

SyberWorks e-Learning Podcast Transcript #32 *Hosted Versus Licensed Cost Analysis of a Learning Management System/Learning Content Management System.*

[music]

Announcer: SyberWorks podcast. Learn any time, any place.

Mary Kay Lofurno: Welcome to the next edition of the [SyberWorks e-Learning Podcast Series](#). My name is Mary Kay Lofurno, and I'm the Marketing Director here at [SyberWorks](#) and your host today. SyberWorks specializes in custom [e-learning](#) solutions, [learning management systems](#), and custom e-learning development for corporations, government, and nonprofits.

In this edition we are going to be talking with Bob Goldschneider, Director of Business Development here at [SyberWorks](#). He recently wrote an article called "[Hosted Versus Licensed Cost Analysis of a Learning Management System/Learning Content Management System.](#)" Or an LMS/LCMS. I thought we would talk to him about that.

[music]

Mary Kay: Hi, Bob. Wow, this is your first-ever interview on the [SyberWorks e-Learning Podcast Series](#). It's great to have you.

Bob Goldschneider: It's great to be here. How are you?

Mary Kay: Doing awesome. All right, let's get to it. I know you recently wrote an article titled "[Hosted Versus Licensed Cost Analysis of a Learning Management System/Learning Content Management System.](#)"

This seems to be, for most organizations, an important decision point when purchasing an [LMS](#) or [LCMS](#). What are the hidden costs that organizations can sometimes miss when they're doing this type of analysis, Bob?

Bob: Well, there's a number of things that I don't know if they don't consider, but maybe they should consider. For example, if they're doing high-quality, multimedia [e-learning content](#), they need to consider the bandwidth that they may have to ensure is available in their network. So they may have to upgrade their network to deal with additional bandwidth.

They don't necessarily count the personnel cost involved. The incremental cost on their IT folks, which may result in more personnel or it may result in lost opportunity. That is, the personnel that are there can't do another job because they're busy doing the support for the [learning management system](#).

And sometimes they don't consider the additional hardware and server software costs that they may encounter when they put in a [learning management system](#). And again, this sometimes relates to the size of the organization, the size of the system that they need to support it.

All these are costs that organizations incur, but they don't necessarily count them into the analysis of purchasing a learning management system.

Mary Kay: All right, Bob, that sounds good. Is there anything else you'd like share from your article?

Bob: I think [hosting](#) versus licensing, when you start to count all the costs involved, between bringing a system in-house versus hosting a service on the [LMS](#) provider's servers, they tend to be fairly equal if you use a five-year leveling of the highs and lows of the costs you incur.

That is, if you take all of your costs over five years and divide them by the number of registered users in the system, the cost per user per year tends to be very similar. Again, a lot of that can be pulled one way or another, depending on what hidden costs you want to add to that analysis.

Mary Kay: OK. Hey, Bob, thanks. Folks, please download Bob's article and read it. It's got a lot of great information and the cost analysis table that's in there can really help you with your calculations. It's located in the [SyberWorks Media Center](#) under the e-learning articles section.

Bob: Thank you.

Mary Kay: Thanks for listening to our podcast today on the cost analysis of a hosted versus licensed management system with Bob Goldschneider, Director of Business Development here at [SyberWorks](#) on our [e-Learning Podcast Series](#).

Have a great day.

[music]

Announcer: SyberWorks Podcast. Learn any time, any place.