



## CEdMA Worldwide Training Market Barometer 4<sup>th</sup> Quarter 2020

### Introduction

This report is compiled by CEdMA for its members about their Education businesses. It is based around a series of absolute growth or decline percentages in the range +/- 12.5%. Revenue and volumes refer to training services delivered in the quarter and not future bookings. Members provide their data from the global business and/or EMEA. Note that in this report, u/f/d is the number of members reporting up/flat/down, respectively.

We now only show history since 16q1 in this report as well as commentary on most recent trends. Both worldwide and EMEA output is shown together for comparison.

There were 21 inputs for world-wide (five of which were North America only) and 21 for EMEA.

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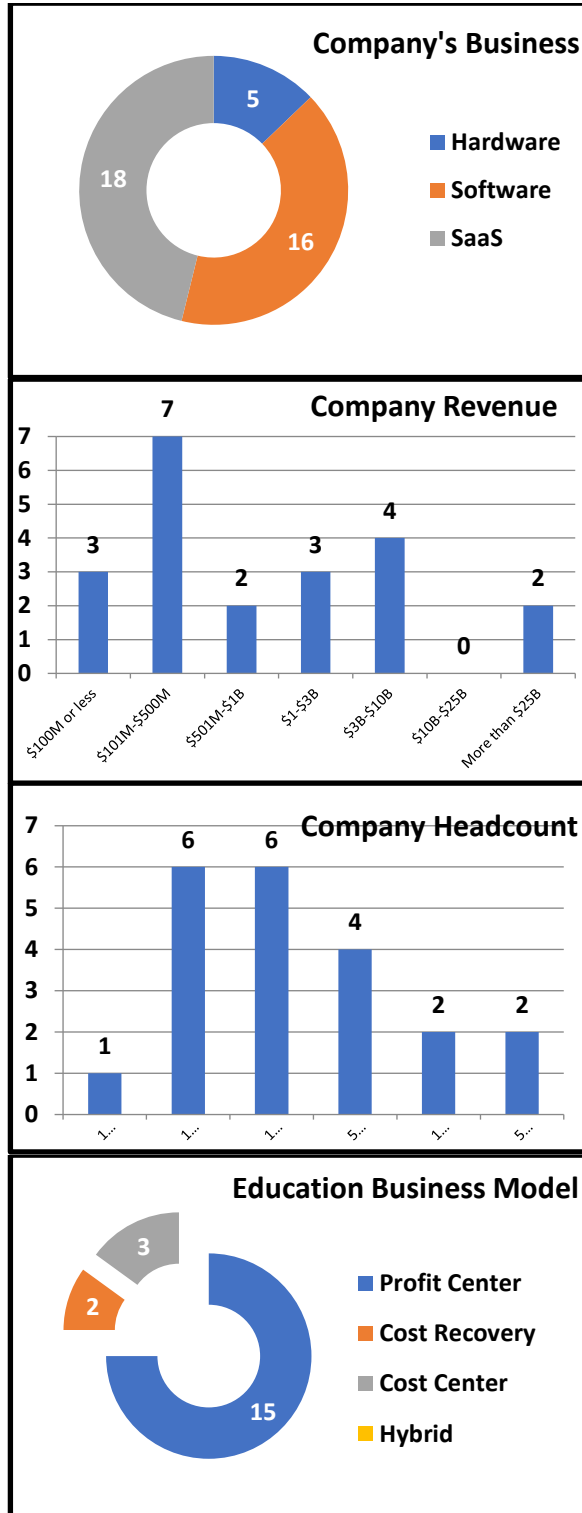
[Two greatest business challenges in last 3-6 months](#)

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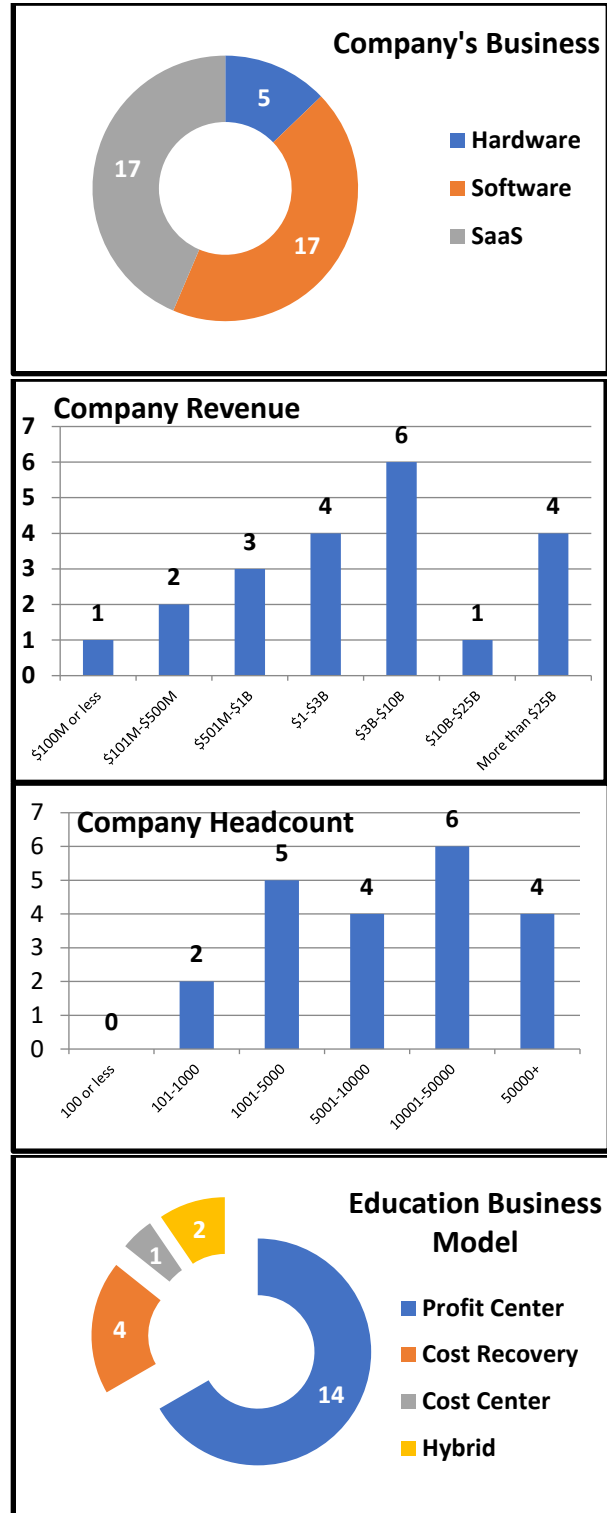
## Member Profiles

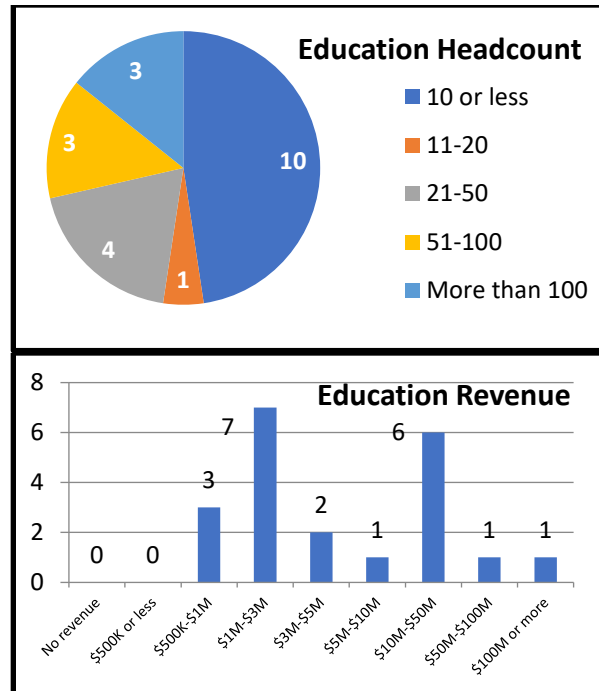
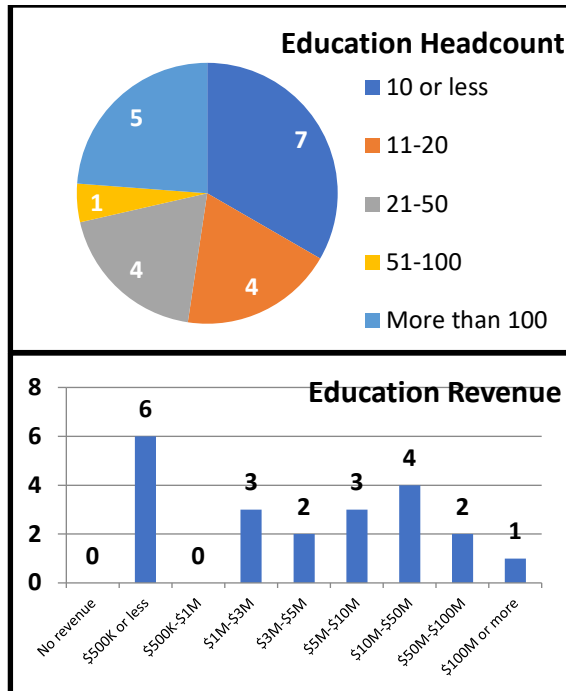
Sample size for 20q4 was 21 for Worldwide and 21 for EMEA.

### Worldwide



### EMEA





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## Summary

The unweighted average uses all responses as entered, whereas the weighted average uses the size of the revenue, taking the corresponding education revenue value, so larger companies have a bigger impact.

**Growth observations are weighted and based on trendlines of 4-period moving averages.**

**Total Revenue** is defined as all recognized revenue.

WW: The trend was 4-5% in 2016, dropped to 2-3% in 2017 and is now negative 2-3% through 20q4.

EMEA: Having been down to negative 2% in 2014, the trend recovered to positive 2% increase in 2016 and 4% in 2019 but is now negative 4% in 2020.

**Operating Profit** is revenue minus all fixed and variable costs, excluding allocations, divided by revenue.

WW: The growth trend is 1% to 20q4, down from 4% in 2016, and 3% in 2018. Cost reduction by larger members has helped bring the figure back to 2% positive from a recent dip into negative territory.

EMEA: The trend has recovered from a low of negative 2% during 2013 to a 3% increase in 2017-18, a 2% increase in 2019 but is now down to negative 1% for 2020.

**Live Classroom (ILT)** is all revenue when the instructor is in the same physical location.

WW: Growth was flat in 2013-14, 2% in 2015-17, negative 7% through 20q1. None occurred in 20q4.

EMEA: It fell to negative 2% during 2014, recovered to flat in 2015, showed a 2% decrease in 2017, was flat in 2017-18 but fell to negative 5-6% to 20q1. None occurred in 20q4.

**Virtual Classroom (VILT)** is all revenue for instructor-led training via the web, including virtual labs.

WW: Growth has dropped from 6% in 2015-16, to 3% in 2017, dipped to negative 2% in 2019 but is now

showing 8-9% growth in the absence of live training.

EMEA: The trend dropped from 6% during 2013 to 1% in 2014-15 but has risen steadily to 11% during 2020 in the absence of live training.

**Public (scheduled) classes** is revenue for ILT and VILT.

WW: The trend has dropped to negative 7% through 20q4, having peaked at 1-2% in 2014, and been flat in 2015-16, but negative since 2017.

EMEA: The trendline was negative 3% in 2019 but is now negative 8% in 2020.

**Private (one-customer) classes** is revenue for ILT and VILT.

WW: It's now showing a trend of negative 10% in 2020, having been 2% in 2015 and 4-5% in 2016-17.

EMEA: The trendline was showing 4% in 2016, 5% in 2018-19 but now is negative 9% through 20q4.

**Self-paced** is all revenue generated by training students without instructors, such as eLearning, video, and can be paid per use or by subscription.

WW: It's showing a 6-7% increase through 20q4, having grown steadily from a 5% increase in 2013 and 11% in 2019. The smaller increase may be that lots of free self-paced was given once live ILT died.

EMEA: After climbing to 11% increase in 2019, it's dropped back to 4-5% increase year on year in 20q4 but was as low as negative 4% during 2013-14. A lot of free self-paced has been given in 2020.

**Certification** is all revenue for certification business, such as exam fees and exam prep services, but excluding any exam prep training which is accounted under ILT/VILT/self-paced.

WW: The trendline has climbed back to 11% during 2020 having been flat for four years. The pandemic disruption has pushed many customers and partners back to re-skilling and certification.

