



A Guide to Buying E-learning Services

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Introduction:

Successful e-learning projects can bring a lot of benefits to an organisation. They have been shown to deliver more training to more people more quickly and more effectively than a purely classroom delivered approach.

That is not to say the classroom is dead, far from it. The best e-learning extends the reach of the classroom experience to bring it closer to the workplace, often saving time and money even if that is not necessarily its prime objective.

The technology of e-learning has become much more accessible in the last few years, cheaper and easier to implement. There is a wealth of choice out there in terms of solutions and service providers that will fit the needs and budgets of almost any organisation.

And this is where the difficulty often begins. How do you find the right suppliers or solutions? How do you make sure they understand your needs and can meet them?

This six-step guide is designed to help you get your e-learning project off to a good start by giving some simple advice on finding and engaging with the right suppliers to meet your needs.

Step One: Understand your Goals

Before you do anything else, make sure you understand what the purpose of your e-learning project is. It may be something simple and obvious like:

“We want to quickly train our Sales Team in our new products so they can start selling them effectively as soon as possible”.

Or it could be part of a more long term strategy:

“We want to increase staff retention by creating learning opportunities aligned to career development pathways within the company.”

Whatever your goals are you need to be able to articulate them clearly, and honestly. If you are turning to e-learning to save money, as many organisations do, be clear and open about it. Only by defining your goals will you be able to

decide later whether or not you have achieved them. It seems obvious but many people don't get this bit right, and set their project up to fail right from the start.

Step Two: Research the Marketplace

When you know what you want you can start looking for suppliers who can help you. Of course, this is where [the e-learning list](#) can help you, by helping you make that first connection with potential suppliers and partners.

Now is not the time to be writing long and complex requirements documents. Keep things informal, talk to a few suppliers, invite them to come and talk or present to your team. Use this stage to learn from their experience, and don't be afraid to allow your plans or ideas to change in response to their ideas. Look out for trade shows or conferences that might help. These are often opportunities to hear case studies of other customers' experiences.

When talking to suppliers you should be honest with them about where you are in the process. Be as open as possible, especially when it comes to talking about budgets. Many people don't like doing this at an early stage because they feel it gives the game away and leaves little room for later negotiations.

However, if your budget is £10,000 and a supplier doesn't do anything for less than £50,000 – then you are both wasting your time. Similarly if you have a budget that would represent a significant proportion of another suppliers' income – this could be a risk you would want to know about.

A simple rule is: if you want to ask suppliers about the cost of their services, be prepared to share your ideas about how much you can spend. You don't need to be absolutely accurate, and nobody is making any commitment at this point in time, so your negotiation options in respect of prices should not be compromised.

Of course you may genuinely not know what your budget is, or what to expect to pay for any particular service. Again if this is the case, be open about it, but make sure you investigate the costs as early on in the process as possible or you could end up wasting your time talking to the wrong people.

Step Three: Narrow the Field

Having spoken to a few suppliers, you will hopefully be ready to clarify your needs in more detail, as well as have a better idea about who can provide the solution you are looking for. Before sending out a tender or request for proposals however, pick the suppliers you want to involve with care.

It is better to invite a relatively small number of suppliers that you are reasonably confident can fulfil your needs to bid for your business, than ask a large number to respond when it is clear that many will not have any chance of winning.

If you are looking for a single supplier – six is about the maximum number even for a large project. With smaller projects (where small might be considered less than £30,000), you might consider fewer. Three to four well chosen companies is often sufficient to give you reasonable choice and create a competitive process.

Remember that any cost of sales that the supplier has ultimately feeds into the cost of their services. So helping to keep their costs down could save you money. Plus you also need to consider your own costs in the process, namely your own time in managing it.

Step Four: Formal Documentation

Whatever rules your organisation may have for Invitations to Tender (ITT) or Requests for Proposals (RFP), the documentation that you send out to suppliers should:

- be as short as reasonably possible;
- make the goals and success factors for the project clear;
- make the number of suppliers you are sending it out to clear;
- make the selection process and criteria clear;
- tell the suppliers how long you expect the process to last.

One of the most contentious requests during the selection process is to ask for demos to be created, or initial design work to be carried out. You might see it as an important part of selection, but some suppliers will view it as having to do part of the work before winning the contract.

If they perceive that the cost of doing that work will be a significant part of the cost of the whole project, they are less likely to respond at all, reducing your

choice rather than giving you more to base your decision on.

Instead it is better to ask for examples of previous similar work, for similar budgets. Try also asking to speak to one or two of their other customers, which is also a very good way of finding out how they work.

If you really need some evidence that they are able to do the work before you commit to it, consider whittling your choice down to just two, and then paying a small fee to both to produce some initial designs or other output from the project. Its a fair compromise and still reduces your risk of making the wrong selection.

Step Five: Selection

Whatever your selection criteria for your project, you need to be able to build a good working relationship with your chosen supplier. Their response will most likely form the basis for a contract to deliver the work, so make sure you understand what they are offering. Follow up with further questions if you need to. Their job is to convince you they understand your needs, and can deliver the right solution, not to prove how clever they are.

It is often tempting just to select on price, but you should be wary of the supplier whose price is much lower than all the others. If they have misunderstood your requirements in any way – they could end up asking for more money later, putting the whole project at risk.

If you put your selection criteria in the formal documentation, it is best to stick to them, but don't be led by something too rigid. Suppliers may give you ideas that you hadn't thought of that might have an impact on your choice.

If you do change your criteria it is a good idea to let all the suppliers know at this point, and give them a chance to revise their responses if needed. However, try to avoid putting them in a position where they have to do significant extra work.

Negotiation is usually possible and often a good idea, but try to avoid making it all about bringing down the cost. You may succeed in doing that, but your supplier will then be looking for ways to save time, which may have an impact on the success of your project. Balance cost negotiations with changes in services to find the right balance that suits both parties.

When you have made your choice it is a simple courtesy to let those who haven't won know about your reasoning. It will help them improve their services, and you may never know when you might want to use them for something else in the future.

Step Six: Delivery Management

Once you have chosen your supplier and signed a contract, the work really begins. You will need to agree project plans and milestones, even if only at a very simple level. As this is a guide to procurement and not project management, I will simply leave my advice to this: be prepared to be flexible.

As noted previously, this is likely to be a long term relationship and circumstances frequently change that can affect project outcomes. If you find yourself asking your supplier to adapt to your changing needs after the project is under way, be prepared to adapt yourself particularly over issues like delivery time scales.

Good luck.

About the Author

Richard Beaumont is Managing Director of Enriched Learning Services Ltd, owners of [the e-learning list](http://the-e-learning-list.co.uk). Richard has 15 years experience as both a buyer and supplier of e-learning services as well as other software and educational products.

The e-learning list is the leading marketplace for connecting people and organisations looking to invest in e-learning solutions with potential suppliers. For more information please visit us at www.e-learninglist.co.uk or send an email to: customerservice@e-learninglist.co.uk