



The Business Case for Supporting Your Enterprise System Implementation with the ANCILE uPerform™ Learning and Performance Solution

An ROI White Paper

Study conducted by:
Hobson & Company
February 2013

Executive Summary

Effective training and support on the job are critical for successful adoption of complex IT and business systems. According to a META Group study, 76% of employees have a substandard understanding of new enterprise software systems. In the absence of high-quality training and ongoing support, employees tend to under-use or misuse new systems - preventing companies from achieving their expected returns on these significant investments. When organizations take a hard look at their historical training practices some key inefficiencies often become apparent across the project lifecycle from the initial creation of quality content, to the appropriate delivery model, and concluding with ongoing employee performance support to drive proficiency.

A comprehensive electronic performance support system (EPSS) can have an immediate and demonstrable impact on the successful adoption of new business systems. Deploying a robust EPSS will maximize user adoption by integrating with core enterprise systems (e.g., ERP, HCM, Inventory Management) and providing capabilities that extend across the full application project lifecycle (i.e., developing content, publishing content, and accessing content for training and ongoing support). Key authoring and publishing tasks are made more efficient with a comprehensive EPSS. When employees can access learning content from directly within the enterprise application they save time learning the new system, and become proficient much faster and with less dependence on support staff. From an ROI perspective, elearning - a key feature of a robust EPSS - also allows the company to reduce its reliance on classroom training and reap the resulting substantial cost savings.

ANCILE commissioned Hobson & Company, a firm that specializes in discovering the key business benefits driving the adoption of new and emerging technologies, to quantify and document the value created by the ANCILE uPerform™ EPSS solution. This paper explores some of the key challenges ANCILE customers faced when attempting to create and deploy learning and performance support manually or with a 'less sophisticated/less full-featured' system before using ANCILE uPerform. These challenges are particularly significant for companies that need to create a large volume of learning and support documents in order to train numerous employees on a new system. Based on the customers interviewed for this study, a sample organization that deploys ANCILE uPerform to:

- Create approximately 3,500 documents in the first year in support of a new ERP system
- Train roughly 2,500 employees per year on the system

can expect nearly \$3.4 million in annual productivity and cost savings. This paper further describes the specific benefits that enable these returns. Of course, because different enterprise systems present widely differing learning and support challenges to companies, these sample results should be viewed only as a reasonable estimate and not as a guarantee of savings or return on investment.

Key Challenges in Creating and Deploying Learning and Performance Support for Complex Business and IT Systems

During interviews with project managers, training managers, and support managers at major U.S. and international corporations four key business challenges were identified related to creating and deploying learning and performance support without an EPSS or with a ‘less sophisticated/less full-featured’ system.

Challenge #1: Cumbersome to develop high-quality and consistent learning and support documents to support ERP and other complex corporate systems.

Creating learning and performance support documents without an EPSS is a difficult process for authors and consultants. Traditional tools include Snag-IT, print screen, and Microsoft Word and Publisher. The biggest issue with these tools is that they do not allow authors and consultants to easily capture steps and actions and produce multiple outputs (e.g., simulations, work instructions, exercises) and formats (e.g., PDF, HTML, PPT) from a single-source file. As a result, the document creation process is time consuming and it is difficult to ensure that the documents are accurate and consistent. Even customers that were using ANCILE Info Pak™ (the predecessor to ANCILE uPerform) found the process of creating documents to be burdensome, which limited the use of the tool to a small number of authors.

Companies are unlikely to leverage a ‘less sophisticated/less full-featured’ EPSS to support other corporate systems (e.g., HCM, Inventory Management). If authors and consultants are overwhelmed with creating learning and performance support documents for the core system or if the EPSS does not support different learning styles (e.g., elearning), the tool will not be used to support other corporate systems. This limits the value of the EPSS to the organization.

“To create cue cards and a simulation it would have taken triple the time in PowerPoint. You get one output in PowerPoint in the time that you get three with uPerform.”

— uPerform Administrator and Training Developer

Challenge #2: Significant infrastructure and support costs are incurred to train and support employees on the new system.

Without an EPSS, significant costs are incurred to train and support employees. Companies are reliant on instructor-led training when they are unable to easily create different outputs (e.g., elearning and simulations) to support multiple learning styles and access to content on the job. The cost of instructor-led training includes materials, facilities, fees for outside instructors, and travel expenses for instructors and employees. This was a key area of concern for the companies that participated in this study since 70% to 100% of their training was done in the classroom prior to implementing a comprehensive EPSS.

