Industry Insights:

E-Learning Leaders on Managing Growth and Innovation

talentdesk

Introduction

The Covid-19 pandemic pushed billions of learners out of traditional classrooms, significantly boosting interest in e-learning. Post-pandemic demand continues unabated, driven by the flexibility, speed, and cost-effectiveness of digital learning, which offers exceptional results at a fraction of traditional classroom costs. As the academic world increasingly integrates digital learning, the benefits - such as flexibility, affordability, accessibility, and heightened engagement - are clear, propelling the market to record growth.

However, this rapid growth brings its own set of challenges. With advancing technology, e-learning executives face the difficult task of managing expansion while maintaining quality and relevance.

When asked about company goals for 2024, Anders Lindgren, Founder and President of SchoolOps says *"To maintain an excellent quality product as we scale, ensuring that everybody who participates in our professional learning experiences meaningful improvement in their ability to execute in their role."*

The e-learning sector is experiencing heightened competition and swift market evolution. To understand these dynamics better, we interviewed several e-learning leaders about their biggest challenges and how they are addressing them.[1]

Market Size & Growth

According to a recent report, the global e-learning market size reached US$ 316.2 billion in 2023. The market is projected to reach US$ 661.6 billion by 2032, exhibiting a growth rate (CAGR) of 8.6%. With market leaders such as Coursera posting year on year growth of 21% for 2023 the signals of strong growth are clear. The challenge within the market will likely be maintaining high-quality education standards and personalized learning experiences amidst scaling. In such as fast-paced market competitors are implementing various strategies to retain their market positioning; strategic alliances, partnerships, mergers and acquisitions, geographical expansion, and product/service launches and tech are being used to enhance their presence.

Global E-Learning Market Forecast to Grow at CAGR of 8.6%

	2023	2028
	316.2Bn	661.6Bn
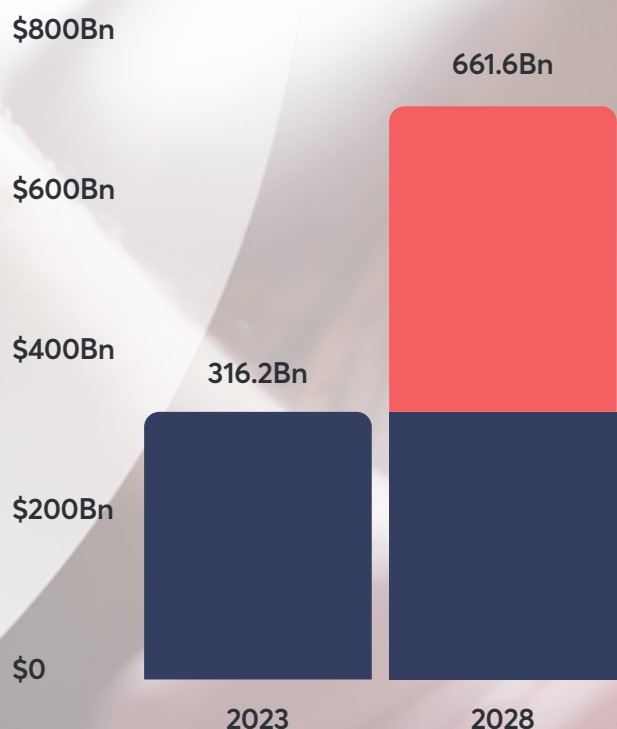
An Increasingly Complex Market to Navigate

The e-learning market is not only growing in size but also complexity with an ever growing array of platforms. From Learning Management Systems such as Docebo, to Learning Experience (LXP) and Talent Experience (TXP) - Degreed, Totara to coaching networks such as Mindvalley, the market continues to evolve.

