

# How to calculate ROI in e-learning?

*Is it really worth investing in e-learning? To know this, you can evaluate the ROI considering the quantitative and qualitative benefits of online training.*

Training in e-learning is a fundamental tool for companies that want to keep themselves competitive by keeping their employees constantly updated. The question that many companies ask themselves, however, is whether it is really worth investing in online courses. To get an answer you can use the ROI (return on investment) index, taking into account the specific characteristics of e-learning.

## 1. How to calculate ROI in e-learning?

ROI or return on investment is the ratio between the profit (the gain from an asset) and the investment required. Basically, the ROI says in percentage how much the profit of a company has increased after making a certain investment. In the case of e-learning, and training in general, we can start from the same principle and evaluate the profit. Online training brings results if the expenses for implementing the course have led to an increase in the revenues of the company. While it is easy to identify the costs incurred, and therefore the investments made in e-learning, it is more complex to quantify the revenues because we need to consider both the quantitative and the qualitative aspects of online training.

## 2. The costs of online training

A company that wants to invest in e-learning must support at least two types of costs:

- Purchase of the e-learning platform with which to create, manage and deliver online courses;
- Fees of the e-learning professionals who take care of the courses: instructional designers, expert trainers, coordinators, etc.

Once you have purchased a platform that allows you to create, manage and deliver online courses, your company must think about the resources that must be allocated to the trainers.

## 3. Cost savings of e-learning compared to traditional training

One of the factors to consider when calculating ROI in e-learning is the savings you get, compared to traditional classroom training. Let's take the case of a company that has multiple branches in different cities and needs to make an important update of the procedures. If it chooses to train staff with an online course, it can involve all the departments, from all locations, without moving anyone from their offices through webinars and virtual classrooms. This means less logistics and transport costs compared to traditional training.

## 4. Increasing productivity thanks to new skills acquired by employees

Another factor to consider is the increase in company productivity after the course. For example, after the online course, employees are able to perform certain tasks and reduce the incidence of errors or be faster. All this can lead to an increase in sales and new customers. This quantitative and qualitative increase in productivity should be assigned a value that helps determine the ROI.

## 5. The training experience as an added value of e-learning

Finally, for the calculation of ROI, you should include the added value of e-learning versus traditional training. The possibility to learn when and where you want and the freedom to use multimedia tools and not just texts for learning are just some of the benefits that only e-learning can offer.

To understand if the investment made in e-learning has had a positive effect on the company, you can use ROI, taking into account the costs incurred and the savings obtained compared to classroom training. Furthermore, you need to consider the qualitative and quantitative aspect of productivity and the freedom to learn how and where we want online courses to offer.