

Expanding our Research Agenda Changing the E in E-Learning

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Evolution of E-Learning

As many of you have seen from our "three phase of e-learning" presentation, the enterprise learning market is changing. Although many organizations are new to e-learning and continue to have interests in Learning Management Systems, tools, and blended learning approaches, there is a new theme emerging from our research:

Alignment:

**The Alignment of Training Investments
with Corporate Business Goals
and HR Systems and Processes**

Alignment is not just a buzzword. In our market research on the evolution of the packaged content market, we asked 553 training managers to rank their Top Learning Priorities for 2005 and 2006. The top answer to this question was: **"Better alignment of our training with the company's business strategy."**

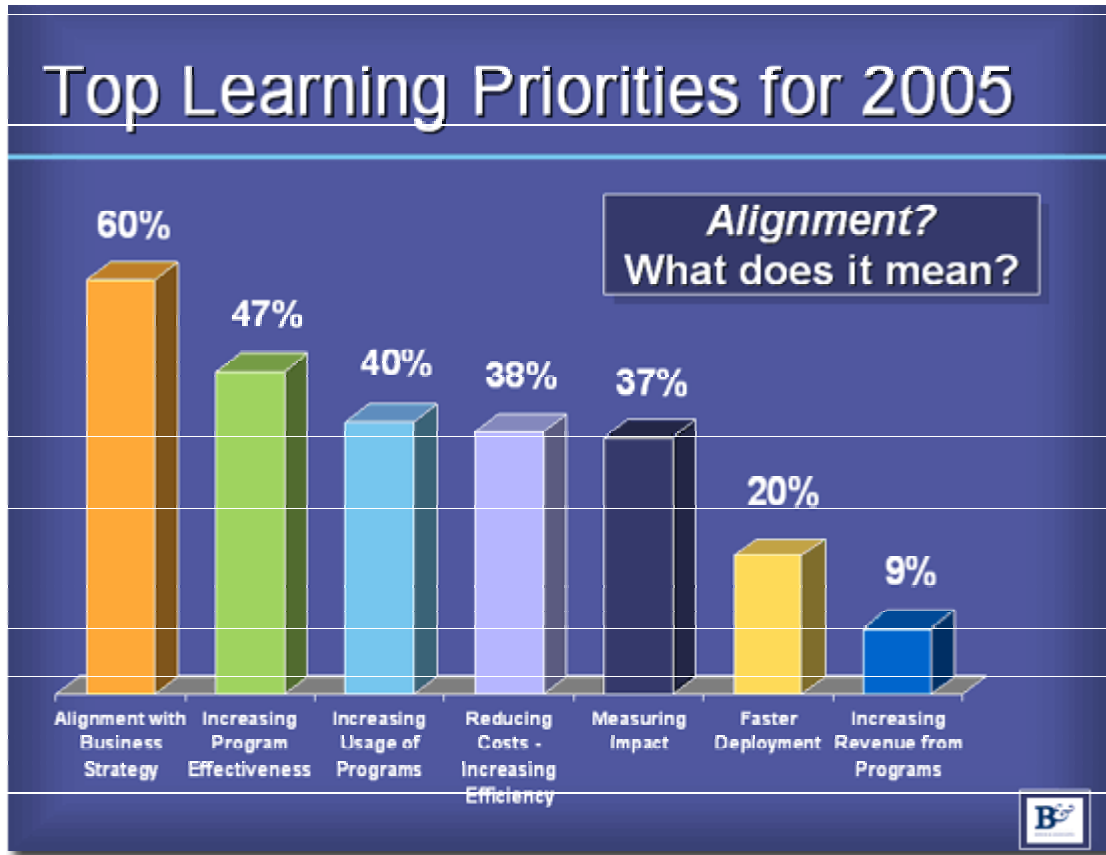


Figure 1: Top Learning Priorities, 553 Respondents, May 2005

This does not mean that technology-based training is "mature" yet. Most organizations are still innovating and implementing many new systems, tools, and programs. What it does mean, however, is that the corporate training market no longer sees e-learning as "a way to reduce the cost of training." E-learning is now a must-have part of all training organizations and the question is no longer just "how to do it" but rather "how to manage, integrate, align, and improve."

Implications of this Evolution

The three phases of e-learning (which are described in our 3-phases research) are: "getting started," "expansion," and "integrate and align." Each company goes through these stages, and the market as a whole is moving through these stages.

