



# E-Learning and LMS: *What's Hot* *What's Not*

Bersin & Associates

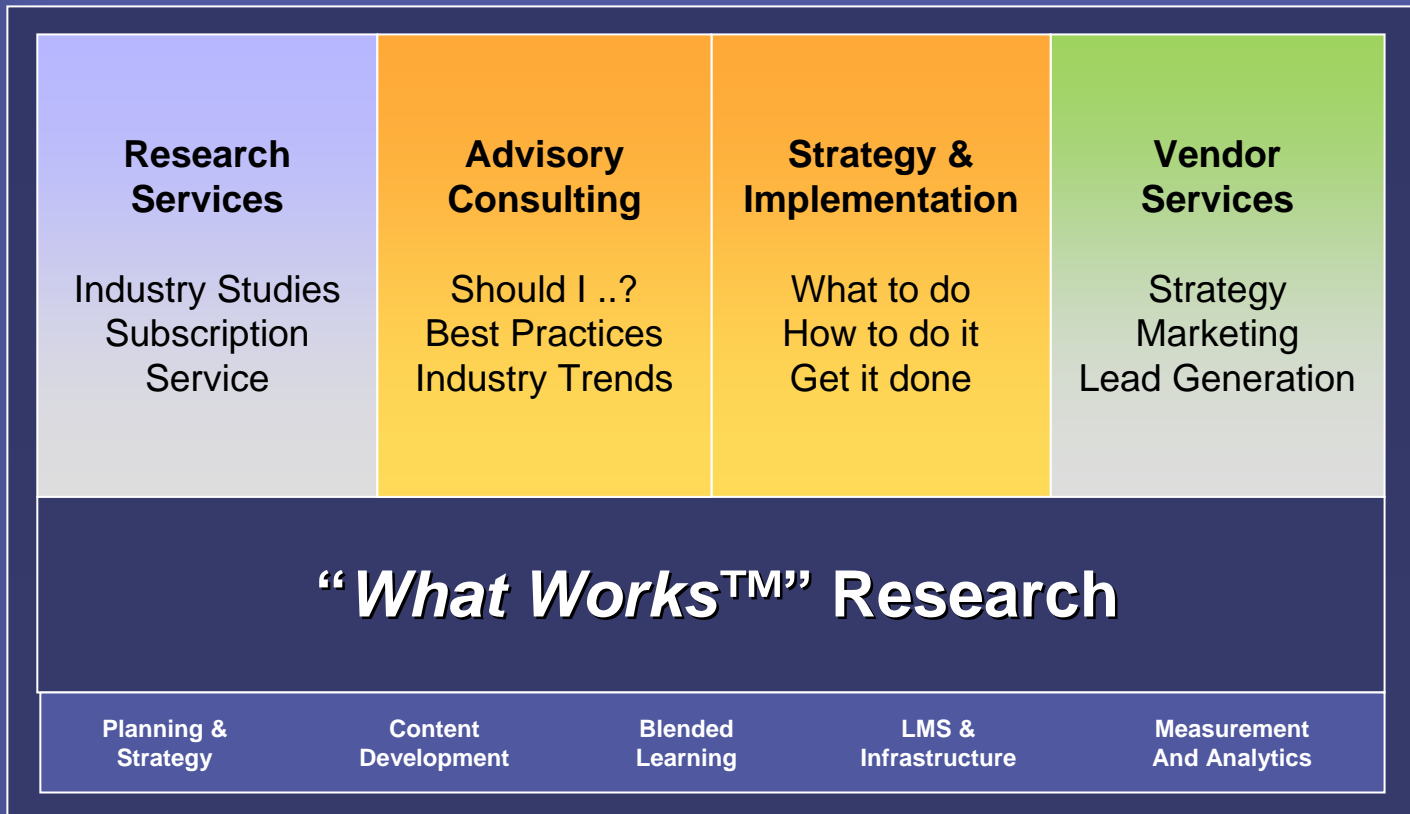
*What Works*<sup>TM</sup>

Research and Consulting in E-Learning

November, 2004



# What we do



# Our Research

- More than 7,000 pages of detailed research
- Detailed case studies available by industry, company size, and problem area
- Quantitative analysis using more than 40,000 e-learning professionals
- Newsletter monthly and subscription based version
- “Ask the Experts” service
- Advisory consulting services

## Industry Studies

Blended Learning: *What Works™*

Content Development Tools: *What Works™*

Application Simulations: *What Works™*

Learning Management Systems: *What Works™*

E-Learning Program Management: *What Works™*

Rapid E-Learning: *What Works™*

Training Measurement & Analytics: *What Works™*

Application Development Processes and LCMS: *What Works™*

Executive and Leadership Education: *What Works™*

E-Learning in Retail: *What Works™*

Sales Training: *What Works™*

Live E-Learning: *What Works™*

E-Learning in Government: *What Works™*

Simulations in E-Learning: *What Works™*

LMS 2004:

## Tips & Techniques

Rapid E-Learning

Collaborating with SME's

LMS Selection Methodology

Live E-Learning Best Practices

Retail E-Learning Best Practices

Application Simulations Best Practices

The Four types of E-Learning Programs

Training Analytics Whitepaper

Government E-Learning Whitepaper

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## Certificate Programs

Rapid E-Learning Certificate Program

Training Analytics Certificate Program\*

## LTI Research

LMS Usage and Implementation

Training Measurement Practices

Content Development Processes

# Subscription Service

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[www.bersin.com](http://www.bersin.com)

The screenshot displays the Bersin & Associates Research Center website. At the top, there is a search bar and navigation links for 'Advanced Search', 'Ask the Experts', 'My Profile', 'About Us', and 'Need Help?'. A 'LOG IN' button is also present. Below the navigation, there are three call-to-action buttons: 'Subscribe Now', 'Register to Receive Free Newsletter', and 'Return to Bersin & Associates'. The main content area is titled 'What's New' and features a grid of articles. The articles are categorized into 'Highlights', 'New Research', and 'New Case Studies'. Each article includes a title, a brief description, the author's name, and the publication date. For example, under 'New Research', there are three articles titled 'How to Develop Content that Works: Webinar Part 1: Speed', 'How to Develop Content that Works: Part 2: Blended Learning', and 'How to Develop Content that Works: Part 3: Content Management and Team Development'. Each article has a 'DOWNLOAD PDF' link. The website also features a 'What's New' section with a grid of icons for 'INDUSTRY STUDY', 'CASE STUDY', 'TIPS & TECHNIQUES', 'SELECTION GUIDE', 'PRESENTATION', 'WHITE PAPER', 'JOB AID', and 'ARTICLE'.



# Hot Topics

- LMS Marketplace
- ERP Vendors
- LMS Implementations
- ERP Implementation
- Outsourcing
- Content Integration
- Rapid E-Learning
- Blended Learning
- Premium Content



# in the Beginning...

1914





# Today



# The LMS Marketplace

- The market is NOT consolidating and there will not be “one big LMS provider for all.”
- The LMS market is maturing and three segments are emerging:
  - Enterprise-wide (ERP-like)
  - Outsourced Solutions
  - Mid-Market Suites







# ERP-Centric LMS: Growing

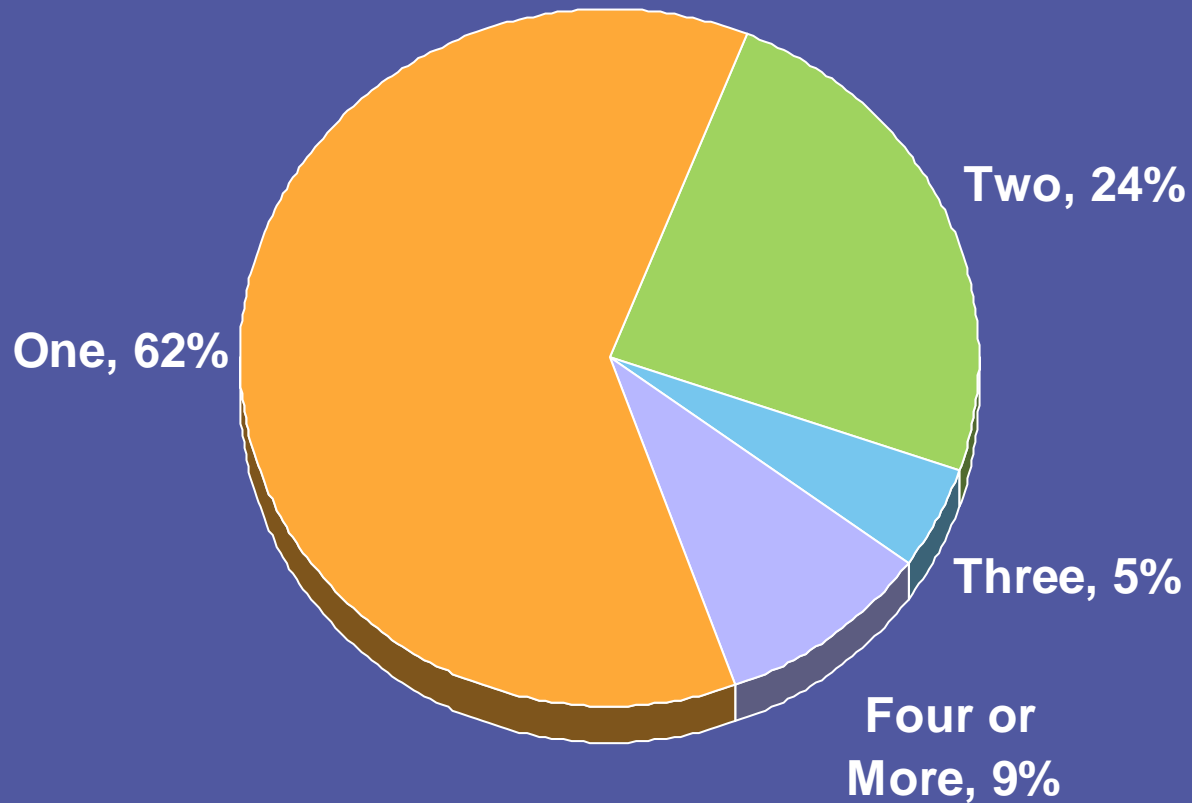
- ERP-Centric LMS Aspirations are High but not for everyone



