

RESEARCH REPORT

Future State of the LMS

What buyers want and how their current LMS stacks up



Objectives

The objectives of the research were twofold:

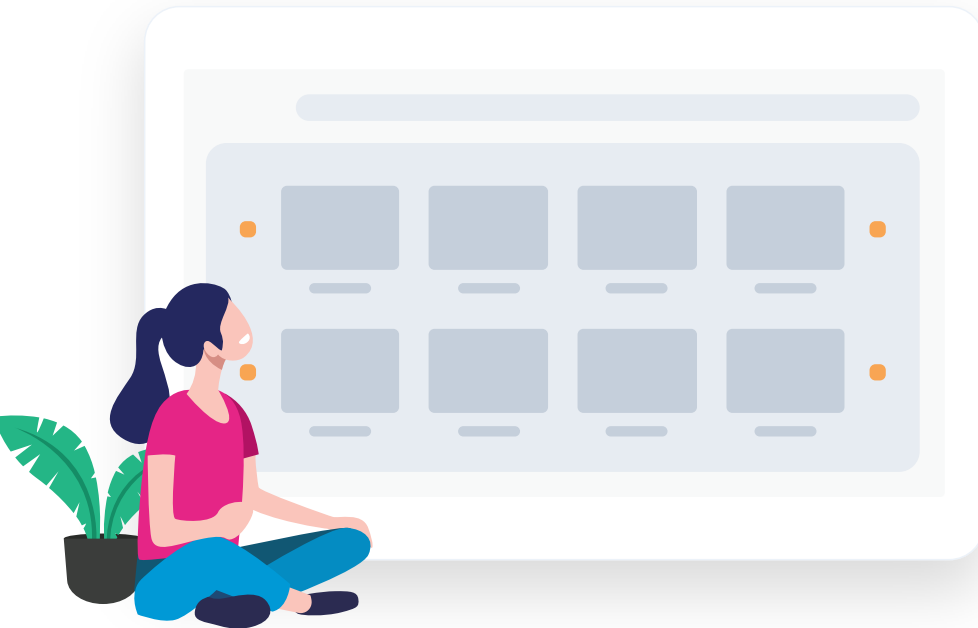
1. Determine LMS users' needs and wants regarding the next generation of learning management systems (LMSs).
2. Determine how well LMSs are currently meeting



Methodology

An online survey was conducted among 358 learning management managers and administrators who were qualified with initial questions regarding roles with the LMS, level of knowledge regarding their LMS and number of learners their LMS serves.

For the purpose of ensuring well-informed, qualified responses, we focused on respondents who identified themselves as being “fairly knowledgeable” or having a “high level of knowledge” regarding the capabilities of their organization’s current LMS.

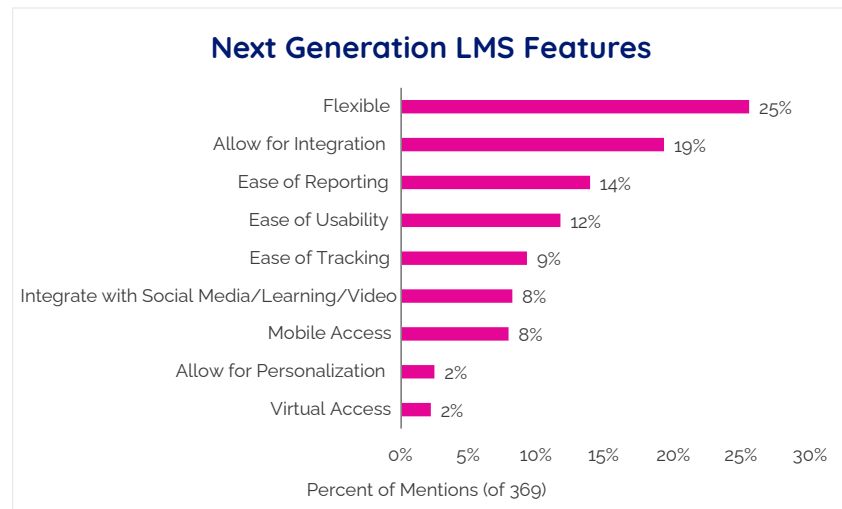


Key Findings

- Only forty percent of respondents are pleased with the effectiveness of their current LMS regarding its ability to perform advanced capabilities.
- The three most important attributes for a next generation LMS are: flexibility, integration and reporting.
- Reporting is already the most highly adopted of the five key LMS capabilities as management wants to see real-time reports that clearly show the efficacy and the ROI of the LMS.
- Likewise, the next generation LMS must integrate with Performance Management Systems in order to show the positive correlation between learning and performance.
- Given the proliferation of mobile devices, the next generation LMS needs to work on all devices to give learners anywhere, anytime access – this includes beginning training on one device and completing it on another.
- Social learning and sharing are growing in importance as respondents, and learners, integrate social media into their lives.

Detailed Findings

1. What do you believe a “next generation” LMS should be able to do for your learning organization?



For this open-ended question, the most frequent response was “Flexible” (25% of mentions). This broadly refers to the ability of the manager, or firm, to customize the LMS to do what they want it to do. Survey respondents had different definitions for “flexibility”. In some cases an LMS vendor can be overly flexible, making it too complicated and making workflow inefficient. An extreme example of this is using an Excel spreadsheet as an LMS. It is definitely flexible, but it’s too flexible to be useful.

The common sentiment of respondents was that the LMS needs to be somewhat flexible to meet their needs and also be flexible enough to deliver training on multiple devices and in different modalities.

Representative comments for “Flexibility” include:

- *“Work on all browsers, laptops, tablets, iPhones, iPads, etc. – not hindered by different technologies within the same company.”*
- *“Completely incorporate technology, including social media, development and delivery platforms and streamlined and personalized processes and workflows.”*

The second most frequently mentioned requirement was “Allow for Integration” (19% of mentions) given the need and desire for the LMS to integrate with other enterprise applications like CRM or ECM solutions. No doubt some of the respondents have dealt with the difficulty and expense of integrating incompatible solutions with incongruent APIs.

Representative comments for “Integration” include:

- *“Ability to integrate with other solutions – does not have to be an all-in-one solution, but integrate very well with other products such as CRM, HCM, Performance Management and social platforms.”*
- *“Integrate with other related systems (social media, talent, SharePoint).”*
- *“Talk to other LMSs to be able to easily capture training done elsewhere.”*

The third most frequently mentioned requirement was “Ease of Reporting” (14% of mentions) as these respondents are likely responsible for measuring and reporting on the success of the LMS from both a user experience and ROI point-of-view.

