SaaS Learning Management Systems

For the Small Business Market

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Executive Summary

With the growth of SaaS Learning Management Systems in the Small to Mid Size Business Market, we reviewed four LMSs that are on a high growth cycle.

Very few consumers know exactly what is cloud computing and more importantly SaaS. Yet there is a great demand for SaaS learning management systems.

The current state of the Learning Management System market is expanding at an exponential rate. Our data shows this is due to three factors:

• SaaS
• Emergence of SMB sector as a strong buyer
• Resurgence in the commitment of ease of use and graphical user interfaces
Learning in the Cloud

- What is “in the cloud”
- Cloud Models
- Cloud Deployment
- LMS SaaS Drivers
What is “in the cloud”

- Accessing and using online services including software and applications rather than purchasing or installing software and hardware
- Access is available not only via a desktop computer or laptop but with any type of device which can tap into the internet
- Infrastructure, platforms, data and even hardware is available in the cloud
We forecast the Cloud Total Market to exceed $235 billion dollars by 2020

**Cloud Models**

**SaaS**
- Software as a Service
- End user accesses applications and software in the cloud
- Most often used model

**PaaS**
- Platform as a Service
- Infrastructure or environment
- Enables end user ability to build applications and build upon pre-existing applications within that environment

**IaaS**
- Infrastructure as a Service
- Virtualization in the cloud
- Servers, storage, operating systems, data centers, delivery networks, databases
**Community**
- Infrastructure is shared between multiple organizations from a specific community
- Often has same concerns such as compliance or security
- Can be managed and hosted internally or by a 3rd party

**Public**
- Infrastructure provisioned by cloud provider for open use by the general public
- May be owned, managed or supported by educational institution, government, company or combination

**Private**
- Infrastructure provisioned solely for a single organization,
  - Can be managed internally or by a third party and hosted internally or externally

**Hybrid**
- Infrastructure is a combination of two or more clouds
- Often unique entities bound together
- Offers benefits of multiple deployment models
While there are four types of cloud deployment in 2012, we believe that an extension of the hybrid type will become dominant in the industry.

Hybrid next generation which will be the key driver for the learning management space by 2020.

The e-learning market as a whole will be split between hybrid next generation and private.
SaaS LMS Drivers

What will drive SaaS Success in the market

- Minimal Lag Time
- Expand Capabilities
- Eliminate Fears
- Security
- SaaS LMS
- High Data Transfer
- Updates
- The Next Big Thing
- 99.9% Uptime
- AES 256 or higher
- Privacy of Data
- Downtime will impact
- Enhancements always win
- Staying Current
As technology evolves so does the learning management system market. SaaS systems more than ever need to meet the demands of the global workforce

CRITICAL NEEDS
Critical Needs

End users for SaaS LMSs have made it clear that they want a system that offers the next level of learning.

82% End users identified self-registration as a requirement.
81% Of respondents told us that an assessment tool and skill gap analysis were critical to their LMS needs.
75% Identified classroom management as mission critical. As e-learning becomes the primary mode of learning, instructor led still plays a role.
62% Administration home dashboard. An administrator is the key role in any LMS. They want to see a quick overview of key data without having to traverse the entire system.

Administrator Requirements
A SaaS LMS has to enhance on the administration side too.

Percent of respondents who stated that virtual classrooms and surveys/polls are requirements in a system: 69%
Percent of respondents who stated SSL is a requirement: 63%
Percent of respondents who listed SSO as a must need in a LMS: 59%
Percent of respondents who identified competence management as a requirement: 63%
State of the Industry

LEARNING MANAGEMENT SYSTEMS
**LMS Market 2012**

A quick snapshot at the state of the industry

- **Number of Learning Management Systems**: 450 AND GROWING*
- **Percentage of LMS vendors offering m-learning**: 20 percent
- **Percentage of LMS vendors who offer SaaS**: 95 percent

**Essential Features**

- M-Learning: 69%
- Collaboration: 69%
- Social Learning: 57%
- Admin. Wizards: 57%

**Current LMS users: Satisfied to Very Satisfied**

- Customer Service: 78%
- Test Engine: 67%
- Ease of use: 66%

**Likes**

Under what features you would like to see in your system - #1 was mobile learning for tablets

- Integrate with Outlook or Gmail.
  End users have told us that having events posted directly into their calendars is important.

- Auto e-mail notifications.
  Learners want instant notification when signing up for events and follow up prior to events.

