



Transforming the way people learn

Research Report

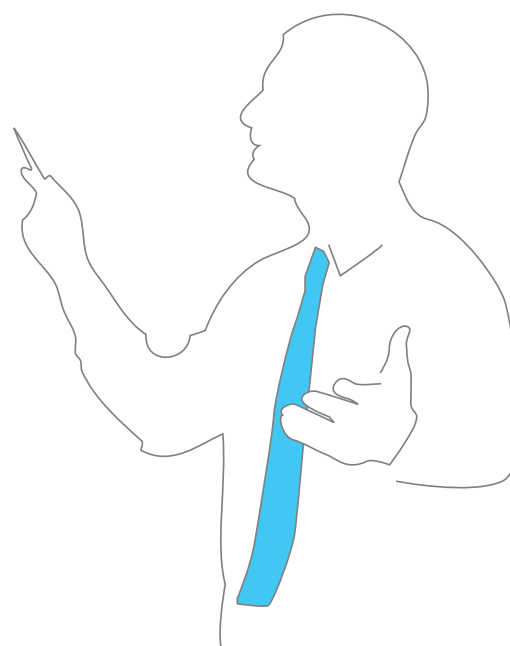
Digital learning for business



Commissioned by ILX Group Plc
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Contents

Part 1: Executive summary	3
The rise of digital learning: From the classroom to the tablet and from training to life-long learning	3
Part 2: Analysis of key findings	4
The current situation surrounding training and the inhibitors	4
Why conduct training?	4
What training areas will there be demand for in future?	5
What inhibits training?	6
Current training methods	7
Which training methods are the most learning effective?	7
Which training methods are the most efficient?	8
How do you rate the effectiveness of the following learning techniques?	9
Which devices are being/planning to be used for training?	10
Part 3: Appendix	11
ILX Group company profile	14
Case Study: Vestas streamlines and invests in training	14
ILX Group contacts	15



Part 1: Executive summary

The rise of digital learning: From the classroom to the tablet and from training to life-long learning



Learning is vital to business excellence. At a time when companies everywhere are uncertain what the macroeconomic climate holds, making sure their own businesses are as responsive and efficient as possible is key. However, to make the most of the eventual upswing, they need to invest in the innovative business training that will enable them to stand out.

But how do you best deliver this training? One thing is for certain: the interface of training looks set for dramatic change along with the methods used to deliver it. As consumer devices continue to invade the workplace in 2012, interactive, digital learning will surpass traditional classroom based training as the preferred means of delivery, while the idea of one-off training will be second to developing life-long learning and skills. The iPad and other tablet devices will be at the forefront of this learning revolution alongside learning simulations and games.

ILX has commissioned a study to discuss the training needs of today's companies, from the skillsets that most need to be developed, to how enterprise learning should be delivered. We believe the following are the most salient findings:

- **The digitalisation of learning:** *Laptops are currently the preferred method of delivery but the use of personal devices for enterprise learning will increase. The decline of the projector and desktop PC is beginning while smartphones and the use of tablet PCs, interconnected TV or games consoles will increase in the coming year*
- **The dominance of e-learning:** *Reduced learning time and increased effectiveness through higher knowledge retention will continue to spread e-learning as a fun, cost-effective, efficient, alternative to traditional classroom training which is set to decline*

In summary, training is inexorably becoming digital learning. It will be delivered less in a group classroom-based setting and more through personal devices, to mobile workers. What began as classroom training blended with digital tools (interactive white boards and voting pads) is now moving to a full digital learning experience, combining the fun and interaction of the classroom dynamic with the knowledge retention and learning effectiveness of e-learning.

This study presents a huge opportunity for senior management and HR professionals to assess which approach works best in terms of both cost effectiveness and learning effectiveness. Historically, training has followed the 'sheep dip' approach, where learners go in and get clean only to return to the old work environment again with no real lasting benefits. Digital learning offers a route to increase the likelihood of qualifying but also ensuring employees integrate their new knowledge into their working lives, day-to-day operations and everyday decision making. Workers should be able to tap back into the information when required.

