INTRODUCTION

Winning an e-learning proposal or grant has become more difficult over the past few years because of the initially high expectations of e-learning and the subsequent disappointment in the financial results. Effective grant and proposal writers need to understand the business of e-learning and address apprehension and fears of the grantee to successfully win the opportunity to develop e-learning in corporate and academic settings.

When e-learning initially burst onto the scene, the promise of untold riches was almost too much. E-learning was going to revolutionize traditional universities while simultaneously pouring millions and millions of dollars into the schools’ coffers. Dozens of major universities rapidly started to develop e-learning “branches”—many of them in partnership with private organizations. These institutions actively recruited faculty to write courses, hired instructional designers to put the courses online, and undertook large public relations efforts to market the online courses.

After a few years, these universities began closing their virtual doors. The reality was that online universities failed to make a profit. They were expensive to create and revenues did not match expenditures. The dream of untold riches was just that—a dream. Students did not flock to login to e-learning courses as hoped. As an example, the E-university in the United Kingdom estimated a target student body of over 5,000 online learners; they could recruit no more than 900 (MacLeod, 2004).

The atmosphere of e-learning failures and associated high costs caused e-learning customers and funding organizations to become overly cautious and conservative in choosing a vendor to create, launch, and implement e-learning into either an academic or a corporate setting. This state of caution presents a problem for anyone trying to secure funding to develop e-learning.

To successfully secure e-learning projects, a grant or proposal writer needs to focus on both the e-learning business acquisition process and the unique elements of e-learning Requests for Proposal (RFP). This article describes the process by which e-learning is secured by corporations and universities and provides details on writing a winning e-learning proposal.

BACKGROUND

While e-learning never took off as promised, it continues to have a tremendous impact on colleges, universities, and corporations. Almost half of all universities and colleges in the United States provide some form of education online, and as many as 33% use the Internet as part of a course (Horton, 2000). Additionally, the American Society of Training and Development (ASTD) estimates that corporate use of e-learning is steadily increasing (Galvin, 2003).

While e-learning continues to gain ground, one obstacle to growth is its high development costs. Developing a course can range from $30,000-$40,000 per one hour of completed Web-based training (Kruse & Keil, 2000). A Learning Management System (LMS) like SumTotal Systems, Saba, Blackboard, or eCollege can cost as much as $250,000 to $850,000 per year, depending on the size of the organization (Chapman, 2004; Vaas, 2002). Even when the vendor hosts the e-learning platform on its own server, it can cost as much as $10,000 a year or more (Kiser, 2002). Cost has limited the use of e-learning in 39% of all organizations (Hequet, 2003).

The main reason for the high development cost is the need for an entire development team. Developing instructor-led, classroom training typically in-
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volves one person. That person does the research on the topic by either interviewing a Subject Matter Expert or finding the necessary information in the literature. He or she then writes and delivers the course.

In sharp contrast, building e-learning requires a team. The team usually includes a project manager, a technology specialist, and an instructional designer (Morrison, Ross, & Kemp, 2001; Shackelford, 2002). All of these individuals are usually highly skilled and have high hourly rates.

Compounding the problem is that while the costs are high, so is the risk of failure. Many institutions have learned the hard way that making the wrong e-learning investment is costly. Here is a brief list of failed e-learning ventures:

- California Virtual University: Created in 1997 by the University of California, California State University, and community and independent colleges as a clearinghouse of existing online course offerings. Abandoned April 1999 (Hafner, 2002).
- NYU Online: Created November 1998 by New York University as a wholly owned profit-making corporation developing online courses for businesses and other clients from the university’s curriculum. Abandoned December 2001 after investment exceeding $20 million (Hafner, 2002).
- E-MBA: Created November 2000 by SUNY Buffalo College of Business as an online master’s program. Abandoned March 2002 (Hafner, 2002).
- Lifetime Learning: Created 1999 by McGraw-Hill as a content developer that provided hard and soft skills to the e-learning market place. Abandoned December 2002 (Harris, 2002).

The combination of high development costs and high-profile failures make it extremely difficult to secure money for an e-learning project. It becomes imperative that a proposal or grant writer understand several aspects of the process prior to writing even the first word of a proposal or grant.

E-LEARNING BUSINESS ACQUISITION PROCESS (E-BAP)

To win e-learning projects, the proposal writer needs to understand the process used by both academic and corporate funding sources. The process is similar to the proposal process for other types of funding but includes critical and fundamental differences. For a proposal writer to be successful, these differences need to be addressed. The E-BAP focuses on the unique aspects of e-learning proposals. Understanding the procedures and the issues associated with each stage in the process will provide a solid foundation for writing an effective request for funding.

The E-learning Business Acquisition Process (E-BAP) consists of eight elements (Kapp, 2003). Each of the elements contains supporting sub-elements. The eight steps are:

1. Receive RFP or Application for Funding
2. Analyze RFP
3. Ask Questions to Clarify Problem/Bidder’s Conference
4. Write Proposed Solution
5. Organization Accepts Proposal (or Rejects Proposal)
6. Gather Work Samples/Develop Working Prototype
7. Demonstration
8. Solution is Accepted or Rejected

Receive RFP or Application for Funding

The receipt of the RFP or locating an application for funding is the first step of the E-learning Business Acquisition Process. The RFP describes an instructional problem encountered by an organization and requests a recommended solution. The RFP usually requests that the responding organization provide a description, timeline, and budget.

In addition, most RFPs contain a description of the “rules of engagement”—how the proposal must be formatted, what evaluation criteria will be used, how to respond (e-mail, fax, overnight delivery, etc.), what elements should be in the proposal or grant, and deliverable due dates.
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