- Successful LMS implementations are focused on solving one or two key business problems



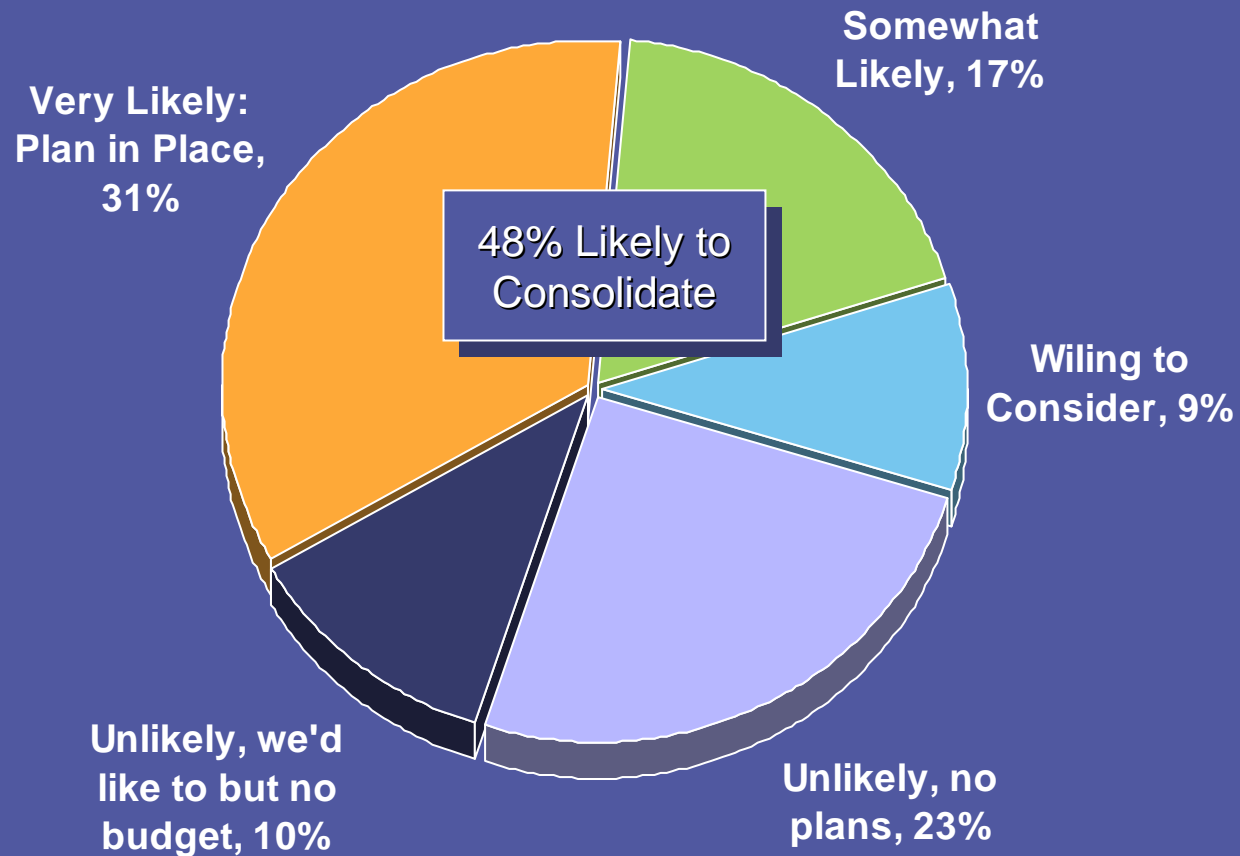
# How Many LMS's do you have?



Study conducted in May 2004, 10,000+ Surveys



# Will you be consolidating your LMS systems?



Study conducted in May 2004, 10,000+ Surveys



# Consolidating your LMS's

- Do not “force” everyone to use the same LMS unless you have a cross-functional team dedicated to centralization. This is a governance issue, not a technology issue.
- Try to implement an enterprise strategy to consolidate learning **data** and reduce some # of LMS systems.



# Convergence between LMS and HRIS

- Do not assume that one vendor can handle all applications
- ERP vendors are here, they understand the market and are building experience in enterprise learning





# Long Implementation Times

- Trying to get the entire company to use one LMS results in a long implementation time and very high implementation costs.



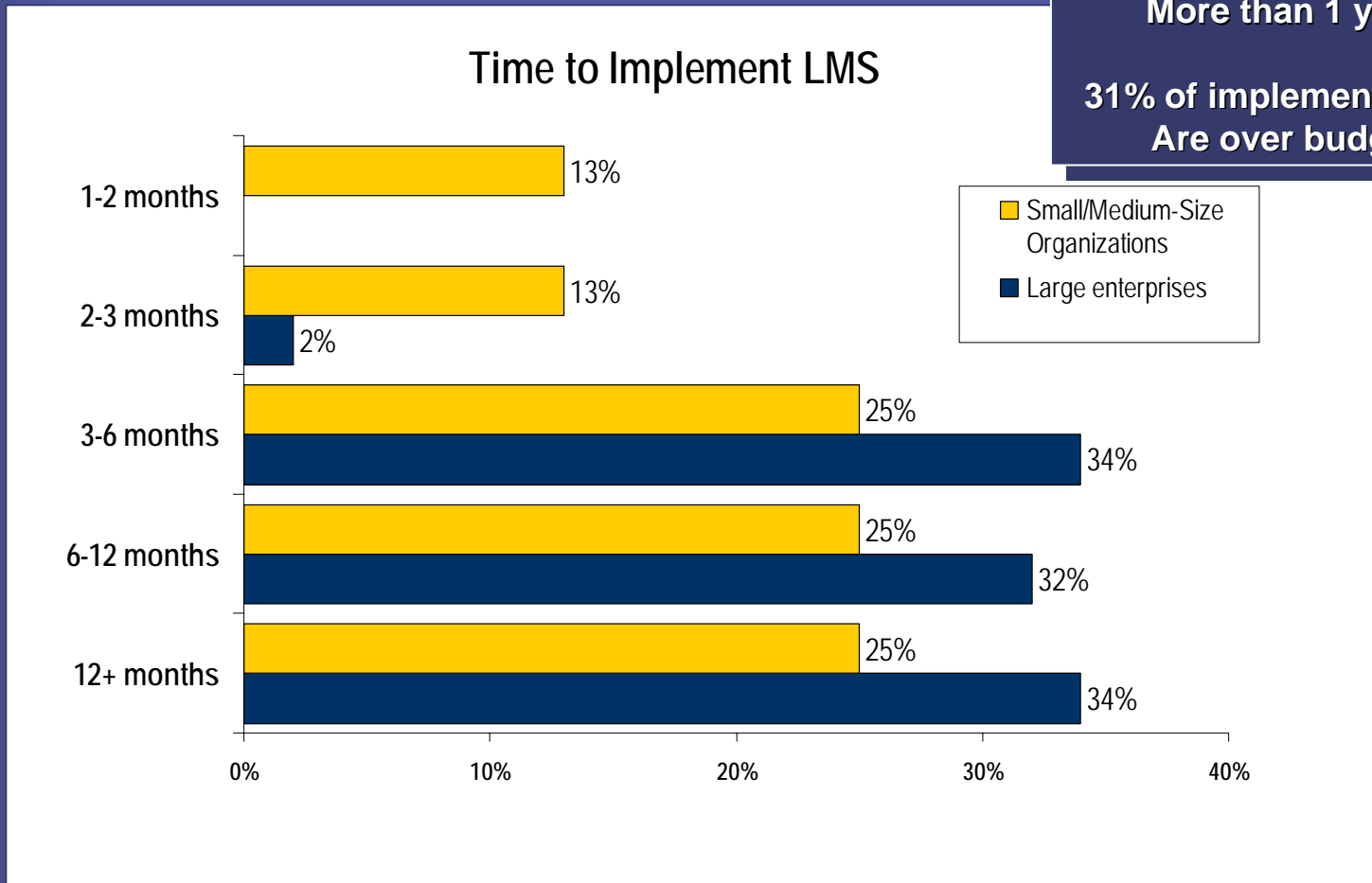
- Buy “Just-enough” LMS to meet your business needs; implement in small stages; look at hosted solutions for rapid implementation



