A BUYER'S GUIDE
Learning Management Systems

Tools and information to help you
make a better buying decision

Contents

Introduction

The concept of a **Learning Management System (LMS)** grew out of the eLearning industry and was initially used in colleges and universities but was soon recognized as a powerful tool that could be used for training in a variety of industries and private companies.

When trying to find the right learning software for your company, it can be tough to comb through countless LMS programs, especially when you may not know exactly what you are looking for. **Each LMS program will have unique features and sometimes finding the right one, with all the features you need, can be challenging.** To aid in the process, we built this guide to outline all of the factors that should be considered when looking for a new LMS program.

High-level
Features of an LMS

Training Courses

The most common way a learning management system is used is to deliver training courses to employees or learners. An LMS can deliver and host third-party training courses such as safety courses, equipment training, leadership/supervisor training, driver safety courses, and so much more. It can also be used to upload and deliver any of your in-house training courses that are unique to your organization.
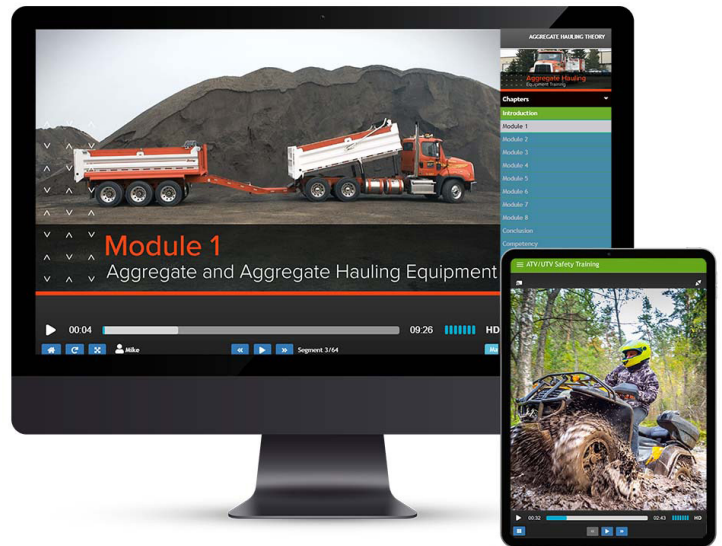
Online Orientations & Onboarding

A great feature of advanced learning management systems is the ability to create online orientations and employee onboarding presentations. With a powerful LMS you can upload all the orientation material like video, slides, images, as well as create quizzes. An effective onboarding program can provide new employees with insight into information on company policies and procedures, expectations for the role, and existing company culture. Online orientations delivered through an LMS are an adaptive solution to boost the effectiveness of onboarding procedures.

Onboarding Paperwork

A robust LMS will have digital forms functionality integrated right into the online orientations to streamline the entire process. Onboarding paperwork may include tax forms, payroll information, policy signoffs etc. and with integrated digital forms, it can be completed and sent to the proper HR or administrators for filing. Reducing the amount of paperwork and physical work it requires to fill out, file, and process all new hire information can allow you to allocate this time to other, more important tasks.

Competency Validation Tracking

Training employees in safety skills is important but having the proper level of competency is even more important. Competency validations will help you ensure your employees are prepared for the job and will keep them and their colleagues safer.

Competency assessments can help catch gaps in training, reduce overall risk, improve efficiency, and enhance the quality of an employee's work. An LMS can deliver and track hundreds or thousands of employee competency validations to keep your employees organized and safe.

Compliance Training and Assessments

As compliance regulations and standards change, courses may have to be updated. An LMS makes it easy to quickly change portions of a course to make sure your employees are always up to date with the newest training and regulations.

Management Training Programs

A good LMS can do more than just deliver online courses to students, it can create entire learning journeys for all levels and employees in the company. Management training is one of the most important development courses you can offer to strengthen your company.

Delivering important management training to your employees via an online learning journey is an effective, and efficient, way to help refine management skills.

Senior Leadership Development

Leadership skills are important and can be developed at any level of the organization. By continually developing leaders at every level, you can help develop and engage effective teams and streamline your company's success. You should look for an LMS that can deliver leadership training to employees at their convenience, helping to increase their breadth of knowledge and increase their confidence which can help them achieve organizational goals.

