



## e-learning chart toppers

The term e-learning encompasses a wide range of activities, so our first IT Training e-learning survey of the leading companies has split them into various market segments. Clive Shepherd examines the results and the current shape of the market.

E-learning as a concept has a long history stretching back to the late 1970s, long before the advent of the personal computer. Just about every available platform has been used for computer-assisted learning, from the green screen mainframe terminal to the earliest microcomputers, PCs, DVD players, games consoles and mobile devices.

Compared to this, the term 'e-learning' is a mere ten years old, running alongside the huge uptake

of internet technology in the late 1990s. This re-branding was more than cosmetic: the internet and the intranets and extranets that followed soon after brought a degree of connectivity to personal computing that changed the way we work and play. Connectivity means a great deal in the context of workplace learning, because it broadens the scope of computer-assisted learning to allow remote communication between tutors and learners, not to

mention access to huge quantities of training materials and reference information.

Not surprisingly, e-learning has developed into a broad church, encompassing a wide range of activities, from the classic, self-paced lessons (traditionally referred to as CBT – computer-based training) through to performance support, e-assessment, learning and content management, games and simulations, mobile learning, web conferencing, and more recently, learning using social media.

For this reason, the 2009 *IT Training* survey of the e-learning market could not be adequately described in a single list. Instead it separates out the market for bespoke e-learning content, off-the-shelf content, authoring tool providers and LMS/LCMS providers. In the case of bespoke content, which is a more localised business, only UK sales were included. In all other cases, where the business is typically international, the tables show global sales.

To gather this information, *IT Training* contacted a wide range of leading players in each of the chosen categories. Many were happy to respond with details of their sales for 2008. Some declined because it was contrary to their company policy to disclose sales information or because the information was not available in the form required. In other cases, notably for public companies, the information was readily available from Companies House and similar sources.

## **Bespoke content developers**

Bespoke multimedia content development in the UK first appeared on the scene in the early 1980s. Indeed, one of the companies in our list, Epic, can claim to have been a leading player from the very start to the current day. Most bespoke development is provided as a local service within the UK, although some companies have

development teams off-shore, some overseas companies have a UK presence (notably Cognitive Arts in our list) and some UK companies have spread their wings to provide services to international clients (notably Kineo). Of course, many clients of these companies operate beyond the UK and distribute the content internationally within their organisations.

Bespoke development meets client needs that cannot be addressed by off-the-shelf products or by in-house teams. Typically, only large organisations have the audience numbers to justify bespoke development, although new rapid tools and processes are bringing down prices and opening up opportunities to a wider range of organisations.

Bespoke developers are typically relatively small companies, employing a mix of specialists in project management, instructional design, software engineering and graphic design. Projects range in size from a few tens of thousands to several millions, with development times ranging from a few weeks to many months.

The market for bespoke development has been both helped and hindered by the current recession. Some projects will have been postponed or shelved as organisations assess the damage; in other cases, organisations are responding to reduced budgets by switching from classroom training to e-learning. As we exit the recession, e-learning is likely to have been a net beneficiary, with a much enlarged share of the market for formal learning and development.

## **Off-the-shelf content providers**

The provision of off-the-shelf training content is again a long established business sector, with origins that can be traced back to the heyday of training films and videos. All but the youngest readers will remember the early John Cleese

films from Video Arts (still going strong and included in our e-learning list). And the dominant player, SkillSoft, can be traced back to the 1980s provider of IT training videos, BIS-Deltak.

Many off-the-shelf content providers specialise in a particular subject area, such as soft skills or IT training. The market leader, SkillSoft, has, through acquisition, built a broad catalogue of titles covering all major business disciplines. Some have extended their offerings to include non-interactive resources, most notably SkillSoft's Books24x7 venture.

Although off-the-shelf content is an international market and much technical content can be distributed with American accents and spelling, other disciplines – particularly soft skills – require localisation. Similar issues arise with content that is designed to meet compliance needs, where the content must be developed in accordance with local laws and regulations.

