUTSOURCING —★ ★ 101 ★ ★—

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## INTRODUCTION

Deloitte's global outsourcing survey 2016 indicates that outsourcing is accelerating even as it radically reinvents itself to keep pace with changing technologies that enable outcome based business services. The quest to drive business value through outsourcing was once focused on cost-cutting—and this will remain a key motivation. But we are not here to discuss about just any type of outsourcing are we?

What we are really interested to know about here is eLearning Outsourcing, and the latest Brandon Hall Report does just that for us. It states that 77% of companies leverage at least some outsourcing for content development. This clearly explains that most organisations have or are looking towards one way or the other for outsourcing their content development.

Content development seen as a priority or critical by 68% of companies, second only to leadership development in importance

**The Buyer-Provider Partnership:  
The Key to High-Quality  
Custom Content**

Research Brief

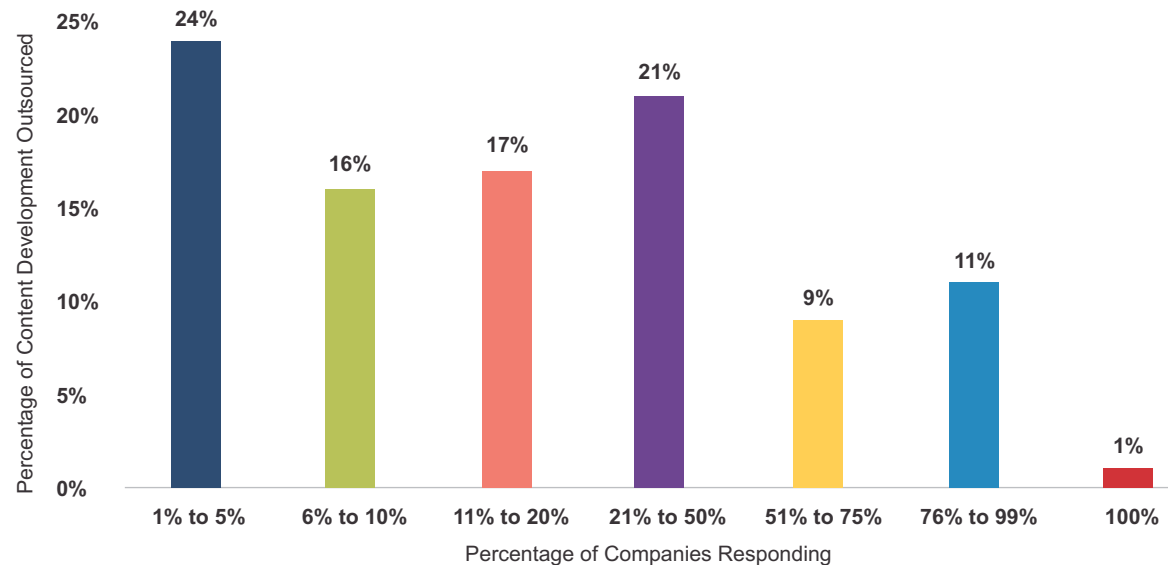


# THE ELEARNING OUTSOURCING LANDSCAPE

# THE ELEARNING OUTSOURCING LANDSCAPE

Most organisations prefer to outsource, because having an in-house content team to handle can often be very tough at different levels and a costly affair to maintain too. And why not outsource, when you can avail creative services from professional outsourcing providers to innovatively market your brand while staying focused on your core business activities.

Prevalence of Content Development Outsourcing (Overall)

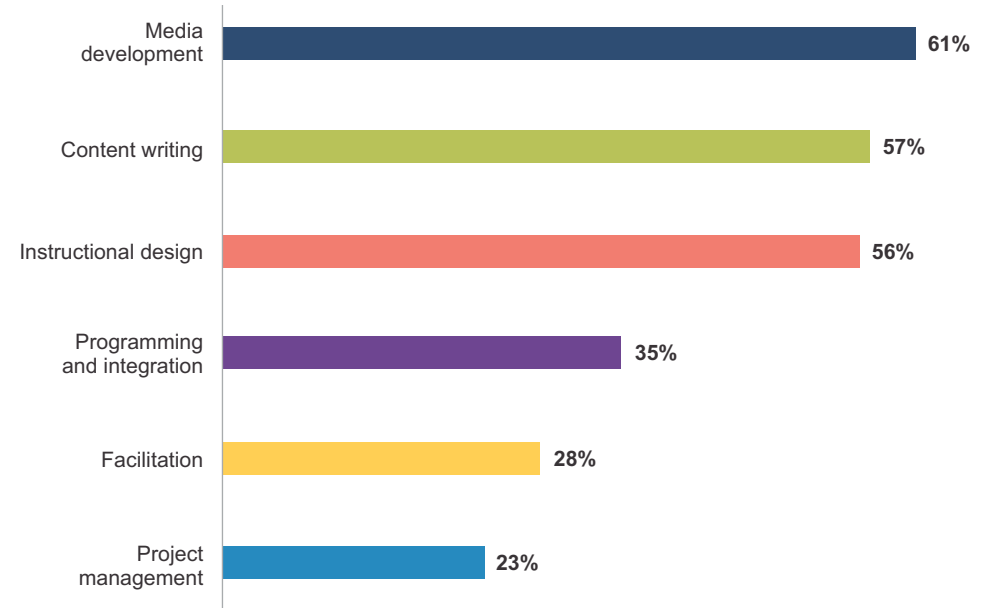


# THE ELEARNING OUTSOURCING LANDSCAPE

This is how Brandon Hall report puts it, "Instructional design and content creation aren't necessarily skills that exist in most organisations. So what can they do? There is a lot of content that is readily available out there, both for sale from providers and free on the internet. But more than half of the companies (53%) say that the inability to create custom content is a significant challenge to implementing the learning strategy, so off-the-shelf material can't always solve the problem. Which is why many companies turn to experts outside of the organisation to create custom content that meets their specific needs".

