

An eLearning Industry Overview: 2001 Trends

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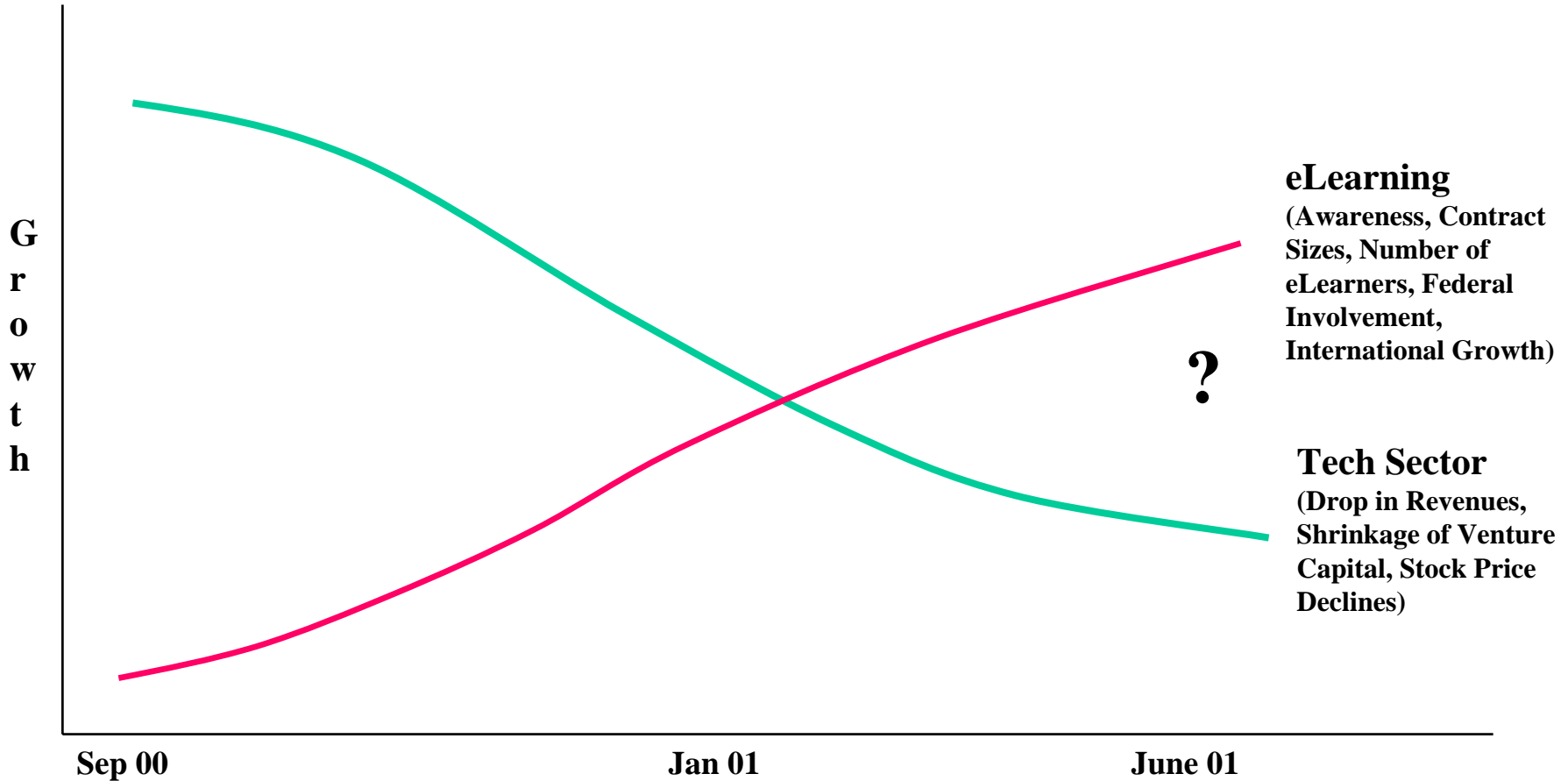
Agenda

- **Corporate eLearning Developments**
- **New Business Strategies**
- **Influence of ‘Outsiders’**
- **Federal Activity**
- **Other Market Opportunities**
- **Technology Developments**
- **Implementation Lessons**



