



VENTANA RESEARCH



# Next-Generation Learning Management Systems

Empowering Human Capital through Social Learning

White Paper



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Ventana Research performed this research to determine attitudes toward and utilization of learning management processes and systems. This document is based on our research and analysis of information provided by organizations that we deemed qualified to participate in this benchmark research.

This research was designed to investigate learning management practices and needs and potential benefits. It is not intended for use outside of this context and does not imply that organizations are guaranteed success by relying on these results to improve learning management. Moreover, gaining the most benefit from learning management requires an assessment of your organization's unique needs to identify gaps and priorities for improvement.

The full report with detailed analysis is available for purchase. We can provide detailed insights on this benchmark research and advice on its relevance through the Ventana On-Demand research and advisory service. Assessment Services based on this benchmark research also are available.

We certify that Ventana Research wrote and edited this report independently, that the analysis contained herein is a faithful representation of our evaluation based on our experience with and knowledge of learning management, and that the analysis and conclusions are entirely our own.

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## Executive Summary

Learning management systems are an integral component of human capital and business processes in organizations around the world. Until now most of them were designed to take defined content from a few instructional sources and experts and distribute it according to a defined process flow. Today, however, using only a few types of content limits both the impact of learning systems and sharing of knowledge and best practices across an organization.

Learning tools that have been developed to use new technologies such as social media, on the other hand, can extend learning by enabling the sharing of many types of content. With access to a much broader range of information, employees can collaborate and learn from each other, sharing and using peer-to-peer learning as well as conventional approaches to speed the transfer of knowledge. By using tools such as activity streams, broadcasting, content rating and discussion forums, social learning systems can incorporate new sources of knowledge and extend the learning process to incorporate collaborative interaction.

Although nearly two in three (63%) organizations have a training department, only about half (53%) have a learning management system.

Ventana Research undertook this benchmark research to determine the attitudes, requirements and future plans of those who engage in learning management and to identify the best practices of organizations that are most advanced in it. We set out to examine both the commonalities and the qualities specific to major industry sectors and across sizes of organizations. We considered how companies perform learning management, issues they encounter in doing so and the information technology they use.

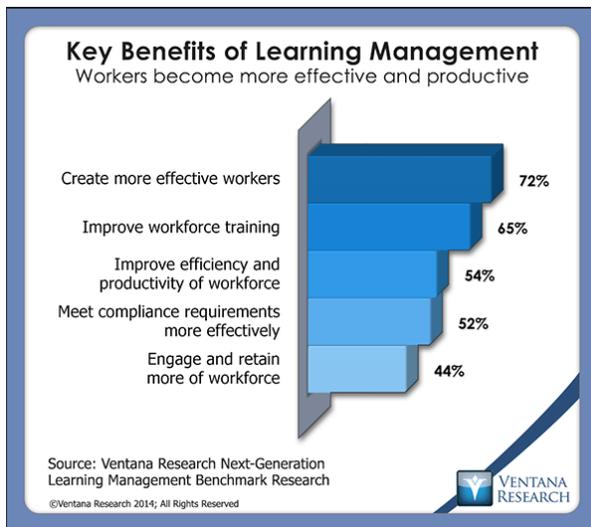
The research finds that a significant number of participating organizations have not adopted technology designed for this important purpose. Although nearly two in three (63%) have a training department responsible for learning management, only about half (53%) have a learning management system. The research shows that formal training and software use increase with the number of employees; only 28 percent of small organizations have a learning



management system, compared to 92 percent of very large ones. Our Performance Index analysis confirms that small companies (51%) most often rank at the lowest of four performance levels while the largest percentage (26%) of those organizations at the highest Innovative level are very large ones. Big companies, having many employees, have a stronger imperative to train them uniformly and also have the resources to put formal programs in place.

Among organizations of any size that have a learning management system, three out of four said the application meets their business needs very well, yet only half are satisfied with their current system. This suggests that many are used to making do with what they have. Further evidence of complacency is found in the facts that few (17%) organizations are considering changing their learning management software in the next 18 months and that more than twice that many

(39%) said they don't know whether the organization plans to change. This is puzzling in the context that 70 percent of business units have an annual budget for learning management or training and in nearly half (47%) of them the budget increased in the past 12 months.



