

February 12, 2008

The Forrester Wave™: Enterprise Learning Management Suites, Q1 2008

by Claire Schooley

for Information & Knowledge Management Professionals



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Saba, SumTotal Systems Tie For Lead With Plateau Systems Hot On Their Heels

by **Claire Schooley**

with Connie Moore and Jamie Barnett

EXECUTIVE SUMMARY

In Forrester's 90-criteria evaluation of learning management system (LMS) vendors, we found that Saba, SumTotal Systems, and Plateau Systems lead the pack by providing feature-rich offerings and serving a broad international customer base. GeoLearning also climbed into the Leader category with a software-as-a-service (SaaS) only product. SAP and CERTPOINT Systems are "cuspid" — they now straddle the Leader and Strong Performer categories by deepening their product functionality over the last year. Cornerstone OnDemand, Oracle PeopleSoft, Mzinga (formerly KnowledgePlanet), and OutStart are Strong Performers that offer a solid learning solution. Oracle Learning Management (OLM) and Learn.com are lower in the Strong Performer category, with Learn.com offering a good SaaS solution and OLM providing learning management functionality for existing Oracle eBusiness suite customers.

TABLE OF CONTENTS

- 2 The LMS Guides And Manages Learner Experiences**
- 3 The Pure Plays Win Over The ERP Vendors**
- 4 Enterprise Learning Management Suite Evaluation Overview**
- 7 The eLearning Landscape Has Vendors Appropriate For All Market Sizes**
- 9 Vendor Profiles**
- 13 Supplemental Material**

NOTES & RESOURCES

Forrester conducted product evaluations from July through September 2007 and interviewed 12 vendors: CERTPOINT Systems, Cornerstone OnDemand, GeoLearning, Learn.com, Mzinga, Oracle Learning Management (OLM), Oracle PeopleSoft, OutStart, Plateau Systems, Saba, SAP, and SumTotal Systems.

Related Research Documents

- "How To Select A Learning Management System"**
October 24, 2007
- "Put The Right People In Place For A Successful Learning Management System Implementation"**
October 24, 2007
- "Informal Learning Connects With Corporate Training Programs"**
August 13, 2007
- "Learning And Talent Management Join Forces"**
March 30, 2007

THE LMS GUIDES AND MANAGES LEARNER EXPERIENCES

Initially, organizations buy LMS software to automate the administration, tracking, and reporting on classroom and online training and knowledge-related events for geographically dispersed workforces. Compliance is also key — it is often the initial reason organizations implement an LMS because the software facilitates timely self-paced training with required completion documentation. Off-the-shelf courses, custom-developed training, and knowledge bases come next and — when aligned to an organization's business goals — give employees the skills and knowledge they need to do their job and gives managers a window into the use of these resources to optimize training dollars.

But LMS functionality doesn't end with tracking and reporting on learning. The LMS is the central component of a learning suite, which encompasses a learning content management system (LCMS), virtual classroom integration, collaboration, and a content authoring tool. This learning suite is quickly becoming a critical component of an organization's talent management efforts — from bringing new employees up to speed quickly to filling gaps in job role competencies to providing new skills development for career advancement.¹

The LMS Market Expands Beyond Large Companies

The Web-based LMS market is about 8 years old. Originally, only enterprises and other large companies implemented LMS software, but today the expanded market includes organizations as small as a few hundred employees. If you are an IK&M pro with employees in multiple locations, a need to impart new knowledge and improve employee skills, and a desire to make learning part of workers' daily activity through providing a job-related knowledge base, today's more mature LMSes provide an attractive solution.² Some of the forces driving companies to buy LMSes:

- **Speed and flexibility now eclipse travel costs as the leading driver.** The primary reason for selecting an LMS has been to eliminate the high cost of sending a trainer to different employee locations or bringing groups of employees to central locations for training. Although saving on travel costs is still important, speed to competency and flexibility now drive the market. Learning anytime and anywhere at one's own pace, just-in-time learning (when knowledge must be used in tomorrow's sale, for example), and identifying employees companywide with specific certifications are some reasons organizations value the broad reach of the LMS in keeping employees' knowledge up to date.³
- **Work and learning are more closely tied.** The line between work and learning is blurring as employees seek information and resources to do their job. For example, that lesson on obstacles to compromise in the course on negotiations, the video on consultative selling, or that document on shortening the sales cycle — all readily accessed through the LMS — enhance employee performance, which is the ultimate goal of corporate learning.⁴

- **The LMS provides channel partners and customer training.** Organizations typically think about implementing an LMS for employee skill enhancement. While this training is still primary, many organizations now add channel partners, resellers, and customer training using the LMS. By setting up unique domains for each kind of learning, the LMS provides access to specific learning appropriate to that group. Because of LMS eCommerce capabilities today, some organizations are even selling LMS functionality and services to their customers.

THE PURE PLAYS WIN OVER THE ERP VENDORS

Competition still exists between the pure-play or point solution LMS vendors and the ERP vendors that provide LMS as an add-on to their core functionality.

- **Most customers still choose the pure-play vendors.** While ERP vendors like SAP and Oracle have improved their LMS capabilities, many customers still choose the pure plays. The specialist vendors' unwavering focus on LMS technology makes them stronger in feature depth and services. On the other hand, with increased functionality comes more flexibility, which frustrates some users because they become overwhelmed by the many options available to them.
- **The ERP vendors offer integrated technology from a single vendor.** Customers that use Oracle or SAP technology prefer to stay with one vendor for LMS functionality. Sometimes the learning offering meets these customer needs. However, the lack of feature depth and personalized customer service compel many customers to look eventually toward the pure-play vendors that have extensive experience integrating with the ERPs.
- **Both ERP and pure-play vendors see their future in integrated human capital management.** The tremendous push for integrating learning with performance and compensation will increase. Pure-play vendors like SumTotal Systems, Saba, Plateau Systems, and Cornerstone OnDemand have created or acquired performance management, succession planning, and compensation capabilities and integrated these components into a talent management suite that complements the learning suite.⁵

SaaS Grows As An Attractive Technology Implementation Choice

Traditionally organizations have installed and maintained the LMS application on servers behind their firewall. Today an outsourced LMS model as hosted software or SaaS is an attractive alternative.⁶ Some of these vendors include GeoLearning, Cornerstone On Demand, Learn.com, and Mzinga. The pure-play vendors like Plateau Systems, Saba, and SumTotal Systems also offer a SaaS option.

- **With a hosted subscription (ASP) model, an organization rents the application.** The organization has its own customized version of the application that the vendor or other third-

party hosts on its server. The organization pays a monthly fee for the use of the application, which is run by the host. The word “ASP” is disappearing as it becomes one of the SaaS levels of service.

- **In a SaaS model, the vendor runs a single software instance with many tenants.** With multitenant architecture, a single instance of the application serves many customers, but all customer data is kept separate from that of other customers. Metadata is configurable and separate from the code, allowing easy upgrades. There is little customization of a SaaS application. The simpler upgrades SaaS customers experience often outweigh some loss of flexibility. Expect more flexible SaaS offerings to emerge as the model matures.
- **Some organizations choose an installed model to maintain control over the application.** Often IT is not comfortable having data on servers outside the organization. Also IT may have adequate staff to manage the day-to-day application activities, any customizations, and any integrations with other in-house applications. Some organizations support a blended installation by installing the application in-house but paying a hosting fee to a vendor or third party to manage the application.

ENTERPRISE LEARNING MANAGEMENT SUITE EVALUATION OVERVIEW

To assess the state of the LMS market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top enterprise learning management suite vendors.