The report also points out that about half of the companies say that some of the outsourcing they are doing is actually offshore, and the kind of work outsourced includes development of media types (video, audio, etc.), the actual writing of the content, and the instructional design skill set necessary to make content instructionally sound.

## What do Companies Outsource



All that being said, here comes the million dollar question.

'Why outsource' when there is still an option of creating it on your own?



# ELEARNING OUTSOURCING: KEY DRIVERS

For ages cost savings has moulded most eLearning outsourcing decisions. However with the change in eLearning outsourcing landscape cost is just one aspect when it comes to eLearning outsourcing now.

For most organisations eLearning outsourcing is a strategic activity and hence other factors like 'expertise in the ever changing tools & technologies landscape', 'faster times to market', 'scalability of teams' etc. have become equally important. However this might vary depending on various aspects.

In general there are some benefits that eLearning outsourcing offers:



## **Cost Saving**

Undoubtedly, this has always been the primary reason for considering outsourcing. Outsourcing arrangements enable help in reducing the fixed costs and leverage the scalability of the service providers. A study by Bersin Associates titled-'Offshore eLearning: What Works', estimated that outsourcing to India could result in a saving of 20-40%. This could be even more in some cases. Whether you are a corporate or a training company, you could gain from outsourcing (parts or full) projects to India. Of course you would need to choose a good vendor.



# ELEARNING OUTSOURCING: KEY DRIVERS



## Scalability

Outsourcing gives the scope of scalability, without the usual hassles of recruitment training etc., and that too on demand. Depending on the requirement, you could engage a team of 5 or 50 or 500, provided the vendor has the capability to do so. The vendor manages everything from training to providing replacement resources. It also speeds up the process of project initiation, ramping up the team much faster, and even putting the project on hold without much additional costs if need compels.



## Quality and Innovation

An eLearning vendor is/should surely be better placed to deliver better quality (it is their core function after all) and also depending on whether or not you have selected a good vendor to start with. This is a natural outcome of the continuous improvement that happens as your vendor's team handles more projects of different kinds for diverse clients. That experience helps them anticipate problems in advance, troubleshoot better when needed, and also propose value added inputs based on their previous experiences. Chances are you can rely on your vendor to be ready with cutting-edge solutions as it essentially is a part of their constant drive to stay ahead, for which we can safely assume that they would invest in innovation.

# ELEARNING OUTSOURCING: KEY DRIVERS



## Reduced project risk

When outsourcing, you need to define your project very well to get RFPs ready. That reduces the risk to a large extent as everything you need is in one document – most probably has agreement of key stakeholders as well. The development process is better managed by the vendor including proper documentation (specification sheets, test plans, project plans, IDD, storyboards – with proper versioning etc.) and pre-defined delivery/sign off process (prototypes, Alpha & Beta deliveries) ensuring success of the project. You could even consider risk diversification by distributing work between multiple vendors i.e. if you have significant volumes of work to justify having multiple vendors.



## Reliability on Project Completion

Often the company that you outsource to does only eLearning development as its core business. Consequently, all its processes and systems are specifically defined and well geared up to deliver eLearning solutions/projects. There is almost no chance of those resources being diverted to some other 'more important' tasks. That's common when working with internal project teams. This reliability could mean a lot for certain critical training programs.

# ELEARNING OUTSOURCING: KEY DRIVERS



## Enhanced Focus on Core/Strategic Functions

This from an organisational point of view is by far the most important benefit you would get from outsourcing. Outsourcing helps bring greater focus to the core or strategic tasks of your training function – without sacrificing quality or service. You can spend your energies on planning for future, understanding about how the organisation and its business is changing, what skills are required now (& in future), and how best to make those skills available; evaluating success of training programs mapping them against business results, improving the whole training and development function to align it with business needs; and implementing organisation cultural change plans to get it ready for the coming decade. Basically anything and everything to improve your core functions, tasks which only you can perform.