Several findings clarify organizations' motivations for using a learning management system. For those that have one, the most common purpose of it (for 46%) is employee development training. Improving training is the

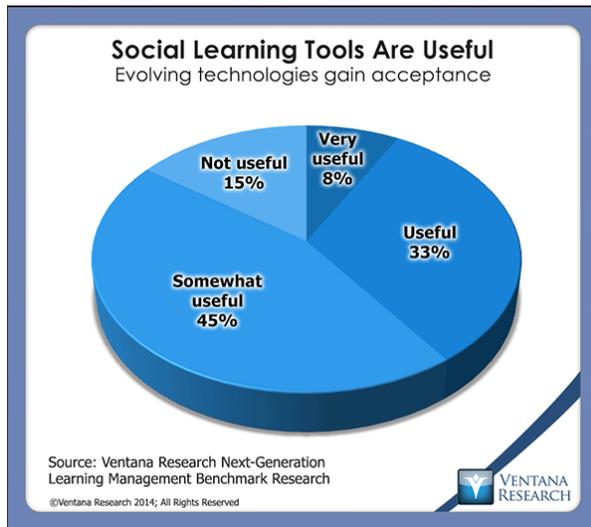
second-most common (65%) benefit of having the system, behind only creating more effective workers (72%). Among the minority that plan to change their learning management software, the most frequent drivers for doing so are to gain competitive advantage (46%) and improve business processes (42%).

To get a fuller view of employees, their performance and what they learn, some organizations integrate learning management with HR business processes. The largest percentage (35%) have integrated it with employee development, the primary purpose of learning programs. Similarly, connecting the learning management and



performance review processes can provide insight into progress in creating more effective workers; almost equal numbers that make this connection are satisfied (39%) or somewhat satisfied (38%) with how it works.

The research also explores the impacts of innovative new technologies on learning management. In general we find organizations slow to add them to their programs. For example, although participants acknowledge the value of collaboration as a general practice, not many apply it to this aspect of human capital management.



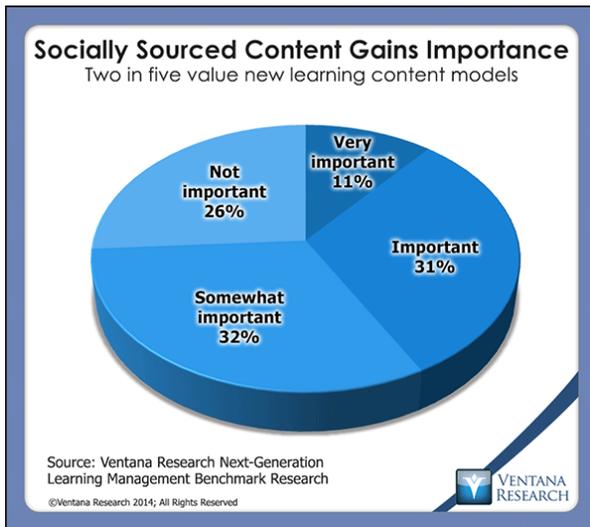
More than one-third (36%) of learning management systems have embedded social collaboration capabilities, but only 22 percent use them; more often, systems don't have these capabilities (43%). Among organizations that have them, however, most (62%) are satisfied. Currently only one in nine (11%) organizations actually use social learning, and most of them (45%) said these tools are only somewhat useful, which suggests they

have not fully understood how such tools can provide value. As further evidence, nearly half (49%) said they don't know whether their organization will invest in socially enabling its HR processes in the next 12 to 24 months; only one in five (21%) said the organization will do that.

Most participants view collaboration for learning management in basic ways. The two employee-related capabilities most often deemed very important are sharing content related to courses (chosen by 32%) and doing application sharing and Web conferencing (29%), although the third and fourth choices are accessing learning via mobile devices (23%) and finding and connecting with experts or mentors for specific topics (21%), which are more advanced practices. Similarly the general social collaboration technology capability most commonly used is discussion forums (by 39%). However, 30 percent or more of organizations said they use or plan to use more advanced tools, particularly broadcast or Twitter-like capabilities, wall posting or Facebook-like capabilities, and social recognition tools.



The research reveals a similar situation in producing content for learning. This, however, is one of the costliest aspects of a learning program; perhaps because of that, organizations appear more open to finding new, less expensive sources. Presently 30 percent of organizations develop most or all of the content for their learning management program internally while another 38 percent build some and purchase some from third parties. Almost half (48%) that have a



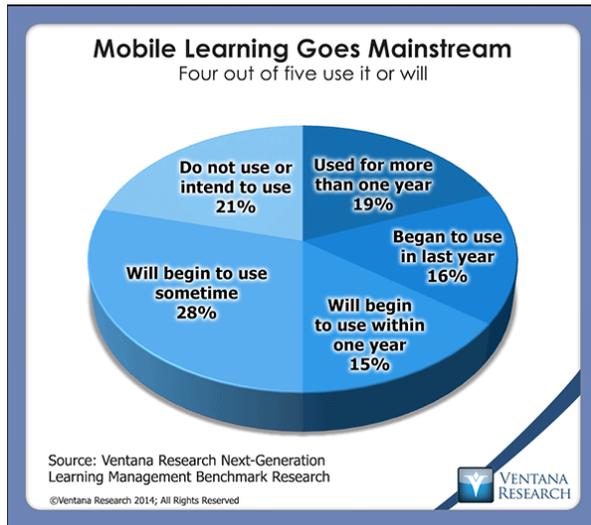
learning management system also use a learning content management system. We find that organizations also are looking into socially sourced content that is created by end users with collaboration and social capabilities: Two in five (42%) said that social sourcing is important or very important to their learning content management strategy; just one-fourth said it is not important.

