NEAT EVALUATION FOR GP:

Learning Services

Market Segment: Overall

Introduction

This is a custom report for GP Strategies (GP) presenting the findings of the NelsonHall NEAT vendor evaluation for *Learning Services* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of GP for learning services, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering learning services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with a specific focus on learner experience, service innovation, technology innovation, geographic footprint & scalability, and digital learning transformation.

Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Aptara, Capgemini, Conduent, G-Cube, IBM, InfoPro Learning, Infosys, LTG*, NIIT, Seertech, Tesseract Learning, UpsideLMS, and Vertex Professional Services.

Further explanation of the NEAT methodology is included at the end of the report.

*N.B. GP Strategies (GP), referred to in this report and shown in the NEAT graph, is part of LTG.

NEAT Evaluation: Learning Services (Overall)

Learning Services 2022
Overall
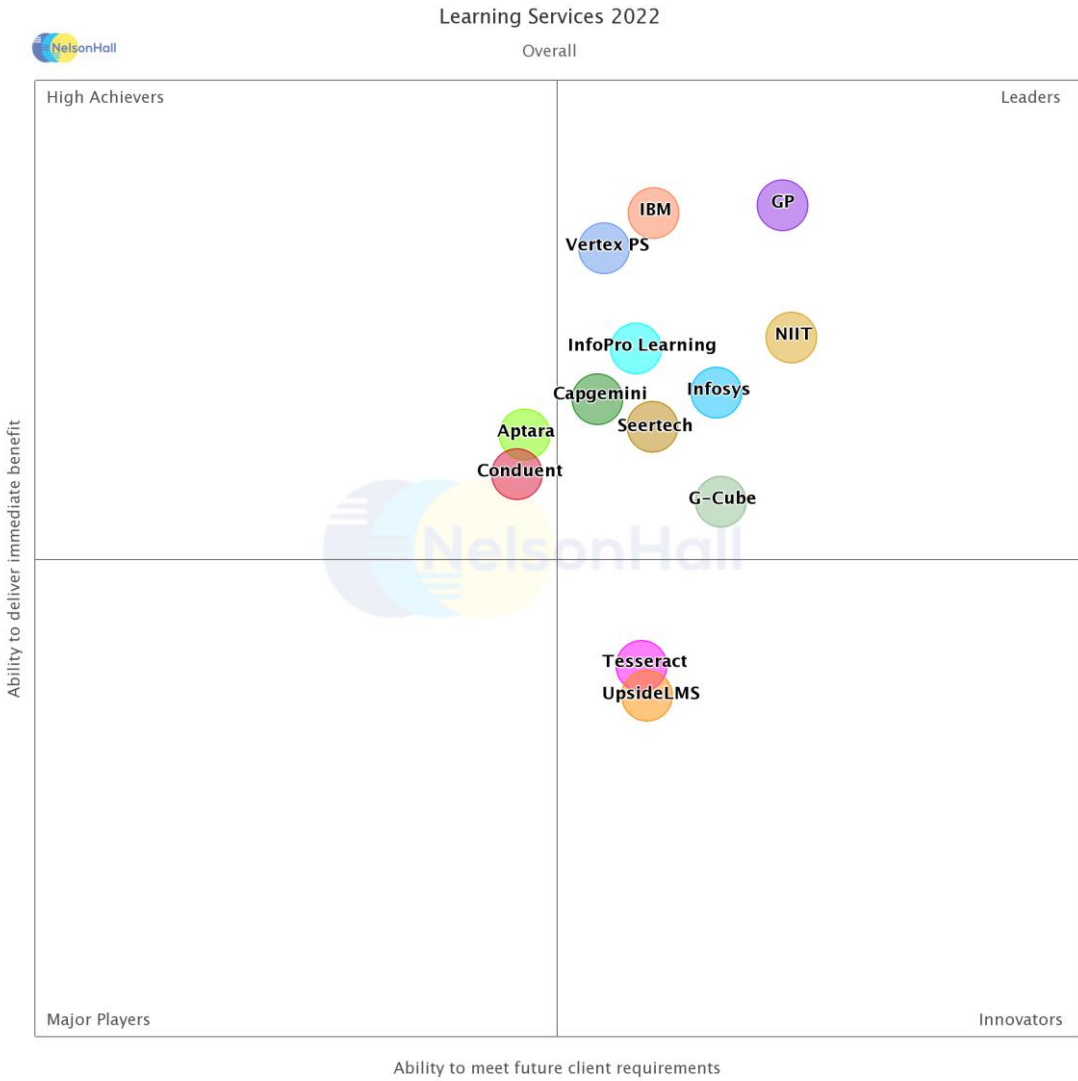
NelsonHall has identified GP as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects GP's overall ability to meet future client requirements as well as delivering immediate benefits to its learning services clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *Learning Services* NEAT tool (*Overall*) here.