Training Company Partners or Franchisees

If you have resellers or franchise locations for your products or services, an LMS can be a convenient, cost effective, and consistent way to train your partners on product/service knowledge. With an LMS, you should be able to create detailed company courses and distribute them to the partners and companies you work with.

Knowledge Base

Establishing processes and organizational knowledge for new or current employees is one of the great benefits you should look for when researching an LMS. Learners can find critical information with a few simple clicks of a button and reference it as they need. By using an LMS, you can store and update knowledge consistently in courses, orientations, or internal practices which can be taught to new employees joining the team.

Additional Reasons to Consider an LMS

Learning Management Systems are generally used for training staff and/or delivering content to employees, but there are less obvious ways that it can benefit an organization. As the workforce changes, people retire, and new people join your team, there will be challenges that need to be addressed.
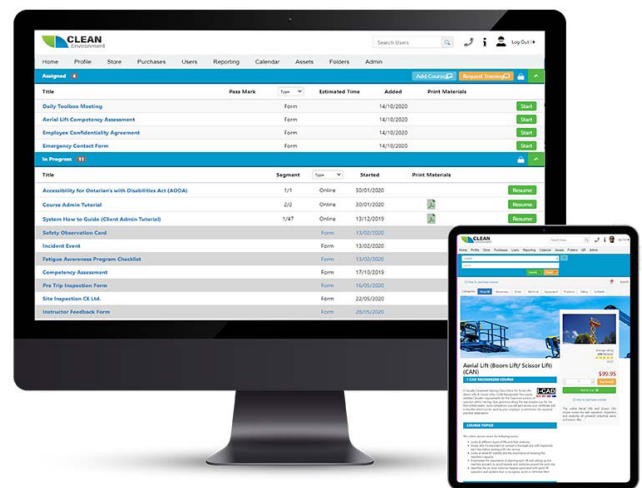
Benefits of an LMS

Transferring Knowledge

Millions of people are going into retirement over the next decade, and in a lot of cases they have knowledge that needs to be retained and shared with new workers. A strong training program, cohesive organizational learning goals, and the preservation of this cultivated knowledge can be better achieved by deploying a great LMS. When researching options, keep these challenges in mind.

Saving Money

An LMS can be incredibly cost-effective in comparison to traditional classroom-based learning methods. The costs involved in classroom learning can be significant, particularly if you have substantial ongoing and recurring training requirements. There is the cost of the instructor, course materials, travel to and from the location, and administrative costs of in-person training. An LMS can eliminate many of these costs and automate the administrative work that would otherwise need to be done manually.

Improving Company Safety

Choosing an LMS to handle your company's training requirements can help improve the overall safety of your business. Consistent role-appropriate training ensures that your employees are capable and competent which lowers the risk of avoidable workplace incidents. Reporting features allow you to spot any training gaps and resolve them quickly and efficiently. Expiration notifications ensure that an employee's training never needs to lapse. Being able to track training in this way helps with company compliance and reduces the risk of injuries as well as reducing the chance of penalties if an audit takes place.

Reducing Administration

In the past, large organizations used to have a person or a team spend almost all their time coordinating training for new or current employees. Administrators would need to comb through hundreds or thousands of employees to view when training was expired, and which training needed to be completed for certain jobs. However, with an advanced LMS, this process is streamlined. An LMS has the capability to automate the training requirements for every employee in an organization and assign appropriate training based on their role and training records.

Competency Validation

It is important to properly manage and administer competency documentation when you need to provide proof of compliance with regulations. Overlooking competency once the initial theory training is completed is common, but you can think of it this way, you wouldn't read the driver training book and be handed a license without completing a driving test, nor should your employees operate machinery without showing they are competent. A good LMS will help track the completed theory and competency assessments to ensure your employees are always prepared to do their job safely!

Data Security

Cloud storage (remote servers) provides far more secured storage space than your in-office computers or internal servers. It is important to have your training records and information stored on secure and reliable servers so your company can train effectively without security disruptions.