# Long Implementation Times

Fully 1/3 of Enterprise Implementations take More than 1 year

31% of implementations Are over budget



Study conducted in Sept 2003, 7,000+ Surveys

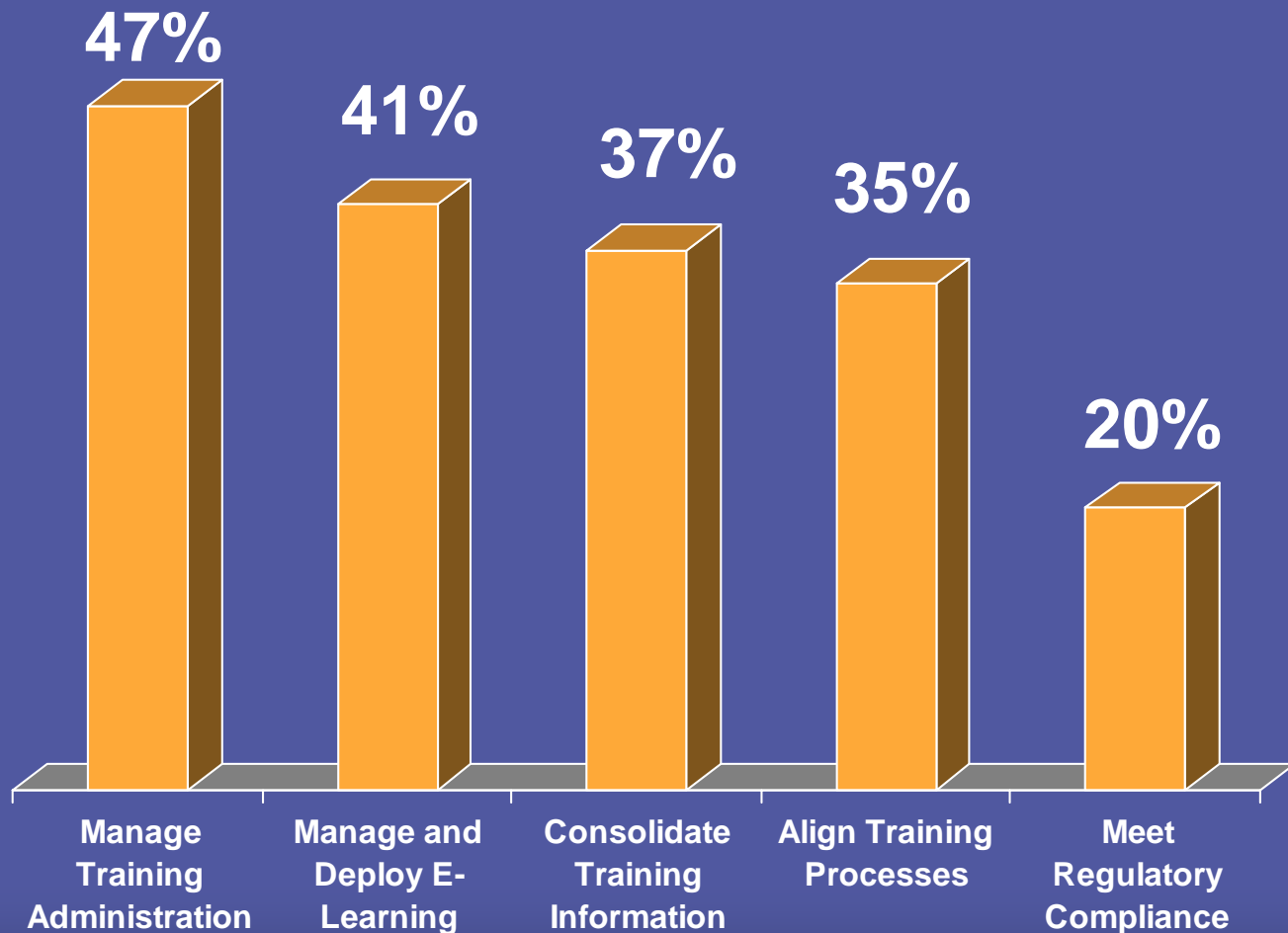


# Focus on Core LMS Needs

- Do not try to implement too many features (skills and competencies). Customization is the biggest problem people face.
- Focus on your core business needs, which usually focus on e-learning enablement, training administration, and certification.