**However**

- 50% are unsatisfied to neutral with the current LMS’s reports.
- 47% are unsatisfied to neutral with the learner side interface of their current LMS

* Based on E-Learning g 24/7 Oct 2012 LMS Directory
Learning Management Systems

SMALL TO MID SIZE BUSINESS
SMB LMS Wins

The market is changing, you must adapt

- Multi-tenant
- M-Learning with Tablets
- Price Sensitive
- Support and Service
- SaaS
Four SaaS learning management systems

- **Docebo**
  - One click to switch from simple to extended (multi-tenant)
  - Easy to use, very good feature set
  - SaaS, no hosting fee

- **eFront**
  - Multi-tenant
  - Easy to use, good feature set
  - SaaS, no hosting fee

- **Totara**
  - Multi-tenant
  - Easy to use, very good feature set
  - Can be SaaS, hosting fee

- **Litmos**
  - Can be multi-tenant but requires each client to have own account
  - Very easy to use, good feature set
  - SaaS, no hosting fee
## Nine-Field-Matrix

### Competitive Strength

**Docebo**

<table>
<thead>
<tr>
<th>Criteria (Observation Range)</th>
<th>Notes to the weakness and strength of LMS</th>
<th>Comparison to Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Relative Market Share</strong></td>
<td>Great potential to be top tier in SMB. Challenge tied to moving from open to commercial.</td>
<td></td>
</tr>
<tr>
<td><strong>Learner User interface</strong></td>
<td>Two UI’s. One for Simple version, other for extended enterprise. EE should be priority.</td>
<td></td>
</tr>
<tr>
<td><strong>Added Value</strong></td>
<td>Extensive feature set and lower price point. Will Simple option be a big enough benefit to keep?</td>
<td></td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td>Extended enterprise is the key. Simple option understandable, not seeing same quality.</td>
<td></td>
</tr>
<tr>
<td><strong>Pricing Structure</strong></td>
<td>Great approach. Pricing is flexible for all size of businesses and organizations.</td>
<td></td>
</tr>
<tr>
<td><strong>Personalization</strong></td>
<td>Very robust. One touch multilingual capability is a winner.</td>
<td></td>
</tr>
<tr>
<td><strong>Event management</strong></td>
<td>iCal for Outlook and Gmail – big wins. E-mail and SMS notifications. Calendar needs improvement.</td>
<td></td>
</tr>
<tr>
<td><strong>Mobile Learning</strong></td>
<td>HTML5 and Tin Can support. No on/off synch for tablets is a real issue.</td>
<td></td>
</tr>
<tr>
<td><strong>Features and functionality</strong></td>
<td>Very strong feature set including video streaming, widgets, one click.</td>
<td></td>
</tr>
<tr>
<td><strong>Extended Enterprise capabilities</strong></td>
<td>Strong, but is hurt by difficult UI on administration side and lack of m-commerce.</td>
<td></td>
</tr>
</tbody>
</table>

**Overall Assessment**

Ranked #10 in our Top 25 LMSs. Top tier system for SMB. Continues to exceed our expectations.
SaaS Learning Management Systems

WHO ARE THE LEADERS IN THE SMB MARKET
# Feature Comparison

<table>
<thead>
<tr>
<th>Feature</th>
<th>Docebo</th>
<th>Litmos</th>
<th>Totara</th>
<th>eFront</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-tenant</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>1 Click Simple to Enterprise</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Built-in Help Desk</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes*</td>
</tr>
<tr>
<td>Integrated Salesforce</td>
<td>Yes</td>
<td>No**</td>
<td>No**</td>
<td>Yes</td>
</tr>
<tr>
<td>SCORM 2004</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>E-mail/SMS Auto Notification</td>
<td>Yes</td>
<td>No***</td>
<td>No***</td>
<td>No***</td>
</tr>
<tr>
<td>HTML5 and Tin Can</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Self-Registration</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>E-Commerce</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* Ticket System only (eFront)

** Totara can via an API, however system does not come with Salesforce already integrated

** Litmos states they can integrate with any CRM, does not come with Salesforce already integrated

*** Does not offer SMS notification (Litmos, eFront, Totara)

Listed features as of 9-25-2012
Docebo - SWOT

1. **Extended Enterprise**
   - On-going growth especially in SMB market.

2. **Differentiation**
   - Stand out from competitors in same space. Lead, not follow.

3. **Forward Thinking**
   - Applying consumer market demand to system.

4. **Pricing**
   - Structure offers scalability and flexibility for any business.

5. **Perception**
   - Market identifies low price with poor quality.
Information

- Survey conducted Sept 15\textsuperscript{th} to Oct 5\textsuperscript{th}, 2012. Total number of respondents was 645. Partial responses were removed. Data was generated based on the remaining survey respondents of 536.
- E-Learning 24/7 LMS directory as of October 9\textsuperscript{th}, 2012. The directory consists of 450 vendors. The directory is updated bi-monthly.