

XR for Insurance Market Sizing + Pricing Analysis

Final Project Briefing

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YLTÉR

Briefing Structure

[titles hyperlinked to section]

PROJECT OVERVIEW

XRI MARKET SIZING
SUMMARY

TRAINING PACKAGE
PRICING PRO FORMA

SUMMARY

Additional Information

XRI Market Assessment + Pricing Overview

PURPOSE | Provide detailed analysis to estimate market size and pricing of Talespin's Extended reality for Insurance (XRI) training platform

KEY QUESTIONS | The project provides analysis to assess the following:

- The size of the addressable market for each XR training user group
- The key pricing and ROI factors for enterprise adoption of XR as a practical training alternative
- Training cost and delivery assumptions and constraints to guide XRI package pricing
- Based on the identified assumptions and constraints, the most appropriate pricing model and market strategy for each XR training

OBJECTIVE | Provide detailed market analysis and price modeling to develop pricing strategies for each XR training package

The project developed two dynamic “tools” and supporting reference guide to support analysis

DELIVERABLES [hyperlinked to shared files]	PURPOSE	KEY FUNCTIONS
XRI MARKET SIZING DASHBOARD	Provide a quantitative estimate of the total addressable market based on detailed Bureau of Labor Statistics (BLS) workforce data and user group-specific characteristics	<ul style="list-style-type: none">i. Provides detailed sizing of market by Primary, Secondary and Tertiary user groupsii. Provides structured BLS data by job categoryiii. Allows for user assignment of user group for each of 289 job codesiv. Allows for user identification of key market sizing assumptions (e.g. tech adoption rate)
TRAINING COST ESTIMATION PRO FORMA	Provide a structured framework to estimate cost of training based on the composition, method(s) of delivery, location of training and training frequency	<ul style="list-style-type: none">i. Provides an estimated cost of training for a user-specific packagesii. Allows selection of modules from a defined module listiii. Allows for identification of module-specific delivery method, location of training and frequency of trainingiv. Estimates total module training cost based on user-validated cost assumptions
REFERENCE GUIDE	Provides a curated resource to present analysis and support use of the provided resources by Talespin staff	<ul style="list-style-type: none">i. Presents detailed data from analysisii. Provides instructions for use and refinement of the developed resources

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Overview of Training Pricing

This task focused on estimating the size of the total addressable market (TAM) for XR insurance training in persons

Estimated TAM
based on a
range of factors:

- Occupation group
- Type + frequency of use
- Expected tech adoption rate
- Workforce growth + turnover rates

Due to industry sensitivity to training cost, package pricing could significantly affect adoption rates and the resulting TAM

SPECIFIED TASK 1 ACTIONS

- ✓ 1.1. Establish specific description of each training package (Core, Core Plus and Bespoke)
- ✓ 1.2. Review and revise existing Total Addressable Market (TAM) assessment methodology
- ✓ 1.3. Collect qualitative data to identify / verify key market assessment factors
- ✓ 1.4. Collect and apply quantitative data to estimate of key market assessment factors
- ✓ 1.5. Finalize TAM assessment calculations for each package

SME input led to revision of primary user job titles

	Group Description
PRIMARY USERS	Occupations for which XRI replicates key tasks that the user is required to maintain proficiency in and execute as part of routine job functions
SECONDARY USERS	Occupations for which XRI does not replicate key job tasks, but does provide information (e.g. data, task models, etc.) to inform key tasks the user is required to execute
SUPPORTING USERS	Occupations that require access to XRI in order to provide technical support, training administration or other enabling support
Not Applicable	Occupations that will not use, support or otherwise interact with the XRI platform

BLS Job Code	Job Title
13-1031	Claims Adjusters, Examiners & Investigators
13-1032	Insurance Appraisers, Auto Damage
41-3021	Insurance Sales Agents
43-9041	Insurance Claims and Policy Processing Clerks
11-1000	Top Executives
11-0000	Management Occupations

Added job codes based on SME input

- Revised BLS job categories included as primary users based on subject-matter expert (SME) input from Farmers' Insurance
- Reclassified three job codes as secondary users:
 - Appraisers and Assessors of Real Estate, Insurance Underwriters and Actuaries
- Primary user group now includes management personnel that will require use of XRI primarily to develop "soft skills"

Key Implications of Market Sizing

While the primary user group is relatively narrow based on specific task proficiency needs, the secondary user group could be quite large based on the XRI feature set and platform capabilities