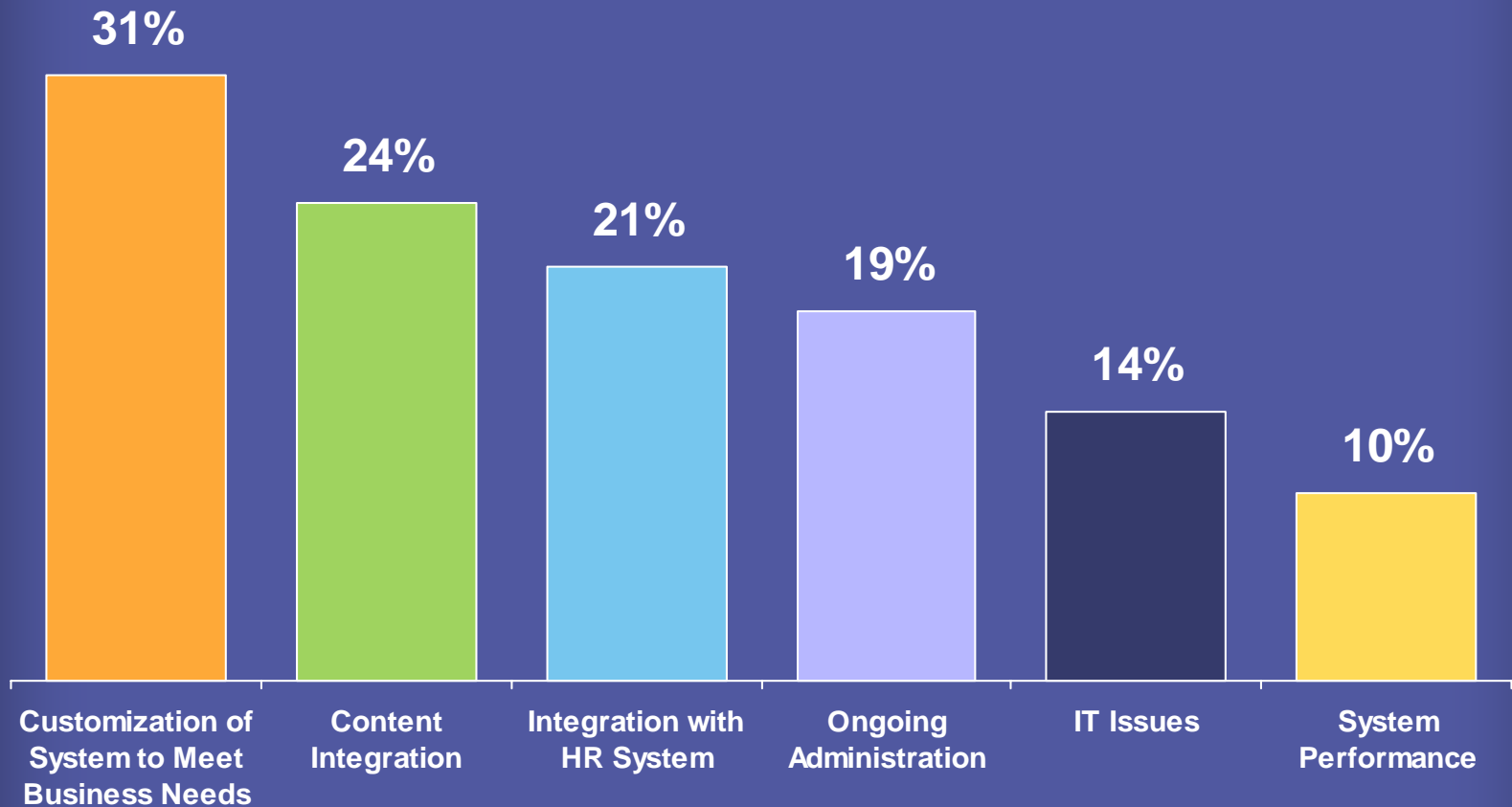
# Core Reason for Purchasing LMS



Study conducted in Sept 2003, 7,000+ Surveys



# Biggest Challenges: Customization

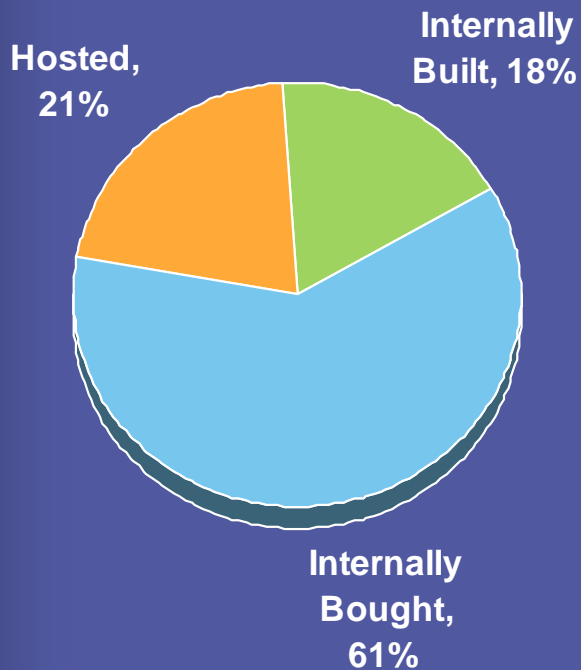


Study conducted in May 2004, 10,000+ Surveys

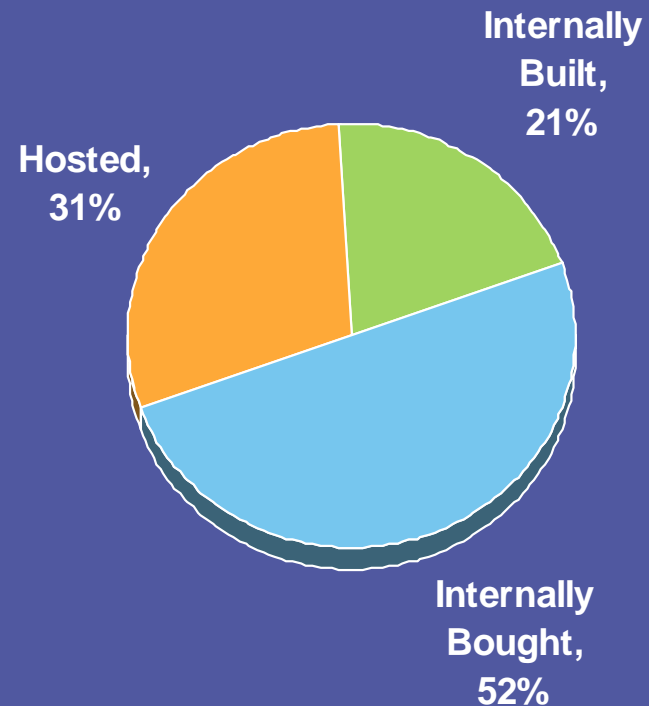


# Hosted Solutions are Growing

## Enterprise



## Medium Business



Study conducted in Sept 2003, 7,000+ Surveys





# Outsourcing

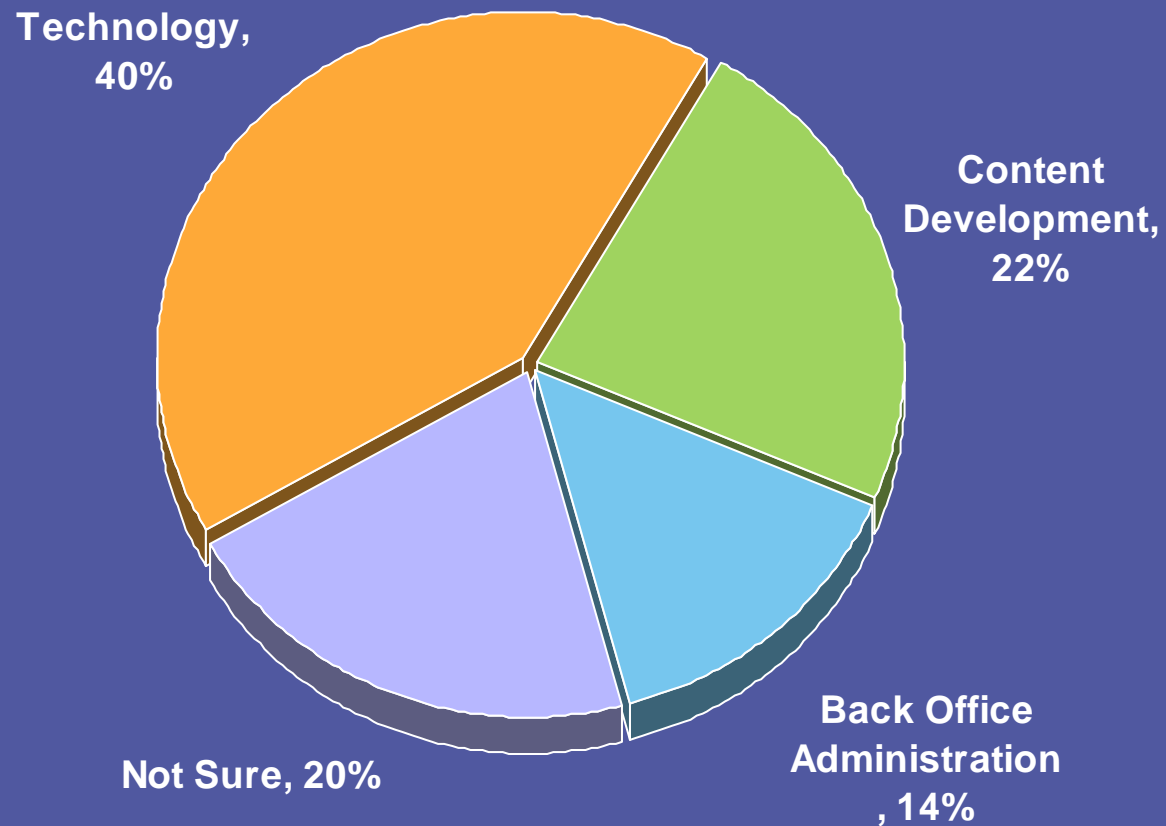
- Everyone's talking about it. But only a few companies have been able to totally outsource their entire training function.



- Look at outsourcing as a way to offload *non-strategic* functions and improve accountability. Yes, outsourcing does have economic and strategic benefits.



# What would you like to outsource?



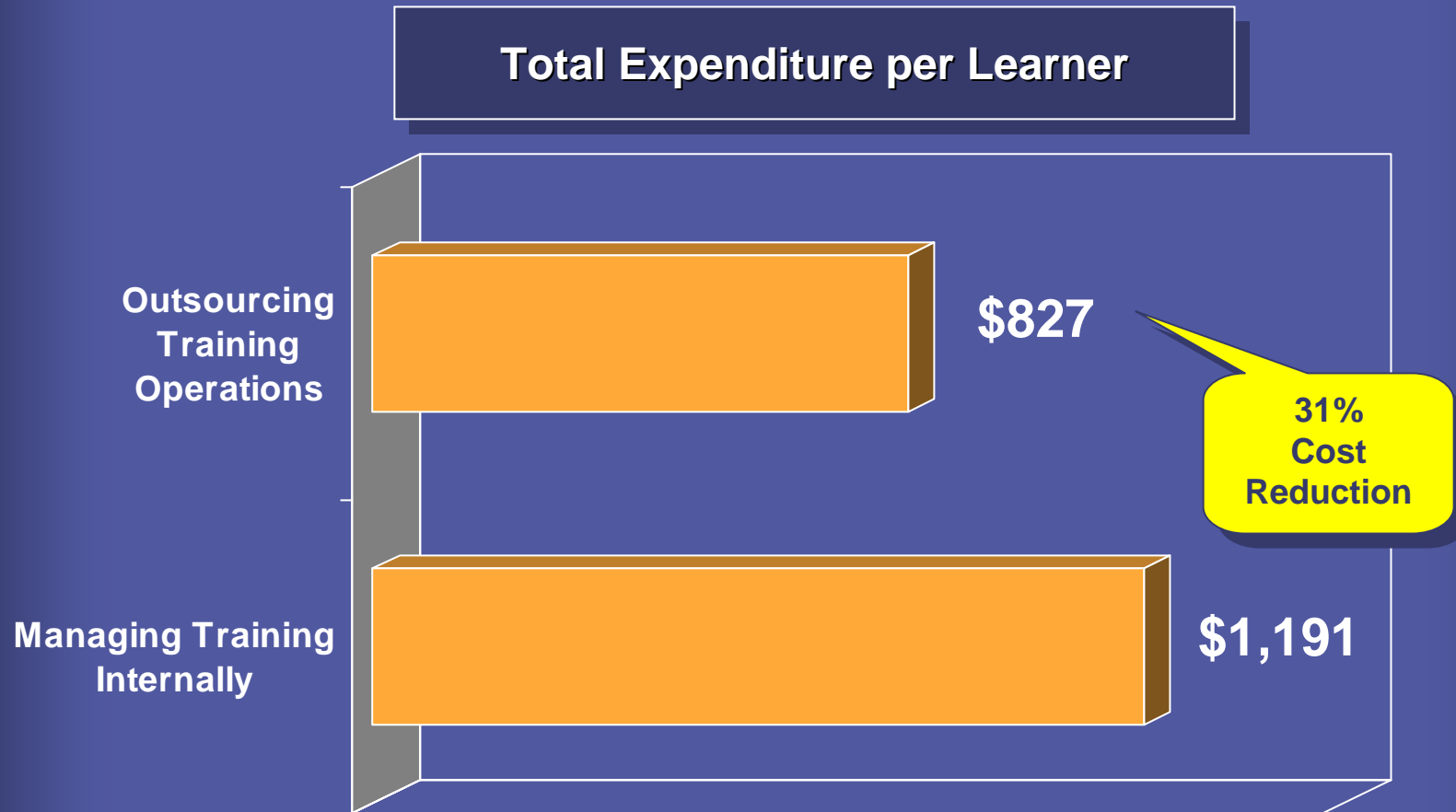
Study conducted in May 2004, 10,000+ Surveys