Vendor Analysis Summary for GP

Overview

Learning Technologies Group plc (LTG) operates in the workplace digital learning and talent management market, offering large organizations a new approach to learning and talent in a business world driven by digital transformation. Its purpose is to help systematize "putting the best people into the right roles becoming the best they can be" by transforming large organizations' ability to scale and flex to meet future market opportunities.

The Group's offering comprises two principal divisions with their specific brands:

- *Content and Services*: GP Strategies (GP), LEO Learning (eLearning content and services), LEO GRC (Governance, Risk and Compliance), PRELOADED (a BAFTA-winning full-service games studio), and PDT Global (DEI training)

- *Software and Platforms*: PeopleFluent, Gomo, Rustici Software, Watershed, Affirmity, VectorVMS, Breezy HR, Instilled, Open LMS, and Bridge.

LTG's offerings comprise learning content, delivery, admin, tech, and consultancy services. It also offers several other services, some via Group brands, including Human Capital Technologies (HCT), Enterprise Technology Adoption (ETA), Business Consultancy/Strategy, and staff augmentation.

LTG offers Managed Learning Services (MLS) as a new offering since its acquisition of GP (well-known for its MLS business). Under MLS, the strategic framework takes organizations on a digital learning transformation journey over several years.

Hot topics in the content space have focused on proving the value or impact of the learning content and optimizing content for modality-related platforms.

LTG launched several new Academies in 2021 to skill internal company learners in areas such as creating curated learning pathways (Curation Academy) and measuring the business impact of learning (Measurement Academy™). New Academies also focus on the extended workforce to engage and excite customers (Automotive Retail Academy).

New offerings include Leadership Acceleration (a digitally enabled leadership journey), Modern Learning Transformation (a collaborative program), and Consulting for Learning Professionals focused on developing consulting behaviors.

A range of new technologies was also introduced in 2021, including VR Teamscape™ and PRELOADED (for AR/VR experiences) and Genius (a native mobile app designed to create engagement through a series of mini-competitions).

LTG is also building out its consulting capability, increasing its board-level consulting on all aspects of DEIB, through its combined LTG specialists/Affirmity platform offering.

LTG has various proprietary LMS and LXP platforms. In 2021, enhancements to learning platforms focused on UI/UX, integrations, and improved system performance. Its analytics platform (Watershed) saw reporting expansion, improvements, and advanced data protection. LTG has experience working with third-party LMS platforms.

In 2022, LTG will target organizations of all sizes and grow globally, as its services and technology range potentially suit all organizations and different markets.

Financials

NelsonHall estimates that LTG's 2021 Learning Services revenue was ~$418.2m. This combines LTG's and GP Strategies' specific learning managed services revenues.

Strengths

- LTG's global MLS capabilities (services and technology), brought together through strategic acquisitions over several years, creating a tech-driven MLS company

- Its resultant brand portfolios of renowned learning and HR platforms and service providers; notably, Open LMS, PeopleFluent, and Breezy, and a portfolio of at least 15 proprietary platforms/tools

- Longevity of its client partnerships (some over 20 years)

- Its strategic framework, optimized over 20 years, to meet clients' changing learning solution needs to overcome whatever market forces are in play at a given time

- Expertise in gamification, immersive learning, academies, and leadership programs

- Consulting expertise, notably in learning and broader HR technology

- Broader HR service offering, providing a one-stop-shop in service provision for interested parties

- Size and scalability of its global footprint, providing centralized and localized delivery

- Its pipeline of opportunities.

Challenges

- The perception of LTG's acquisition of GP Strategies in the learning services market, with a mixed response as to its likely long-term success; the pressure LTG may feel to succeed, with the eyes of other vendors watching its every move

- Whether LTG can successfully navigate the challenges that such a sizeable acquisition brings; ensuring it juggles client priorities with internal ones without negatively impacting client satisfaction.

