



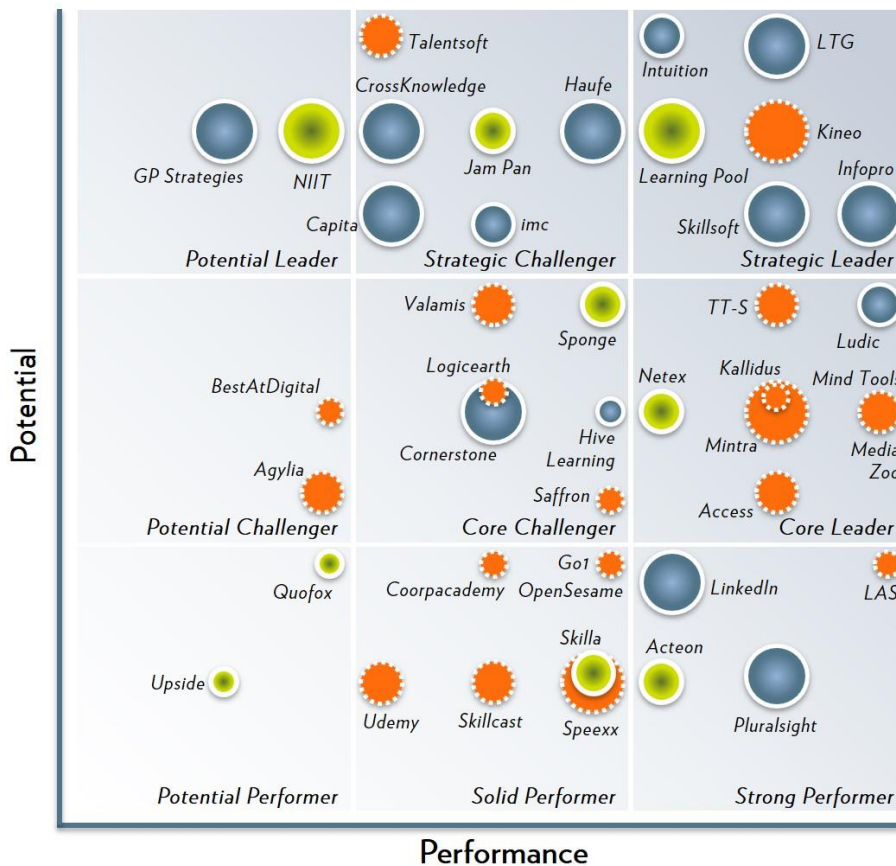
**FOSWAY  
GROUP**

# Fosway 9-Grid™ DIGITAL LEARNING

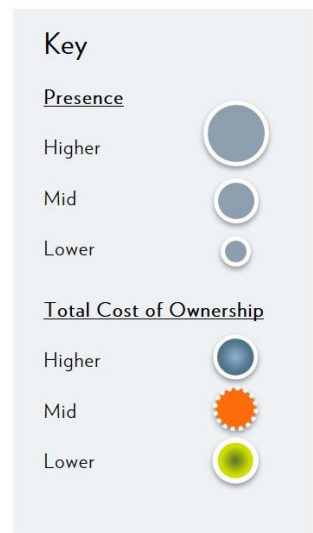
March 2021

Independent Analysis of the Digital Learning Market

## Fosway 9-Grid™ - Digital Learning



March 2021



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# Key Headlines

## The Market

We are all digital learning providers now!

Whether you are an external supplier or an internal learning team, we are all digital learning providers now! Because of the pandemic, online learning is now the only game in town and demand has surged. 82% of organisations<sup>1</sup> have increased demand for digital learning from stakeholders. 71% have seen demand grow from end users. This is not a flash in the pan set to last only for lockdown. Only 1% of organisations believe their approach to L&D will go back to what it was before the pandemic.<sup>2</sup> Digital learning is here to stay.