Inconsistent information and lack of easy access to information is what drives up the cost of supporting employees in organizations without an EPSS. When each output is a separate document it is very difficult to ensure the accuracy of all the documents. Documents are often published to a number of websites to make the information more accessible to employees, but with so many places to look for information, it can be hard to find the right information at the time of need.

“The cost of instructor-led training for our SAP project would have been \$750 per employee without uPerform. We trained 95% of our employees in the classroom before and we trained 20,000 international users on SAP with uPerform.”

— International Training Team Member

When employees find discrepancies in the documents or can't find the right help, they call the Help Desk. When the average call takes 15 minutes for support staff to handle and, in this customer example, 2,500 new employees are brought onto the system each year, routing such a large volume of help tickets that result from poor user knowledge consumes significant help desk staff time.

“Authors may have captured a screen print and forgotten there was a simulation to go with it. When an employee does the simulation it will not match the process.”

— Assistant Director of Customer Care

Challenge #3: Inefficiencies related to instructor-led training and lack of easy access to information limit the productivity of employees who utilize the new system on a regular basis.

In addition to the cost of classroom training, there is the productivity impact when you take employees away from their jobs for training. Employees spend more time attending classroom training than they would if they had the option to choose their training method and to fit the training into their own schedule. The number of courses per employee per year ranged from 2 to 7 and the duration of a course was 1 to 2 days for the companies interviewed. When 2,500 employees per year participate in training, taking employees away from their jobs for training can dramatically reduce their productivity.

“100% of our implementation training is in the classroom. This kind of training is only necessary when there are a lot of process changes to the system. We'd like to reduce this number to 60% with uPerform.”

— Training Team Manager

After training, employees rely on support documents for help on the job. When support documentation is not available from directly within the new system, employees must go into other systems to find the information they need. Once they find the information there is no guarantee that it is the latest version or there may be discrepancies between two documents for the same task. It is very difficult to maintain multiple output types (e.g., work instruction, simulation, exercise) and centralize documents without the functionality that a robust EPSS like ANCILE uPerform offers.

“Without uPerform SAP users would have to navigate 5 or 6 SharePoint sites for training and support information. I could see a user spending up to 2 to 3 hours per week doing this.”

— uPerform Administrator and Training Developer

Challenge #4: Lack of high-quality and consistent documents and easy access to the information extends the time to proficiency for employees.

The quality of the learning and support documents affects how quickly employees achieve proficiency on the new system. Inconsistent, unpolished documentation impacts employee confidence in the content. In addition, when employees have limited consumption options to meet their learning style preferences (e.g., online for younger employees), it will take them longer to become proficient on the new system.

When employees struggle with limited learning options and delay or don't complete the training, the adoption rate is reduced. When fewer employees adopt the new system, it prevents the company from achieving the expected return on the investment in the new system.

“Our previous induction course lasted longer and then trainees were sent out on the floor. We spent a lot of time explaining processes, writing processes down, writing notes and printing files.”

— Customer Experience Delivery Manager

“We would lose a third of the employees during the training.”

— uPerform Administrator

Key Sources of Value

The value of an EPSS, specifically ANCILE uPerform, is immediate and significant. This analysis focuses on the key bottom-line benefits that were universally mentioned or agreed to by the customers interviewed for this study.

Based on interviews with project managers, training managers, and support managers at several major U.S. and international corporations, we found that the key value drivers fall under the following categories:

- Increase Efficiencies
- Reduce Costs
- Reduce Time To Employee Proficiency

Each value area can be further broken down into a set of specific benefits. A sample of the benefits for each is summarized below and will be fully explained and supported in the following sections.