Representative comments related to "Reporting" include:

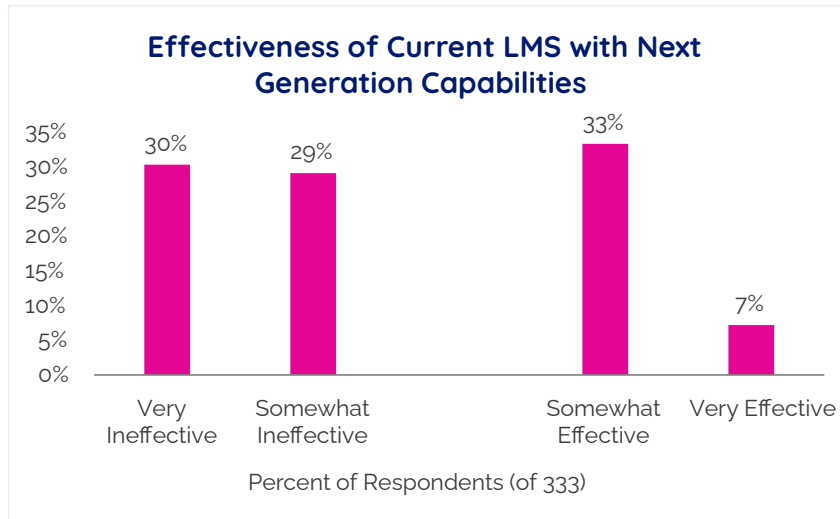
- *"Calculate total cost of training, including all logistical items, training delivery, etc. and other variable costs."*
- *"Better website reporting. Not reporting on completions, etc. But who hit the portal, from where, for how long, where did they bounce from, etc. Like Google Analytics."*
- *"Account for fees charged for external training classes and specified eLearning courses."*

"Ease of Usability" was the fourth most mentioned item with the majority of comments on providing a user experience whereby people wanted to use the LMS and that it was intuitive for users and administrators alike.

It should be noted that mentions of "Video" were included in "Social Media" as many of the video mentions referred to YouTube and the ability to download YouTube videos as part of the curriculum or training.



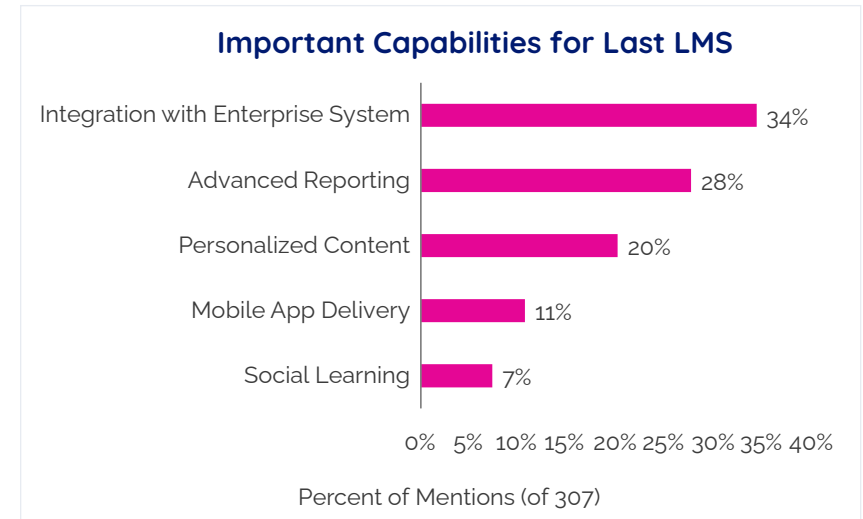
2. How effective is your current LMS in performing the advanced capabilities you listed above?



Respondents were divided on the effectiveness of their LMS with 60% rating it as either "Very Ineffective" or "Somewhat Ineffective", while only 40% graded it as either "Somewhat Effective" or "Very Effective."

This shows a lot of opportunity for improvement in LMS applications or better education and expectation setting with regards to what an LMS can and should provide.

3. Which of the following capabilities were important in your last LMS selection process?



"Integration with Enterprise System" was the only capability that was deemed to be important by more than one-third of the respondents.

"Mobile Apps Delivery" and "Social Learning" were likely not even on the radar the last time a respondent was considering an LMS.

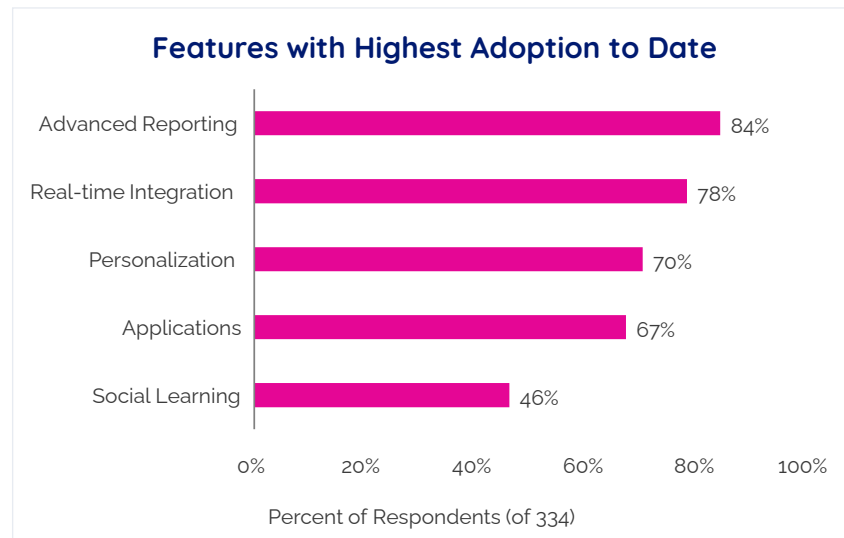
These areas will no doubt grow in importance, as will integration, as managers and administrators grow more aware of the demands by management of real-time reporting – as well as the time and expense involved if integration with other applications is not simple.

Key Capabilities

After the initial profile and broad LMS questions, we asked the 358 respondents about their current LMS with regards to five advanced capabilities: real-time integration, personalization, advanced reporting, social learning and applications.

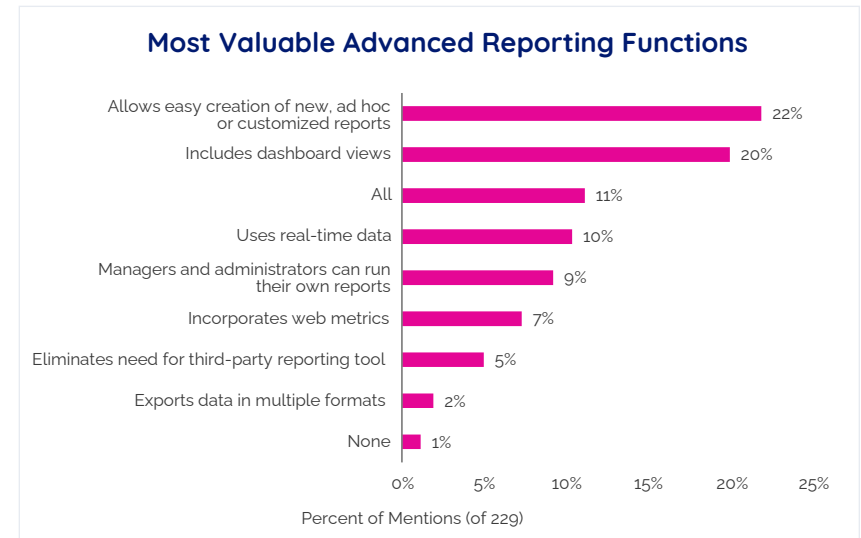
All but 24 respondents picked at least one of the advanced capabilities.

