



E-Learning: The Second Wave

By Craig R. Taylor

Even if you wiped out on the first wave, a second one is coming. Catch the ride.

There's a lot of talk in e-learning circles these days about the arrival of the "second wave." Granted, just trying to catch a ride on the first wave proved a challenge for some would-be e-surfers. But in nearly every facet of the e-learning movement, signs are that the next wave is coming. And in spite of gloomy reports and the shaky economy, the second wave may be rolling in faster than you think.

"The marketplace is shifting in maturity," says Tom Graunke, CEO of e-learning firm KnowledgeNet. "We're beginning the second wave of e-learning. Buyers know what they want; now it's all about deploying against their business needs."

It's tempting to dismiss that as so much promotional rhetoric--cheerleading for a losing market. But if he and others are right, that the e learning world is evolving into a new phase, where are the telltales? If true, what changes can we expect, and what impact will they have?

In upstart industries such as e-learning, big ideas, experimentation, trial-and-error, excitement, creativity, and sometimes disappointment and frustration characterize the first wave of growth. It's all about trying to figure out what works and works best. As we've seen during the past two years, some ideas never succeed--regardless of how much time and money are invested. Bad ideas usually fail. Good ideas gain momentum and support, followers and advocates. From a macro perspective, the culmination of enough good ideas will ultimately reach critical mass, and the second wave is beginning to rise.

The second wave signals the arrival of greater standardization and the emergence of replicable processes. More and more people are adopting the good ideas and building on them. Norms are emerging. Winning ideas from instructional design methods to profitable business models are beginning to achieve broad support. Creativity, a key driver from the first wave will, in the second wave, improve best practices. It's when all of those dynamics come together that the growth of a team, an organization, or an industry accelerates. For e-learning, the signs are all around us.

Architecting the second wave

For compelling evidence of the arrival of e-learning's second wave, look first at the evolution of the standards movement.

"Standards will do more to accelerate the e-learning marketplace than anything else. Period," states an emphatic Tom McNulty, CEO of e-learning developer and publisher Element K.

To fully understand the impact that standards (such as SCORM) will have, it's useful to view e-learning as three distinct segments:

- content
- services
- technology.

During the high-octane days of e-learning's first wave, content developers pursued multiple instructional design approaches using several distinct authoring tools. Meanwhile, technology companies such as Docent, Saba, and Click2learn were independently building sophisticated--and proprietary--learning management systems.

The now-familiar problem was that the different content formats didn't easily connect within the available infrastructure systems. Lack of integration and interoperability across the systems became a frustrating situation for users--requiring unexpected time and energy in the launch of an e-learning project. A lot of people got burned. The technology certainly didn't work like suppliers promised it would. It was over-promise, under-deliver to the minds of many early purchasers. Services teams had to come to the rescue to knit components together, adding more time and expense.

As standards become more refined and widely adopted, they'll go a long way to fixing all that. "Standards and interoperability," notes Graunke, will be "the single most critical elements in the success and adoption of e-learning in the future." It's true that the standards initiative is still evolving, but the vision of widely available, seamless plug-n-play courseware is right around the corner. The ability to integrate content with platforms "should take hours, not months," adds Graunke.

King Content

One of the more frequently heard exclamations in e-learning is "Content is king"--a phrase borrowed from the high-growth days of the Net to differentiate the technologies being developed (the "pipes") from the content that users viewed on their screens. Financially speaking, content is certainly king. U.S. spending on e-learning content far exceeds the services and technology segments, with some estimates of content spending reaching US\$8 billion or more by 2004.

The main point: No matter how sophisticated the technology is or how flashy the graphics and images are, it's the quality and relevance of the content to the business issue and learner objectives that win the day. Great content matters. In the traditional instructor-led world, one of the ways training and development programs differentiate, we have to admit, is in the skill of the instructor. We've all experienced a time when weak material in the hands of a gifted trainer still resulted in valuable knowledge transfer and skill acquisition. In the world of e-learning, weak content has no ally. It's just weak.

Early on, too much poorly conceived and cheaply developed courseware hit the market, turning off a lot of people. Maybe you remember the term *shovelware*--a disparaging label used in the early days of the personal computer boom to describe cheap, abundant software titles. (Unless, like me, you bought one of the early Macs, in which case you had *no-ware*. But that's another story.) The same notion applies here: Poor-quality programs have left many e-learners wary. In the second wave, quality will be paramount.

