SOFTWARE
ROUNDUP
LMS Shopping

In lieu of the usual Software Roundup, we offer an overview of learning management systems to help demystify this relatively new technology on the market.

By Allyson Schafter

Learning management systems haven't caused any life-threatening breakdowns that we know of, mental or system-wide, but they have been known to cause their fair share of heartache. The inconsistencies in terms just add to the confusion. LMSs have different definitions depending on who you ask.

Brandon-hall.com defines an LMS as "software that automates the administration of training events. An LMS registers users, tracks courses in a catalogue, and records data from learners; it also provides reports to management. An LMS is typically designed to handle courses by multiple publishers and multiple providers."

The Forum Corporation believes that a true LMS is a system that manages learning, which includes not only the technology (the software), but also the processes, tools, and expertise that enable companies to ensure that

● the right learning is available to the right people at the right time and in the right medium

● business processes support the use of learning management tools

● the organizational changes that are required to make the software implementation successful are analyzed, designed, and facilitated

● the data the software collects is meaningful, useful, and available to the right people in the right format.

LMSs "allow a company to leverage the collective knowledge and skills of its workforce more strategically," according to WR Hambrecht + Co's report "2001 Outlook for the Learning Management System Market." "In addition, an LMS provides the foundation to improve the speed and effectiveness of the training process, ensures that an enterprise is in compliance with relevant industry education standards, enhances the efficiency of a company's supply chain through better product knowledge, and improves communication among and retention of employees during a business transformation process." The report also says, "The emerging view within the corporate training community seems to be that learning management is a critical tool in the management and development of human capital, and, in some cases, a mechanism for elevating the status of the training function within the corporate enterprise."

Gartner calculates that about 60 percent of corporations will have an LMS platform deployed by 2003. WR Hambrecht + Co predicts that LMS platforms will become as "pervasive in corporate America as CRM and ERP systems are today." Because LMSs are becoming instrumental in the advancement of workplace learning and training, businesses have to find a way to determine which one is right for them. That's where the real challenge lies.

The LMS market

Selecting an LMS isn't something to be taken lightly. In all likelihood, the task will be lengthy, intricate, and costly. Considering the fact that most analysts agree that the life span of a typical LMS is only two years, it's crucial to be able to demonstrate the ROI. WR Hambrecht + Co concludes that purchasing enterprise e-learning infrastructure "involves a long decision-making process, extensive custom programming, and time-consuming installations. Our conversations with buyers of LMS products indicate that the high cost of switching LMSs makes customers more loyal even when they're dissatisfied with certain elements." It's best to make every effort to find the right system the first time around—easier said than done.

Gartner cites these trends that are contributing to the complexity of the LMS market:

● The form of learning programs is changing quickly. Learning content, having started with instructor-led training in classrooms and having evolved through models of self-paced and virtual classroom replications, is increasingly taking the form of just-in-time mini courses, multimedia simulations, and knowledge management.

● The learning program's audience has expanded from workgroups and divisions to enterprises and customers, and most recently, to potential customers and entire supply chains.

● People's expectations of LMSs have grown from managing registration and record keeping to course launching and detailed tracking, including skills management, a high degree of customization, the option of Application Service Provider models, and prenegotiated content from leading and exclusive providers.

● Large LMS vendors are increasingly looking to earn more than just licensing fees. The leading suppliers are moving toward new initiatives, including ASPs and marketplaces, to maximize continuous revenue and transaction fees.

● The entire e-learning market is experiencing consolidation.

A subsequent report by Gartner explains, "Those shifts have contributed to the marketplace's volatility. There is no easy high end; the more expensive vendors do not provide a safe haven…. To make [purchasing] decisions more difficult, vendors' descriptions make it hard to differentiate which features come fully implemented and which have to be built on a custom basis."

Further adding to the challenge of selecting an LMS is the abundance and wide variety of applications and functions to choose from. In the slowing U.S. economy, there's even more pressure on companies to ensure that they get the most for their dollar and that all of their requirements are met.

LMS fashion

Rest assured, there is light at the end of the tunnel. Researchers, analysts, and consultants have been practicing due diligence to help consumers. Here are the main qualities most current LMSs have, according to brandon-hall.com's report "Learning Management Systems 2001: How to Choose the Right System for Your Organization."

Browser-based applications. Most of the new systems are 100 percent Web-based and use Java and server applets. The vast majority of LMSs let administrators and learners access performance data and reports using only a browser.

Authoring tools. Many systems offer Web-based, built-in authoring tools geared toward subject matter experts with authoring skills. Systems that don't have built-in authoring tools are designed to use standard, off-the-shelf tools such as *Flash, Authorware, Dreamweaver,* and *ToolBook.*

Assessment tools. Many LMS products offer tools to create tests and assessments. The data produced by the tools tends to be more system-compatible than data created by third-party applications. Similarly, 45 percent of the tools provide skill-gap analysis, showing an

increasing trend toward using LMSs to monitor overall human performance.

