



Computer Education Management Association  
Europe

## CEdMA Europe Training Market Barometer 1<sup>st</sup> Quarter 2023

### 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. During 2023, members provided their data from the EMEA business. We hope to return to including WW in 2024. 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.

There were 15 inputs for EMEA, which must be increased if we are to carry on with the barometer.

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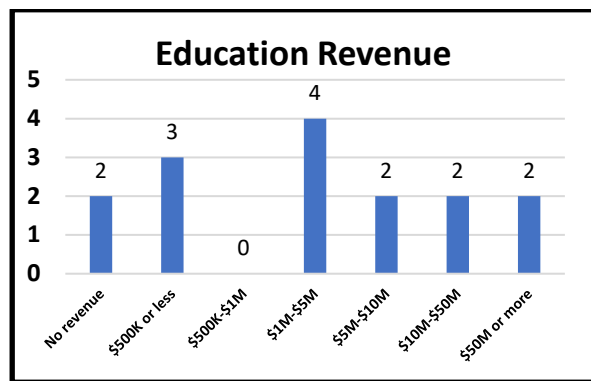
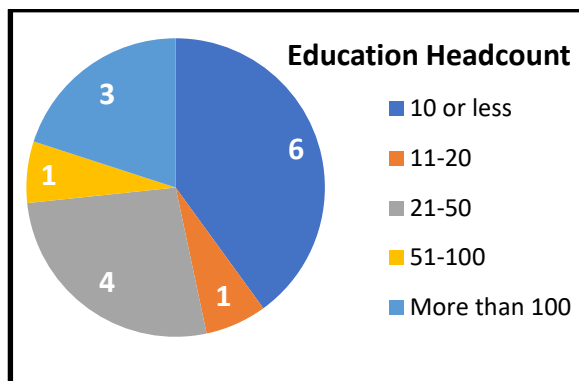
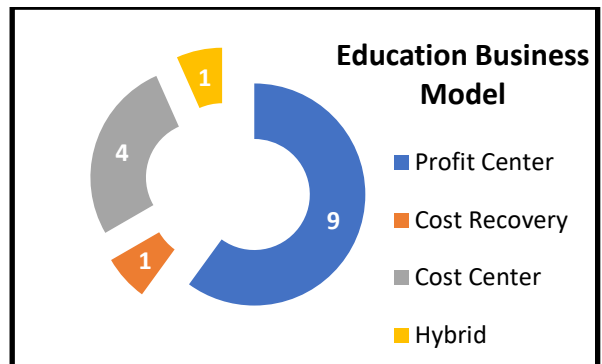
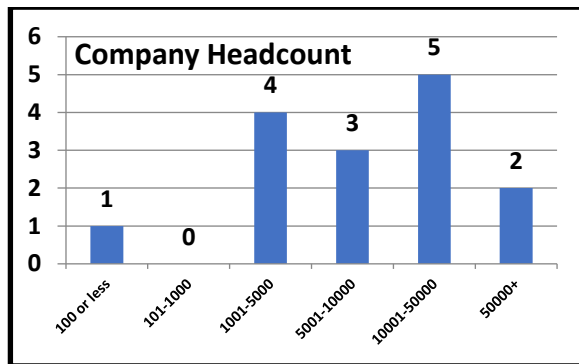
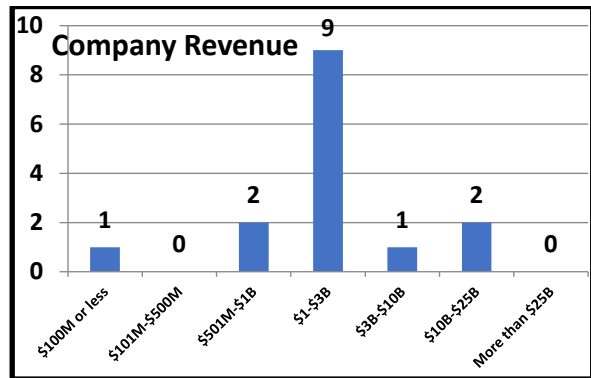
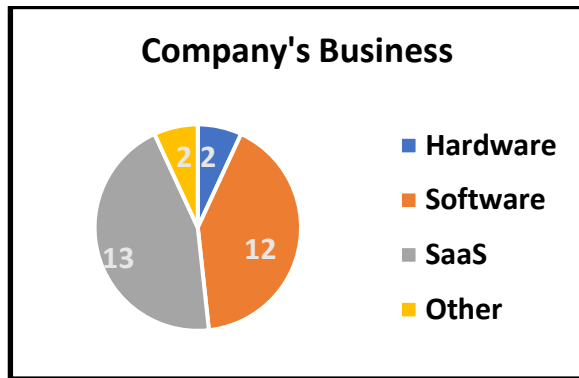
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## Member Profiles

Sample size for 23q1 was 15 for 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.

