

Does this sound like your situation?

Marcy and Frank are managers who need training for their employees.

Marcy just needs some generic training on basic accounting principles. She looks on the internet and finds a training company that offers a standard course for \$3,000 per head. She has five employees she needs to send, so her budgeting is simple: \$15,000.

After the training, her employees report that the trainer was very good, they learned some good techniques and concepts, but they still were not quite sure how to apply it to their own situation.

Frank had more complex needs. He is putting in a new hiring process and must make sure that all managers follow the new procedures exactly or there could be legal ramifications. He knows he needs a custom solution but does not know:

- **What factors impact the budget?**
- **How much should he budget?**
- **When should he start creating the training?**

This guide answers these questions and more.

WHAT ARE THE FACTORS THAT IMPACT THE TRAINING BUDGET?

With ready-made courses, such as the kind Marcy bought, the vendors already know the answers to all the variables. They have made their assumptions and worked through the development process. As a result, they have a product that they can offer at a set price.

When you create your own training program, you are buying a service, not a product. Just like with other consulting services, the cost of a training development project varies based on multiple factors. Before any workplace learning consultant can give you a firm price, they need to know the answer to the following questions:

Content:

- How many courses need to be developed?
- How much of the content is unique to your organization?
- What is the duration of each course and the total number of instructional hours?
- How much instructional material on the subject does your company already have? How happy are you with any existing training material?
- What kind of source material is available? What is the quality of that material?
- Does the material need to be translated into other languages or localized for other regions?

Audience:

- How many people need to be trained?
- How much does the audience already know about the subject?
- How comfortable are users with different types of technology?
- Will users know how to use a computer?

Delivery method:

- Who will teach the courses: internal staff or external trainers?
- What type of instructional material needs to be developed?
- What delivery methods would work best for this audience (classroom-based training, self-paced web-based, webinars, mobile support)?
- How many computers are needed in the classroom?
- Is a separate training database needed?
- When does the training need to be available for use?

Knowing the answers to these questions can speed the proposal and budgeting process for the project.

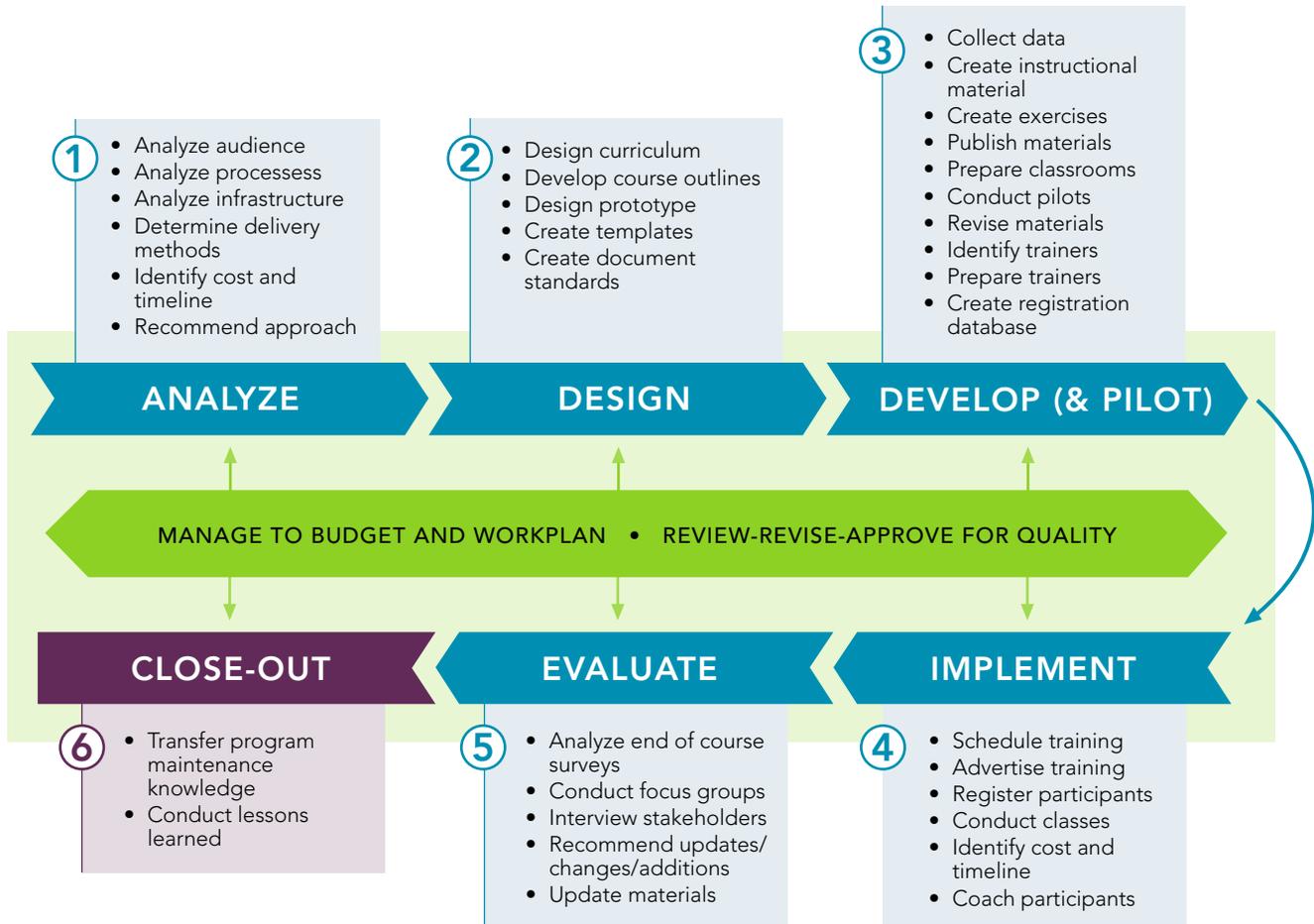
I NEED TO GIVE MY MANAGEMENT A NUMBER FOR APPROVAL. HOW SHOULD I BUDGET FOR TRAINING BEFORE WE HAVE ALL THOSE ANSWERS?

