



BLUESTREAK
LEARNING

**Don't Leave Money on the Table:
Business Models for Selling eLearning**



**Quality Learning Solutions,
Bottom Line Results**



© 2017 BlueStreak Learning, LLC 1



Presenter

Jennifer De Vries, MA, CPT
President and
Chief Solutions Architect



- Over 25 years of experience in the eLearning industry
- Managed e-learning programs for Joint Commission (JCAHO), IBM, Motorola, Galileo International and Thomson/NETg
- Researcher, writer and speaker at major training industry events

© 2005-17 BlueStreak Learning, LLC 2



Agenda

- Business models for self-paced eLearning
- Revenue generation potential for each model
- Consider your optimum business models
- Identify and quantify your potential revenue streams
- Tips for multiple revenue streams

© 2008 BlueStreak Learning, LLC

3




Introductions

Type in the chat...

- Your organization
- Your location
- Do you currently offer or want to offer self-paced eLearning?
- Your customers (members)


© 2017 BlueStreak Learning, LLC





eLearning Is Software

	Dropbox	LinkedIn	NYTimes.com	Spotify
WHAT IT IS	A cloud storage and file-sharing service	A social media site for professional networking	A digital, enhanced version of the print newspaper	A music streaming and downloading service
WHAT'S FREE	2 GB of storage, with up to 16 GB more for referring friends	Creating a profile, making connections, basic communication	10 articles a month	Unlimited music, interspersed with ads
WHAT'S PREMIUM	100 GB of storage for \$9.99 a month	Advanced searches and communication, starting at \$19.95 a month	Full access, starting at \$3.75 a week	Downloads and ad-free streaming for \$9.99 a month
HOW MANY USE IT	More than 200 million users (free and premium)	277 million users (free and premium) at the end of 2013	53.8 million visitors in December 2013; 760,000 subscribers	24 million users, of whom 6 million are subscribers

You aren't in the classroom anymore



© 2017 BlueStreak Learning, LLC

eLearning Business Models

<p>One course to Individual</p> <ul style="list-style-type: none"> • License (evergreen) • Subscription (time limited) 	<p>One or Multiple courses to Group</p> <ul style="list-style-type: none"> • Team/organizational subscription (one course or library) • Premium organizational membership • Partner/reseller/aggregator
<p>Multiple courses to Individual</p> <ul style="list-style-type: none"> • Library subscription • Premium membership • Tokens/Credits 	


Other models for free/cheap eLearning


- Grant funded
- Sponsorships
- Free course, paid credit or exam

Other revenue sources

- LMS loading and testing fees
- Instructor Kits/TTT
- Renewals



© 2017 BlueStreak Learning, LLC






Poll #1 – Who buys your eLearning?


© 2017 BlueStreak Learning, LLC



Poll #2 – What are you selling now?



© 2017 BlueStreak Learning, LLC





Poll #3 Sales Results

© 2017 BlueStreak Learning, LLC

eLearning Revenue Generation

<p>One to Individual</p> <ul style="list-style-type: none"> • License (evergreen) • Subscription (time limited) 	<p>One or Multiple to Group</p> <ul style="list-style-type: none"> • Team/organizational subscription (one course or library) • Premium organizational membership • Partner/reseller/aggregator
<p>Multiple to Individual</p> <ul style="list-style-type: none"> • Library subscription • Premium/Tiered membership • Tokens/Credits 	

Other models for free/cheap eLearning


- Grant funded
- Sponsorships
- Free course, paid credit or exam

Other revenue sources

- LMS loading and testing fees
- Instructor kits/TTT

More distribution
More users
More Revenue

© 2017 BlueStreak Learning, LLC





How to determine which model(s)

You need to know ...

- Who takes eLearning (one or more segments)
- Why they buy and complete
- IT rules for what they can view from where
- Whether and how much they'll pay
- Who pays and how (PO, invoice or credit card)
- When they buy (anytime, fiscal year)




© 2017 BlueStreak Learning, LLC




Poll #4 – How do you deliver courses?