Based on the participation levels and responses to each question, we can infer that most respondents are already using some form of advanced reporting, while fewer than half are using any social learning applications.



As you will see in the answers to the specific questions, just because a respondent is already using a particular feature, doesn't mean they are fully satisfied with it or that it cannot be improved.

1. Which advanced reporting functions would be most valuable to your learning organization and why?



More than one-in-five respondents (22%) wanted the ability to create reports, but a lot of them specifically wanted managers to be able to develop their own reports. They really wanted to empower managers.

- "Ability for **EVERYONE** to push their own reports, as dictated by the administrators."
- "Creation of new ad hoc and customized reports from the administrator and manager sides would be useful to meet the unique reporting needs of the organization. Managers always come up with new ways they would like to slice the data and usually we can't help them because the reports we have aren't flexible. Data lives in the database, we just can't get to it."

Also, the difficulty managers and administrators have running reports negatively affects everyone's, but especially management's, perception of the efficacy of the LMS.

- *"Managers and administrators being able to run their own reports. This is one reason managers and administrators do not feel that the LMS and web-based training is a very effective tool. They still must call someone to get reports."*

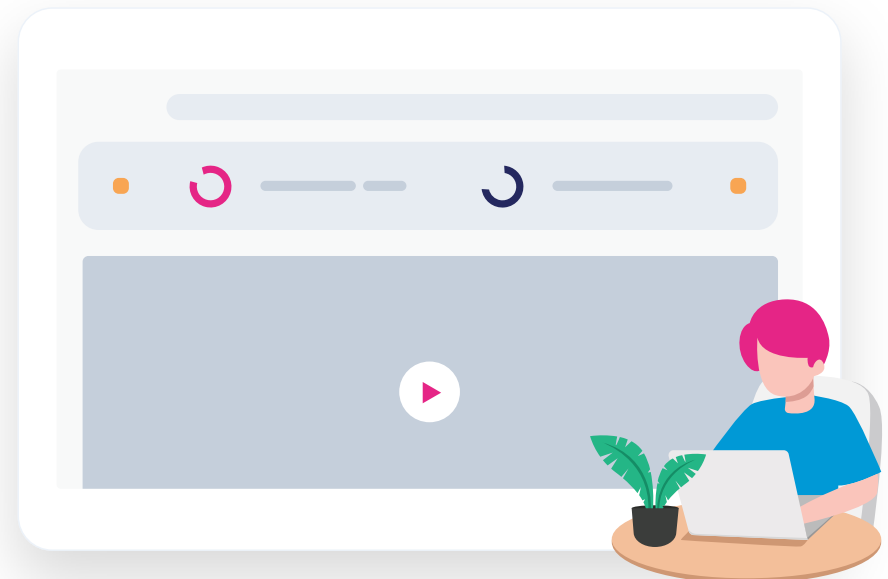
"Easy" was the operative word for creating reports.

- *"EASY creation of new, ad hoc or customized reports. Everyone wants to see something different, displayed a different way, depending on what or who the report is for. And dashboard views. Managers need to be able to view compliance at a quick glance."*
- *"The advanced reporting function that would be most valuable to our learning organization is the easy creation of new, ad hoc or customized reports. Each facility creates their own training and development programs and this would allow them to manage their employees' development."*

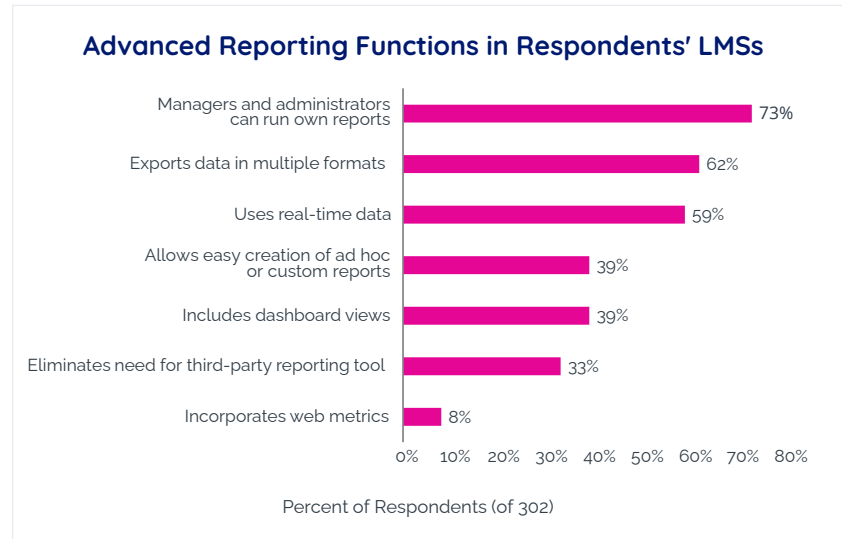
"Including dashboard views" were mentioned by 20% of respondents as there's increased demand for ongoing reporting of real-time analytics by senior management.

- *"The ability to have a dashboard view that we can drill down into the data and reports that can total learning hours/credits by departments would allow us to share more meaningful information with senior leadership."*
- *"Also the dashboard view. From a global perspective, this would allow the corporate L&D department to get a snapshot view at any time of the metrics on how the system is being used: enrollments, completions and types of content."*

Note: A number of people expressed interest in integrating data that comes from outside of the LMS.



2. Advanced reporting is another capability of next generation LMSs.
What advanced reporting functions can your LMS perform?



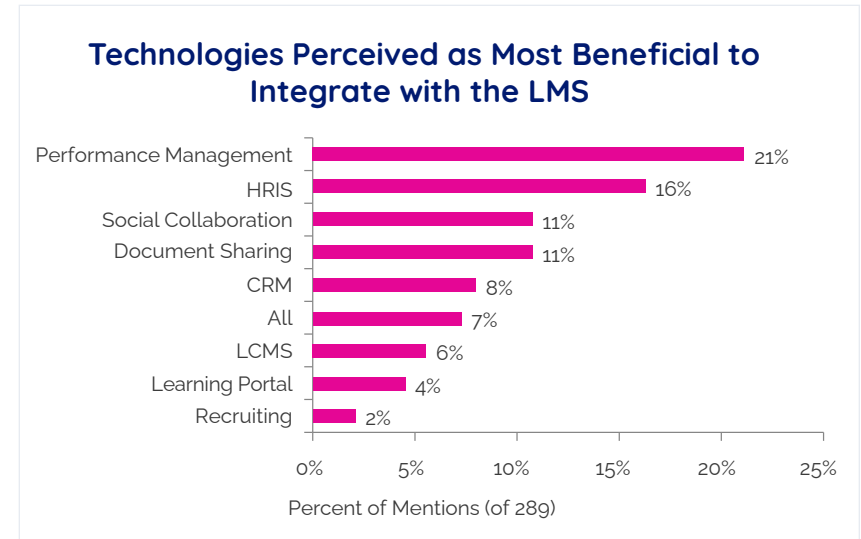
Most respondents' LMSs enable "managers and administrators to run their own reports" (73% of respondents), "export data in multiple formats" (62%) and "use real-time data" (59%).