EMEA: Having been down to negative 2% in 2014, the trend recovered to positive 2% increase in 2016, positive 4% in 2019 then negative 3% in 2020 but is now again positive 6% in 23q1.

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

EMEA: The trend has recovered from a low of negative 1% during 2020 to showing 6% in 23q1.

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

EMEA: The trend fell to negative 7% during 2020 but is now 3% in 23q1.

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

EMEA: The trend rose steadily from 2% in 2017 to 8-9% during the pandemic in 2020-21 but is now steady at 2%

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

EMEA: The trendline was negative -11% in 2020, but has now recovered to 7%.

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

EMEA: The trend dropped to negative -9% in 2020 but is now showing 6%.

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

EMEA: After climbing to 11% increase in 2019, it dropped back to 5% increase year on year in 2020 but is now showing 3%.

**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.

EMEA: The trend has remained at 6% since the pandemic.

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

EMEA: The increase was 3% in 2018 but slipped to flat in 2019 but now is back up to 4%.

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

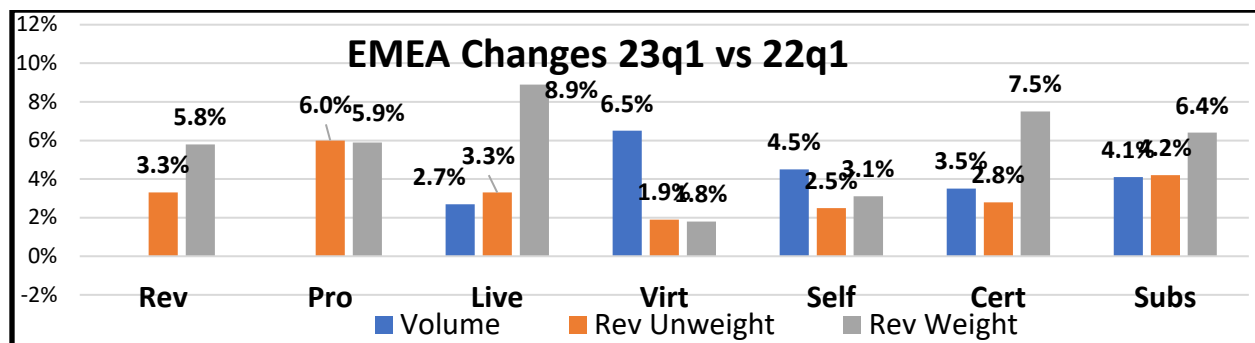
EMEA: With many companies just starting in 2015/16, the increase was 8% over 2016, dipped to 3% in 2017, rose to 11% in 2019, fell back to 8% in 2020 but is now 6%.

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## Volumes as well as revenue

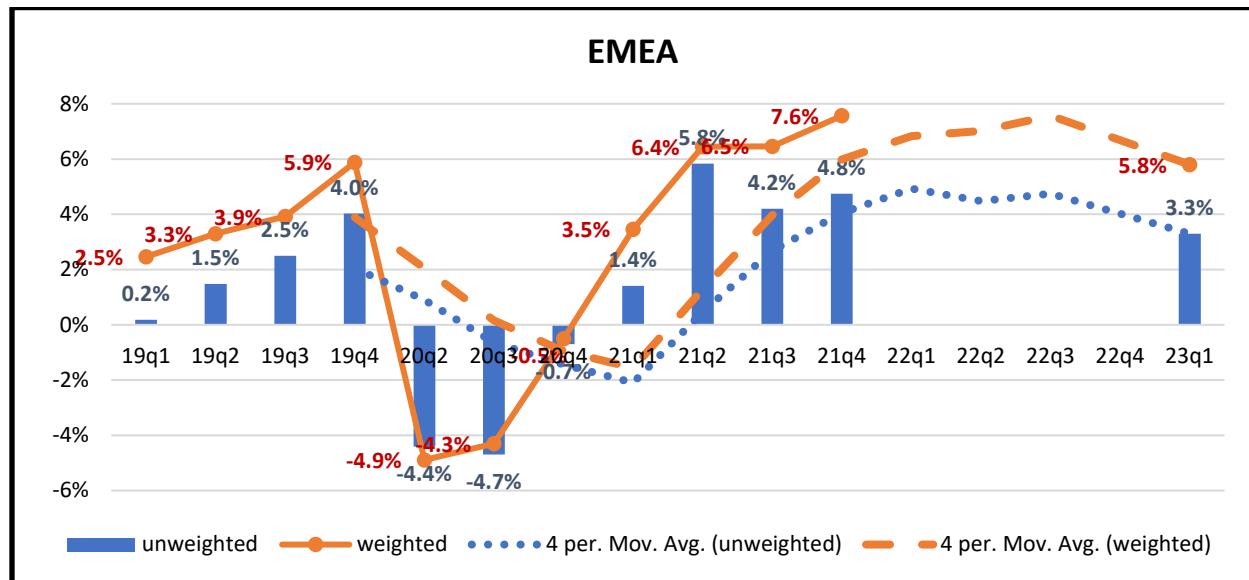
We now ask for percentage movement of modalities by volume of students in addition to or instead of revenue. Of course, volume averages will only be for unweighted input. Here's the comparison for 23q1.