EMEA: The trend is up to 7-8% in 2020 with more customers seeking certification.

**Learning Consulting** is all revenue generated by non-training education business like learning needs analysis, customization of material assessments, and mentoring/coaching after training.

WW: While the trend was flat for 2016, it dipped to negative 4% in 2018 but is now showing positive 3% in 2020.

EMEA: The increase was 3% in 2018 but slipped to flat in 2019 but now is back up to 6%.

**Learning Technologies** is all revenue generated by learning tools, infrastructure, courseware and directly related training and learning consulting for these technologies.

WW: The trendline through 20q4 is showing 5%, but there has been a significant downturn in 20q4 probably caused by no onsite work allowed.

EMEA: This is very similar with the trendline showing 7% but a significant downturn in 20q4. But with only three large members reporting revenue, this is unreliable overall.

**New Learning Modalities** is all revenue for social learning, gamification, microlearning, mobile.

WW: 2018 showed the trendline at 5%, in 2019 it was negative 3%, but now in 2020 it's positive 2%

EMEA: The trend has jumped from a steady 1% to positive 5% in 2020.

**Subscriptions** include all revenue from any of the above modalities included in subscriptions.

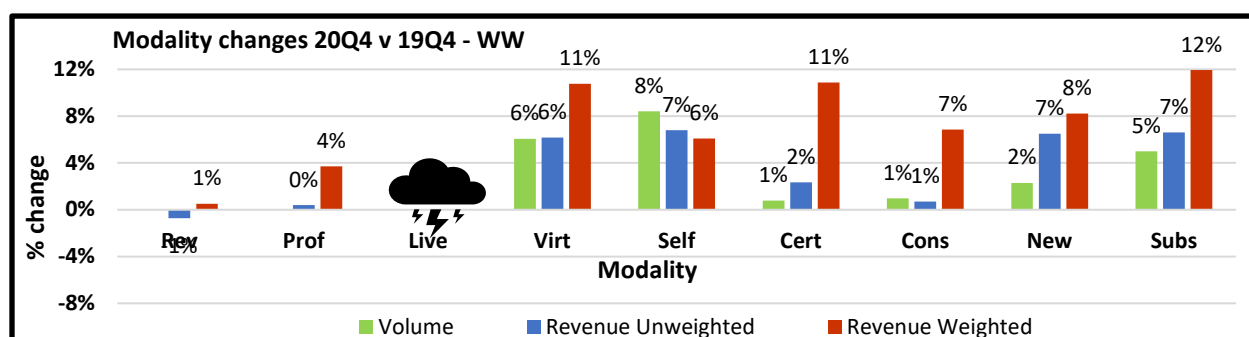
WW: Subscription revenue has grown from 7% during 2017 to 9% during 2019 but it's now 8% in 2020.  
EMEA: With many companies starting in 2015/16, the increase was 8% over 2016, dipped to 3% in 2017, rose to 11% in 2019, but has fallen back to 7%.

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## Volumes as well as revenue

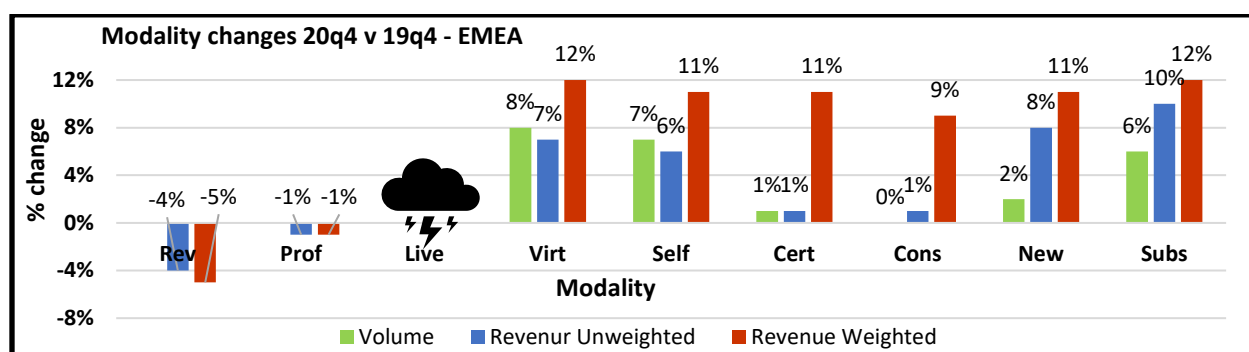
We now ask for percentage movement of modalities by volume of students in addition to or instead of revenue. Of course, volume averages will only be for unweighted input. Here's the comparison for 20q4.

| WW                 | Rev | Prof | Live | Virtual | Self | Cert | Cons | New | Subs |
|--------------------|-----|------|------|---------|------|------|------|-----|------|
| Volume             |     |      |      | 6%      | 8%   | 1%   | 1%   | 2%  | 5%   |
| Revenue Unweighted | -1% | 0%   |      | 6%      | 7%   | 2%   | 1%   | 7%  | 7%   |
| Revenue Weighted   | 1%  | 4%   |      | 11%     | 6%   | 11%  | 7%   | 8%  | 12%  |



The significant revenue increases for 20q4 compared to 19q4 are virtual instructor-led, self-study, new modalities and subscriptions. Live instructor-led simply did not happen.

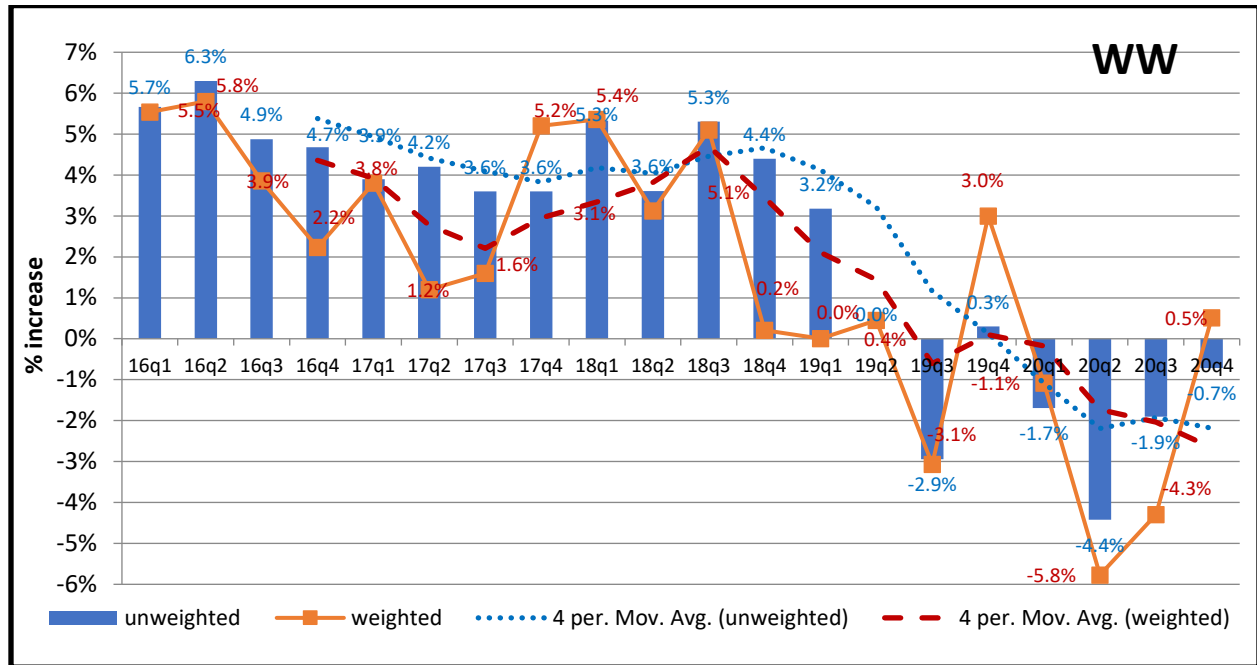
| EMEA               | Rev | Prof | Live | Virtual | Self | Cert | Cons | New | Subs |
|--------------------|-----|------|------|---------|------|------|------|-----|------|
| Volume             |     |      |      | 8%      | 7%   | 1%   | 0%   | 2%  | 6%   |
| Revenue Unweighted | -4% | -1%  |      | 7%      | 6%   | 1%   | 1%   | 8%  | 10%  |
| Revenue Weighted   | -5% | -1%  |      | 12%     | 11%  | 11%  | 9%   | 11% | 12%  |



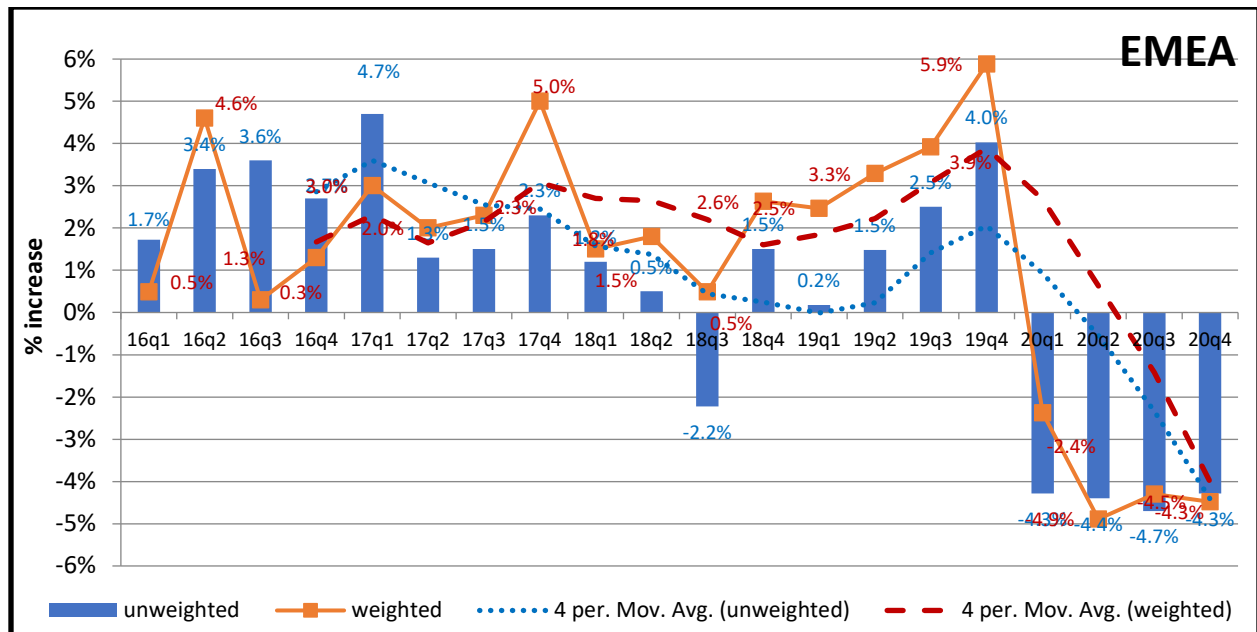
The significant revenue increases for 20q4 compared to 19q4 are virtual instructor-led, self-study, new modalities and subscriptions. Live instructor-led simply did not happen.