2001 Trends:

eLearning and the Downturn



2001 Trends: Corporate eLearning

Growing Consolidation

Major Bankruptcies / M&A's, Jan.-June 2001

Bankruptcies	Learning-Brands	Headlight		Pensare		Caliber	
		Virtual Heaven				TCert	
Acquisitions	Intellinex/ Teach.com	Learncom/ Trainseek	SmartForce/ ICGlobal	Centra/ MindLever	Saba/ HPT	Sun/ Isopia	KP/ Peer3
				Click2Learn/ Intelliprep		Saba/ Ultris	
Mergers				Learn2.com Merges with EStamp			
	Jan	Feb	Mar	Apr	May	June	

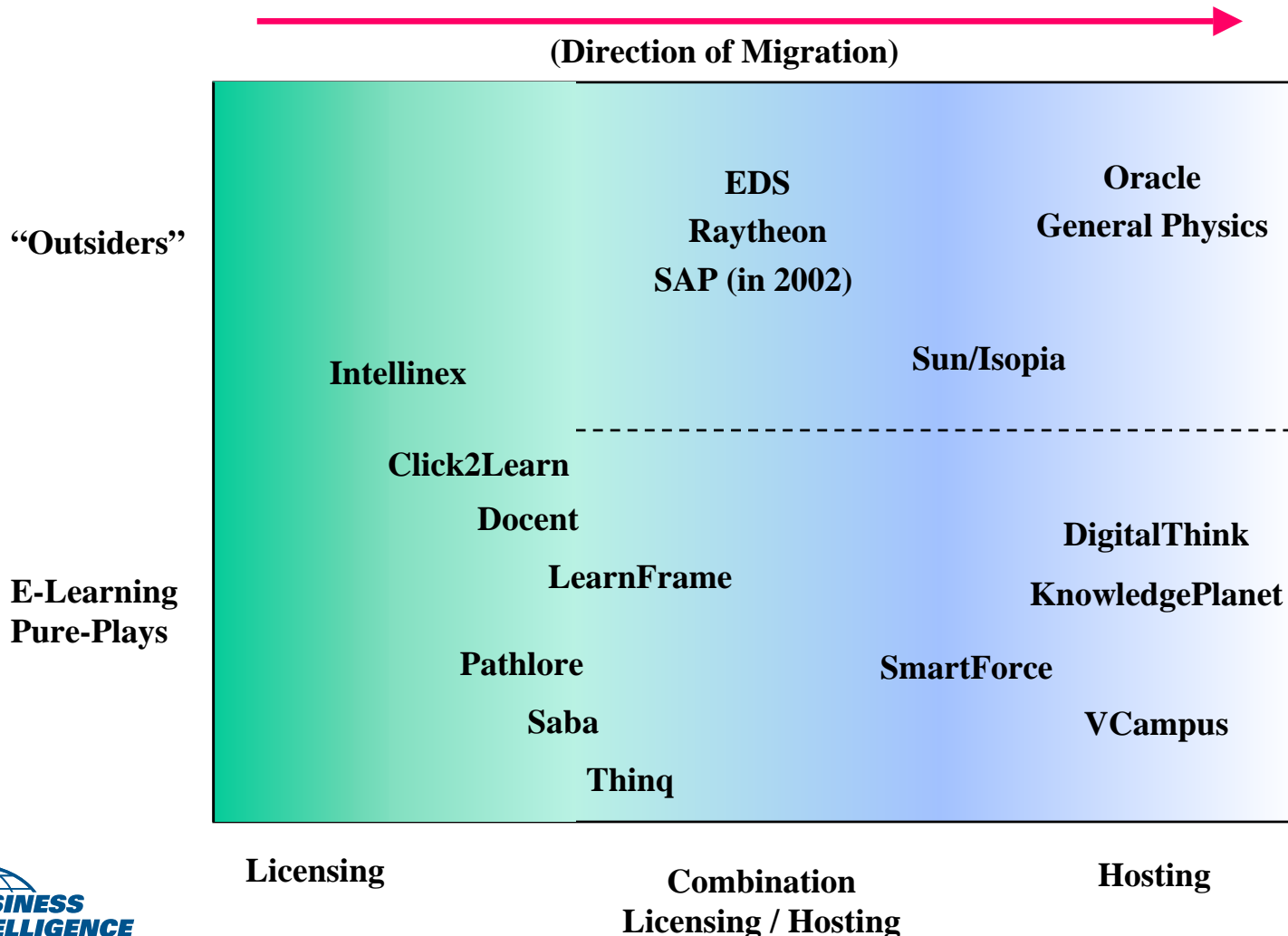
2001

2001 Demand-side Shifts

- **#1 Priority: Demonstrating cost savings**
- **Intensifying competition — pricing pressures**
- **Lengthening sales cycles**
- **More pilot implementations prior to larger rollouts**
- **Market uncertainty favors large players**
- **Interoperability standards rising in importance**
- **Buyers want integrated, end-to-end solutions**