EMEA	Rev	Prof	Live	Virtual	Self	Cert	Subs
Volume			2.7%	6.5%	4.5%	3.5%	4.1%
Revenue Unweighted	3.3%	6.0%	3.3%	1.9%	2.5%	2.8%	4.2%
Revenue Weighted	5.8%	5.9%	8.9%	1.8%	3.1%	7.5%	6.4%



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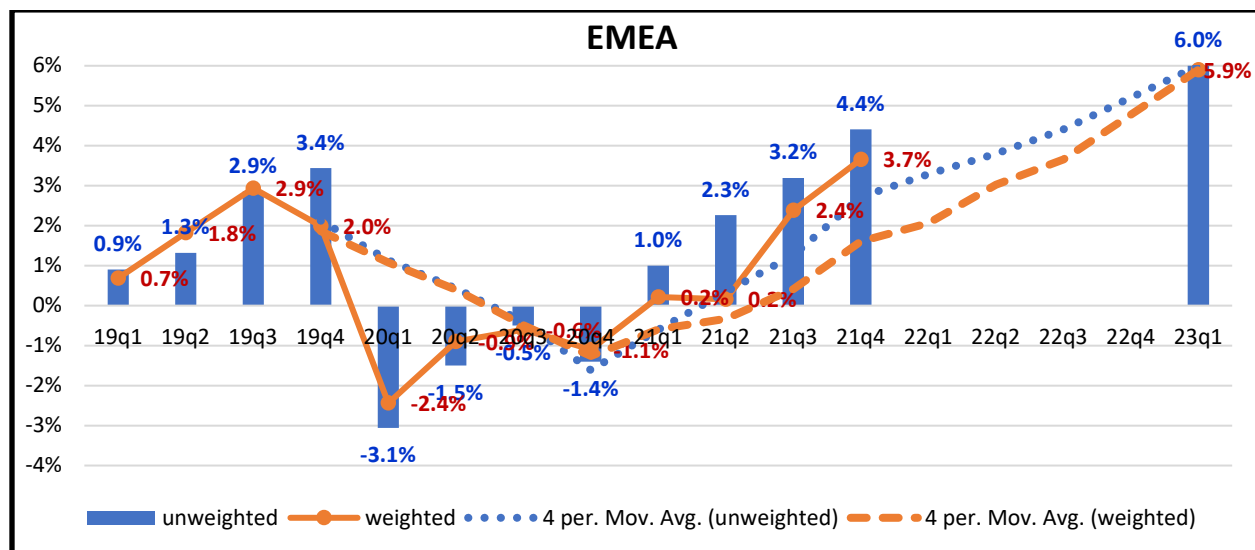
## Overall Training Revenue



The unweighted total training **revenue** increase for 23q1 (u=8, f=5, d=2) was 3.3%. However, the weighted total training **revenue** increase was 5.8%.