A Learning Management System can be a very powerful tool and extremely valuable to an organization

An LMS can provide access to a wide variety of tools, and create unique learning paths and training programs to personalize and customize training based on role, location, etc. Not only does this save training costs, which can get very expensive, but it aids in employee retention and increased revenue.
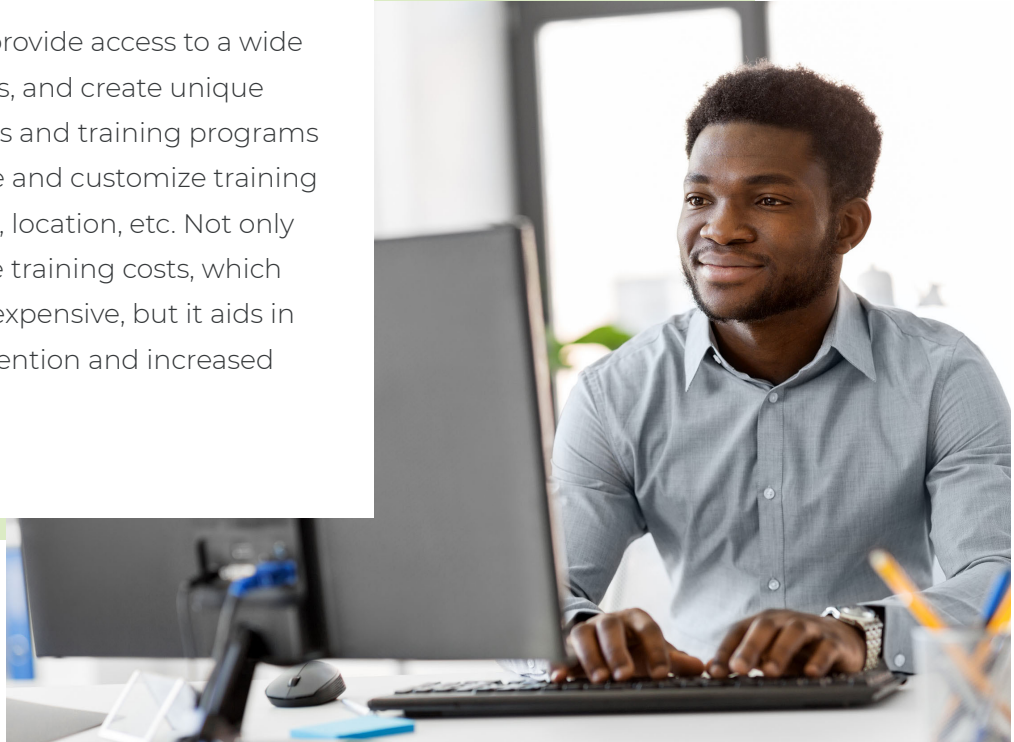
Toyota Case Study

Toyota Motor Corporation exemplifies just how much implementing a Learning Management System can positively impact a company. Toyota has been able to train over 18,000 mechanics, technicians, and sales staff in more than 50 countries since 2005.

The company upgraded its LMS in 2013 so employees could be provided continuous training without having to be re-certified, and by 2017 they had increased revenue in part due to their training systems. The LMS, or "Toyota Connect", provides learning material for hundreds of retail stores amongst their 30 distributors in the 50+ countries they operate in.

Important Features
to Look for Within an LMS

Some Learning Management Systems are more simplistic with limited functionality, whereas more advanced LMS software can have hundreds of features that provide incredible value to an organization.

Doing in-depth research before deploying a new training system is the best way to ensure you have everything your company needs. Here is a list of the features you will want to consider when choosing an LMS.

Features

Reporting/Analytics

One of the most powerful components of effective LMS software is the ability to view and download quality reporting and analytics. You need measurable results to determine the efficacy of your training program. Tracking progress, however, can be difficult in large organizations especially when employees are spread out across multiple locations. By finding an LMS with robust reporting features, you will be able to see a clear picture of your company's health and safety in real-time.

Training Matrix

This tool is the perfect way to take the administrative work out of your training program. With a training matrix, you can upload unique company roles and training topics, set course requirements, and instantly assign training to thousands of employees based on their roles. A superior LMS will include a training matrix that is fully integrated with their training software.

Exam Engine/Competency Assessments:

Exams and quizzes are important ways of gauging the success of a training course and the knowledge retained by your employees. Some LMS programs will offer a secure and reliable exam engine that can include multiple-choice or short and long-answer questions to test the effectiveness of your employee training.