Penetration rates could vary significantly based on a range of factors, especially perceived comparative costs and benefits

- **Knowledge Retention:** reduced training time and
- **Job Performance:** reduced task execution time, increased accuracy
- **Brand Value:** Company perception by customers
- **Recruitment:** Company perception potential employees
- **Retention:** Company perception by current workforce

Due to existence of a rapidly aging workforce, workforce turnover is likely a much larger factor for P-C insurance than workforce growth

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Overview of Training Pricing Pro Forma

This task focused on designing a framework to systematically assess current cost of training to guide XR package pricing

Pro forma allows users to define a range of inputs

- User-defined module sets
- Costs based on training delivery method
- Costs based on training location
- Frequency of module instruction

Pro forma provides a dynamic resource to estimate current training costs and prioritize modules for XR replacement

- SPECIFIED TASK 2 ACTIONS**
- ✓ 2.1. Identify existing cost estimation structures and methodologies
 - ✓ 2.2. Review available info on current training and associated costs
 - ✓ 2.3. Identify and classify of package-specific pricing factors
 - ✓ 2.4. Develop draft proforma framework
 - ✓ 2.5. Review and validate pro forma and assumptions based on stakeholder input

Farmers' SME input greatly expanded the number and range training modules in the pro forma

Insurance Training Pricing Pro Forma

Farmers provided information listing their current onboarding training modules with associated times

The pro forma now includes 202 discrete modules for possible inclusion in pricing estimates

The pro forma can be used to estimate pricing for various training delivery packages and methods

The accompanying [Reference Book](#) provides detailed pro forma information and instructions for use

