



# A Compelling Case for E-learning: Major Return on Investment

"E-learning is to the knowledge revolution what railroads were to the industrial revolution."

--Merrill Lynch & Co.  
February report

"Corporations can save between 50 and 70 percent on employee education costs by using technology-based training instead of traditional teaching methods. Fortune 500 companies lost about \$12 million last year due to ineffective training strategy management."

--Red Herring, 10/00

## The E-learning Industry—Poised for Staggering Growth

E-learning is a multi-billion dollar global industry. In 2000, analysts from one source were projecting the corporate e-learning market to grow 900%, from \$1.1 billion in 1999 to \$11 billion in 2003 ([Red Herring](#), 10/00). Now some forecasters believe those earlier projections may have been too modest; many are now forecasting an e-learning market growth as high as \$25 billion in 2003 ([ECC News](#), 02/01). Even with the prospect of a U.S. recession, e-learning will continue to grow as a corporate training tool. The online learning industry is faring well on Wall Street. As tech stocks plummet, e-learning stocks continue to hover near 52-week highs ([CNET](#), 03/01).

## E-Learning and Corporate America—A Perfect Union

With today's new economy and movement away from long-term company loyalty, it is increasingly important for companies to invest in keeping their current employees trained. High turnover rates necessitate efficient, affordable, ongoing training programs in order to prevent the company's production and services from deteriorating. TrainUtopia's e-learning solutions provide the perfect remedy.

## Impact on Companies Providing E-learning

In the year 2000 Electronic Data Systems (EDS) offered online training rather than sending employees to classrooms and EDS was able to cut training costs by **46 percent**. EDS now offers more than 7000 online courses; employees log into the internally developed e-learning portal and choose courses from four tracks: technical, professional, sales, and leadership. About 85 percent of EDS training is now conducted online, compared to just 20 percent in early 1999. The average cost of training for EDS has dropped from \$60 per person per day to just **\$4 per person per day**. Savings like this haven't gone unnoticed: When the company posted net income of \$321 million for the fourth quarter of 2000, up from \$43 million for the same period a year ago, its stock rose more than 5 percent ("EDS Helps Itself," [InterNet Week](#), 3/01). Another company experiencing outstanding ROI regarding training is Kaufman and Broad. They launched a learning management system 2 years ago and their employees "now earn about 200 online certifications per month, which has led to a rise in promotions," according to an October 2000 article in [The Standard](#).

## Definitive Impact on the Bottom Line

So what does e-learning by TrainUtopia mean for an average 100-employee company? TrainUtopia's e-learning strategies incorporate adult learning styles (auditory, visual, and kinesthetic) to maximize knowledge retention through continuous interaction with the information presented. In addition to providing employees with the best training available, it means major savings of both time and money. By eliminating the need for travel, lodging, and time away from the office, **e-learning drastically reduces training time and costs**. When comparing instructor-led vs. computer-based training costs, **the cost per student is reduced as much as 80%**. The major cost consideration for computer-based training is the initial development of the course. With course conversion by TrainUtopia your company will benefit not only from reduced training costs, but also from improved efficiency and training effectiveness. For more information on how your company can benefit from e-learning, please contact TrainUtopia at 512-868-1459 or [www.trainutopia.com](http://www.trainutopia.com).

**With these incredible trends in the training industry, can your company afford NOT to invest in e-learning?**