## ELEARNING OUTSOURCING: KEY DRIVERS

FROM THE BRANDON HALL REPORT:  
DRIVERS OF ELEARNING OUTSOURCING

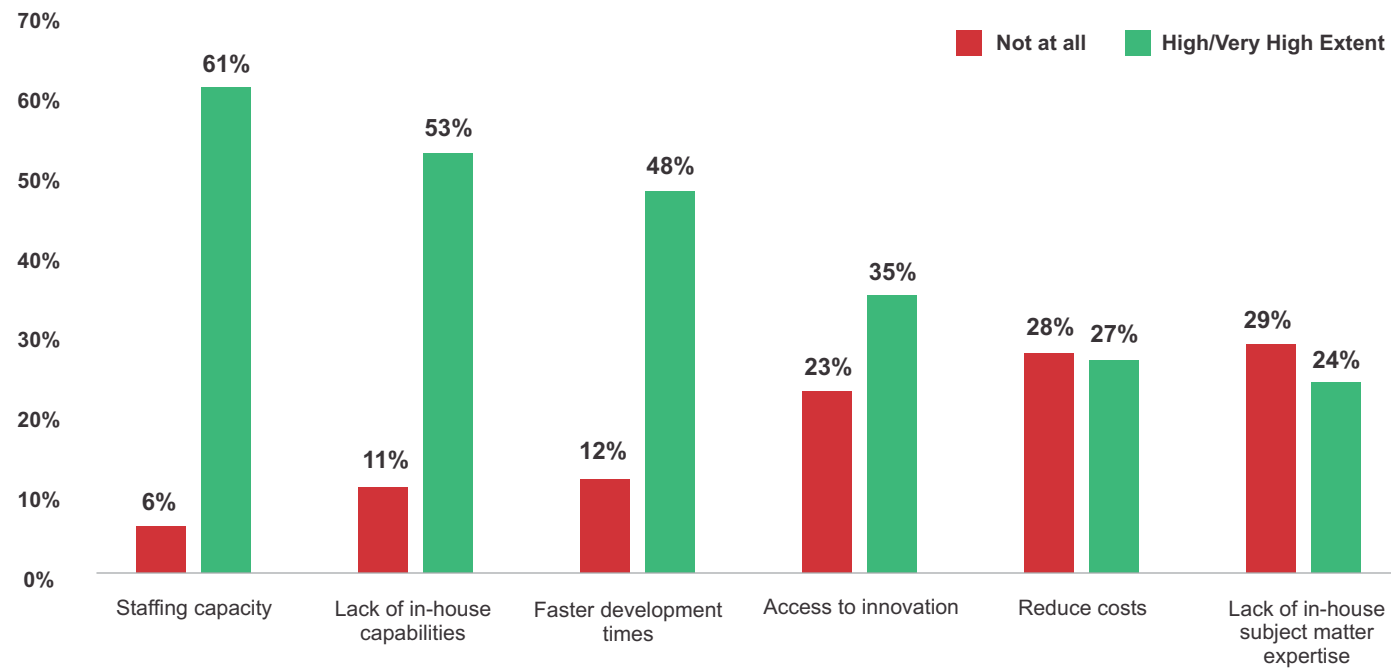
### ★ Drivers of Content Outsourcing ★

“ The lack of internal staff capacity and in-house capabilities around technology and instructional design that are the biggest drivers. ”

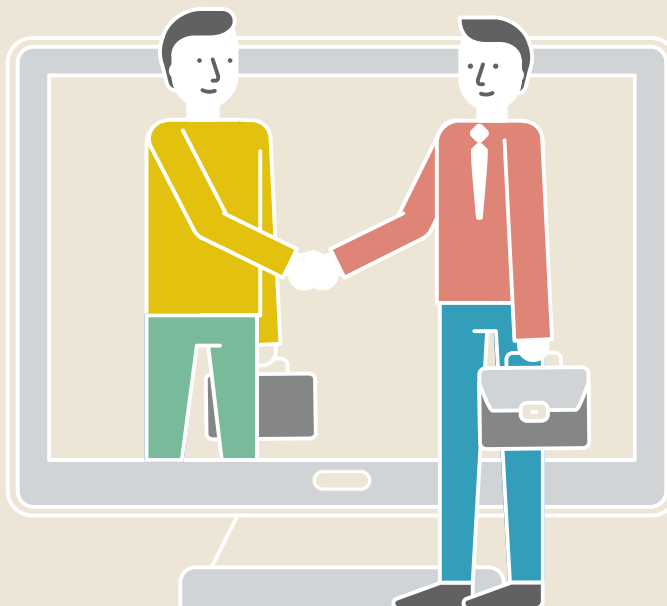
# ELEARNING OUTSOURCING: KEY DRIVERS

## FROM THE BRANDON HALL REPORT: DRIVERS OF ELEARNING OUTSOURCING

### Why do Companies Outsource



Source: Brandon Hall Report: The Buyer-Provider Partnership: The Key to High-Quality Custom Content



## FINDING THE RIGHT ELEARNING PROVIDER/PARTNER

## FINDING THE RIGHT ELEARNING PROVIDER/PARTNER

eLearning outsourcing is quite simple to begin with; however once you decide to go ahead with your plans- comes the difficult part, identifying the right eLearning provider.

According to the Brandon Hall Report, "62% of companies have replaced outsourcing providers over the past three years and the reasons are telling."

So, what really goes wrong? Vendor selection?

Very often organisations tend to choose vendors at haste, without proper evaluation only to end up making wrong choices, resulting in missed deadlines, substandard output & unprofessional teams. That experience could even turn them off to outsourcing itself, which, though logical, unfortunately is not the best for their own business.



# FINDING THE RIGHT ELEARNING PROVIDER/PARTNER

To avoid such issues, try to evaluate a potential vendor on the basis of the 'Four C framework' – capability, credibility, cost & continuance.