VALUE	SPECIFIC BENEFITS
Increase Efficiency for Authors and Administrators	Reduce time to create new learning and support documents for employees
	Reduce time to create elearning for other corporate systems
Reduce Learning Infrastructure and Support Spend	Reduce number of help desk calls/tickets from employees
	Reduce cost of classroom training at implementation
Increase Employee Efficiency	Reduce time away from job for classroom training
	Reduce time searching for information
Reduce Time to Employee Proficiency	Reduce time to proficiency/competency
	Improve employee adoption to increase ROI attainment of system

Operational data was collected to calculate the ROI value of ANCILE uPerform for a sample company that migrated from ANCILE Info Pak. The company's profile was compiled by taking averages of the data collected during interviews with ANCILE uPerform customers. The sample company invested \$548,000 in ANCILE uPerform in year 1 and has the following operational characteristics:

AUTHOR AND ADMINISTRATOR INPUTS	VALUE
New learning and support documents developed for employees	3,500 work instructions
Growth in document volume per year	25%
Hourly rate for an author or consultant	\$54
elearning course hours developed for other corporate systems	150
Growth in volume of elearning course hours per year for other corporate systems	15%
Hourly rate for role that creates elearning courses for other corporate systems	\$54
SUPPORT AND INFRASTRUCTURE INPUTS	VALUE
Hourly rate for employee support (help desk) role	\$36
EMPLOYEE INPUTS	VALUE
Percentage of instructor-led implementation training prior to EPSS	70%
Number of employees trained on the new system per year	2,500
Average employee hourly salary	\$36
Growth rate for elearning per year	10%

Value Source 1: Increase Efficiency for Authors and Administrators

Reduce time to create new learning and support documents for employees. ANCILE uPerform helps authors easily create high-quality learning and support documents for employees. The solution automatically captures screenshots, actions, and keystrokes by recording the author's actions within the enterprise application. A single-source XML file is created that can be published to a variety of outputs (e.g., simulation, work instruction, exercise) and formats (e.g., PDF, HTML, Word) to support different learning styles and ensure consistency from author to author. The ease of creating learning and support documents with ANCILE uPerform encourages greater author adoption of the solution, allowing companies to enable additional authors and employees.

The sample company upgrading from ANCILE Info Pak to ANCILE uPerform saved 50% of the authoring time in creating 3,500 work instructions in the first year. It would have taken authors 3 hours per document with ANCILE Info Pak; that time has been cut to 1.5 hours with ANCILE uPerform. If the sample company had no EPSS, it would have taken 8 hours to create a new document. As a result, the sample company realizes \$284,000 in annual productivity gains.

"We are moving from a centralized authoring model to a decentralized one. We've trained 300 authors on uPerform because we want them to use it to be more efficient."

— uPerform Project Lead

Reduce time to create elearning for other corporate systems. To maximize the value of an EPSS solution, an organization should use the EPSS to support other corporate systems beyond the core project. Because ANCILE uPerform simplifies authoring, project authors have more time available to train authors in other business units to use ANCILE uPerform to create their own training and support materials, particularly elearning.

If the sample company created 150 eLearning course hours for other corporate systems without a robust EPSS, it would take authors 50% more time, specifically 150 hours per course compared to 75 hours with ANCILE uPerform. This adds up to a \$608,000 annual productivity gain for the sample company.

"With the ease of getting up to speed on uPerform we've had other departments reach out to us to use it to create documents and training for their departments, particularly elearning courses."

— uPerform Administrator

Value Source 2: Reduce Learning Infrastructure and Support Spend

Reduce cost of classroom training at implementation. One of the biggest expenses when implementing new enterprise systems is classroom training. ANCILE uPerform provides high-quality learning output in different formats (such as elearning and context-sensitive help) so employees can learn on the job. Built-in collaboration functionality - including feedback to authors, website discussions, and the ability to subscribe to content - also helps keep training cost down by allowing employees to share best practices and stay on top of content changes.

In the case of the sample company, by reducing the amount of instructor-led training from 70% to 30%, the company saw a savings of \$500,000 in materials, \$750,000 in employee travel expenses, \$150,000 in outside instructor fees and travel expenses, and \$35,000 in classroom rental costs. This totals \$574,000 in cost savings each year for the profiled company.

"The ability to do elearning versus instructor-led training has cut down on travel and materials costs."

— Training and Development Team Member

Reduce number of help desk calls/tickets from employees. Once employees are trained on the new system they require support on the job for the next 6 to 8 months to solidify their new skills. ANCILE uPerform enables employees to receive help from directly within the new system so they can answer their own questions while on the job. The system makes it easy for employees to provide feedback on the documents to authors, reviewers, and other employees to improve the quality of the documents. Documents are available in a centralized location for quick access. The system also provides different types of support documents so that employees can find the help they need, in the learning mode they prefer.