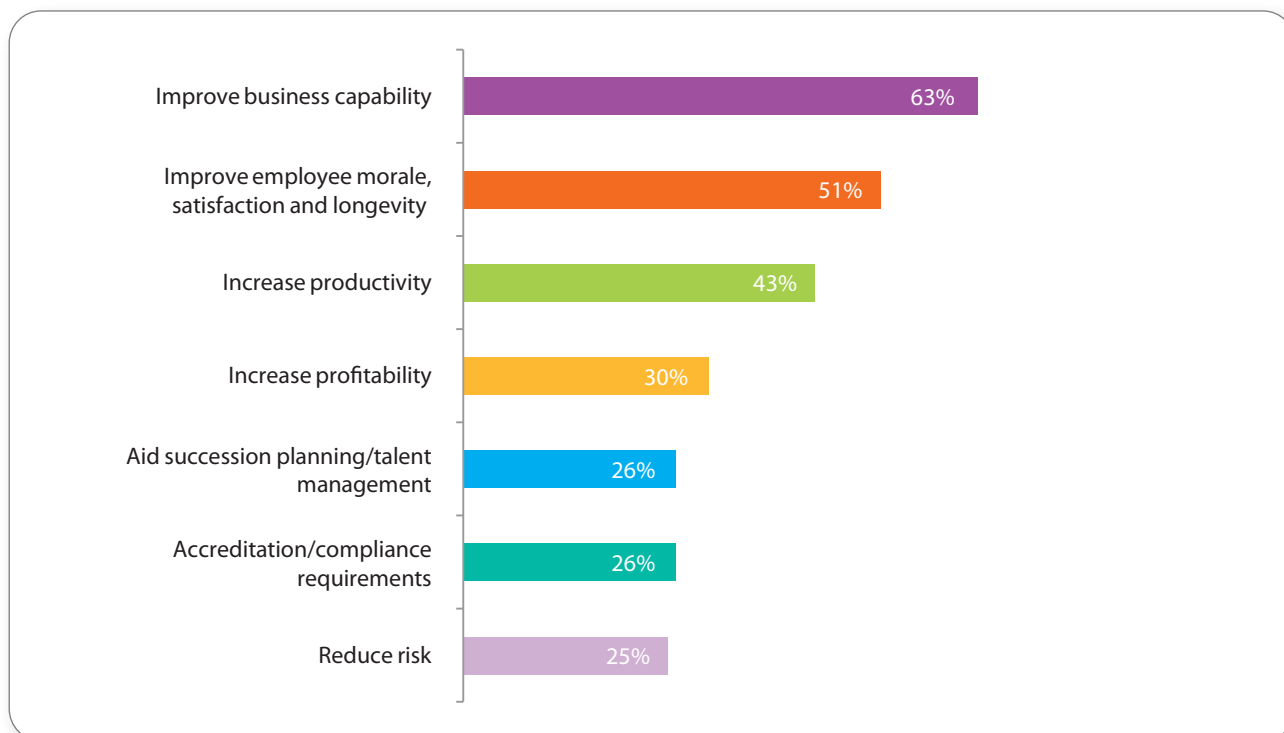
This year is set to see dramatic convergence of technologies paving the way for a long-awaited training inflection point.

Ken Scott CEO, ILX Group

Part 2: Analysis of key findings

The current situation surrounding training and the inhibitors

Figure 1 - Why conduct training?



