



How to calculate the ROI of a modern learning platform

The cost of a learning platform/LMS is often relatively straightforward to calculate. Typically, the investment involves an annual subscription fee and a one-time cost for the implementation project. If you choose to purchase a more traditional LMS, you may also need to add costs for authoring tools (which are included in the fee for a modern learning platform).

The benefits and savings that an organization can achieve with a modern learning platform vary depending on several factors. These may include what you aim to achieve, how the training is currently conducted, whether you have an existing LMS, and how well the platform is implemented.

The clear and direct advantage of a modern learning platform is the ability to efficiently and seamlessly train both internal and external audiences. Additionally, there are numerous benefits that an organization can gain by

investing in a learning platform. We've compiled these below, based on our experiences from hundreds of Learnifier implementations and thousands of meetings with companies, municipalities, government agencies, and non-profit organizations. Our hope is that you will see these points as inspiration for your own financial analysis to develop, modernize, streamline, allocate resources, ensure quality, and drive a sustainable training program. Why should we measure the value of training? What does it offer us?

Gallup has reported that companies with high levels of employee engagement, often the result of good L&D programs, have **21% higher profitability** and **17% higher productivity** compared to companies with low engagement. Engaged employees are more likely to go the extra mile to deliver good work, which directly impacts results.

According to a report from Bersin by Deloitte, companies that invested in L&D showed **37% higher productivity** per employee than those that did not. This highlights the long-term benefits in terms of cost-effectiveness and business development.

✓ **Reduced trainer costs**

Many instructor-led courses can be converted into digital self-study formats, while other courses can be delivered in a blended learning format, reducing the need for trainers. A modern learning platform can also lighten the workload for trainers in traditional classroom courses by automating tasks such as course evaluations, certificates, communication, attendance management, and handling assignments. It may be relevant here to look at how much time trainers spend on training (number of hours x average cost per trainer).

The aim is not to replace skilled ambassadors or instructors with an LMS. Instead, an LMS can free up time for instructors so they can focus on more strategic and value-creating tasks, rather than repeatedly delivering the same training sessions. With an LMS, time is suddenly available to conduct site visits, target training initiatives at areas with skill gaps, update training materials, and drive other quality improvement initiatives that previously could not be prioritized.

✓ **Reduced facility costs**

Depending on how current courses are delivered and what training setup you plan to implement, there are significant opportunities to reduce facility costs. This

should include both rent for in-house office spaces and facilities rented for training, to identify potential savings.

✓ **Reduced travel and accommodation costs**

Traditional training often requires both participants and trainers to travel to a training center or facility. This not only incurs travel costs but also expenses for hotels and meals. Additionally, you should account for the costs of time, overtime, and per diem associated with the trips. Absence from regular work may also necessitate hiring substitutes, further driving up costs.

✓ **Efficient Learning**

The same course is often completed much faster digitally compared to traditional classroom instruction. With fewer interruptions and a clearer structure, training that normally takes eight hours in a classroom can often be completed in just three to four hours online. Furthermore, flexibility increases when participants can complete the course at a time that suits them best and have the option to break it into smaller segments, which also leads to improved results.



An example from British Telecom showed that their investment in an e-learning program generated an **ROI of 3,000%**. By replacing classroom-based training with online alternatives, they **saved over 12 million pounds** while employees could quickly return to their tasks.

✓ **More knowledge - fewer mistakes**

A well-developed course portal with engaging and high-quality courses motivates employees to participate in more training and enhance their skills. This leads to fewer mistakes and gives employees the opportunity to grow in their current roles and prepare for new challenges. Easy access to training materials and the ability to review knowledge further reinforces learning.

Companies that invest in compliance training reduce the risk of costly legal disputes and fines. A study by Aberdeen Group showed that companies with strong compliance programs experienced a **72% lower incident rate**, resulting in significant cost savings.