Strategic Direction

LTG has the following strategic priorities:

- Putting together the new go-to-market strategy following its recent acquisition of GP Strategies:

  – Notably, by putting tech and services together to optimize the strategic benefits of a holistic MLS approach, focusing on the business issue to be resolved; showcasing its resultant, yet essential, new services (such as its measurement academy)

  – Amalgamating LTG's 85% license software business (serving 50m people globally), with GP's MLS capability (reaching one million people/year with live in-person learning, delivering 2m hours of learning in 2021, with 5,000 staff, and 100+ offices)

- Continuing to work as a strategic partner for its clients across all brands, helping them to close the gap between current and future workforce capabilities (using LTG's best-of-breed products and services)

- Optimizing its technology offerings:

  - With some rationalization, keeping Rustici and Watershed as core platforms to augment its functional-specific platforms (learning, performance management, recruitment, etc.)

  - Exploiting its strong market position with Open LMS, servicing 6,000 clients, with opportunities to bridge the gap between higher education and the corporate world of work: a crucial meeting point for the future of work

- Promoting its capability to deliver at scale, globally; with its presence in 34 countries across numerous offices, supporting businesses working globally but offering localization as needed

- Aiming to win further awards as recognition of its market positioning (across all learning domains)

- Bringing together its global operations to drive consistency in the experiences delivered to its clients (maintaining its ISO certification):

  - Focusing on the strategic model across the value stream (from birth to grave and everything in between, determining what is value-added and what is not)

  - Ensuring it maintains centers of excellence globally, with learning professionals in every region.

Outlook

NelsonHall expects that LTG will:

- See an uptick in demand for end-to-end or multiple services as it exploits the existing LTG client base with new MLS offerings and upsells technology to GP's clients

- Continue to ensure it prioritizes a partnership mindset with each brand's client base without compromising the relationships while the amalgamation of the two businesses evolves

- Develop its strategic methodology, evolving and adapting the component pieces, as it leverages the strengths of its brands' capabilities within the framework, notably adding LTG's deep technology expertise complementary to GP's services focus

- Continue to see demand for learning content services focused on onboarding, skills-based academy-building, leadership programs, future-of-work skilling, and 2022 issues (DEIB, ESG):

  - With a focus on building personalized learning journeys to enable career enhancement and talent mobility

  - Promoting/showcasing its measurement, curation, and automotive retail academies

- Promote the use of exciting and engaging modalities, such as gamification and VR/AR

- See many of its clients embed digital learning, having made significant progress since pivoting to a digital approach in 2020 while seeing a cluster of clients return to in-person training

- Consequently, see demand for a mix of traditional learning admin services (focused around in-person events coordination) and newer digital learning admin (focused on its tech range)

- Grow its learning consulting business, bringing together three expertise areas: Performance and Change Consulting, Strategic Learning Consulting, and Enterprise Learning Technology Consulting

- Actively showcase its broad portfolio of technology (covering learning and the more comprehensive HR function):

  - Notably, its new immersive, gamification, LXP, and xAPI Test Harness platforms

  - Rationalize its platform portfolio by integrating the best features and functionality from its existing/acquired platforms into a range of core technologies; notably, built around Rustici and Watershed

  - Expand its Open LMS offering

  - Ensure its proprietary technology roadmap is fit-for-purpose

- Continue to evolve its third-party technology partnerships, ensuring the most value-adding platforms are part of its ecosystem

- Keep its existing delivery center footprint to serve its growing client base globally, providing centralized and localized support where needed

- Optimize its operating model, a part of a broader digital transformation project, taking the best elements from LTG and GP (technology, processes, methods) to offer a consistent delivery approach while eliminating duplication

- Target all-sizes of organizations, as it offers services and tech solutions to meet a broad range of learning clients/prospects

- Target existing clients for upselling opportunities and new logos (as a one-one-stop provider with its broad portfolio of offerings)

- Grow its footprint globally, whether through global solutions or geographic-specific solutions

- Expect growth of 30%+ y/y, based on wins in 2022 to date and opportunities in the pipeline.

Learning Services Market Summary

Overview

Skills shortage will be the most significant challenge organizations face for the rest of the decade.

The post-pandemic era brings additional challenges as the workforce re-evaluates its priorities around the future of work. Organizations must adapt accordingly to retain existing talent and attract new talent. Companies must showcase their workplace cultures: well-being; health; psychological safety; diversity, equity, inclusion, and belonging (DEIB); and flexibility. Therefore, businesses must prioritize skilling their workforce on these issues and the in-demand digital, soft skills, and future of work skills (especially if they struggle to hire talent). Alongside, the rapid evolution of technology continues apace.

All sizes of organization require help in evolving their learning functions to be future-fit. Vendors must guide their clients in all learning domains (services and technology), hand-holding them to make step changes at their desired pace towards a digital learning future. Education is needed around learners' changing needs/preferences (bite-sized, speedy, personalized learning paths). Also, the business benefits of data/ analytics/insights on learners and learning, and the importance of a top-notch pull learning experience are key to driving organizations' competitive edge in the marketplace.