© 2017 BlueStreak Learning, LLC



Business Models Handout


- Read Business Model tables
- In chat: Which business models might work for your organization and why?
- If questions, type them in chat



Model	Buyer	Why they buy	How they buy	Course delivery
Individual course ownership or subscription	Individual	Credits for maintaining credential or professional development. Employer may or may not reimburse.	eCommerce transaction	Your LMS
Individual Premium/Tiered membership	Individual	Need multiple courses to maintain credential or stay up to date. Less costly to get them all from one source. Employer may reimburse professional organization membership and not education.	eCommerce transaction	Your LMS
Team/group subscription	Manager	Professional development for their staff. Top(k)s critical to team's success	Purchase order, invoice or corporate credit card	Your LMS with group administrator or their LMS
Tokens/Credits	Individual or Manager	Unsure which courses they need to buy during budgeting cycle. Want open ended model to take course they need when they need them, but don't need access to everything all year.	eCommerce transaction with individual or corporate card or Purchase Order	Your LMS
Organizational subscription (one course or library)	Training dept and/or corp purchasing	Large number of people in organization need course(s). Corporate IT rules may prevent access to your LMS.	Purchase Order or invoice	Their LMS or a portal in your LMS
Organizational Premium/Tiered Membership	Manager	Usually for associations who sell organizational membership. Upgraded membership allows all team members or employees to access all courses.	Corporate credit card or Purchase Order	Your LMS, with group administrator
Partner/Reseller	Another organization sells to their clients or members	Expensive to build their own course. If they can sell your course or a tailored version of your course, their costs are lowered. Can go both ways.	License fee, plus commission checks	Their LMS
Aggregator	eLearning provider who sells course libraries with LMS	License course from a variety of sources. Sell their LMS bundled with appropriate courseware for an organization's employees. Their customer is HR/training departments.	License fee and/or commission checks	Their LMS


When delivering from client's LMS, there may be services revenue for loading, testing, customizing courses.

© 2017 BlueStreak Learning, LLC



Revenue Projection Examples

Look at handout page 2



Revenue Projection Examples

Smaller example

PROJECT NAME: Association eLearning Strategy					
Certifications per year					
	900				
	2017	2018	2019	Total	
Revenues					
Manuals	43,560.00				43,560.00
Individual certification exams	63,000.00	63,000.00	63,000.00	189,000.00	189,000.00
Individual purchase	30,125.00	30,125.00	30,125.00	90,375.00	90,375.00
Team purchases (run course in our LMS, discount for purchasing 3 or more)	22,050.00	22,050.00	22,050.00	66,150.00	66,150.00
Organizational Licenses (run course on client LMS, see tiers tab for pricing)	n/a	31,994.00	31,994.00	63,988.00	63,988.00
Instructor kit		30,000.00			30,000.00
LMS Loading service	n/a	30,000.00	8,000.00		38,000.00
Total Revenues	104,560.00	187,199.00	151,169.00	442,928.00	442,928.00


Larger example

PROJECT NAME: Association eLearning Strategy						
Individual members						
Institutional members						
	1,000					
	2018	2019	2020	2021	2022	Total
Revenues						
Live Webinar Registration (individual & team)	48,385.00	45,965.75	43,667.46	41,484.09	39,409.88	218,912.19
On-Demand courses for individuals (Webinar/Conference re-purposed)	364,640.00	172,872.00	179,799.88	186,978.36	192,587.71	896,864.94
On-Demand courses for individuals from other organizations	18,375.00	18,375.00	18,375.00	18,375.00	18,375.00	73,150.00
Organizational subscriptions (one course, multiple years)	16,800.00	17,640.00	18,345.00	18,899.97	19,651.81	91,337.77
Organizational Library Licenses (multiple courses, multiple years)	283,500.00	374,320.00	394,900.00	430,520.00	453,600.00	1,936,840.00
Course licensing to partners/resellers/aggregators	40,000.00	30,000.00	40,000.00	40,000.00	40,000.00	210,000.00
Grants and Sponsorships	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	100,000.00
LMS Loading and course customization services	92,000.00	154,000.00	154,000.00	161,000.00	215,000.00	776,000.00
Aggregator/Reseller Royalty/Commission	4,430.00	4,630.50	4,831.72	5,038.35	5,158.80	24,621.17
Total Revenues	628,735.00	852,769.25	896,809.41	954,545.20	1,036,679.36	4,369,472.22

© 2017 BlueStreak Learning, LLC

Revenue Projection Examples

- In chat: What revenue streams could have easily been missed?
- What are the potential consequences of *not* including that revenue stream?