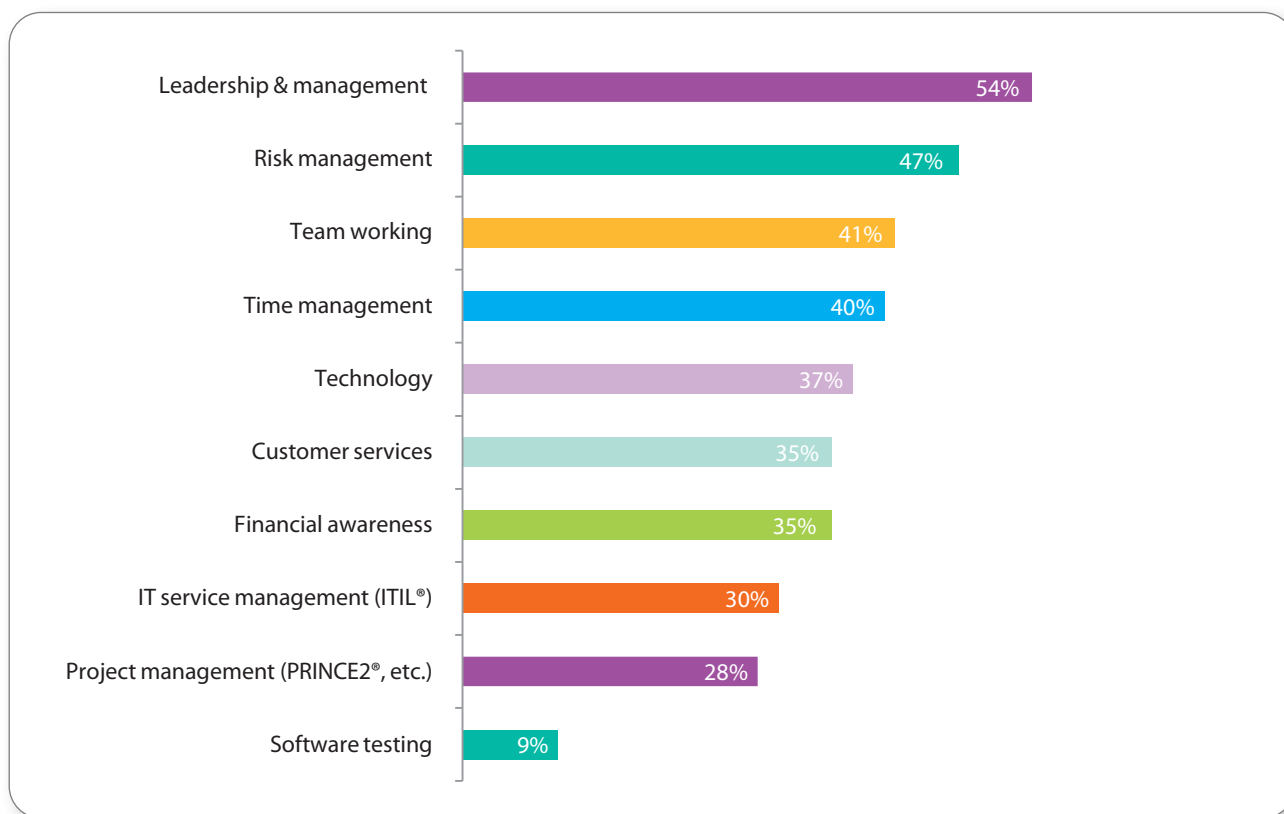
Key stats

- The most common reason for conducting training is to improve business capability (63%). This is most popular in the public sector and other commercial sectors (70%) and in organisations with 1,000–3,000 employees (68%)
- More than half of all organisations say that they conduct training to improve employee morale

Analysis

- These figures reveal how crucial training is considered to be for remaining competitive in the current economic climate, and the importance placed on maintaining morale in a downturn
- It also shows training is seen as an opportunity to further employees' abilities and skills, not just an obligation in terms of accreditation/compliance and risk reduction

Figure 2. What training areas will there be demand for in future?



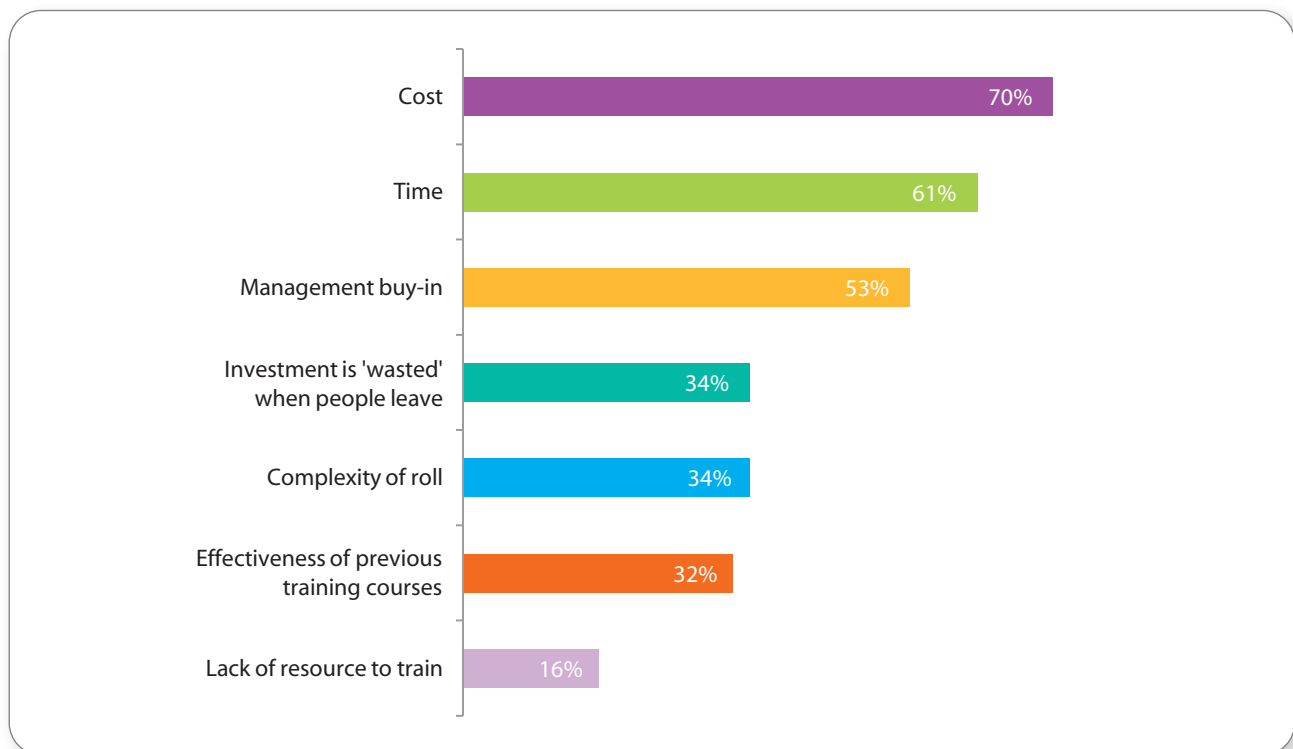
Key stats

- Some 54% of respondents said the skills that they most wanted to boost via training are leadership and management skills
- In total around half of all organisations say that there will be a greater demand for training in risk management in the future. However, in organisations with 500–1,000 employees this reaches 60% and it drops to just 28% amongst those with 1,000–3,000 employees
- Only 20% of those in the manufacturing sector predict an increase in training around team working – this rises to 55% in the other commercial sector
- In organisations with 500–1,000 employees 46% think that demand for training regarding IT Service Management (ITSM) will increase, however just 16% amongst those with 1,000–3,000 employees think the same

