

# TURN LEARNING INTO PROFIT

Launching a revenue-generating online learning business at your organization.

## PREFACE

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Whether you are new to online learning or an industry veteran, we hope what you find in these pages will provide either an introduction to the vast opportunities available or a little new found inspiration. The online learning market has been growing steadily for 20 years and continues to blossom. Many organizations are leveraging technology and expertise to deliver new and engaging learning experiences worldwide. From magazine publishers to consumer brands many non-academic organizations are realizing the importance of online learning and building better businesses because of it.

Whatever your business focus or segment, online learning can be a powerful way to engage and expand your customer base while building a high-margin business with assets and expertise you already have.





## WHY GET INVOLVED?

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You don't want to miss out on this golden opportunity. The online learning market has been in steady growth since 1959 when Daniel Alpert and Don Bitzer built the first connected community for learning back in a laboratory at the University of Illinois at Urbana-Champaign. According to IBIS Capital Partners UK, the global online learning market currently stands at \$91 billion and the global market for self-paced online learning will reach \$53 billion by 2018, according to the Ambient Insight Report. There has also been a dramatic rise in consumer learning, a new segment of online learning and commerce where individuals are turning to trusted brands and media organizations to improve their lives and careers.

### **SO WHAT IS CONSUMER LEARNING?**

Consumer learning is the pursuit of lifelong learning by individuals who want to further their knowledge in areas of personal interest and are learning on their own accord. By creating vibrant online learning experiences, new online learning destinations have helped millions of people dive deeper into the world of home, health, fitness, crafts, the arts and much more. And it's not just for personal pursuits, people are turning online to improve their skills and understanding of their industry, profession and careers.

And online learning pays off. Companies find that it can boost profits, increase customer satisfaction, and enhance a brand's validity. We've helped many companies build successful online learning businesses.



# GLOBAL ONLINE LEARNING MARKET **CURRENTLY STANDS AT \$91 BILLION**

**SOURCE:** IBIS CAPITAL PARTNERS UK, GLOBAL E-LEARNING INVESTMENT REVIEW, JANUARY 2013

# SELF-PACED ONLINE LEARNING **WILL REACH \$53 BILLION BY 2018**

**SOURCE:** AMBIENT INSIGHT RESEARCH, THE 2013-2018 WORLDWIDE SELF-PACED E-LEARNING MARKET

# THE BIG QUESTION

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## IS ONLINE LEARNING RIGHT FOR YOUR BUSINESS?

We have distilled down the four most important questions you should ask as you evaluate your opportunities.

### 1. DO YOU HAVE SOMETHING OF VALUE TO DELIVER?

Are you well-positioned to create an online learning or blended learning business? Do your products involve a learning curve? Do your customers use and adapt your products or services in exciting ways? If so, owning that educational relationship could bring a tremendous amount of value to your company. A quick way to check the temperature is to conduct a search of how many unauthorized YouTube channels and blogs are currently inspiring and educating your customers. If there are more than you can count on one hand, you are missing an opportunity.

Note: If you are a media organization or publisher, there's no argument: You already have the makings of a valuable online learning business. There are easy ways to leverage your in-house editorial expertise and content—something that can help you grow your bottom line along with your connections to your advertisers, consumers and business partners.

### 2. DO YOU HAVE A RECEPTIVE AUDIENCE?

Is your audience willing to engage in learning with you? If the answer is yes, your next step is to understand the market value and business model. There are three main delivery models in online learning (which you can read about in more depth later): Paid courses (a la carte and subscriptions), ad/sponsor-supported and free (designed to support engagement, content marketing or product adoption).

### 3. DO YOU HAVE ESTABLISHED MARKETING CHANNELS?

Online learning is most successful when you have marketing channels already in place. An established audience or customer base will help you gain traction quickly, and provide you quick feedback on new product releases. Which

marketing channels work most efficiently? We find that old-fashioned email marketing still tops the charts for online learning product conversion. Site cross-promotions and social media are effective channels to grow a vibrant, profitable business too. **Check out more tips on online learning marketing on our blog today:** <http://blog.thoughtindustries.com>

### 4. DO YOU HAVE THE CONTENT YOU NEED?

Once you've established a need and have a sense of your go-to-market strategy, content and expertise are critical to success. If you decide to offer learning experiences led by subject-matter experts or instructors, you'll need to train those individuals. Often businesses with internal content and editorial teams can get to market within weeks, even from a standing-stop. Others—those who work with a network of experts on different subjects—often find that those experts are perfect for creating an online learning project. In most cases organizations can repurpose existing content (such as articles, how-to-videos, slideshows, blog posts and “help” sections of web sites) to help their audiences learn.