## CAPABILITY

An eLearning development vendor should have eLearning as its core (if not the primary) business. To evaluate capability you should:

- 1 **Review their website** not just from the design but also from the content point of view. Also, check their blog (not an element for disqualification). A blog can definitely give some idea on their views and knowledge on eLearning.
- 2 **Check work samples** to evaluate the quality of their output. Samples can provide insights into their expertise in learning design & development. To get a good idea of a vendor's overall skills, check as many samples as possible. It is even better to ask for samples from your domain (Pharma, Construction, etc.) and of the level / type (scenario based, video based, etc.) of solution you are planning.
- 3 **Ask for profiles of development team members** who may work on your project. You would be better off to have employees (as against vendor's contractors) working on your projects. For a small business you may even want to check profiles of the owners / promoters of the business.



## FINDING THE RIGHT ELEARNING PROVIDER/PARTNER

- 4 ***Understand their development processes*** and see how well would they work with your setup. An eLearning development process should be mature & flexible enough to accommodate the iterative nature of eLearning content development. Beware: Process written in process documents could be very different from that put in practice. Ask the vendor to substantiate the process with documents from some past projects.
- 5 ***Ask how many projects have they delivered*** and how varied have these projects been. A team that has delivered large number of projects usually has richer experience to contribute to your project and can even handle unexpected situations. Additionally, large number of projects helps in smoothening of development processes by incorporating learning from past experiences.
- 6 ***Understand their working style***. Know how they communicate and collaborate with clients on live projects, their office timing, and team availability during emergencies, usage of web-based system to help keep track of various projects etc. (A web-based project tracking system is extremely helpful if you are planning to have multiple projects running simultaneously and / or will have multiple people at your end coordinating with the vendor teams.)
- 7 ***Ask about their LMS & standards competencies***. An in-house team of experts on this helps a great deal when integrating courses into new systems. You may like to check the different LMS systems have they integrated courses with and how they test and certify compliance.
- 8 Finally, enquire about what all they would **NOT DO**. For things they don't do themselves, do they have any partners in place? If yes, what is their capability and credibility?

# FINDING THE RIGHT ELEARNING PROVIDER/PARTNER



## CREDIBILITY

To evaluate credibility you may want to:

- 1 ***Check how long have they been in business.*** In today's economic scenario, especially the last 12-18 months, anyone who has survived 4-5 years should be reasonably stable. You may still want to do a financial review to be absolutely sure that the company is profitable and hence stable.
- 2 ***Speak with some of their long-term custom content creators.*** This should tell you a lot about how well the vendor manages its custom content creators in the long run and if they have been able to deliver value over that period of time.
- 3 ***Enquire if the vendor is willing to do a small, free/discounted 'proof of concept' project*** for you. It does require some efforts from your end, but, more importantly, it helps in eliminating the wrong vendors who might be looking alright otherwise.
- 4 See if the vendor has won any ***awards or any other recognition***. Not all awards are the same, but winning some recognition always adds to the credibility.

# FINDING THE RIGHT ELEARNING PROVIDER/PARTNER



## COST

It is quite obvious that you seek cost advantages when considering outsourcing. However, 'cheaper the better' is not always the best philosophy. Ultimately, your solutions need to deliver on their promise. What you need to be looking for is the cost to quality ratio. While evaluating past samples ask for actual costs of those samples too. Most often you would be told of costs in units of 'dollar per learning hour'. You would need to bring down the parameters to be able to compare apples with apples. Even better way would be to provide scope of work and point to a reference output and ask the competing vendors to quote on that basis.



## CONTINUANCE

While you select one or two vendors based on above criteria, you may want to ensure longer term association with a good vendor. There is cost and risk involved in switching a vendor and it is best if avoided. Hence, as a final safeguard you may want to:

- 1 **Check if the vendor can grow** (in volume of work) if you wish to increase business with them.
- 2 **Ask how they keep up with latest trends** in their domain. Ideally you should be looking out for some signs of continuous improvement or innovation setup within the company. After all, they need to help you with cutting-edge solutions in future too.