Analysis

- Good leaders motivate, inspire, guide and enthuse others in their organisation to meet and exceed its goals. These findings reveal that companies want to instil these qualities in their staff as a consequence of their chosen training course
- Pressures on IT departments persist and there's a need for greater professionalisation as technology has become a vital element in almost all businesses. Training to support Best Practice ITSM derives enormous benefits for organisations, often aligning IT services with the needs of the business

Figure 3. What inhibits training?



Key stats

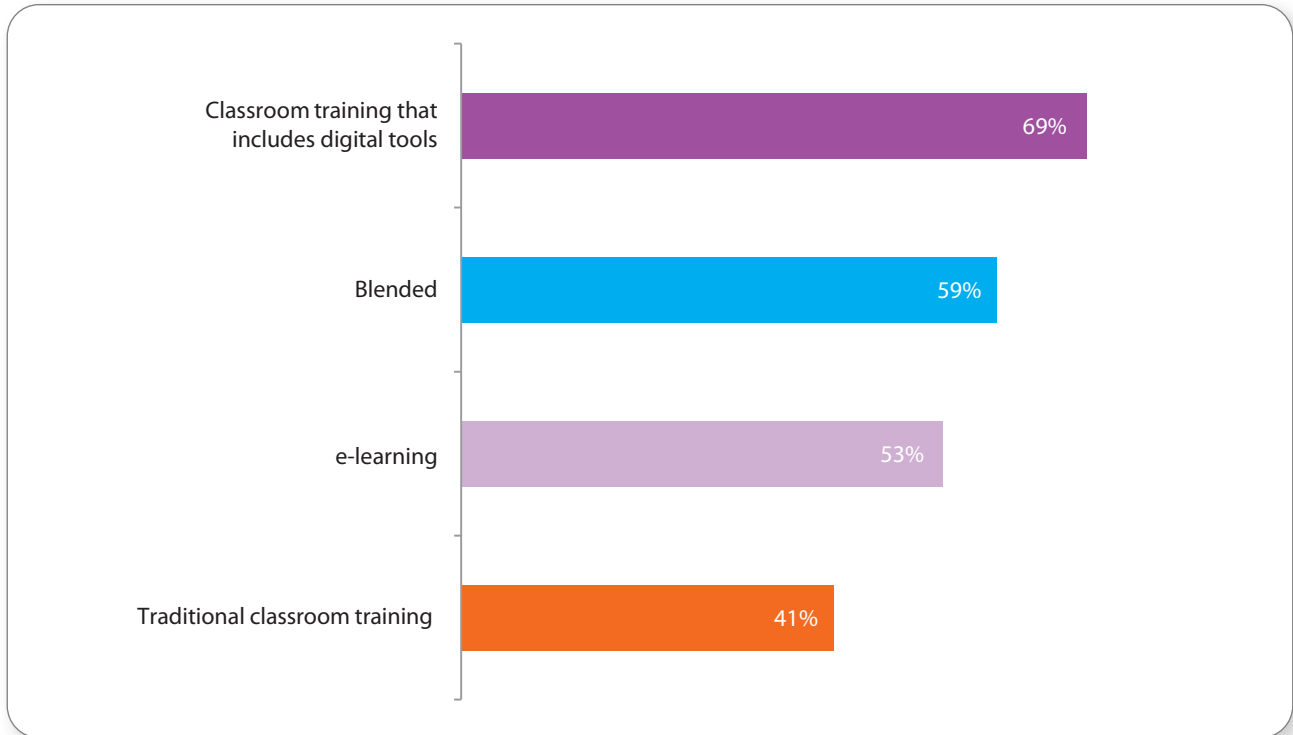
- The most common inhibitor to training is cost, with seven in ten organisations stating this
- However the largest organisations are more likely to state cost as an inhibitor than smaller organisations
- Perhaps unsurprisingly in light of the recent budget cuts, the public sector is most likely to say their training is most inhibited by cost
- The manufacturing sector is the least likely to have their training inhibited by cost

Analysis

- Despite budget reductions, the importance of training is recognised in both large and small enterprises. To assist in offsetting the cost, enterprises are starting to invest more in alternatives to classroom learning which is less time consuming
- These figures can be seen as a forecast – businesses will increasingly be inclined to choose cheaper and more time saving alternatives to classroom learning because although budgets are being cut, companies still value training highly

Current training methods

Figure 4. Which training methods are the most learning effective?