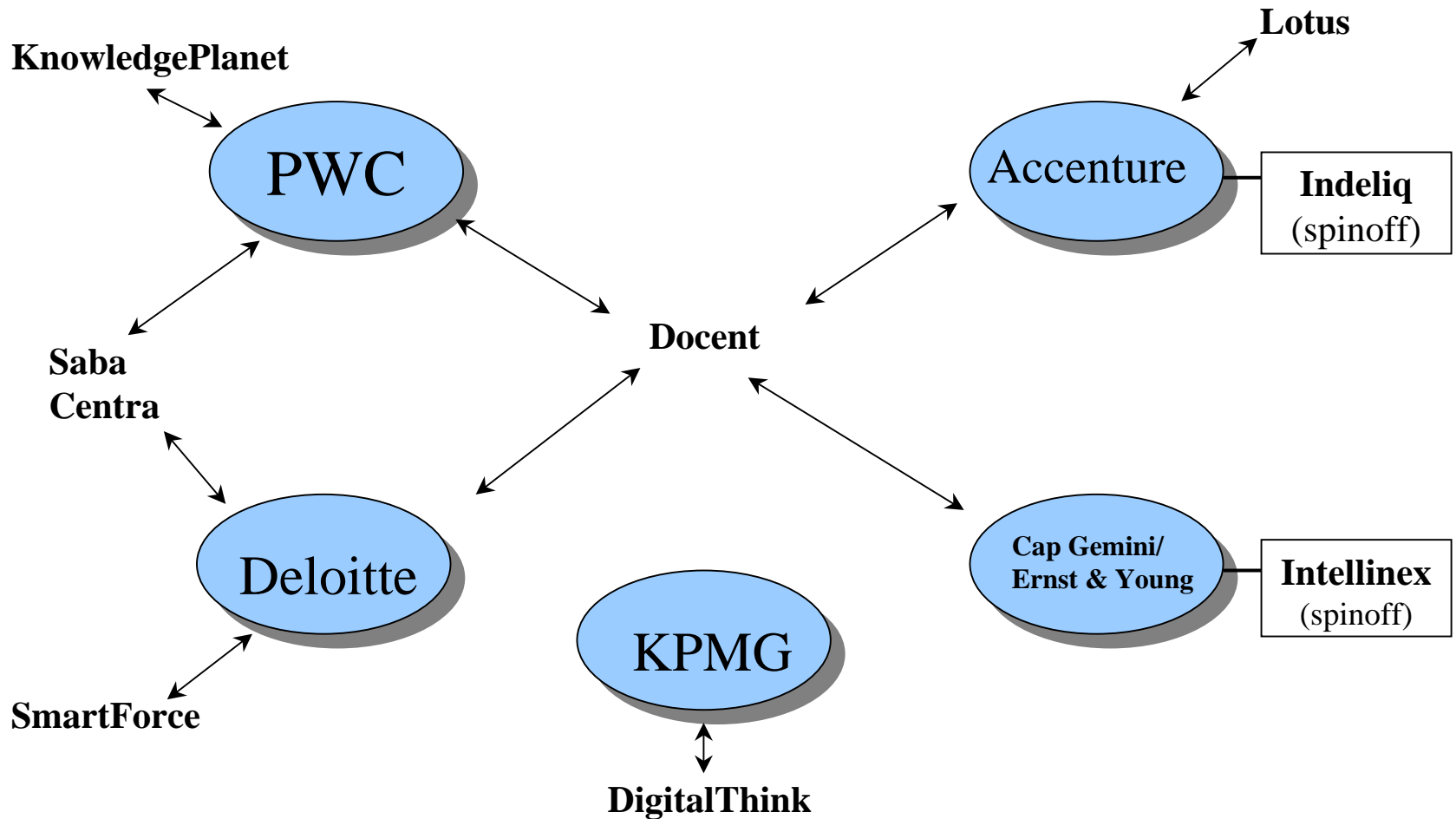
2001 Trends: New Business Strategies

Migration Toward