## Digital learning really does enable organisations to be agile

Digital learning has played a pivotal role in enabling organisations to navigate the turmoil brought by the pandemic. It is astonishing how well many have transitioned between the old world and the new, accelerating the digital transformation of their learning by years. The importance of this cannot be overstated. Digital learning is now business critical in supporting people with wellbeing, remote working and digital skills – as well as enabling workers to reskill for new roles with unparalleled speed and agility.

## But it's not quite the revolution we might have wished for

Despite the surge in demand, this is not the digital learning revolution we might have wished for. The story is *not* a radical reimagining of learning, but mostly a simple switch from the classroom to a virtual instructor-led sessions or a library of off-the-shelf content. Yes, performance support, curation, video, microlearning, social learning and AI are all vying for a role alongside traditional e-learning, but their adoption has a long way to go. The revolution might have been rapid but it was also relatively unsophisticated.

## Digital fatigue is forcing buyers to explore better experiences

The switch to digital is also having an impact on learners. Nearly half of organisations are already reporting

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<sup>1</sup> Impact of COVID-19 on L&D, Fosway, 2020

<sup>2</sup> Digital Learning Realities, Fosway, 2021



that digital learning fatigue is growing<sup>3</sup>. How L&D addresses this through blended learning and more human-centred experiences will define the market for years to come.

## Upskilling and reskilling – skills are the order of the day

The pandemic has brought a surge in skills development as organisations re-assign workers and pivot business models. Upskilling and reskilling existing teams to take on new work is a significant trend. As a result, the demand for skills-based learning continues to grow. Digital learning and the use of AI and machine learning to infer skills and map learning content is a headline act for 2021 and beyond.

## Content is king (again) but at what cost?

Even before COVID-19, learning systems providers had woken up to the revenue potential of repackaging their solutions with pre-stacked content - especially if they could leverage platform users to resell content portfolios. Equally, buyers have scrambled to upskill workers for virtual working using off-the-shelf-content. But as the dust settles on some hasty choices in 2020, buyers will come under pressure to rationalise their burgeoning content portfolios to optimise cost and ensure effective adoption and value for money.

## Buying through a digital marketplace is becoming business-as-usual

Digital learning ‘marketplaces’ continue to be an effective way for buyers to innovate how they resource learning projects. Organisations who buy-in to this approach typically partner closely with providers so they become an extension to the internal team. Having a ‘one stop shop’ for skilled professionals, for digital learning production and content is part of this increasing trend in procurement options.

## The pressure is on L&D to show its value to stakeholders

In the wake of the pandemic, most L&D teams are reporting increased scrutiny around the value they add. However, most still only talk about adoption and engagement as measures of success. High performing L&D teams show value through what they add to skills, engagement and bottom-line performance. Doing that requires better integration of learning data with real business data (sales, customer satisfaction, growth etc) as well as HR insights (employee engagement, advocacy, staff churn etc). Whilst a few solutions have grasped the opportunity and analytics needed, it still largely eludes the mainstream.

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<sup>3</sup> Digital Learning Realities, Fosway, 2021



## HR providers are buying into digital learning and performance

Historically, HR system providers have not shown much interest in the learning market. This year that changed – learning became critical and as a result, a number of HR providers acquired digital learning companies to bolster their solutions. This is the thin end of a very large wedge. Expect more acquisitions and continued consolidation over the months to come.

## Creating a joined-up learning ecosystem is harder than it should be

As skills and workforce agility rise in the corporate people priority list, connecting learning and skills to performance, employee engagement, careers, recruiting and resourcing is now a critical part of the HR ecosystem. To extract maximum value, learning needs to power other parts of the people experience. But joining this up is not easy. All too often, digital learning providers have not grasped the bigger picture. The tagging of content and learning experiences to skills needs to be robust. Sadly, this is not always well managed and remains a weakness of many L&D teams.

# Solution Trends

## Digital learning transcends learning systems

The ability of users to quickly find the right content at the right time continues to be a major barrier to workplace learning. Better tagging and deeper search is essential. The importance of AI-led approaches that make content searchable outside learning platforms cannot be overstated. Whilst learning systems are still vital – having learners actually see them is not always important or even desirable. Especially when learning is in the form of performance support or just-in-time guidance.