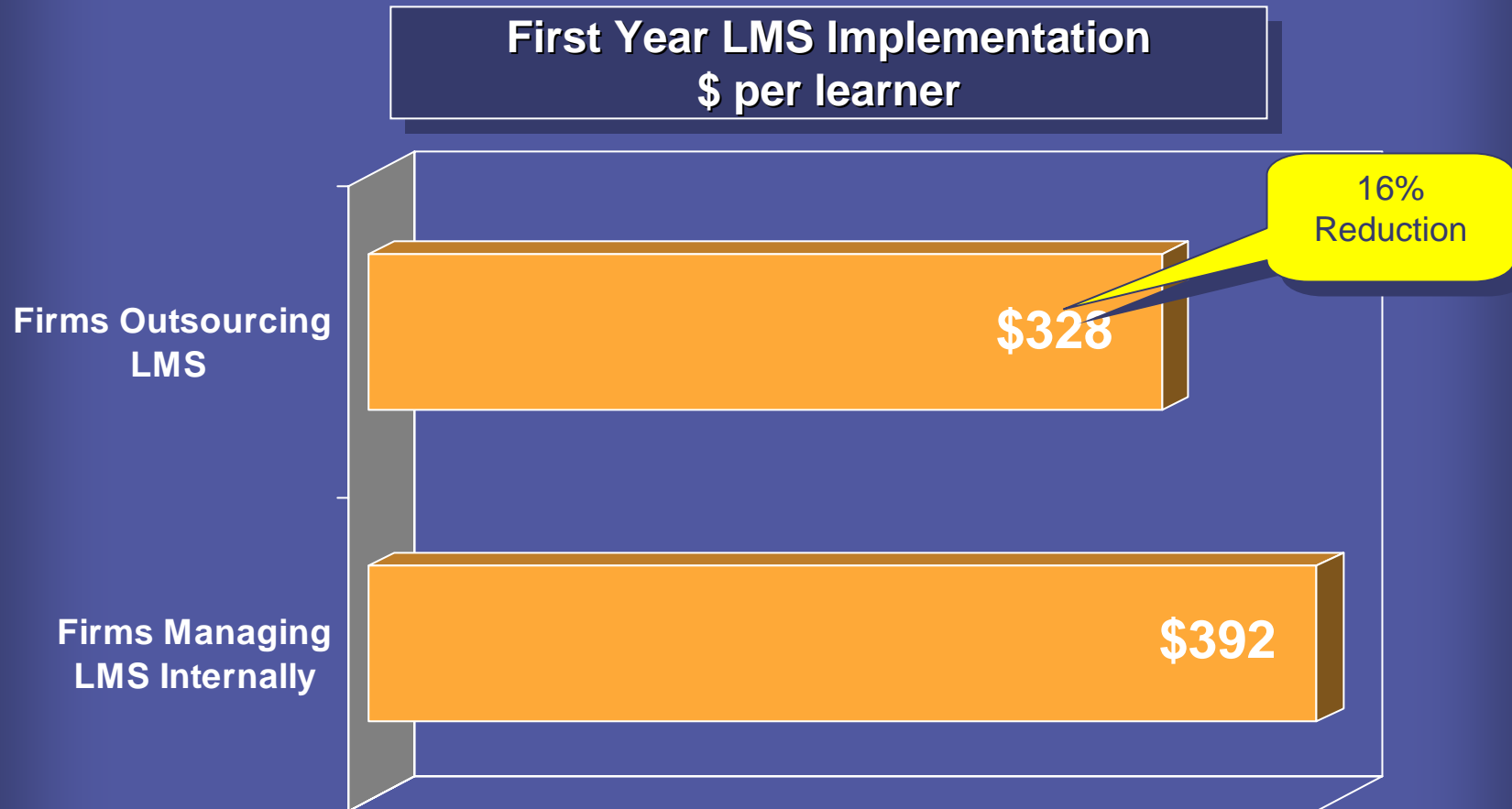
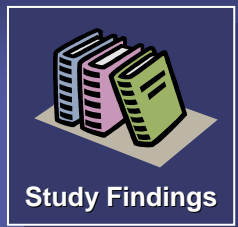
# Strategic Drivers for Outsourcing

- “Technology operations is not strategic to our mission. We want to focus on program development and design.”
- “We are so busy with operational issues we hardly have time for strategy.”
- “If we outsourced more operations, we would focus on an ongoing program for measurement and analytics.”
- “I want to spend more time with line managers and executives.”

# Outsourcing Does Reduce Total Cost



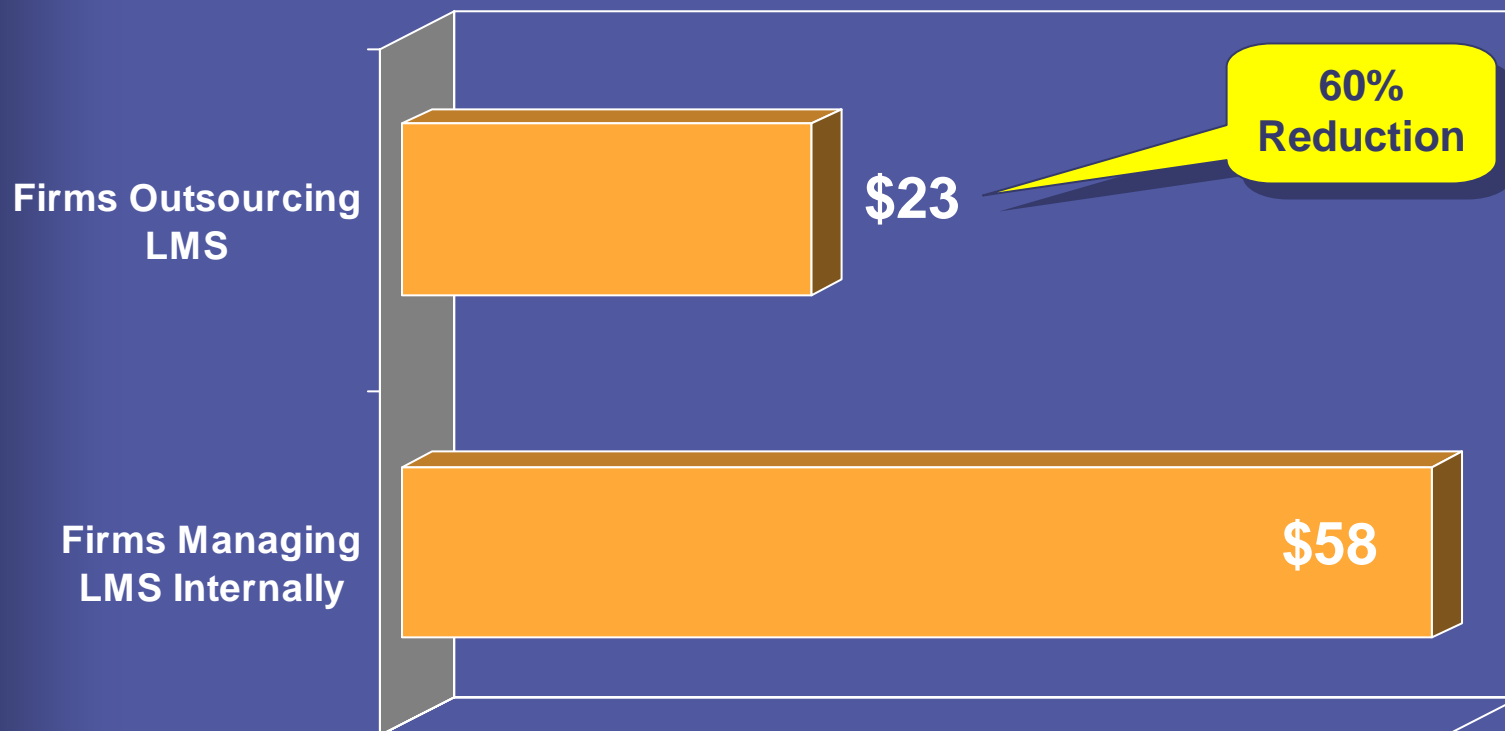
# Outsourcing Reduces LMS Implementation costs