Among six new technologies we asked about, the largest percentage (60%) of participants said analytics is important for improving their learning management systems, 10 percent more than the second-most popular choice, collaboration. Here again the research finds a gap between thought and action: Fewer than one in five (17%) organizations currently use analytics to track metrics for learning management, and of those fewer than two in five (37%) are satisfied or somewhat satisfied with the analytics they use. On the positive side, 39 percent plan to improve their learning analytics to generate metrics, but nearly as many (36%) don't know whether there are such plans, suggesting confusion about the role of analytics in learning management.

The third-most-often named important new technology is mobility (by 49%), only one percentage point behind collaboration. The research shows a smaller lag in deployment here than for analytics: More than one-third (35%) currently use mobile technology to access learning management. However, only 17 percent are satisfied with their mobile capabilities for learning management, while larger percentages are somewhat satisfied (26%) or neither satisfied nor dissatisfied (23%).



The largest percentage (38%) of organizations use both smartphones and tablets, and most prefer one of the two dominant mobile operating systems, iOS (ranked first by 57%) and Android (22% first, 26% second). More prefer to use native device applications (34%) than



HTML5-based ones running in a browser (23%). As mobile apps designed for learning increase in ease of use and capabilities we expect to see wider adoption of mobile learning; this is confirmed by the 43 percent of organizations that plan to deploy it at some time.

The other new technology having a notable impact on learning management is cloud computing, deemed important by 35 percent of participants. More organizations would

prefer to deploy learning management systems on-demand in the cloud (34%) than on-premises (28%), but at this point slightly fewer than that (30%) have done it. In this technology also we detect strong likelihood of growth in adoption: 44 percent plan to use it eventually, and only one-fourth say they do not intend to. One issue complicating adoption is the necessity of integrating data from other systems, including those managed on-premises, which for learning management may include a variety in human capital management. More than three in five (62%) participants assigned some importance to integrating learning data from cloud computing applications with such systems.

The research finds that 88 percent of organizations have the same or an increased budget for learning management or training as they had a year ago. Thus it seems more a case of understanding the value innovative systems can deliver than of finding funding for investment. After budget, ensuring executive sponsorship is the most highly ranked consideration in establishing the business case for social learning software. The research shows that executives cited several factors as key benefits of learning management systems more often than did participants as a whole: creating more effective workers (80% vs. 72%), improving workforce training (73% vs. 65%) and engaging and retaining more of the workforce (60% vs. 44%). In making the business case for investing in more capable software and



gaining sponsorship, we recommend emphasizing the importance of these aspects of human capital management.

Training and learning are indispensable processes for businesses; a systematic approach can ensure that all employees acquire the knowledge they need not just to do their jobs but to continually improve their skills and understanding and thereby benefit both themselves and their companies. Learning management systems are evolving to take advantage of technology advances; organizations should consider investing in them as part of their strategy for this critical aspect of growth and success.



## Key Insights

This benchmark research yielded the following important general findings and key insights regarding learning management processes and systems. (We discuss performance levels in the Performance Index portion of the full research report; the actual questions asked in our survey are in an appendix to the research report. Specifics of organization sizes are in the appendix “About This Benchmark Research.”)

### **Large organizations perform better than others in learning management.**

Overall our Performance Index analysis finds that the organizations participating in this benchmark research are split almost evenly

Much larger percentages of small companies lack a training department (75% vs. 15% of large companies) and a learning management system (72% vs. 34% of large companies).

between the two lowest (51%) and the two highest (49%) levels of performance. It also shows that size matters: In terms of number of employees, more than half (51%) of small companies rank at the lowest Tactical level while only 8 percent are at the highest Innovative level. In contrast, only 9 percent of very large companies are Tactical and the largest percentage (26%) of any size are Innovative. Closer analysis reveals that much larger percentages of small companies lack a training department (75% vs. 15% of large companies) and a learning management system (72% vs. 34% of large companies), both of which help to focus learning efforts. Analyzed by

industry, the Finance, Insurance and Real Estate sector performs best: Two out of three (65%) are at the top two Strategic or Innovative levels. We attribute this in part to the finance industry’s need to comply with regulations and teach employees how to do so.

