Budgeting for Innovative E-Learning Technologies

GO BEYOND THE L&D DEPARTMENT TO ALL EMPLOYEES WORKING ON PROJECTS THAT INVOLVE NEW E-LEARNING TECHNOLOGIES.

BY JANET CLAREY

Most of us can't even envision where the next big innovation in e-learning technology will come from, let alone set a budget for it. Alternate reality games? Augmented reality? Mobile apps? Personal telepresence? Who knows?

Nevertheless, e-learning leaders understand that to thrive and survive they need to encourage, manage, plan and budget for innovation. The e-learning and human resource research firm Bersin & Associates found 34 percent of all companies cite "innovation" as one of their top three strategies, up from only 14 percent a year ago.

You probably agree that when it comes to budgeting and allocating resources for innovation, the traditional process is not ideal. In fact, traditional approaches can work against us, making it difficult to obtain funding and resources, because budgets are typically based on what is known — not what is innovative and perhaps unproven and disruptive to the status quo. The traditional budgeting process is in need of revamping to meet the contemporary demands of the business.

Setting a budget for innovation need not be painstaking though. Here are four ideas you can use to plan and budget for innovative learning technologies:

1 Reallocate e-learning resources. Resource allocation and management involves deploying an organization's resources when and where needed. Resources vary and can include both human resources and non-human resources such as finances or information technology (among many others).

Reallocation of resources can be controversial. We are used to asking for more resources when we budget, so saying we can more effectively use current resources through reallocation of resources means admitting that some of what we are doing is not working as well as it should.

Take, for instance, self-paced e-learning courses. Much of what was created several years ago may have reached a point of diminishing returns in the wake of more new e-learning development tools and newer social technologies that provide more timely performance support.

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Take a look at your current programs and technologies to see if resources for maintenance of outdated e-learning courses or service-level agreements on older systems can be reallocated to the pursuit of innovative e-learning solutions.

2 Establish an internal incubator for innovation. An incubator-type environment can be staffed by a team that develops a project or program with an eye toward innovation. This is different than "skunk works" in that people are not working secretly in detached groups but are instead part of a core work group with supporting resources.

In the book "Innovation to the Core: A Blueprint for Transforming the Way Your Company Innovates," authors Peter Skarzynski and Rowan Gibson warn that segregating innovation into separate units has often proven to be counterproductive.

> # Expand innovation beyond the L&D department to all employees working on pet projects that may involve innovative e-learning technologies.

One *Fortune* 100 global technology company is doing it right. Resources on its design team are allocated exclusively to research and innovation. Members get overall funding for e-learning solution development, and the expectation is that they are always trying something new and different to improve. They function as an internal incubator for innovations in e-learning.

3 Set aside a percentage of the budget for easier access to funding for new ideas around e-learning. One of the more traditional ways to budget for innovative learning technology is to set money aside for innovation. It's an act of investing in the future. This can include both the initial costs and ongoing funding to support innovation over time. While there's no magical formula for predicting what percentage to set aside, you can look to your existing budget and what your long-term strategy is for e-learning technologies.

4 Allow time for (and budget for) employees to pursue innovative e-learning technology solutions. Most people have heard of Google's Idea Factory. At Google, all engineers in the company have one day a week to work on their own pet projects. Innovation is built into their job descriptions. Google has put in place an innovation infrastructure.

Managing the budget for innovation requires a systematic approach. Michael F. Latimer, author of "The Breakthrough Budget: Incorporating Innovation in the Orthodox Organization," says "insulating department heads from additional costs associated with innovation initiatives is essential in securing their cooperation and participation. It encourages them to volunteer people and resources." How is this done? Basically by budgeting for and reimbursing the costs associated with innovation. This expands innovation beyond the L&D department to all employees working on pet projects that may involve innovative e-learning technologies.

Let us know what your organization is doing to budget for innovative e-learning technologies. Ⓔ