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## Overall Training Revenue



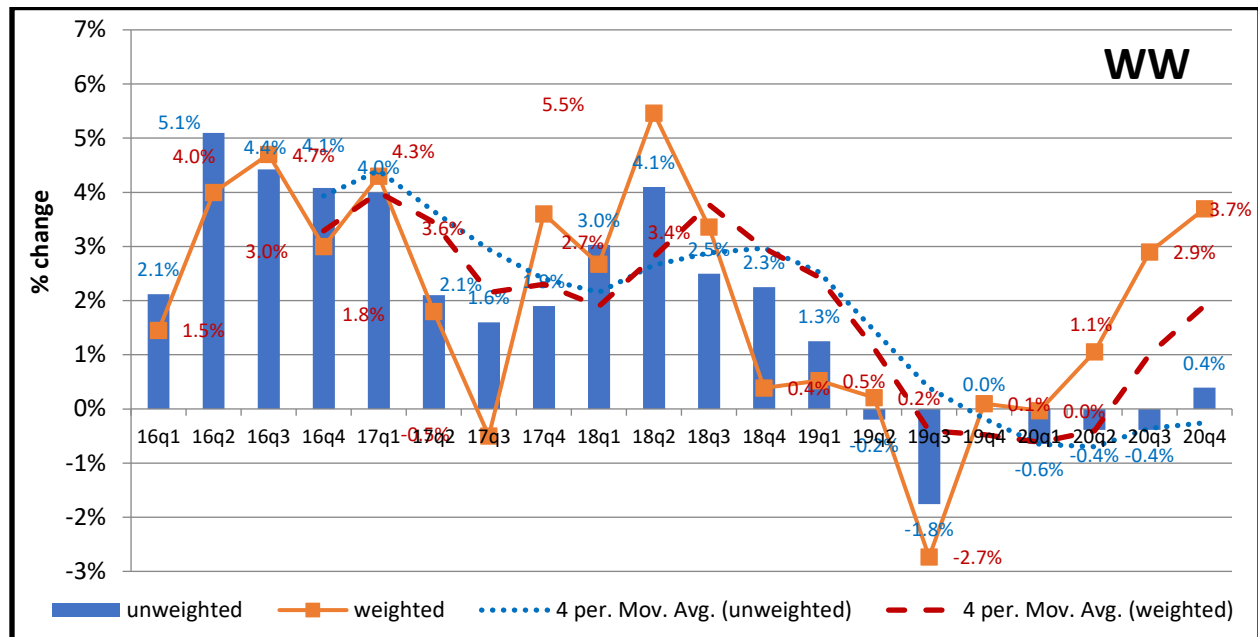
The unweighted total training **revenue** decrease for 20q4 ( $u=10$ ,  $f=1$ ,  $d=10$ ) was -0.7%. However, the weighted total training **revenue** increase was -0.5%. The 4-period moving average is currently showing negative 2-3% for both unweighted and weighted. This decrease started just before COVID-19.



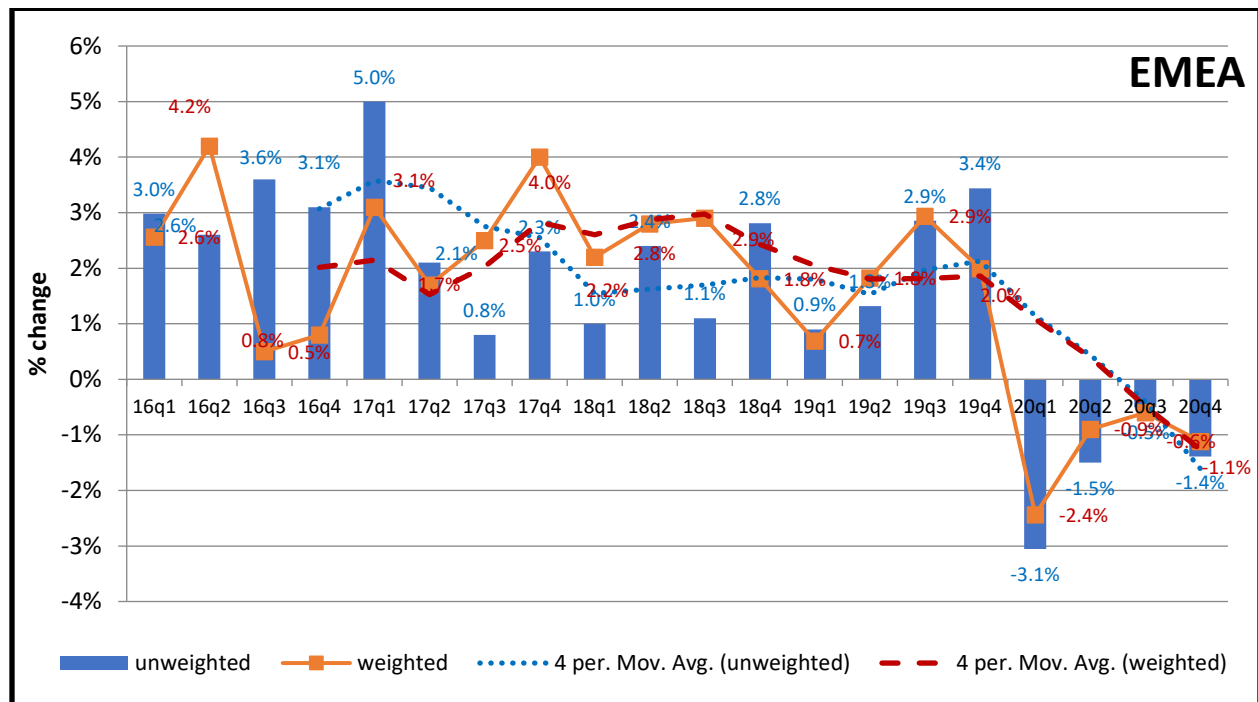
The unweighted total training **revenue** decrease was -4.3% in 20q4 ( $u=6$ ,  $f=1$ ,  $d=14$ ). When considering the weighted numbers, it was -4.5%. However, the weighted trendline shows a decrease of 4% over the last four quarters when size of company is considered. This decrease started with COVID-19.

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## Training Profit



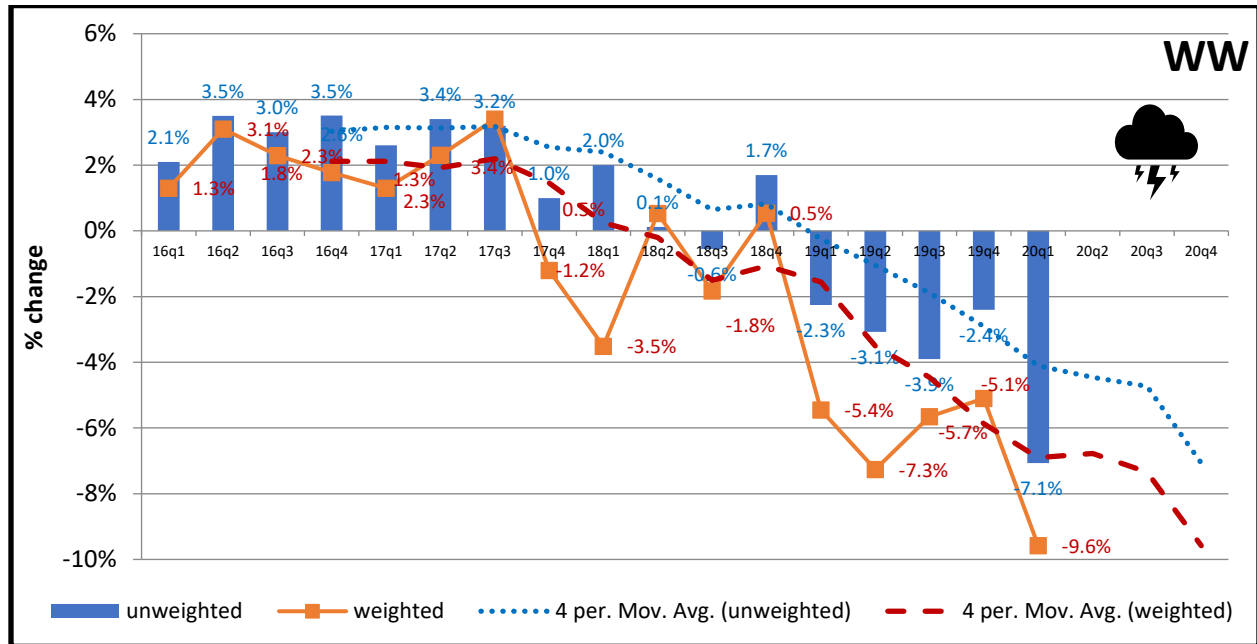
Training profit in 20q4 (u=12, f=2, d=5) increased 0.4% for unweighted but 3.7% for weighted. The training profit weighted trendline recovered to positive 2%. Larger members have reacted to cut costs.



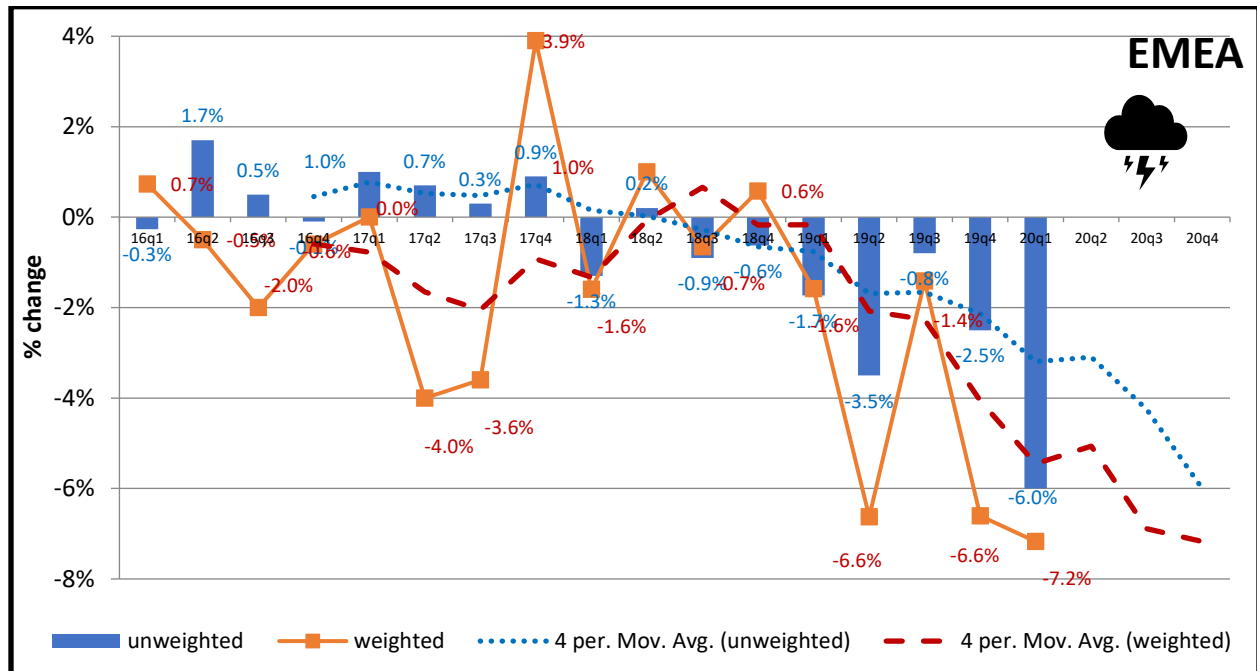
The unweighted total training profit fell -1.4% in 20q4 (u=6, f=6, d=6). And, with the weighted numbers, there was also a decrease of 1.1%. The weighted trendline shows an ongoing profit decrease of -1% for the last four quarters when size of company is considered.

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## Live Instructor-led Training



There was no live ILT delivered in 20q4.

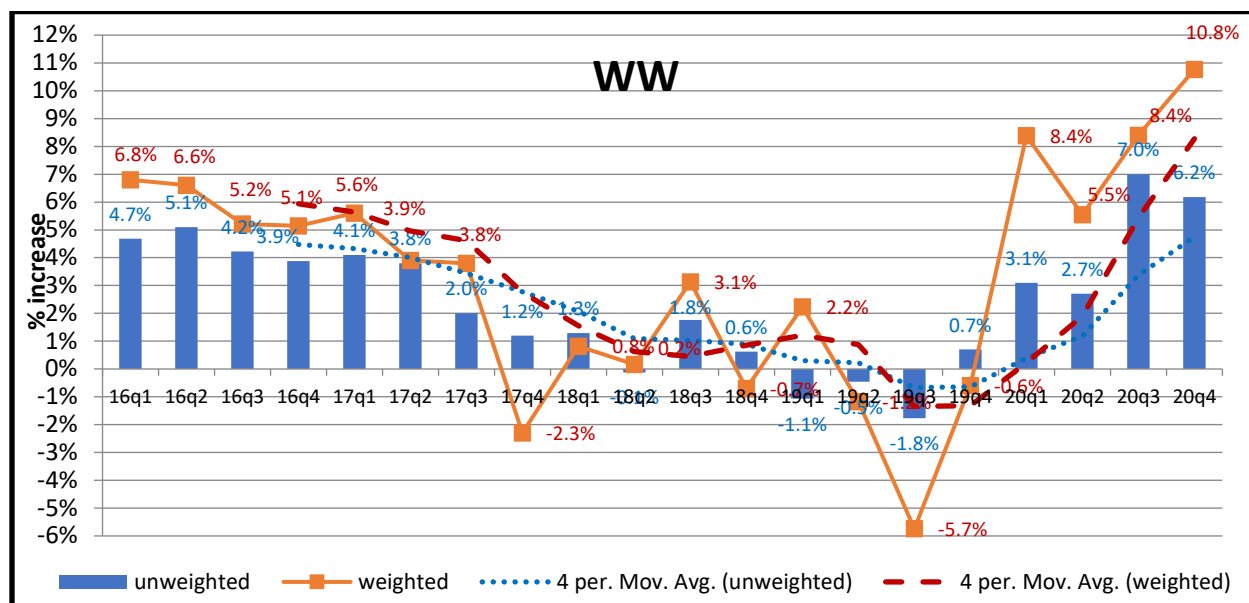


There was no live ILT delivered in 20q4.

