WHAT TYPE OF LMS
HATER ARE YOU?

Janet Clarey, co-author of *The Definitive Buyer's Guide to the Global Market for Learning Management Systems*, reveals some surprising insights of this billion-dollar market.

Are you an LMS basher? Some people bash learning management systems because they are limiting or hard to use. Sure, there *are* some awful systems on the market, but not all are the bane of L&D's existence as they are often made out to be. Do you recognise any of these types of LMS haters?

'The Uninformed': This person describes a 'new' system that can replace today's LMS, but actually ends up describing what an LMS is and does.

'The Curmudgeon': This killjoy finds fault in just about any system. Please retire already.

'The Everything-Is-Social [Media] Advocate': This person does not realise that organisations rely on LMSs to easily generate a report for compliance training, or to provide employees with career paths — and a host of other things.

'The Everything-Should-Be-Free Advocate': This person is either independently wealthy, lacks a basic understanding of the economy, or philosophically believes everything should be free — food, clothing and shelter included. This is a $1.8 billion dollar market. While prices will likely come down and some free options may exist, the commercial LMS market is not likely to be *free* anytime soon.

'The L&D Hater': This person don't just hate the LMS…they also hate learning content management systems, rapid authoring tools, social software, flipcharts, and even scented markers. Walk away.

'The Acronym Assassins': This person wants to call the LMS something else. The 'M' should stand for measurement they'll say, or we should replace the 'L' with a 'T'

for training – that type of thing. Good grief. If there's one thing we do not need it is more acronyms.

Here are eleven themes we found in our research on the LMS market:

1.More focus on the user experience:
We saw many providers starting to differentiate themselves through usability, scalability, and an overall learning experience – qualities attained using a heuristic design method. Such systems are often intuitive, logical, and require fewer end-user clicks. We also saw learner-driven functionalities (such as profile, development plan, and career management) coming to the fore while traditional functionalities (e-learning and classroom management) become less prominent. This is a significant shift. Now learning is built around the user; not around a course or event.

2.Absorption of learning within integrated talent management suites:
During some of our solution provider briefings it became clear that learning was being 'absorbed' within suites. Learning was sometimes woven throughout other talent processes. At others learning seemed to be a separate module – especially in systems still dealing with the integration of an acquired company.

3.Functionality that enables the learning function to become even more strategic:
Systems with advanced reporting, and/or the ability to integrate with the other talent processes of the organisation, put

the learning organisation in a position of being a strategic partner.

4.Analytics capabilities within systems:
Today's enterprise-class LMS should ideally have a broad set of features for training analytics and reporting. (There is a difference between reporting and analytics. Simply put, *reporting* is about viewing data; *analytics* is about using data to gain insights and, potentially, drawing conclusions – ultimately, to tell a story based on data.) We were amazed at the depth of some data that can be pulled from systems (many new LMSs now have a built-in analytics solution). Many veteran LMS users have built separate analytics systems, running on data warehouse technologies.

5.Increasingly commoditised functionality: The market for learning management systems is relatively mature and increasingly commoditised. Many systems can accommodate basic functionality. Innovation is highly valued today. However, it seems that products become obsolete or commoditised almost immediately. For buyers, this drives down prices, since many of the products are the

Customers are demanding adaptive platforms – a workflow management system with pre-built learning and/or talent management processes that can transparently integrate into many different parts of the corporate HR and IT infrastructure.

same. Rather than focus on the basics, buyers can look to what makes a solution provider different and what customers say about that provider.

6.Support for the extended enterprise:
We live in a global marketplace, and organisations are recognising that they should expand and transform business networks. For L&D, this means that the line between internal and external training audiences is becoming less distinct. The LMS can take on an increasingly important role as the foundation of the unified L&D organisation, ultimately reducing the total cost of ownership that is associated with purchasing and maintaining multiple systems. This is especially true in large companies (which still average seven HR systems).

7.SaaS and cloud computing become dominant: Software as a Service (SaaS) refers to business or personal applications housed and managed remotely and accessed over the Internet. These applications are subscribed to, not owned outright.

8.Cloud computing: This refers to access to technical resources – software, hardware, storage, and support – over the Internet. An important aspect of the cloud is the delivery of the business application. SaaS addresses the issues of customisation and integration with which so many organisations have struggled. Solution providers with SaaS delivery models continue to grab market share at the expense of on-premise options. SaaS is now a leading delivery model in the LMS and talent management markets.

9.Mobile solutions and applications have emerged: A mobile LMS (mLMS) can be either an LMS extending to the mobile environment or a standalone configured for a mobile device. Many early entrants come from existing LMSs, LCMSs, and e-learning development tool providers and content providers. Mobile LMSs often have the same basic functionality as traditional systems (e.g. assigning, pushing, tracking and reporting of content, access to transcripts, searching a catalogue, learning plan, registration for events, etc). What makes an mLMS different is that its functionality and features are designed for a mobile device. Many LMSs could be

described as 'mobile-friendly' but fail to take advantage of mobile learning strengths – as a source of 'always on' performance support, and innovative learning and knowledge delivery.

10. The user interface is changing:
We found some mature systems to be drastically out of date. They are struggling to compete and stay fresh – the result of new user interfaces driven by the tablet experience. The use of text links, folder-style taxonomies, and multiple clicks to

Customers are demanding adaptive platforms – a workflow management system with pre-built learning and/or talent management processes that can transparently integrate into many different parts of the corporate HR and IT infrastructure.

find information were common among systems still struggling with web-based innovation.

11. Adaptability: The role of customisation has consistently been an issue in this market and having to customise at all often has a negative impact on customer satisfaction. It is unlikely that an organisation can find a system that addresses all of its needs – and this is why it is important for systems to be highly configurable.

The leading providers know this and have acted accordingly. Customisation can be costly and time-consuming, and leaves organisations feeling locked-in with one vendor. Virtually anyone who has been through extensive customisation does not want to undo that work and go through

it again with a new solution provider. Another issue is integration. Customers are demanding adaptive platforms – a workflow management system with pre-built learning and/or talent management processes that can transparently integrate into many different parts of the corporate HR and IT infrastructure.

LMSs are evolving. Take a closer look at this growing $1.8 billion LMS market, and embrace the modern LMS as a way to make L&D more efficient and effective.

Janet Clarey is a Senior Analyst at Bersin by Deloitte, Deloitte Consulting LLP http://www.bersin.com/Practice/Brows e.aspx?p=Learning-@-Development Twitter: @jclarey