Companies interviewed confirmed that their employees call the help desk about four times per year and ANCILE uPerform easily reduces this number to three calls per year. When 2,500 employees are trained on the system per year for the profiled company, this results in \$360,000 in additional productivity.

"The help website cuts down on customer calls after go live. It is integrated with the training so employees are very comfortable using it. Users are told before they call the help desk to go to the website and when they do call they are referred back to the website if the information is online."

— uPerform Administrator

Value Source 3: Increase Employee Efficiency

Reduce time away from job for classroom training. One of the biggest benefits of ANCILE uPerform from an employee satisfaction standpoint is that they can learn at their desk and fit the training into their own schedule. Employees can choose their learning style (e.g. simulation, elearning course, work instruction) for a better learning experience. Employees can provide feedback on the documents, participate in website discussions, and subscribe to content to best use the time they spend learning the new system.

When the sample company gives its 2,500 employees the option to learn online at their desk, employees don't need to spend two days in the classroom. By reducing the amount of instructor-led training from 70% to 30%, the sample company gains \$504,000 in employee productivity every year.

"The biggest benefit of uPerform is the ability to offer elearning."

— Training and Development Team Member

"The help website cuts down on customer calls after go live. It is integrated with the training so employees are very comfortable using it. Users are told before they call the help desk to go to the website and when they do call they are referred back to the website if the information is online."

— uPerform Administrator

Reduce time searching for information. Easy access to relevant support information is another important benefit of a comprehensive EPSS like ANCILE uPerform. Once employees complete training, they need to occasionally access support materials once back on the job to reinforce their new skills. It is more efficient for employees to get support from directly within the enterprise application, rather than accessing a separate repository and executing a search. ANCILE uPerform also provides centralized access to support information and delivers content updates to employees to further reduce the time employees spend looking for support materials.

Customers agreed that a newly trained employee spends 30 minutes per week looking for support information and ANCILE uPerform easily eliminates 5 minutes per week. In this example, saving each of its 2,500 employees 5 minutes a week leads to \$354,000 in additional productivity for the company.

"Employees love the uPerform website because it's easy to use and has everything on it."

— uPerform Administrator

Value Source 4: Reduce Time to Employee Proficiency

Reduce time to proficiency/competency. The ultimate goal of implementing any new system is employee proficiency so the company can receive the benefits of the system. ANCILE uPerform enables employees to achieve competency on the system faster using a variety of outputs to support employees in their preferred learning style, and easy access to support within the enterprise application at the time of need is available. When employees have a better learning experience they learn faster and the company recoups its investment in the system earlier. ANCILE uPerform's out-of-the-box integration with core ERP and other complex systems also helps shorten the time to proficiency.

The average time to proficiency/competency for the companies interviewed was 8 to 14 weeks and they universally agreed that ANCILE uPerform cuts this time by a minimum of 3 weeks. In this customer example, saving 3 weeks across 2,500 employees adds up to \$378,000 in gained productivity per year.

"In our new training model, employees are on the floor faster than they were in the past."

— Customer Experience Delivery Manager

Improve employee adoption to increase ROI attainment of the system. More employees successfully using a system translates to more value from the system and increased return on investment. Customers attested to the fact that more employees complete training on a new enterprise system when it is implemented along with a leading EPSS like ANCILE uPerform. When employees are given the option to choose how and when they learn, they are more motivated to complete the training. Customers supported a 1% improvement in adoption for every 3 additional employees that completed training on the new system with uPerform.

For the sample company, increasing the number of employees that complete training - from 66% to 95% - results in a 10% improvement in system adoption. To quantify this improvement, customers confirmed that a typical ERP system costs \$10 million over 10 years, or roughly \$1 million per year. If companies expect at least a 3X return on the system, then every 1% of improved adoption is valued at \$30,000. For the profiled company, a 10% improvement in adoption results in \$300,000 in cost savings per year.

"We are losing fewer people during the training with uPerform. With Info Pak we lost a third of the employees during the training."