## Integration into work and workflow tools is an entry-level need

Workplace tools like Microsoft Teams and Slack are fast becoming key entry points for digital learning. Now Microsoft has also launched its Viva platform as an employee experience layer, that need will grow exponentially. Digital learning providers must provide integration to these tools as an entry level requirement. But the overlooked challenge is that this is not just about taking classic e-learning into the workflow. To be effective it needs more suitable formats, so expect to see microlearning and just-in-time learning solutions grow too. (At last, some might say!)



## Virtual classrooms and VILT booms

With traditional face-to-face training impossible, instructor led training (ILT) has gone virtual (VILT). The huge growth in virtual classroom adoption in all companies was a matter of survival. But as the prospect of restrictive travel remains a reality for some time to come, the VILT boom will run on. Even after the pandemic and in-person training bounces back, virtual classrooms will likely exert more influence than ever.

## Automated curation is redefining what we mean by learning content

Content has always been a bedrock of a digital learning strategy. In the past this often meant buying into content libraries, but the opportunity to source ‘free’ professional content has grown through curation. AI-generated, automated content streams can render professional publications, news channels and thought leaders into personalised professional update channels. A powerful trend for 2021 and onwards.

## Provenance is a big differentiator for off-the-shelf content

Whilst generic content can sometimes feel a blunt tool, the off-the-shelf side of the market continues to grow. An increasing differentiator for providers is the provenance of their content. Those who traditionally provide own-branded content are increasingly partnering with leading academic or professional organisations, to grow the quality of their content as well as the credibility and impact it has with learners.

## Video is the new normal – but some killer features make it truly effective

Video ranks as the most successful content approach during the pandemic<sup>4</sup> - and is now the media of choice for performance support, microlearning, user generated content and off-the-shelf libraries. Add in 5G networks - and video is the new normal. Potentially low cost and quick to develop, its weakness is the lack of search to a frame level. A few solutions offer automated transcripts – but this is far from universal.

## Microlearning for performance support is a top priority

Bite-sized learning has been a trend for years and its latest incarnation under the label microlearning will feature more in 2021. But buyers need to look at how they build real proficiency in the workforce. Beware of just substituting one e-learning content type for another. Content alone is never the whole answer.

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<sup>4</sup> Impact of COVID-19 on L&D, Fosway Group, 2020



## Knowledge management and social learning has converged

One of the most interesting digital trends is the cross-over between knowledge management and learning. As social learning, user-generated content and curated content all converge, this will become more obvious especially as chatbots and performance support tools help transition learning into doing. Understanding how knowledge and social learning overlap is important. It also defines the difference between microlearning, classic e-learning and knowledge support in terms of media duration and style.

## Mobile content takes a back seat through the pandemic

With COVID-19 significantly impacting where and how we work, learning whilst mobile has taken a back seat over the past year. Yes, having content that is responsive to different screen formats is now essential, but with increased homeworking, suppliers and buyers have told us that consumption of mobile specific formats has declined as tablets, desktops and laptops have become the main window onto learning.

## AI is working harder than ever before – but often in the background

AI continues to grow in influence in our digital lives, but this is less visible for digital learning. Whilst we may not yet be being taught by bots, AI and machine learning is becoming more prevalent in the personalisation of learning and learning recommendations, and curated content streams are growing in popularity. Ultimately there is no personalisation without data. Which means that AI will be growing in the back-end of solutions to optimise the learning process through nudges, filtering, matching and recommendations.

## Augmented Reality and Virtual Reality are for the few, but still maturing

AR and VR are delivering compelling niche learning solutions for practical and situational skills training, especially in high-risk environments. VR fidelity is increasing with the emergence of haptic glove-based controllers. And the use of VR to create emotionally sensitive situations is interesting. Few companies are yet to adopt either approach as a mainstream reality, but both remain technologies to watch.

