

"The realities of the corporate LMS"

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Over the past couple of years we have spent seemingly a lot of time discussing the pros and cons of corporate learning management systems (LMS), and some of the key lessons in successfully implementing them. During that time, LMS's have gone from market darling to market pariah, and back again. A year ago, seemingly every large organisation was implementing or considering implementing one. But what's the reality now? Are LMS's that important? Are LMS projects successful? What do companies that have implemented think of them, and think of the vendors that supplied them?

These are some of the questions and more, that eLearnity has been exploring with an in-depth research study looking at the real state of LMS interest, usage and experience amongst a cross-section of large UK and European corporates. Designed to complement eLearnity's existing market and best practice analysis, the study explored the realities of corporate LMS independently, and in detail. We've all heard the hype and the anti-hype, but what is the reality?

We should emphasise at this point, that the research was specifically designed to provide a *qualitative* perspective rather than a quantitative set of market numbers. Whilst market numbers have their uses (particularly for supporting business cases and marketing plans), they are not really useful as decision-making tools. We wanted to understand whether companies were really using LMS's, and how. We also wanted to understand what had driven that usage, and what their experiences really were. Finally, we wanted to understand the state of LMS usage within UK and Europe, rather than in the US. Decent intelligence on corporate LMS is still surprisingly limited, and unfortunately tends to be very US-centric. Our experience over the past six years or so is that European companies face a very different set of needs and operating conditions from US companies, and that make LMS projects very different.

As an independent e-learning analyst that is constantly reviewing best practice across a large cross section of organisations, we also tend to get different answers to our questions. Partly because we are an independent facilitator of best practice, and partly because of our lack of vested interest in the answer, we generally get more objective responses than would otherwise be forthcoming via the vendors or in conference presentations. This enables us to develop a more comprehensive and complex understanding of the issues and realities, as well as a more objective analysis of the lessons to be learned.

Here are some initial thoughts and answers based on the analysis so far. A more comprehensive perspective of analysis from the survey will be previewed at the Learning Technologies 2003 conference, and full analysis will be available as an independent report from eLearnity at www.elearnity.com/lms from the end of the January.

Let's start at the beginning ... Do corporates need an LMS?

Well the word 'need' is debatable, but it is clear that virtually all the organisations interviewed had implemented or were looking to implement an LMS. Approximately 40% of the organisations already had an LMS, either at a national or multinational level. Of the rest, only one organisation said they had no intent to implement an LMS, and this seemed primarily because they viewed LMS functionality as part of their HR system. All the others had explicit intent to implement an LMS and were in some stage of defining requirements, procuring or planning the implementation of an LMS.

Why do they need an LMS?

Most organisations identified a broad selection of reasons for implementing an LMS. These included the commonly identified reasons such as regulatory compliance, generating company-wide training information, and managing new training programmes including enterprise roll-out projects. Other reasons include the provision of self-service access to learning, adoption of blended learning and e-learning, and reducing training administration costs. Approximately 60% of organisations wanted to consolidate multiple training management systems together onto one system.

When asked if there was one main reason for implementing an LMS, regulatory compliance was unsurprisingly identified by a number of organisations, as was consolidation of systems, reducing training administration costs and adoption of blended learning.

What were the main factors influencing the choice of LMS vendor?

Product functionality and scalability were major considerations, as was cost. The financial stability of the vendor was also a major consideration, and had become even more so given recent e-learning market concerns. Interestingly, customer references were defined as important by only half of the corporates, as was multi-language capability. European vendor presence and a hosted service capability was highlighted by a third of the companies. Integration with HR system was defined as a key selection factor by only one company, but was a consideration for most.

In terms of specific features, self-service functionality, HR integration and e-learning content integration were the most common, followed by competency management, classroom management and flexibility of reporting. Standards compliance (AICC/SCORM) scored quite high, although standards certification was a key feature for only a few. Assessment tools and content management also scored quite highly.

How long did it take organisations to research and select their LMS vendor?

Generally a long time! Although times varied from less than 3 months to over a year, almost 50% of organisations had taken over a year, and over 65% had taken over 6 months. Of the organisations progressing faster, approximately 30% had the decision made for them as part of a larger outsourcing or HR implementation project, and 20% had progressed faster because they were re-entering the market having given up on their original choice.

In reality from our analysis, many shortlists looked quite similar, although the decision criteria (as mentioned previously) varied between the organisations, as did their ultimate choices. Many organisations expressed large reservations about their approach to the research and selection process and would do it differently next time.

Which vendors were chosen?

The list of vendors covered by the corporates with an existing LMS was quite large, and included most of the major LMS vendors including Docent, Saba, KnowledgePlanet, Oracle, and Click2Learn. There were some internally developed solutions, and use of LMS solutions from primary content vendors including NETg and SmartForce.

What was the scale and scope of the LMS project?

Of the organisations that already had an LMS, 25% were in relatively early stages of piloting the system or had deployed to a limited group of users (less than 1000). A further 15% had deployed to over a 1000 learners, and over 50% had deployed to over

10,000 users. About a quarter of the implementations were really enterprise-wide, although this was the ultimate aim of nearly of them.

Many of the non-enterprise-wide implementations were at country-level, showing the typical roll-out pattern for many multi-national projects. Unsurprisingly, multi-country projects tended to highlight multi-language requirements, a consideration still underestimated in most projects.

More in-depth analysis

The research survey involved detailed questionnaires with a cross-section of large corporates and multi-nationals, covering a complete spectrum of industry areas and states of play in terms of LMS implementation. Our focus on developing a more qualitative understanding of what was really happening has lead to some interesting discussions on the relative success of the projects, the key challenges and, if they had implemented an LMS already, what they would do differently next time.

Yes, the research has confirmed many long suspected truths about what is really happening with LMS projects and what is not. It will help dispel some of the anti-hype about LMS's, as well as some of the hype. From our analysis so far, we also believe it will provide some interesting lessons for organisations yet to engage fully with implementing an LMS ... but you'll have to come to the Learning Technologies conference session to here about that, or get the full report to find out the detail!

I'll just leave you by restating one clear outcome. Across the organisations involved the research, all but one had or were committed to implement an LMS as a key part of their corporate learning strategy. Whether it is part of your broader HR system or not, an LMS is the key piece of the corporate learning jigsaw that unlocks the potential of e-learning and blended learning, as well as tying into HR and competencies. This is for real!

The full Corporate LMS report will be available to all eLearnity research subscribers at the end of January 2003.