Evaluation Criteria: Current Offering, Strategy, And Market Presence

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria (see Figure 1). We evaluated vendors against approximately 90 criteria, which we grouped into three high-level buckets:

- **Current offering.** To assess product strength, we evaluated each vendor offering against five groups of criteria: architecture, administration and management, reporting and tracking, content management, and collaboration.
- **Strategy.** We reviewed each vendor’s strategy and considered how well each vendor’s plans for product enhancement position it to meet future customer demands. We also looked at product cost and installation options.
- **Market presence.** To establish a product’s market presence, we examined many configurations of the customer base, examined company revenue and profitability, reviewed key deployment and technology partners, and described the vendor’s employee base.

Figure 1 Evaluation Criteria

CURRENT OFFERING	
Architecture	How well does the product architecture ensure secure, reliable service to global audiences?
Administration and management	How robust are the product's administration and management features?
Reporting and tracking	How does the product enable the analysis of learning?
Content management	How does the product manage learning content?
Collaboration	What collaboration learning features does the product provide?
STRATEGY	
Product enhancement	What future enhancements are currently planned for the product, and how do these enhancements position it for market leadership?
Corporate strategy	How is the vendor expanding the product's overall business?
Cost	What is the cost of the product?
MARKET PRESENCE	
Customer base	How large is the vendor's customer base?
Revenue	What is the vendor's revenue growth?
Deployment partners	Who are the vendor's partners, and what is its deployment history?
Services	How strong are the vendor's implementation and training services?
Employees	What are the strengths and experience of the vendor's employees?
Technology partners	How strongly do technology partners support this product?

Source: Forrester Research, Inc.

Evaluated Vendors Must Meet Product, Recognition, Revenue, And Size Criteria

Forrester included 11 vendors and 12 products in the assessment: CERTPOINT Systems, Cornerstone OnDemand, GeoLearning, Learn.com, Mzinga, Oracle Learning Management (OLM), Oracle PeopleSoft, OutStart, Plateau Systems, Saba, SAP, and SumTotal Systems. Each of these vendors has (see Figure 2):

- **An enterprise LMS solution.** This includes an LMS, an LCMS, virtual classroom integration, competency management, collaboration, and analytics. The vendors must have a solution that scales for enterprise use.
- **Strong recognition in the learning segment for its management application.** All vendors in this evaluation are recognized in the eLearning industry as providers of robust learning applications. They appear most often on client shortlists. Forrester clients ask about these 11 vendors more than they ask about others.

- **A focus on enterprise customers and yearly revenue of at least \$10 million.** The focus of the business of these vendors is the enterprise customer. The revenue range of these pure-play vendors starts at slightly more than \$10 million and goes to slightly more than \$100 million.
- **At least 100 customers who are using the learning management product.** This is the number of unique customers currently active on the evaluated LMS product version or other LMS products that the organization maintains.

Figure 2 Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
CERTPOINT Systems	VLS	5.5	February 2007
Cornerstone OnDemand	OnDemand Talent Management Suite	Fall 2007	October 2007
GeoLearning	GeoMaestro	4.6	March 2006
Learn.com	LearnCenter Platform	11.1.1.1	January 2008
Mzinga	KnowledgePlanet On-Demand Learning Suite	6.7	October 2006
Oracle	Learning Management	12	January 2007
Oracle	PeopleSoft Enterprise Learning Management	9	April 2006
OutStart	Evolution LMS	2007	June 2007
Plateau Systems	Talent Management	5.8	March 2006
Saba	Learning Suite	5.4 SP1	July 2007
SAP	Enterprise Learning	ERP6.0	July 2007
SumTotal Systems	TotalLMS	7.6	June 2007

Vendor selection criteria

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Source: Forrester Research, Inc.

