



Targeting Learning Business Process Outsourcing

Report
Abstract

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Scope:

This report analyzes the global market for Learning Business Process Outsourcing (LBPO) and its constituent services. The report addresses the following questions:

1. What is the current and future market for learning BPO services?
2. What are the customer requirements and how are they changing?
3. What are the benefits / results vendors have been able to achieve for their clients?
4. What services are customers buying from learning BPO vendors?
5. What technologies and platforms are being utilized and what are the latest developments and trends emerging?
6. What is the size and growth of the learning BPO market by geography?
7. What is the size of the learning BPO market by industry and which is seeing increased demand? What is the size by small, mid and large market?
8. How leading vendors are positioned within the learning the BPO outsourcing market?
9. What are the vendor selection criteria, challenges and critical success factors for vendors targeting learning BPO?
10. Additional topics include: the advent of social learning, acquisitions and partnerships, proportion of revenue by learning tower by region and multi-process HRO (MPHRO) provider and learning specialist, vendor revenue per FTE by region and MPHRO provider and learning specialist, who is leading the discussion to outsource learning, use of offshoring, contract lengths and pricing, etc.

Key findings & highlights

Clients are investing in learning again, but it is still not at pre-recession levels, due to continued uncertainty and cost concerns. There is still an appetite for full LBPO contracts, but Selective LBPO continues to increase across all learning towers, led by content development due to the conversion of instructor-led training (ILT) to e-learning. For the first time e-learning, including VLT now exceeds ILT, particularly for quick deployment of learning for geographically dispersed organizations and the advent of social learning. Due to the increased urgency to attract, develop and retain talent, clients have increased their focus on talent management and vendors are helping, including by making the linkage of learning to performance management and developmental plans, both from a consultative and technological standpoint.

North America is still the largest LBPO market, followed by the U.K. Learning BPO is forecasted to grow globally through the 2016 forecast period, with No. America remaining the largest market for LBPO services, with the Asia Pacific region expected to have the highest growth.

Cost continues to be the top driver of learning BPO, as even though the economy is slowly recovering many client organizations decimated their HR departments during the recession. Though outsourcing is a less costly alternative than rebuilding internally, clients need to do so at the least cost possible while improving service delivery at the same time. NelsonHall has identified the top learning BPO drivers in the report, five of which are listed here that include:

1. **Cost reduction and control:** decrease fixed costs of maintaining an entire learning organization with either full LBPO or selective LBPO
2. **Clients no longer want to manage learning internally:** due to Cap Ex and Op Ex financial pressure clients, clients do not want to have to worry about hiring and reducing

staff during peaks and valleys. Clients no longer have to invest in technology that the vendor can host

3. **Faster and better development of job skills:** there is a large gap in skills required and skills available. Clients are seeking improved quality and consistency of learning, integrated with talent management, including performance management and succession planning
4. **Improved business results:** learning aligned to measured business goals and vendors who can provide predictive analytics
5. **Scalability and global reach:** through scalable and global resources and technology that can be utilized in the clients local country language with aggregated reporting

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Vendors mentioned in the report include:

Accenture Learning Services, Aon Hewitt, Capita, Delta College Corporate Services, Expertus, Genpact, GP Strategies, IBM Global Services, Infosys, Intrepid Learning Solutions, KnowledgeAdvisors, KnowledgePool, Logica, Lumesse, Mahindra Satyam, NIIT, NorthgateArinso, QA, Raytheon Professional Services, Seertech Solutions, Talent2, The Learning Factor, Wipro, Xerox and others

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