



How much will you really pay
for your new LMS and how you
can save using
**Microsoft
SharePoint?**

Why a SharePoint and LMS fusion offers security and compliance benefits of an on-premise LMS and the cost-effectiveness of a cloud one.

Whether in our personal lives or in business, we all have to keep within a budget. So, when shopping for an LMS the price usually plays an important part of your decision-making process. But, there is so much more to the initial price tag.

With a learning management system, besides the cost of licenses and implementation, it is very important to take note of any hidden costs in order to get a clear and accurate picture of what the LMS really costs.

Consider these factors:

- Hardware and Software required
- Set Up (including system software, LMS, backup etc.)
- Single Sign-On Authentication
- Integration with System of Records
- System Administration
- Risk and Compliance Management/Security
- Customization and Integration

Now, with that said, there are two basic options when it comes to choosing an LMS: Cloud or OnPremise.

We'll discuss the specific cost considerations of each option in order to get a complete picture of the price in order to choose an LMS system that will be a good fit for your business.

Cloud LMS: A True Cost Analysis

The cloud is essentially software and services that run on the Internet instead of a computer. Examples include Netflix, Apple iCloud, Dropbox and Microsoft Office 365. And, of course, there are training systems now on the cloud as well.

The cloud has been continually gaining speed but it's not always the best choice for some businesses. For instance, many companies that are highly regulated are facing push back from their IT departments regarding the cloud. IT managers have a laundry list of concerns and issues about training in the cloud including integration, single sign-on, security, database access, content access and storage.

Before considering the cloud as a training option, consider the following pros and cons.

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PROS

Affordable. One of the most cited benefits of the cloud is that it is cheaper than on-premise installations — making enterprise-quality technology affordable for small businesses.

Hassle free. The cloud removes much of the hassle of managing systems. Because they take care of all the IT for your business, you don't have to maintain expensive servers, hardware and in-house IT staff. For instance, when a new update is available it happens seamlessly, managed by the vendor and rolled out to users in a quick, efficient manner.

Increased collaboration and flexibility. For many businesses, moving to the cloud increases opportunities for collaboration between employees. Colleagues can sync and work on documents or shared apps with ease, often simultaneously, receiving updates in real time. Additionally, cloud computing allows each team member to work from anywhere.

One of the biggest impediments to public cloud computing adoption is the calculation of additional risk from all the unknowns, known and otherwise.

CONS

Critical business data at risk. A big concern that companies have with the cloud is the overall security of their data. Putting information into services that are accessible over the public Internet means that criminals have a potential gold mine of targets. Many organizations have security requirements to store data on their own servers.

Automatic updates enforce change, whether you're ready or not. The cloud does all the updating for you, but what if you don't want that upgrade? Imagine getting to work and find that an upgrade has taken place overnight and a key feature that you relied on has been removed, or the dashboard has had a major design overhaul that will take users ages to fathom, or a function has been added that will give you security nightmares. While managing your own software and systems upgrades can take more time, it does at least give you the control to decide how and when it is implemented, so allowing you to prepare for the changes.

Reliance on third parties to run your IT. There may be cost savings by reducing IT staff, but this will also mean that you won't have easy and quick access to people on the ground if things go wrong.

Lack of Internet access leaves data out of reach. If your network goes offline, for example, staff can be left twiddling their thumbs, unable to log in to key services or read important files. Or, if they're on the move and want to access data on the go - often touted by cloud vendors as the easiest thing in the world - a lack of connection can render this benefit redundant.

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Cloud vendor outages leave you high and dry. On the flip side, even if you do have Internet access, if the vendor has an outage, you're still left high and dry.

Forever tied into the cloud. Many firms have embraced this philosophy and have offloaded their own kit and staff. But once a firm has gone down this route, it's very costly to turn your back on the cloud and bring systems back in-house again. So, for those who try out the cloud and get put off by the associated drawbacks, perhaps around data privacy or lack of control, you could end up in a situation where the potential cloud cost savings are eaten up by the need to reinvest in IT equipment and recruitment.