## It's time to make digital learning more human

As learning becomes more embedded in the flow of work, human-centred experience design has become more important than instructional design. But much of what is offered by the traditional e-learning market still lacks a distinctive edge, and there is a need to be more creative with traditional courses. Diversifying the learning experience beyond self-study is critical – especially as digital learning fatigue grows more dominant.



# 9-Grid™ Vendor Rating

Solution	9-Grid™ Rating
Access Group	Core Leader
Acteon Consultancy	Strong Performer
Agylia Group	Potential Challenger
BestAtDigital	Potential Challenger
Capita	Strategic Challenger
Coorpacademy	Solid Performer
Cornerstone OnDemand	Core Challenger
CrossKnowledge	Strategic Challenger
Go1	Solid Performer
GP Strategies	Potential Leader
Haufe	Strategic Challenger
Hive Learning	Core Challenger
imc	Strategic Challenger
Infopro Learning	Strategic Leader
Intuition Publishing	Strategic Leader
Jam Pan	Strategic Challenger
Kallidus	Core Leader
Kineo	Strategic Leader
Learning Age Solutions (LAS)	Strong Performer
Learning Technologies Group (LTG)	Strategic Leader



<b>Learning Pool</b>	Strategic Leader
<b>LinkedIn Learning</b>	Strong Performer
<b>Logicearth Learning Services</b>	Core Challenger
<b>Ludic Group</b>	Core Leader
<b>Media Zoo</b>	Core Leader
<b>Mind Tools <i>from Emerald Works</i></b>	Core Leader
<b>Mintra Group</b>	Core Leader
<b>Netex</b>	Core Leader
<b>NIIT</b>	Potential Leader
<b>OpenSesame</b>	Solid Performer
<b>Pluralsight</b>	Strong Performer
<b>Quofox</b>	Potential Performer
<b>Saffron Interactive</b>	Core Challenger
<b>Skilla</b>	Solid Performer
<b>Skillcast</b>	Solid Performer
<b>Skillssoft</b>	Strategic Leader
<b>Speexx</b>	Solid Performer
<b>Sponge</b>	Core Challenger
<b>Talentsoft</b>	Strategic Challenger
<b>TT-S</b>	Core Leader
<b>Udemy</b>	Solid Performer
<b>Upside Learning</b>	Potential Performer
<b>Valamis</b>	Core Challenger





## Inclusions and Exclusions

Entries into the Fosway 9-Grid™ for Digital Learning are made on the basis of the appearance of those solutions within Fosway's Corporate Research network, which focuses on European enterprise-scale (large and mid) corporates. As a result, there are a number of US-based solutions that are omitted because they do not currently have an adequate international presence for us to provide a relevant commentary.

Conversely, there may be providers with little recognition outside EMEA that are included because they have built a sufficient presence with European companies to warrant inclusion.

## 2021 Additions and Removals

This year sees the addition of the following new names to the 2021 Fosway 9-Grid™ for Digital Learning:

- BestAtDigital – A management buy-out of Saba Studios following Saba's acquisition by Cornerstone OnDemand.
- Coopacademy – Learning solutions provider supporting international corporates with digital business transformation and people development.
- Go1 – Content aggregator with a growing following from those wishing to rationalise their approach to buying off-the-shelf content.
- GP Strategies – Global service company supporting digital learning with enterprise clients.
- Haufe – Major learning provider in DACH market, offering digital learning to global corporates.
- Hive Learning – Combining its social learning platforms with off-the-shelf digital learning content.
- LinkedIn Learning – Part of LinkedIn and Microsoft, growing its corporate offering.
- Pluralsight – Global provider of digital learning for IT.
- Quofox – Emerging digital learning provider in DACH.
- Speexx – Digital learning provider for foreign languages.
- TT-S – German headquartered provider of performance support solutions.



- Udemy for Business – Business focused off-the-shelf content portfolio provider.
- Upside Learning – Provider of bespoke e-learning content for enterprise clients.