Hosting Model



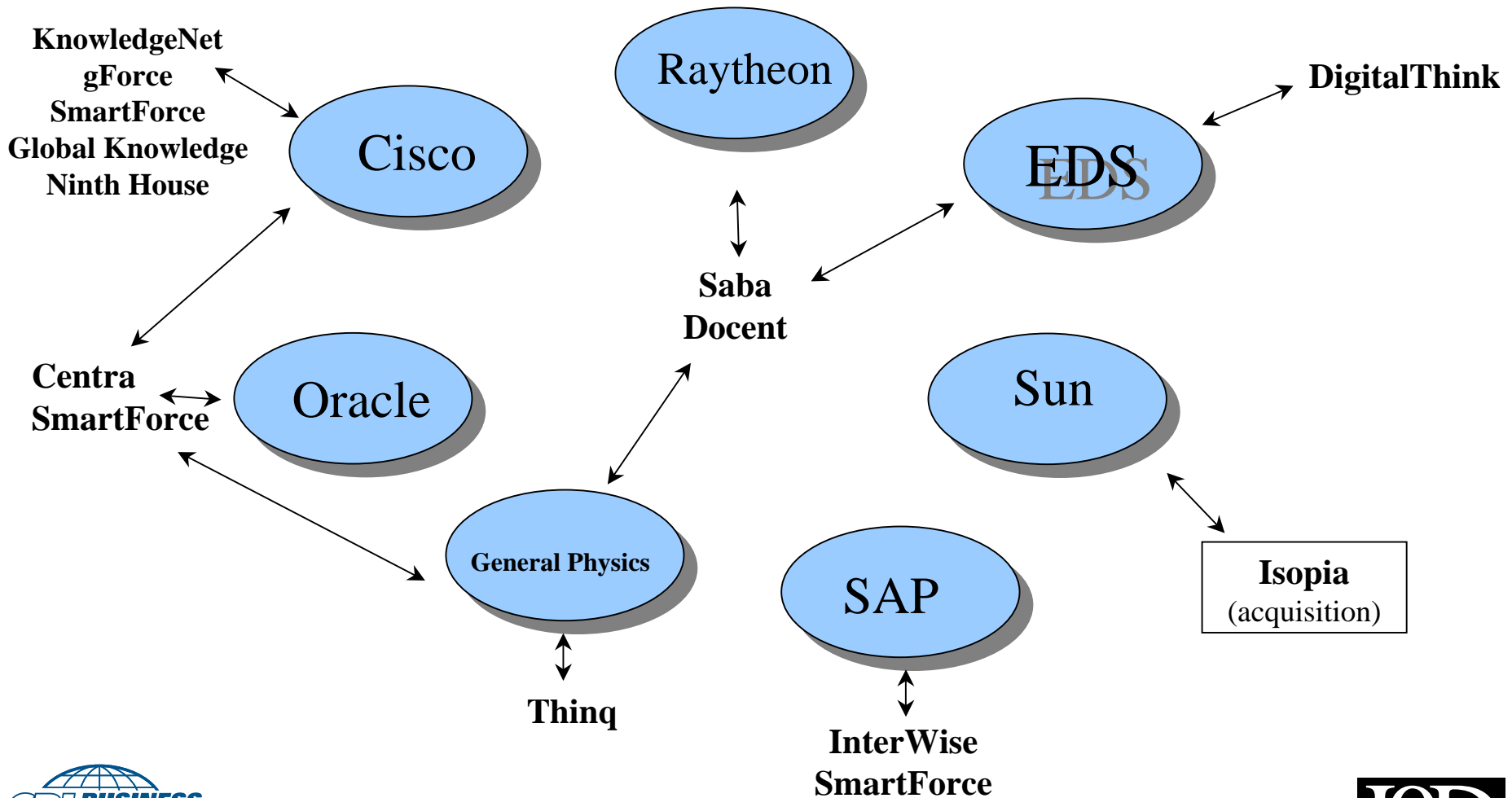
2001 Trends: Influence of 'Outsiders'