If you must do an initial estimate, the following list of average industry standards can help. Calculate on a Time & Materials basis. Remember that these are averages and the specific conditions can cause the actual amount to vary significantly. This table focuses only on development of the training material and does not include costs for delivering the training.

TRAINING PRODUCT	PRE-EXISTING TRAINING MATERIAL?	INDUSTRY STANDARD
Training needs assessment only	N/A	3 weeks
Training strategy only	N/A	6-8 weeks
Instructor-led training course with instructor guide, participant guide, and slides or handouts and flipcharts/posters	No pre-existing course materials	40 hours of development for every hour of delivery
Instructor-led training course with instructor guide, participant guide, and slides or handouts and flipcharts/posters	Some pre-existing course materials	25 hours of development for every hour of delivery
Instructor-led training course with instructor guide, participant guide, and slides or handouts and flipcharts/posters	Minor to moderate revisions needed to existing content	15 hours of development for every hour of delivery
Hand-outs/job aids/Quick Reference Cards/self-study guides (no custom graphics)	Source documentation exists	20 hours per 2-page document
Instructor-led web-based training (webinars)	No pre-existing course materials	40 hours of development for every hour of delivery
Self-paced web-based training courses, with limited interaction and limited custom graphics	No pre-existing course materials	120 hours of development for every hour of delivery
Self-paced web-based courses, with limited interaction and limited custom graphics	Course materials exist	100 hours of development for every hour of delivery
Self-paced web-based training courses, with limited custom graphics	Minor to moderate revisions needed to existing content	60 hours of development for every hour of delivery
Self-paced web-based training courses with high interactivity, animation, and video/audio	None to some pre-existing content	500 hours of development for every hour of delivery
Professional video with some animations and custom graphics, and non-professional actors	None to some pre-existing content	US\$ 525 per minute of video

WHY DOES IT TAKE SO LONG?

Just like when you build new software, a bridge, or even a house, quality instructional designers follow a multi-step process for building courses. To ensure that the training is accurate and appropriate, reviews and revisions should occur at every step along the way. Here's what we do:



THAT'S A LOT OF TASKS! WHEN SHOULD WE START THE WORK ON CREATING THE TRAINING MATERIAL?

The best time to start the training development work is when the rest of the project is about one-third through its development phase, or no less than four months before you want to start training your users. At that point, the project has a better idea of what the policy, process, or system is going to look like, and the team should have already started developing the reference materials.. Leaving at least four months gives the training team enough time to assess the situation correctly and develop quality materials.

WHAT OTHER FACTORS DO I NEED TO CONSIDER?

Whether you are thinking of buying a fully custom training solution or an off-the-shelf course, ask yourself the following questions:

- How soon do I really need the training to happen?
- What level of quality do I really need?
- How critical is it that the content be tailored to our organization's audience?
- How receptive are employees likely to be to attending the training?



Remember:

The higher the risk, the greater the need for a tailored solution. Even if the content is fairly standard, tailoring examples to your company's situation can make the concepts more applicable and the training more useful for the audience.

For more information on **Comprehensive Learning Solutions'** custom training solutions or Communications and Management Skills courses, contact us at Info@LearnWithCLS.com or call us at **703-920-0893**.