Fewer than half "allow easy creation of ad hoc or custom reports" (39%), "include dashboard views" (39%), "eliminates the needs for a third-party reporting tool" (33%) or "incorporate web metrics" (8%).

The biggest gaps between what respondents have now and what they say will be most valuable in the future are the "easy creation of ad hoc or custom reports" and "managers and administrators can run their own reports."

These gaps are likely a function of the number and frequency of requests respondents get for real-time reports from their LMS by management.

3. With which technology would LMS integration most benefit your learning organization and why?



The top four responses were:

- Performance Management System (PMS) by 21%;
- Human Resource Information System (HRIS) by 16%;
- Social Collaboration by 11%; and
- Document Sharing by 11%.

It is somewhat surprising only 7% said "All" given the opportunities on the horizon. This may be a function of the respondents not realizing the potential for integration.

"Performance Management System" was mentioned most frequently because respondents see the opportunity to identify, and fill, gaps in training and accelerate the achievement of performance goals and objectives.

- *"Performance Management System – real-time integration would enable employees to build learning plans to support their development and/or performance management plans more seamlessly and without toggling back and forth between applications."*
- *"Performance Management System because then we could provide a direct link to the training/tools that would empower an employee to address those topics they have identified as goals for the year."*

"Integration with HRIS" is important due to the inefficiencies of manual entry, as well as the adoption of SharePoint on an enterprise basis.

- *"Any HR type system, PeopleSoft, Workday, etc., because automated training relies heavily on how well the systems are integrated. It also allows for us to capture new employees/role changes immediately."*
- *"HRIS would be the most critical. Our current integration is minimal. SharePoint would be a strong follower, and while we currently do not have a lot of applications in SharePoint, the potential is there. And next would be business systems such as the CRM or claims management software."*

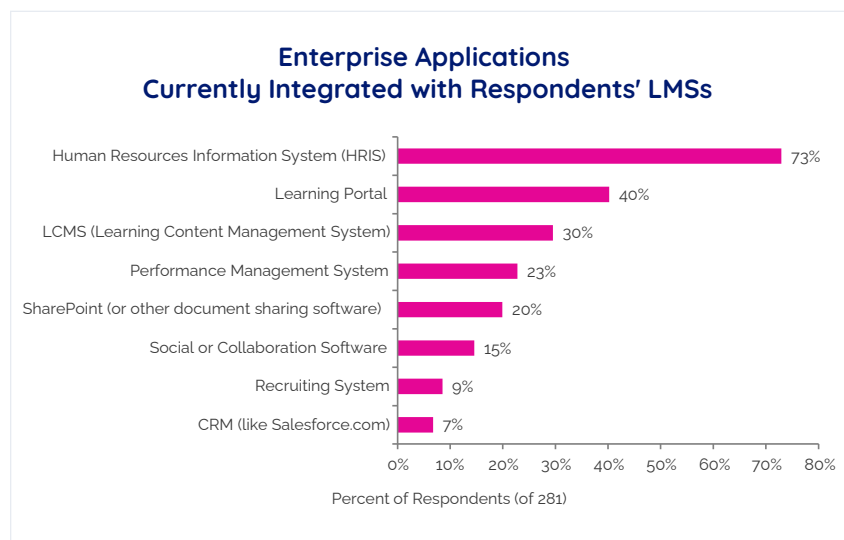
"Social Collaboration" was mentioned due to users' familiarity and comfort with the variety of social channels, the desire for learners to use the channels with which they are most comfortable, as well as the desire for learners to be able to rate and share their learning experience like they are able to do on Amazon or Yelp.

- *"Social/collaboration software – as the learning modality changes to be more collaborative and training events less formal, it's important to be able to capture these experiences in order to paint the full picture of how an individual accomplishes performance objectives."*
- *"Social media: 90% of learning occurs outside formal classrooms and programs. Social media allows learners to tap into that 90% that is distributed across the whole pool of knowledge workers."*

Lastly, "Document Sharing" was deemed to be important due to the enterprise adoption of Enterprise Resource Planning solutions like SAP and Oracle, as well as Enterprise Content Management solutions like SharePoint, Laserfiche and ApplicationXtender, and the need for a simple integration with those solutions.

- *"We are going to SharePoint and 360, so integration there would be good. BTW, our current LMS does have social/collaboration tools we didn't buy. I don't think they integrate with enterprise social tools though. That would be great, so it's in the flow of work, not a separate place to log in."*
- *"SharePoint due to ability to do things such as surveys, wikis and content delivery. LCMS due to its ability to deliver advanced training remotely and 24/7."*

4. One key capability of next generation LMSs is real-time integration with other enterprise applications. Which applications does your current LMS integrate with?

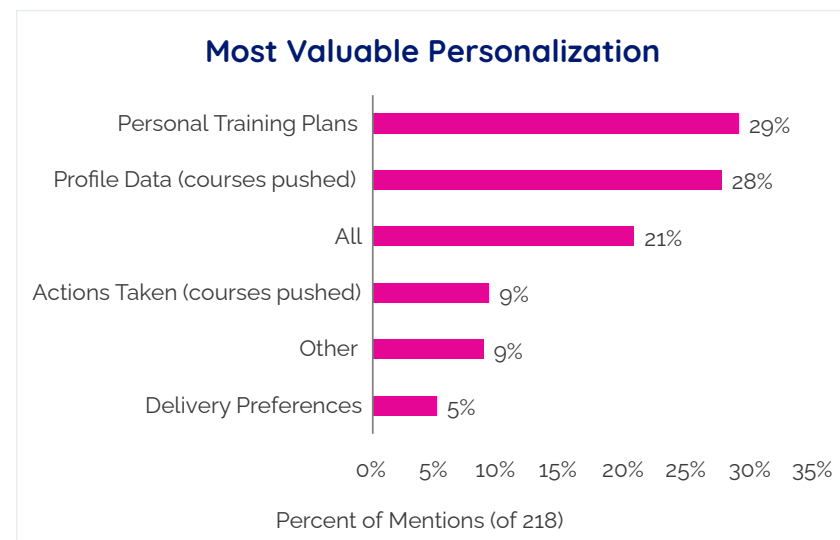


Overwhelmingly, the most common enterprise application that is integrated with respondents' LMSs is HRIS. Portals and LCMSs were also commonly integrated enterprise applications – but only half as common as HRIS integrations.

Interestingly, only 23% had their LMS integrated with their Performance Management System, while this was deemed to be the most beneficial. This was the biggest gap between what respondents currently have.