THE eLEARNING LANDSCAPE HAS VENDORS APPROPRIATE FOR ALL MARKET SIZES

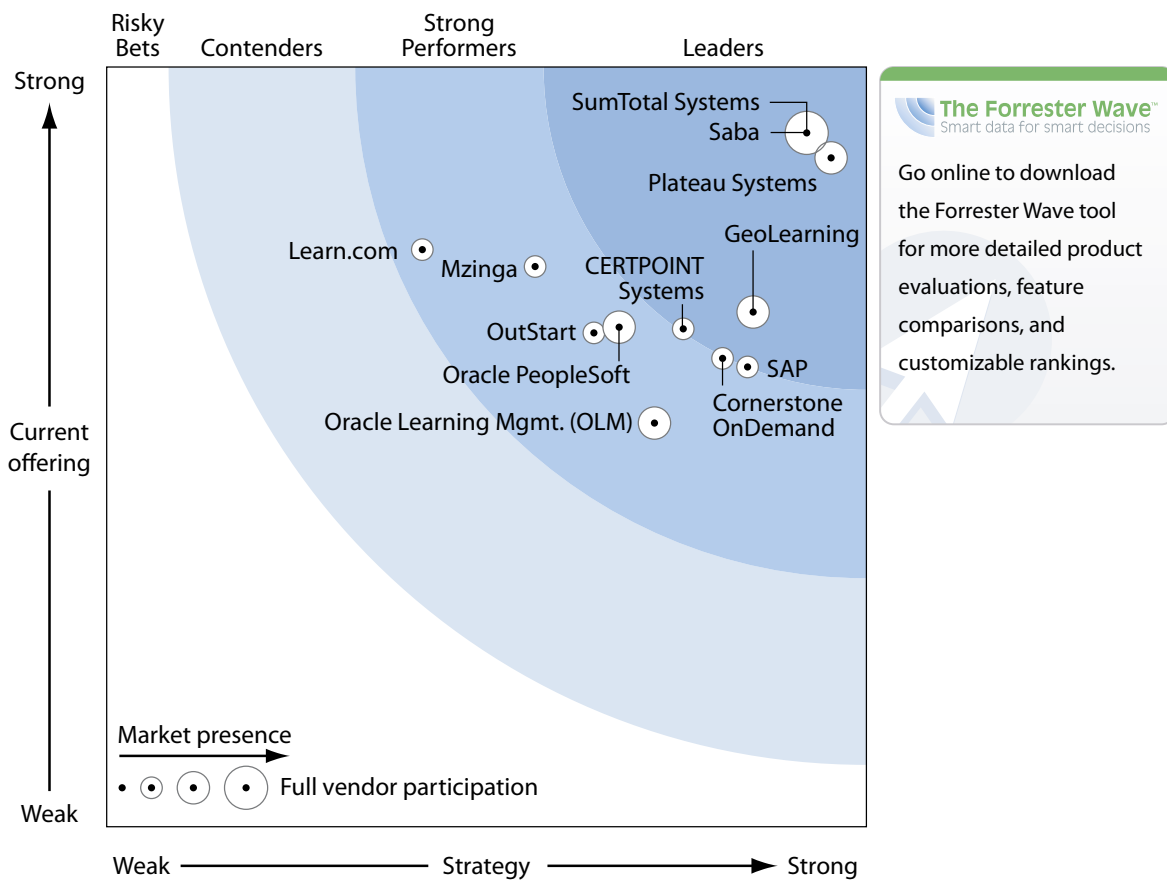
The evaluation uncovered a market in which (see Figure 3):