— Customer Experience Delivery Manager

Overall Value

The eight ANCILE uPerform benefits included in this analysis add up to \$3.4 million in annual value and a 6:1 return on investment (ROI) for the prototypical company we examined. The sample company’s \$548,000 total cost of ownership (TCO) in year 1 generates a positive return in **7.8 months**. The three-year net present value (NPV) of \$4.5 million and ROI of **516%** are strong. The key financial metrics for the sample company were calculated by standard methods and the NPV assumes a 10% cost of capital. The figures are summarized in Figure 1. Participating companies confirmed that a 2-4X ROI and a payback of less than a year are reasonable targets when ANCILE uPerform is used to support the deployment of a new enterprise system. The figures in this profile are within or above these ranges.

FINANCIAL METRIC	3-YEAR VALUE
Payback	7.8 months
NPV	\$4,453,810
ROI	6:1 (516%)

FIGURE 1: TABLE OF KEY FINANCIAL METRICS

Figure 2 shows the extent to which each value driver contributes to the total value of ANCILE uPerform within this ROI analysis. The value is fairly equally spread across the four value areas due to ANCILE uPerform’s elearning capabilities, which dramatically reduce the cost of classroom training and enable ANCILE uPerform to be utilized for other corporate systems. The elearning capabilities also enable employees to learn on the job, which makes them more efficient and proficient on the new system. For customers interviewed, ANCILE uPerform elearning capabilities are a key point of difference compared to ‘less sophisticated/less full-featured’ systems.

Benefits by Value Driver

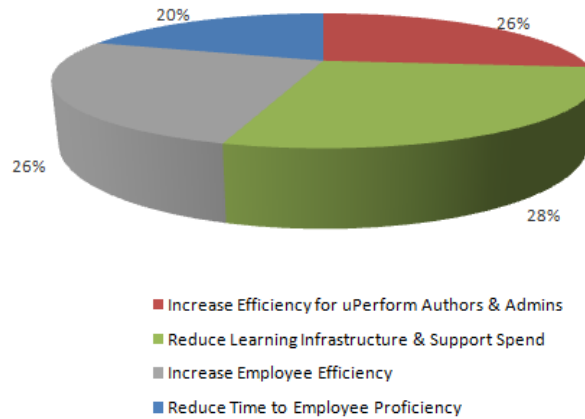


FIGURE 2: CHART OF VALUE DRIVERS

Incremental Value of Training More Employees on uPerform

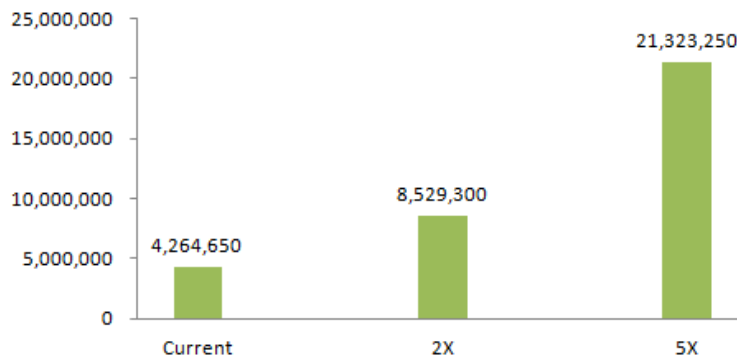


FIGURE 3: CHART OF SCALABILITY

As shown in Figure 3, the value of ANCILE uPerform scales with the number of employees trained each year. The employee efficiency and proficiency benefits are calculated on a per employee basis and the bar chart clearly shows that the value of training more employees with ANCILE uPerform justifies the incremental licensing cost. Overall, although there are wide differences between enterprise system implementations, we believe these sample results are a reasonable estimate of the return on investment that ANCILE uPerform users might realize compared with using less sophisticated or robust systems.

About ANCILE

ANCILE Solutions, Inc. is a provider of best-in-class learning and performance software solutions. ANCILE uPerform™, ANCILE uPerform™ Express, ANCILE uAlign™, ANCILE uLearn™, ANCILE uBenchmark™, and ANCILE Info Pak™ products are used globally by Fortune 500 companies, including half of the elite Fortune 100. ANCILE products support mission-critical business applications by providing solutions that increase employee productivity and proficiency across all industries.

For more information, please visit www.ancile.com.

About Hobson & Company

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well researched, yet easy-to-use ROI and TCO tools have also helped many technology companies better position and justify their unique value proposition.

For more information, please visit www.hobsonco.com.