Within this ever-changing environment we are witnessing increasing complexities that require careful navigation. Challenges of keeping the content engaging, up-to-date with technological advancements, and accessible to a diverse global audience - including varying levels of internet access and educational backgrounds - continue to demand the attention of executives.

degreed
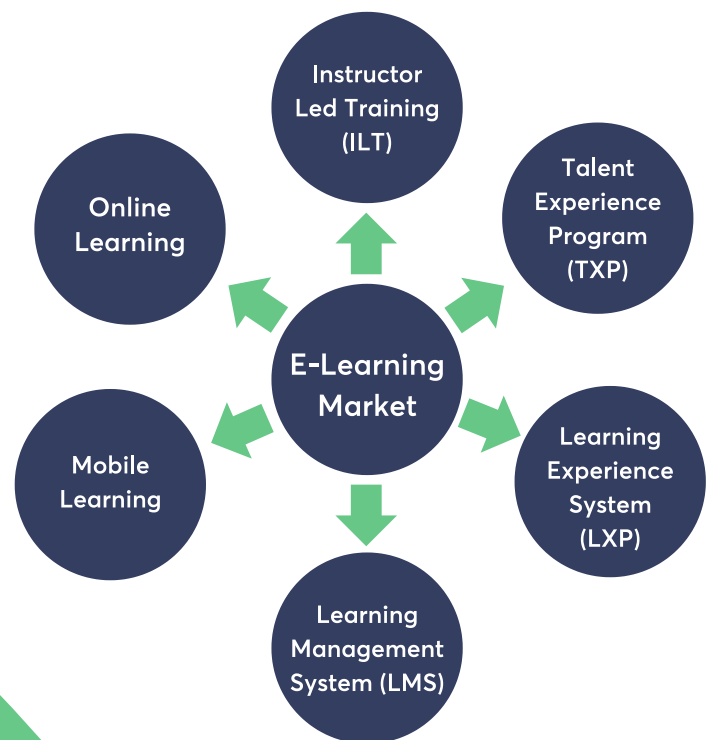
"As the market grows, so does its complexity. It's a veritable alphabet soup of tools and vendors, from LXPs and LMS to Virtual ILTs, TXPs, and more. Understanding what's best and most relevant for learners and organizations is now a CLO's (Chief Learning Officer) number one priority."*

Dan Carlson, Director of Insights,Comms & Partner Marketing at Degreed

Artificial Intelligence

Artificial intelligence (AI) is revolutionizing e-learning by creating smarter, more personalized learning experiences and it is predicted that 47% of learning management systems (LMS) will be AI-powered by the end of 2024. Students can access content faster and more efficiently, while educators can easily track progress and identify areas needing extra support.[2]

AI enhances e-learning through personalized learning pathways, adaptive learning systems, intelligent tutoring, and gamification. These innovations make learning more efficient, engaging, and tailored to individual needs, transforming education for both students and teachers.
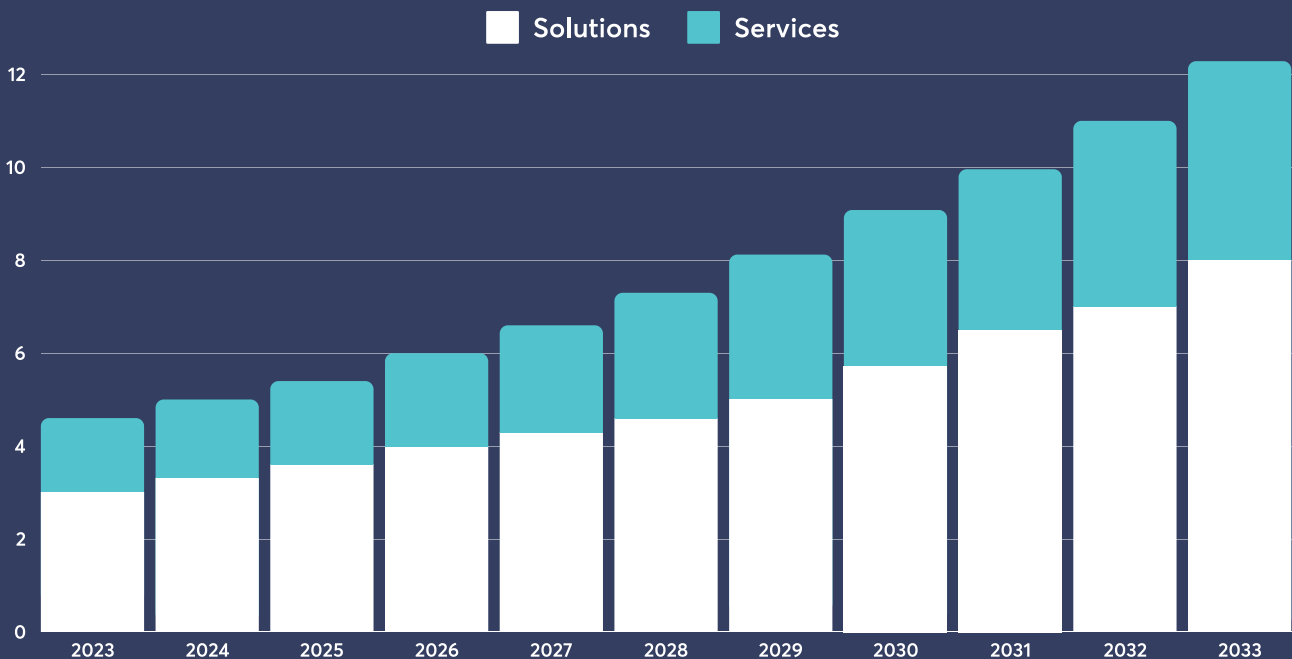
TYNKER®