- **Saba, SumTotal Systems, Plateau Systems, and GeoLearning lead the pack.** Saba, SumTotal Systems, and Plateau Systems are all pure-play providers that offer strong installed learning solutions for domestic and international organizations. Saba, with revenues of \$104 million, and SumTotal Systems, with revenues of \$114 million, are neck-and-neck competitors. Plateau Systems is smaller at \$46 million, but it provides the technology and service that puts them in the same competitive deals with larger pure plays. GeoLearning, with revenue of approximately \$28 million, just barely made it into the Leader category. It is a SaaS-only vendor and focuses strongly on North American markets. All four vendors have made a commitment to develop a talent management suite and see the future of learning as an integral component of human capital management (HCM).
- **SAP, CERTPOINT, and Cornerstone OnDemand are high in the Strong Performer category.** SAP and CERTPOINT Systems straddle the Leader and Strong Performer categories. As an ERP provider, SAP has made significant progress in providing a good basic learning solution for customers who are on the latest version of SAP's ERP application. All indications point to continued development of its offering with tight integration to the SAP core application. CERTPOINT Systems (formerly Vuepoint), with revenues of \$15 million, comes from the LCMS perspective and now provides both LMS and LCMS functionality to mostly midsize organizations. CERTPOINT Systems also reaches larger organizations that want robust content management features and in-house authoring capability. Cornerstone OnDemand is a smaller SaaS-only vendor with revenues of \$13 million and 100% growth year-over-year. Cornerstone OnDemand is gaining recognition as a reliable solution for the midmarket and some larger customers. Talent management is an important part of Cornerstone's overall solution.
- **Oracle PeopleSoft, Mzinga, and OutStart are Strong Performers.** These three vendors are quite different. Oracle PeopleSoft is an ERP vendor that provides reliable basic functionality for PeopleSoft customers who want learning capabilities in their ERP application. OutStart is a \$25 million company that is known more for LCMS and authoring tools than for the LMS. OutStart is also a leader in informal interactive learning. Mzinga — a result of a merger between KnowledgePlanet and Shared Insights — provides a SaaS learning solution and is moving toward informal learning solutions.
- **Oracle Learning Management (OLM) and Learn.com are lower-end Strong Performers.** Oracle OLM customers have the Oracle E-Business Suite and want to add the learning component. Although not as user-friendly as other products and lacking the depth of competing products, OLM provides the common learning management features. Learn.com is a \$27 million vendor that offers a SaaS solution with a few installed customers. Its customers are

mostly SMBs in the US. Learn.com did not disclose its product enhancement, corporate strategy, or target markets and so received low scores in these areas. The lack of disclosure is unfortunate; in all likelihood, had Learn.com provided the information, it would have received higher scores.

This evaluation of the enterprise LMS market is intended to be a starting point only. Readers are encouraged to view detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave™ Excel-based vendor comparison tool.

Figure 3 Forrester Wave™: Enterprise Learning Management Suites, Q1 '08



Source: Forrester Research, Inc.

Figure 3 Forrester Wave™: Enterprise Learning Management Suites, Q1 '08

	Forrester's Weighting	CERTPOINT Systems	Cornerstone OnDemand	GeoLearning	Learn.com	Mzinga	Oracle Learning Mgmt. (OLM)	Oracle PeopleSoft	OutStart	Plateau Systems	Saba	SAP	SumTotal Systems
CURRENT OFFERING	50%	3.31	3.11	3.37	3.68	3.79	2.65	3.28	3.24	4.35	4.54	3.03	4.55
Architecture	20%	3.60	3.15	3.25	3.10	3.95	3.25	3.55	2.55	4.90	4.60	2.55	4.35
Administration and management	25%	3.60	3.15	3.55	3.45	3.85	3.10	4.20	3.15	4.65	4.85	3.70	4.70
Reporting and tracking	20%	3.60	2.80	4.00	3.60	4.40	3.00	3.60	3.00	4.00	4.40	2.60	5.00
Content management	20%	4.10	3.70	3.20	4.85	3.25	1.45	2.35	3.85	4.20	4.20	2.50	4.05
Collaboration	15%	1.00	2.60	2.60	3.40	3.40	2.20	2.20	3.80	3.80	4.60	3.80	4.60
STRATEGY	50%	3.82	4.06	4.24	2.82	2.08	3.60	3.36	3.22	4.76	4.60	4.22	4.60
Product enhancement	40%	4.00	4.00	4.00	3.00	1.00	3.00	3.00	4.00	5.00	4.00	5.00	4.00
Corporate strategy	60%	3.70	4.10	4.40	2.70	2.80	4.00	3.60	2.70	4.60	5.00	3.70	5.00
Cost	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARKET PRESENCE	0%	2.84	2.22	3.59	2.33	2.99	3.26	3.20	2.17	3.63	4.52	2.53	4.26
Customer base	25%	2.45	1.65	3.65	2.80	2.65	2.35	2.30	1.60	3.70	4.00	3.10	4.30
Revenue	20%	2.70	2.15	2.60	1.80	3.80	4.65	4.65	3.10	3.35	4.15	3.95	4.15
Deployment partners	10%	3.00	3.00	5.00	3.00	0.50	5.00	4.50	1.50	4.00	5.00	5.00	5.00
Services	20%	3.80	3.00	5.00	2.60	3.80	3.00	3.00	3.00	4.20	5.00	0.60	3.00
Employees	15%	1.50	1.50	2.40	2.00	2.40	3.30	3.30	1.00	3.60	4.60	1.30	5.00
Technology partners	10%	4.00	2.50	3.00	1.50	4.00	1.50	1.50	2.50	2.50	5.00	1.50	5.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders: Offer Deep Functionality Accommodating Enterprises And SMBs