Certificate Generator

Look for an LMS which will produce custom training certificates upon every successful course completion. Having this feature will allow employees to provide proof that they are qualified for the specific roles or jobs. A certificate generator integrated in the LMS will automatically send a certificate to the employee and employer for their records.

Document Uploader

Manually collecting, scanning, and uploading documents is a repetitive and time-consuming task. Some LMS programs have document uploading capabilities that can streamline operations and eliminate the need for paperwork. Important documents can be accessed and stored with the ability to upload them during the training course.

Digital Forms

Digital forms are a great way to eliminate paperwork. Some software systems may have a digital forms platform, or they may have to integrate with an existing platform. Either way, digital forms help to amalgamate all your important paperwork and forms into one place without requiring any physical storage or filing.

Cloud-based

Hosting an LMS on your company server can be complex and expensive, therefore, most learning management systems are cloud-based. A cloud-based LMS is typically easier to set up, provides greater flexibility, and most often costs less. As an added benefit, your employees can use the cloud-based LMS to have access to their safety training from any location with an internet connection.

User Friendly

You should do a free trial to see how user-friendly potential learning systems may be. It should be simple to use for people that are not tech-savvy. A complex LMS can create confusion and frustration among your employees to the point that they may not finish their training in a timely fashion.

Connectivity/API Integration

If you can find an LMS software that can seamlessly connect with your other software systems by using an application programming interface (API), you are already one step ahead! Connecting your LMS to your payroll, HR systems, and timesheets can lead to significant time savings by reducing data entry duplication.

Course Catalogue/Library:

When researching LMS software, keep an eye out for systems with a robust library of training courses available within the system. Having a library of training can be a significant time-saver when you need to provide training to your employees. Time spent researching and locating courses from separate providers can add administrative work, so an integrated library is a big plus.

Learning Management System Feature Comparison Chart

	Basic	Advanced	Premium
SCORM Compatibility	✓	✓	✓
Course Chapter Management	✓	✓	✓
Multimedia Playback	✓	✓	✓
Branding/White Labelling	✓	✓	✓
Notifications & Alerts	✓	✓	✓
Reporting & Analytics	✓	✓	✓
Secure Exam Engine		✓	✓
YouTube & Vimeo Compatibility		✓	✓
Adaptive Bitrate Video (Responsive to scre		✓	✓
Certificate Generator		✓	✓
Interactive Activities		✓	✓
Mobile Compatible		✓	✓
Text Slides		✓	✓
Course Code Generator		✓	✓
Detailed Exam Reports		✓	✓
Supplementary Printable Resources		✓	✓
Content Library Asset Hosting		✓	✓
Content Branching		✓	✓
Blended Learning		✓	✓
Multi-Lingual Capabilities		✓	✓
eCommerce integration		✓	✓
Expiry Automation		✓	✓
Prerequisite Management		✓	✓
Random Question Generator			✓
Long Answer Exams			✓
Training Matrix			✓
Document Uploader			✓
Competency Assessments			✓
Digital Form Integration			✓

Mobile Training

Perhaps one of the most important and attractive features of modern Learning Management Systems is how they are becoming increasingly mobile-friendly.

Anyone with an account can log in on their smartphone, tablet, laptop, or desktop and complete their courses on their own time. Employees are no longer required to take hours or days off work and travel long distances to take training in a classroom setting. When you start your LMS research, an easy first step would be to eliminate any systems that are not mobile-friendly.
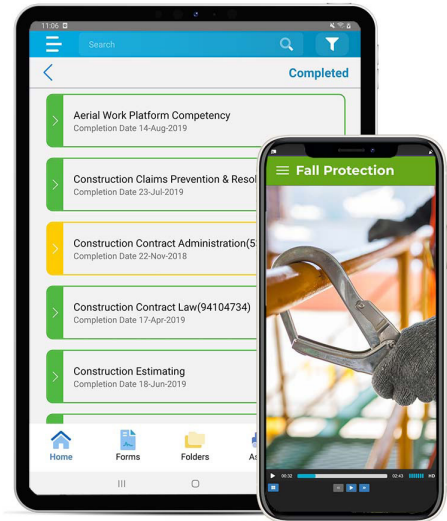
According to a 2018 study, most students prefer using their own devices when accessing training materials or course content.