We also analyze performance by four dimensions – People, Process, Information and Technology. In this research, participants perform best in the People (74%) and Technology (53%) dimensions; in both more than half rank at the two highest levels. Conversely, more than half rank at the two lowest levels for Process (55%) and Information



(62%). We attribute this difference to the fact that while many organizations have people-centered learning programs and the core technology components for learning management, they often use them for basic learning management functions such as compliance training and focus on similar outcomes such as certification achievement.

### **Structured learning management is more common in larger organizations.**

Learning and training management systems have existed in various forms for many years, yet the research finds that a significant number of the organizations participating in this research have not adopted this technology. Although nearly two in three (63%) have a training department responsible for learning

Most organizations said the primary purpose of their learning management system is employee development training (46%) or compliance-related learning (29%).

management, only about half (53%) have a learning management system. Moreover, a formal approach to learning management correlates with size of company: The numbers of those that have a training department rise at each size level, from 25 percent of small organizations to 100 percent of very large ones. There is a corresponding increase in the number that have learning management systems (small 28%, very large 92%). Because larger organizations have more employees, they likely wish to train them uniformly and more often have resources to devote to this function. Most

organizations of all sizes said the primary purpose of the learning management system is employee development training (46%) or compliance-related learning (29%).

### **Investments in learning management are intended to create more effective workers.**

Learning management and training is a widespread corporate function, and the research finds that 70 percent of organizations have an annual budget for it. In nearly half (47%) of those the budget has increased in the past 12 months; in only 13 percent has it decreased. Thus the opportunity for further investment in learning management exists, as having a budget is the top-ranked consideration (placed first by 15%) for building a business case; among job functions, executives (23%)



ranked budget as most important more often than others. Among those ranked first or second in importance, having a budget and ensuring executive sponsorship tied for the top consideration (28% each). These two factors should be considered in tandem.

The most-often cited benefits of learning management systems are creating more effective workers, improving worker training and improving the efficiency and productivity of the workforce.

Also of help in building a business case is emphasizing the benefits of learning management systems; the most-often cited are creating more effective workers (by 72%), improving worker training (65%) and improving the efficiency and productivity of the workforce (54%). Engaging and retaining more of the workforce was cited by 44 percent of all participants, but more executives (60%) and management (vice presidents, 75%) chose this, reflecting their positions in the organization.



### **Learning management adds value when integrated with other HR processes.**

Organizations can gain a more complete view of employees, their performance and what they learn by applying their learning management systems to other human capital management activities. The research shows that most participants as yet have not done such integration, but some have connected learning management to closely related HR business processes. The largest percentage (35%) have integrated it with employee development, which the research shows is the primary purpose of their learning management programs for nearly half (46%) of organizations. Performance management (33%) and employee onboarding (27%) are the processes to which they have connected learning management next most often.

Integrating the learning management and performance review processes makes sense in that the benefit of learning management most often cited (by 72%) is to create more effective workers. Three out of four (77%) of those connecting the two processes are satisfied or somewhat satisfied with how they link learning management and performance reviews. Looking ahead, the research finds double-digit percentages of organizations planning to connect learning



management with other HR business processes in the next 12 months and similar percentages planning to do so within 24 months.

### **Collaboration increasingly plays a role in business today.**

Collaboration is important to the evolution of learning management. Our previous research shows that technology-mediated collaboration is an important business innovation, and we view its use as an indicator of interest in adopting newer, more effective ways of conducting learning management. Our research finds that half of organizations believe they have the right amount of collaboration while nearly as many (46%) said that there is not enough collaboration and sharing of ideas. Further analysis shows two interesting trends. First, small organizations said they have the right amount of collaboration more often (59%) than did large ones, a larger percentage (56%) of which said there is not enough collaboration. Second, differences of opinion exist between executives and lower-level employees on this topic: Two out of three (67%) executives said there is the right amount of collaboration in the organization, but more than half (54%) of those at the user level said there isn't enough. We conclude that larger companies are likely to need more formal mechanisms to deal with the complexity of communications and to ensure collaboration.

### **Collaboration impacts learning management strategies.**

Although organizations acknowledge the value of collaboration as a general practice, more than two-fifths (43%) of learning management systems currently in use do not have embedded social collaboration capabilities. In instances where participants' systems do have such capabilities, more said they use them (22%) than do not (14%). Analysis by size using number of employees shows small and midsize companies (38% each) use these systems more often than do very large organizations (24%). About two in five (39%) organizations use an enterprise platform that provides general collaboration technologies to all parts of an organization, but more (43%) do not. We conclude that companies are investing in collaboration technologies but that not many link them to learning programs. However, among those in

More than two-fifths (43%) of learning management systems currently in use do not have embedded social collaboration capabilities.





organizations that have collaboration available, three in five (62%) are satisfied with the social learning capabilities in their learning management system, and about half (51%) said their enterprise collaboration platform is effective or very effective. The successes of early adopters and the generally positive view of collaboration lead us to anticipate that more organizations will invest in using this technology in their learning programs.