As integration becomes easier, we will see the LMS more fully integrated into the entire enterprise across multiple applications.

5. Which types of personalization would be most valuable to your users and why?



"Personal Training Plans" led the way at 29% as respondents recognized this as the future, as well as the optimum way to engage learners:

- "Creates personalized training plans for each learner (which would include courses derived from profile data.) Time dedicated to 'training' is becoming hard to get. Therefore, training plans should be precisely tailored to the individual and based on their current or next job, as well as be appropriate for say education level."
- "Creates personalized training plans for each learner. It would increase learners' desire to return to the LMS on their own."
- "Creates personalized training plans. Each learner is so unique in their job, skills and behaviors. Also, careers are always changing, so learning should too."

"Profile Data" (28%) was the second most frequent way respondents mentioned that personalization would be valuable. Our sense is this is what learning managers are most familiar with and how they are providing, or would like to be providing, recommended learning.

A few examples of related comments include:

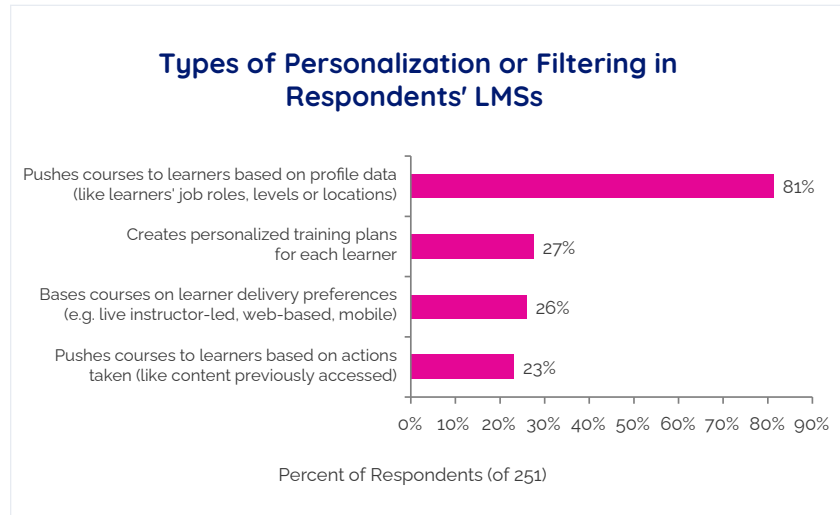
- *"Push courses to learners based on profile data. This would be most valuable because as the learner's profile changes, the necessary courses should be available automatically."*
- *"Pushes courses by profile data as it gives them a 'roadmap' for their development – use as a base to have conversations with their manager."*
- *"Pushes courses to learners based on profile data (like job role, level or location) – we have a very difficult time assigning training per job responsibility."*

The third most valuable way to provide personalization to learners was "All" (21% of the options offered) – "Profile Data," "Action Taken," "Learner Delivery Preferences" and "Personalization for Each Learner." It's actually surprising that more people did not choose this option unless they didn't feel like it was realistic or would be too difficult to implement and manage.

However, none of the comments reflected these concerns:

- *"All of the above. Learners are increasingly busy and don't have time to spend looking for training/learning like they used to. Push technology would increase their opportunities for development and skill enhancement."*
- *"All of the above that allow us to mine data from and leverage our enterprise Human Capital Management system and access learning/content according to user preference."*
- *"All of the above would be valuable. Employees have unique training needs and learning styles. The one-size-fits-all approach that many LMSs currently have does not work and frustrates many learners."*

6. In what ways does your LMS allow learning content to be personalized or filtered so that it is more relevant to your learners?

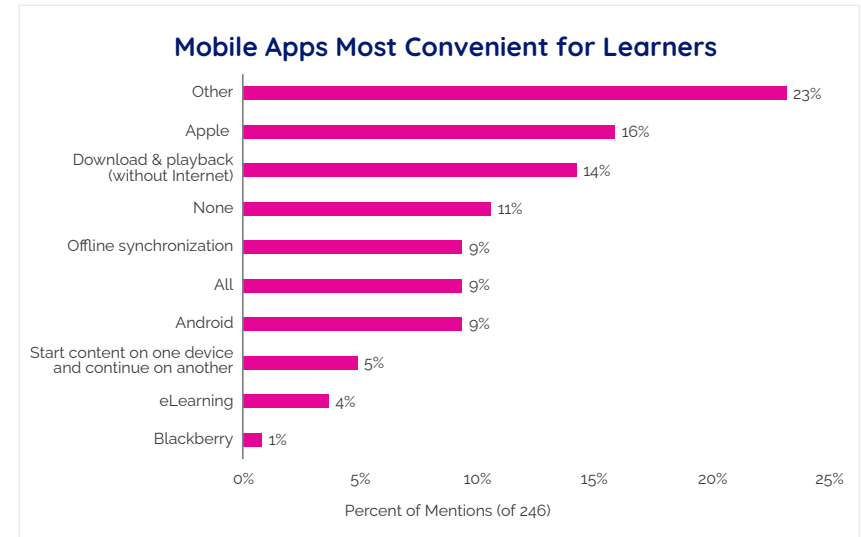


"Pushing courses to learners based on profile data" (81%) was three times more popular than any other type of personalization.

It's interesting the importance of personalization since "Personalization" (27%), "Delivery Preferences" (26%) and "Actions Taken" (23%) were essentially even and there was little discrepancy between what respondents currently have and what they deemed to be most valuable to their learners.

107 respondents did not select any of the four options, leaving open the potential that 30% of participants are not, or do not have the capability of, personalizing or filtering their LMS.

7. Which mobile app capabilities make learning most convenient for your learners and why?



Nearly one-in-four respondents (23%) wanted something other than one of the choices provided. However, when looking at the descriptions of "Other," they really want access on all devices – mobile and otherwise.

- "Device agnostic capabilities... our company does not dictate the type of device our employees need, so the technology needs to be flexible."
- "We have a large population located outside of our corporate firewall and many engineers are being issued tablets. Providing our employees with device agnostic access is very important to our organization."

"Download and playback of content (without Internet)" was the third most frequently mentioned need (15%) since many of the respondents' learners are on the road in remote locations.

- *"Many mentioned above are nice, but download and playback of content (without Internet) is probably the most valuable. We have learners in remote locations and this allows them to get the training they need and easily record completions."*
- *"Download and playback of content (without Internet). We have a fair number of learners who are technically challenged. This capability would be a great way to reach them."*

Unlike most of the other categories, very few people (only 10%) said "None." Almost everybody wants at least some mobile access of content.