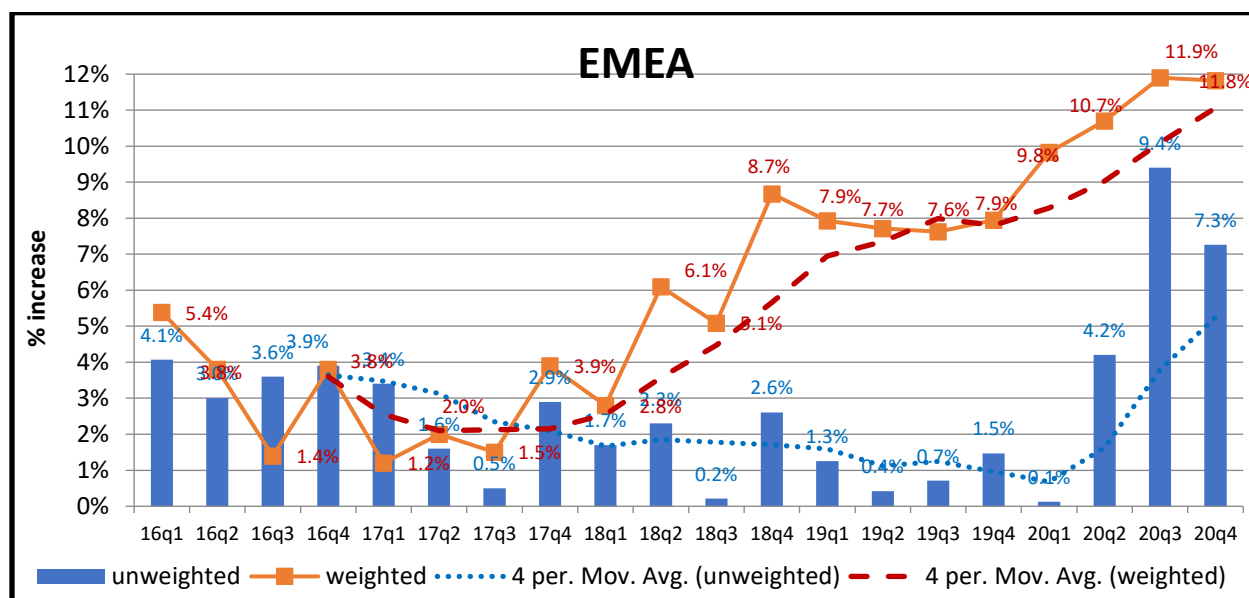
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## Virtual Instructor-led Training



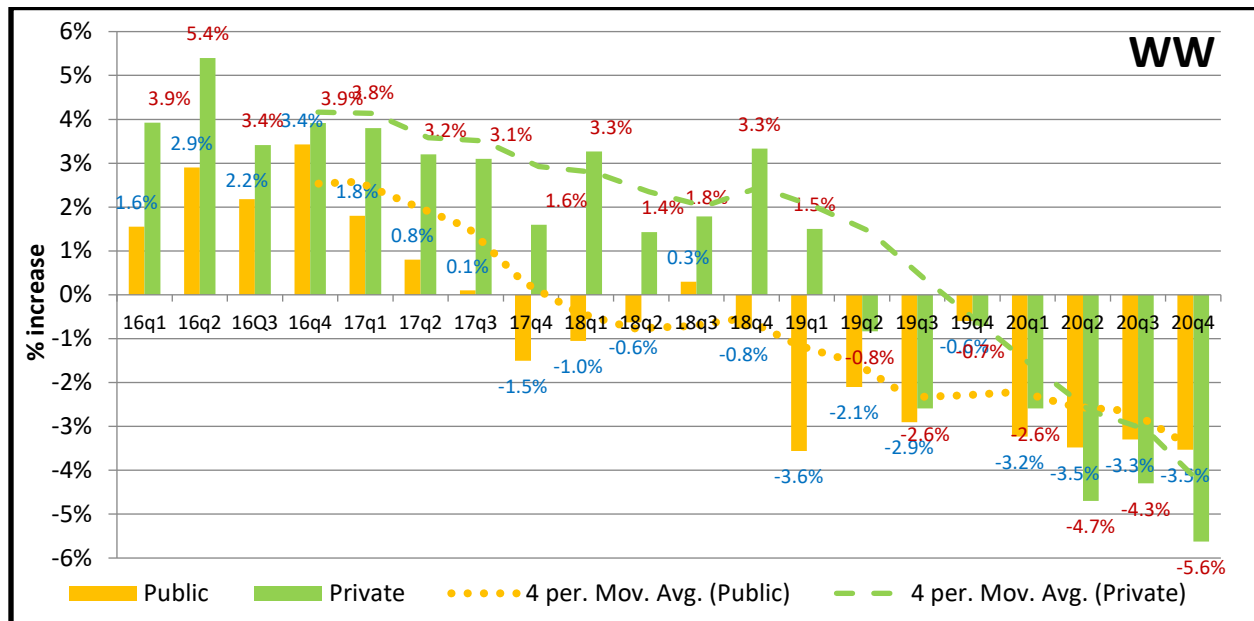
Virtual classroom has continued its upturn. The unweighted virtual classroom **revenue** increase for 20q4 (u=14, f=2, d=3) was 6.2%, with the weighted **revenue** increase at 10.8%. The increase in **volume** was 6.1%. The 4-period moving average for weighted is 8-9%, up from 3% in 2017 and -1% in 2019. COVID-19 sparked this recovery.



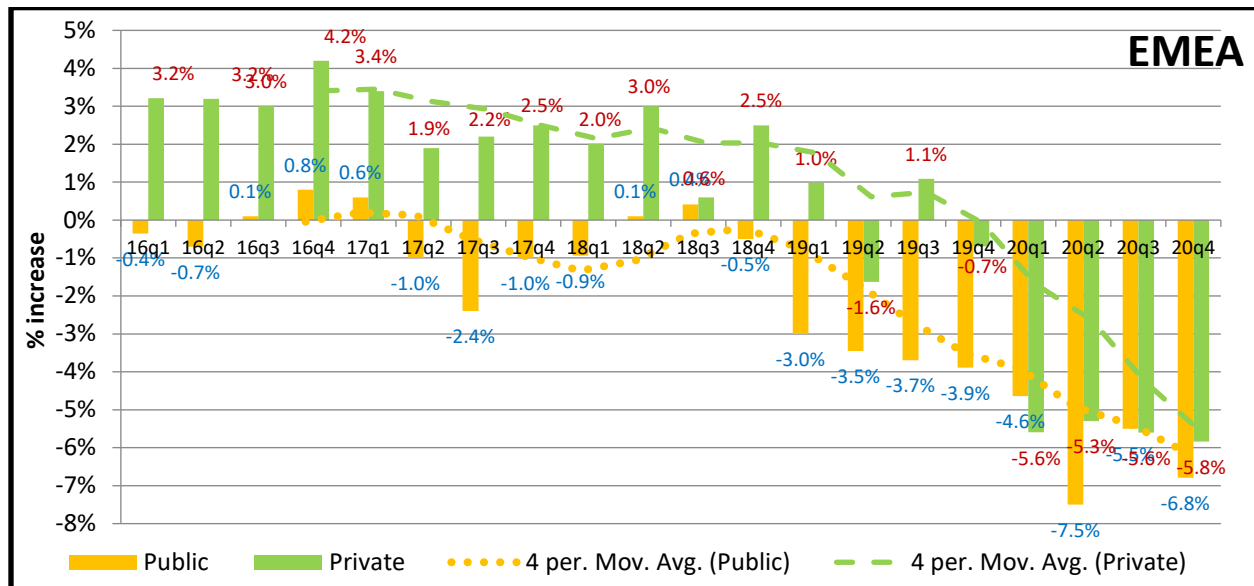
To compensate, the VILT increase was even greater than before. The unweighted 20q4 **revenue** increase is 7.3% (u=16, f=2, d=3) and the weighted increase 11.8%. The increase in **volume** was 8.0%. The weighted trendline shows an ongoing VILT increase of 11% when size of VILT revenue is considered, but it was 3-4% in 2016 and 8% in 2019, having been 1% in 2014.

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## Public v Private Unweighted



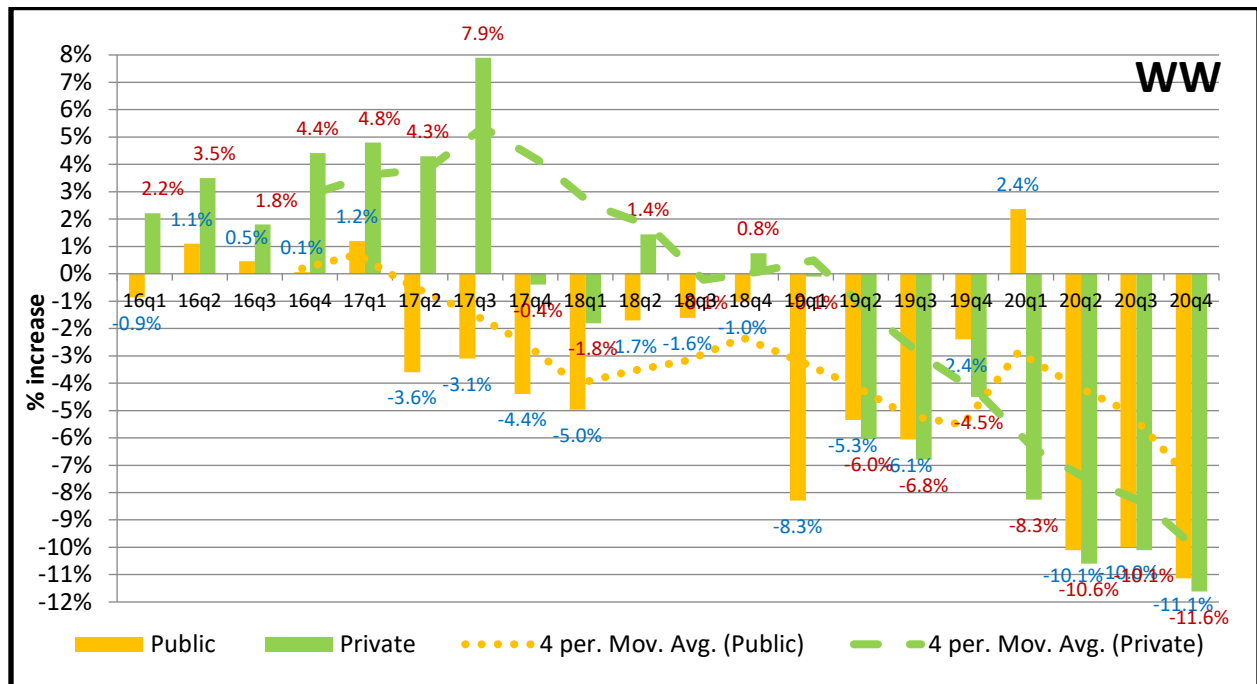
We include questions on public classes and private classes. Unweighted public **revenues** have decreased in 20q4 by -3.5% and private decreased by -5.6%. The decrease in **volume** was -2.8% for public and -3.3% for private. The trendline has dropped to negative 3-4% for public and private. (Note that public is u=6, f=1, d=10 and private u=2, f=3, d=13.)