"The most significant opportunity within the e-learning space lies in personalized and adaptive learning technologies. These technologies cater to individual learning paces and styles, making education more effective and engaging."

Lomit Patel, Tynker.

Global AI in E-Learning Market (US$Bn)[3]

Legend: ☐ Solutions ☐ Services

AI has been shown to significantly improve retention, student engagement, can analyze and predict student performance, save educators time on grading and reduce course development time by up to 40%. With 90% of educational leaders believing that AI will have a major impact on e-learning models it is hard to ignore the impacts that AI will have on the sector. But with it comes yet more challenges. Privacy and ethical concerns arise, safeguarding student data privacy and ensuring ethical use of AI technologies are essential considerations for educators and policymakers. Furthermore, there is the potential risk of over-reliance on AI technologies, leading to a passive learning experience for students and the potential for less curated content.

Evidence of e-learning companies adopting AI is easy to find across the industry, as illustrated by Linkedin Learning introducing their virtual coach as part of an overall push to make knowledge from its library quickly accessible through AI. Meanwhile Coursera has expanded its AI-powered translation initiative from seven to 18 languages, allowing learners speaking a range of languages from Chinese, Dutch to Greek to access over 4,000 courses.

ELECTIVES

"AI will absolutely make content creation easier; there will be no shortage of asynchronous content for employees to consume, but a large percentage of it will likely turn into "shelfware.""