- *"Broad accessibility – we have many diverse learners using all methods of accessing learning content."*

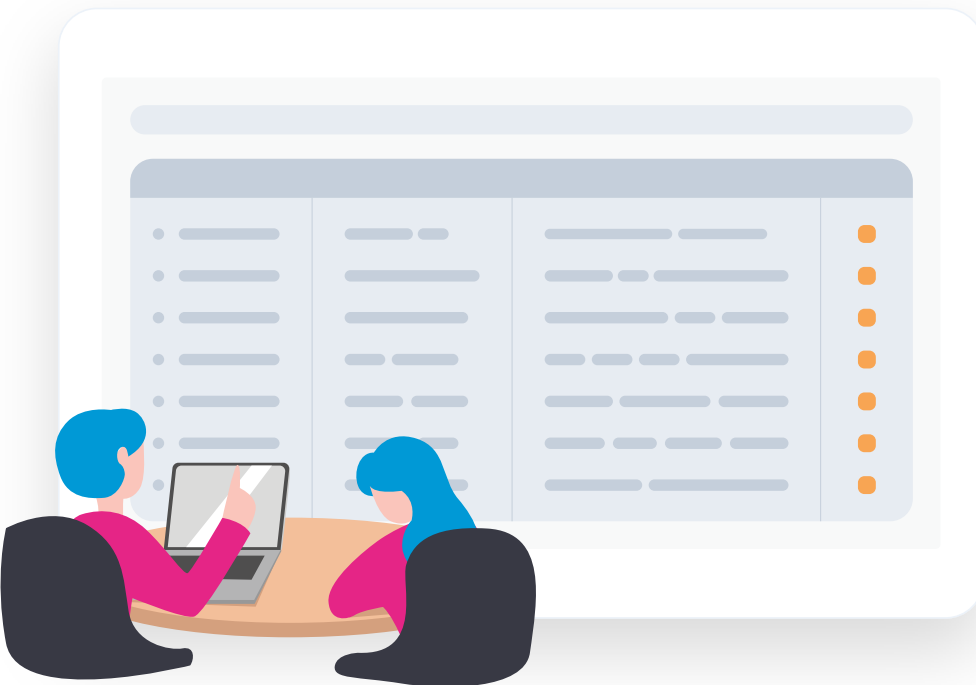
Many people wanted the ability to start content on one device and continue on another consistent with the multi-screen world in which we live today, as well as the mobility of the workforce.

- *"Start content on one device and continue on another. Let the user be in control of his or her learning experience."*
- *"Starting on one device and continuing on another – our learners travel and this allows them to take classes and continue them when it fits their schedules."*

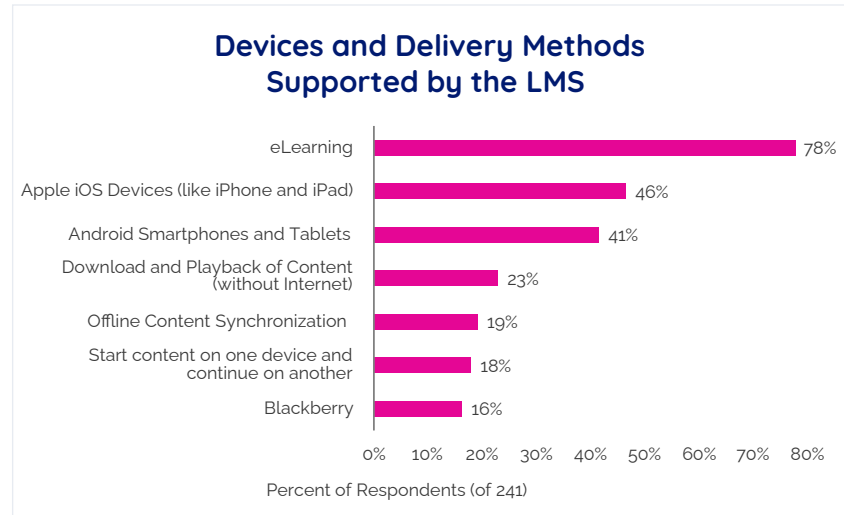
Some people rightly pointed out that mobile content isn't practical if it's not optimized for a device. As such, all LMSs need to be built with a responsive design that determines and adjusts to the platform being used by the learner.

- *"Mobile learning would be valuable if the content development tools can support multiple platform delivery by optimizing screen layout. This is, of course, extending beyond the LMS, but without content development tools keeping in step with LMS enhancements, new feature adoption will lag."*

While security was a concern for some, this will dissipate as people begin to learn that smartphones are more secure than computers.



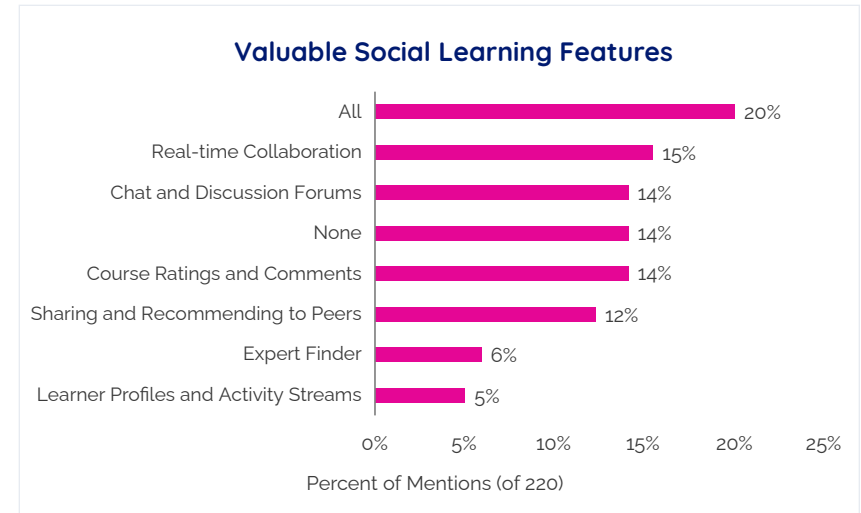
8. Next generation LMSs also must offer mobile apps that allow various types of learning content to be consumed on different mobile devices. Which devices, delivery methods and features are supported by your LMS?



More than half of the 241 respondents' LMSs supported eLearning devices and delivery methods. However, fewer than half supported any mobile phone platforms or other non-Internet, playback of content or content synchronization.

We anticipate all mobile platforms to grow dramatically since more than 85% of millennials are now carrying smartphones and many are eschewing laptops and eBooks for smartphones.

9. Which social learning capabilities would your learning organization find most valuable and why?



There were 45% more responses to this open-ended question indicating a lot of pent-up, or unmet, demand for social learning features – and based on the mentions, the more the better. One-in-five respondents want all the social learning features they can have.