Blended-learning capabilities. Classroom and e-learning management features such as scheduling, enrollment, and wait listing are now included in most offerings.

Compliance with industry standards. Support of e-learning standards has become a priority among LMS suppliers. Fifty-two percent of products currently support Aviation Industry Computer-based training Committee standards; 75 percent indicate they'll support AICC by 2002; and 59 percent say they'll support metadata tagging specifications by 2002.

ERP and HRIS connectivity. More products are featuring ERP integration tools, including database mapping utilities, automated update routines, and guidelines for clients to create their own interfaces to the ERP application.

Larger implementations. Suppliers say that the number of learners in their largest individual implementations is about 116,000, compared with approximately 39,000 learners in 1997.

Increased cost. The cost of LMSs is rising dramatically. The average cost of a system supporting 8,000 learners over a five-year period is currently US$550,000.

Supplier shopping

A growing number of providers offer LMSs, such as TEDS—a CBM company www.teds.com—and Trainer Soft www.trainersoft.com. As you focus on the steps for selection, keep in mind that your IT department should be on board throughout the entire process. The first and possibly most important step can be summed up in one word: research. To get the most accurate and detailed information from potential suppliers, you should explain your current situation and ask them to address how their product will work within that scenario. Make sure to present the same information to all of the suppliers you query so you'll be able to compare results.

Be specific and relentless in ensuring true interoperability between your exist-

ing system and theirs. Gartner advises in its report "Choosing a Learning Management Solution Provider," "Interoperability between different vendors is becoming a dominant selection criterion. That need is exaggerated as the product functionality of the market leaders is continuing to evolve at Internet speeds, outpacing the efforts of formal standards bodies."

Gartner suggests you ask about IT setup, HR setup, skills-management setup, learning event and resource management, authoring tools, automated support of learning activities, registration capabilities, access to content libraries, ASP support, assessment and testing features, reporting, and follow-up tech support.

After you've contacted several LMS providers (there are hundreds to choose from), you need to think strategically. The TMG Corporation suggests that you develop a set of business rules to address your target audience; unique program requirements; existing business processes and tasks; required program interfaces; key staff; reporting, maintenance, communication, and administrative needs; and task interrelationships and dependencies. Then you can begin developing a gap analysis. TMG advises that the analysis should identify required program features not covered by potential LMS suppliers, and of those that are covered, to what degree they match your requirements.

TMG also recommends that you use gap analysis, business rules, budget, and project time frame as factors for deciding which kind of strategy will work best. Your options are
- an off-the-shelf LMS
- an off-the-shelf LMS with modifications to suit your individual needs
- a custom-developed LMS.

Each choice has advantages and disadvantages. TMG says the off-the-shelf models are cheaper, have a faster time-to-market, and full vendor support. On the other hand, off-the-shelf LMSs can

be inflexible, may not meet all of your business needs, and could result in the premature purchase of another system due to noncompliance.

A modified, off-the-shelf version has a better chance of meeting all of your business rules and has a shorter time-to-market than a fully customized version. But it's more expensive than off-the-shelf products; not all suppliers will modify their applications or programs, or support customized versions as they develop upgrades; and required revisions may make the system unstable.

A custom-developed LMS guarantees 100 percent compliance with your business rules, offers an open source code and unlimited usage, and doesn't depend on just one supplier for future revisions or enhancements. On the flip side, it's undoubtedly the most expensive choice,

it usually results in the longest time-to-market, and development time can be lengthy depending on the magnitude of your business rules.

Avoiding buyer's remorse

You should now be ready to select the appropriate system for your company and begin implementation. This stage comes with its own set of headaches, including installation, integration, security issues, and testing methods. Just as in the selection process, you should work closely with your IT department.

Finally, you need to have an evaluation process for diagnosing the LMS's performance throughout its lifecycle. By this point, you've put in much time, effort, and money, so it's in your best interest to protect your investment until the end.

For more information on LMSs

- "Can LMSs Survive the Savvy Buyer?," by Clark Aldrich
  GO TO WWW.LEARNINGCIRCUITS.ORG/2001/ nov2001/aldrich.html

- "Selecting and Implementing an LMS"
  GO TO WWW.LEARNINGCIRCUITS.ORG/2001/ nov2001/moran.html

- "Tech Tools: LCMS Roundup"
  GO TO WWW.LEARNINGCIRCUITS.ORG/2001/ aug2001/ttools.html

- "LMS 2001," by Brandon Hall
  GO TO WWW.LEARNINGCIRCUITS.ORG/2001/ jan2001/hall.html

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