Off-the-shelf content is typically purchased in quantity under license for use by an entire organisation, division or department, and then renewed annually. This content can be hosted externally by the provider or installed within the firewall.

Most publishers target the largest organisations and the market for small and medium-sized enterprises is still largely untapped. An exception would be learndirect, an initiative of the UK government that deliberately targets individuals and smaller companies, but did not make information available for this year's list.

## **Authoring tool providers**

Authoring tools are software packages that allow developers to build self-paced e-learning and performance support materials. Many have been platform-specific and have therefore come and gone as focus has shifted from DOS/Apple II to Windows/Mac, and from floppies



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to videodisc to CD-ROM and then online.

Traditionally, authoring packages have been desktop tools sold per seat on a perpetual license. Early tools used to charge royalties as titles were distributed, but this practice has thankfully now died out. Although most tools are still Windows applications, we are seeing a rapid growth in the use of online tools, which allow data to be stored in a database on a central server and facilitate the collaborative development of content. Examples of online tools include Atlantic Link (a UK company, included in the list) and Mohive.

Some authoring tools are designed primarily to support IT training and, indeed, they head up our list. Adobe was not able to supply figures for this review, but remains the undoubted market leader in authoring tools. Adobe's Captivate, which originated as a screen capture tool for IT training, is the world's most popular tool, now extended to support all types of content. Top of our list is Camtasia, another highly popular screen capture tool. At number two is Assima, a UK-centred company that provides highly advanced tools for software simulation, both for training and performance support. The other tools in our list also have modules to support screen capture.

An important development in recent years has been the growth in popularity of so-called rapid development tools, which take PowerPoint output and enhance it for web distribution in Flash format. The two most popular of these are Articulate and Adobe Presenter, neither of which were able to supply sales figures. The same capability is also available with the online tool Atlantic Link.

The outlook for authoring tools looks bright as more organisations decide to develop their own e-learning content in-house. It remains to be seen whether online tools, typically purchased on an

enterprise basis, will erode the dominance of the desktop tools. It is quite conceivable that competition will also be felt from open source and free tools.

## LMS/LCMS providers

The first major learning management systems (LMSs) started to appear in the mid 1990s, alongside the growth in popularity of web-enabled applications in general and e-learning in particular. Some were developed from existing classroom-course management systems, but most were new dotcom ventures.

LMSs provide online support for all aspects of an organisation's learning and development efforts, including classroom training. Many LMSs extend to performance management, providing support for job and employee competency databases; others include content management capabilities (learning content management systems, or LCMSs), which allow an organisation to centrally store all forms of content, from media assets to reference documents to learning objects, and to re-use these in a variety of contexts; further extensions to the LMS include social networking components, providing web 2.0 capabilities within the firewall.

The major LMS providers market their products internationally, with the majority of leading players based in the US. LMSs are usually sold on an enterprise license, with the price based on the number of users. It is quite typical for a substantial amount of support and configuration to be required when the system is installed.

More recently we have seen the major database and ERP software companies extending their HR offerings with LMS components, most notably Oracle and SAP. Where an organisation is already heavily invested in the solutions provided by these vendors, there will obviously be a temptation to add LMS functionality to their existing suite rather than work with a

completely different supplier. No figures are available for Oracle and SAP LMS sales.

Another complication to the LMS market lies in the increasing adoption of virtual learning environments (VLEs) as LMS replacements. VLEs, such as Blackboard and the open source Moodle, were originally developed for the educational market and are used by thousands of colleges worldwide. However there is a fine line between an LMS and a VLE (indeed in the US they make no distinction) and VLEs, in particular Moodle, are now widely used by employers to support the delivery of online and blended solutions. Sales of Blackboard were \$312m for 2008, but they have not been included in the list because their usage is so heavily educational. As Moodle is open source, there is no way to assess revenue.

## Other e-learning products and services

As mentioned previously, e-learning now encompasses a very wide range of products and services, many of which have applications beyond learning and development. A major example is web conferencing, already widely used by organisations to support online meetings and webinars, but now increasingly used for live online training. In the US it is estimated that 10 per cent of all formal training is conducted this way.