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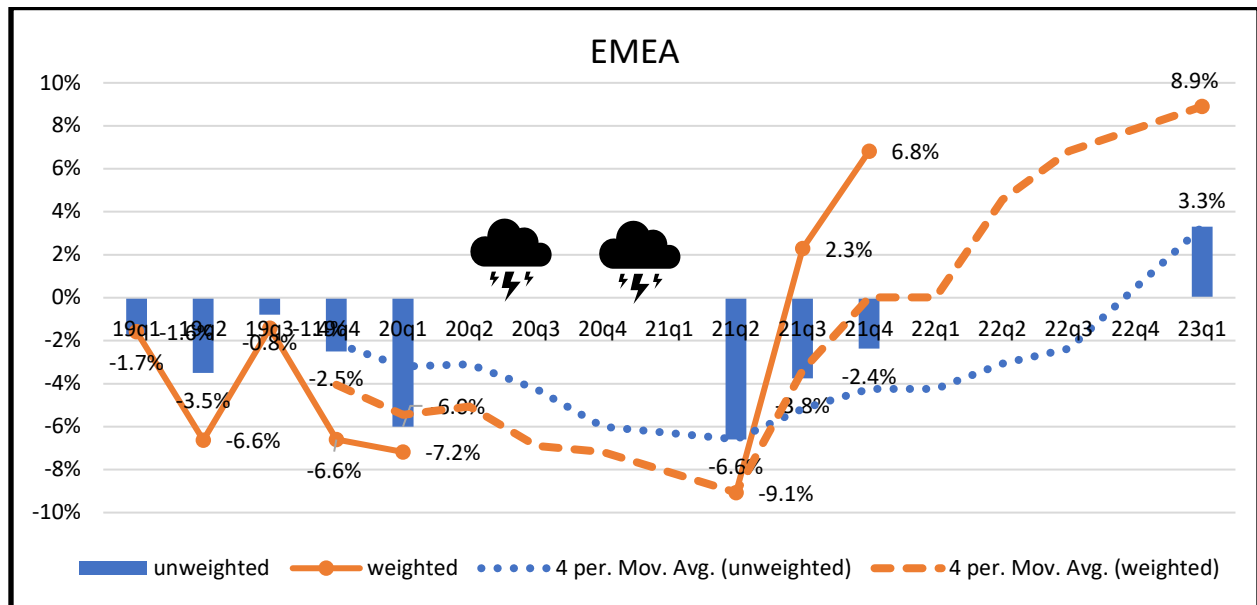
## Training Profit



Training profit in 23q1 (u=6, f=4, d=0) increased 6.0% for unweighted and 5.9% for weighted.

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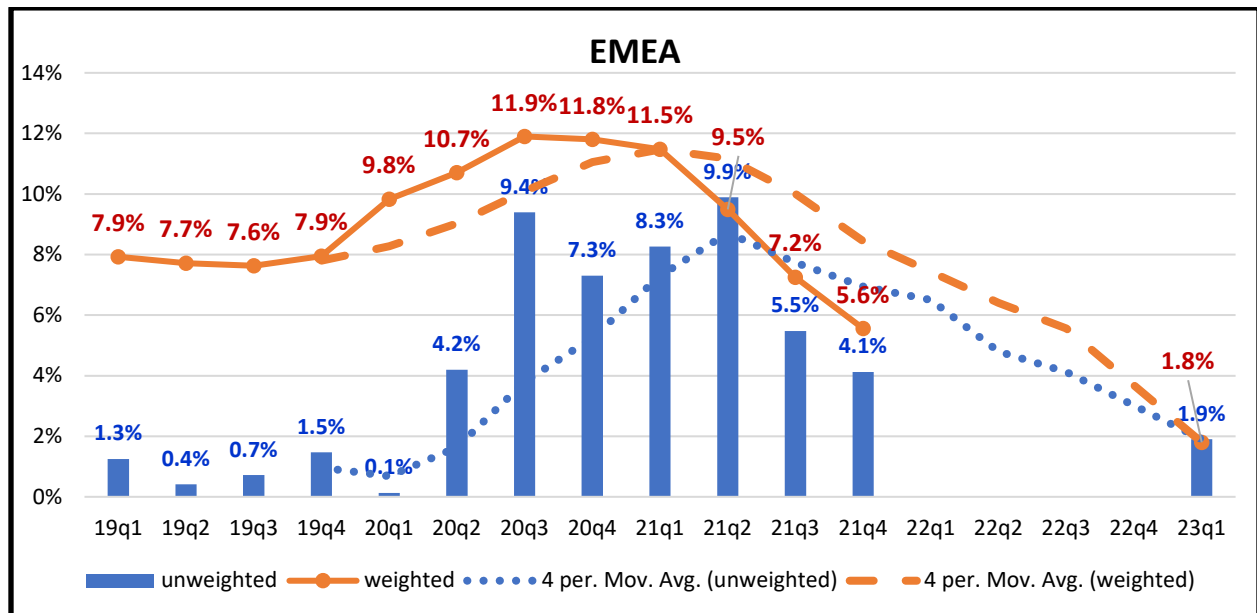
## Live Instructor-led Training



Live instructor-led training for 13 members ( $u=5$ ,  $f=6$ ,  $d=2$ ) resulted in unweighted change of 3.3% and 8.9% when weighted. Volume increased by 2.7%.