✓ **Faster and better onboarding**

One of the most popular uses of a learning platform is to create pre- and onboarding courses. Investing in a well-structured and effective onboarding process

not only creates a positive experience for the new employee but is also financially advantageous. By leveraging the new hire's natural curiosity and enthusiasm for their new role, companies can quickly foster engagement and productivity. Allowing the employee to begin learning and adapting even before the first workday shortens the time to settle into the role, resulting in a quicker return on investment. Studies show that employees who undergo a good onboarding process not only become motivated and productive faster, but they are also more likely to stay with the company longer.

✓ **Reduced workload for managers**

Many managers spend unnecessary time managing course registrations, following up on training, and ensuring employees have the required certificates. With a modern learning platform, much of these administrative tasks can be automated, freeing up time for managers to focus on more value-creating activities. The platform can handle reminders and follow-ups, while managers only need to intervene when necessary - for example, when an employee misses a course or certification. Additionally, it should be easy for managers to enroll employees in courses and get a clear overview of training status and certifications. How much time could your managers save with a modern learning platform?



✓ **Reduced need to pull staff from operations**

In many operations, pulling employees from regular tasks for training is costly and inefficient, and finding replacements can be both expensive and time-consuming. A modern learning platform offers flexible training solutions that reduce the need to interrupt daily operations. Employees can complete training when it suits them best, without impacting production, saving both time and reducing costs.

✓ **Reduced training administration**

A modern learning platform can automate many administrative tasks, easing the load on both trainers and administrators. Examples include automated course assignment, invitations, reminders, waitlist management, quiz grading, course evaluations, and issuing certificates and diplomas. Automating these processes frees up valuable time that can be used for more strategic tasks. To measure the potential savings, calculate the number of hours freed up and multiply this by the average cost of the trainers' and administrators' time.

✓ **Efficient management and reporting of mandatory training**

Many companies still manage mandatory training and certificates manually via Excel sheets, which is not only time-consuming but also increases the risk of errors. These errors can be costly, as external stakeholders may impose sanctions such as production stops or fines. With a modern learning platform, employees, managers, and quality managers get a clear and updated overview of which certificates are valid and which need to be renewed. Automated features

like course registrations and reminders reduce the workload and make it possible to focus on addressing the deficiencies identified by the system.

✓ **Reduced costs for course development**

Even traditional classroom training entails costs for developing and updating course content, such as creating documentation, tests, and schedules. Using a modern learning platform can make this work significantly more efficient. Additionally, many find that having all course-related material collected in a digital library saves time, making updates and access easier. This way, course development can be smoother and more cost-effective while maintaining or improving the quality of the training.

✓ **Reduced need for external consultants and production companies**

If you have previously hired external consultants or production companies to develop digital courses, significant savings can be made by producing courses internally via a learning platform. This is especially true if you previously only provided knowledge content to external parties for processing. A user-friendly learning platform with an intuitive course-building tool is crucial for enabling smooth and efficient internal production. The ability to reuse previously created materials and entire course elements is also a major advantage. For those who don't want to do everything themselves, there's also the option to buy ready-made generic templates, which can be easily customized to fit your organization.

✓ **Efficient course updates**

To offer accurate and attractive courses, many courses need updating. This can be extensive work. With smart features, you save many hours of work. In a modern learning platform, you should be able to easily update training materials (videos, texts, etc.), activities/modules (course segments), and course templates centrally when they are used in multiple courses. Learning how to use smart updating features can quickly save hundreds of work hours annually.

✓ **Reduced employee turnover**

The opportunity for growth in the job is a key factor in how long employees choose to stay at a workplace. An effective onboarding process and an attractive knowledge portal create the foundation for

a learning culture where employees can continuously grow and develop. This not only strengthens the individual's competence but also contributes to increased satisfaction and loyalty. What value would reduced employee turnover bring to your organization?

A study by LinkedIn Learning found that companies investing in L&D have a **50% lower turnover rate** than those that don't. This results in direct savings in recruitment costs, onboarding, and lost productivity as a new hire learns the job.