Jason Lavender,
Co-Founder& CEO, Electives
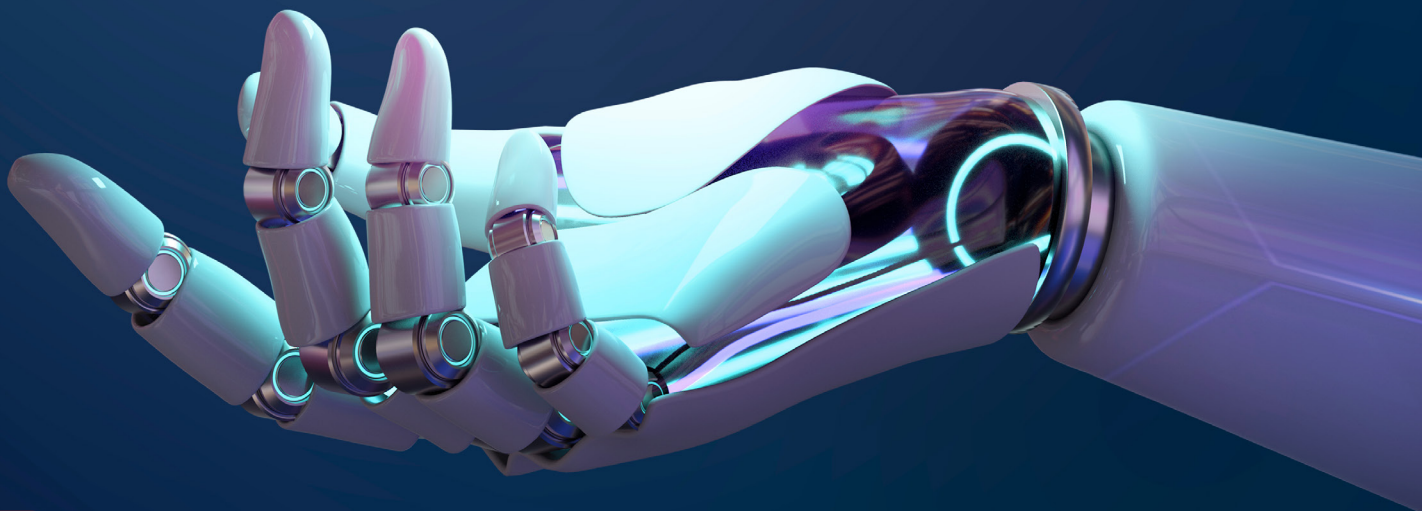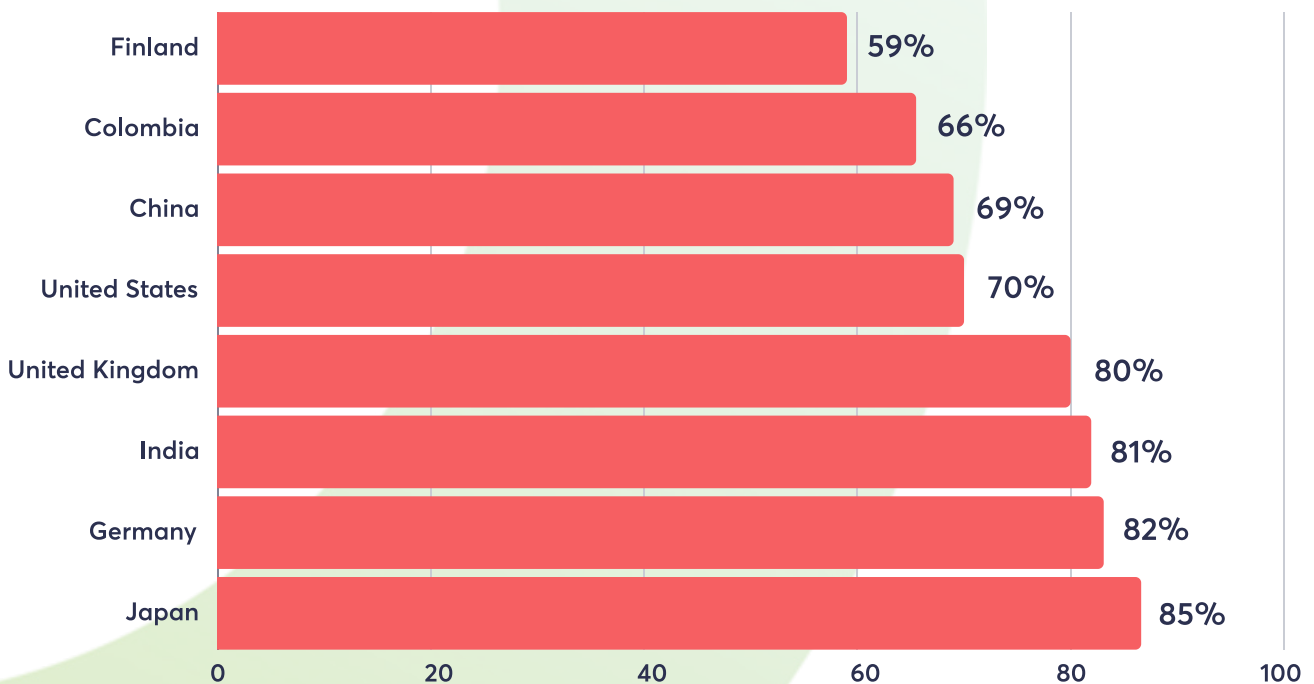
Opportunities: Skills Gaps & Talent Shortages

A report by Korn Ferry projects a significant talent gap by 2030, with over 85 million jobs potentially unfilled due to a lack of skilled workers. If this issue remains unaddressed, it could lead to approximately $8.5 trillion in lost annual revenues globally.[4]

Deloitte and the Manufacturing Talent Institute echo these concerns in their report,

"Taking charge: Manufacturers support growth with active workforce strategies." The report outlines current efforts to bridge the talent gap and identifies areas needing further action. Key solutions include upskilling through e-learning platforms, mentoring programs, and initiatives designed to attract talent by offering additional employee support and opportunities.