- Saba is a strong pure-play provider with large global implementations.** Saba is a leading vendor in the LMS space with large implementations worldwide. It also provides good human capital management components to address employee needs in talent management, as well as in learning. Saba OnDemand provides capability for customers to easily access outside content vendor material. The vendor is on the cutting edge of the latest LMS innovations with its efforts in informal learning and knowledge centers. SaaS is a growing software installation model for Saba to meet smaller company needs. Saba has a robust corporate strategy with well thought-out plans for expansion and growth. The vendor provides a large team of global customer service people to assist customers, and customer service has improved as Saba works to provide more

personalized service to customers. Content management functionality is not as deep or intuitive as other Saba features/functions. Customers can choose the individual modules they wish to license as their need for advanced features increases.

- **SumTotal is a large LMS company with many customer options.** SumTotal has increased its market share through acquisitions, and it leads in number of overall customers and revenues. SumTotal has a tight focus on learning, performance, and compensation in a talent management suite with a talent management dashboard. SumTotal provides rich options to configure the application for a variety of users, as well as different kinds of users within a company, through its robust domain features. The product also provides strong scheduling capabilities. While its flexibility is high and the product is easy to use, its feature depth is not always user-intuitive. Focus on content integration packages is not as strong as other competitors in helping the customer get easy access to outside vendor content. Sum Total provides many modules with specific features for customers to choose from as they mature in this space. The majority of SumTotal customers are installed or hosted, with a small but growing percentage choosing the SaaS model.
- **Plateau Systems leads by leveraging its strong open architecture.** This pure-play vendor continues to provide state-of-the-art architecture incorporating service-oriented architecture (SOA) to extend the LMS application through Web services. The vendor also provides prepackaged connectors to major ERP, HR, and CRM vendors. Plateau plans to continue to build out its talent management suites, as well as to develop capabilities in Web 2.0 technologies. The product supports a full range of deployment models, including SaaS, single-user hosting, and installed. Plateau focuses primarily on enterprise customers and is growing its global market. The iContent on-demand portal leads the industry with its searchable content repository of off-the-shelf content and organization-specific content managed by Plateau. In our user reference checks, customers gave Plateau the highest marks of all vendors for knowledgeable, honest, and supportive sales, implementation, and customer service teams. However, customers also indicate that support people seemed stretched quite thin, especially regarding knowledge on content issues.
- **GeoLearning delivers a solid SaaS solution.** For seven years, GeoLearning has focused exclusively on developing industry-leading SaaS technology through single-customer hosting or multiple-customer hosting on a single application instance. The product uses Web services for integration with other applications including HR. GeoLearning provides a suite of learning functionality as add-on components, a talent management suite, and pre-integrated content from more than 30 vendors. The look and feel of the interface is not as configurable as most customers would like, and the product lags behind in certified support for SCORM 1.2 and 2004 learning content specifications. GeoLearning has developed partnerships with some large technology and HR companies and some assessment and collaboration vendors to market and/or integrate with the GeoLearning product. In the future, the vendor will begin to expand globally through partners. Government agencies at both the national and local levels are a strong vertical.