However, this is an unattainable goal since new features are being created daily. What's important is to identify the most relevant features and ensure easy access and integration with them:

- *"All of these social aspects are important. It's how people live – how we get things done outside of work – why should it be different (harder) at work?"*
- *"All of the above are important – if we can harness informal learning and take advantage of our more experienced employees' knowledge, our newer members could get up-to-speed more quickly – not only as workers, but also in becoming more comfortable and acclimated socially within the organization."*

"Real-time Collaboration" was the second most frequently mentioned social learning feature and one that is currently used by less than one-fourth of the respondents. There are significant benefits perceived for both student-to-student and student-to-instructor collaboration:

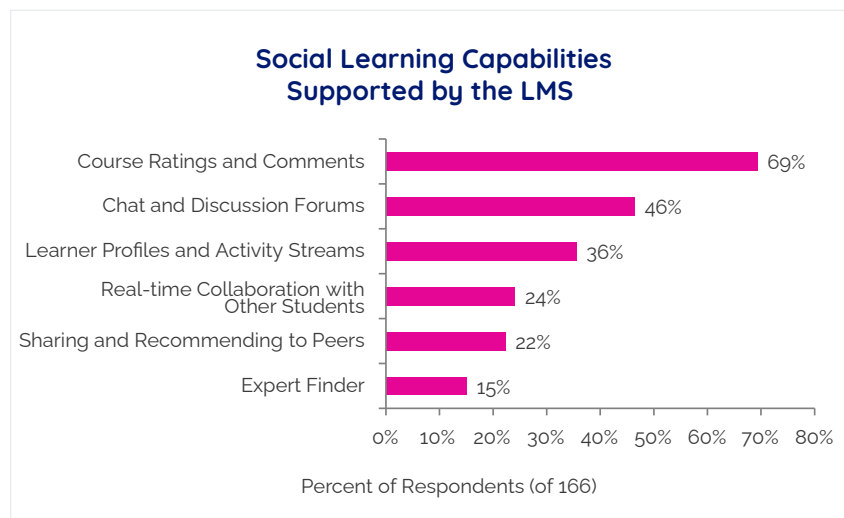
- *"Collaboration – helps with engagement and retention; course ratings – advertises what's beneficial and helps instructional designers see where they can improve; and forums – gives the student a voice and allows students to assist each other."*
- *"Real-time collaboration with other students. 'We are smarter than me' crowdsourcing model. Better model for informal learning."*

"Chat Discussion and Forums," "Course Ratings and Comments" and "Sharing and Recommending to Peers" were mentioned about the same amount as "Real-time Collaboration" reinforcing respondents' desire to offer all forms of social learning and collaboration.

- *"Chat and discussion forums – allows for student interaction/ collaboration."*
- *"Course ratings and comments, sharing and recommending to peers. We would find that learner-directed learning would eventually change the culture that training is driven by the QA group and we are forcing them to do it, rather than it being an opportunity for them to train on or look at topics that interest them."*
- *"Real-time collaboration and course ratings and comments. We recently launched a professional development learning center, and there would be a great value in employees being able to discuss the new courses in an open forum. As developers, we can identify areas to improve, and also identify needs for potential new courses."*



10. Which social learning capabilities does your LMS support?

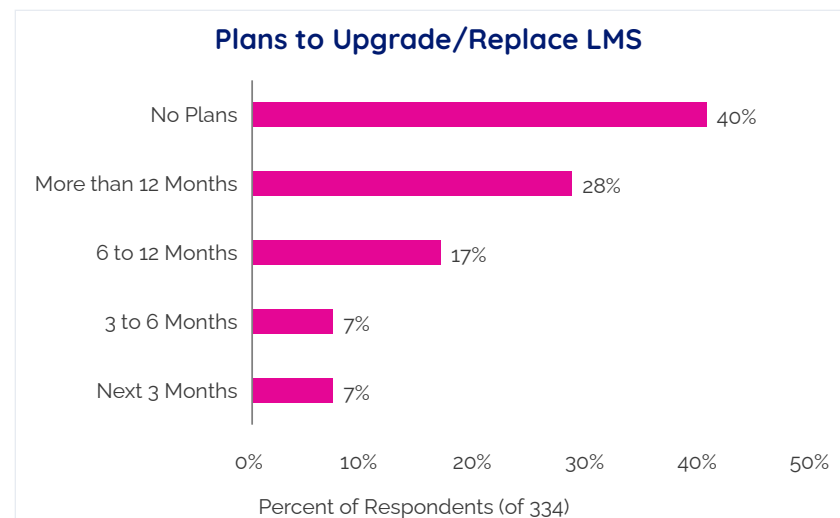


The only social learning capability supported by more than half of the respondents is "Course Ratings and Comments" (69% of respondents).

Fifty-four percent of survey participants did not select any of the capabilities listed, which leads us to believe there is significant opportunity for growth of social learning capabilities, especially with the growth of social media channels and smartphones.

"Real-time Collaboration" rose to the top of what capabilities respondents want, while rating only fourth for what they currently have. Respondents understand the need to provide learners with what they want to learn, when and how they want to learn it.

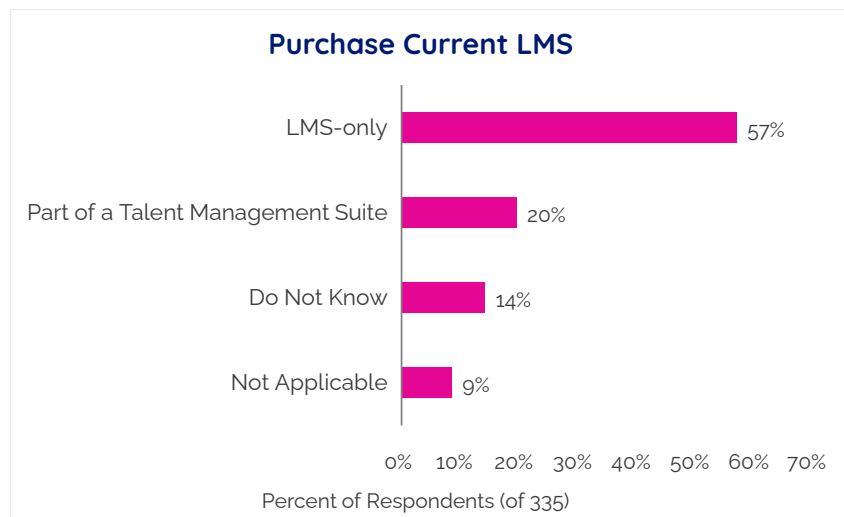
11. When do you plan to upgrade or replace your LMS?



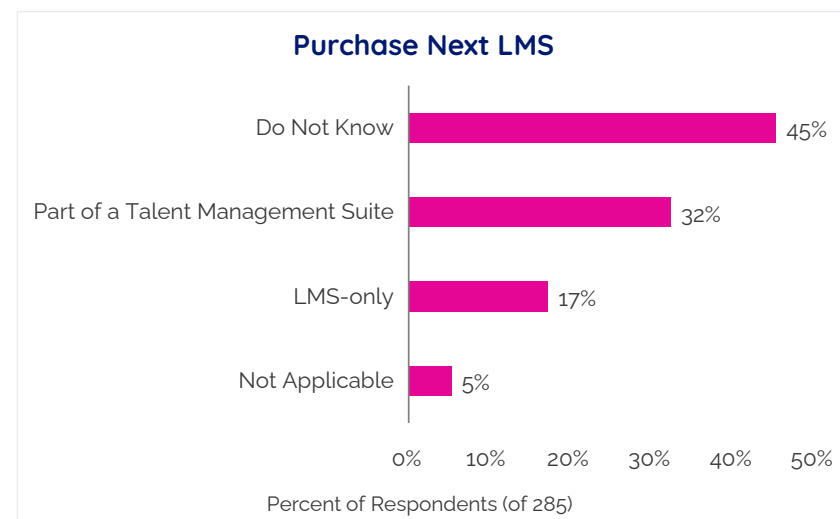
Given the average acquisition and replacement cycle of an LMS, it's not surprising that 60% of respondents are planning to upgrade or replace their LMS.

