

Assembling a Best of Breed

Learning Strategy



SOFTWARE AS A SERVICE (SAAS) ACCOUNTS FOR UP TO 70 PERCENT OF ALL E-LEARNING AND WEB CONFERENCING, MAKING IT EASIER FOR LEARNING LEADERS TO ASSEMBLE BEST-OF-BREED SOLUTIONS THAT DELIVER WORLD-CLASS FUNCTIONALITY QUICKLY AND COST-EFFECTIVELY.

BY SUSAN SWANSON

Enterprise-wide learning and performance technology has become increasingly complex

and more strategic over the last few years. New trends in online learning and an increasing emphasis on learning's impact on business results have spurred the development of new learning management systems (LMS's) and an overwhelming array of choices.

But costs continue to rise as organizations seek increasingly sophisticated LMS functionality, powerful learning tools and advanced analytics capabilities. In some cases, the high cost of implementing and hiring the IT staff needed to maintain an enterprise LMS has become prohibitive. Compounding this problem is an increasingly dispersed workforce, partner net-

work and customer base that requires access to learning from across the country and the world.

As the enterprise LMS moves beyond simply operating as a training tool and evolves into a crucial component of a company's suite of software, the LMS must also be able to integrate with other applications and ensure a seamless user interface and functionality across the spectrum. The challenge for e-learning buyers is how to select an LMS that meets their business needs and integrates with the overall IT infrastructure of the organization.

SAAS, BEST-OF-BREED GO HAND IN HAND

Increasingly, more and more organizations are turning to Software as a Service (SaaS) technology to implement an LMS that meets their unique business demands and solves their organizational challenges.

SaaS, also called "on-demand," is hosted and supported by a vendor as a service that is accessed by users via the Internet without the need to deploy and maintain an on-premise IT infrastructure.

A well-established SaaS vendor focuses on key strength areas to provide "best-of-breed" solutions that meet the organization's identified needs on a broader scale.

For example, GeoLearning is a pure-play, on-demand LMS platform provider that has developed strong partnerships with industry leaders that offer complementary tools. In addition to its LMS, GeoLearning provides clients with SuccessFactors for performance management, WebEx for Web conferencing and KnowledgeAdvisors for training analytics as part of its overall best-of-breed solution — and therefore offers an integrated suite of functional products and services.

SaaS is quickly catching on as the preferred way for organizations to acquire access to business applications because it eliminates all the headaches, hassles and risks associated with traditional on-premises software.

The adoption rate for on-demand learning management systems is skyrocketing. According to a research report recently published by Gartner,

SaaS technology has grown significantly and will continue to grow in coming years.

“Ease of use, rapid deployment, limited upfront investment in capital and staffing, plus a reduction in software management responsibility, all make SaaS a desirable alternative to many on-premises solutions, and they will continue to act as drivers of growth,” says Sharon Mertz, Gartner’s research director.

According to Gartner, this year SaaS revenue will surpass \$5.1 billion — a 21 percent growth over 2006 revenues. In terms of total market share, Gartner reports that SaaS adoption is close to 70 percent of the total in e-learning and Web conferencing.

BENEFITS OF PROVIDERS

Compared to traditional on-premises LMS software, the SaaS delivery model is appealing to HR and training professionals for several reasons, including its lower start-up costs, reduced total cost of ownership and

rapid deployment.

Research completed by Bersin & Associates indicates that on-demand solutions are highly effective and scalable. Web-services technology makes integration with a company’s system easier than ever and speeds up the implementation timeframe.

ed tool set (while adequate) is missing some features you find in a focused, best-of-breed third-party tool. Purchasing a suite, then, may force you to trade off perceived benefits for a system that may not actually meet your company’s needs.

While a single vendor solution may seem to provide

implement and maintain this type of solution is high and may slow deployment, thereby eliminating or significantly reducing return on investment.

With an on-demand SaaS solution, the vendor takes responsibility for delivering the system and implementing upgrades. SaaS technology is

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SaaS offer several advantages over traditional integrated on-premises solutions. Bersin’s findings note that the actual functionality available in a traditional, on-premises suite is much more limited than that available from focused best-of-breed vendors. Development tools, for example, are widely available from many specialized companies; however, the LMS-provid-

higher levels of accountability and control, in effect it can create the opposite problem. If a suite provider cannot meet an organization’s needs, the buyer has essentially put all its eggs into one basket and may have no recourse when part of the system does not meet the company’s needs. In addition, the human capital and IT infrastructure required to

owned, delivered and managed remotely by a vendor, leaving the maintenance and upkeep burden with the vendor and not the client.

CONCLUSION

A best-of-breed LMS provider can deliver product enhancements and partnerships that offer clients both depth and breadth of functionality. The resulting integrated solution is composed of best-of-breed products for which the LMS vendor takes full responsibility. Clients are also safeguarded by a master-service-level agreement that provides a centralized approach to product support and maintenance, as well as a clear upgrade path.

The growing popularity of the SaaS delivery model is making even easier for learning leaders to assemble best-of-breed solutions that deliver world-class functionality quickly and cost-effectively. ④

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