The major players in web conferencing generally are Cisco Webex (with a dominant market share), Microsoft LiveMeeting, Citrix GoToMeeting and Adobe Acrobat Connect. Some products centre more on the virtual classroom, including Elluminate and Saba Centra. There is also increasing activity in open source web conferencing, while the capability of instant messaging products such as Skype could easily be extended upwards to blur the distinction with full-scale web conferencing.

An emerging trend is the use of web 2.0 ideas and technologies

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## Top 10 UK bespoke content developers

Rank	Organisation	Revenue 2008* (m)	Web address
1	Line	£7.20 (e)	www.line.co.uk
2	Epic	£6.10	www.epic.co.uk
3	CM Group	£4.25	www.cm-group.co.uk
4	Cognitive Arts	£4.01	www.cognitivearts.com
5	Brightwave	£3.80 (e)	www.brightwave.co.uk
6	Redtray	£3.75	www.redtray.co.uk
7	Kineo	£3.70 (e)	www.kineo.com
8	Assima	£2.38	www.assima.net
9	Saffron Interactive	£1.80	www.saffroninteractive.com
10	IMC	£1.01	www.im-c.com

## Top 10 off-the-shelf content providers globally

Rank	Organisation	Revenue 2008* (m)	Web address
1	SkillSoft	£196.36 (A)	www.skillssoft.com
2	Element K	£39.48	www.elementk.com
3	ThirdForce	£26.90	www.thirdforce.com
4	learn.com	£21.26	www.learn.com
5	Video Arts	£4.63	www.videoarts.co.uk
6	ILX Group	£4.30	www.ilxgroup.com
7	Absolutely Training	£2.85 (B)	www.absolutelytraining.com
8	Watsonia Publishing	£1.43	www.watsoniapublishing.co.uk
9	LearningGuide	£1.28	www.learningguide.co.uk
10	Symantec Education Services	£1.21 (C)	www.symantec.com

## Top 5 authoring tool providers globally

Rank	Organisation	Revenue 2008* (m)	Web address
1	Techsmith	£21.87	www.techsmith.com
2	Assima	£4.73	www.assima.net
3	Trivantis	£3.41 (B)	www.trivantis.com
4	SumTotal	£2.03 (e)	www.toolbook.com
5	Atlantic Link	£2.00	www.atlantic-link.co.uk

## Top 5 LMS / LCMS providers globally

Rank	Organisation	Revenue 2008* (m)	Web address
1	SumTotal	£70.11 (e)	www.sumtotal.com
2	Saba	£65.17	www.saba.com
3	Plateau	£30.00 (e)	www.plateau.com
4	Mzinga	£18.22	www.mzinga.com
5-	Meridian Knowledge Solutions	£9.72	www.meridianksi.com
5-	Element K	£9.72	www.elementk.com

within learning and development, including blogging, wikis, online video, podcasting and social networking. Some of this functionality is being incorporated in the next generation LMSs, although many organisations are likely to use readily available stand-alone tools or build their own custom solutions.

### The prospects for new learning media

The learning and development profession generally is at a crossroads. On top of the pressures for a more speedy delivery of training and for more environmentally friendly solutions comes the extreme cost constraints associated with the deepest recession in a generation. Organisations will be bound to turn to solutions that are more responsive, less disruptive and clearly more cost-effective, and that generally means a greater use of new media.

As Joseph Schumpeter reminded us: 'Technology is not kind. It does not wait. It does not say please.' The effect will not just be felt by classroom providers; e-learning is undergoing a major upheaval as it shakes off its CBT heritage and emerges as a more versatile medium better suited to the realities of 21st-century working life and the expectations of next generation learners.

\* Revenue figures are for the calendar year of 2008, except for:

A: FY ending April 2009

B: FY ending December 2007

C: FY ending March 2009

'e' indicates that the company has supplied an estimate.

Not all companies active in a particular category are necessarily included in the lists. We were not able to include companies whose turnover (or part of the business relevant to the category) is not available on public record and where the company has declined to provide the information. We have done our best to provide an accurate list but cannot guarantee complete accuracy.