# Outsourcing Reduces Ongoing Cost of LMS



## Spending on LMS Maintenance And Upgrades (per learner)



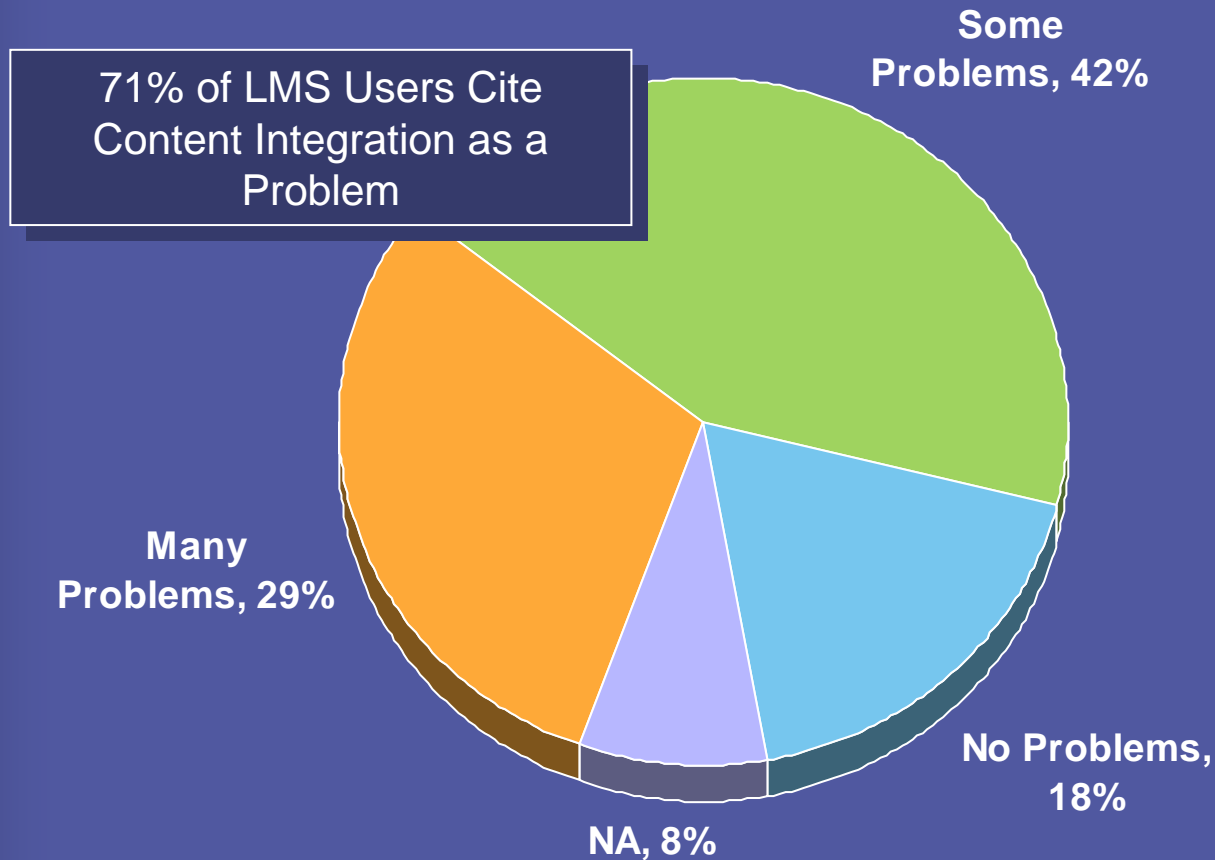


# Content Integration: Big Issue

- Do not “expect” that all content will work and track seamlessly just because your vendor is “standards-compliant.” Up to 15% of e-learning budgets go to content integration.
- Select an LMS vendor that delivers proven and tested interoperability with e-learning content. Budget to make interoperability work.



# Content Integration is a Problem



Study conducted in May 2004, 10,000+ Surveys



# Understanding the Challenge

## Content Integration Challenge for Sample Enterprise LMS Installation<sup>[1]</sup>

Typical cost to integrate a large courseware library	\$150-300K
Typical integration time frame	2-3 months
Number of content sources	10-30
Full time staff typically devoted to content integration and maintenance	1-2
Percentage of e-learning systems budget devoted to content integration	15 percent
Time required to test new courses for interoperability	3 days to 1 month

<sup>[1]</sup> Source: Bersin & Associates interviewed training executives responsible for learning technology at Fortune 500 enterprises



# Rapid E-Learning: *White Hot*

- Long courseware development projects and high costs are the biggest problems in content development.

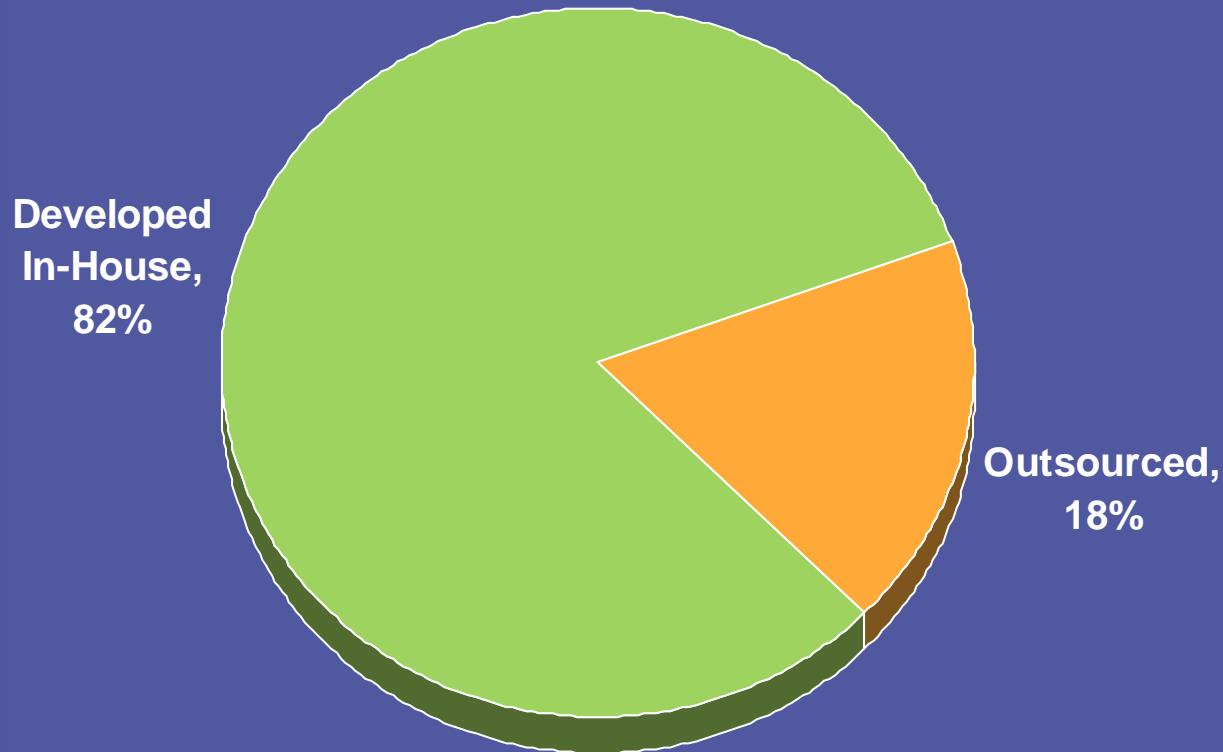


- Segment your training needs and identify those problems which change quickly and can be met with *Rapid E-Learning*



# Internal Content Development

How are you building your custom e-learning content?