Growing Role of 'Big Five'



2001 Trends: Influence of 'Outsiders'

Growing Presence of Tech Giants



2001 Trends: Federal Activity

Large-scale Federal Initiatives

- **eArmyU (announced Dec 2000)**
 - Largest eLearning Initiative to date
 - Coalition of vendors led by PwC
- **Navy eLearning (launched May 2001)**
 - 1.2 million learners
 - Portal hosted/managed by Thingq
- **GSA Online University (launched May 2001)**
 - \$4 million initiative hosted by VCampus
 - Demo project for other agencies

2001 Trends: Federal Activity

Critical Mass Around SCORM

- **Strong leadership from DoD's ADL Initiative**
- **Cooperation between IMS and ADL**
- **Broad adoption of SCORM by vendors**
- **Growing demand for interoperability**
- **Certification program underway**
- **CLEO Lab will push envelope**

2001 Trends: Other Markets

Fast Growth in Universities / K-12

- **47% of Universities offer eLearning; 20 % CAGR forecast through 2004**
- **Major educational publishers (McGraw-Hill, Pearson, HM) embracing eLearning**
- **Legislation seeks to lower barriers to eLearning in educational environments**
- **Merging of corporate and education-sector learning**

2001 Trends: Other Markets

European Opportunities

- Nordic region (with Sweden in the clear lead) and Ireland are eLearning vendor “hotspots”
- Germany and UK will be the biggest European markets for eLearning
- France and Southern Europe are seeing slower adoption (for now)



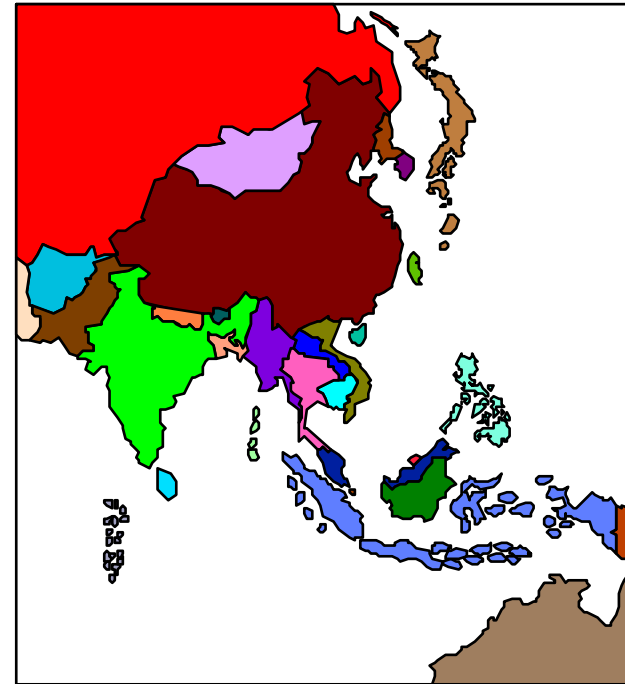
2001 Trends: Other Markets

Asian Opportunities

Slower adoption than Northern Europe (for now...)