Choosing content wisely gives you a huge head start in the world of online learning. “Why wouldn't potential learners just go online and access similar content for free?” is a question we get asked all the time. The answer: It's all about “curation.” The value of a structured educational experience can't be underestimated. When you deliver a specific, targeted module of learning content, everyone wins. By editing down to truly useful information you help learners reach a specific goal—become a better marketer, train for a marathon, write a novel, build a deck, prepare for a new baby, etc.—you'll create a service that prospective customers are willing to pay for and will return for.

# THE TIME IS NOW

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The amount of innovation and progress made in online learning in the last 10 years is mind-boggling. Not only have the online learning platforms improved, but so has the technology to create course content. Today, anyone with a smartphone can create course content, complete with videos, photos, presentations, slideshows, music and voice-overs.

## SOME REASONS WHY IT'S NEVER BEEN A BETTER TIME TO LAUNCH AN ONLINE LEARNING BUSINESS:

- Technology has driven significant innovation in online learning, offering better experiences for learners, course creators and business owners.
- Cloud-based learning systems have drastically reduced the cost of delivering online programs.
- With a wider array of courses available, customers have driven demand for better online learning experiences.
- The costs to staff and support online learning programs have fallen dramatically. Some of our clients have full online learning businesses that are managed and run by one person! Ten years ago, it would have taken 10 or more employees.
- New non-traditional organizations are entering the education space, bringing creative online learning to the mainstream.

10 YEARS AGO	TODAY
Lengthy and costly <b>TECHNICAL INTEGRATIONS</b>	Cloud-based products offer <b>TURN-KEY E-LEARNING SOLUTIONS</b>
<b>LARGE STAFFING TEAM REQUIRED</b> course developers, administrative, programmers, designers	Schools can be run with <b>VERY SMALL TEAMS</b> in many cases
<b>1-2 YEARS</b> to get courseware and online school to market	<b>MUCH SHORTER TIME TO MARKET:</b> weeks not years
<b>SIGNIFICANT START-UP COSTS</b> for technology and operations	<b>MINIMAL CAPITAL INVESTMENT</b>
<b>SPECIALIZED STAFFING</b> needs to build eLearning team	<b>CONTENT EXPERTS &amp; BUSINESS OWNERS</b> can run eLearning operations

# BUILDING A FINANCIAL MODEL

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Okay, so you're sold on the business opportunity, and your team, board of directors and CEO are open to the idea. Now it's time for you to "show them the money"—or in other words, create a rock-solid financial model that will convince the team that there's a real opportunity here. (If you'd like a copy of Thought Industries' online learning business Excel P&L template, send us an email at [explore@thoughtindustries.com](mailto:explore@thoughtindustries.com).)

## HERE ARE A FEW QUESTIONS TO ADDRESS AS YOU SOLIDIFY YOUR BUSINESS MODEL:

### 1. HOW WILL YOU MONETIZE THE LEARNING PRODUCTS?

- Are you going with paid courses — a la carte or recurring subscription or both?
- Will your learning site involve ad-supported online learning? If so, what kind of ad/sponsor dollars can you attract?
- Will the courses be free? In that case, they can help you cross-sell products, develop a more knowledgeable customer base, provide added value to a trade show or event, empower distributors or retailers selling your services and products—or just plain generate leads.

### 2. HOW ARE YOU GOING TO SOURCE THE CONTENT?

- Do you have internal content and/or staff who will work on the courses?
- If you plan to partner with industry experts, what will your royalty or licensing costs be?
- Will content creation require production costs — i.e., video or photography?
- How many courses can you start with as part of your initial program, and how will you scale it?

### 3. WHAT CONVERSION ASSUMPTIONS CAN YOU MAKE?

- What are your pricing and monetization assumptions?
- Do you have baseline conversion metrics for other products per channel? If so, you can calculate conversion by adjusting conversion rate by price ratio.
- If you are going with a subscription model, what is your monthly or yearly customer lifetime value?