### **Innovative organizations are adopting social collaboration and learning capabilities.**

Asked about the importance of a range of employee-related collaboration capabilities for social learning, participants most often cited conventional ones. The three most-often deemed very important are sharing content related to courses (chosen by 32%), doing application sharing and Web conferencing (29%) and accessing learning via mobile devices (23%).

In general the most widely cited collaboration capabilities for learning management systems and processes are basic: email and use of the company intranet for file sharing.

Participants viewed administrative capabilities as less important: The top two are to create communities of practice (very important for 18%) and discussion forums around courses and curricula (17%). Overall more than half of participants said seven of 11 employee-centric collaboration capabilities are important or very important. The same is true of administrator-centric capabilities. We conclude that early adopters are taking on advanced capabilities in social learning.

In general the most widely cited collaboration capabilities for learning management systems and processes are basic. Ranked first by a large margin was email (34%); use of the company intranet for file sharing (16%) finished second. In a similar finding, the general social collaboration technology capability most commonly used is discussion forums (by 39%). However, half or more organizations said they use, plan to use or are evaluating more advanced tools, particularly broadcast or Twitter-like capabilities, wall posting or activity stream tools such as Facebook and social recognition tools, so we expect change as these capabilities become more widely used.



## **Organizations are turning to new models for acquiring learning content.**

One of the costliest aspects of a corporate learning program is the acquisition and management of content. For years this has been handled by specialists using purpose-built tools. A new technology capable of alleviating some of this cost is the massive open online course (MOOC) model. The research shows that employees in 40 percent of organizations use MOOC technology as a source of content and courses; however, only 10 percent have MOOC linked to their learning management system, while the rest access it independently. Another emerging option is socially sourced content, which has the potential to reduce dramatically the cost of content development. Two in five (42%) organizations said that using this source is important or very important to their learning content management strategy; just one-fourth said it is not important. Currently most (46%) get no more than one-fourth of their content from social collaborative sources, but in the next 12 to 24 months 30 percent of organizations expect up to half of all learning content to come from such sources.

## **Analytics is becoming strategic for learning management.**

Three in five (60%) research participants said analytics is an important technology. But fewer than one in five (17%) organizations currently

60% of research participants said analytics is an important technology, but fewer than one in five (17%) currently use analytics to track metrics for learning management.

use analytics to track metrics for learning management, and of those fewer than two in five (37%) are satisfied or somewhat satisfied with the analytics they use for this purpose. On the positive side, 39 percent plan to improve their learning analytics to generate metrics, but nearly as many (36%) don't know whether there are such plans, suggesting that education is still necessary to clarify the role of analytics in learning management.

The research finds organizations are primarily interested in metrics that we view as tactical: Certifications achieved (40%), employee satisfaction with the learning system (40%) and number of classes taken (38%) top the list. Only job performance after learning has occurred (cited fourth-most often, by 37%) deals with business





results. As might be expected, fewer still have metrics on employees' use of social learning tools: Only one in nine (11%) measure this. Among that group, the measures most often used are the amount of content posted (47%) and the average rating of content posted (47%), followed by the numbers of active users (35%) and communities (29%). These also are tactical metrics not directly related to employee performance or absorption of learning.

### **Mobile devices are gaining importance for learning management.**

Mobile technology (cited by 49%) was a close third among innovative technologies that research participants cited as important for learning management. Yet as with analytics, the research shows that actual use lags behind this perception. Slightly more than one-third (35%) currently use mobile technology to access learning management, while a larger percentage (43%) plan to deploy it at some time. Very large organizations by number of employees, which most often have learning management systems, also most often have deployed mobile learning technology (53%). But the research also finds inertia in large organizations: They currently have the lowest use (only 26%), and the same percentage don't plan to use mobile technology for learning management at all; that's the most of any size group declining to use it.

Slightly more than one-third (35%) currently use mobile technology to access learning management, while more than that (43%) plan to deploy it at some time.



More detailed analysis shows that most organizations that have deployed mobile technology to access learning management use devices running on the iOS or Android operating system. The largest percentage (38%) of organizations use both smartphones and tablets as opposed to one or the other. Further, while vendors are somewhat split on how they build these applications, participants prefer to use native device applications (34%) rather than HTML5-based ones running in a browser (23%). The research also shows that users are not overly pleased with their mobile technology capabilities for learning management: Only 17 percent are satisfied, while larger percentages are somewhat satisfied (26%) or neither satisfied nor



dissatisfied (23%). We conclude that more mature mobile learning applications are likely to attract organizations that don't use them yet.



## 10 Best Practice Recommendations

This benchmark research reveals significant new insights into the evolving nature and use of learning management processes and systems. For organizations considering how to optimize their learning programs, we offer the following recommendations.

