

## Corporate Learning Management – A Perspective

In corporate e-learning, you seemingly can't do anything without a learning management system (LMS), or can you? Do or don't you need an LMS? Who are the leading corporate LMS vendors? What's happening with the market? Are they all losing money?

These are just some of the questions flying around over the past two years as companies consider if and how to implement an LMS. As one of the leading segments of the rapidly growing e-learning marketplace, LMS vendors have been at the forefront of the e-learning market hype, and more recently, at the forefront of e-learning scepticism and uncertainty. So what's the reality and where is the market going currently?

Well, here are some messages on the state of the market:

- Automating learning management is critical to any large-scale corporate learning provision. This doesn't mean you have to have an LMS *before* delivering e-learning projects, but doing anything in scale or complexity will need a coherent management strategy and automation.
- Mostly this means implementing an LMS. Most large companies are rightly looking at this as a key component of their learning architecture going forward, integrated into their HR processes and system.
- Learning management projects are complex, involving changes to business processes, data and system integration, and coherent strategies for learning delivery. This means you need to know what you are doing or you risk not completing the project!
- The LMS market has evolved rapidly with many vendors. Whilst there are companies with greater 'mind-share', there are still no dominant players and there is a lot of market turbulence.
- Despite the market uncertainty, the LMS vendors all grew significantly last year, but they have also been cutting costs and headcount. Difficult economic conditions and the death of dot.com (market share above profit) mean they all have to aggressively focus on cash neutrality and profitability.
- Expect increasing consolidation including the acquisition of key players as the market evolves from early adopter to early mainstream. Also expect greater presence from the larger HR/ERP vendors and big consultancies.

So with all the above going on, who are the main players? Well in the Enterprise LMS market (large-scale, company-wide, all forms of learning), there are names that keep reoccurring.

The historic segment leader and largest specialist player is Saba, who focus very much on Fortune 1000 companies with a big system architecture and sales model. Over the past year or so, Docent has started to eclipse Saba in terms of market profile but not yet in terms of revenue. Other key players include Pathlore (via John Matchett in the UK), Click2Learn with their Aspen platform, KnowledgePlanet with a pure hosted model, and THINQ following their acquisition of TrainingServer in the US at the end of 2000. Oracle has its iLearning product and SAP has announced its own LMS in Q3 2002 ... watch this space! Also notice the lack of European vendors, there are some specialist local companies, but overall, LMS companies from the US dominate the market.

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