

LMS BUYER'S GUIDE:

Insider Tips to Getting the Most out of the **LMS Buying Process**

elogic LEARNING

The *LMS* you want, the *partner* you deserve

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INTRODUCTION

Buying an LMS can be a confusing process. From researching any of the 1,000+ LMS vendors to demoing the product and choosing which fits your organization's needs most closely, there are any number of reasons the process may not go as planned.

If you're experiencing frustration with your LMS search, you're not alone. According to Capterra, 36% of people think the whole process will take less than three months – but our clients often end up spending eight months to a year. Capterra also says that 59% of people end up lowballing what they ultimately pay for the LMS.

It is our hope that through this LMS Buyer's Guide, you will become a more educated LMS buyer and feel more comfortable knowing what to expect and spend in the LMS buying process.

We want to help you be part of the 25% percent of LMS owners who love their LMS, as opposed to the 26% who are dissatisfied or very dissatisfied.

Being an educated buyer not only works in your favor, but that of the LMS vendor as well. When both parties understand an organization's training and learning development needs the vendor is able to more clearly picture exactly what types of LMS features and functions would best suit the organization. We see so many confused potential clients come our way and we want to help them find the best fit software, even if it's not us.

After all is said and done, we hope you feel more confident in your ability to choose the best LMS for your organization's needs.

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UNDERSTAND THE DIFFERENCES BETWEEN MAJOR LMS PRODUCTS

When there are over a thousand LMS products on the market, they start to blend together which makes it difficult to know what the differences are, exactly. While there may be plenty of LMSs that check the same boxes, here are some significant considerations that aren't so easy to pin down but that may completely change your experience with your provider.

IMPLEMENTATION

It's important to understand what implementation entails so that you can decide what level meets your needs. This is especially true when vendors charge such a wide range of fees for implementation. Implementation services vary greatly as well. Some vendors offer free implementation and it's more of a self-service setup, while others will charge a larger implementation fee based on a variety of services that are included with application setup. That's why it's important to ask vendors what you're getting with that fee- or for free. More often than not, you're getting what you (don't) pay for.

For a full guide to implementation, check out our ebook.

Here's a chart going over the four major implementation models and what they offer so you can address your specific needs with your vendor.

SELF-SERVICE SETUP	ASSISTED SETUP	FULL-SERVICE IMPLEMENTATION	GLOBAL ENTERPRISE DEPLOYMENT
• Best for small, price-focused organizations with very simple needs • Not a partner approach • Buyer is accountable for implementation success and failure	• Same as "Self-Service" but with a little more contact from the vendor • Training sessions and a higher level of customer support can be purchased for an additional fee • Best for first or second time buyers with basic learning management needs, limited integration and manageable library of content	• Vendor partners with client to ensure implementation objectives are successfully met • Training sessions are performed one-on-one and are specific to the client's business • Ideal for businesses that may need data migrations, enterprise functionality (e-commerce, multi-site branding, etc.), extensive content library and/or instructor-led training migration, and more	• Best for global businesses with locations across continents and in multiple languages/currencies • Not a popular choice because of the project complexity, the amount of time to completion and the high lifetime costs of the system • May include business process redesign, mobile app development, outsourcing, complex systems integrations, and more
Cost: Free - $1K	**Cost: $1K - $20K**	**Cost: $20K - $100K**	**Cost: $250K - $1.5M**

Note: Some vendors will fall under one category while others may fall under two or more.

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SUPPORT

Ask your vendor what their support process looks like, and what their average response time is. Some vendors will have enough support staff to answer phone calls, and hopefully in a timely manner. Other support systems may take days or weeks to get back to you and only offer email support.

Ideally, look for a vendor that has a quick response time, will jump on the phone with you to go over issues, and approaches your exchange with partnership in mind. After all, you want to work with a company as invested in your success as you are.