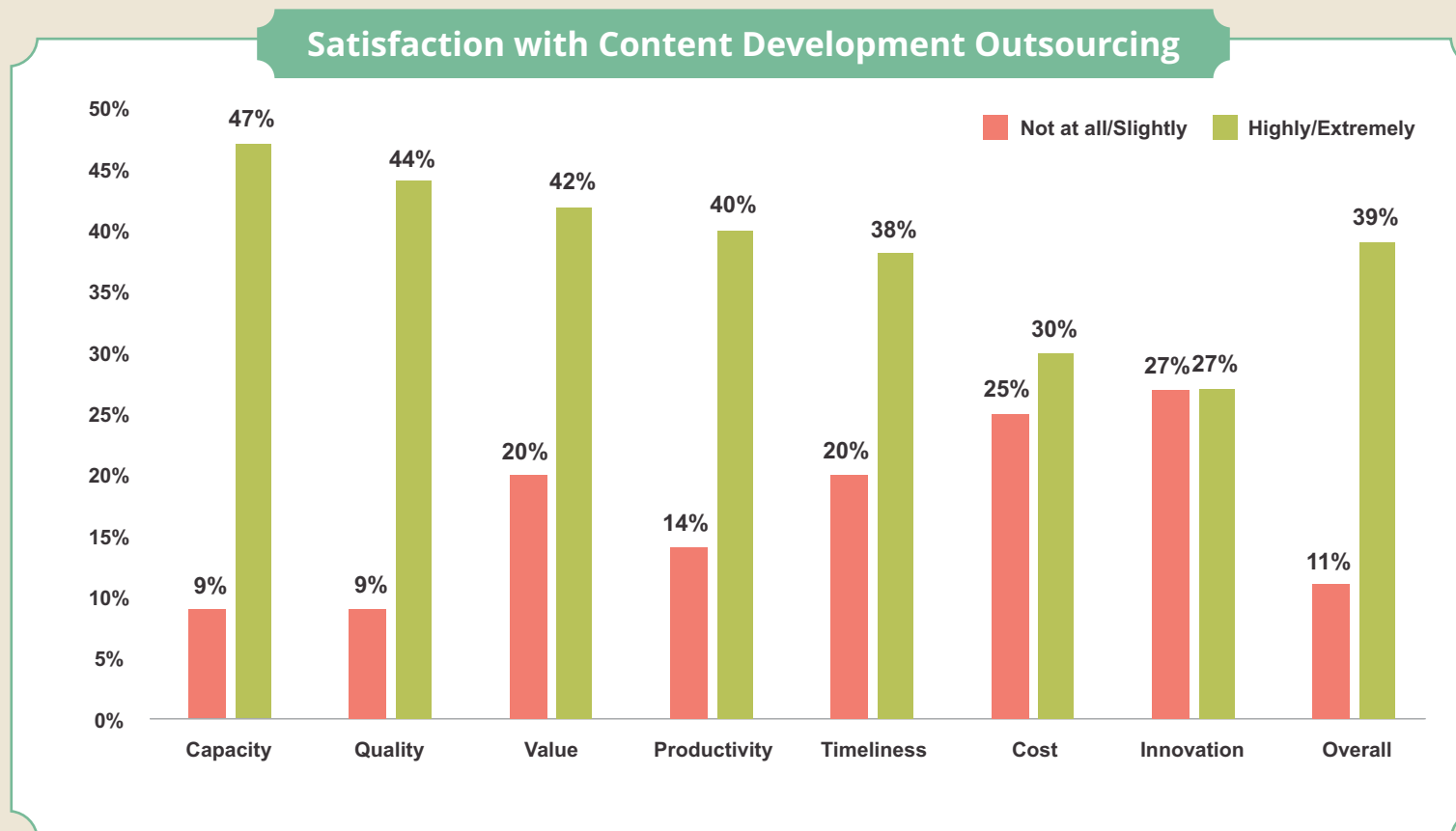
## FINDING THE RIGHT ELEARNING PROVIDER/PARTNER

FROM THE BRANDON HALL REPORT:  
SATISFACTION WITH CONTENT DEVELOPMENT OUTSOURCING

“ Truth be told, many companies wouldn't be highly satisfied unless the cost is zero, but it does show the even though they go into outsourcing with the best intentions, the bottom line is always an issue. ”

# FINDING THE RIGHT ELEARNING PROVIDER/PARTNER

## FROM THE BRANDON HALL REPORT: SATISFACTION WITH CONTENT DEVELOPMENT OUTSOURCING



Source: Brandon Hall Report: The Buyer-Provider Partnership: The Key to High-Quality Custom Content

## FINDING THE RIGHT ELEARNING PROVIDER/PARTNER

FROM THE BRANDON HALL REPORT:  
REASONS FOR REPLACING PROVIDERS

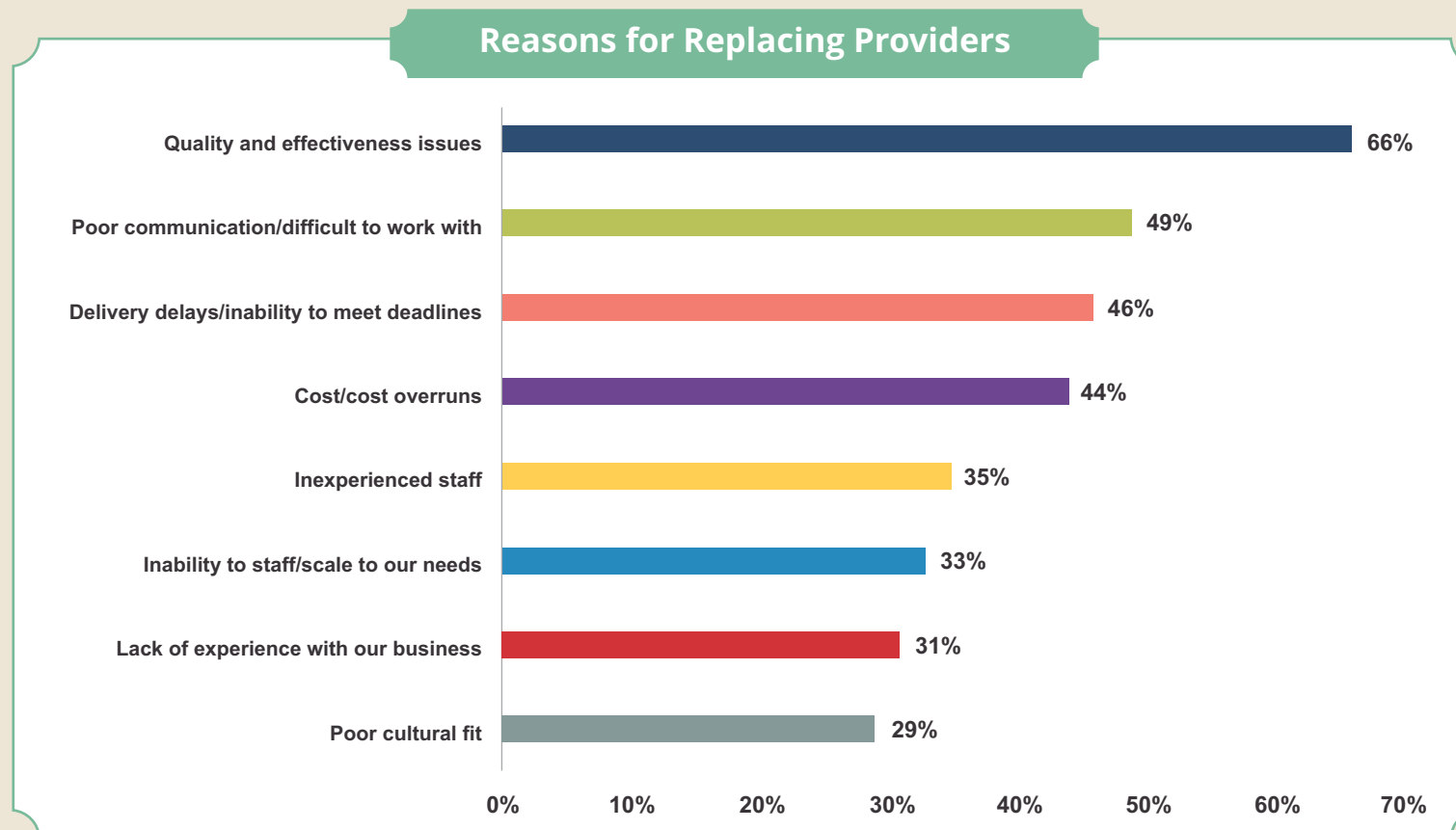
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Despite the relatively low satisfaction with cost,  
it is not a huge driver for getting rid of a provider,  
even when talking about cost overruns.