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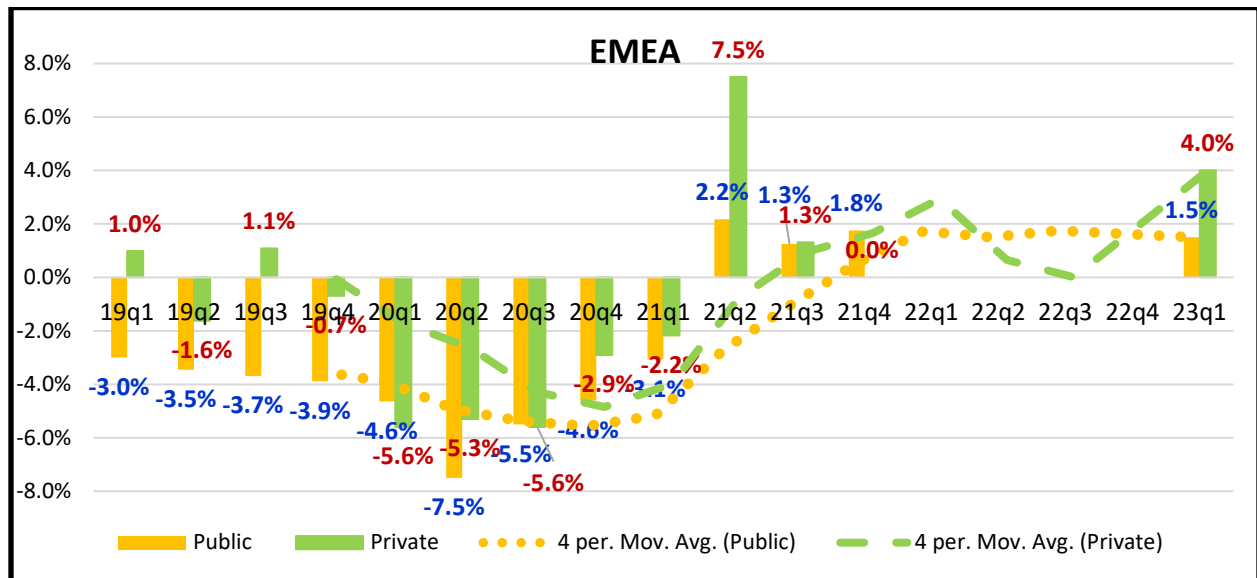
## Virtual Instructor-led Training



The unweighted virtual classroom **revenue** increase for 23q1 ( $u=6$ ,  $f=3$ ,  $d=4$ ) was 1.9%, with the weighted **revenue** increase at 1.8%. The increase in **volume** was 6.5%.

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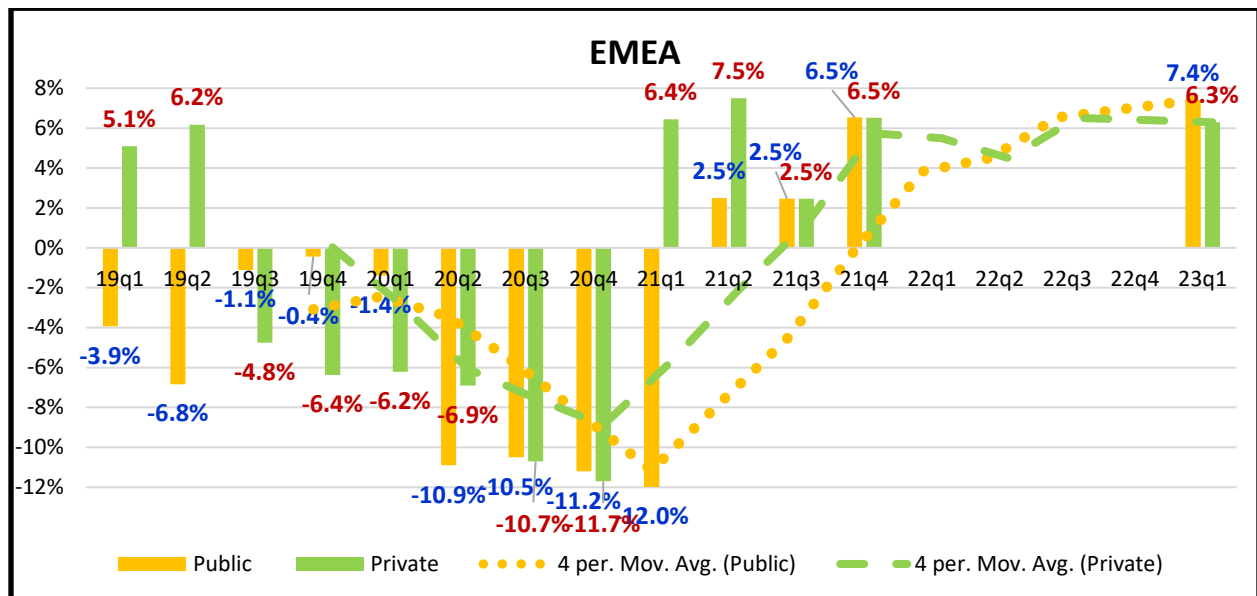
## Public v Private Unweighted