1. Before the Training Curriculum				2. Determine Method of Delivery		3. Determine Training Location		4. Determine Frequency of Training Delivery				5. Determine Total Cost of Current Training				
LN#	Instruction Block (Ref #)	Modules (Ref #)	Module Composition	COMPETENCY TYPE (Knowledge, Skill, Attitude)	Module Included (Y/N)	Module Hours (Ref #)	Method of Training Delivery	Cost per Student Hour	Training Delivery Location	Cost per Student Hour	Initial	Annual	Intermittent	Frequency (Times per Year)	Total Module Location	Total Cost of Module
1	Introduction	Property and Casualty Insurance Concepts	A. Concepts (2 Items)	Knowledge		1	Virtual Facilitated Instruction	\$ 40	Learner Home Office	\$ 92	X					
2	Introduction	Property and Casualty Insurance Insurers	B. Insurers (2 Items)	Knowledge		1	Virtual Facilitated Instruction	\$ 40	Learner Home Office	\$ 92	X					
3	Introduction	Producers and General Rules of Agency	C. Producers and General Rules of Agency (2 Items)	Knowledge		1	Virtual Facilitated Instruction	\$ 40	Learner Home Office	\$ 92	X					
4	Introduction	Property and Casualty Insurance Contracts	D. Contracts (2 Items)	Knowledge		1	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
5	2.Fundamentals	Underwriting Principles and Concepts	Principles of Underwriting	Knowledge		1	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
6	2.Fundamentals	Property - Casualty (P/C) Principles and Concepts	A. Principles and Concepts (1 Item)	Knowledge		1	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
7	2.Fundamentals	Property-Specific Principles and Concepts	B. Property-Specific (3 Items)	Knowledge		1	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
8	2.Fundamentals	Casualty-Specific Principles and Concepts	C. Casualty-Specific (3 Items)	Knowledge		1	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
9	2.Fundamentals	Policy Structure	D. Policy Structure (2 Items)	Knowledge		1	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
10	2.Fundamentals	Policy Provisions	E. Policy Provisions (2 Items)	Knowledge		1	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
11	2.Fundamentals	Property-Specific Policy Provisions	F. Property-Specific Policy Provisions (1 Item)	Knowledge		1	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
12	2.Fundamentals	Casualty-Specific Policy Provisions	G. Casualty-Specific Policy Provisions (2 Items)	Knowledge		1	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
13	2.Fundamentals	Claim Principles and Concepts	H. Principles and practice in claim handling	Knowledge		1	Self-Guided Study Materials	\$ 25	Corporate Campus	\$ 31	X					
14	3.Dwelling Policies	Dwelling Policy Characteristics and Purposes	I. Dwelling Policy Characteristics and Purposes (2 Items)	Knowledge		1	Self-Guided Study Materials	\$ 25	Corporate Campus	\$ 31	X					
15	3.Dwelling Policies	Coverage Forms - Perils Insured Against	J. Coverage Forms - Perils Insured Against (2 Items)	Knowledge		1	Self-Guided Study Materials	\$ 25	Corporate Campus	\$ 31	X					
16	3.Dwelling Policies	Property Coverages	K. Property Coverages (3 Items)	Knowledge		1	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
17	3.Dwelling Policies	General Exclusions	L. General Exclusions (1 Item)	Knowledge		0.5	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
18	3.Dwelling Policies	Policy Conditions	M. Conditions (1 Item)	Knowledge		0.5	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
19	3.Dwelling Policies	Selected Endorsements	N. Selected Endorsements (2 Items)	Knowledge		1	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
20	4.Homeowner Policy	Characteristics and Purposes	O. Characteristics and Purposes (1 Item)	Knowledge		0.5	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
21	4.Homeowner Policy	Coverage Forms	P. Coverage Forms (1 Item)	Knowledge		0.5	Self-Guided Study Materials	\$ 25	Corporate Campus	\$ 31	X					
22	4.Homeowner Policy	Definitions	Q. Definitions (1 Item)	Knowledge		0.5	Self-Guided Study Materials	\$ 25	Corporate Campus	\$ 31	X					
23	4.Homeowner Policy	Property Coverages	R. Property Coverages (2 Items)	Knowledge		0.75	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
24	4.Homeowner Policy	Liability Coverages	S. Liability Coverages (2 Items)	Knowledge		0.75	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
25	4.Homeowner Policy	Perils Insured Against	T. Perils Insured Against (2 Items)	Knowledge		0.75	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
26	4.Homeowner Policy	Additional Coverages	U. Additional Coverages (2 Items)	Knowledge		0.75	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
27	4.Homeowner Policy	Exclusions	V. Exclusions (1 Item)	Knowledge		0.5	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
28	4.Homeowner Policy	Conditions	W. Conditions (2 Items)	Knowledge		0.5	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
29	4.Homeowner Policy	Selected Endorsements	X. Selected Endorsements (1 Item)	Knowledge		0.5	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
30	5.Commercial Casualty	A. Components of a Commercial Package Policy	A. Components of a Commercial Package Policy	Knowledge		2	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
31	6.Commercial Property	Businessowners Policy (BOP)	A. Businessowners Policy (BOP) (1 Item)	Knowledge		0.75	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
32	6.Commercial Property	Commercial Property	C. Commercial Property (3 Items)	Knowledge		0.75	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
33	6.Commercial Property	Commercial Inland Marine	C. Commercial Inland Marine (2 Items)	Knowledge		0.5	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
34	6.Commercial Property	Boiler and Machinery	D. Boiler and Machinery (1 Item)	Knowledge		0.5	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
35	6.Commercial Property	Form Coverage	E. Form Coverage (1 Item)	Knowledge		0.75	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
36	6.Commercial Property	F. Commercial Crime	F. Commercial Crime (1 Item)	Knowledge		0.75	Interactive Computer-Based Training	\$ 50	Corporate Campus	\$ 31	X					
37	7.Commercial Casualty	Commercial General Liability	A. Commercial General Liability (7 Items)	Knowledge		4	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
38	8.Auto	Personal Auto Policy	A. Personal Auto Policy (3 Items)	Knowledge		3	Interactive Computer-Based Training	\$ 30	Corporate Campus	\$ 31	X					
39	8.Auto	Business Auto Coverage	B. Business Auto Coverage (5 Items)	Knowledge		3	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
40	9.Workers Comp	Workers Compensation General Requirements	A. General Requirements (4 Items)	Knowledge		2	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
41	10.Professional Liability	Professional Liability	A. Professional Liability (2 Items)	Knowledge		2	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
42	11.Employment Practices Liability	Employment Practices Liability	A. Employment Practices Liability (1 Item)	Knowledge		2	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