In further changes to this year's 9-Grid™ for Digital Learning:

- Emerald Works has been renamed Mind Tools as part of its journey to bring together its combined services and solutions under a single brand.
- This year also saw the removal of Saba which was acquired by Cornerstone – the content arm of which was subject to a management buy-out to form BestAtDigital.
- SAP Litmos is now only included in the Fosway 9-Grid™ for Learning Systems – a reflection of its focus on platform over digital learning content and services under SAP.

## Accuracy of Information and Warranties

The analysis and recommendations made in Fosway 9-Grid™ are based on the information currently available to Fosway Group from sources believed to be reliable. Fosway Group disclaims all warranties as to the accuracy, completeness or adequacy of such information. Fosway Group will have no liability for errors, omissions or inadequacies in the information contained herein, or for interpretations hereof. Opinions expressed herein, are subject to change without notice. All content is copyright Fosway Group Limited, unless otherwise identified.



# Understanding the Fosway 9-Grid™

## What is the Fosway 9-Grid™

The Fosway 9-Grid™ is a five-dimensional model that can be used to understand the relative position of different solutions and providers in a selected market segment. It allows organisations to compare different solutions based on their Performance, Potential, Market Presence, Total Cost of Ownership and Future Trajectories across the market. 9-Grid™ is unique, because the model contains value in *all* of its zones – not just the top right. 9-Grid™ not only provides an understanding of the market, but also identifies the high-level actions that can help corporate organisations get the best from vendors.

9-Grid™ is based on Fosway Group's independent research in the HR, talent and learning market over the past 25+ years, and draws upon the insights and experience of our Corporate Research Network. The Corporate Research Network is a group of HR and learning professionals, who between them represent over 150 of Europe's leading companies. These companies are typically enterprise-scale organisations with their Head Offices in Europe (or the EMEA HQ of global companies).

Essentially the 9-Grid™ model brings together our independent view of solution providers, including their:

- **Performance** - comprising of two elements: Market Performance and Customer Performance.
- **Potential** - Scope, capability and sophistication.
- **Presence** - Historic and current presence in the market. This includes the size of the customer base, the number of enterprise customers and the overall size of the business, within the scope of the market segment we are examining.
- **Total Cost of Ownership** means the FULL cost of acquiring, implementing and operating the solution (typically over a 3-year period). Importantly, this includes both internal and external costs.
- **Future Trajectory** – our view of their direction of travel in terms of Performance and Potential, relative to their current position and the market as a whole.

Interpreting the exact position of the vendor in a 9-Grid™ zone is explained in more fully in our **Introduction**



to the 9-Grid™ document available from our website [www.fosway.com](http://www.fosway.com). We strongly recommend reading the full document to understand the model in detail.

## The Critical Difference between the 9-Grid™ and other Analyst Models

There is a very important difference between 9-Grid™ and other Analyst models. In the 9-Grid™ all of the nine zones have value, and more interestingly, have an associated set of actions that can help you to maximise the value of the relationship with different vendors. This means that being in the top right is not the only valid selection point. For some organisations top right may not even be desirable. There are many other zones that offer success, especially when balanced against Total Cost of Ownership.

## The 9-Grid™ Variables for Digital Learning

2021 highlights the continued evolution in digital learning away from pure-play e-learning. Digital learning includes the full range of solutions available (content, platforms and services), the range of learning experiences and formats offered across the learning cycle.

### Performance

As usual this still covers the questions of when people make a choice about solutions: do they get short listed by customers, do they win, do they deliver and are customers happy? This is viewed through the lens of large international corporates and the experiences of our Corporate Research Network and general market briefing. This may not necessarily reflect the experiences of smaller and mid-sized organisations.

### Potential

Two key aspects: scope and sophistication. The definition of **Scope** includes:

- the range of digital learning, content, consulting, support services and platform offerings a provider can use in order to drive a digital learning strategy for its customers.
- the range of learning content and different learning experiences a vendor can offer.



- the experience of delivering solutions for different learning contexts, which might include induction, product launches, systems training, leadership and management, sales and technical expertise.
- the breadth of sector focus such as Finance, Retail, Telecoms etc.