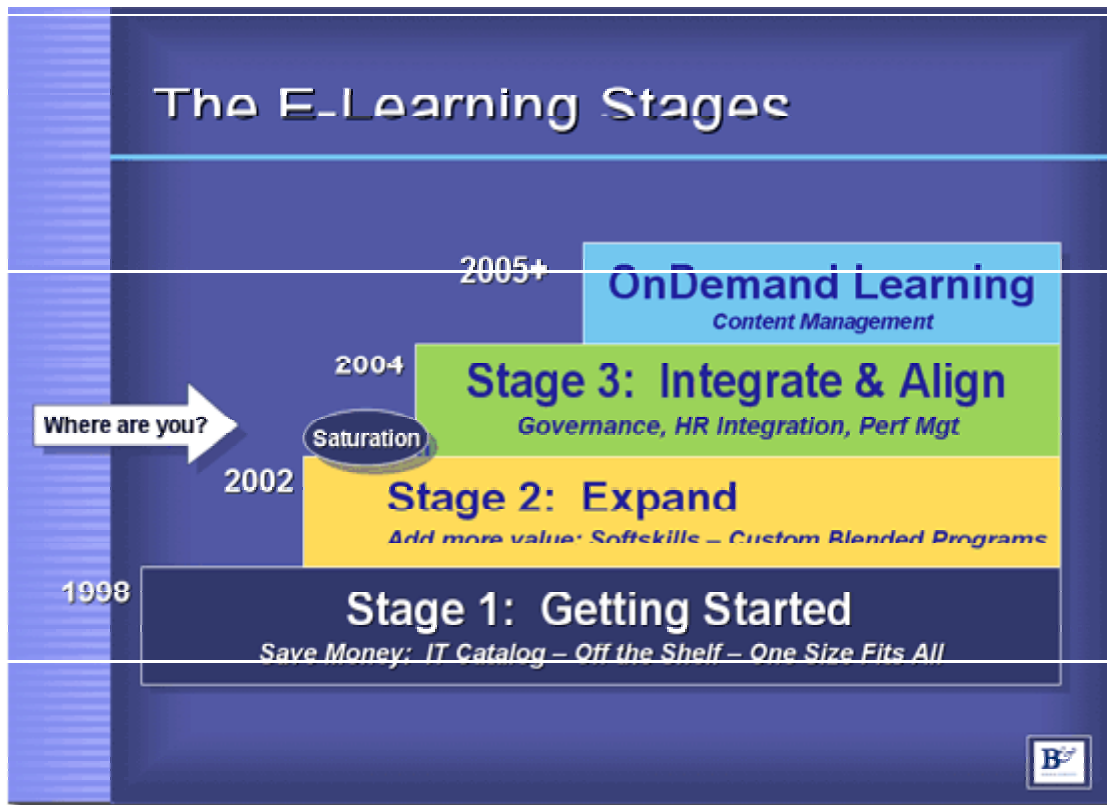


Figure 2: The 3 Stages of E-Learning (C) Bersin & Associates

Approximately 30% of large organizations are in the "integrate and align" phase now. (Only 5-10% of small-medium organizations are in stage 3.) This means that while many training organizations are still new to e-learning, a growing number of organizations are now struggling with a new set of issues - issues of *integration* and *alignment*:

- How do I manage my training organization for best efficiency and effectiveness?
- How do I integrate my Training function with Performance Management?
- Should I purchase and implement an enterprise-wide Performance Management System?
- Should our LMS be integrated with our Performance Management System?
- Should we have a Learning Content Management System (LCMS) and strategy?
- What is the role of "learning on demand" vs. traditional self-study content?
- Should we be implementing skills and competency-based learning? How?

- Where and how should Training and HR be aligned and joined at the hip?

Why are these new issues becoming more important? I believe there are two reasons: First, as the US economy starts to grow again, organizations are no longer looking at L&D as a function to trim costs. Once again the CLO or Director of Training is now responsible for business-critical workforce development projects which can make or break a company initiative. Second, the huge influx of training technology has changed the way corporate training is done. It is no longer a 100% people-intensive business -- sophisticated training organizations now spend 10-15% of their budgets (and sometimes more) on technology. These large sums of money and new systems create new challenges in governance, organization, management, and strategy.

Expansion of our Research Agenda

As a result of this evolution of the market, we are expanding our research agenda. Although we will continue to stay laser focused on e-learning, learning management systems, blended learning, tools, and analytics, we are expanding into important new areas:

- **How to manage and organize the training function:**

The High Impact Learning Organization: *Best practices in the management, organization, and governance of Corporate Training.* This study, which took more than 9 months to complete, is the first-ever study of best practices in the operations, management, and governance of corporate training. You can buy this study today and we will be delivering a series of workshops and other in-house programs in this area later this year.

- **How LMS and HR Systems are converging:**

There is a growing trend toward the Convergence between LMS and Performance Management Systems. We are finalizing a major report on this area and have a series of new research offerings coming soon in the area of Performance Management and Learning Management Systems.

- **HR and Training Analytics:**

As organizations further align their enterprise training with HR and business goals, how can you measure and analyze the impact of these investments? How can you quickly identify performance problems which can be met by training interventions? If you have not yet embarked on training analytics, it will become even more urgent now.

- **The Training Investment Model:**

How much should you be investing in one program vs. another? What is the right investment in training for your industry and your size company? How much should you be spending on technology, content, and staff? What is the right resource allocation for your people? What processes should you outsource and what savings could/should you expect? How can you better manage your vendor dollars?

These management and governance topics are critically important to making enterprise learning a success.

Changing the E in E-Learning: *From E to "Enterprise"*

E-Learning is now an *Enterprise* issue. As part of our expanded research coverage you will see our tagline change from "Research and Consulting in E-Learning" to "Research and Consulting in *Enterprise* Learning." Although we will never lose our focus and roots in the technology side of training, we plan to greatly expand the research we provide by covering these higher-level business-critical topics.

We want to hear from you. If you are facing any of the issues above or have best practices to share, please contact us. You can always email us at info@bersin.com or call us to talk about issues you are trying to solve. We look forward to hearing from you.

Our Roadmap of Training Planning and Strategy Research