Strong Performers: Offer Robust Solutions That Straddle The Two Top Categories

- **SAP provides an installed learning solution that tightly integrates with SAP HR.** SAP Enterprise Learning is targeted at SAP's existing customers. If you are already an SAP HR customer and the SAP learning product meets 80% of your learning needs, definitely consider it, as the architecture, platform, support and maintenance are already in place. The application uses Web services to integrate with third-party learning and has a tight integration with Adobe Enterprise Connect Professional for the virtual classroom. We found that customers would like a more flexible product to adapt processes to make them more user-friendly. They complained about the number of clicks needed to accomplish tasks that, in their opinion, should take only a couple of clicks. The user interface is generally easy-to-use but not intuitive to first-time users. SAP has not yet developed any informal learning and collaboration features of Web 2.0, but these activities are on the road map as well as better eCommerce capabilities.
- **CERTPOINT Systems grows into a robust learning suite provider.** This vendor supports installed, hosted, and SaaS models but expects the SaaS model to grow the fastest in the future. It uses Web services to support SOA. With an investment from CERT, a research organization and financial backer in United Arab Emirates, CERTPOINT has the financial resources to continue to build out the learning product and talent management (CERTPOINT has had two quarters of profitability). Our analysis found that CERTPOINT needs to upgrade support for standards like SCORM, FDA 21 CFR Part 11, and eSignatures. Plus, the vendor's collaboration capability needs more integration with virtual classroom providers, as well as development of asynchronous capabilities. CERTPOINT's strategy includes plans to support more informal learning through asynchronous collaboration. Future plans also call for targeting enterprise and extended enterprise customers, especially in Africa, the Middle East, and Asia.

Strong Performers: In The Middle Of The Pack, But Solid

- **Cornerstone OnDemand is a fast-growing SaaS eLearning and talent management vendor.** The vendor has well-integrated learning and talent management within a strong SaaS offering. The learning platform is good for companies with some complex requirements, including organizations seeking solutions to employee onboarding and extended enterprise challenges in talent management. Our interviews discovered that some customers would like more flexibility in the product that would allow them to configure more of the product on their own. They also stated that general customer support — while knowledgeable on technology issues — needs a deeper understanding of customer learning issues. Cornerstone still has to develop more support for learning standards. It is right on the mark for future enhancements, including gaining LCMS functionality through a tight integration with Giunti Labs, development of Web 2.0 functionality for learning, expanding through resellers beyond the US, and targeting enterprises of 15,000-plus customers and SMBs.
- **Oracle PeopleSoft continues to deliver product upgrades.** PeopleSoft customers continue their loyalty toward this learning product, which receives periodic upgrades from Oracle. The cloud hanging above PeopleSoft ELM customers is the future direction of learning with the imminent

arrival of Oracle's Fusion product. Fortunately, ongoing work on Fusion involves PeopleSoft ELM staff. In the meantime, ELM provides basic LMS functionality, strong security, and integration through Web services and PeopleTools, and good support for the learning standards. Those features like offline learning (now available through BackWeb), mobile learning, and informal learning through Web 2.0 tools, will come in the Fusion product. Oracle indicates that it will continue to support the product through basic enhancements like improved learner usability and administrator features.