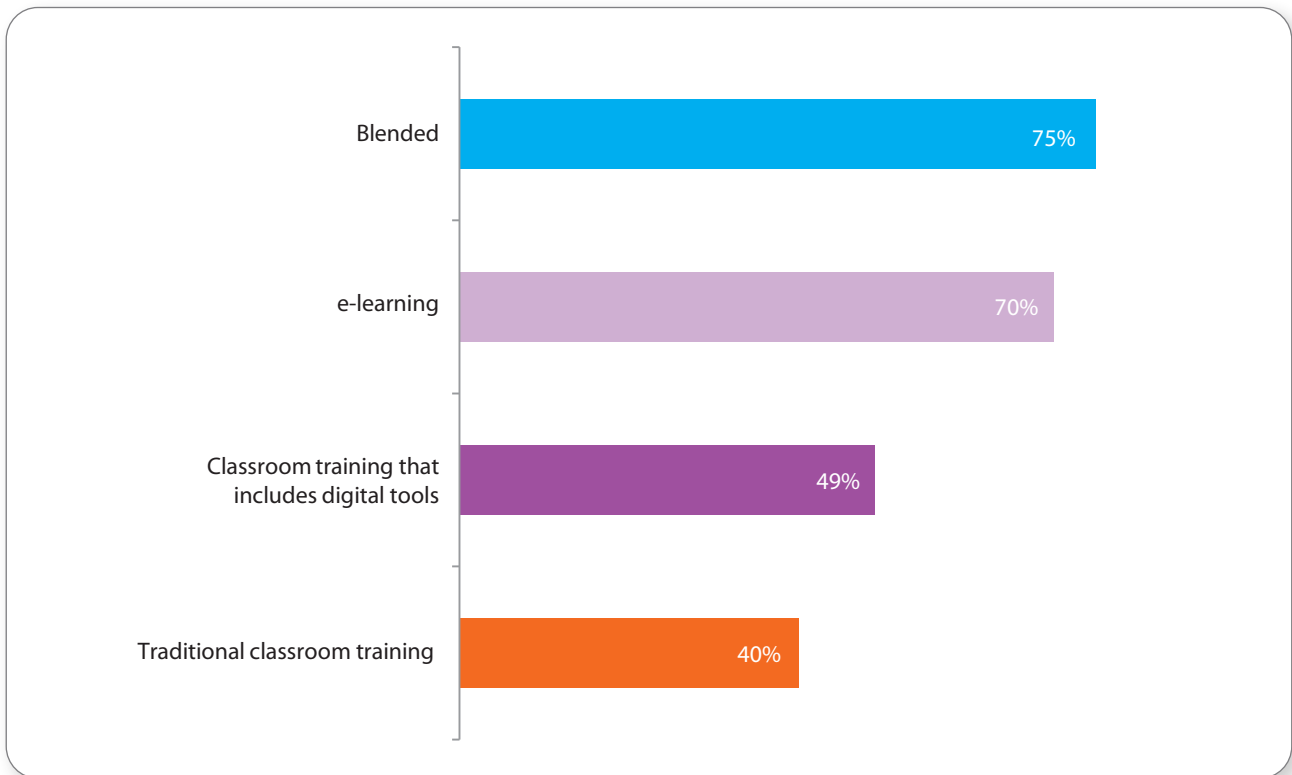
Key stats

- Respondents consider classroom training that includes digital tools (blend of multi-media e-learning, games and simulations) to be the most effective learning method
- Traditional classroom teaching is seen as the least effective learning method by respondents

Analysis

- The move towards a mobile workforce will also influence the popularity and relevance of blended learning with e-learning continuing to grow as more and more people realise the opportunity it presents
- Learners will be less and less likely to physically come together in the same room and listen while they are talked at – instead training like e-learning and blended learning will offer greater interaction and flexibility

Figure 5. Which training methods are the most efficient?



