

Reinventing the LMS Market — Again

A big, disruptive shift may be afoot that will change existing products • BY JOSH BERSIN



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Corporate learning has become one of the most disruptive markets within human resources.

More than \$1.8 billion of private equity investment has gone into the education technology sector in the past year. Hundreds of new video learning companies, marketplaces, tools and academic education companies have appeared. There has also been an explosion of written content, published in blogs and articles, all generally easy to find and curate with mobile tools, social media and various products that recommend content.

This new digital world now offers a veritable ocean of free or nearly free content, often authored by experts, seasoned professionals, business leaders and well-known academics. It's not a world most traditional learning management systems, or LMS, were designed to manage.

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The traditional LMS is typically a software platform that manages, tracks and provides reports on all aspects of formal learning. The estimated \$2.5 billion marketplace for these systems is largely dominated by products that track and manage courses, not content. This means most companies have to buy a system to help track compliance training, professional education and formal learning, but may struggle to help employees find, manage and track all the new content on the Internet.

To further complicate this challenge, learning today is often learner-driven. Courses and content can be found in a variety of places — online education marketplaces, massive open online courses and video libraries — whenever we need it. In fact, most peoples' expectations have been raised so high that if we can't find a video explaining the concept or problem we're trying to address, we tend to give up after a couple minutes.

This means many corporate learning and develop-

ment teams are now in the business of finding and curating content, whether they like it or not — and their LMS is often not doing much to help.

Recently, I had two calls with senior learning and development leaders from large financial services institutions. Both told me that the wide range of employees in their banks are scrambling around to find learning on customer service, financial topics and work-life balance, as well as information technology, leadership, cybersecurity and, of course, HR. Rather than building this learning or licensing it through various providers, both companies are building solutions to enable their employees to find and use content as needed.

Of course, some people don't want to search for what they need. They may expect — and need — a system that organizes the content, offers the latest titles and topics, and is curated so they know what's considered "good" and what's considered "not worth the time."

L&D professionals generally get this. They know part of their job is to find and vet effective sources, whether they're free or for sale. But they don't necessarily have a system or platform to make this easy.

Enter the new world of the LMS.

I see evidence pointing to a reinvention of the market once again. Today's new LMS might be a video learning portal to which anyone can add links, a content aggregation tool, new open learning platforms, or an IT-developed platform that takes existing IT tools and extends them into knowledge management.

Many investors consider the LMS market to be frustrating because there are so many vendors — more than 300 — and the barriers to entry seem low. This is not necessarily true. It's complex and difficult to build an effective, next-generation system, and some companies, including many of the major players, are investing heavily to figure this out.

I'm not saying the existing products are going away yet, but after nearly 20 years in this market, my experience tells me a big, disruptive shift is taking place. The LMS you buy and use today should be built for change, to evolve quickly. Too many companies are held back by legacy LMS investments that can make evolution in the new world of work challenging.

Watch the LMS space over the next year or two. There will be major new players who emerge and we, as corporate learning professionals, may find this new world of content easier to manage. **CLO**