- **Mzinga changes focus toward Web 2.0 and informal learning.** The vendor now known as Mzinga will develop informal learning tools while continuing to provide LMS functionality through the KnowledgePlanet LMS. This is a SaaS-only LMS that provides the basic LMS features, as well as a content creation tool with Firefly Publisher and relationships with content vendors for pre-integrated off-the-shelf content. The content management features include good learner assessment and skill gap analysis. The product has no standards support, except for conformance (not certified) support for SCORM and AICC. The LMS has open APIs and exposure to Web services. It uses a proprietary tool for integration with HR, ERP, and so on. Mzinga's customer focus is on the midmarket with some enterprise Global 2,000 customers.
- **OutStart's product focuses on content creation first, then management.** Unlike some other LMS vendors that approach LMS from the HCM perspective with learning as a component of talent management, OutStart concentrates on creating robust training content and assessments with the LMS tracking and reporting learner results. Evolution LMS supports installed and hosted systems and TrainingEdge LMS supports SaaS. The product is not a full JavaEE platform and ships in English only, with other language packs available for purchase. It has complete support for learning standards, and the user interface is very easy to use and flexible. Informal learning through expertise location, wikis, and knowledge management comes through the Participate product. OutStart will continue to integrate formal and informal learning and expand in North America and Europe as a midmarket training solution. In the future, it will examine talent management partnerships through specific integration points. OutStart is a profitable company.

Strong Performers: Lower Scoring Vendors Still Offer A Good Solution

- **OLM provides learning management for Oracle eBusiness suite customers.** Some attractive features of using OLM are the integration with other Oracle products, the expanded use of a single vendor, and the attractive total cost of ownership. Although the product provides all the typical LMS features, some activities are cumbersome and take time — like course registration that requires many mouse clicks to carry out a function. The interface is not intuitive at first and requires training and practice. The product supports content standards but not at the certified level. The product has good assessment capabilities with a built-in assessment engine and integration with Questionmark for more sophisticated assessment. Content creation and

content management are not part of the learning product. Our interviews show that customers find challenges in getting features to work well and find that the support staff does not have a good understanding of learning issues. As with Oracle PeopleSoft, the Fusion product will affect OLM, but customers expect a migration path for learning as with the other eBusiness suite applications.

- **Learn.com provides a SaaS model as a way to stay current.** Learn.com experienced 50% year-over-year growth the past four quarters, and it has been profitable for eight consecutive quarters. Most customers are small or midmarket and US based, although the LMS is available in multiple languages. The LearnCenter includes learning as part of a broader talent management offering. The SaaS product is built on SOA with support for open APIs and full-featured exposure through Web services. The product offers good support for content creation with CourseMaker Studio and learner assessment with an assessment and survey engine. The product is flexible and the user interface is easy-to-use, but customers want more flexibility in configuring management features. The vendor's customer support challenge is in providing consistent quality service because of the fast growth. Because Learn.com did not share its future product enhancement or corporate strategy, we could not fully evaluate the depth and quality of its future plans.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 3 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of three data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.
- **Product demos.** We asked vendors to conduct demonstrations of their product's functionality. We used findings from these product demos to validate details of each vendor's product capabilities.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with two of each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and readers are encouraged to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

- ¹ In today's hypercompetitive environment for attracting and retaining talented employees, information and knowledge management professionals must have the ability to seamlessly assess employee competencies and job performance and then give employees learning experiences that will increase their job performance. See the March 30, 2007, "[Learning And Talent Management Join Forces](#)" report.
- ² Select your LMS vendor based on the quality of the RFP responses, the success of the live scenario demonstrations, and the strength of financial and reference-check evaluations. See the October 24, 2007, "[How To Select A Learning Management System](#)" report.
- ³ Informal learning continues to gain ground in the corporate training environment as instant messaging (IM), blogs, communities of practice, and expertise location find homes in lines of business. See the August 13, 2007, "[Informal Learning Connects With Corporate Training Programs](#)" report.
- ⁴ Today, employees are working in a very fast-paced environment. They need learning that is immediate, relevant, and in the context of their work. See the February 14, 2007, "[Knowledge, Learning, And Work Unite!](#)" report.
- ⁵ C-level executives increasingly view learning and talent management as an essential initiative in developing razor-sharp talent that can move the organization toward its goals. See the March 30, 2007, "[Learning And Talent Management Join Forces](#)" report.
- ⁶ Implementation models vary by control, customization, and cost. See the October 24, 2007, "[Put The Right People In Place For A Successful Learning Management System Implementation](#)" report.

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