

TECH 8/27/2014 @ 11:49AM

## Online Learning Industry Poised for \$107 Billion In 2015

**TJ McCue** Contributor

Online learning, also known as e-learning, is booming. Market research firm Global Industry Analysts projects it will reach \$107 Billion in 2015. More traditional methods of training or education are not going away, not yet, but organizations of all types, from public schools to corporations, are opting to train and inform via the web. Pluralsight, an online training service for technology professionals, announced today it has closed \$135 million in Series B funding.

In 2013, Lynda.com, the online learning giant and arguably the 800-pound gorilla in the e-learning space, took in \$103 million in growth equity from Accel Partners and Spectrum Equity. Subscription Content reported that the site already had \$100 million in revenues with two million subscribers. The Lynda service has amassed more than 83,000 instructional videos, mainly on software and web development, but a quick look now shows a wider range of design to photography to 3D animation. Content is still the winning card for this market and Lynda just announced the acquisition of Phoenix-based Interface TILE - 1.49% Technical Training; adding more than 2,500 videos teaching business, technology and creative skills to its own collection. They have an annual fee with unlimited access to all its videos.

Disclosure: Last year, I paid for a one-month access at Lynda.com and they later provided me with a short term media access account, which due to work obligations I was not able to use except to scan the libraries of available content.

Forbes staffer Alex Konrad cited some venture capitalists on the state of e-learning (as well as other hot tech trends), in his post: [Top VCs Predict Where They'll Invest Their Money In 2014](http://www.forbes.com/sites/alexkonrad/2013/12/31/vc-predictions-2014/) [www.forbes.com/sites/alexkonrad/2013/12/31/vc-predictions-2014/]. Here's a quick look from two of his VC experts:

**Scott Sandell, NEA:** *“Educational technology will reach the mainstream in 2014. It's a sector that's had a lot of lingering attention but there's been question whether these are businesses. We see 12 startups in one way or another helping to reshape education. I think they will be sizable businesses. It will take a couple of years before the real winners are determined.”*

**Mike Maples, Floodgate:** *“I think e-learning is still very compelling but very, very crowded. Companies involved with e-learning will struggle unless they have a truly disruptive idea and a structural advantage.”*

28 August 2014

From [www.forbes.com/sites/tjmccue/2014/08/27/online-learning-industry-poised-for-107-billion-in-2015/](http://www.forbes.com/sites/tjmccue/2014/08/27/online-learning-industry-poised-for-107-billion-in-2015/)

As someone who is living and working in and from the cloud, and as a father who has one child in an online homeschool environment, I am a true believer in the power of online learning. One of the exciting things about this market is how it allows individuals to create a business out of their expertise. If you look at how Lynda operates – Instructors are paid for their courses on an ongoing basis. I met an individual last week who is earning a healthy living from his Lynda.com earnings.

In the early days of Skype, and even today, many tutors or coaches perform their services almost entirely via web video calls. Just yesterday, *Business Insider* profiled an expert SAT tutor who makes \$1,000 an hour prepping the children of the wealthy. The online learning space is crowded in many ways, but for the entrepreneurial mind there is still plenty of opportunity to build an education business with a niche focus.

Pluralsight is impressive in that it offers a free trial; I'm signing up for to give it a test drive. General Assembly is a hybrid of online and traditional learning (as in "in real life") that offers local workshops (in select cities) and online courses. I've seen them most frequently with their programming courses, but they have a whole range of business and technical topics. You sign up for free and pay on a per-course basis.

HP announced this week their collaboration with the National Association for Community College Entrepreneurship (NAACE) where they help instructors from both rural and urban schools integrate HP LIFE e-Learning courses into their classes. It is a free, online program for high-school and community-college students to learn essential business and IT skills by putting them into the shoes of an entrepreneur and giving them real-life business issues to tackle.

Online learning is a growing way to keep your skills up to date or learn entirely new skills. Sure, you can hunt around on YouTube for free tutorials and there are some good ones, but I think the niche sites and well-organized, curated platforms are going to change how we learn. Author Kio Stark conducted over 100 interviews with independent learners for her book: *Don't Go Back To School* and it chronicles how people are using online methods to increase their knowledge base. It hints at why the online learning industry is going to grow beyond \$100 Billion. We'll continue to see investment in this space as startups target new niches or build out deep content wells that bigger players will want to acquire.