43	12.Surety Bonds	Surety Bonds	A. Surety Bonds (1 Item)	Knowledge		2	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
44	13.Uninsured-Excess Policy	Uninsured-Excess Policy	A. Uninsured-Excess Policy (2 Items)	Knowledge		2	Use Facilitated Instruction	\$ 40	Corporate Campus	\$ 31	X					
45	14.Compliance	State Laws, Rules, and Regulations	A. State Laws, Rules, and Regulations (12 Items)	Knowledge		2	Self-Guided Study Materials	\$ 25	Mobile Location (Name-selected)	\$ 5	X					
46	14.Compliance	Licensing	C. Licensing (5 Items)	Knowledge		1	Self-Guided Study Materials	\$ 25	Mobile Location (Name-selected)	\$ 5	X					
47	14.Compliance	Property-Specific State Laws & Regulations	D. Property-Specific State Laws & Regulations (9)	Knowledge		3	Self-Guided Study Materials	\$ 25	Mobile Location (Name-selected)	\$ 5	X					
48	14.Compliance	State Auto Insurance Laws & Regulations	D. State Auto Insurance Laws & Regulations (10)	Knowledge		3	Self-Guided Study Materials	\$ 25	Mobile Location (Name-selected)	\$ 5	X					
49	14.Compliance	State Workers' Compensation Laws & Regulations	E. State Workers' Compensation Laws & Regulations	Knowledge		1	Self-Guided Study Materials	\$ 25	Mobile Location (Name-selected)	\$ 5	X					
50	14.Compliance	Federal Insurance Regulations	F. Federal Insurance Regulations	Knowledge		1	Self-Guided Study Materials	\$ 25	Mobile Location (Name-selected)	\$ 5	X					
51	14.Compliance	Public Liability	G. Public Liability	Knowledge		1	Self-Guided Study Materials	\$ 25	Mobile Location (Name-selected)	\$ 5	X					
52	6E	APD126: Employee Safety During Vehicle Inspections	rapid module description	Technical Skills	Y	0.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 17.43
53	IS	APD126: Employee Safety During Vehicle Inspections	rapid module description	Technical Skills	Y	0.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 17.43
54	CCC ONE Guided Tour	rapid module description	Technical Skills	Y	0.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X						\$ 17.43
55	IS	APD129: VIN Interpretation	rapid module description	Technical Skills	Y	0.25	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 8.72
56	IS	APD129: VIN Interpretation	rapid module description	Technical Skills	Y	0.25	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 8.72
57	IS	APD127: Replacement Parts	rapid module description	Technical Skills	Y	1.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 52.30
58	IS	APD127: Replacement Parts	rapid module description	Technical Skills	Y	1.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 52.30
59	IL	AUTO101: Total Loss Condition Rating Matrix	rapid module description	Technical Skills	Y	0.67	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 23.36
60	ICAR	INT016: Intro to Vehicle Parts Terminology - Part 1	rapid module description	Technical Skills	Y	1	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 34.86
61	ICAR	INT016: Intro to Vehicle Parts Terminology - Part 2	rapid module description	Technical Skills	Y	1	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 34.86
62	ICAR	SS016: Corrosion Straightening Steel	rapid module description	Technical Skills	Y	2.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 87.14
63	ICAR	INT016: Intro to Tools, Equipment, and Attachment Methods - Part 1	rapid module description	Technical Skills	Y	1.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 52.30
64	ICAR	INT016: Intro to Tools, Equipment, and Attachment Methods - Part 2	rapid module description	Technical Skills	Y	1.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 52.30
65	ICAR	DAM126: Steel Structures Damage Analysis	rapid module description	Technical Skills	Y	3	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 104.99
66	ICAR	SS01301: Vehicle Construction Material Types	rapid module description	Technical Skills	Y	1.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 52.30
67	ICAR	RCV016: Recycled Parts for Collision Repair	rapid module description	Technical Skills	Y	3	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 104.99
68	ICAR	PA027: Corrosion: Imperviousness and Structural Damage	rapid module description	Technical Skills	Y	3	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 104.99
69	ICAR	PA027: Corrosion: Imperviousness and Structural Damage	rapid module description	Technical Skills	Y	3	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 104.99
70	PC	AUTO205 - Customized Equipment	rapid module description	Technical Skills	Y	0.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 17.43
71	IL	APD121: Total Loss Concepts	rapid module description	Technical Skills	Y	0.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 17.43
72	Practice Exercise	Customer Contact Rehearsal	rapid module description	Technical Skills	Y	8.6	Use Practice-Based Task Execution	\$ 85	Corporate Campus	\$ 31	X					\$ 1,001.88
73	Practice Exercise	ClaimCenter: Claim Review	rapid module description	Technical Skills	Y	8.6	Use Practice-Based Task Execution	\$ 85	Corporate Campus	\$ 31	X					\$ 1,001.88
74	Practice Exercise	ClaimCenter: Claim Documentation	rapid module description	Technical Skills	Y	8.6	Use Practice-Based Task Execution	\$ 85	Corporate Campus	\$ 31	X					\$ 1,001.88
75	Practice Exercise	ClaimCenter: Claim Financials	rapid module description	Technical Skills	Y	8.6	Use Practice-Based Task Execution	\$ 85	Corporate Campus	\$ 31	X					\$ 1,001.88
76	Practice Exercise	ClaimCenter: Vendor Services	rapid module description	Technical Skills	Y	8.6	Use Practice-Based Task Execution	\$ 85	Corporate Campus	\$ 31	X					\$ 1,001.88
77	Practice Exercise	ClaimCenter: Vendor Services	rapid module description	Technical Skills	Y	8.6	Use Practice-Based Task Execution	\$ 85	Corporate Campus	\$ 31	X					\$ 1,001.88
78	ES	ADP101: Acceleration, Steering and Suspension	rapid module description	Technical Skills	Y	1.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 52.30
79	ES	ADP102: Advanced Driver Assistance Systems (ADAS)	rapid module description	Technical Skills	Y	0.5	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 17.43
80	ES	ADP115: Paintless Dent Repair	rapid module description	Technical Skills	Y	1	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 34.86
81	ES	ADP124: Automotive Refinishing	rapid module description	Technical Skills	Y	1	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 34.86
82	GE	Rental Management	rapid module description	Technical Skills	Y	1	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 34.86
83	GE	Regulations	rapid module description	Technical Skills	Y	0.75	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 26.15
84	GE	Auto1200: Customer Experience - Active Listening	rapid module description	Technical Skills	Y	1	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 34.86
85	GE	APD116: Route 20/20 Improving Tour File Vision	rapid module description	Technical Skills	Y	2	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 69.73
86	ICAR	DAM016: Mechanical Systems Analysis	rapid module description	Technical Skills	Y	2	Static, Computer-Based Training	\$ 30	Mobile Location (Name-selected)	\$ 5	X					\$ 69.73