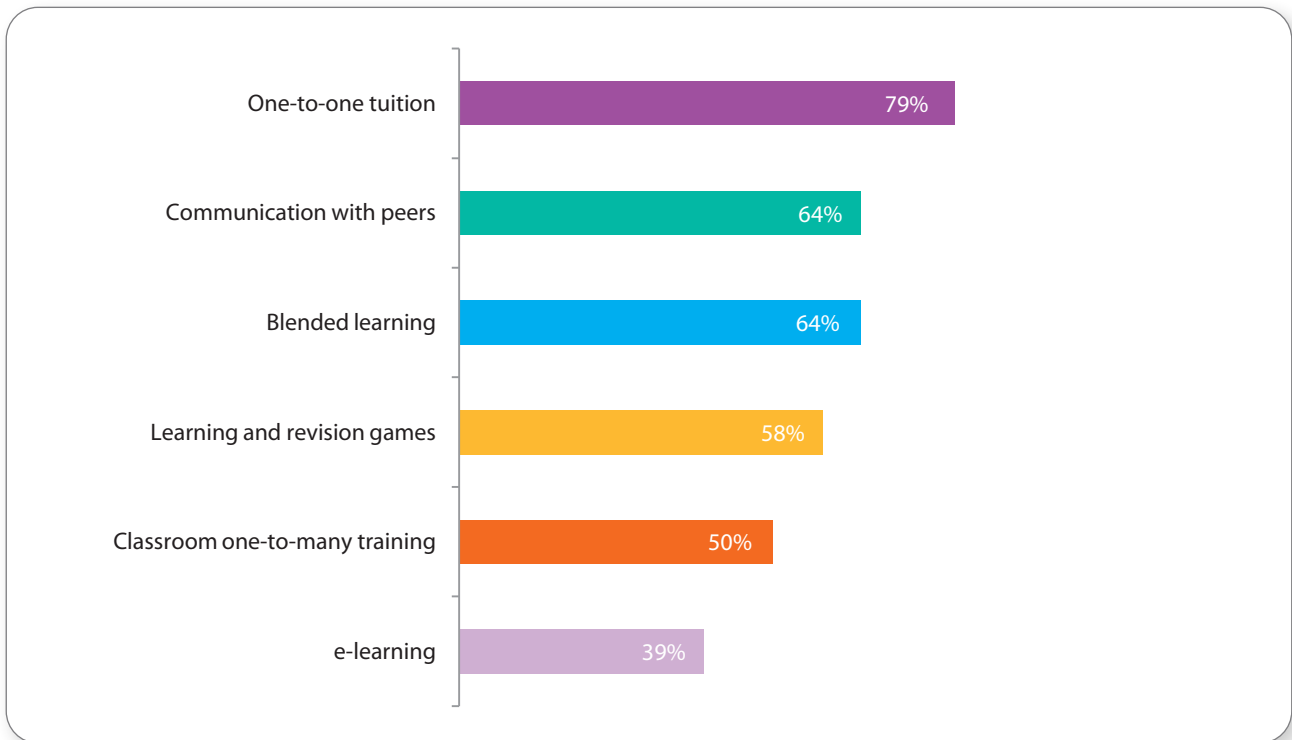
Key stats

- Blended learning (combines e-learning and classroom instruction) is considered as the most efficient training method
- Whereas traditional classroom training alone is seen by respondents as the least efficient training method

Analysis

- Blended learning appears to be popular because it is the best of both worlds: the cost effectiveness of e-learning, combined with the networking opportunities and interaction within the classroom
- But as traditional classroom training is deemed the least efficient, respondents are certainly aware of the costs (time and budget) required to make this method a success

Figure 6. How do you rate the effectiveness of the following learning techniques?



