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It costs how much? Estimating the costs to design and develop a distance delivered course

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And Finally ...

It Costs How Much?

Estimating the Costs to Design and Develop a Distance Delivered Course

Michael Simonson

Course design and development is a basic process traditionally accomplished by a teacher, professor, or trainer, often with the assistance of an instructional developer and sometimes with the use of production specialists such as graphic artists, videographers, and computer programmers.
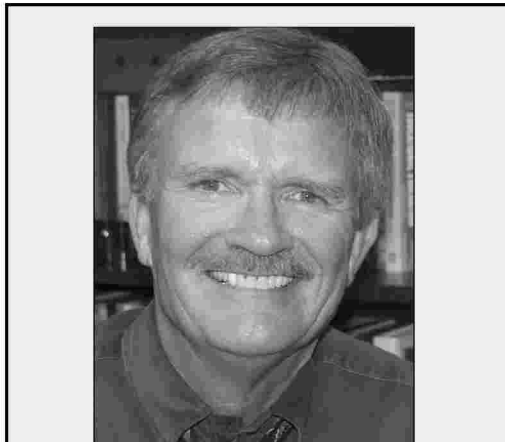
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Face-to-face classes are most often designed by the teacher or trainer who is also the instructor. As a matter of fact, most educators consider the design and development of courses to be their responsibility, and often claim that courses they produce are their intellectual property.

The popularization of distance education has begun to change the traditional and largely private course design and development environment. With the advent of hybrid courses taught partially at a distance and partially face-to-face, and online courses taught almost totally at a distance, the design and development of courses has become more visible and costs have come under greater scrutiny.

The Sloan Foundation has defined online instruction as having at least 80% of the course content delivered online (Allen & Seaman, 2005). An online course is taught by an instructor who delivers the content and interacts with students.

Estimating the cost for the design and development of an online course is little discussed in the literature of distance education. One exception is a short paper by Hartnett (2002), who describes various processes for estimating the cost for the design

and development of custom courses. Hartnett recommends estimating the costs for design and development using several approaches, then making a subjective decision.

Method 1: Best Estimate Method. This method estimates costs by trying to determine how long the project will take, including the work of anyone involved, and multiplying the number of hours by a pre-determined hourly rate.

Method 2: Screen (page) Count Method. This method estimates the number of computer screens or content pages an online course would have and multiplying that by $200-$500 per screen page, depending on the complexity of the information displayed.

Usually, a one hour lesson led by an instructor would use 3-5 screens or pages of content. These 3-5 screens or pages would make up a major topic in a course. Simonson, Smaldino, Albright, and Zvacek (2006) have described a model for organizing distance education courses that uses the *topic* as the basic building block. Topics are combined to make modules, and modules are combined with complementary modules to make units of instruction. The Unit-Module-Topic (UMT) model is becoming widely used by course designers (Simonson, 2006).

Method 3: Seat Time Method. Probably the oldest method is to estimate student seat time and multiply that times a pre-determined cost, often up to $25,000 for one hour of instruction. This amount is the often quoted, if little used, industry standard.

Method 4: Comparative Project Method. For this method, the costs for developing a new course are compared to the costs for developing a similar, previously developed course, where costs were carefully recorded.

Method 5: Time Feel Method. For this method, the amount of time that is needed to complete a course is estimated to determine the number of hours needed to complete the design and development; this number is then multiplied by the going rate for those involved in the process.

Obviously, these methods involve a considerable amount of subjectivity. Two examples are provided next to clarify how costs are often estimated.

Example 1: A Comparative Project Method. At a recent convention of the Iowa Distance Learning Association, Bowers (2006) described the costs for outsourcing the design and development of courses for an extensive online program. Bowers identified these out-of-pocket costs for the design and development of an online course:

• Course Development Fee = $2,400
• Peer Reviewer Fee = $600
• Clerical Staff Support = $1,500
• Instructional Design and Media Development (Embanet.com) = ~13,500

Estimated Total Cost = ~$16,000

This cost did not include the costs associated with the staff that supervised and coordinated the design and development process.

Example 2: Estimating Using the Best Estimate and Screen Count Methods. The typical three-credit college level course has somewhere between 12 and 15 modules. A module is usually a week of instruction that typically would have 3 hours of content presentation, which means there would be at least 36 hours of content instruction during a semester (A rule of thumb is that for each hour of content instruction or delivery, students will spend about 2 hours outside of class studying, preparing, or completing assignments).

Most often, a professor, instructor, or teacher has already collected the content materials for a course: the lectures, videos,

audios, PowerPoints, and other learning experiences.

A. Best Estimate Method—

- Overload to Instructor: $3,500
- Course Design, Subject Matter Expert: ~200 hours @ ~$60/hour = $12,000
- Production Costs: ~200 hours@ ~$40/hour = $8,000
- Production Materials: ~$1,000
- Indirect Costs: ~ 40% =$9,800

Total Best Estimate for 12 Module, 3 Credit Course = $34,300

B. Screen Count Method—

- ~3 screens/pages of instruction per topic
- ~5 topics/module
- 12 modules/3-credit course = ~180 screens/pages of instruction @ ~$250/page =

Total Screen Count Estimate for 12 Module, 3 Credit Course = $45,000

These two methods for estimating the cost for designing a 3-credit online course give a cost estimate range somewhere between $34,300 and $45,000.

And Finally, accurately determining the cost for developing an online course is a subjective activity. Costs "depend," and many consider cost information proprietary. Quality instruction is expensive. Let us not kid ourselves. Whether costs are easily identifiable, or hidden within existing personnel budgets, the design of an effective online course requires talent, skill, and preparation, all of which mean "money."

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QUALITY INSTRUCTION IS EXPENSIVE. LET US NOT KID OURSELVES. WHETHER COSTS ARE EASILY IDENTIFIABLE, OR HIDDEN WITHIN EXISTING PERSONNEL BUDGETS, THE DESIGN OF AN EFFECTIVE ONLINE COURSE REQUIRES TALENT, SKILL, AND PREPARATION, ALL OF WHICH MEAN "MONEY."