BUGS AND PRODUCT ENHANCEMENTS

Bugs are a given in any complex software product, but different development teams address them differently. Ask the LMS provider how many bugs are in their system. Some have 200–300 at any given time. Some (like eLogic Learning) will have fewer than 15 at any given time.

Also ask about their enhancement schedules. The can very from no enhancements (pretty unlikely), infrequent releases, or large batch releases once or twice a year. eLogic Learning releases smaller, more manageable batches of enhancements on a monthly basis.

Consider if your vendor is future-driven and listens to their clients. Ask what they hope to add to their LMS in the near future and how often they take up client requests for features.

COMPANY STRUCTURE

How many products does your vendor deal with? Are they focused on your LMS, or do they have a number of applications to work on? Are they owned by a larger company with many enterprises, or are they their own company? Sometimes LMS vendors owned by distracted parent companies will limit funding for LMS support and enhancements. They are also more likely to be sold or bought out, making them less financially stable.

CULTURE MESH

The people aspect is important, too. LMS contracts often span multiple years so it's worth paying attention to how your team gets along with your vendor and if they work well together. Poorly matched communication styles could become a repetitive frustration in the coming years if you don't choose wisely.

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LMS BUYING PROCESS

A typical LMS buying process can be simplified into the following six steps:



INITIAL LMS RESEARCH

Usually, before ever contacting a vendor, potential buyers will have done plenty of market research and maybe even narrowed it down to their top vendor choices.

1



QUALIFYING CALL

The qualifying call is an opportunity to see if the LMS would be a good fit for the needs you outlined on the previous page. It's also a chance for the vendor to see if there are any obstacles or other opportunities for your organization's training initiatives.

2



LIVE DEMO

Here's your opportunity to see the LMS in a live setting. Normally, the sales reps and solution architects will demo some of the features you mentioned as high-priority during your qualifying call.

3



SANDBOX

If you think the LMS could be a good fit for your needs, you may ask the vendor to set up a sandbox environment where you'll be able to have a look around and demo the LMS for yourself. However, if you're confident the vendor can handle your needs without needing to demo the system yourself, then you can choose to skip this step.

4



FOLLOW-UP

After the demo and/or sandbox period is over, there will be something of a follow-up to address any additional questions you may have or to move forward with your chosen LMS vendor.

5



CONTRACT

The contract phase includes the negotiation process and final agreement between your organization and the LMS vendor. It is best to have all decision makers in the LMS buying process look over the contract before sending it back to the vendor to avoid a delay in your LMS implementation.

6

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WHAT SHOULD I EXPECT TO PAY?

As previously mentioned, 59% of buyers lowball the LMS cost when they first start contacting vendors. Depending on your needs, an LMS can be expensive software!

We would like to give you an estimate of what you can expect to pay, but the truth is that the pricing is so variable in the market – and even for each vendor – that such an estimate would not be useful.

We can, however, tell you that there are a certain number of standard pricing models. We can also tell you that there tends to be a volume discount, meaning, having fewer users means it could cost more per user. Here are some of the pricing models that you can expect to see in your journey:

Active Users: This is the most common Enterprise system model and is often used when training internal employees. An active user is defined as anyone in the system that has an "active" status. Meaning, they are actively using the system and that a user with an account who is not using the system will count as "inactive". An active user, under this model, will have unlimited access to the system for a specific timeframe, typically one year. Some LMS companies will also charge for inactive users.

Named Users: This is a more old-fashioned version of the active user model. It's still in use but less common. It means that software licenses are tied to a specific user for a full year, unless that person leaves the organization at which point it can be reassigned.

Active Monthly User: Self-service vendors and trial-based systems often use this model. They ask the company to commit to maximum number of users per month and are billed based on this rate. If the number of users is exceeded, then the company is billed for overage. Usage is defined as logging into the system and consuming any resource. This model is very similar to those that cell phone providers use.

Consumption: This model is often used by vendors working with B2B or B2C companies. The companies buy a specific number of course registrations for the year. Each time a user registers for a course, a registration license is consumed. When the company runs out, they can buy additional registration licenses at a predetermined rate.