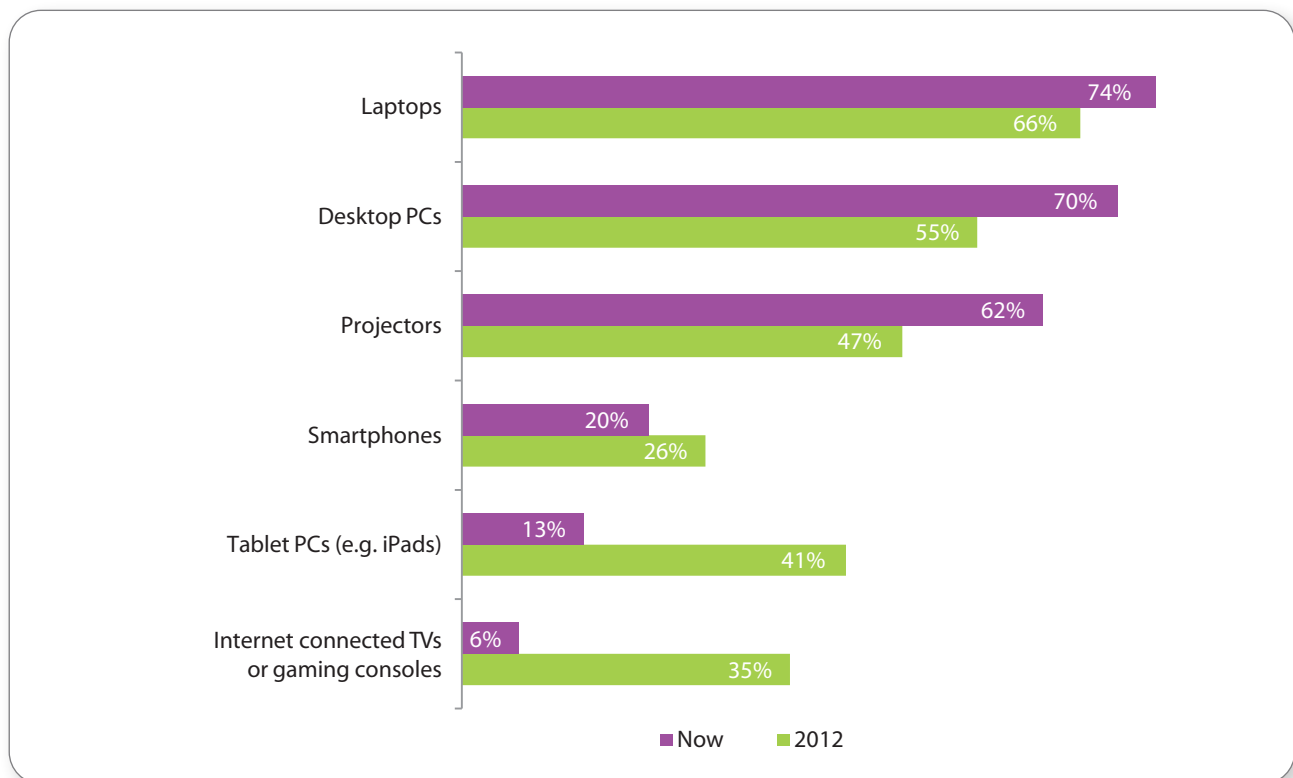
Key stats

- Four in five respondents say that one-to-one tuition is an effective training method
- E-learning is considered the least effective

Analysis

- Although most respondents say that one-to-one tuition is an effective training method, this cannot be particularly cost effective
- In fact our research found that e-learning was considered to be the most cost-effective training method. However, fewer than two in five organisations regard it as an effective training method overall
- Nevertheless this statistic varied between organisations. Organisations with 1,000–3,000 employees are the most likely to find e-learning an effective training method where as the largest organisations (more than 3,000 people) are the least likely to find it effective
- The financial services sector is the least likely to find e-learning an effective training method, and the public sector the most likely, with more than four times the number saying it is either efficient or very efficient

Figure 7. Which devices are being/planning to be used for training?



Key stats

- While laptops will still be the most utilised devices, the interface of training looks set to change along with the methods of training themselves, with the use of tablet PCs growing by 28% and internet connected TVs or games consoles increasing by 29%
- Both desktop PCs and projectors can expect to see a 15% drop in use between now and 2012
- While smartphones can expect a 6% increase in use for training over the next twelve months

Analysis

- Smartphones and tablets (such as Apple's iPad) are transforming the way companies communicate internally and mobilising the workforce has become one of the top strategic priorities for many companies. Training looks set to be part of this trend
- The use of tablet PCs and smartphones will facilitate mobile learning, making it easier to schedule training around the individual

Part 3: Appendix

ILX commissioned a Vanson Bourne Omnibus survey of 100 HR decision makers from large UK organisations across financial services, manufacturing, retail, distribution/and transport, public sector and other commercial sectors. The companies were split into those with 500–1,000 employees; 1,000–3,000 employees or more than 3,000 employees.

The following questions were asked:

Question 1

What reasons do you find inhibit training within your organisation?

(Choose top 3 options in order of preference)

- Time
- Cost
- Complexity of roll-out
- Effectiveness of previous training courses
- Management buy-in
- Investment is 'wasted' when people leave
- High staff turnover
- Lack of resource to train

Question 2

How do you rate the following training course methods on the following criteria?

(Grid question - rate each option 1-5)

- Traditional classroom training
- Classroom training that includes digital tools (e.g. interactive whiteboards, voting keypads, etc.)
- e-learning training
- Blended (combined courses including classroom and e-learning)

- Efficient use of time
- Cost effectiveness
- Learning effectiveness (ability to recall information / pass examinations)
- Interactivity
- Fun

Question 3

During 2012, how do you expect your training budgets to change for each type?

(Grid question, choose one option for each category)

- Traditional classroom training
- Classroom training that includes digital tools
- e-learning training
- Blended (combined courses including classroom and e-learning)

- Significantly increase
- Increase
- Stay the same
- Decrease
- Significantly decrease

Question 4

How do you rate the effectiveness of the following learning techniques? *(Rate each option 1-5)*

- One-to-one tuition
- Classroom one-to-many training
- e-learning
- Blended learning (combined courses including classroom and e-learning)
- Learning and revision games
- Communication with peers

Question 5

Which of the following options best describes how you choose the training courses employees study?