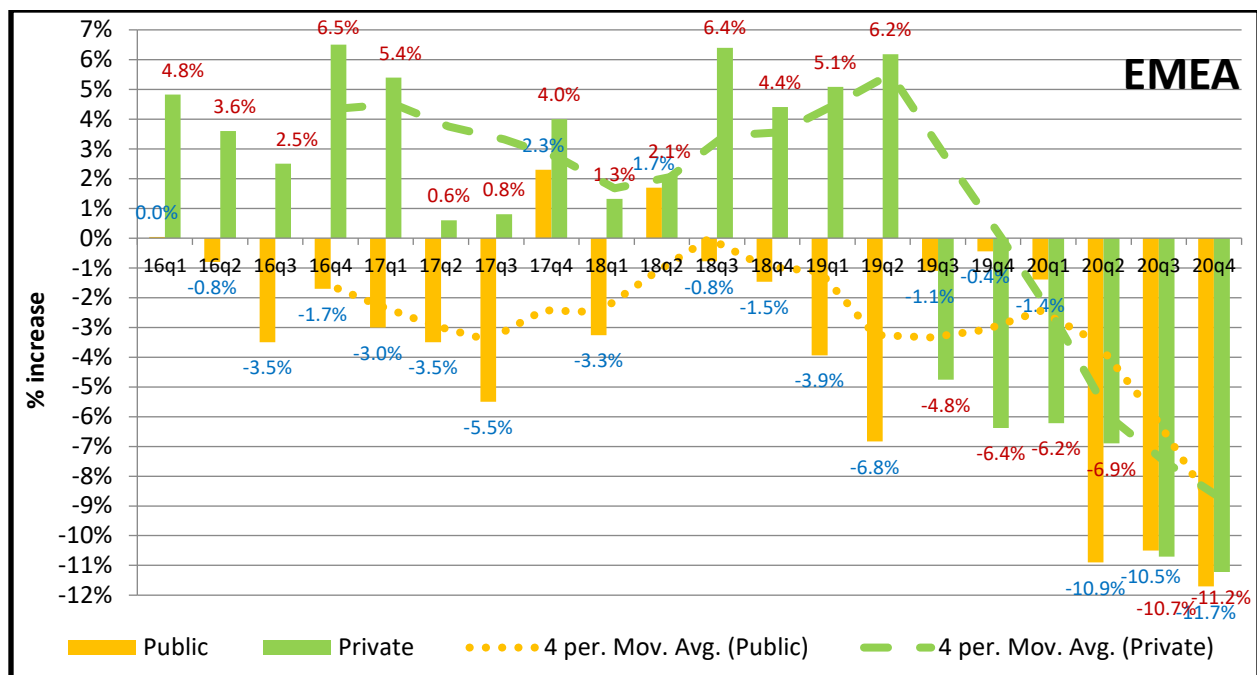
We are now asking you to forecast both public (u=3, f=2, d=16) and private (u=4, f=2, d=15) classes and have enough history to show that private classes show **revenue** is falling 5-6% over the last four quarters, and public classes are also decreasing 6%. **Volumes** decreased -4.6% for public and -2.9% for private. This shows unweighted values.

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## Public v Private Weighted



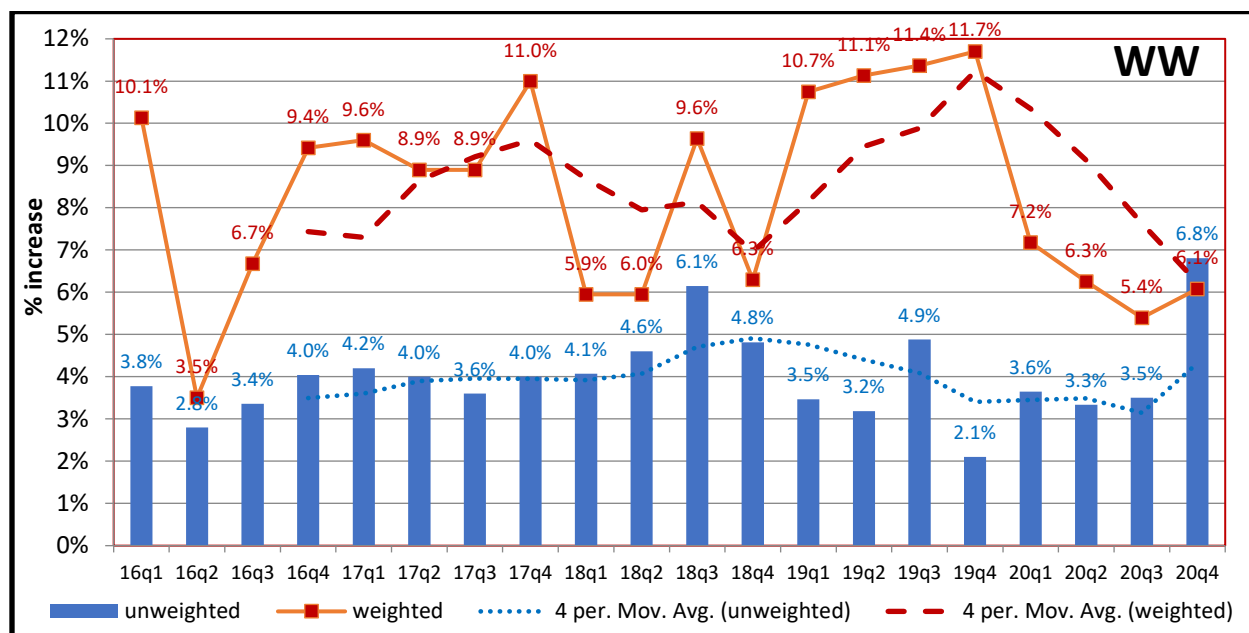
When weighting is considered, the changes are more dramatic. In 20q4, public **revenue** has decreased by -11.1% and private **revenue** decreased -11.6%. The 4-period moving average is negative 7% for public and negative 10% for private.



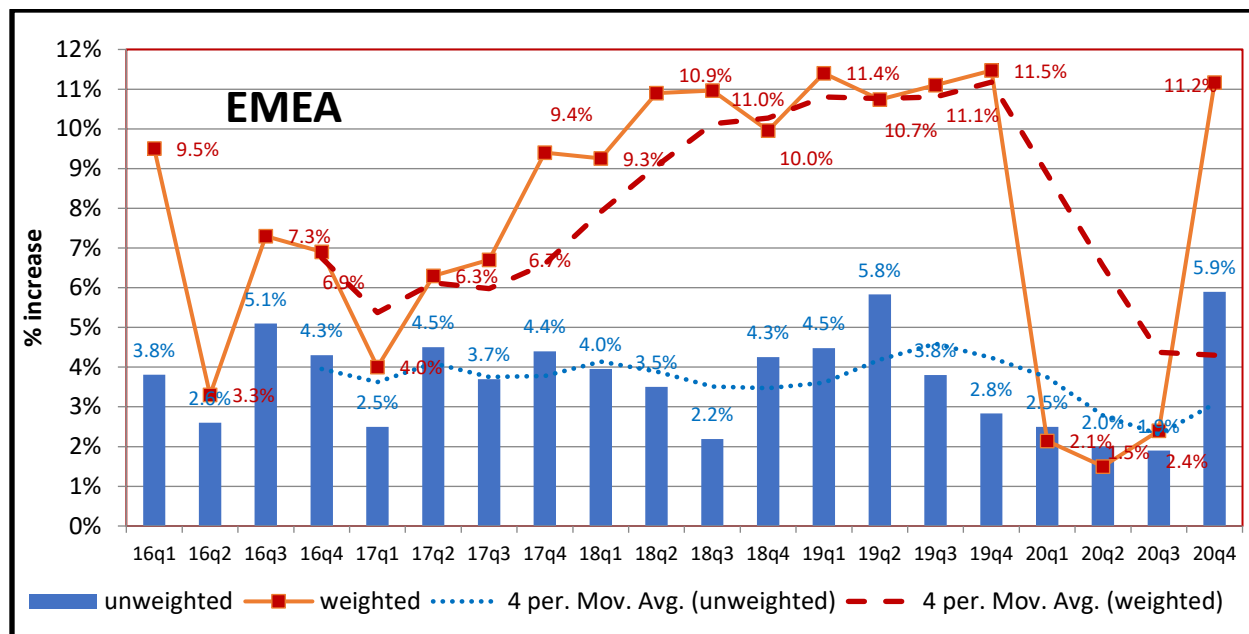
Weighted values have the **revenue** trendline for public showing negative 8-9%, private negative 8-9%.

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# Self-Paced



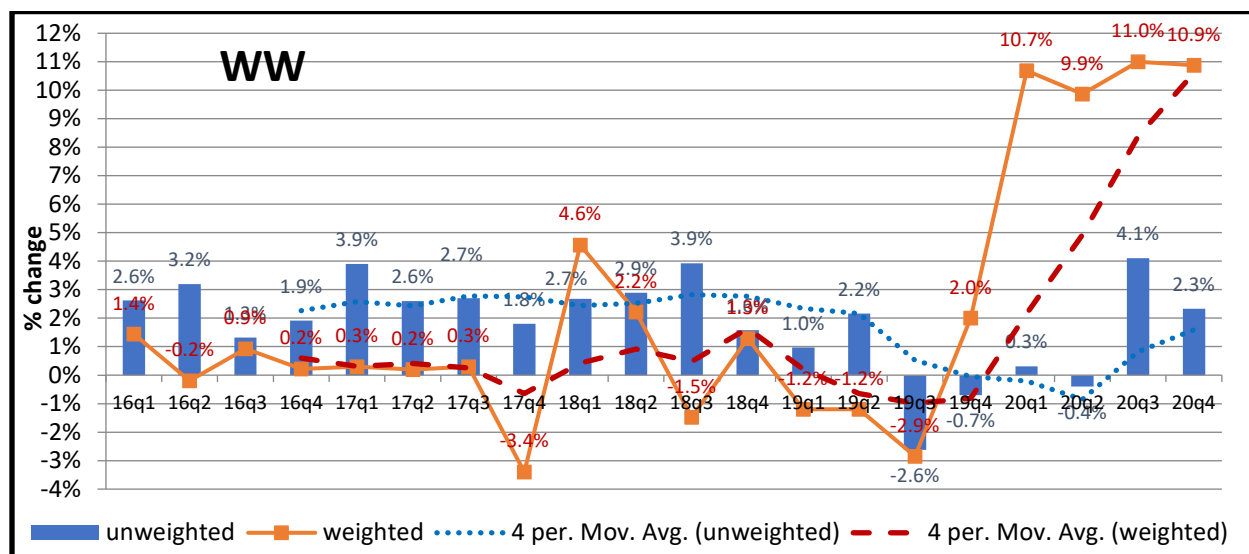
The unweighted self-paced **revenue** increase in 20q4 (u=15, f=1, d=2) was 6.8%. However, the weighted self-paced **revenue** increase was 6.1%. The increase in **volume** was 8.4%. The 4-period moving average shows 6-7% for weighted.



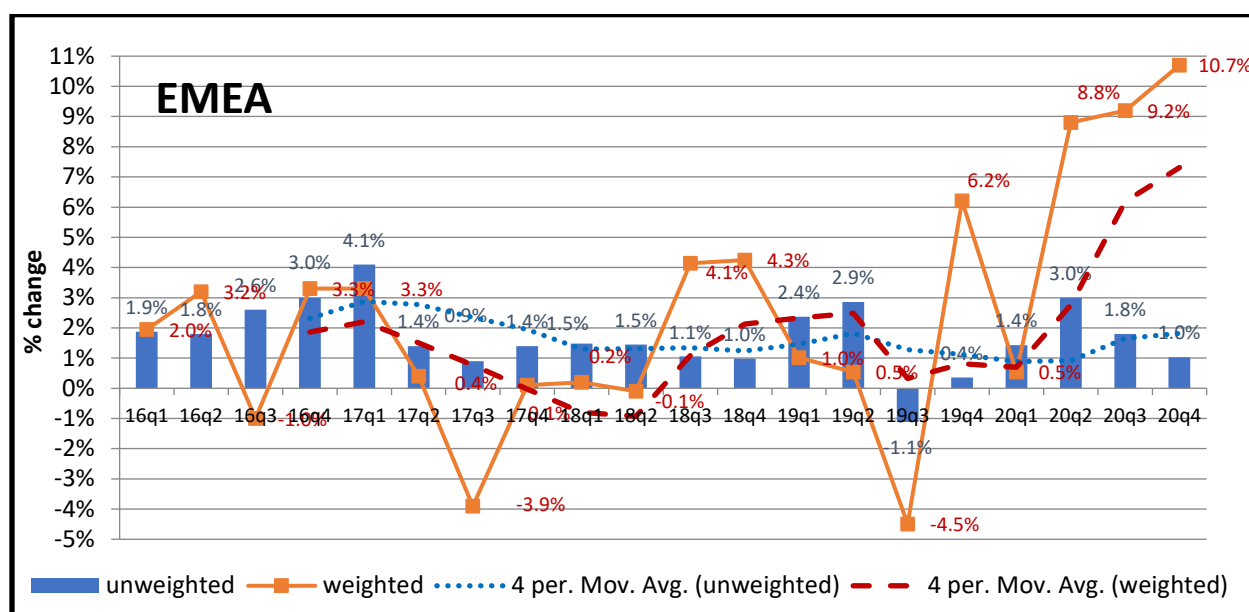
The results for 20q4 (u=11, f=1, d=2) were 5.9% increase unweighted and 11.2% increase weighted. The increase in **volume** was also 6.5%. Larger companies again have a significant effect on these averages this last quarter. The 4-period moving average is level at 4-5% increase for weighted, with companies back to charging.