SME input also resulted in revision of estimated delivery costs upward based on observed costs

Farmers provided some anecdotal information to refine cost assumptions associated with training delivery methods

Pro forma cost estimates are likely conservative estimates of the total cost of training

- Current assumptions are based on Zylter analysis, but likely represent the low end of the potential range

Cost Assumptions by Training Delivery Method*

		ESTIMATED TOTAL COST PER TRAINEE-HOUR	ASSOCIATED DIRECT COSTS			ASSOCIATED INDIRECT COSTS		
			Instructor / Facilitator	Content Development	Learner Support	Learning Management System	Operations + Hosting	Dedicated Facilities
1	Live Facilitated Instruction	\$ 90	High	Moderate		Low		Moderate
2	Virtual Facilitated Instruction	\$ 47	High	Moderate		Low	Moderate	
3	Self-Guided Study Materials	\$ 25		High		Low		
4	Static Computer- Based Training	\$ 35		Moderate	Low	Moderate	Low	
5	Interactive Computer-Based Training	\$ 50		High	Low	Moderate	Moderate	
6	Live Practice- Based Task Execution	\$ 85	Moderate	Low	High		High	High
7	Live Social / Group Interaction	\$ 20	Moderate	Low		Low	Moderate	Moderate
8	Virtual Social / Group Interaction	\$ 40	Moderate	Moderate		Moderate	High	
9	Virtual Interactive Training Simulation	\$ 65		High	Low	Moderate	High	
10	Blended Training	situation dependent						

* Based on summary analysis and anecdotal evidence

The training pro forma provides summary data based on user-defined inputs

The pro forma can be used to replicate and compare “cases” with differing modules, delivery methods and delivery locations

The pro forma provides a useful framework to capture training cost information from a potential client

- Will allow Talespin to systematically show the total cost of ownership (TCO) for current training versus XRI

XR PRICING PRO FORMA SUMMARY DASHBOARD

MODULE OVERVIEW

TOTAL MODULES IN PRO FORMA
[pro forma Column D]

202

CURRENT PRO FORMA CASE STATISTICS

NUMBER OF TRAINING MODULES INCLUDED
[Pro Forma Column G]