Study conducted in April 2004, 600+ Surveys

Companies are quickly  
Building content  
Development skills



# Time to Market is the Issue

*“What was the biggest challenge you face in content development?”*

## **#1 Problem:**

**It takes too long to build courses.**

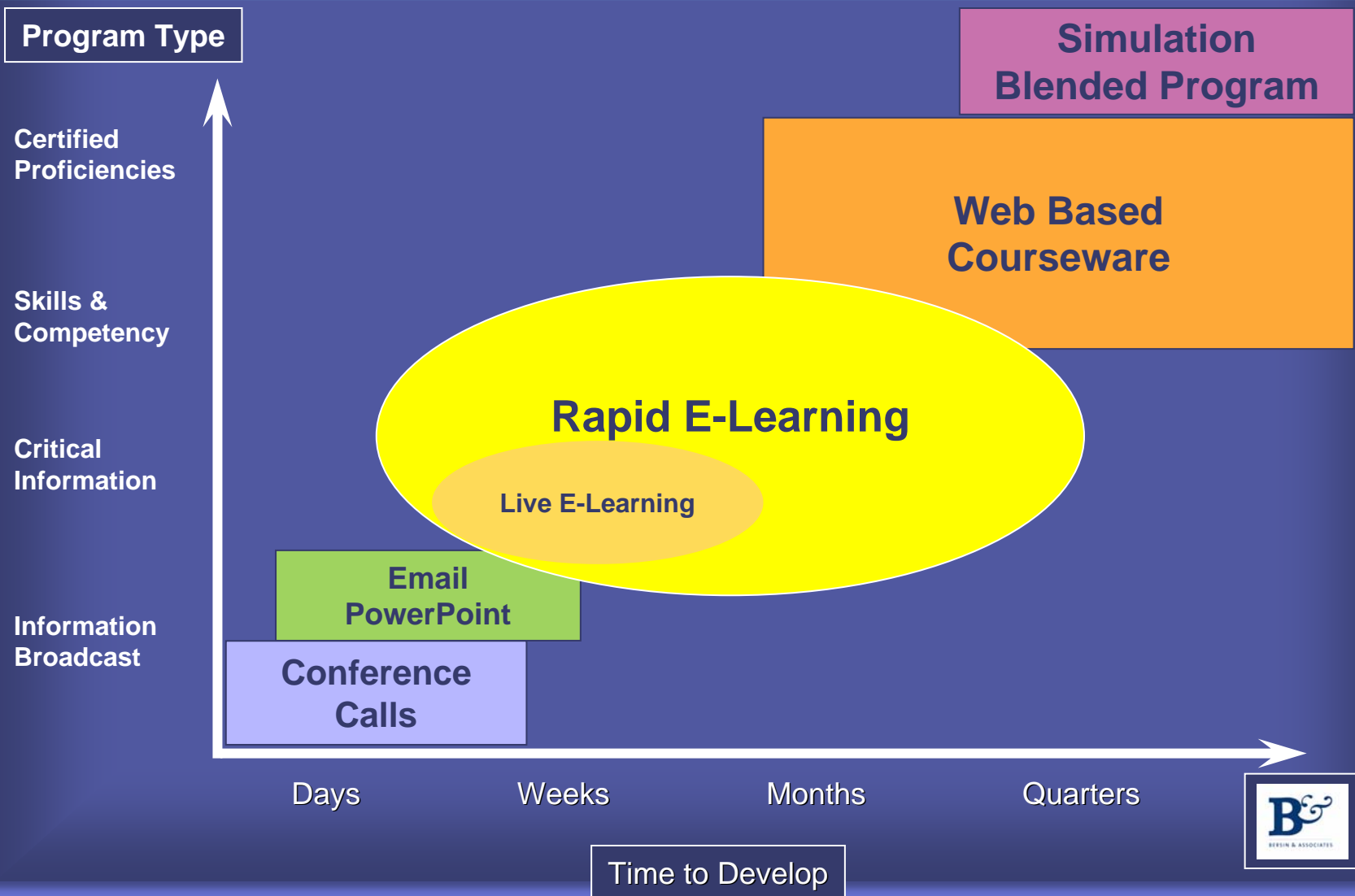
## **#2 Problem:**

**It is too hard to work with SME's.**





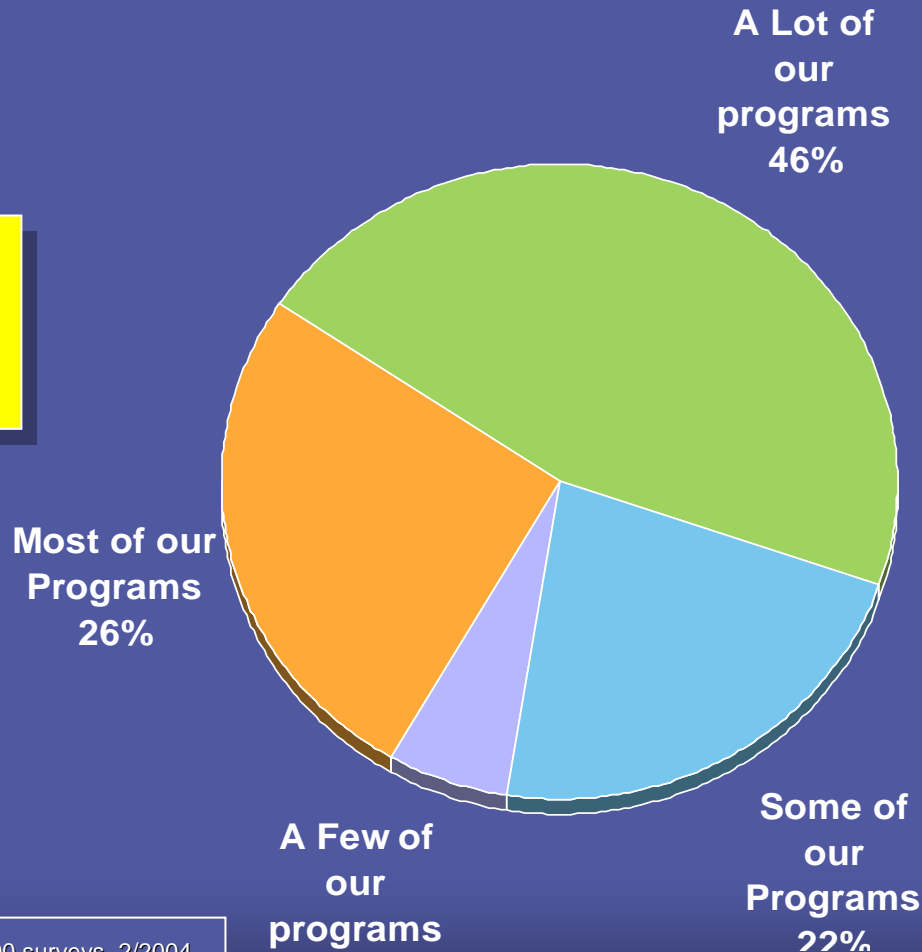
# Where does Rapid E-Learning Fit?



# Why Rapid E-Learning will Grow

What Percentage of Your Programs are Time Critical (a few weeks)?

**72% are Fit  
For Rapid  
E-Learning**



Bersin & Associates Research, 4,500 surveys, 2/2004



# Biggest Questions we Get:

- What is blended learning?
- When, where, and how do I implement blended learning?
- What media do I use when?
  - *Live*
  - *Self-Study*
  - *Classroom*
  - *References*
  - *Simulations*



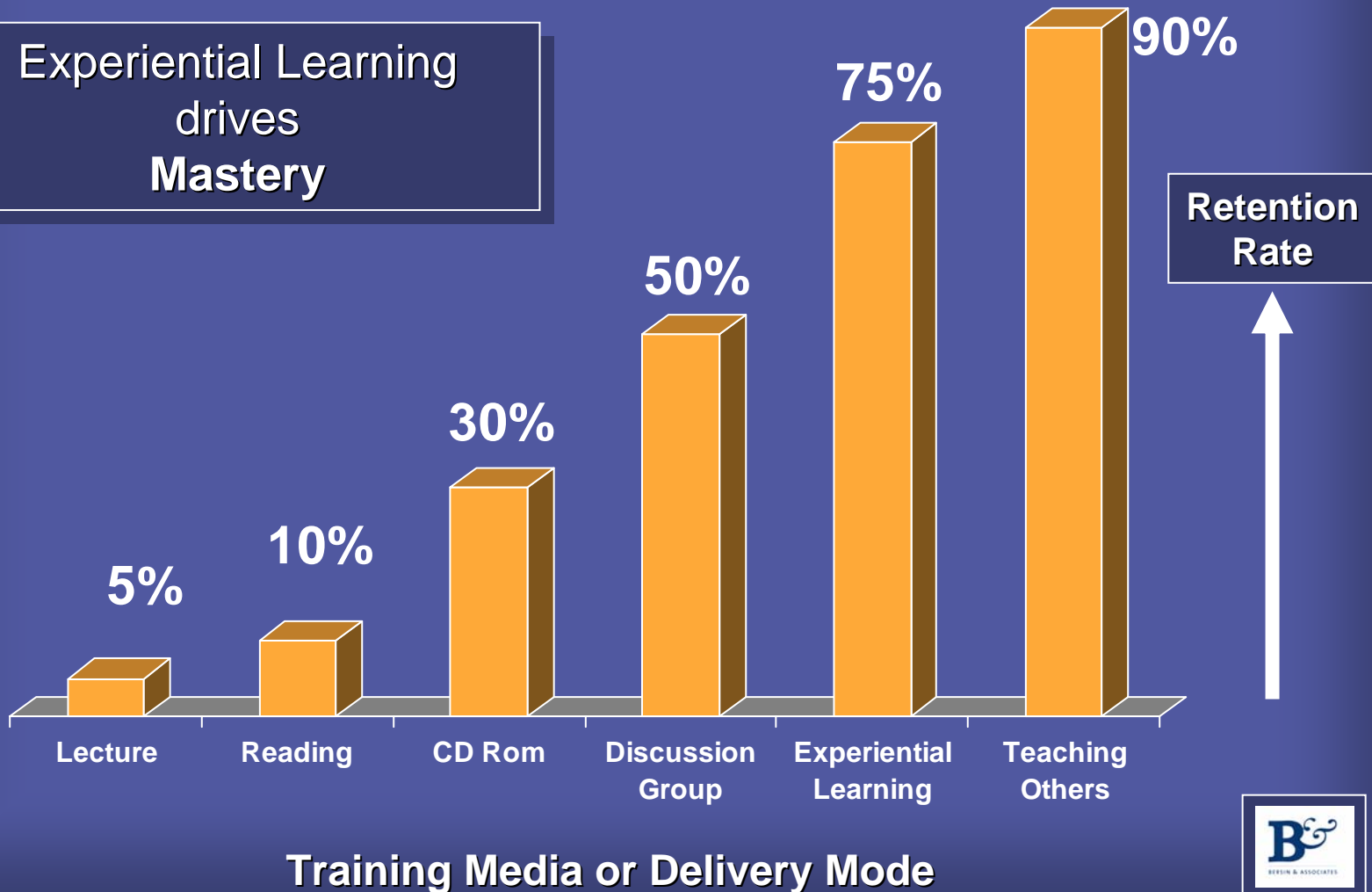
# Blended Learning is Hot

- E-Learning programs which are launched alone often result in low enrollment, low completion, and low levels of satisfaction.
- Learn how to “Blend” e-learning with real-world activities: webinars, conference calls, events. *The first line manager is the most important person in training.*



# Why Blending is Necessary

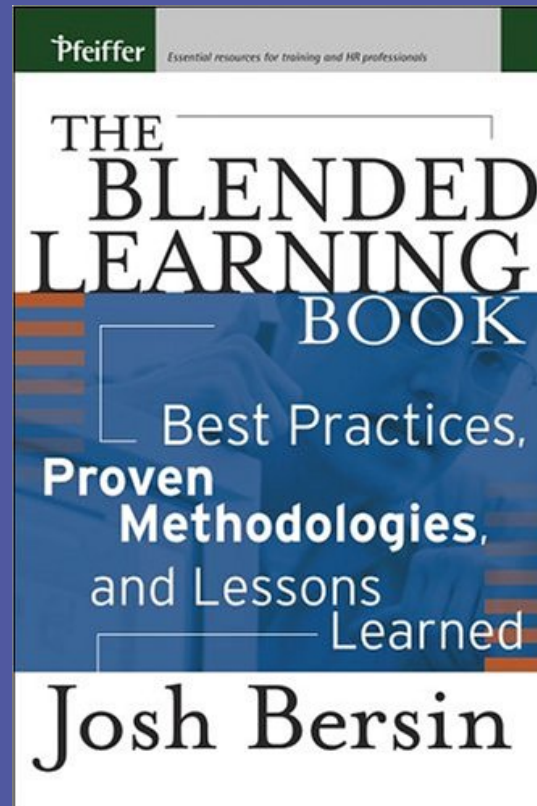
Experiential Learning  
drives  
**Mastery**




Training Media or Delivery Mode



# How to do blended learning?



# When to use Blended Learning?

	Run the Business	WIN in the Market
Custom To You	<p>ERP Rollout Call Center Application Training Product Introduction</p> <p>30%</p>	<p>?????</p> <p>Pricing and Proposal Generation Manufacturing Excellence Leadership</p> <p>40%</p> 
Off the Shelf	<p>10%</p> <p>IT Training Desktop Skills General Management Skills</p>	<p>20%</p> <p>Project Management Sales Techniques Customer Service Techniques</p>

# Governance and Organization

- A fully centralized approach to training does not work.