### 4. WHAT ARE YOUR PLATFORM COSTS?

- Will you buy or build?
- If you are buying, what are your platform costs?
- If you are building, have you considered all of the time, support, and associated costs?

We've guided many companies through these early discovery stages, helping them create business models and calculate market sizing.

If you're interested in learning more and would like a free consultation and quote, please contact us at [explore@thoughtindustries.com](mailto:explore@thoughtindustries.com) or call **1-866-206-4011**.

# DO YOU NEED A TEAM?

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You'll need people, but not as many as you think. The size of your team will probably depend on the size of your organization. In most cases, projects start off with one "project owner" or champion (probably you or a trusted colleague) and will grow from there. With the right platform provider an online learning business can be built and managed across an organization with minimal demands on editorial, marketing and technology teams.



## EDITORIAL OR INSTRUCTIONAL TEAMS

As a project kicks off, you'll need an engaged content leader, editor or educator. That person will be critical to the course building, curation and asset collection process. He or she may need a little training up front. Luckily, we find that the ramping-up process goes quickly, even for employees who haven't worked in online learning before.



## DESIGN

If your organization is anything like ours, you'll want your online learning experience to look incredible. A good designer can work wonders in that department, helping you make a strong first impression. While there won't be too much design work involved, having a designer's guidance will help.



## TECHNOLOGY

Depending on the platform provider you choose, you may need a little or a lot of help from IT or internal technology teams. The right SaaS company will make the workload light on these folks, so you should be able get to market quickly.



## FINANCE & ACCOUNTING

You're going to want to count all the money you're making, correct? Connecting e-commerce and reporting is a good idea. Having an ally on the account team will help ensure that things go smoothly.



## MARKETING

If you aren't already best friends with your marketing group, now's the time. Get these people involved early and seek out the best digital marketers on the team. These are the people who will bring it all home for you. (Note: For online education, 99% of the marketing should be conducted...online. So far, offline sources haven't shown promising conversions to online learning.)

**NOTE:** The information outlined here is mostly applicable to large organizations. Online learning can still be hugely successful for organizations with much smaller teams. So don't be put off if all the aforementioned individuals are not available.

# LEARNING CONTENT

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Whether you're starting with a blank slate or have a vault of content that's just waiting to be repurposed, here's what to consider



## LEARNING STYLES

People engage and learn in many different ways. We encourage you to be creative and support a variety of traditional learning styles: auditory, visual, and kinesthetic. **Auditory learners** pick up things faster when they hear them spoken out loud. Videos, lectures and audio presentations work best for these people. **Visual learners**, as you'd expect, gravitate toward things they can see: diagrams, charts and information organized into shapes and colors. **Kinesthetic learners** (also known as experiential learners) need to DO to absorb a lesson. In online learning, we encourage you to combine all of these approaches. That way, you can cater to the needs of all the learners in your audience.



## WRITTEN MATERIALS

The written word is powerful. So when it comes to creating a quality learning experience and having it resonate with your audience, a lot depends on what you say and the way you say it. Luckily many organizations already have this content at hand; other companies can create it. Either way, as you lay out the text, think about formatting, breaks and visuals to help learners stay engaged.



## SLIDES : POWERPOINT, KEYNOTE

Dust off your old slides and presentations — they can often serve as powerful online learning material. Lay some audio commentary on top and you're set!



## PHOTOGRAPHY (stock or custom)

Bottom line: Great photography makes for a great course. Strong images not only establish a visual tone, but also work as powerful teaching tools. Depending on your resources, you may want to use stock photography. When possible, however, we encourage clients to create their own original photography. It's an investment that will help your brand shine.