Leading vendors offer next-generation experiential learning platforms and evolve their services to tackle their clients' challenges head-on. Clients embracing and embedding digital learning cultures, having taken on board their provider's advice, are reaping the benefits in 2022.

Buy-Side Dynamics

All learning services buyers seek advice personalizing the learning experience, creating engaging digital content, skilling/reskilling/upskilling, and learning technology/tools. The post-pandemic period, fueling the Great Resignation and increased employee turnover levels, has emphasized new priorities around leveraging learning to improve employee engagement, retention, and preparing for the future of work (whatever that may bring).

Buyers increasingly want to outsource more of their administrative learning tasks (such as supplier management) and get advice beyond their internal know-how on evolving their entire learning functions. Priorities are to be future-fit (for a highly digitalized, distributed, and hybrid world of work), meeting their workforces' learning/career needs, and being aligned to the broader strategic ambitions of their organizations. In a very competitive market, priorities are improving learner engagement and satisfaction, increasing the adoption rate of learning/training, and accelerating the learner time to competence. There is a noticeable emphasis on mapping skills gaps to identify skilling needs, improving insights through learner data/analytics to enable learning optimization, and leveraging intelligent tech (with advanced RPA and AI) to underpin all other requirements.

Organizations have adapted to at least a partially remote (nearshore/offshore), if not fully remote, service delivery model. Localization of service delivery is offered (onshore/onsite) for cultural and language reasons.

Factors inhibiting the take-up or progression of learning services are market conditions (COVID variants and economic volatility), limited budgets (with other projects taking priority over learning), and organizational culture/behaviors (resisting change).

Market Size & Growth

As skilling becomes a C-suite talking point, the future of the learning services market looks strong. The global learning services market was worth ~$3.9bn in 2021 and will grow at 11.9% per annum to reach ~$6.9bn in 2026.

The North American market will show the most substantial growth with 14.7% revenue growth, followed by the U.K. (12.0%), then CEMEA (7.3%), and APAC (6.1%). The most buoyant sectors will be Banking, Energy, Financial Services, Healthcare, Manufacturing, and Pharmaceuticals.

As organizations look to transform their learning functions digitally, future-fit interdependent services and technology will become increasingly important in learning services programs. These offerings drive top-notch personalized learning journeys that businesses desire, significantly contributing to vendors' revenue growth.

Challenges & Success Factors

Several challenges in learning services abound. Firstly, maximizing vendors' profits while enabling cost savings for clients in an economically-challenging market. Success requires vendors to get leaner in the short-term to become fitter long-term through optimizing operating models to eliminate inefficiencies and re-allocating staff to the most in-demand services. Processes must be agile and automated, while services must adapt to clients' changing needs.

A second challenge is vendors' abilities to meet the post-pandemic demand for learning services due to shortages of skilled learning talent. Vendors must be proactive and creative in navigating these 2022+ talent challenges: extending talent programs to wider audiences, 'walking the talk' on upskilling in new areas, long-term career planning, and offsetting costs elsewhere in their businesses without impacting service.

The stalled shift to digital learning is due to 2022 external market forces. Success requires vendors to showcase the digital learning benefits of addressing their most pressing challenges, notably skills shortages. They must seek quick wins for clients, educate them on ROI, and focus on the services that bring them results by spending the smallest budget as a taster to other possibilities.

Outlook

The learning services market outlook is buoyant, as many organizations of all sizes seek expertise to navigate their learning/skills and broader talent challenges. Hence, opportunities abound to expand services.

Merger, acquisition, and divestiture activity will likely continue as outsourcing vendors in the talent space tussle for market share as talent development, acquisition, and management become aligned. There will be a further blending of talent acquisition, management, and development. Inorganic growth will bring instantaneous opportunities with new audiences (whether geos, size of organizations, etc.) as ranges of services and tech portfolios merge.

The less mature learning services regions (MEA and LATAM) will not be priority growth regions for several years while opportunities abound in North America, the U.K., Continental Europe, and, to a lesser degree, APAC. Growth has returned to all sectors, but the high-growth industries will be those undergoing a significant transformation over the next five years led by changes driven by global PESTLE factors.

As organizations reinvent themselves for the future of work, choosing what processes to keep internally or outsource, learning services will evolve to meet their needs. The range of innovative, 'out-of-the-box' thinking seen in 2021 and being delivered in 2022 services, will continue.