✓ **Employer branding**

What makes an employer attractive? A well-structured onboarding process, combined with a dynamic knowledge portal, clearly shows that the company invests in its employees. At Learnifier, we meet clients who tell us about employees proudly sharing their positive onboarding and learning experiences with friends and acquaintances.

✓ **Knowledge documentation**

Many organizations document their knowledge about products, processes, strategies, and other important areas and then convert this into training. By using smart updating features, direct links to sources, and allowing subject matter experts to create and update courses in a modern learning platform, these two activities can be effectively combined. This not only saves time but also ensures that courses are updated faster, spreading accurate and current knowledge throughout the organization more efficiently.



✓ **Reduced costs for complementary software**

Traditional LMSs often require separate authoring tools, video editing software, and other software investments to create digital courses. A modern learning platform, however, typically offers built-in functions for course production, video editing, and creating diplomas and certificates. This reduces the need for external software and contributes to both more efficient processes and lower costs.

✓ **More efficient processes - APIs and automation**

Integrations between a learning platform and other systems save both time and effort. Manually transferring and updating data between different systems is often a time-consuming task. Modern learning platforms usually offer extensive libraries with public APIs, webhooks, standard integrations, and the option for integration via integration platforms. For smaller organizations, it can also be valuable to investigate if there's support for simpler integrations through tools like Zapier, which further simplifies processes.

✓ **Training for customers and partners**

Training your employees provides great benefits, but imagine the gains if your partners, customers, members, and other stakeholders had better knowledge of your products, services, and processes. Could training for these groups become part of your offering? Many of our clients start using a learning platform to train their employees, but soon realize that the same courses - or customized versions for specific target groups - can not only generate revenue but also reduce costs through increased understanding and more efficient collaboration.



What does your calculation look like?

The calculation can vary greatly depending on the size of your organization, industry, and how you currently work with learning and knowledge dissemination. We believe the 80/20 rule applies here as well - meaning that 20% of the examples most relevant to you will account for 80% of the total savings and gains. Therefore, we recommend the following steps:

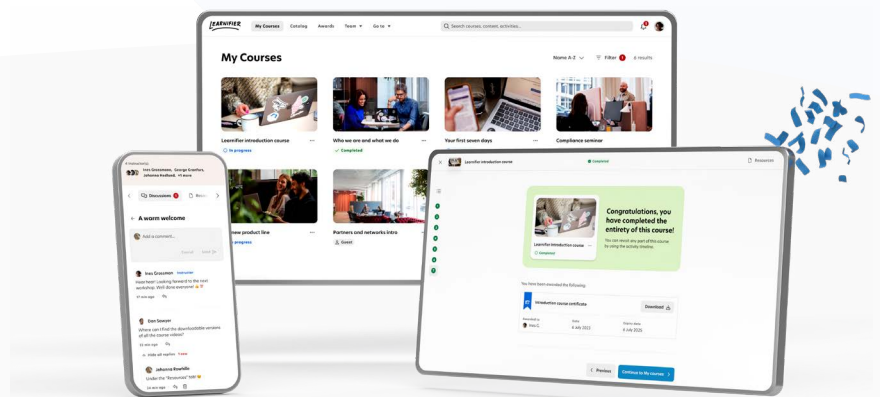
- 1 Go through the examples we highlight and identify which are most relevant to you.
- 2 Rank them based on their potential return.
- 3 Agree on the 3-6 most important savings and gains that a modern learning platform could bring you.
- 4 Make a calculation of what a modern learning platform can contribute, both in the first year and over 3-5 years.



Feel free to contact us at Learnifier if you need support in creating your calculation.

Learnifier is the leading learning platform in the Nordics

We believe in making training easy, engaging and efficient to achieve business outcomes.



Hundreds of companies and organizations use Learnifier to quickly and easily share knowledge, onboard and train their employees. Since 2012, we have helped over 320 companies digitize their learning experiences for modern-day challenges.

or

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