There is an immediate need for companies to invest in their workforce and equip them with the skills required to successfully run the global economy and the e-learning sector is reaping the benefits of this demand. Ensuing companies and individuals have easy access to relevant and good quality is a key opportunity.

Share of Companies Affected by Staff Shortages (2023)[5]

Country	Percentage
Finland	59%
Colombia	66%
China	69%
United States	70%
United Kingdom	80%
India	81%
Germany	82%
Japan	85%

As Dan Carlson of Degreed points out *"Skills technology is gaining momentum in the space as more organizations grapple with chronic skills gaps and talent shortages. Platforms that can capture, consolidate, make sense of, and then put into action the reams of skills data being created at work every day will grow exponentially as more CEOs call on their CHROs and CLOs to solve the skills crisis."*

Budget Constraints Still a Key Consideration

One of the key challenges highlighted by our industry survey is one of shrinking training budgets. Despite the hugely well documented global skills shortage, alongside well documented benefits of keeping staff and learners engaged we are still seeing training budgets being squeezed. According to the New Economics Foundation, the amount employers are spending on training their workers has dropped by almost a fifth in the last decade.[6] While AI is making an impact on the cost of course content, creation and delivery companies are still mindful that cost is at the forefront of buyer's minds.

Companies are increasingly turning to a global marketplace of freelancers and away from full-time employees to build a network of global, highly skilled talent that is agile and can respond to the challenges presented to them by clients.

Having reported on market dynamics, we turn our attention to how e-learning companies are navigating this fast-paced market.

Responding to the Challenges

Utilizing the Freelancer Network

During our survey, industry respondents are reporting freelance staffing levels at up to 30% of all staff. WIth the global average of 10-30% of staff being freelance, e-learning is clearly at the sharp end of the freelance movement and is taking full advantage of the benefits freelancing brings to an organization. It is clear that the flexibility and diverse skill sets of freelancers make them valuable assets to the e-learning industry, allowing platforms to scale, innovate, and adapt to the evolving needs of learners worldwide.

Virtual College
by Netex

"As the eLearning market expands, but internal training budgets reduce or become more scrutinised, buyers often don't know where to go or how to implement learning technology that meets their needs."

Laura Cooper, Head of Marketing at Virtual College by Netex

When it comes to AI, freelancers are in huge demand, providing e-learning companies with a vital resource for not only utilizing the gains that AI brings but for staying ahead of competitors in terms of technological development and new products. Backing up similar industry research, a recent TalentDesk Group survey has revealed trends in increasing the use of AI with 67% of businesses expecting investment in AI to increase over the next three years, while 76% have already adopted some level of AI into their current business practices. AI is driving the e-learning space and our own survey saw all respondents pointing to AI as one of the key trends within the industry. The global talent shortage in AI is already impacting many industries with companies increasingly turning to freelancers to fill these skills shortages.

But the unique relationship between freelancing and e-learning goes beyond AI. The globalization of the industry; the multiple demands on content creation, privacy and security regulation, cultural and linguistic diversity and data analytics make freelancers invaluable to the growth and security of businesses.

76%

Businesses that have already adopted some level of AI into their current business practices

67%

Business expecting investment in AI to increase over the years

Complex Staffing

But with a remote team comes increased concerns over collaboration, communication and regulation. Ensuring diverse teams work effectively, within the legal structure of an international workforce requires diligence and careful communication. With reports suggesting that 45% of companies are looking to hire more freelancers in the near future our survey indicated that within the e-learning space this figure is significantly higher.[7]

eLearning Industry

"As a business owner managing both full-time employees and freelance workers, I consider communication and project management tools to be the most important for effectively managing our freelance workforce."