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# Certification



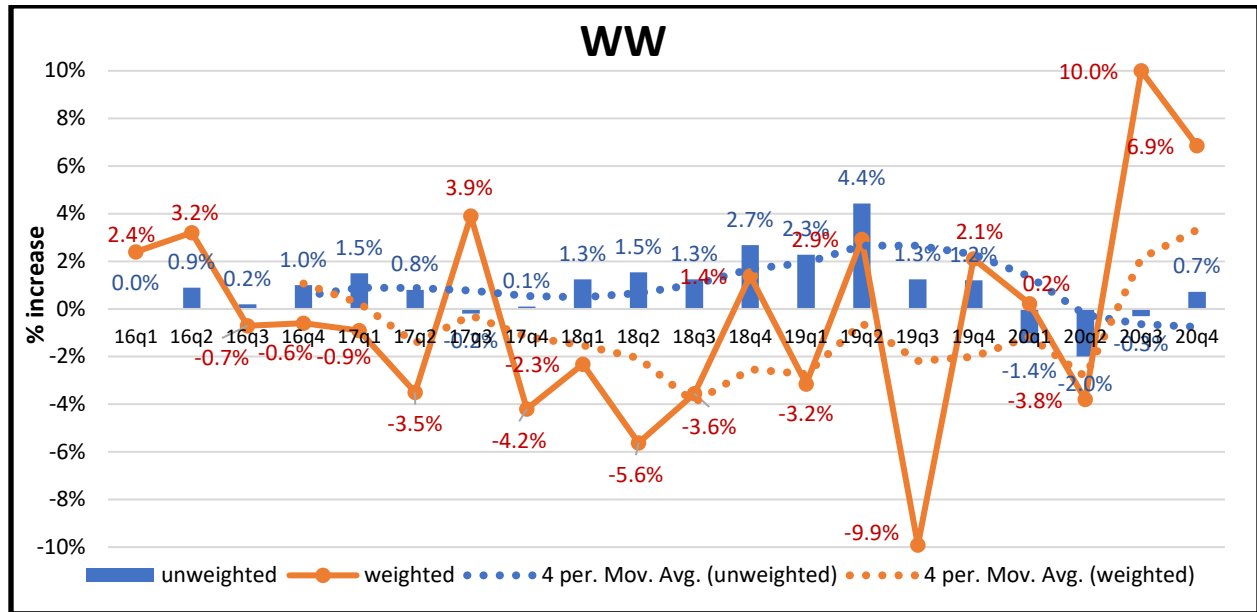
The unweighted certification **revenue** increase for 20q4 (u=6, f=5, d=4) was 2.3%, and the weighted certification **revenue** increase was 10.9%. **Volume** was an increase of 0.8%. The weighted 4-period moving average is 10-11%. Customers and partners may be taking advantage of the pandemic for re-skilling and certification testing.



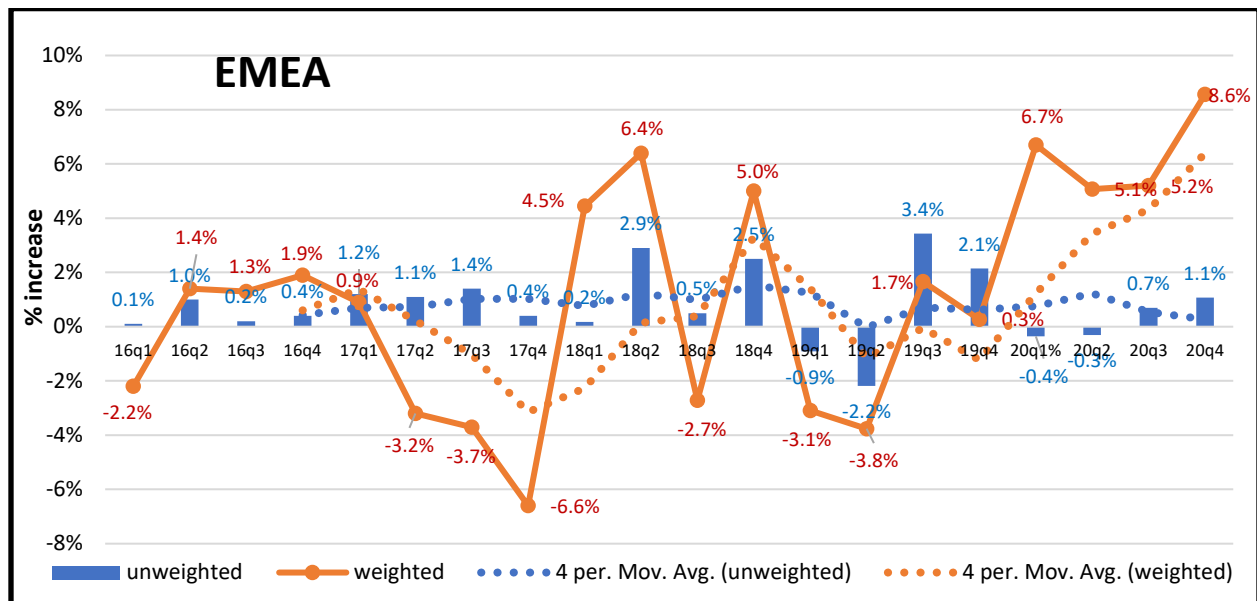
Certification has shown several swings over the last four years. However, the latest large increase has probably resulted from the push by partners and customers to certify more staff. The increase in **volume** was 0.9%. The **revenue** increases for 20q4 (u=6, f=6, d=5) are 1.0% for unweighted and 10.7% when weighted. The weighted 4-period moving average is 7-8%.

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## Learning Consulting



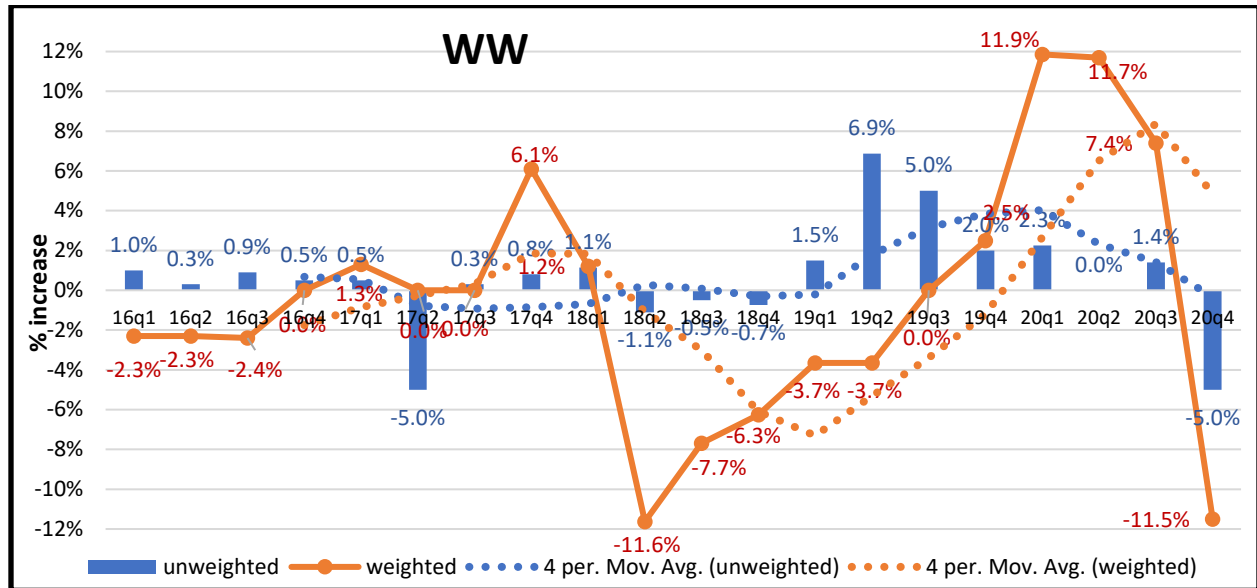
We now have five years reporting this area. Weighted scores have been volatile and show a moving average of positive 3%. The decrease in **volume** was -1.0%. The **revenue** changes for 20q4 (u=2, f=3, d=2) are 0.7% for unweighted and 6.9% when weighted.



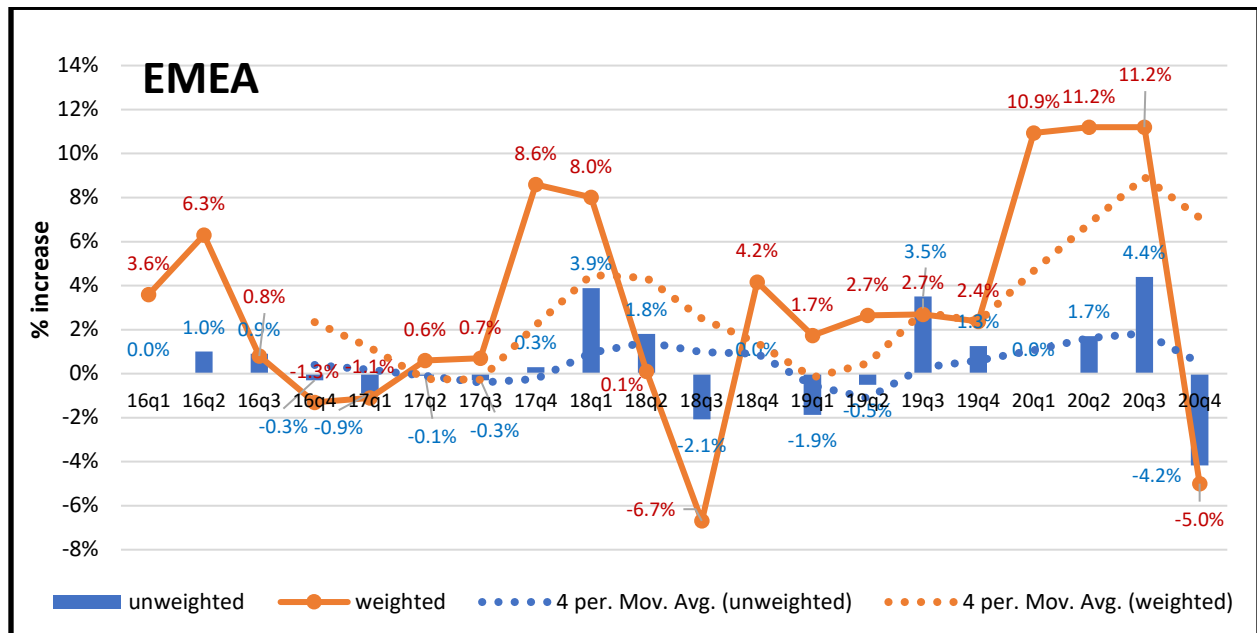
We now have five years reporting this area. In that period, the unweighted scores have largely remained flat. However, weighted scores have moved dramatically. The **revenue** increase for 20q4 (u=3, f=2, d=2) is 1.1% for unweighted but 8.6% when weighted. **Volume** was flat. The current four-period average for weighted is 6% increase.