As the quality of content continues to improve, so will people's expectations. Nick Payne, director of training for Dade Behring, one of the world's largest clinical diagnostics companies, is an example of someone who knows what he's looking for. Working with custom content developer Knowledge Anywhere, Payne has implemented a wide range of e-learning programs.

"I'm not interested in courseware that's based on simple branching, hyperlinks with pop-ups, or student evaluation based on multiple-choice or matching questions. Show me multiple-path active simulations, complex branching with high levels of constructivist activities, and methods for individual feedback--and you've got my interest," says Payne.

Content's biggest movement, however, is learning objects--a powerful strategy enabled by the growth and adoption of the guidelines provided by the standards initiative. Breaking content into searchable learning nuggets lets them be configured in unique ways based on learners' needs and objectives. The result is the ability to move ever closer to personalized learning experiences.

Here's a simple way to picture the power of learning objects. Imagine a big, brand-new box of Legos, which come in a wide variety of shapes, sizes, and colors. Yet, all snap together easily to magically form unique sculptures with individual meaning to the creator. Legos is a completely different concept than, say, a jigsaw puzzle, in which every piece fits in only one place and the completed puzzle can form only one picture. Learning objects are the Legos of e learning.

Learning objects will not only facilitate individualized learning, but will also promote big leaps forward in content customization. Though that thinking has been around for a while and much progress has been made, the technology is finally catching up with the vision.

Widening the circle

E-learning technology continues to evolve as suppliers search for every advantage possible in a tight technology spending market. Vendors continue to merge or combine forces, streamline and refine their product offerings, and introduce new features in an attempt to attract buyers. As a sign of strength in the market, new entrants continue to enter the space.

PeopleSoft, a leading provider of enterprise application software, took a long-expected step into the e learning space in July by purchasing a little-known LMS company called Teamscape.

"To be successful in today's hyper-competitive markets, organizations are demanding the ability to integrate learning into all of their business processes to drive performance," says Doug Merritt, vice president and general manager, PeopleSoft Human Capital Management.

But only time will tell whether having all of the technology under one roof is what organizations really want and are willing to pay for. The prospects, though, are intriguing.

The technology of learning plays only a supporting role. What's most significant about technology in the second wave isn't the technology itself; it's that, as the technology improves and becomes easier to use, more people will give e-learning a try. And as the collective experience improves, ever-broader audiences will embrace e-learning. Broadening the acceptance of e-learning by a wider and more diverse group of learners is the real opportunity for technology in the second wave. Clearly, e-learning has broken out of its early niche of catering mostly to computer training, but e-learning needs to keep proving itself in broad applications for diverse populations.

Learning portals were a hot idea during e-learning's early years. Remember Headlight.com? The light went out. Early portals failed not because they didn't have good content, competitive pricing, or reliable technology. They failed primarily for one business reason: They had little or no paying traffic. No volume. Trouble was, nowhere near enough people visited the sites to justify the advertising fees. There just wasn't enough revenue to support the infrastructure. That could be changing.

Less than a year ago, Monster Learning was born out of Monster.com's vision to become more than a successful job board. "We wanted to deliver career and life management help," says Dianna Henjes, vice president of Monster Learning. "What gets people from point A to point B is learning. People need to tie learning to something tangible, which is why we believe learning is tied to careers."

A lot of people appear to agree. More than 350,000 "seekers"--as Monster terms them--visit Monster Learning's Website each month to review courses offered by a wide variety of content suppliers. Of those seekers, 32 percent click through to the content supplier's information-request page, looking for more detail on the courses. Monster Learning's big advantage is the ability to harvest traffic from the roughly 15 million visitors every month to Monster.com. But make no mistake: More than 110,000 people a month are requesting more information on e-learning programs, and Monster Learning is doing its part to help visibility. Recall the John Kennedy quote: "A rising tide lifts all boats."

Amy Finn, chief learning officer at Centra, shares the growing belief that the widespread adoption of e-learning is under way and that it will become a ubiquitous part of our lives.