Of the employees and learners that are accessing LMS programs:

89%
use their desktops

78%
use their laptops

25%
use their mobile devices

A study from Guide 2 Research shows that educational institutions are starting to adapt their learning strategies and learning programs to keep up with changing technology. There have been several studies that have proven the benefits of mobile learning, so the demand has been growing dramatically. In 2020 alone, the mobile learning market was valued at $27.32 billion and is set to grow at a compounded annual rate of 36.45% (source) from 2020 to 2027.

You should be looking for a mobile-friendly LMS, and even more importantly you should look for an LMS with the capability to operate these mobile-friendly courses. Since the future of eLearning and the LMS is set to rapidly grow over the next decade, it is essential to keep up with the changing technology. As the education industry advances, adopting new technologies and practices will help you train your workforce.

Read Source

Recommendations
for Choosing an LMS

✅ Keep the Authoring Tool Separate

An authoring tool is the software portion that allows users to create learning content and courses with media, text, and other interactive elements. However, you need to make sure the LMS and authoring tools are not integrated. By keeping them separate, you can remove your courses if you need to move them to another system. If the two systems are integrated, you will have to depend on that single LMS for those courses for as long as you need them.

✅ Ensure You Own the Source Files

The source files are the files that have the content stored on them. Having those source files is critical in case you need to change any elements in the future. Without having these files, it is not possible to change details within the course if you decide to use a different LMS. You could face hundreds or thousands of dollars in fees or wages in the event you need to make a change to a course if you do not have the source files.

✅ Check for SCORM Compatibility

Shareable Content Object Reference Model (SCORM) is a specific way of packaging various elements (videos, exams, images, etc.) into one course. SCORM files are becoming universal so most LMS programs are designed for their delivery. If you ever need to move a SCORM course from one LMS to another, this can be done with a few clicks.

A good analogy for SCORM is to think of it as a DVD and the LMS is like the DVD player. You can take the DVD and play it on other players because all DVDs are created following the same standards, you do not need a specific type of player because all players can play a regular DVD. Some LMS companies will build courses in ways that will only play if you keep them in their LMS.

If you already have a library of internal SCORM courses, then finding an LMS that can play those courses is crucial. Alternatively, if you are planning to develop internal training courses or orientations, packaging them as SCORM files will ensure they can be played on most LMS programs on the market.

Common Pricing
for Learning Management Systems

There are several common pay structures available with most LMS programs. Depending on the features, accessibility, integrations, included content, or the size of the software itself, **pricing can vary dramatically from one system to the next**.

A recent study by LIST SOURCE showed that the **average annual cost** for an enterprise LMS **is $70, 614** and 48% of organizations are not completely satisfied and want to explore other solutions. This goes to show that price does not always mean satisfaction. The study also mentions that 59% of organizations spend more than they expect on their LMS, which could be due to hidden costs or incorrect budgeting. **The following information can help you understand LMS pricing** so you can avoid missing important information.

Standard Pricing Options

Per Learner, Per Month

This is the most common payment option because it is cost-effective and convenient for those that require ongoing training. This payment structure is based on the number of users in the system rather than each course being taken.

▶ Pricing in this option is typically **around $5 per user, per month.**

Per Learner, Per Use

You may not need an LMS for your company on an ongoing basis; it may just be for irregular employee training. This payment option could mean you are charged based on the modules used, the number of active accounts, or the content used.

▶ Prices in this option range from **$1 to $10 per learner** and it is a great option for those companies that do not need to train their employees very often.

Licensing Fee

Some companies may want to purchase a license to install the LMS software on-site. A licensing fee could be required annually or as a one-time fee, and there may be additional implementation costs for this option.

▶ You can expect to pay **$500 to $20,000** for this option, and it may be well over $25,000 for the initial setup. This can be a good solution if you run a larger company that already has an IT department.

Per Course

Some LMS suppliers implement a pay per course option which means employees/employers pay one time, for one course. The courses could be stored in an online library or delivered through third-party Learning Management Systems.

▶ **Courses can vary in price depending on how robust they are or what the content is.** Paying per course is a great option for industries like construction, mining, and transportation that are compliance-focused and need certifications.

Other costs to consider

In the payment options reviewed previously, there are typically other costs that pertain to the initial implementation or set up of the system itself. These costs are easy to overlook, so be sure to ask about the following expenses:

- ▶ **Implementation:** The initial set up of the system including consulting, hardware installation, data migration, customization, and more.