This is a major capital expenditure and one that must be budgeted for years in advance.

12. Did your company purchase your last LMS through an LMS-only solution or as part of a Talent Management Suite? How will your company purchase your next LMS?



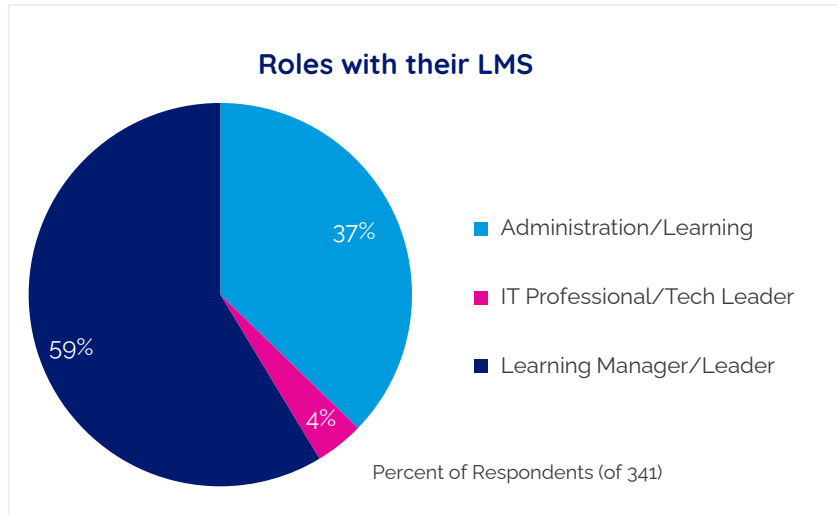
Most respondents purchased their current LMS from an LMS-only solution provider.



Most respondents don't know the source of their next LMS. 50% either do not know or say that it is "not applicable." 32% think that they will purchase their next LMS as part of a Talent Management Suite. However, this number is probably too ambitious since a much larger share of the respondents (57%) purchased their previous LMS standalone.

Detailed Findings

1. What do you believe a “next generation” LMS should be able to do for your learning organization?



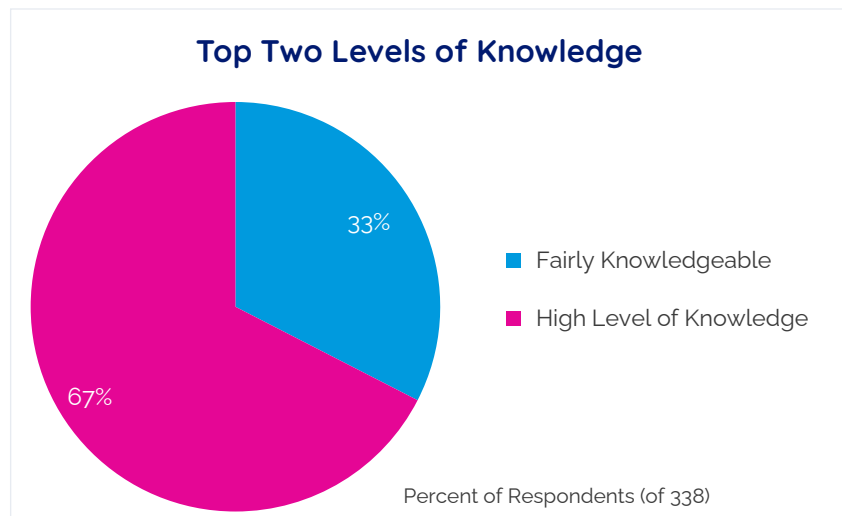
Most of the respondents were learning managers or leaders (including directors and executives) in learning and HR organizations who have oversight responsibilities for the other two categories – those learning professionals who administered or technically worked with the functions of the LMS.

The role of “Administration/Learning” includes those who specifically offer LMS-related support and/or instructional designers and developers. “IT Professionals/Tech Leaders” was not originally listed among the response options on the survey, but were the most common “other” category. They include applications and systems owners and IT and implementation project and product managers.

Also listed on the survey was the role option of “Learner/User”. While 22 respondents selected this role, they were eliminated to get the perspective of those who work with the LMS from an administrative or leadership role.



2. Which best describes your level of knowledge of the capabilities of your organization's current LMS?



Respondents could choose among four levels of knowledge, including the following:

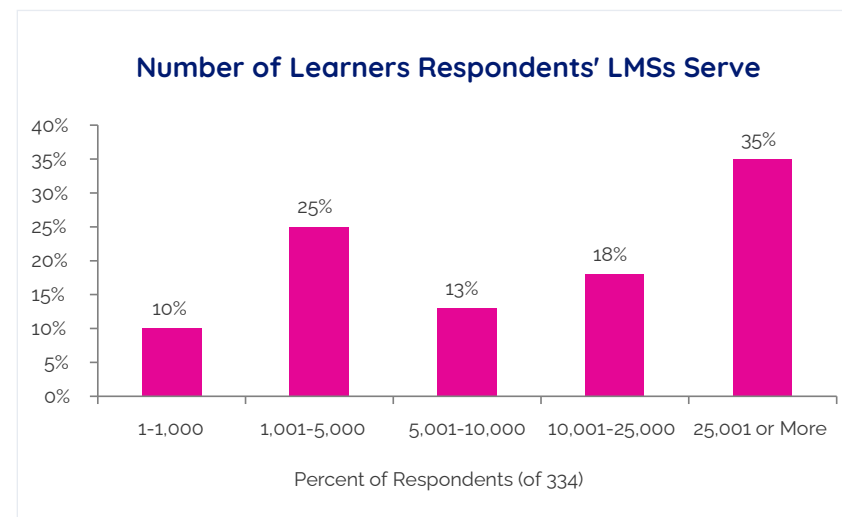
1. No knowledge about it.
2. Very limited familiarity with it.
3. Fairly knowledgeable about it.
4. High level of knowledge about it.

Two-thirds of the respondents had a "high level of knowledge about their LMSs", while only a third said that they were "fairly knowledgeable about it".

To ensure responses were well-informed, only those in the top two levels of knowledge were included in all of the survey results. The 18 who responded that they had no knowledge about their LMS, or a very limited familiarity with it, were eliminated from all of the analysis.

For similar reasons, another 14 respondents were not included because they indicated that they had no LMS.

3. How many learners does your LMS serve (including all employees, customers, distributors and partners)?



Over half of the respondents answering this question (53%) had LMSs that served 10,000 or more learners.

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