**Christopher Pappas,
Founder eLearning Industry**

Regulatory Landscape

While e-learning leaders continue to utilize a global workforce to retain competitive advantage they risk being swamped by an overwhelming array of regulation and compliance:

Tax Compliance	Employment Classifiaction	Labor law	Intellectual Property Rights
Data Privacy & Security	Payment & Currency Exchange	Contract Enforcement	Immigration & Work Permits
Anti-Money Laundering (AML) & Know Your Customer (KYC)	Social Security & Benefits	Cultural & Legal Differences	

Ensuring compliance with international regulations is crucial for mitigating risks and successfully managing a global freelance workforce. To address these regulatory challenges, companies often engage legal and tax experts, use specialized platforms for hiring and managing freelancers, and invest in robust compliance processes.

Conclusion
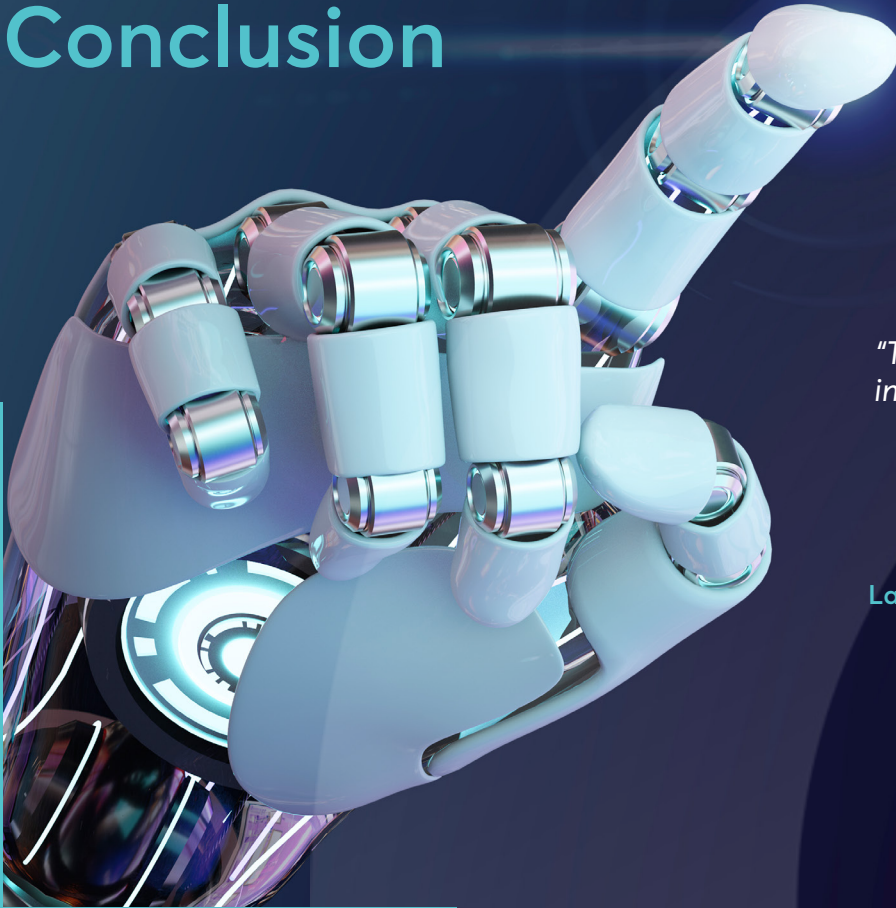
Virtual College
by Netex

"Technology and the way users interact with learning materials online is changing so rapidly that we constantly need to be assessing the market and evaluating ourselves."

Laura Cooper, Head of Marketing at Virtual College by Netex

There is little doubt that the e-learning sector's growth will continue unabated for many years but within this market, as always, there are challenges. From the industry interviews it is clear that AI is not only the biggest opportunity but is also being seen as one of the biggest headaches. How best to ensure that learning outcomes remain of the quality that the industry expects and how best to manage the changes that inevitably come at you fast when such a transformative technology impacts a market. It is clear from the discussions that one of the very issues that e-learning is addressing - skills shortages - is also impacting this sector.

Taking advantage of the significant talent pool that the freelance community offers is one way that the industry is overcoming these shortages. But with this comes additional organizational pressures for managers in ensuring that the business is compliant across a global workforce and that businesses continue to be able to adapt to the changes that the market will inevitably continue to witness.