

# AMERICAN BANKER®

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## TECHNOLOGY

### THE TECH SCENE

# Does 'E-Learning' Live Up to Cost Cutting Promise?

■ By Chris Costanzo

"E-learning," or training employees through Internet coursework, has become popular in financial services, with some banks saying it has saved them a lot of time and money.

There is a downside: Employees who are not required to show up for class at a set time may simply blow it off. And some system administrators are finding that the necessary software is not compatible with their learning-management systems, which monitor employees' progress with training.

What has won banks over, however, is the ability for employees to log in to training sessions when it is convenient.

"It's just so hard to get 50 people in a room" for training, said Jet Auer de Saram, a vice president and the corporate security and ethics officer at the Federal Reserve Bank of New York. "People love that they don't have to go to class."

The bank ran some pilot tests last summer and will start using the technology regularly this week. Among other things, e-learning should help it give employees their annual refresher course on its code of conduct — which has been hard in the past, with 3,300 employees spread throughout New York and New Jersey.

Ms. Auer de Saram, who is presiding over e-learning at the bank, said she "stumbled upon" the technology and has been delighted by it. The scenario-posing quizzes in the program she chose — from The Edcomm Group — keep people engaged, she said, and senior management likes the idea of dodging the "enormous expense" of sending employees to classroom training."

Greg LaFosse, a vice president and the corporate training director at Trustmark



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National Bank of Jackson, Miss., also gives high marks to e-learning. He said his bank recently used it to train 800 employees on its customer-identification program, a requirement of the USA Patriot Act, and it took just two weeks and required no travel.

"Without e-learning, we would have had to start three or four months in advance," Mr. LaFosse said. "We probably would have sent out memo-type instruction and hoped that they read it."

Trustmark uses various e-learning programs also made by Edcomm, including one that lets it conduct meetings over the Web; Mr. LaFosse described it as "extremely beneficial and cost-effective." Users view a presentation online while listening to a conference call in which they can ask questions. "Everybody hears the same message," Mr. LaFosse said. "That's important."

In a year's time e-learning has allowed Trustmark to reduce two-week classroom training sessions for tellers to just one week — helping it save \$100,000 in travel costs for the year on its \$125,000 investment in the software used for this training, Mr. LaFosse said. Its return on investment for the Web-meeting software is "off the charts," he said. "You can't put a dollar amount on that."

International Data Corp. calls e-learning the fastest-growing sales segment of the business-training market. But the technology research company recently revised its compounded annual growth rate projection for sales of e-learning software and other products to 24% between 2002 and 2007, down from an earlier estimate of 35%.

"Definitely some of the luster has come off the market," said Michael Brennan, a program manager for learning services research at International Data, which is based in Framingham, Mass. Part of the problem is in adoption rates; employees sometimes just do not use the software, he said.

Ensuring that coursework is relevant to users is one solution, said Linda Eagle, the president of Edcomm, a New York outfit that provides education software and courses to more than 200 banks.

"One of the big problems with e-learning is that people dump everything in," Ms. Eagle said. "Good e-learning software should allow you to really customize your program."

Edcomm's competitors in the field of e-learning software include Workknowledge LLC of Fort Lee, N.J., which specializes in compliance, teller training, and customer-service training; Acadient Inc. of Boston, which focuses on the financial planning

**THE TECH SCENE**

and advice industry; and eMind of New York, which deals with compliance. At least three other companies develop software for a variety of industries, including financial services: WBT Systems of Dublin, Ireland, DigitalThink Inc. of San Francisco, and the NETg division of Thomson Learning, which is itself a unit of Thomson Corp., the owner of *American Banker*.

NETg and Sheshunoff Information Services in Austin, another Thomson unit, together developed a suite of e-learning courses for banks in April, in part to provide an alternative to software that was incompatible with learning-management systems, said Andrew Popper, the director of new product development and the publisher of banking products at Sheshunoff.

Sheshunoff is responsible for course content, Mr. Popper said, and NETg puts it

on a platform that is compatible with all 15 of the major learning-management system providers. NETg has 400 banking clients — 20 big banks and the rest community banks, he said.

Having hands-on administrators with the power to make attendance mandatory and enforce deadlines is essential to increasing usage, Mr. Popper said. “We’ve seen this over and over again,” he said. “If you have something that is seen as optional, it’s not a priority.”

Despite e-learning’s benefits, bankers and others say it will never fully replace classroom training. BB&T Corp. of Winston-Salem, N.C., is a big proponent of computer-based training, for instance, but it still runs an extensive in-house training program, which has well over 100 employees in 20 learning centers. E-learning and

classroom training “are hand and glove to me,” said Carla Fox, a senior vice president and the manager of BB&T’s training program, BB&T University.

E-learning is useful when training needs to be conducted immediately or for conveying straightforward information like compliance rules or accounting, Ms. Fox said. It can also be used to prep employees for later classroom sessions, she said. “But there are so many things from a cultural standpoint where we feel a PC is not the best delivery strategy,” she said. “We would never be an organization that relies totally on e-learning.” ■