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## Learning Technologies



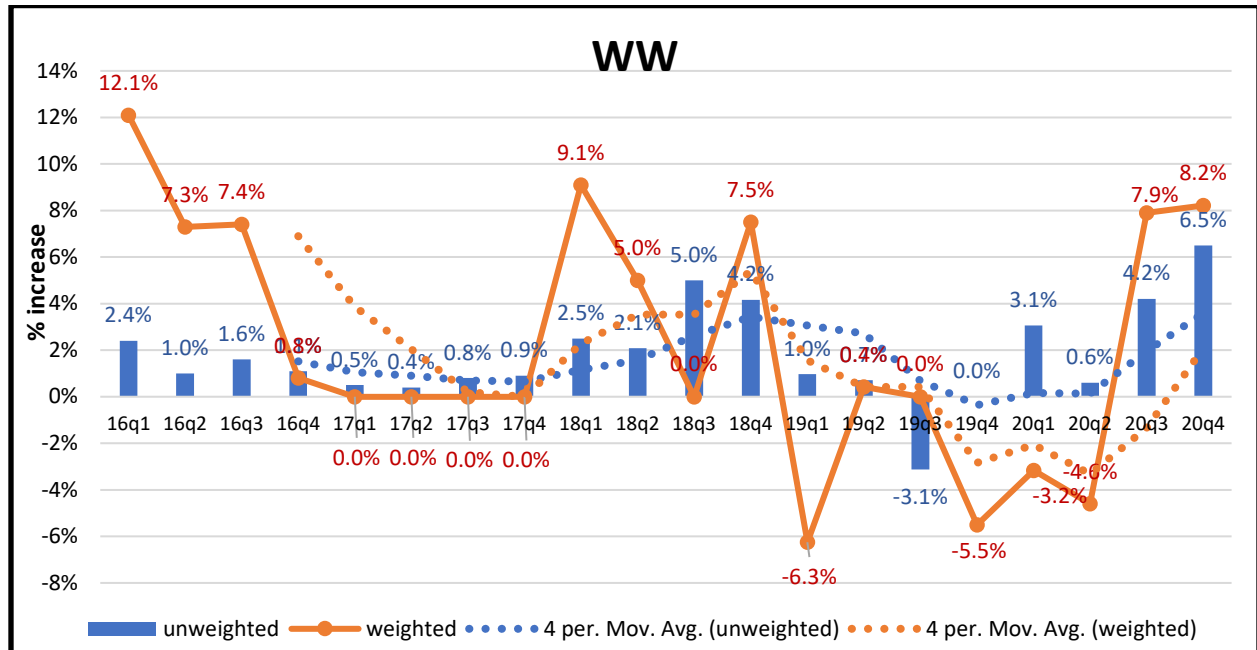
We also now have nearly five years reporting this area. The trendline for weighted scores has dropped to 5% increase following a steep drop in revenue, maybe caused by no onsite work allowed. The **revenue** decrease for 20q4 (u=1, f=3, d=3) was 5.0% for unweighted and 11.5% when weighted.



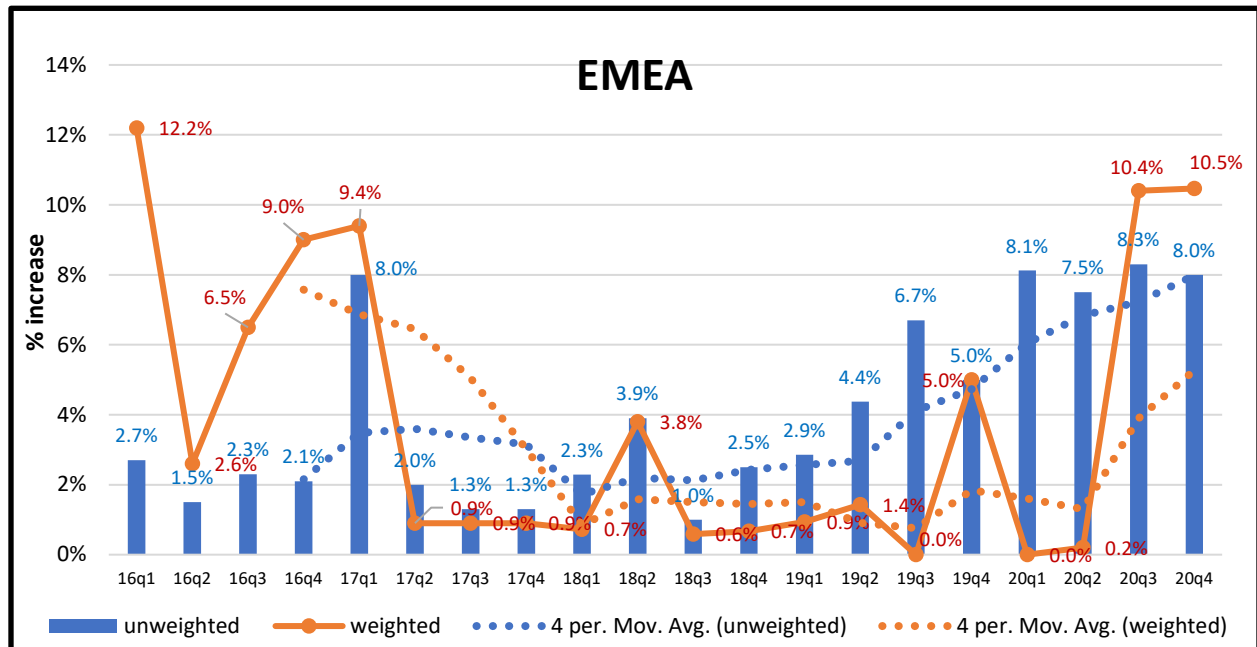
We also now nearly five years reporting this area. In that period, the unweighted scores have recently shown a little volatility. The **revenue** decrease was 4.2% for 20q4 (u=0, f=2, d=1) for unweighted and a 5.0% decrease when weighted. The trendline for weighted is down to 7%.

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## New Learning Modalities



We now have 20 quarterly reports. In the last 12 months, the trendline for unweighted scores is showing positive 3% and for weighted scores positive 2%. The increase in **volume** was 2.3%. The **revenue** for 20q4 (u=5, f=0, d=0) is 6.5% for unweighted and 8.2% for weighted.

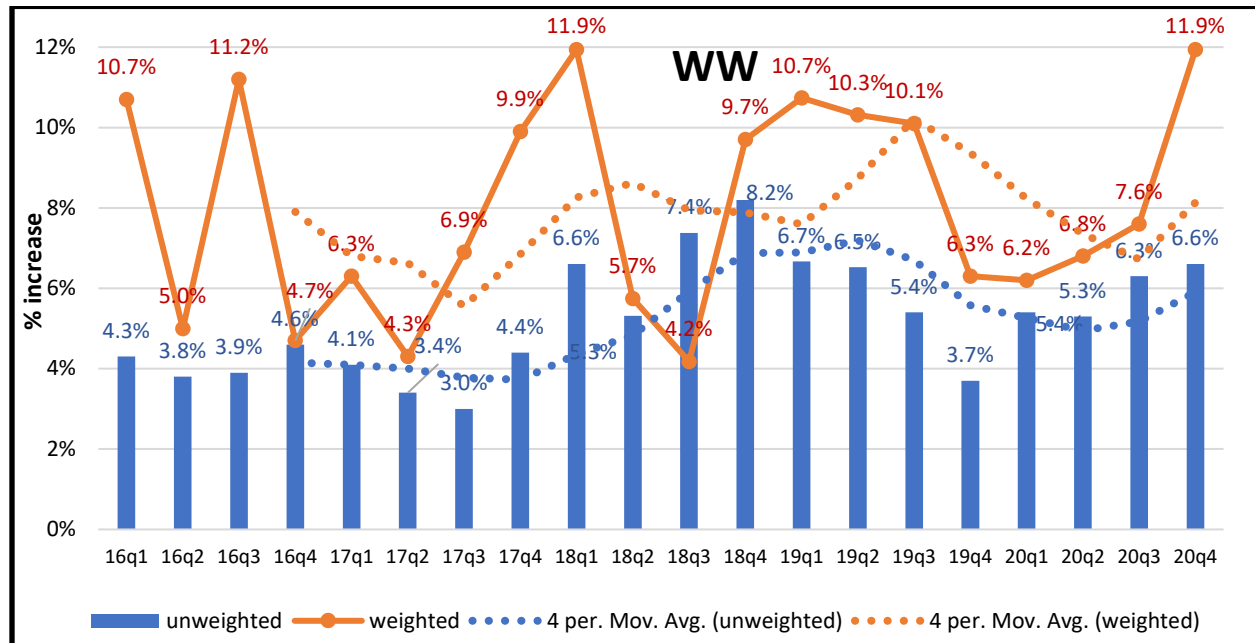


The unweighted trendline is 8%, while the weighted trendline shows 5%. The **revenue** increase for 20q4 (u=4, f=1, d=0) is 8.0% for unweighted and 10.5% for weighted. The increase in **volume** was 2.3%.

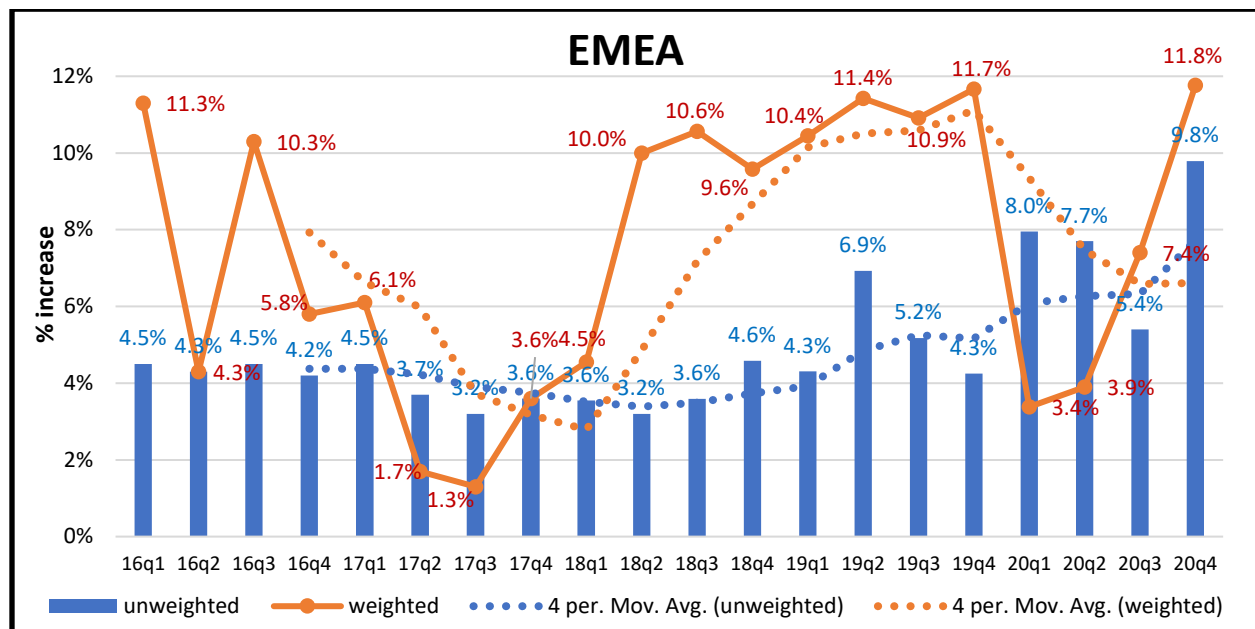
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## Subscriptions



We also have 20 quarterly reports here. Currently, the unweighted trendlines show a 6% increase and weighted 8%. The **revenue** increases for 20q4 (u=10, f=3, d=1) are 6.6% for unweighted and 11.9% for weighted. The increase in **volume** was 5.0%.



The unweighted trendline is 7%, same as the weighted trendline. The **revenue** increases for 20q4 (u=11, f=1, d=0) are 9.8% for unweighted and 11.8% when weighted. The increase in **volume** was 6.0%.