To Cloud or Not to Cloud? Just how much will it actually cost?

As you can see, there are some real concerns with the cloud, specifically in regards to business data put at risk. What it really boils down to is whom you trust with your business data? When you store data in the cloud, you're trusting a third party to keep it safe. And, because the purported safety of cloud computing isn't standardized, you may have a difficult time determining how well third parties protect your data.

Here are some things to consider before choosing a training solution in the cloud:

- How sensitive is your data? Companies that must meet stringent compliance regulations may well need their own IT department to keep data secure.
- Does your training solution offer the choice between on-premise and the cloud? Do they offer the capacity to make changes in the future?
- How much control over your data are you comfortable giving up to a third party? Only on-premise solutions can truly offer 100 percent control.
- Do you want cost savings in the short term or long term? Cloud LMS systems have a higher total cost of ownership in the long run.
- You don't need customization, security of stored data or third-party extensions integration. These benefits are specific to on-premise training solutions.

While a SaaS LMS will offer similar features, licensing and administration costs as other training systems, the real difference in added costs will come from: Single Sign-On Authentication, Integration with Systems of Record, Risk and Compliance Management/Security, Customization and Integration

Cloud LMS systems are generally reserved for smaller businesses with limited resources. These types of businesses generally are not as highly regulated and don't have complex needs and customization requirements.

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On-Premise LMS: A True Cost Analysis

Traditional learning management systems go as far back as the 1960s but really gained momentum in the 2000s. In fact, by 2018, the LMS market is estimated to grow by 23 percent according to MarketsandMarkets research.

From the beginning, every LMS was hosted on premise and provided an efficient way for companies to administer, document, track, report and deliver training programs.

An on-premise LMS, sometimes referred to as deployed, licensed or in-house, means that your LMS is run on servers within your company's network. You have complete control of updates, technical issues, security etc.

Now, as we mentioned in the above chapter regarding the cloud LMS, it is very important to consider the pros and cons of each deployment because they require completely different technical experience, hosting capacities, resources, company structure, budget and implementation goals.

Let's take a look at the pros and cons of the on-premise LMS:

PROS

- **Security of stored data.** Security is a major factor for highly regulated industries like healthcare, government and life sciences. Almost all of these companies have an on-premise solution for the dependability and security it provides.
- **Third party extensions integration.** Most companies have multiple systems running at any given time from HRIS, ERP, CRM, content management and IT and security systems to name a few. And, all of these systems must work together or face big challenges ahead.
- **Quicker fixes.** Got a problem? If you have your own IT team, problem solved. You have a lot more control over when and how your downtime and maintenance happen when you locally own your own software. You also have a little bit of additional security in handling your own software on-premise. There's less of a chance of your server being hacked and losing your data along with everyone else's.
- **High customization opportunities.** The larger your business the more complex it is and there's a higher likelihood that you'll need more customization. Multiple departments, teams or specific jobs need different training and an in-house LMS fares well in this area.

CONS

How much will you really pay for a LMS?

- **Initial deployment requires more time, resources and technical experience.** As expected, when you're housing your own LMS it will require a little more work upfront and sometimes additional staffing is required.
- **Potential longer implementation cycle.** Because on-premise solutions offer more flexibility to customize and integrate with various other systems it can extend the time it takes to get started.
- **Ongoing IT support required.** Those companies that choose on-premise must know that internal IT staff and resources is required to manage your LMS.

Both a SaaS and on-premise LMS will offer similar features, licensing and administration costs, but the real difference in added costs for on-premise will come from: Set up including system software, LMS, backup etc.; System administration, Purchase of required hardware and software.

On-premise LMS systems are generally reserved for larger corporations that have the internal resources for LMS implementation and maintenance. They also have complex needs that require customization and are highly regulated and require tight compliance procedures.