Revenue Projection Examples

Smaller example

PROJCT NAME: Association eLearning Strategy	2017	2018	2019	Total
Certifications per year	100			
Revenues				
Materials	\$1,500.00			\$1,500.00
Individual certification exams	\$1,000.00	\$1,000.00	\$1,000.00	\$3,000.00
Individual purchase		\$5,125.00	\$5,125.00	\$10,250.00
Users purchase that course in our LMS, discount for purchasing 3 or more		\$1,000.00	\$1,000.00	\$2,000.00
Organizational Licenses (run course on client LMS, see tiers tab for pricing)	N/A	\$1,994.00	\$1,994.00	\$3,988.00
Instructor fee		\$5,000.00	\$5,000.00	\$10,000.00
LMS Loading service	N/A	\$5,000.00	\$5,000.00	\$10,000.00
Total Revenues		\$17,519.00	\$17,519.00	\$35,038.00

Larger example

PROJCT NAME: Association eLearning Strategy	2016	2017	2018	2019	2020	Total
Certification members	1000					
Institutional members	100					
Revenues						
Live Webinar Registration (Individual & team)	\$5,100.00	\$5,100.00	\$5,100.00	\$5,100.00	\$5,100.00	\$25,500.00
On-Demand courses for individuals (Workshop Conference & purposed)	\$10,000.00	\$11,075.00	\$12,150.00	\$13,225.00	\$14,300.00	\$50,750.00
On-Demand courses for individuals from other organizations		\$3,075.00	\$3,200.00	\$3,325.00	\$3,450.00	\$13,050.00
Organizational subscriptions (one course, multiple users)	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$25,000.00
Organizational library licenses (multiple courses, multiple users)	\$83,500.00	\$174,000.00	\$264,500.00	\$355,000.00	\$445,500.00	\$1,322,500.00
Course licensing to partners/clients/aggregators		\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$16,000.00
Events and Sponsorships	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$25,000.00
LMS loading and course submission services	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$25,000.00
Aggregator Reseller Fee/Commission	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$16,000.00
Total Revenues	\$118,700.00	\$177,275.00	\$286,650.00	\$394,325.00	\$508,875.00	\$1,485,825.00

© 2017 BlueStreak Learning, LLC

Design a Revenue Stream

- Handout page 3: Pick a business model
- Answer the questions in the table
- What's missing? Share your thoughts in chat.

Exercise: Plan a Revenue Stream

Pick one business model you think your organization could use and answer these questions...

Business model	
Who pays?	
Who takes the course(s)?	
What are they buying?	
Why do they want to buy the course(s)?	
When do they buy?	
Where does the course get delivered from?	
What are their constraints/limitations?	
What limits do you put in place around their purchase?	
Ballpark a fair price and estimate the percentage of your customers who would buy this way. What's the revenue potential?	

If you can't answer all the questions, you'll need to do some research.

© 2017 BlueStreak Learning, LLC



Tips for Multiple Revenue Streams

- Tailor products to customer needs and buying process
- Clear, easy to understand product descriptions
- Beware of competing sales channels


© 2017 BlueStreak Learning, LLC




Guidance for Common Situations

When your buyers are:	Consider these models
Large organizations	Organizational license/subscription Aggregator
Cost sensitive or have no training budget	Tiered membership Low cost/free models
Affiliated with non-competing organization	Partner/Reseller
Small organizations or managers who buy eLearning for more than one person	Tokens Team subscription
Organizational members	Organizational tiered membership Organizational license/subscription
Organizations who desire to supplement eLearning with ILT	Organizational license with Instructor Kit and TTT
Individuals who spend their own money on training or get reimbursed	Individual license Tiered membership Tokens

© 2017 BlueStreak Learning, LLC




Questions



Please your questions
in the Chat area

© 2017 BlueStreak Learning, LLC




Contact Information

For more information, contact:
Jennifer De Vries
BlueStreak Learning
630-842-1865
jennifer@bluestreaklearning.com
www.bluestreaklearning.com

Thank you for your interest and participation.

© 2005-17 BlueStreak Learning, LLC



20