- ▶ **Support:** Technical issues, system knowledge, or priority support may run you extra, so make sure to ask about ongoing support!

- ▶ **Training:** You may need onboarding and training for the staff that will be using the LMS system as administrators. Some companies charge for this training, so ensure you ask about each LMS provider's onboarding.

- ▶ **Content Creation:** Maybe you want to leave the creation of training to the experts, but keep in mind, if you hire others to create your internal training courses, it will require an additional expense.

- ▶ **Maintenance/Updates:** Since an LMS is a piece of software it will have updates and upgrades to keep it secure and running at its best. Depending on the software you choose, updates could be an additional fee, although maintenance and updates are often included.

Start-up fees vary from company to company based on what is provided within each system. Some start-up costs may be in the $4,000 to $7,000 range for a cloud-based LMS, while a self-hosted system, installed directly into your company server may be upwards of $25,000 to get fully configured. Factors like support, staff training, and basic customization could also add to the cost.

It is important to research all costs that occur at every level of an LMS. Hidden costs can add up quickly and represent the difference between a $1,000 and an $80,000 LMS.

How Do You Narrow It Down?

So far, we have reviewed features, system types, and pricing for an LMS, so now it is time to narrow it down to the best option for your company. Every company is unique and may need something different for their organization, but **here are some steps to narrow down the choices:**

STEP 1 **Review the features compared to your needs**

The first thing you should do is compile a list of the features you need and the ones that would be nice to have. Use this as a starting place to narrow down which LMS companies you look at in greater detail. Sifting through all the features can be overwhelming, so narrow down the non-negotiables.

STEP 2 **Ensure Proper Integrations**

When you are excited about a new program it can be easy to overlook how it will integrate with your current systems. It is important to note which LMS can work with your existing software so you do not increase the workload for yourself and your team. Ask questions about setting up APIs and single sign-on (SSO) to ensure the LMS can integrate properly with your other software and make life easier for your administrative team.

STEP 3 **System Security**

One thing that you may not have thought about right away is the security of the system itself. The LMS will handle all employee personal information which means it should be secure enough to avoid data leaks. A few questions to consider: Does the company follow proper privacy legislation? Do they have backups? Are the servers located in your country? Which hosting company do they use? Doing the due diligence now will save you potential problems in the future.

STEP 4 **Customer References**

Client testimonials are one of the most important pieces of information a business can have on its website. Positive reviews give a business credibility and reliability so you can put your trust in them, which is especially important when introducing something as large as a new software into your company.

Most companies will have client testimonials somewhere on their website, to help aid you in your decision-making and give you that final push to put your trust in them. Combing through reviews may also show you the variety of businesses or industries the company has worked with and exemplify how they can benefit your business.

Of course, the listed reviews are usually the best ones from clients they know have had great experiences. While those are most likely truthful, it is a best practice to do your own research and get testimonials of your own. Ask the company if you can contact a few of their clients and get honest reviews, most companies will have no problem with this, and it can help you make the most informed choice on which provider to go with.

STEP 5

Set up a Free Trial

Software programs typically have the option for a free trial so you can play with the software, understand how it works, and see how it could benefit your company. However, some clients do not utilize it or miss out on the full experience. Taking the time to use the software and see exactly what you will be getting allows you the opportunity to ask additional questions and identify any problems before integrating entirely new software into your organization. Using the trials and information given to you will be the best way to make an informed buying decision.

STEP 6

Review the Contract Options

Every company will likely have a slightly different contract option. You should try to avoid lengthy contracts if possible. A recent study showed that more than 1/3 of LMS users, or 36% are unsatisfied or unsure about how well their selected LMS platform meets their needs. Based solely on that statistic, entering a lengthy contract may not be the best option for your company. The ideal contracts are the ones that don't lock you in or allow you to cancel after 30 days so you can be sure it is the best option for you and your company.

Conclusion

Investing in an LMS is a big decision, and the process can seem daunting, especially given how many options there are on the market. Understanding what you need from an LMS, what an LMS can do to help your organization, and whether you need to adapt your system to accommodate an LMS, or vice versa, are all important considerations.

Hopefully, this guide will help point you in the right direction and help you decide which system is best for your organization.