151

TOTAL TRAINING HOURS
[pro forma Column I]

496

TOTAL COST
[pro forma Column AH]

\$ 44,034

TOTAL COST FOR TRAINING DELIVERY

\$ 30,869

TOTAL COST FOR TRAINING LOCATION

\$ 13,165

MODULE COUNT BY DELIVERY METHOD [for current pro forma case]

Live Facilitated Instruction

23

Virtual Facilitated Instruction

33

Self-Guided Study Materials

12

Static Computer-Based Training

100

Interactive Computer-Based Training

0

Live Practice-Based Task Execution

0

Live Social / Group Interaction

0

Virtual Social / Group Interaction

0

Virtual Interactive Training Simulation

0

Blended Training

0

MODULE COUNT BY DELIVERY LOCATION [for current pro forma case]

Mobile Location
(learner-selected)

0

Learner Home Office

3

Corporate Campus

192

MODULE COUNT BY TRAINING FREQUENCY [for current pro forma case]

Initial

202

Annual
[once per year, after initial year]

1

Intermittent

0

Total Module Iterations

204

Key Implications of Training Pricing

Insurance training delivery methods (and likely costs) vary greatly among industry leaders

The Total Cost of Training (TCT) is likely not well understood by companies due to the range budgeting lines often used

Due to the potential of XRI to greatly decrease a range of secondary training costs Talespin should focus potential clients on TCT→

Building the pro forma with a potential client can help them better understand the TCT of current training and best areas to apply XRI

TOTAL COST OF TRAINING (TCT) FACTORS	
Training personnel	Trainee time (opportunity cost)
Training facilities	Trainee Travel + Per Diem
Instructional design + development	Other Expenses
Training materials	

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TRAINING PACKAGE
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Additional Information

Key observations + recommendations from Zylter analysis (1/2)

TOPIC	OBSERVATION	RECCOMENDATION
ABSENCE OF DETAILED TRAINING DATA AN OPPORTUNITY	Lack of definitive data on training curriculums and associated costs is a challenge for pricing, but also an opportunity for marketing	TaleSpin should frame the discussion of costs in terms of Total Cost of Training (TCT), to include: <ul style="list-style-type: none">▪ Training personnel▪ Trainee time▪ Training facilities▪ Travel▪ Instructional design + development
USE OF “TOTAL COST OF TRAINING” TO APPROPRIATELY COMPARE TRAINING COSTS	Capturing the full set of primary and secondary costs for training is challenging, but important to provide a fair comparison with XRI	Use the Training Pricing Pro Forma as a structured resource to collect information on how companies currently deliver training and frame a more complete consideration of XRI ability to improve efficiency, effectiveness and brand value

Key observations + recommendations from Zylter analysis (2/2)

TOPIC	OBSERVATION	RECCOMENDATION
PRIMARY USER CURRICULA SHOULD FOCUS ON "HARD" SKILLS	For primary users, the greatest value of XRI is likely in object-focused technical skills (rather than general knowledge)	XRI core offerings should prioritize technical modules that addressing changing objects (e.g. car models) due to the need for and disproportionate cost of maintaining currency
VALUE-ADDED FEATURES PRESNET AN OPPORTUNITY TO ACCELERATE SECONDARY USER ADOPTION	The potential market for secondary users of XRI not well defined but can present a significant opportunity based on the features and content	Maximizing the potential market and adoption rate for secondary users will require prioritizing and optimizing the additional features compatible with core features for primary users <ul style="list-style-type: none">▪ Example: Generalized management and customer engagement "soft" skills

Recommended Next Steps to Support XRI Development

1. Build a product roadmap to prioritize modules for inclusion in XRI and development based on the benefit, cost of development and other factors
2. Coordinate working sessions with current or potential customers to build pro forma “cases” that describe their current training and estimate associated costs
3. Use the *Training Cost Pro Forma* to estimate and compare the total costs of different sets of modules and methods of training delivery
 - Due to the intricacy of the *Training Cost Pro Forma*, some additional support is likely required to guide familiarization and use

Briefing Structure

[titles hyperlinked to section]

PROJECT
OVERVIEW

XRI MARKET SIZING
SUMMARY

TRAINING PACKAGE
PRICING PRO FORMA

SUMMARY

Additional Information

Create. Technology. Zylter.

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