Installed LMS software, though it requires more significant initial investments is much more economic when considering a period of three years or more. As studies show, the bigger the company gets, the more it inclines to choose in-house LMS as it acquires necessary infrastructure, IT resources and expertise. Plus, if the company already hosts another management software such as talent management or HR the implementation of one more system doesn't involve any difficulty.

Evaluating the advantages of a SharePoint-based LMS

Learning in the work environment includes a myriad of events that range from attending formal classroom instruction through collaborating with peers and seeking independent training opportunities. With that said, it makes sense to have training available where prospective learners spend much of their time. For many organizations, this means SharePoint.

SharePoint is Microsoft's fastest growing software and currently one in two Fortune 500 companies use this multi-functional tool to operate their business. SharePoint allows organizations to share and manage content, knowledge and applications to empower teamwork, quickly find information and seamlessly collaborate across the organization.

Learning and Development managers commonly use SharePoint to collaborate and store course materials, create HR portals for onboarding, use team sites for blended learning initiatives and workflows, versioning, and auditing features for their compliance programs.

An LMS-SharePoint Fusion offers security and compliance benefits of an on-premise LMS and the cost-effectiveness of a cloud one.

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- An LMS-SharePoint fusion means a simple and familiar environment for SharePoint users. For example, a SharePoint-based LMS would use SharePoint's version control and workflows features to manage content for regulated industries.
- A SharePoint-based LMS uses SharePoint integration to accept content published from SharePoint libraries. So, there is no need for users to manually transfer critical information and no need to waste time in redundant LMS training.
- An LMS-SharePoint fusion will make the best use of relevant new SharePoint functionality as it is released. When new SharePoint capabilities are released, the LMS-SharePoint fusion's deep integration means those features become available to the LMS' users
- When an LMS is incorporated into SharePoint, the combination uses Active Directory Single Sign-on and SharePoint profiles already implemented for SharePoint.
- An LMS-SharePoint fusion reduces legal and regulatory compliance audit risks. SharePoint integration simplifies migration of historical data of past training records from obsolete legacy learning management solutions. Rather than maintaining a legacy implementation solely for audit compliance purposes, the LMS-SharePoint fusion is the "Single Source of Truth" for evidence of compliant training delivery.

ShareKnowledge is an industry-leading LMS-SharePoint combination that offers SaaS-like costs and SharePoint value, as shown in the feature/cost review, following.

Table below: comparison of non-SharePoint on-premises and SaaS LMS to an LMS-SharePoint combination (ShareKnowledge) reviews key one time and ongoing expense criteria for three classes of LMS solutions.

		On-premise LMS	SaaS LMS	ShareKnowledge On-premise
		<i>Stand-alone installation</i>	<i>Cloud</i>	<i>Adding to existing SharePoint farm</i>
Assumptions	LMS Feature set	Equal	Equal	Equal
	LMS Licenses cost	Equal	Equal	Equal
	LMS Administration cost	Equal	Equal	Equal
Hardware & System Software (one time)		Required	Not required	Not required ¹
Standard Implementation (one time). Complexity and time spent.	Setup (including system software, LMS, backup etc.)	High	Not required	Low ²
	Single-Sign-on authentication	Average	High	Not required
	Integration with System of Records	Average	High	Not required
System Administration		High	Not Required	Low ³
TCO, 3 year		up to 60% more expensive	up to 10% more expensive	100%
Additional (non-TCO) factors to consider:	Risk & Compliance Management, Security	Strong	Weak	Strong
	Customization & Integration	Unlimited, Customer-centric	Limited, Product-centric	Unlimited, Customer-centric

¹ If your company has SharePoint, you don't need to purchase additional hardware/software for ShareKnowledge.

² ShareKnowledge is added to your existing SharePoint farm.

³ ShareKnowledge administration is performed by SharePoint administrators.

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Checklist for estimating total cost of ownership of an LMS

Companies that are in the market to purchase an LMS will need to focus on key cost elements of implementing and operating a training system. Here is a list of the most useful cost elements to consider during the pre-purchase LMS evaluation.