Perpetual: This model is used by vendors working with companies that want to buy and own the software application, hosting it on their own hardware instead of the vendor's. It's the equivalent of buying a car instead of leasing it. It often costs more up front but afterwards the costs decline and have to do with maintenance and enhancements, etc.

Unlimited/Enterprise: This pricing model offers one flat price for a company to have an unlimited number of users and unlimited access.

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WORKSHEET: ANALYZE YOUR LMS NEEDS

There are a ton of factors that go into figuring out your LMS needs. We've gone ahead and gathered some of the most important LMS features below so that you can analyze your needs and have a place to start asking vendors questions.

Define your vision for the role of an LMS in your organization:

Who will be using the LMS?

How many users do you anticipate on the platform?

Do you foresee a need to scale/grow the program in the future?

What kind of content do you wish to deliver?

- ☐ Video
- ☐ Microlearning
- ☐ Other:
- ☐ Learning modules
- ☐ Gamification
- ☐ Interactive activities
- ☐ PDFs/Documents

What kind of metrics and reports would you like to be able to analyze/create with your software?

- ☐ Scorm
- ☐ Tin Can/xAPI
- ☐ AICC

What coding standards need to be met?

- ☐ Public cloud
- ☐ Private cloud
- ☐ On-premise

Where do you want the software hosted?

- ☐ Self-service
- ☐ High-touch
- ☐ Other:
- ☐ Low-touch
- ☐ Custom implementation

What are your implementation needs?

What is your budget?

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What are your preferred authoring tools?

What pricing model do you prefer (see previous section)?

How frequently do you like your software to be updated?

- ☐ Rarely
- ☐ Monthly
- ☐ Annually
- ☐ Other

What degree of branding or personalization do you require, or are you okay with white label?

Do you need:

- ☐ Single sign-on
- ☐ Complex CE Management
- ☐ Authoring tool
- ☐ Hierarchical management
- ☐ Forums
- ☐ ILT and Blended learning
- ☐ eCommerce
- ☐ Compliance features
- ☐ Survey/assessment engine
- ☐ Ad-hoc reporting
- ☐ System/data integrations
- ☐ Multi-site capability
- ☐ Gamification features

Any other features you desire?

What kind of integrations/APIs do you want?

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AVOID LMS RESEARCH PITFALLS

LMS research comes with plenty of pitfalls. Not all resources are very helpful to the consumer, and even in an industry as tiny as elearning, there are companies looking to trip up the naïve buyer. Here are some of the things to avoid and watch out for.

INTERNET REVIEWS

There's an impression that internet reviews are unfiltered and honest, and therefore more useful than the materials and information that companies give us to help us make decisions. It's natural to be drawn to that in a marketing-driven world. While internet reviews can help supplement our decision making, when making complex buying decisions such as expensive software, it can lead us astray.

The corporate training industry is a relatively niche field and as a result, the reviews available are extremely limited in scope. The sample size is too small to make real conclusions.

Even though elearning software review websites make a good effort to show what type of company is reviewing the software, most reviews are relatively brief and incapable of going into detail about the business needs of the client and the ways their LMS provider was or was not able to meet them. Spending your time reading internet reviews won't match even ten minutes of contacting a potential vendor and discussing with them what you are looking for. A vendor can give you proper context for how your business needs fit with the capabilities of LMS software on the market.

SKIP OVER SCAMS

Believe it or not, there are some shady practices going on in the LMS world. Some LMS providers actually sneak in a legal claim to content built in their system or using a proprietary authoring tool, keeping clients from moving the hundreds of courses they've created to a new provider. When speaking to providers, make sure to read the fine print about content ownership.

