

Choosing an ASP for Your LMS

*What Works™ in outsourcing LMS technology
& services.*

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Introduction

Learning Management Systems (LMSs) have now reached mainstream adoption among most commercial and governments enterprises – both large and small. Bersin & Associates estimates that more than 60% of organizations of all sizes now have at least one LMS in place. The need for LMSs to help deliver training more efficiently and effectively has been well documented. In fact, many enterprises are now consolidating the number of systems in order to more easily gain an enterprise wide view of all training activity and reduce the administrative costs of operating several systems.

Many organizations that procure an LMS are choosing a solution from an Application Service Provider (ASP). An ASP provides a business system as a service (similar to phone service, for example) that an organization “rents” instead of a software application that is purchased. ASPs also typically provide all the other systems and services to operate the application such as the hardware, networking infrastructure, technical support, backup, security, and system configuration. Today, 30% of all LMS implementations rely on an external vendor to provide at least some or all of these services.

“While the term ASP is new, the concept is not. In fact, companies have been procuring technology in the form of a service for many years. Payroll services, for example, are regularly outsourced.”

While the term ASP is new, the concept is not. In fact, companies have been procuring technology in the form of a service for many years (e.g. payroll systems are often “rented” not purchased, Centrex phone systems are “rented.”). The Internet, of course, has made it easier and more cost effective to use ASPs. In fact, ASPs have historically been relegated to tactical applications that were used by a limited number of employees within a company. These systems often needed specialized software and hardware that was impractical to deploy to a number of employees. Now however, enterprise-wide applications such as LMSs can be deployed without installing any new technology. This makes LMSs viable in cases where they may have been cost prohibitive.

The next logical question is, “Why should a company consider an ASP instead of a more traditional software model for their LMS deployment?.” In reality ASP applications are not appropriate in all situations. This paper explores the pros and cons of the ASP specifically as it applies to LMSs to help buyers decide which option will best suit their needs.