1. What are the costs for additional server hardware and operational software? Examples include database technology, document management and workflow solutions. These systems help support the LMS. With SharePoint users that adopt a SharePoint-based LMS, the incremental costs associated are zero.
2. What are the license costs for a SharePoint-based on-premise LMS vs. non-SharePoint on-premise LMS and non-SharePoint SaaS offerings? An LMS-SharePoint combination's per-user-per month costs are competitive and LMS-SharePoint combo adopters avoid the additional costs of retraining systems administrators and end users, and the risks of off-premises data storage.
3. What are the one-time LMS implementation costs? These costs include software installation and related activities, Single Sign-on (SSO) setup, and LMS integration with systems of record. – A SharePoint-based LMS uses Active Directory user data for SSO and user system of record integration already in place for SharePoint so there are no extra costs.
4. What are the ongoing LMS support costs? These costs include applying updates to underlying platform and database software, training of administrators, administration of users, and management of server hardware and software. A SharePoint-based LMS offers low ongoing support costs because it integrates directly to SharePoint and benefits from all software, hardware maintenance, administrator training, and user administration already provided for SharePoint.
5. What are the costs and challenges of supporting end-users with new LMS? New software always requires significant end-user training, help-desk support, and hand-holding to ensure sustainable adoption. An LMS incorporated into SharePoint avoids the cost of and resistance to new LMS software because it looks and feels "right" to SharePoint users, and fits into help-desk support organizations of existing SharePoint communities.

An LMS-SharePoint combination offers compelling implementation, operational cost, and ease-of use advantages over competitive non-SharePoint-based LMS installations and is cost-competitive with non-SharePoint-based SaaS LMS solutions. At the same time, a SharePoint-based LMS offers all the familiarity, security and manageability that users appreciate most in their existing SharePoint environment.

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ShareKnowledge as an LMS-SharePoint fusion offers the cost-effectiveness of a SaaS LMS solution and lower hardware, software, integration, administration, and user adoption costs than a non-SharePoint-based on-premise alternative. SharePoint adopters will also appreciate the risk avoidance and compliance management offered by an on-premise solution like ShareKnowledge, which cannot be matched by a SaaS LMS solution.

Adding an LMS to work as a part of SharePoint gives users an Enterprise Content and Learning Management solution with benefits much greater than the sum of its parts.

An LMS-SharePoint Fusion Means Strategic Benefits for Your Enterprise because it..

- Delivers low user-per-month total costs of ownership that compare favorably to SaaS solutions but ShareKnowledge offers the manageability and security of an in-house solution.
- Leverages the existing SharePoint infrastructure, with no extra infrastructure costs.
- Provides tight SharePoint integration that means no incremental costs for hiring a dedicated ShareKnowledge administrator, and no special training costs for SharePoint technical support staff to support ShareKnowledge.

A SharePoint-based LMS Means Enterprise System Integration Benefits because it..

- Increases the use of your SharePoint investment with your Learning Management and Enterprise Content Management integrated in one system.
- Offers SharePoint's version control and workflow features to manage content for regulated industries like Pharmaceutical, Financial, Manufacturing, and Services.
- Manages content published from SharePoint libraries directly and uses SharePoint distribution to disseminate the content according to SharePoint security and authentication rules.

An LMS-SharePoint Combo Means Information Integration Benefits because it..

- Leverages existing Single Sign-on using Active Directory and SharePoint profiles already implemented for SharePoint. Integration of your organizational unit hierarchy is included with our set-up fees.
- Simplifies migration from obsolescent systems, including historical data of past training records that are critical for audits of legal and regulatory compliance.

An LMS Incorporated with SharePoint Means Operational Ease of Use Benefits because it..

- Eliminates additional LMS training costs for administrators and end users. This has already been covered in normal SharePoint training.

We hope you enjoyed this eBook and found the information we provided helpful. If you would like to learn more about ShareKnowledge, please click on the link at the bottom of this page.

