

Who's Who Among e-Learning Providers

Pamela Sauer

The e-learning market is segmented in three main areas: content, technology and services, with vendors and providers targeting each segment.

Content providers author and publish intellectual property that may use a variety of training delivery methods and media. This segment includes customized and off-the-shelf courseware, synchronous and asynchronous course delivery, linear and branded content and complex multimedia simulations for soft skills and/or IT learning, according to a WR Hambrecht & Company report. Content, growing at a compound average growth rate of 74 percent, should continue to be the largest segment in the training market, according to Inter-national Data Corp. estimates. By 2003, it is projected to account for \$6.2 billion in revenues up from \$735 million in 1999, although its market share is projected to decline from 66 percent in 1999 to 54 percent in 2003, giving up territory to the services segment.

Content providers targeting a corporate training environment include DigitalThink, Learn2.com, NetG, Prosoft-Training, SkillSoft, SmartForce and KnowledgeNet.

DigitalThink was one of the early providers in the Web-delivered corporate IT training space to provide a complete end-to-end e-learning solution that encompasses off-the-shelf and customized content, technology, services and e-commerce. It develops and delivers Web-based IT training courses for programmers, software developers, system administrators, technical engineers and has expanded into the soft skills arena. The company's courses are delivered via the Internet only, do not require any downloads or plug-ins and are 100 percent outsourced.

Learn2.com, a learning portal, focuses on the consumer market with a broad spectrum of interactive, customized, and off-the-shelf online and physical learning products. Solutions for corporations and organizations are offered through three product lines—Learn2University.com (operated on an ASP basis), StreamMaker, a courseware authoring tool that allows custom tutorial and content creation, and Agent7, learning agents that deliver online help desk support, customer service and information on new product launches.

NETg, a subsidiary of Boston-based Harcourt General Inc., is a developer of technology-based training (TBT) and one of the major players in the online IT training market. The company has a portfolio of over 600 multimedia courses in several languages, covering professional, IT, desktop and personal development skills. Through its learning management alliance program, NETg is pushing forward the development of e-learning technology standards, which will help make its courseware compatible with all major learning management systems.

ProsoftTraining.com provides Internet training, Internet training courseware and Internet skills certification through third-party training companies. It offers its Certified Internet Webmaster certification program,

which provides IT professionals with the skills required to develop and implement e-business solutions. Last year, the company formed an alliance with the leading e-learning provider SmartForce.

SkillSoft is a provider of general business skill content. The company has a library that includes more than 200 courses concentrating on professional effectiveness skills and also provides online performance support tools and online mentoring. It offers roughly 215 highly interactive, off-the-shelf, Web-based soft skill courses in the areas of project management, team building, communication, marketing, strategic planning, finance, personal development, customer service, sales, knowledge management and human resources.

SmartForce, formerly CBT Systems, had been focused on providing training content via CD-Roms, but in 1999 the company adopted an e-learning platform to deliver its training products and services. It has since become one of the largest e-training companies with an estimated 4.5 percent share of the US market. It has more than 2,000 major corporate customer and offers enterprise e-learning solutions for the critical training business process.

"SmartForce has a clear lead in IT training and e-learning. The company

prise resource planning. "Increasingly, there is a need to continuously educate both employees and customers, and it is apparent that the Internet is an effective avenue to do just that. Therefore, we believe that learning management platforms (LMPs) will become a necessity for businesses, both large and small, to achieve continued success. We expect that there will be a rapid adoption of LMPs throughout the corporate environment just as businesses identified the need for enterprise resource planning systems," says the Suntrust report.

Technology vendors include Click2learn.com, Docent and Centra Software.

Click2learn.com, formerly Asymtrix Learning Systems, was founded in 1984 by Microsoft co-founder Paul Allen. It was one of the first companies to offer "outside the firewall" learning management products through an ASP model. The company offers a broad array of products, including authoring tools that enable customers to use their own content to create customized courses. The company provides off-the-shelf and customized software applications and services to create, deploy and manage Internet-based training. In addition to its e-learning technology business, Click2learn.com is rapidly establishing a learning portal to aggregate and distribute content in the areas of IT and soft skills training to industry professionals, corporate intranets and Web portals. Through its portal, the company offers access to a large catalog of courses through licensing agreements with several leading content providers, such as Learn2.com, NETg and SkillSoft.