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# FINDING THE RIGHT ELEARNING PROVIDER/PARTNER

## FROM THE BRANDON HALL REPORT: REASONS FOR REPLACING PROVIDERS



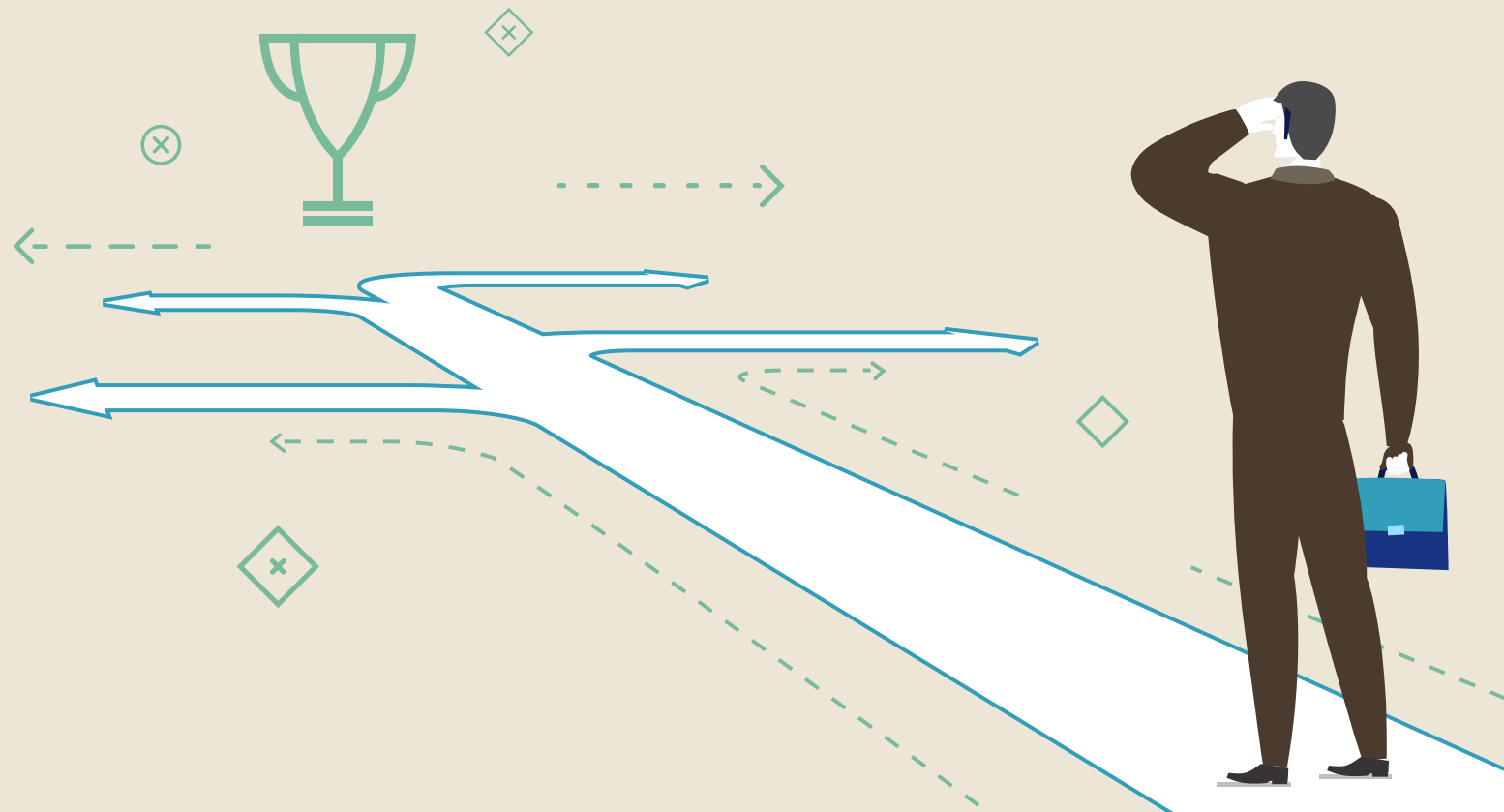
Source: Brandon Hall Report: The Buyer-Provider Partnership: The Key to High-Quality Custom Content