Unweighted public **revenues** increased in 23q1 by 1.5% and private increased by 4.0%. The increase in **volume** was 0.6% for public and 7.1% for private. Note that public is u=6, f=3, d=4 and private u=7, f=4, d=2.

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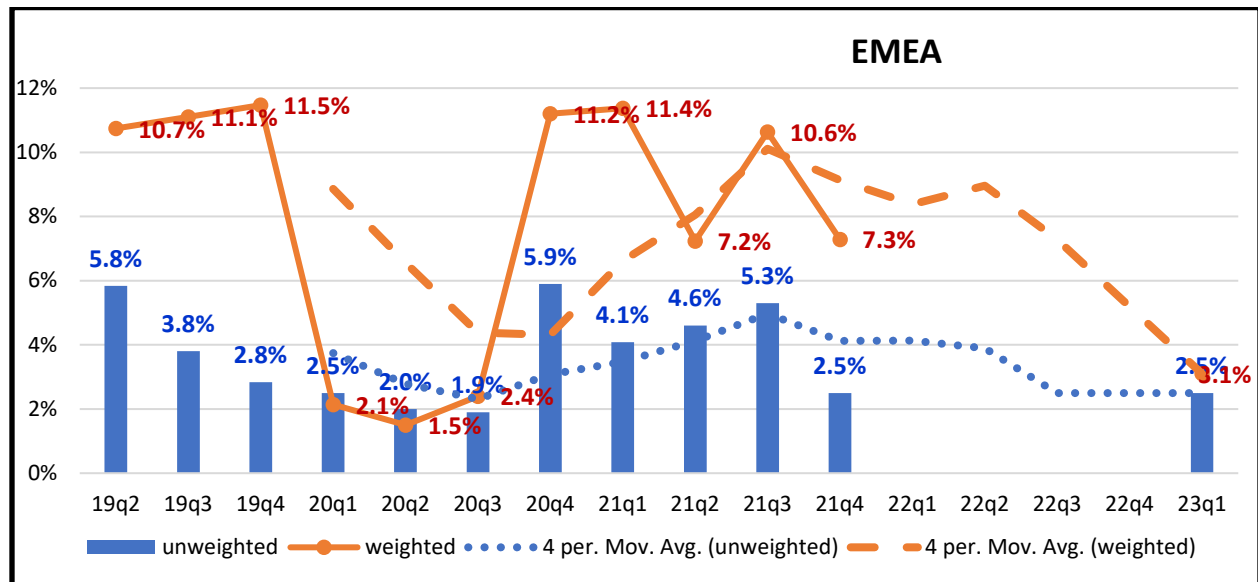
## Public v Private Weighted



When weighting is considered, the changes from 21q1 are more dramatic. In 23q1, public **revenue** has increased by 7.4% and private **revenue** increased by 6.3%.