- Employees choose courses themselves
- Line managers choose courses for individual employees
- Senior management decides on wider training programmes

Question 6

In which areas of your organisation are there already/do you envisage there will be in the future, a greater demand for learning? *(Please tick all that apply)*

- Project management (PRINCE2, etc.)
- IT service management (ITIL)
- Financial awareness
- Risk management
- Software testing
- Leadership & management skills
- Business compliance/conduct including health & safety
- Law
- Languages
- Production/supply chain/logistics
- Customer services
- Sales & marketing
- Accounting
- Technology
- Team working
- Negotiation
- Time management
- Presentation
- Other *(please specify)*

Question 7

Which of the following devices does your organisation currently use to roll out training programmes to employees? *(Please tick all that apply)*

- Desktop PCs
- Laptops
- Projectors
- Smartphones
- Tablet PCs (e.g. iPads)
- Internet-connected TVs or gaming consoles

Question 8

Would you consider rolling out training programmes on any of the following devices used by employees within 2012? *(Please tick all that apply)*

- Desktop PCs
- Laptops
- Projectors
- Smartphones
- Tablet PCs (e.g. iPads)
- Internet-connected TVs or gaming consoles

Question 9

Is there ever a requirement for your organisation's training programmes to do any of the following? *(Please tick all that apply)*

- Accommodate multiple languages
- Accommodate those with special needs
- Be rolled out across multiple territories
- Take account of local/cultural sensitivities
- Use a learning management system (LMS)
- Include wider strategic consultancy on training/skills organisational requirements

Question 10

What do you think are the main reasons for your organisation to conduct training? *(Please rank the top 3 options)*

- Improve business capability
- Increase profitability
- Increase productivity
- Improve employee morale, satisfaction and longevity
- Support hiring
- Accreditation/compliance requirements
- Reduce risk
- To avoid disciplinary actions
- Security
- Aid succession planning/talent management

Question 11

Do you use a learning management system (LMS) within your organisation?

- Yes
- No, but I would like one
- No and I do not want one
- I've never heard of a learning management system

If 'Yes' to question 11: **Which of the following statements around LMSs apply to your organisation** *(Please tick one option)*

- I would like to use our LMS more
- I would like to use our LMS less
- I am happy with how much we use our LMS

ILX Group company profile

ILX deliver learning products and services to over 5,000 organisations across more than 100 countries worldwide. We are firmly established as a global leader in Implementation Consulting, Portfolio Programme & Project Management, IT Service Management and Business Financial Literacy. In each of our chosen markets we provide our full service offering of high quality consulting services, and consumer and corporate learning solutions.

ILX creates both formal and informal learning products, including interactive multimedia e-learning, games, simulations and mobile apps, as well as employ innovative software applications and other technology in classroom. Our vision is to transform the way people learn.

Case Study: Vestas streamlines and invests in training

Learning is a Vestas philosophy, and certification of project managers plays a central role for the Danish wind turbine giant. Heavily reliant on its R&D activities, Vestas constantly strives to strike a perfect balance between innovation and tight process management throughout its global organisation.

Vestas is a leader in more than just its industry. The Danish company, one of the world's largest wind turbine manufacturers, also invests in training – even during the financial crisis when other companies have cut costs in that area. Continuing education plays a major role at all levels of the organisation, and training in project management in particular is a strategic priority. Vestas depends on innovation and continuously runs development projects across its global organisation. Common terminology, tools and models are a prerequisite if projects are to meet their goals and lead to workable solutions. Therefore, up to 3,000 employees from around the world are continuously trained and certified in PRINCE2, among other things. This takes place in collaboration with ILX, Vestas's partner in e-learning.

“We have a strong focus on cost, alignment and efficiency,” says Claus Ryborg, senior project specialist with responsibility for training project managers at Vestas. “That is why it is important that development processes be well-conceived and streamlined from A to Z. This is a challenge because innovation takes place in many departments, not just one. That is the reason that we put so much emphasis on certifications and the use of e-learning.”

At the forefront of e-learning strategy

Claus Ryborg has worked with project management since Denmark's Great Belt Tunnel was built in 1992. He joined Vestas in 2009, where he is responsible for five project management programs, which also include IPMA and PMI in addition to PRINCE2.

“Within PRINCE2 we only use ILX. We run a blended learning course with ILX in which participants can choose classroom, e-learning or a combination of both,” explains Claus Ryborg. He points out that Vestas plans to make even more e-learning courses available for employees who need to be certified.



Vestas is clearly at the forefront of implementing e-learning as part of its training strategy. The ILX e-learning platform is integrated into the company's Learning Management System, which offers several advantages.

“ILX enhances our flexibility. From the moment the infrastructure is in place, new courses can easily be added as needs arise. In a global organisation such as ours, it is also a great advantage that project managers can earn their certifications through e-learning. It saves time and travel costs, and provides a uniform training level regardless of where people are located geographically,” says Ryborg. ILX prices are competitive for both preparatory and certifying courses, he adds.

At the intersection

Today, Vestas is an international group with over 23,000 employees, but the company's ambition is to preserve the creativity and drive that started its industrial adventure on the heaths of Jutland back in 1898. At the same time, Vestas recognises that it is necessary to standardise processes in order to achieve the professionalism demanded of a market leader. Training and certification play a central role in this process.

“With responsibility for training, I cannot demand that employees be certified. But I can make attractive courses available, and ILX adds value in this connection. The courses are in great demand not only in Denmark but across the global organisation. Certification through e-learning is a good concept in that context,” says Claus Ryborg.

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