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## Which subject areas saw the biggest increases in your training revenues in the last 3-6 months?

| Worldwide   | EMEA   |
|---|--|
| VILT  | Self paced, VILT, Certifications   |
| Free partner training   | Free partner training  |
| Self-paced learning, online learning and hands-on labs.   | Cloud, EDC and Axon  |
| Our subscription revenue (new and renewals) continues to grow. Subscription contains self-paced, eLearning and low stakes certification.  | Learning Portal creation; Learning Subscriptions   |
| Cloud (70% YoY increase)  | None   |
| Virtual   | Self-Paced.  |
| IP Audio Essentials; ACS (VMS) Multisensors; Camera Interface; Perimeter protection; Inner area protection; Body Worn; IP Intercoms   | Ai/ML  |
| Subscription becomes the go to market and has considerable growth; Virtual training at core, aligned with the current context and future customer expectations.   | Commerce & Marketing Cloud   |
| Having cancelled all Live/in-person classes, and then developed VILT options, we have seen huge growth in VILT. Having launched our first subscription offering in July 2020, we saw new sales in Q3/4 .  | Companion software has increased (Self training software)  |
| We launched a new education program around Security and building Insider Threat programs that is available on a third-party site as well as our YouTube and openly available on our learning portal. We saw significant views on this content as it was on multiple platforms and freely available. 2020 - Code42 has been shifting our business focus from back-up and recovery tool to a Cyber Security company aggressively for the last year. Our education content for security features and tools as a result has seen an overall increase. Our subscription program launched in 2017 and we see that growing. 96% of our education sales are subscriptions. Our subscription program includes our entire portfolio, e-learning, ILT, VILT, customer conference and pre-conference education. 2019 - We made 75% of our on-demand content freely available to the public but our biggest impact with making it available was not watching end to end courses it is the views we receiving in videos we've embedded to our support articles. | Virtual Instructor Led - due to Covid, we pivoted quickly to move our technical courses to VILT have have seen good take up.<br>Subscriptions - in July we launched our first subscription offering for Enterprise customers, and saw sales in Q3/4. |
| eLearning   | Networking, Storage, and Non-Stop  |
| Training classes sold bundled with Product sales ("Product Attach") grew significantly. We saw large increases in VILT student volumes, due to our moving exclusively to this delivery modality in response to Covid-19. Our eLearning/On Demand training is now accommodating more users than ever before but remains a small part of our overall business. Our face-to-face training program is essentially suspended. Networking and   | Private classes - impact of End of Support of Flash - customers needed to upgrade and required private courses.<br>Consulting - change management consulting services is the growth area and opportunity for increased                               |

|   |  |
|---|--|
| Storage training increased dramatically y/y. In general, our most recently completed quarter was our strongest for the past 12 months, since the pandemic started.                | revenues outside of the subscription business  |
| Data Science  | Virtual classes  |
| We rolled out digital credential program for one of our product lines which resulted in a 300% increase in consumption of courses and learning paths related to those credentials | VILT - since we stopped all ILT Classroom based courses<br>Subscriptions up 50+% YoY |
| VILT Delivery and Demand for more VILT. Want VILT to go deeper as well.   | Self Paced Learning Labs; Free Promotional Training                                  |
| Training consulting hours and customized training   | All virtual classes  |
| Virtual classroom and self paced online courses   | No identifiable changes.   |
| Subscriptions   | Digital learning   |
| Cloud-based products  | Skill badges, self-paced labs and on-demand  |
| Subscriptions continue to grow, with COVID complete shift to Virtual Online occurred in all geos. Accelerated trend from previous 5-10 years.                                     | Subscriptions public and private improved  |

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## Which subject areas saw the biggest decreases in your training volumes in the last 3-6 months?

| Worldwide   | EMEA   |
|---|--|
| Instructor-Led Face to Face   | Face to face onsite/public   |
| Paid for customer training  | Paid-for customer training   |
| Live classroom (in-person)  | Live classes   |
| PowerCenter   | Anything classroom-based; Public Schedule classes  |
| Public live classroom   | Private courses - decline in ad hoc requests for these   |
| Network Video Fundamentals and certification; VMS Audio   | Public/F2F.  |
| Live training and private sessions  | Classes delivery has decreased   |
| ALL Live/in-person public courses cancelled. Certifications - overall down due to impact of Covid on the Academic institutes (student User Certifications).   | PowerCenter (Legacy Data Integration)  |
| 2020 Q3 - we saw dip in our on-demand enrollments, we think this due to a change we made on our website not highlighting how to access the on-demand equipment. 2020 - over the last year Code42 has stopped selling and renewing our on-premise server option as a result our classes for configuring and maintaining have decreased. Instructor-led classes one off seats in a class and onsite training at customer location. In 2019 we continue to struggle filling regional locations of instructor-led | Live/in-person public classes - all cancelled.<br>Certifications due to Covid impact on Academic institutes, User Certifications down. |

|  |   |
|--|---|
| deliveries. We'll probably have 3 total this year. Our customer base says they cannot take the time to commit to a 3 day class.  |   |
| Public schedule classes in a classroom   | Linux, Microsoft, and VMware  |
| Public (open) enrollments - F2F training - remains near zero due to impact of Covid-19; Prior to Covid-19 our Learning Consulting business was recovering rather nicely from a poor 2019...but now due to Covid-19 this part of our business continues in decline Linux training has declined significantly, as has certain of our virtualization trainings. | Open Enrollment/public scheduled live classes since March (thx to COVID-19) - all cancelled and converted to VT |
| Private training requests (either remote or onsite) have continued to decrease as more and more partners/customers are adjusting their schedules to take advantage of free training offered on a scheduled basis.  | Dedicated onsite training including certification journey programs  |
| Live onsite Classroom Training.  | Live Classroom.   |
| ILT - non-existent; Moving traditional services revenue over to SaaS model, subscription net new IMSA is flat  | Traditional pay per seat offerings - as expected  |
| Public classroom training  | No identifiable changes.  |
| Live training  | Classroom training  |
| Firewall   | ILT classes   |
| Private Onsite Training went to zero with COVID; Public Classroom Training went to zero with COVID   | Direct onsite Classroom Training - Strategic decision.  |

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## What were the two greatest challenges you faced in running your business in the last 3-6 months?

| Worldwide   | EMEA  |
|---|---|
| Impact of Covid   | Covid 19 impact   |
| Moving to freemium model is putting pressure on revenue<br>Increased pressure to delivery partner training for free   | Moving to freemium model is putting pressure on revenue<br>Increased pressure to delivery partner training for free   |
| Prove the value of training to overall company revenue and education services results.  | Getting accurate forecast numbers<br>Getting license attached   |
| Staying on top of our monthly parent product release and related new features.<br>Rollout and maintenance of new low stakes certifications with the same staff. | Customers restricting budgets for training and motivating customers to move back from free to fee. The rise of You Tube and other video based short content locations on the website. |
| Limited training budgets and ensuring customer satisfaction in virtual courses when they would have preferred in-person.  | New sales have declined a little  |
| Customers' ability to travel.   | Amazingly it's still convincing customers that "No I won't make a travel exception just for them". Extensions of training credits for customers waiting for F2F deliveries.           |

# CEdMA WW Training Market Barometer

|  |  |
|--|--|
| In person Training; Travel   | Requests for classroom training across region but instructors unable to travel   |
| Achieving plan in the context of COVID-19<br>Converting International business to subscription offering  | Managing through a very volatile climate with many individuals, internal and external in a very stressed mind set  |
| Cost reductions resulted in staff furloughs and reduction in contractor spend. Curriculum developers were pulled into delivery roles - to reduce contractor costs.<br>40% of technical courses still need to be converted to VILT delivery.  | Define new training experiences; Build a real Certification plan   |
| Same two as last time but our renewal rate is up. Q3 2020 Customer Success team's awareness of our training opportunities and having them help drive attendance and consumption:<br>a) Getting customers to actually consume the training they purchased, both on-demand and instructor led. b) Renewing the education subscription the second year, we have been running roughly a 50% renewal.   | Covid-19 has forced us to accelerate moving technical courses to VILT, completed 60%, with limited labs (more work to do here) and still have 40% of courses to migrate to VILT, development in progress.<br>Internal development resources severely impacted - rolling/temp furloughs (reduced 25% capacity in Q3).   |
| COVID!!!!!!  | COVID impact on ILT business; Budget restrictions for training   |
| First, convincing customers in every Region that virtual training (either instructor led or On Demand) is a fully viable alternative to F2F. There remains a cultural reluctance in certain Geos to virtual training, though the longer the pandemic continues the more this reluctance lessens. Second, ramping up our Learning as a Service business as quickly as we think we can and should. LaaS customer adoption lags our targets at present.                                 | We have moved our instructor led delivery now completely to virtual delivery in EMEA - and are (finally) seeing EMEA customers embrace this delivery modality in large numbers. Our Learning Consulting business continues to be negatively impacted by Covid-19 as well. Students are moving to On Demand training alternatives but are slower to do this in EMEA than they are in for example North America, due to content language issues. |
| @Cost/@Resources required to develop infrastructure to deliver on our platform; @ Sales focus on training which is smallest part of the business   | Move to partner-based deliveries. Lockdown means no ILT possible   |
| Our department was moved again to become part of a new department. The objectives of the new department fit more in line with our enablement objectives; however, the shuffle and adjusting how we work has taken a hit on team capacity. the second biggest impact has been COVID, we have had team members really struggling with the additional stress of home/work balance, childcare, etc. and so as a mental health measure have some team members on reduced hours right now. | Only have 1 or 2 people booked on classes, do we run or cancel.<br>Delegates waiting for face-to-face classes to resume.<br>Companies not spending as much on Training   |

|   |   |
|---|---|
| Building a new training organization from the ground up and the demand for VILT that we don't yet have.   | Keep partners selling/reselling our offerings - the vast majority of our decline we see in the business is actually because partner contribution sharply declined during COVID-19 ... -50% YoY. Make corporate sales and the consulting organization automatically attach training to product deals or Consulting projects. |
| Bringing new people up to speed; Coverage in all geos   | Achieving volume/revenue targets; Growing our training partner community  |
| COVID; Company acquisition  | Free training offers  |
| Launching new training services, restarting stalled projects re COVID, such as, customer not ready to reengage.   | Covid-19: pivoting to 100% virtual and online proctored certification   |
| Eliminating all customer-facing training and shifting to having those classes delivered by our Authorized Training Center's; COVID forcing us to a 100% virtual (live-online) schedule. | Backlog and development for acquisitions.   |

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## Please add any other comments or observations you have on the state of the IT Training market

| Worldwide  | EMEA   |
|--|--|
| Continuous growth  | Big move to Self-Paced acceptance.   |
| We can no longer (at least throughout 2020 and 2021) use trending to make assumptions to training demand. Lockdown and virtual work have shifted modalities and seasonal demand tremendously. In addition, as the tech market continues to move to hosted/subscription-based offerings, training needs to evolve to continue to support it. In software education, alignment to software license renewals is going to be key to continued customer success and education growth. | French, German and Saudi customers seem most resistant to virtual deliveries. Is there a trend?  |
| Introduction to the market - VILT  | Now running a pure partner EDU model.  |
| Customer requesting more virtual offerings or blended approaches; Digitalization and gamification becomes a main part of the learning methods  | The pandemic continues to have a dramatic negative impact upon our EMEA-based business. However, we saw in Q1 that these impacts are now moderating. |
| 2020 revenue was down 15% YoY, due to impact of Covid19. Curriculum Sales to Learning Partners was down 5% volume, but revenue was down 20% due to customers switching to lower cost eBooks.   | Bite-sized embedded training content requests  |

|   |   |
|---|---|
| In 2020 we did make a 4 hour instructor-led Foundation course available at no charge and we still have limited attendance, customers are more likely to take our self-paced. We are considering making all our foundational/entry level content free to the Administrators of our software. In Jan of 2019 we made 75% of our on-demand content freely available to the public. Our revenue has decreased as expected since we made so much of our on-demand content available for no fee. We don't have enough data yet to say that the customers/prospects that are engaged in the free training are purchasing more licenses or more likely to renew, but we are hoping to be able to correlate that data yet this year. | There is less competition from third party grey providers as they don't have the infrastructure to cope with online delivery. We have more internal competition from Customer Success/Customer Loyalty/Consulting Teams who have gone into the free Webinar and Skills Transfer business. Customers have a shorter attention span for online learning. We need to adapt courses for shorter days and more interactive sessions. |
| We have pivoted (rather seamlessly) to virtual and On Demand delivery of all our training content. Our latest quarterly results are quite solid, indicating that we are continuing to recover/have recovered nicely from our Covid-19 trough last year.   | ATP's core revenues heavily impacted as they switch to 100% virtual.  |
| Requirement for Training teams to tie into corporate goals more apparent than ever; but reporting on direct influence on Lifetime Customer Value, Churn, Expansions, etc is challenging. Discretionary spending in market is drying up; need to align training to specific customer projects to support budgeting. - Interest in subscription/digital training; but still limited engagement over time from end users   | Having created VILT options for our technical classes we have seen significant take up from customers and acceptance to attend virtual classes.   |
| We have seen an increase in taking advantage of the self-serve option for the same ILT courses which contain the same content. We removed the regularly scheduled sessions for VILTs.   |   |
| The acceptance of VILT is much greater.   |   |
| We are trying to reduce churn at a corporate SaaS level, and training is one way to help that cause   |   |
| Customers desire more micro training and certifications   |   |

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