Japan - Hotspot for Mobile Learning (especially in 3G environment)

Singapore aspiring to become a “knowledge hub” and regional eServices exporter



2001 Trends: Technology Developments

Renewed Focus on Content

- **LCMS / Learning Objects**
- **Simulation content and authoring**
- **Synchronous tools as authoring platforms**
- **Peer-to-peer prospects**
- **Merging of Learning and KM**

Industry Trends: Implementation Lessons

Keys to Successful Implementations

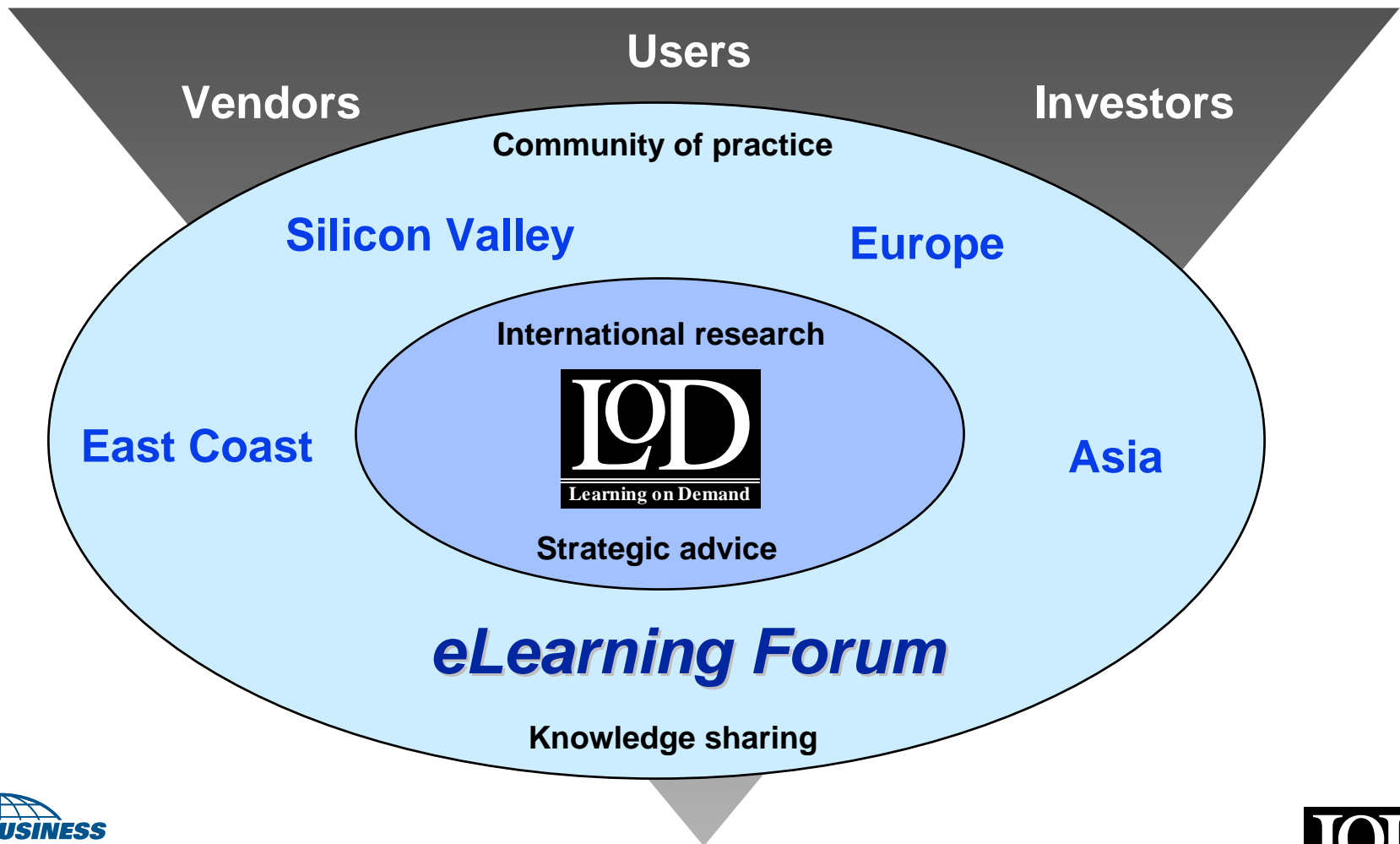
- **Blended Learning**
- **Sustained commitment from the top**
- **Change management to improve receptivity**
- **Synchronous tools provide good starting point**
- **Collaboration tools (chat rooms, discussion boards) benefit self-paced eLearning**
- **Personalization**

About LoD:

An International Community of Practice

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