**Sophistication** defines a vendor's potential to act as a strategic digital learning partner. It considers:

- the ability to provide strategic digital consultancy to guide effective outcomes
- the ability to deliver, manage and scale complex digital learning projects
- the ability to support digital learning software and solutions through implementation and delivery – including offering administration support
- the capability of their digital learning platforms to power a wide range of learning strategies.

So, whilst the depth of e-learning design, and ability to blend are important, it's the ability of vendors to bring digital learning to life for an organisation – in its entirety – that is critical to our assessment.

## Presence

This is very much about the size of the customer base as well as presence in the enterprise market. Again, this is not a linear scale, but represents three bandings that group levels of maturity/distinct groupings we see in the market. Higher Presence solutions will be being used in large numbers of corporate enterprise scale customers and have high numbers of overall end-learners using their digital learning solutions.

## Total Cost of Ownership

TCO is about the overall cost of buying and maintaining the content. This is a combination not only of initial cost of project management, design and development, but also the cost of delivery, ongoing innovation, localisation, deployment and ongoing updates and maintenance.

## Trajectory

For Digital Learning, Trajectory is our sense of potential direction of travel in terms of both Performance and Potential. Trajectory is measured relative to the current Performance and Potential of that solution and the market as a whole. **It is not a relative positioning compared to other solutions in the same zone.**



# Next Steps

## Make better HR buying decisions faster

A key difference of the 9-Grid™ to other analyst models, is that all the nine zones have value. Top right is not always best! The key question you should be asking is ‘what is best for you?’ i.e. your specific organisation, your likely investment/resources and your real needs and requirements.

Referencing the 9-Grids™ is a great place to start when evaluating current suppliers, planning your future or looking for new tools and technology. But what you see here is just the tip of the iceberg. As well as access to the data behind the 9-Grid™, Fosway also has developed tools and a methodology that help companies make better HR buying decisions faster. From aligning your stakeholders and validating your buying options through to accelerating your RFP and procurement, Fosway has all the resources you need. *Why start your procurement process from scratch when we already have the research and insight to help you make better supplier decisions much faster?*

For companies seeking greater detail of the data behind the Fosway 9-Grids™ or looking for a ‘critical friend’ to provide independent feedback and advice, please contact us at [info@fosway.com](mailto:info@fosway.com) or by phone on +44 (0)20 7917 1870. As well as accessing the best existing research and market insight, you also have the security of knowing that we are completely independent and don’t have a vested interest in the outcome of your decisions, other than ensuring it’s right for your organisation and your people.

## If You Are a Vendor

Fosway Group is constantly researching the market via our direct research projects, through conversations with our Corporate Research Network, and via direct vendor tracking and briefing. Vendors interested in engaging with Fosway Group more deeply are encouraged to consider joining our **Fosway Vendor Programme (FVP)**. Please contact [Philippa Bean](#) on +44 (0)20 7917 1870 to discuss further.



# About Fosway Group

Fosway Group is Europe's #1 HR Industry Analyst focused on Next Gen HR, Talent and Learning. Founded in 1996, we are known for our unique European research, our independence and our integrity.

For over 25 years, we have been analysing the realities of the market, and providing insights on the future of HR, Talent and Learning. Fosway analysts work extensively with our corporate clients to understand the inside story of the challenges they are facing, and their real experiences with next gen strategies, systems and suppliers. Our independent vendor analysis also provides a vital resource when making decisions on innovation and technology.

And just like the Roman road we draw our name from, you'll find that we're unusually direct. We don't have a vested interest in your supplier or consulting choices. So, whether you're looking for independent research, specific advice or a critical friend to cut through the market hype, we can tell you what you need to know to succeed.

**Example clients include:** Alstom, Aviva, Boots UK, BP, BT, Centrica, Deutsche Bank, Faurecia, HSBC, International SOS, Lloyds Banking Group, Novartis, PwC, Rolls-Royce, Royal Bank of Scotland, Sanofi, Shell, Swiss Re, Telefonica, Thomson Reuters, Toyota Europe, and Vodafone.

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