### **1. Don't neglect the learning management process and the information it requires.**

Our Performance Index analyzes the behavior of organizations in four dimensions: People, Process, Information and Technology. In this research, participants perform better in the first and last than in Process and Information. We note that many organizations have people-centered learning programs and the core technology components for learning management but often use them only for basic learning management functions such as compliance training and certification achievement. To progress, focus on innovative purposes such as employee productivity improvement; link the annual performance review process to the learning management process; and draw content for your learning programs from new sources.

### **2. Use your learning management system fully.**

Although nearly two in three (63%) research participants have a training department responsible for learning management, only about half (53%) have a learning management system. Among those that have such software, three out of four said the application meets their business needs very well, yet only half (51%) are satisfied with the current system. Newer tools in this area include collaboration, social learning and mobile access, which can broaden the content and means of acquiring learning. Investigate how such capabilities can make your learning programs more effective and attractive to those who need to use them.

### **3. Connect learning management to other business processes.**

To gain a more complete view of employees, their performance and what they learn, we recommend linking learning management



systems to other human capital management activities. The research shows that most participants have not done much of this yet, but it makes sense. More than one-third (35%) have integrated learning management with employee development, which is the primary purpose of the learning management programs for nearly half (46%) of organizations. Nearly as many have connected it to performance management (33%), another reasonable step as the most often cited benefit of learning management (by 72%) is to create more effective workers. Look for ways to derive more value from your learning program by linking it to key HR processes.

## **4. Consider expanding the focus of learning management.**

The research shows that most organizations today use learning to focus on general employee development and compliance training. It also identifies other potential benefits of taking a broader view. For example, the top-ranked reasons to invest in social learning systems, participants said, are to improve employee engagement and collaboration in general and to improve the effectiveness of their learning management program. Consider pursuing such an expansion – but also be sure to investigate what kinds of process and cultural changes doing so will involve.

## **5. Assess the extent of collaboration and how it can supplement learning.**

While many companies are investing in collaboration technologies, most don't link them to learning programs. More than two-fifths (43%) of learning management systems currently in use do not have embedded social collaboration capabilities. But three in five (62%) organizations that do have them said they are satisfied with those capabilities in their learning management system. Half or more organizations use, plan to use or are evaluating advanced tools, particularly broadcast or Twitter-like capabilities, wall posting or activity stream tools such as Facebook and social recognition tools to supplement learning. Consider how collaborative activities and tools can enhance learning in your organization.



## **6. Reevaluate your strategy for acquiring learning content.**

One of the costliest aspects of a corporate learning program is the acquisition and management of content. Currently two-thirds of organizations develop most or all (30%) of the content for their program internally or build some and purchase some from third parties (38%). To alleviate some of the cost burden, consider new technologies. One is massive open online course (MOOC), which two out of five research participants use (although only one in 10 have linked MOOC to their learning management system). A second is socially sourced content; 30 percent of research participants expect up to half of all learning content to come from such sources in the next two years. If you haven't looked at such alternatives yet, don't wait – they have the potential to slash the cost of content development.

## **7. Use analytics to measure the value of learning programs.**

Three in five (60%) research participants said analytics is an important technology, but fewer than one in five (17%) currently use analytics to track metrics for learning management. Without doing so it's hard to assess the effectiveness of a program. The research also finds that most metrics in use are rudimentary; the first one that impacts business results, job performance after learning has occurred, ranks only fourth (used by 37%). We recommend efforts to identify important metrics and find analytics tools linked to learning management systems that can provide them.

## **8. Determine the value of providing mobile access to learning content.**

Making learning easy to access and use at an individual's pace can increase consumption of content and the knowledge gained from it. Today's ubiquitous smartphones and tablets offer another avenue for conveying learning. Currently about one-third (35%) of organizations use mobile technology to access learning management systems, while more than that (43%) plan to enable it. So far, however, results are mixed: Only 17 percent are satisfied while more are somewhat satisfied (26%) or neither satisfied nor dissatisfied (23%). Mobility is here to stay, and providing learning through it may



engage employees better, so examine ways to do that efficiently and attractively.

## **9. Consider deploying learning management in the cloud.**

Currently 30 percent of research participants use cloud computing for learning management, and eventually three-fourths of all organizations will use it. Like mobility, this new technology can make learning content easier to access and consume, and it can save on costs of installing and maintaining systems. Keep in mind, though, the necessity of integrating data from other human capital management systems, including those managed on-premises; two out of five (42%) participants said this is important or very important. Be sure to include this capability when inquiring about cloud-based services from learning management software providers.