# ELEARNING OUTSOURCING: HOW TO DO IT RIGHT

You might think that with the information above, you are just well equipped to get started with eLearning outsourcing or even rectify the errors made in past. However, in order to get the best outcomes there are certain elements that you need to focus on. These are basically guidelines that will help you in every stage of the outsourcing process- starting from the decision making to project handover, and also in establishing a long-lasting relationship with the vendor you wish to work with.



# ELEARNING OUTSOURCING: HOW TO DO IT RIGHT

## 1 Define Clear Objectives

→ If you don't know where you want to go any road could take you there. ←

This applies to eLearning Outsourcing equally well. If you are not clear about what you want from a particular eLearning project you can be sure no one else is either. The vendor will often create a sketchy picture of your goals and try and achieve that. That's NOT what you want.

- ✓ Use well defined Statements of Work when outsourcing eLearning projects. Detail the vendors' and your responsibility as accurately as possible.
- ✓ Define the 'level' of output by using reference of previous projects (your or vendor's). If you can add more details good. Just agreeing to something like 'Level 2 output' is fuzzy and will create confusion later.
- ✓ Study and understand the Project Scope Documents and Design Documents well before you sign them off. If you don't understand them, your vendor should walk you through the documents.
- ✓ Include any specific goals your senior management has from the programme and articulate that for the vendor development team and yourself. If these come in late in the development cycle costs will escalate and timelines are sure to be affected.

# ELEARNING OUTSOURCING: HOW TO DO IT RIGHT

## 2 Follow Process



A well defined process is the roadway to a well designed project.



You've checked the vendor's process documents & maturity models and how they'll work for your projects when you selected them. Now it's time to allow the vendor to conform to that process and those models, and for you to emulate them yourself. There are times when deadlines are advanced, and you may be tempted to skip that prototype stage. Skipping an earlier stage comes at cost – the quality or delivery dates suffer due to endless modifications and rework. Apart from the additional cost, it would also mean frustration for the development team. You need to stand by and conform to the process in the best interest of your project.

It's very important to understand your role in the project process.

Reviews & feedback on the many deliveries you receive along the way need time commitment from you. A common mistake clients make is to assume it is a simple task and can be done quickly. Have someone capable & experienced to do that work. We suggest you check with your vendor during the kick-off stage about the time based project needs and at which stages.

A day's delay from your end could sometimes lead to more than a day's delay from vendor's end especially if you are not working with a dedicated team at the vendor.

# ELEARNING OUTSOURCING: HOW TO DO IT RIGHT

## 3 Get the Communication Right

— Miscommunications can be a costly affair. —

In case of outsourced projects, communication can at times become more important than the actual deliveries themselves. We've heard clients complaining that the lack of information bothers them more than the missed deliveries. Most of the time they feel confident of handling the situation if timely information is available about the status of the project rather than find out at the last minute about deliveries being missed or delayed. But that's something any responsible vendor should do.

It is important to set up a proper channel for communication and keep them open to create an environment of confidence & trust between your own team and the vendor's development team. Signed off specifications documents and approved prototypes should not necessarily hold you from having discussions on new ideas that may emerge. Also provide constructive feedback whenever there's an opportunity. This tends to prompt the vendor to commit even more to your project.

If you are working with a vendor on multiple projects have periodic review discussions to evaluate how the relationship is going. Iron out any persistent issues in the processes or otherwise. Be forthcoming in resolving your side of issues too.

# ELEARNING OUTSOURCING: HOW TO DO IT RIGHT

## 4 Define and Measure Quality

Like beauty quality is subjective too.

While a sense of 'quality' should emerge from your defined objectives you still need to clearly spell out what you mean by quality. Understand your team's and management's collective expectation about quality and make sure your vendor knows and understands them clearly. List individual details about features, elements and any other specifics of the program that you consider a part of good or acceptable quality. For instance, some clients consider the amount of animation and interactivities to be an indicator of high quality while others don't.

Quality is what TRULY affects the outcomes of the program in a real sense. A good quality product will have the intended learning impact on the audience. We suggest you focus on what the learners are supposed to 'do' or 'perform' after the program and whether that's being achieved by the program. While you may add several bells and whistles to an eLearning course, the core has to be solidly focused around achieving that single most important objective. The cost of bad eLearning is much higher than you think.

It's a good idea to define the quality assessment criteria for a program and approve checklists the vendor will use for testing. This will the development team give output that's closer to your expectations and will eventually require less number of iterations.

# ELEARNING OUTSOURCING: HOW TO DO IT RIGHT

## 5 Think Long-term

Find a partner, not a vendor.