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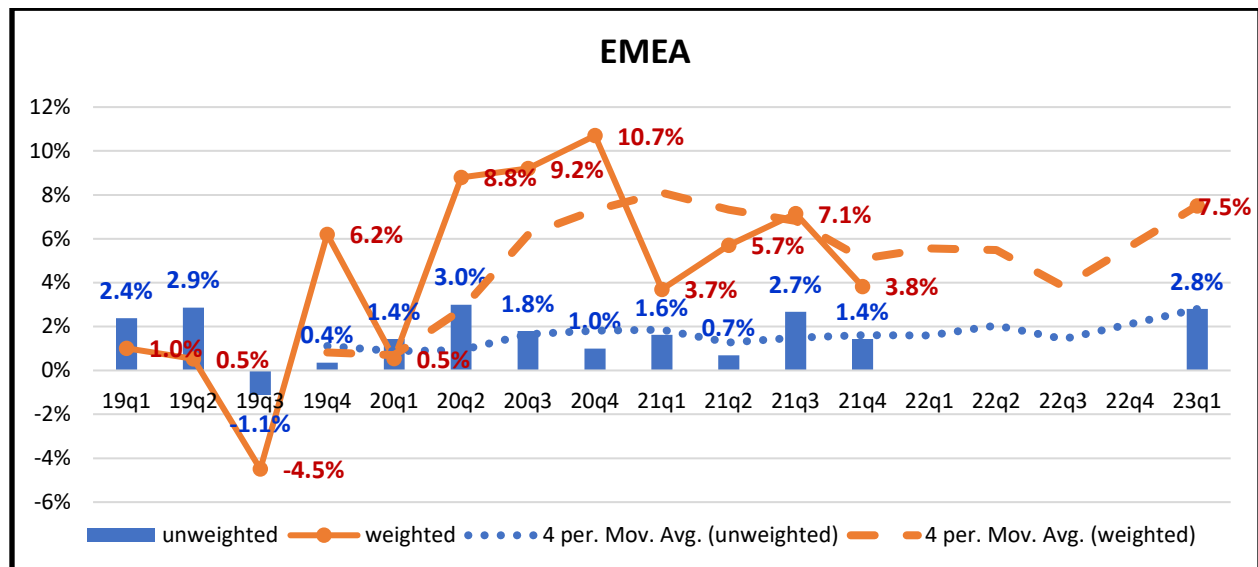
## Self-Paced



The unweighted self-paced **revenue** increase in 23q1 (u=6, f=2, d=3) was 2.5%. However, the weighted self-paced **revenue** increase was 3.1%. The increase in **volume** was 4.5%.

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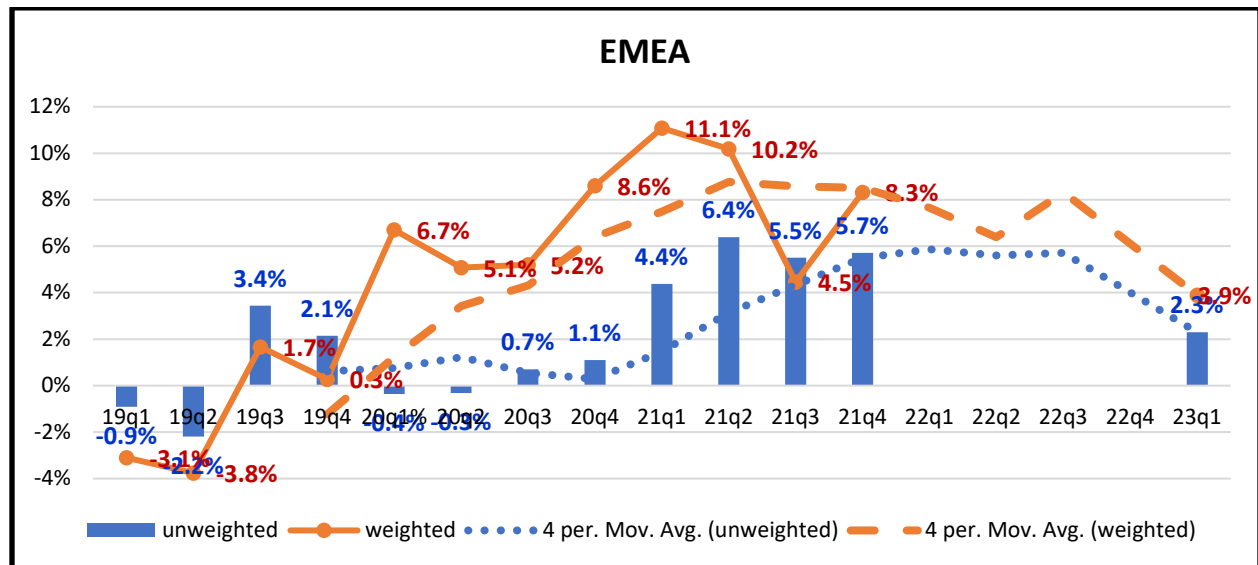
## Certification



The unweighted certification **revenue** increase for 23q1 (u=5, f=3, d=2) was 2.8%, and the weighted certification **revenue** increase was 7.5%. **Volume** was an increase of 3.5%.