- Best practices show a “shared-services” model for administration, technology and content development with divisional performance management. *Join our Governance Study!*

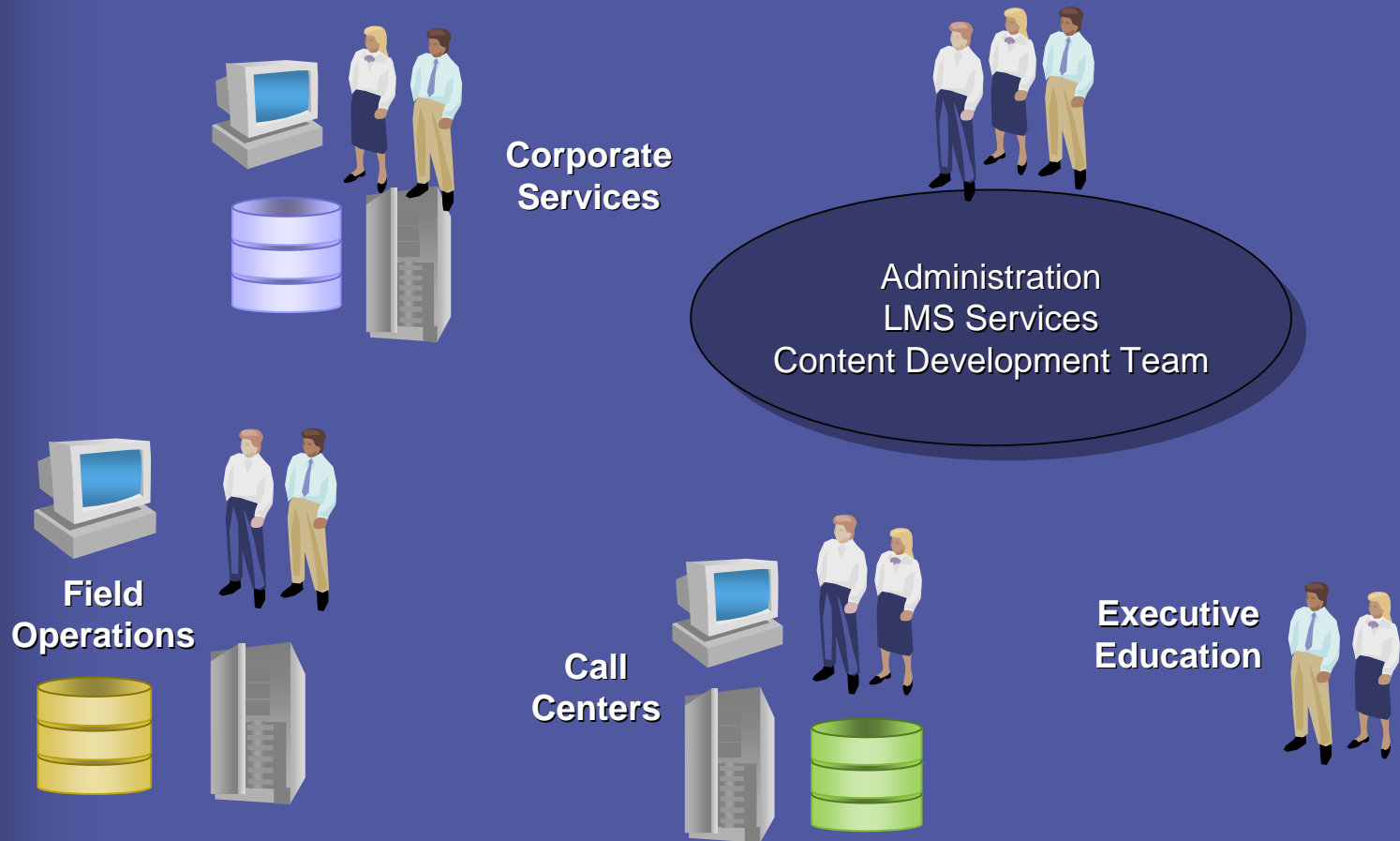


[http://www.bersin.com/research/governance\\_study.asp](http://www.bersin.com/research/governance_study.asp)





# Governance Models



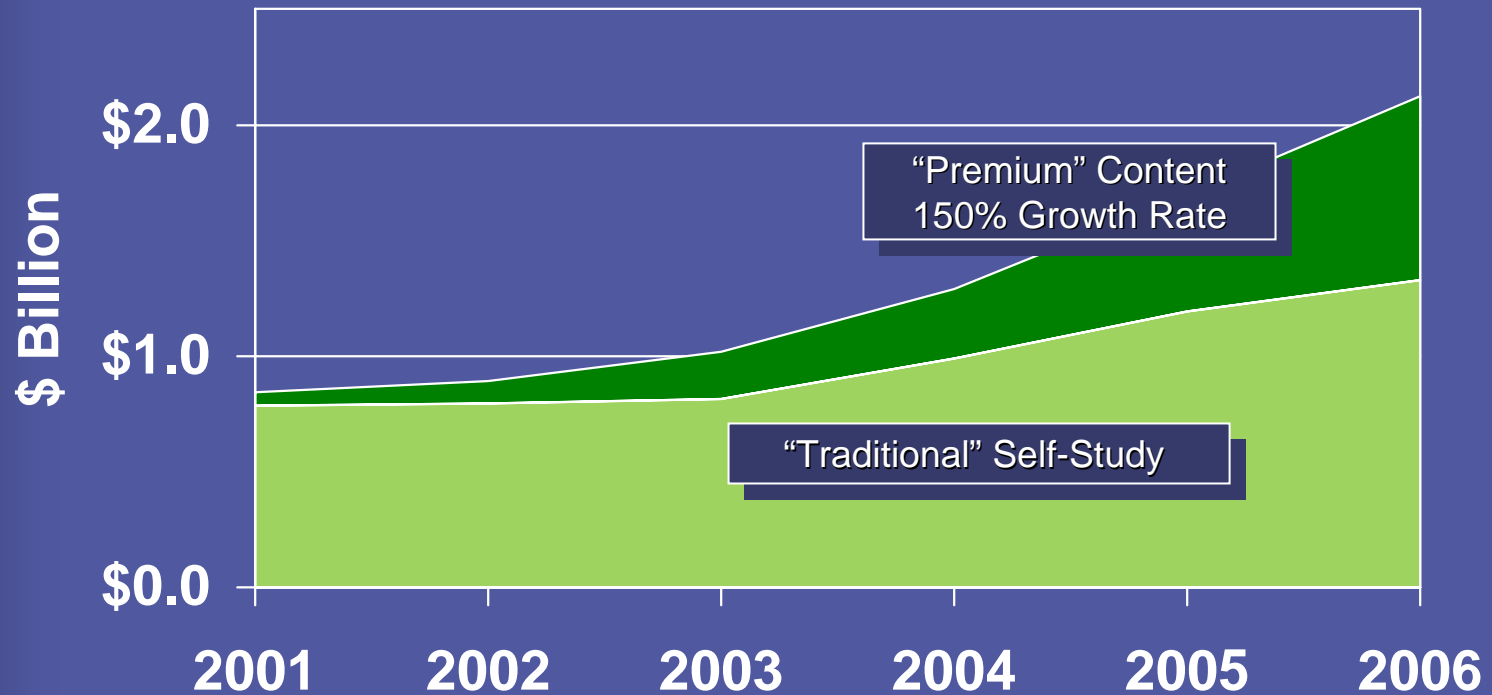
# Premium Content is Hot

- If you try to give all learners e-learning content from the same vendor, many high-end users will be disappointed.
- Allocate some dollars to “Premium” custom content, developed with much higher interactivity, scenarios, and simulations. *Flash-based video can sometimes replace ILT.*



# Growth in Premium Content

## Non-IT Content





# E-Learning and LMS: *What's Hot* *What's Not*

Bersin & Associates

*What Works*<sup>™</sup>

Research and Consulting in E-Learning

October, 2004



# *What we do:* Help you make better decisions.