As your organisation grows, you will probably outsource eLearning projects more. Every time you work with a new vendor it's a learning experience for both the teams as they come to understand each other and their unique working culture and style. After working together on a few projects the communication and understanding between the teams reaches a level where projects start to flow smoothly. It just does not make sense to switch vendors every now and then. Think of your vendor as a possible long-term partner from the very beginning. Invest in building their understanding of your organisation, how it functions, and what's the short-term and long-term goals; the returns will be well worth the effort.

If you work with an innovative vendor, it helps your team to develop new thoughts and skills too. This in turn could help you sell your services better internally or to external clients. Encourage discussions with your vendor to explore advances in the field and how you could take advantage of them.

One way to greater involvement is to revamp the engagement model with your vendor from being just a 'cost-reduction' or 'staff-augmentation' option towards becoming a 'strategic-partner'. Getting formal engagement model agreement in place helps vendor commit resources and energy to think about advancements for your organisation holistically rather than just work on a per project basis. Think business performance improvement & strategic capability building beyond cost savings.

Lastly, you should also remember that your partner needs to be profitable to remain in business for the long-term and be a suitable strategic partner. Don't splurge but be ready to pay for experience and expertise.

# ELEARNING OUTSOURCING: HOW TO DO IT RIGHT

FROM THE BRANDON HALL REPORT:  
FACTORS IMPORTANT TO PROVIDER-BUYER RELATIONSHIPS

“

"Less than one-third of companies say they are highly or extremely satisfied with the cost of their outsourcing deal(s)."

”

# ELEARNING OUTSOURCING: HOW TO DO IT RIGHT

## FROM THE BRANDON HALL REPORT: FACTORS IMPORTANT TO PROVIDER-BUYER RELATIONSHIPS

### Factors Important to Provider-Buyer Relationships

Item	Average Ranking (Scale of 1 to 10)
Quality	8.9
Cost	6.8
Instructional design expertise	6.2
Trust	6.1
Timeliness	4.9
Industry Expertise	4.4
Personnel	4.0
Flexibility	3.7

Source: Brandon Hall Report: The Buyer-Provider Partnership: The Key to High-Quality Custom Content



## CONCLUSION

Currently there are hundreds of eLearning service providers, and equal or more number of organisations keen on outsourcing their content development. However, most of the times organisations are unsure about outsourcing or are still uncertain about their requirements, or their requirements change over time. The vast majority however agrees that when it comes to eLearning outsourcing they look for high quality, innovative solutions and a good vendor who can understand their organisational values and align the solutions to that. Things like delivery delays and cost overruns are definitely challenges, but a relationship built on trust and quality output can typically work through these.

So, here are the 4 steps to successful Buyer-provider Relationship:

- ✓ **Look for innovation**- also remember that Content Development Process is iterative in nature, is somewhat unique to each client, can be perfected over a period of time and needs commitment from your team as well.
- ✓ **Cost shouldn't be the only focus**- as there are many other aspects that affect the cost, and hence it should not be your prime focus.
- ✓ **Get Involved**- after all it's your project too. Be an active participant during the entire development process and share useful feedbacks from time to time.
- ✓ **Quality eLearning**- is not a one step process. Believe in the vendor's capability, give them the freedom required. And be bold when necessary; get a buy-in as your inputs can surely make a difference.

## AUTHOR



### Amit Garg

Founder & Director,  
Custom Learning Solutions

Amit has been actively involved in the eLearning Outsourcing industry for over 16 years. Over the years he has leveraged his experience and helped organisations from around the world in developing better solutions and assisted them in understanding and implementing their eLearning strategies efficiently. He believes in 'continuous learning' and is interested in all forms of eLearning including, but not limited to - mobile learning, multi-device learning, game-based learning etc.

At Upside Learning, Amit is the 'ideas man'. He guides the Custom Learning Solutions and Sales teams for Europe, the UK and Asia Pacific markets, and is a prime idea generator for the Marketing team.

He shares his thoughts, knowledge and insights on technology and learning on Upside Learning's blog and has a few eBooks under his name too.

He was listed amongst the top ten eLearning movers and shakers for 2013 and 2014 in the World list, was on top of the Australia-Pacific list for 2013 and 2014, and continues to be ranked amongst the top ten in 2015 and 2016.

Amit holds an Engineering degree (IIT – Kharagpur) and Management degree (XLRI – Jamshedpur), and has earlier worked in Process and Automotive industries.

# ABOUT US

Upside Learning is a leading provider of Custom eLearning Solutions. We enable 150+ clients from across the globe to effectively meet the organisational business and learning goals and boost the overall learning business. With over 12 years of experience, we have successfully completed more than 5000 corporate and academic projects, amounting to 8000+ hours of learning. We have been recognised and awarded time and again by well-known awarding bodies like Brandon Hall, Learning Technologies, Apex, Red Herring, Deloitte to name a few.

INSTRUCTOR-LED TRAINING  
**CUSTOM ELEARNING** FRED **GAMES &**  
 TESTING LAB FOR **GAMIFICATION**  
 MULTI-DEVICE ELEARNING RAPID ELEARNING  
**ELEARNING OUTSOURCING**  
 ONSITE ID RESOURCES & FLASH TO HTML CONVERSION  
**MULTI-DEVICE/** VIDEO & ANIMATION **PERFORMANCE SUPPORT**  
**RESPONSIVE ELEARNING** **TRANSLATION AND**  
 MENABLEMENT **LOCALISATION**