Docent Inc. was one of the first e-learning companies to offer a complete application-hosting service and is a platform provider targeting the corporate marketplace. The company's strategy is to stay focused on its core competencies in the technology segment and partner with major content, technology and service companies to deliver integrated end-to-end online learning solutions to the Global 2000. It develops a suite of learning management systems, course assembly tools and other enterprise-level software for creating, deploying and managing training over the Internet, intranets or extranets.

Centra Software, which went public last year, illustrates some of the interest in the knowledge technology area. Centra is a true platform provider, and provides its platform to other e-learning service companies, such as Docent and Click2learn. Key offerings are synchronous learning platforms by creating a virtual classroom to eliminate the need for in-person meetings or video and teleconferencing, according to research by Suntrust Equitable Securities Inc. The synchronous learning platform allows an individual to present visual materials coupled with voice interaction. The company develops and markets Web-based Java applications software and services for the delivery of instructor-led training, self-paced learning, integrated live demonstrations, presentations and meetings via corporate intranets, extranets and the Internet.

Of all the training segments, training services, such as systems integration, needs assessment, hosting, main-

tenance and online mentoring, are projected to be the fastest growing component, growing at 111 percent annually. Within the next three years, services are expected to double their current market share, reaching 36 percent in 2003, or \$4.1 billion in revenues. Service providers offer a variety of learning-related services, which are categorized in three groups: portals, learning service providers (LSP) and other professional services.

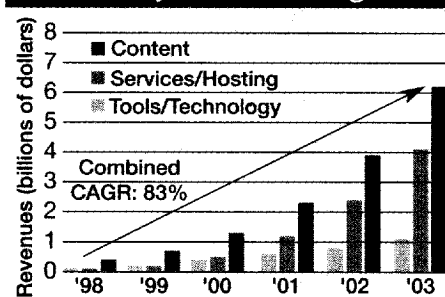
Portals provide consolidated access to learning and training from multiple sources by aggregating, hosting and distributing content. A number of portals operate online communities, either as stand-alone learning communities or in combination with course offerings, according to a recent study by WR Hambrecht & Company. Certain content providers and tool companies have launched portals in addition to their original core business. Most of the distributors and communities target other market segments, principally in education-related fields.

LSPs, a specialized type of ASP, offer learning and content management services, training delivery software, and/or other enabling technologies and services on a hosted/rental basis via diverse business models. Categories of LSPs also include providers offering assessment and testing services, certification and degree granting, online tutoring and mentoring, Internet-based collaboration services, and media production and delivery services.

Headlight.com is an example of an LSP aggregator focused on the business-to-business market with a focus on small to medium-sized companies. With nearly 3,000 online courses in 19 learning channels in the areas of IT training, IT certification and business skills, Headlight.com has aggregated one of the largest collections of training courses available on the Internet.

Other professional services include contract content developers and distributors, consultants, Web integrators and hosts, and network and IT service providers.

US Internet-Based Training Market by Market Segment



Source: International Data Corp.

has no competitors across the board. However, for content, NETg and DigitalThink are the company's main competitors. In learning management, Docent and Lotus Learning Space are its main competitors," states a recent report by SunTrust Equitable Securities.

KnowledgeNet offers its complete IT certification course catalog via both synchronous and asynchronous delivery. "This flexible delivery system and the company's 24-hour online mentoring service represent key differentiators versus its competitors," according to WR Hambrecht & Company.

Technology vendors provide creation and capture tools, enterprise systems and learning-specific hardware enabling the creation, deployment, delivery and management of technology-based training. Technology is the smallest element of the training market and consists of delivery technologies, including training management systems, authoring tools, add-on tools, collaborative software and virtual classrooms. The technology segment is expected to have an annual growth rate of 80 percent through 2003, according to International Data Corp.

The technology or tool providers will also help develop learning management platforms, which some see as a growth area commensurate with enter-



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Kyowa Hakko Kogyo Co., Ltd.
1-6-1 Ohtemachi, Chiyoda-ku, Tokyo 100-8185, Japan
Tel. 03-3282-0044, Fax 03-3284-1801

Kyowa Hakko U.S.A., Inc.
599 Lexington Avenue, Suite 4103, New York, NY 10022
Tel. 212-319-5353, Fax 212-421-1283

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