## **10. Realize that formal learning programs aren't only for large companies.**

The research shows that larger companies most often have training departments, likely because of the number of employees who must receive it. They also most often have a learning management system; 85 percent of companies that have such a system are at least somewhat satisfied with it. Of course resources are an issue, but small and midsize organizations also should take steps to formalize efforts if they are serious about making sure that learning programs deliver results that translate to improved business performance; nearly three out of four (72%) participants that have a learning management system said creating more effective workers is a key benefit of using it. Affordable software is available, particularly in the cloud, and can provide structure to these efforts.



## About Ventana Research

Ventana Research is the most authoritative and respected benchmark business technology research and advisory services firm. We provide insight and expert guidance on mainstream and disruptive technologies through a unique set of research-based offerings including benchmark research and technology evaluation assessments, education workshops and our research and advisory services, Ventana On-Demand. Our unparalleled understanding of the role of technology in optimizing business processes and performance and our best practices guidance are rooted in our rigorous research-based benchmarking of people, processes, information and technology across business and IT functions in every industry. This benchmark research plus our market coverage and in-depth knowledge of hundreds of technology providers means we can deliver education and expertise to our clients to increase the value they derive from technology investments while reducing time, cost and risk.

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## Appendix: About This Benchmark Research

### Methodology

Ventana Research conducted this benchmark research on the Web from May through October 2014. We solicited survey participation via email, our website and social media invitations. Email invitations were also sent by our media partners and by vendor sponsors.

We presented this explanation of the topic to participants prior to their entry into the survey:

Learning management systems have evolved significantly over the years. Today next-generation technologies such as collaboration, mobile technology, video and advanced analytics are catalyzing a shift in emphasis to peer-to-peer knowledge sharing. They connect internal experts with learning communities and enable sharing of new types of content and real-time collaboration as well as measurement of the impact of learning on productivity and performance. This benchmark research will examine to what extent and how organizations are adopting and using these next-generation technologies in their learning management processes. It also will assess how well organizations are able to measure the results of their learning efforts.

The following promotion incited participants to complete the survey:

What's In It For You? Upon completion of the research, all qualified participants will receive a report on the findings of this benchmark research to support their organization's efforts, along with a \$5 Amazon.com gift certificate. In addition, all qualified participants will be entered into a drawing to win one of 25 benchmark research reports and a 30-minute consultation, a package valued at US\$1,495 or €1,232. Thank you for your participation!

### Qualification

We designed the research to assess the use of and plans for spreadsheets across organizations and industries. Qualification to participate was presented to participants as follows:



The survey for this benchmark research is designed for human resources, learning and training staff and management as well as other executives, line of business, operations and IT groups that are responsible for learning activities or involved with the purchasing of technology for this area. Solution providers, software vendors, consultants, media and systems integrators may participate in the survey, but they are not eligible for incentives and their input will be used only if they meet the qualifications. Incentives are provided to qualified participants in the research and also are conditional on provision of accurate contact information including company name and company email address that can be used for fulfillment of incentives.

Further qualification evaluation of respondents was conducted as part of the research methodology and quality assurance processes. It entailed screening out responses from companies that are too small, questionnaires that were not materially complete, or those where the submission is from an inappropriate submitter or appears to be spurious.

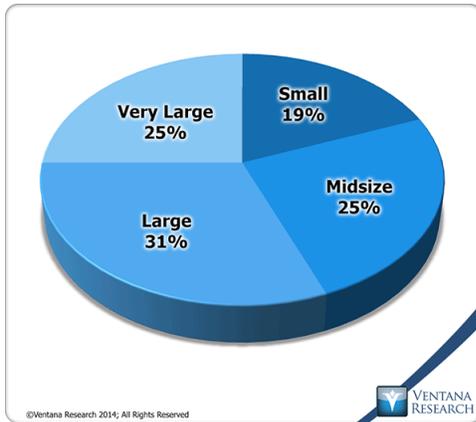
## **Demographics**

We designed the survey used for this research to be answered by executives and managers across a broad range of roles and titles working in organizations. We deemed 187 of those who clicked through to this survey to be qualified to have their answers analyzed in this research. In this report, the term “participants” refers to that group, and the charts in this section characterize various aspects of their demographics and qualifications.



## Company Size by Workforce

We require participants to indicate the size of their entire company.