"The technology is improving, and users will demand that it will be part of their world. It means 'today' to a lot of people," says Finn. She adds that people are realizing that "e-learning is applicable to so much more than learning." E-communication is part of the deal.

Wider acceptance is being fueled partly by the growth of the commercial market--using e-learning to train customers, distributors, and suppliers throughout the value chain. Michael Bleyhl, e-learning director for Invensys, a production technology and energy management firm with nearly 76,000 employees, worked with SmartForce to launch programs to a wide audience throughout its value chain.

To help gain acceptance, Bleyhl says Invensys "began using the technology to promote the technology. We set up virtual meetings to see it, and it was embraced once people saw it." That made it real, like "dropping people into the frame," he says. Programs like that--expanding e-learning beyond employees to distributors, customers and others--are changing the ground rules for ROI.

New meaning to ROI

Training and development professionals have long understood the importance of return-on-investment and the contribution of financial analysis in funding, launching, and sustaining training initiatives. Bringing to bear the analytical rigor that sells in the executive suite, however, is another matter. Sure, pockets of expertise exist. But, simply put, the learning profession has done a poor job of building core competence in quantifying the financial value and impact of most performance improvement efforts. "ROI is still an ugly issue," says Element K's McNulty.

A focus on ROI doesn't mean just dollars and cents. Many industry leaders have argued against the knee-jerk response that saving money is the key driver of e-learning efforts.

"We need to remain focused on what's mission-critical for the organization," says Kevin Oakes, CEO of Click2learn. Century 21, the big real estate firm, worked with Click2learn to "turn off instructor-led training" and offer sales training solely on the Web. Results have been impressive. Those sales agents trained by e-learning achieved a 33 percent increase in commissions compared with traditionally trained agents. Increased commissions are the result of increased sales so, in turn, everybody wins.

Another factor in the ROI equation is time. Speed is a well-known competitive advantage in business, especially now, and a frequent lament among training executives is that many e-learning projects take too long to execute. In tight economic times, expectations of acceptable returns may hinge as much on time-to-market measures as they do on long-term returns.

That said, financial payback is still hot on the radar screen of most financial analysts. For them, saving money *is* mission critical. It's here where e-learning will make one of its biggest contributions. LMS technology and all its variants offer an unprecedented opportunity to track, monitor, quantify, and analyze performance variables that less than a decade ago would have been impossible to capture--much less put a value on. That's particularly true when the LMS is linked to other enterprise-wide systems in human resources, operations, or sales and marketing. Data gathering, measurement, and analysis--sweet spots for e-learning--are at the very heart of second-wave thinking and second-wave accountability.

Smoothie learning

E-learning pundits have floated the question of whether a time will come when we no longer distinguish between traditional training methods and all of the various e-learning approaches, saying it will just become "learning" again. *Blended learning* is a term now widely embraced--used to describe myriad

combinations of learning experiences. That's good news. The most exciting thing about the concept of blended learning may be that it gives us permission to combine learning ingredients in new and creative ways to satisfy the tastes of every learner. Just like making a smoothie.

Blended learning gives everyone the opportunity to shape programs to meet specific business needs and goals and to adapt to organizational cultures. "Our knowledge strategy is based on the learner becoming the focal point of learning," says Dade Behring's Payne. "Our knowledge strategy is based on the deployment of knowledge in a blended learning format." His advice? "Don't even think of letting your organization believe e-learning is going to replace everything."

KnowledgeNet's Graunke describes blended learning as "multiple formats that reach learners in ways they want to learn. It's a combination of traditional instructor-led training with subsets of e-learning components such as self-paced and synchronous."

Making technology easier to use while increasing access helps. Mobile learning--nuggets delivered on PDAs or cell phones--is already in use at a few leading companies and will soon become more widespread. Centra's Finn encourages us to "think out of the box on what's possible." Imagine learning "with no time zones, no walls, no geography, no culture barriers."

The important discussions we need to have are not about which dimension of the e-learning movement--standards, content, technology, or access--will be more influential than another. Instead, the dialogue needs to be about the synergy of those forces--forces that will build strong momentum and help us ride the second wave. The confluence of learning and technology offer those of us lucky enough to be in the profession at this exciting, transformational time the opportunity to make a meaningful difference to the future of learning.

Paddle fast and take off. It's going to be a fun ride.

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