To ensure their clients' infrastructures can sustain user volume and security requirements, vendors will continue to invest significantly in proprietary and third-party technology (platforms and infrastructure). There will be formal launches of next-generation LMXP and LXP platforms. The choice and take-up of modality-specific platforms (notably, VR/AR/XR) will accelerate. The integration drive will continue, with far-reaching integrations into broader tech, especially as all talent domains will work more holistically. As companies come together, there will be some consolidation of platforms, taking the best features and functionality into a single offering. Advances will continue in intelligent tech (RPA, AI, ML, advanced analytics, blockchain, voice).

However, learning services vendors will need to operate with agility and efficiency to offset rising costs. They must aim to lower their overall costs to support their cost-conscious clients/buyers, as the global economic challenges of 2022 will likely prevail for several years to come.

One thing is sure, the learning services market is stronger than ever, but juggling the challenges and priorities is also more complex than ever before. It is about striking the right balance in order to prevail.

NEAT Methodology for Learning Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet client future requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet client future requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders**: vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements

- **High Achievers**: vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements

- **Innovators**: vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit

- **Major Players**: other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.

Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offering	Learning content creation/development services
	Learning content curation services
	Content Digitalization/ Transformation
	Range of modalities
	Learning administrative services (range, sophistication, pivot)
	LMS/LXP (+ other learning tech) services
	Other broader tech/tools services
	Learning consultancy services (core)
	Strategic Learning consultancy services (learning roadmap strategy, future skills, insights, data/analytics, etc.)
	Specialist services (Sourcing Talent as a Service, etc.)
	New + Adapted Services (includes broader talent)
	Reskill/upskill
Delivery	Global
	North America
	U.K.
	Continental Europe
	Middle East/Africa
	APAC
	LATAM
	Traditional learning facilities
	Digital learning facilities
	Range of suitable/adapted learning modalities (delivery)
	Provision of skilled instructors, etc. for learning (reskilled/upskilled)
	Delivery support mix (onshore, nearshore, offshore, etc.)
	Application of service automation
	Flexibility, scalability, agility in service delivery
	Range/sophistication of LMS, LXP, + other learning platforms (XR, curated content)
	Use/sophistication of advanced analytics, RPA, AI, ML, VR, AR, etc.
	Learner experience (personalized, mobile, self-service)
	Next Gen Services Innovation
	Next Gen Tech Innovation *Continued…*

Presence	Size Mix
	Large Organizations
	Mid-size Organiations
	Small Organizations
	North America
	U.K.
	Continental Europe
	Middle East/Africa
	APAC
	LATAM
	Single Country
	Multi-country (One Region)
	Multi-region
	Global
Benefits Achieved	Cost savings
	Accelerated time to learner competence
	Improved (digital) learning content
	Improved delivery agility/flexibility/ scalability
	Improved learner satisfaction/ engagement
	Improved adoption rate/usage of training
	Improved compliance
	Using latest learning technology
	Perceived ROI/value for money
	Improved overall learning outcomes

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Ability to Meet Future Learning Needs	Ability to Reimagine Service Offerings (aligned to market/global trends)
	Vendor Knowledge and Expertise
	Best Caliber Personnel (includes proactiveness)
	Strength of Partnership
	Flexibility of Approach
	Ability to Scale/Pivot at Speed (Agility)
	Digitalization/Transformation Capability
	Continuous Improvement Mindset
	Recommendation
Market Momentum	Learning services market momentum
Ongoing Offerings Development	Overall future learning needs
	Future-fit content (created or curated) services for reskilling/upskilling
	Future-fit learning admin services (digital, data, analytics)
	Future-fit learning delivery (digital, blended, eLearning, modalities) -
	Future-fit learning consultancy (future of work learning, tech)
	Future-fit tech services (Learning platforms, tools, for new era of learning)
	Advanced learner data/analytics for Informed Insights
	Deployment of intelligent tech/tools to enhance learning (RPA, AI, ML, etc.)
	Future-fit service delivery
	Mechanisms in place to drive innovation in services
	Mechanisms in place to drive innovation in tech/tools
	Mechanisms in place to drive personalized learning experiences
	Mechanisms in place to support on the future of learning (emerging trends)
	Mechanisms in place to drive service delivery/ operational excellence
	Mechanisms in place to drive the journey to future learning transformation
	Roadmap in place to evolve appropriate tech/tools strategy
	Future holistic talent journey (strategizing for future workplace/workforce skills needs)

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.

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Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

Guy Saunders at guy.saunders@nelson-hall.com