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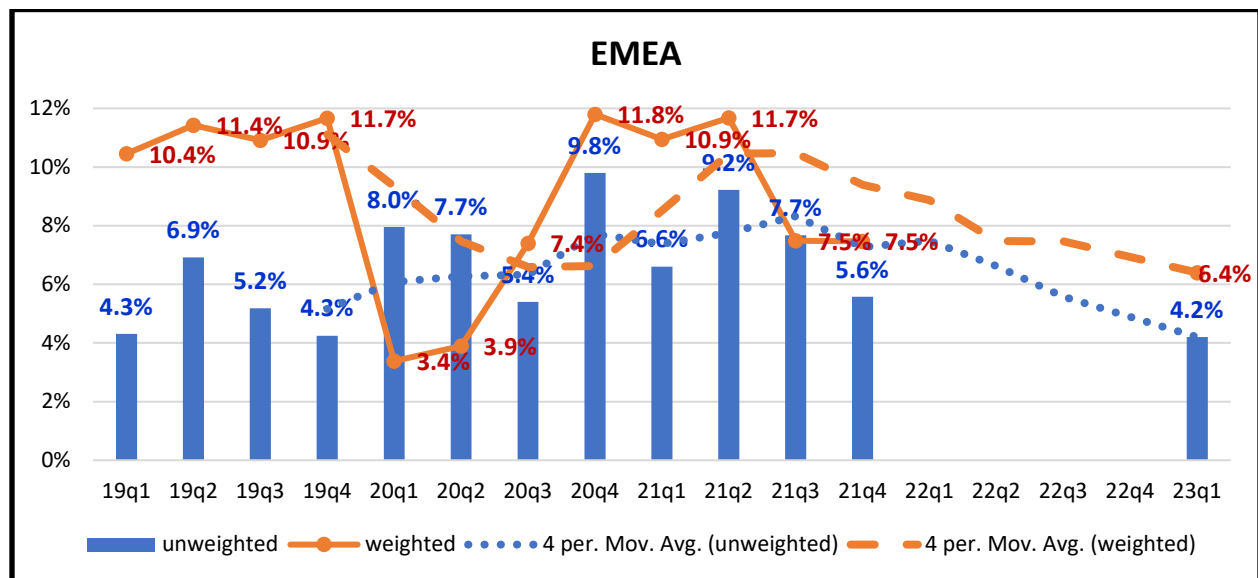
## Learning Consulting



**Volume** has been flat. The **revenue** changes for 23q1 ( $u=4$ ,  $f=5$ ,  $d=1$ ) were 2.3% for unweighted and 3.9% when weighted.

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## Subscriptions



The **revenue** increases for 23q1 ( $u=6$ ,  $f=5$ ,  $d=2$ ) were 4.2% for unweighted and 6.4% for weighted. The increase in **volume** was 4.1%.

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

### EMEA

1. All Cloud products
2. Subscription was flat
3. Private Training, Subscriptions
4. Cross function skills for dev/DBAs
5. Certifications, Self-Paced (FREE)
6. Training Credits
7. Self-paced learning
8. Private/Onsite classes
9. Large Subscription sales
10. Product onboarding
11. Public classes sold as subscription
12. ILTs
13. Cloud
14. Self-Paced Courses
15. Subscriptions

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

### EMEA

1. On prem products
2. Subscription was flat
3. Public Training
4. Mobile tech
5. Any instructor-led course (fee based)
6. Live classroom
7. No decreases.
8. Subs - just had an outstanding Q1 last year with a big launch of our Premium product - we know it's not going to repeat this year in Q1 again.
9. Public classroom (France)
10. Legislative change (less of it)
11. Private class
12. In-Person Classroom
13. Public

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

### EMEA

1. Attendance in public courses, predictability of consumption
2. Managing product sales rep turnover and small product deal sizes.
3. Staffing, selling the value of formal training vs. informal workshops
4. Customer budgets tightening; headcount freeze
5. Finding new revenue streams for education
6. Operational overhead and Platform (CMS/LMS) disruption
7. Lack of infrastructure budget.
8. Economic slowdown in UK and Germany, fluctuating currency exchange in a lot of the Middle East countries
9. Lack of staff to support growth, inflation issues in-country, and devalued local currency to USD
10. Engaging customers to take (free) learning; Data and proof points for ROI
11. Converting European market to a full subscription and public classes model
12. Changes in the organisation
13. Keep up with the pace of changes and transformation Cloud
14. No Sales team to sell Education. Small team.
15. Economy, travel bans

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

### EMEA

1. European customers are more open to virtual and self-guided training than they have been in the past.
2. Downturn of market has made it difficult but we have to think outside the box and remind everyone of the importance of educated customers
3. Lots of talk, but very little action about AI.
4. Market is healthy, there is a continued push to large L&D purchases from Pluralsight et al, that creates a challenge to differentiate
5. Our customers are small businesses, we are seeing growth in self-paced but this is far more evident in micro-video vs eLearning or webinar. The 3-minute micro-learn is increasingly how customers are choosing to consume.
6. Classroom training returning but VILT still dominating

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