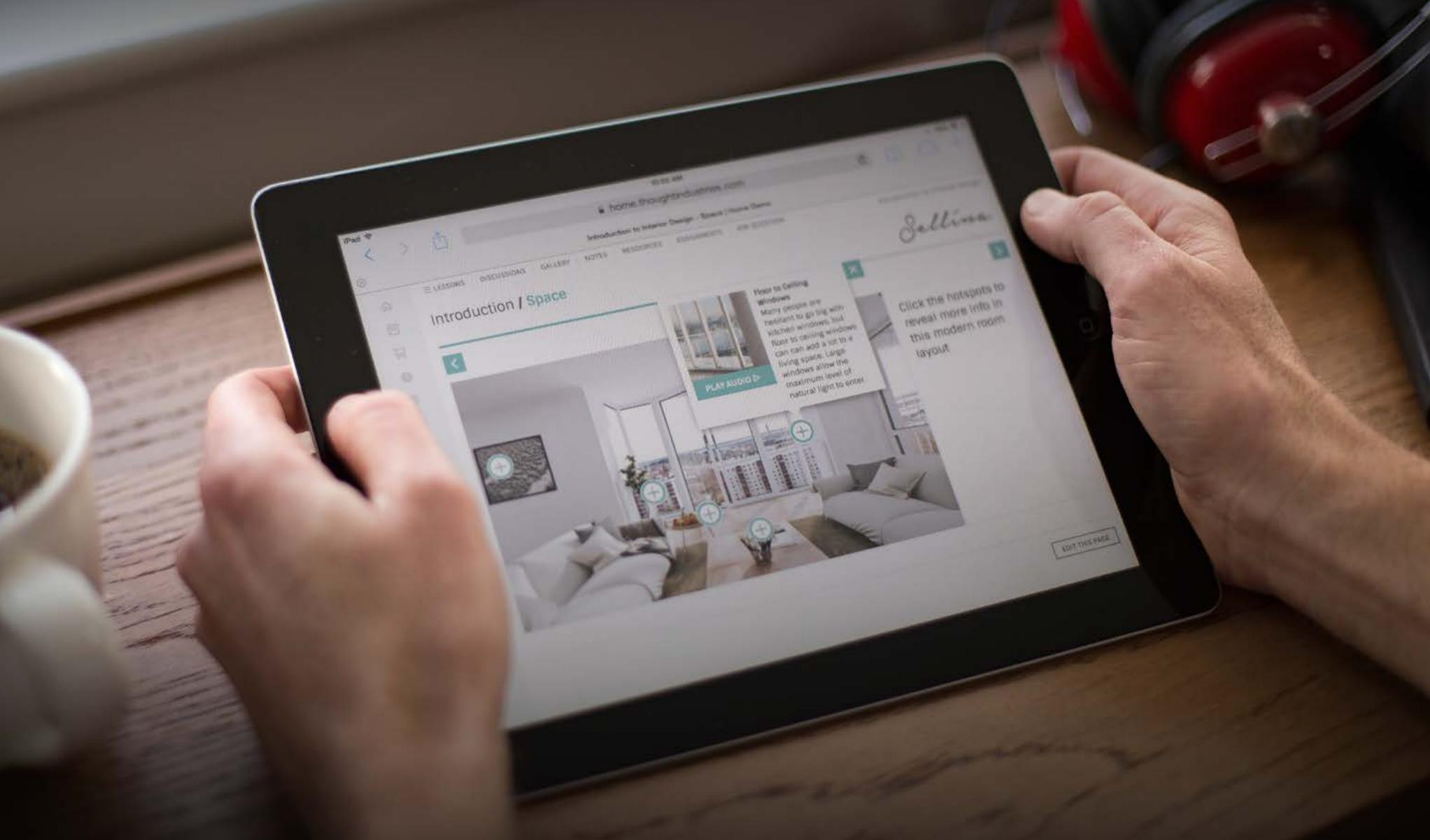
## VIDEO (if possible)

If your company doesn't have a video budget or your own studio, fear not: Shooting, editing and capturing video has become amazingly affordable. There are lots of ways to shoot high-quality video on a small budget. [Wistia.com](https://wistia.com) and many others offer some incredible tips, too.



## QUIZ QUESTIONS

Quizzes, tests and surveys come hand-in-hand with online learning. Some courses offer accreditation; others are simply for fun. Either way, quizzes offer a great way to recap information and make sure that your customers fully grasp the concepts you're presenting.



## TECHNOLOGY: CHOOSING THE RIGHT PLATFORM

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Depending on what you want to achieve with your online learning platform, you can take different technical approaches. We've helped clients launch successful online learning businesses in weeks. Some take a little longer. Either way, we're excited to help companies seize this opportunity, increase their profits and grow new businesses.

If you're thinking about building new, engaging, digital experiences through online learning, we'd love to hear from you.

### Let's get started.

Schedule a demo or talk to our team. We can easily create a custom demo to fit your needs.

#### **THOUGHT INDUSTRIES**

Call: 1-866-206-4011

Email: [explore@thoughtindustries.com](mailto:explore@thoughtindustries.com)

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