BEWARE THE FREE TRIAL "NECESSITY"

There are various trial options offered by LMS providers. While a free trial may seem great- and make you wonder why they aren't offered by every vendor- you should understand that free trials are often offered by LMS systems built to handle simple business and training needs. Feature-rich systems that can handle even the most complex business and training needs will normally build out learning environments for their prospective clients that address their specific use cases, hence why they don't offer a free trial.

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CONCLUSION

The LMS buying process is overwhelming – and especially for new buyers, full of surprises. Know that you're not alone in your frustration. Hopefully this guide, full of knowledge acquired over years of helping clients figure out the right LMS for them, will help you start off on the right foot.

ADDITIONAL RESOURCES

Here are some additional resources you can access online:

Capterra LMS Industry User Research Report

Implementation Model Comparison Guide

What is SCORM, Tin Can, xAPI, and AICC?

The Problem with Relying on Internet Review to Buy an LMS

What Do You Mean You're Keeping My Content? An LMS Authoring Tool Horror Story

LMS Free Trial, and Sandbox, and Proof of Concept: An Explanation

LMS RFP Template

LMS Use Case Scenarios Template

LMS Lessons Learned Questionnaire for Second-Time Buyers

Webinar on LMS Implementation with John Leh

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AWARD-WINNING LMS SOLUTION

Each advancement we make to the eSSential LMS is to ensure our client-partners can achieve their training and development objectives now and in the future. The eSSential LMS is recognized as a top learning management system year after year because of our commitment to continuous improvement and customer support.

We're honored to be recognized by some of the most renowned analysts and organizations in the eLearning industry, but we're most proud of the recognition we receive from our client-partners!

Brandon Hall – Silver Award Best Advance in Learning Management Technology for Compliance Training (2017)

Talented Learning – Best All-Purpose Extended Enterprise LMS, Top 3 Continuing Ed LMS, Top 3 Compliance LMS (2017); Best All-Purpose Extended Enterprise LMS, Top 2 Continuing Ed LMS, Top 3 Compliance LMS (2016); Top 3 Continuing Ed LMS, Top 10 Channel LMS, Top 10 Customer LMS, Top 10 Compliance LMS (2015)

The Craig Weiss Group (formerly Elearning 24/7) – #1 LMS (2018 & 2017)); Top 3 LMS (2016); Top 3 LMS, Top 2 Extended Enterprise LMS, & Top 5 NextGen LMS (2015); Top 5 LMS (2014)

CODiE – Best Corporate / Enterprise Learning Solution Finalist (2017)

Training Industry – Learning Portal/LMS Watch List (2017)

Elearning! Magazine – Beast of Elearning! Award of Excellence – Enterprise LMS (2017); Best of Elearning! Cloud LMS (2015)

Capterra – Top 20 LMS Software (2014 & 2015)

Bloomin' Brands – Purveyor of the Year (2009 & 2010)

AND MANY MORE!

















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ABOUT ELOGIC LEARNING

eLogic Learning is an award-winning industry leader in learning management systems, custom course content and learning strategy development. Founded in 2001, eLogic provides personalized solutions to each of its client partners to help their learning and development efforts succeed.

WHY WE'RE DIFFERENT

eLogic also puts a strong emphasis on its partnership approach. We believe clients shouldn't be treated as just an income source or numbers on a spreadsheet but as partners who can trust us to keep their best interests in mind and help them succeed.

Now, we've noticed a lot of other vendors throwing around the words "partner" and "partnership" lately too, but that really isn't enough, is it? For us, it goes beyond just words. We're here to make sure we deliver on our promise to help our client-partners increase productivity, mitigate risk and generate revenue and/or see a return on their investment.

WE GIVE BACK

We are committed to devoting our time, resources and efforts to benefit the world around us. That's why with each new client or sale, we celebrate our success by having our employees select a charity where we donate a portion of the proceeds. It's our way of saying thanks and giving back.













LEARN MORE

You can learn more about eLogic Learning, eSSential LMS, or even schedule a free live demo by clicking the buttons below:

REQUEST A DEMO | CONTACT US | VISIT OUR WEBSITE

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