

Annex 5 - ROI CALCULATION EXERCISE

When you want to help manager of SMEs from the trade and services sector to calculate the ROI of the e-learning investment, you can start by doing the following exercise. Imagine the next situation.

Introduction

Labour and Systems, SA, a European SMEs from the services sector with 200 employees will implement a new management system during 2007. One of the steps to success will be the training of the employees about the usability, the rules and the advantages of the new system.

Dina Araújo, the senior manager responsible for the project implementation decided to calculate the ROI of the course. She will calculate the benefits of using a LMS to deliver the course contents in a short period of time. Dina will calculate and compare the ROI of the course by traditional classrooms or by e-learning.

We will help Dina to calculate the return on e-learning investment.

Information available:

- Total number of potential trainees: 200
- Total number of classrooms/groups: 8
- Total number of trainees per classroom/groups: 25

Option 1 – Traditional courses:

- Duration of the course: 30 hours
- Trainers remuneration: 25 euros/ hour
- Participants fees: 150 euros
- Price of renting conference rooms: 8 euros/ hour
- Price of renting equipments: 15 euros/day of training
- Travel costs per participant: 250 euros
- Subsistence (food and beverage) costs per course-participant per day: 61 euros
- Hotel accommodation - costs per participants per year: 500 euros

Option 2 – e-Learning Courses:

- Duration of the e-learning course: 10 hours
- Trainers remuneration: 25 euros/ hour
- Participants fees: 200 euros
- E-learning platform user fee: 6 euros
- Total costs of e-learning program development per course: 200 euros
- User fee per e-learning program participant: 75 euros

Other informations:

- The employees will to their training during working hours, however, some self-study hours will be necessary as well.
- The employees average remuneration level: 700 euros.

Instructions

- Please use the ROI formula to calculate the ROI of e-learning course
- You may use the ROI calculation template for your convenience.