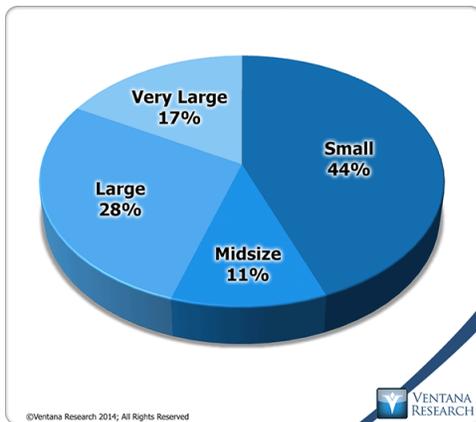


Our research repeatedly shows that size of organization, measured in this instance by employees, is a useful means of segmenting companies because it correlates with the complexity of processes, communications and organizational structure as well as the complexity of the IT infrastructure. In this research, participants represented a broad range of organization sizes in nearly equal numbers: one-fourth work in very large companies (having 10,000 or more employees), 31 percent work in large

companies (with 1,000 to 9,999 employees), another one-fourth work in midsize companies (with 100 to 999 employees), and 19 percent work in small companies (with fewer than 100 employees). This distribution is consistent with prior benchmark research and our research objectives and provides a suitably large sample from each size category.

## Company Size by Annual Revenue

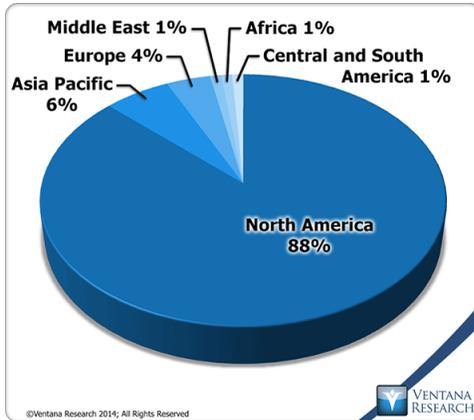
When we measured size by annual revenue, the distribution of categories shifted downward; fewer companies fell into the three largest categories and more than twice as many are small. By this measure, 8 percent fewer are very large companies (having revenue of more than US\$10 billion), 3 percent fewer are large companies (having revenue from US\$500 million to US\$10 billion), 14 percent fewer are midsize companies (having revenue from US\$100 to US\$500 million), and 25 percent more are small companies (with revenue of less than US\$100 million). This sort of redistribution is



typical in our research projects when we measure by revenue instead of head count.

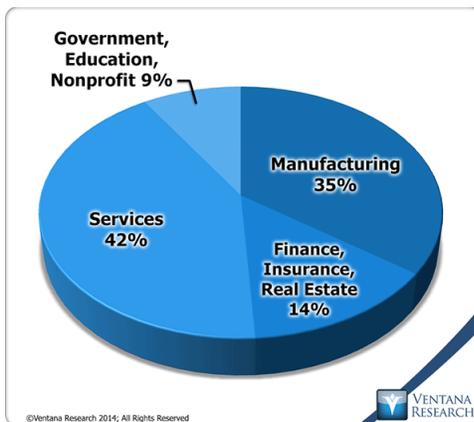


## Geographic Distribution



A large majority (88%) of the participants were from companies located or headquartered in North America. Those based in Asia Pacific accounted for 6 percent, in Europe for another 4 percent and in the rest of the world for 3 percent. This result was in keeping with our expectations at the start of this investigation, since organizations participating in our research most often are headquartered in North America. However, many of these are global organizations operating worldwide.

## Industry

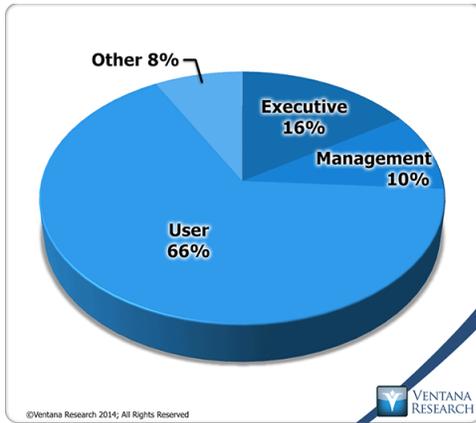


The companies of the participants in this benchmark research represented a broad range of industries, which we have categorized into four general categories shown here. Companies that provide services accounted for 42 percent and those in manufacturing accounted for 37 percent, more than three-fourths of the total. Those in finance, insurance and real estate for 14 percent. Government, education and nonprofits accounted for the balance.



## Job Title

We asked participants to choose from among 14 titles the one that best describes theirs. We sorted these responses into four categories: executives, management, users and others. Two out of three identified themselves as having titles that we categorize as users, a grouping that includes director (25%), senior manager or manager (29%), analyst (6%) and staff (6%). About one in six are executives. Another 10 percent are management, by which we mean vice presidents. Others, in this case consultants or teachers, accounted for the balance. We concluded after analysis that this response set provided a meaningfully broad distribution of job titles.



## Role by Functional Area

We asked participants to identify their functional area of responsibility as well. This enabled us to identify differences between participants who have differing roles in the organization. One-fourth of the participants identified themselves as being in IT, and 17 percent work in HR. Eight other titles accounted for 4 to 7 percent each, totaling 38 percent. Twelve other titles together accounted for 15 percent, comprising the Other category.

