

ROI of Outsourcing L&D for GovCon HR in 2025

Components & considerations for CHROs and HR Generalists with L&D as part of their duties



Outsourcing Learning and Development (L&D) initiatives can offer significant Return on Investment (ROI) for Chief Human Resource Officers (CHROs) in the US government contracting industry.

Given the unique demands of this sector in 2025, such as compliance with federal regulations, rapid scalability, and the need for specialized training, and a hyper focus on cost, strategic outsourcing can enhance efficiency, reduce costs, and improve workforce readiness when executed strategically.

Following are the key components and considerations of that ROI.

1. Financial ROI

Outsourcing training development

30%



less expensive than in-house development.

Typical Range:

Outsourcing L&D can lead to substantial cost savings.

Organizations can reduce expenses related to in-house development, such as salaries, benefits, software, and equipment. Studies indicate that outsourcing training development can be about 30% less expensive than in-house development.

Further, development cost per training hour (often drops from \$5,000-\$10,000 to \$2,000-\$6,000 with outsourcing).

Cost Savings Sources:

- Reduced fixed costs (dedicated staff, LMS platforms, content development)
- Training partner vetting, quote requests, and managerial and billing oversight
- Economies of scale and preferred rates from external vendors



2. Strategic Value ROI

Outsourcing L&D also has strategic value including:



Enhanced compliance and risk mitigation

associated with training programs that meet federal guidelines (e.g., security clearances, contract-related technical certifications, DoD cybersecurity requirements, etc.).



Access to cutting edge technologies and updated skillsets by instructors/ content providers who stay updated on the latest technology and industry standards.



Faster training deployment

and the ability to scale training efforts up or down based on project demands, fluctuating workloads, and need to adapt quickly to new contracts or regulatory changes.

3. Performance ROI

Employing providers with a core competency in L&D and a specialty in government contracting bring together the best of both worlds and results in better learning outcomes.

They can also support programs like talent assessment, skills development, and certification management.



Outsourced L&D Often Results in:

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- Higher learner satisfaction scores when they are shown a path to successful outcomes
- Improved training completion rates
- Better knowledge retention
 (especially with providers using advanced tech like microlearning, gamification, etc.)
- Reduced time to competency, especially in onboarding or contract-critical skills



4. Focus ROI

In addition to these components, CHROs also have 'Focus ROI' by redeploying internal HR teams from content creation and delivery which allows HR to:



Focus on **strategic workforce planning**





Cost Savings and Productivity Gains from Outsourcing L&D

Recent research shows substantial cost savings and productivity gains rom outsourcing L&D.

Deloitte found that organizations outsourcing their learning functions can **cut training costs by roughly 30–40%.**²



30-40%

Bersin & Associates similarly reported that firms outsourcing training spent ~\$827 per learner versus ~\$1,191 internally – a 31% cost reduction.¹



31%

Bersin & Associates report that: **companies outsourcing training have ~25–40% fewer administrative support personnel** per 1,000 learners.¹



25-40%

Roundtable Learning cites **20–35% lower development costs** than in-house programs.³



20-35%



Strategic Considerations for CHROs and HR Generalists



Vendor Selection:

Choose L&D partners with experience in government contracting and a deep understanding of federal compliance requirements.
Use vendors familiar with FedRAMP, NIST 800-171, DoD 8140, and CMMC.



IP and Security:

IP and security are critical especially for classified programs. Be sure to understand what vendors have in place.



Integration with Organizational Goals:

Ensure that outsourced training aligns with the organization's strategic mission and objectives as well as workforce development plans.



Performance Metrics:

Establish clear KPIs to measure the effectiveness, such as contractual performance outcomes, compliance rates, and ROI.



Technology Utilization:

Leverage advanced learning technologies, such as Learning Management Systems (LMS), virtual reality (VR), and artificial intelligence (AI), to enhance training delivery and engagement.



Consider Hybrid Models:

Outsource compliance, and content-heavy programs, but keep leadership development in-house.

Summary

For CHROs and HR Generalists in the US government contractor industry, outsourcing L&D functions presents a strategic opportunity to enhance training effectiveness, ensure compliance, and achieve cost savings. By partnering with specialized L&D providers, organizations can build a more agile and competent workforce, better equipped to meet the dynamic demands of government contracts.



SPOILER ALERT: I'm about to share why and how my company can help CHROs and HR Generalists attain the ROI

I'm the CEO and Founder of LearnSpectrum, and enterprise learning and development has been my passion for over 25 years. I have worked with enterprises, government contractors, and system integrators; and, I have seen managed training done right, and I have seen it done horribly wrong. It is why we ocus on helping organizations leverage outsourcing to handle rapid growth, compliance training, and upskilling in a cost-effective fashion, reporting cost reductions (~30% less) along with higher training completion rates and outcomes.

Want to learn more about outsourced learning?

If you have a question about outsourced learning and development, would like to test drive our solution, or just want to shoot the breeze about the learning and development space, please drop me an email at nemery@learnspectrum.com and/or feel free to connect with me on LinkedIn. I'd welcome the opportunity to connect with you.

References

- ¹ "Training Outsourcing: What Works™", Bersin & Associates, August 2004
- ² "Building Stronger L&D Functions through Outsourcing and Partnerships", El Design
- ³ "Top 4 Risks To Keep In Mind When Outsourcing Corporate Traini ng", Roundtable Learning