Fosway 9–Grid™
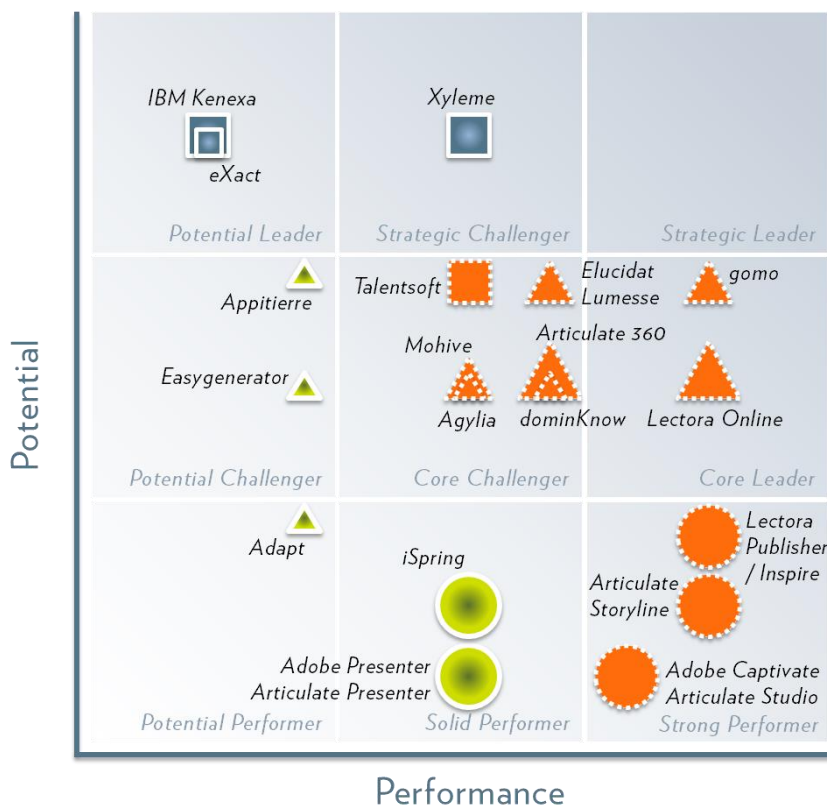## *AUTHORING SYSTEMS*

January 2017
Independent Analysis of the Authoring Systems Market

Fosway 9-Grid™ - Authoring Systems

Key Headlines

The Market

Learning content is slowly becoming more diverse

Corporate organisations are increasingly looking for a more coherent approach to learning content management and ways to innovate content delivery. The need to deal effectively with multi-device/mobile learning and performance support is eroding some of the tactical tool selection choices of the past. Buyers now want responsive design as standard, and to enable video usage and user generated content creation too. But most authoring tools continue to focus more on professional instructional design audiences than end user content creation, remaining too focused on interactions, and not enough on learning experiences.

Desktop tools still dominate but are increasingly failing to meet enterprise needs

The learning authoring systems market continues to be dominated by desktop tools, with Articulate and iSpring claiming a user base totalling around 90,000 organisations between them. But authoring is an area of learning technology that deserves a much more strategic investment, especially as organisations try to enrich the engagement they deliver across the learning experience. The fact that more of the desktop tools are shifting to a SaaS model, and that no new desktop tools have emerged, shows that the era of domination by desktop tools might eventually be ending.

LCMS solutions are maybe niche but learning content management isn't

LCMS (Learning Content Management Systems) based authoring is still a niche approach favoured by a minority of large enterprise organisations. But customer testimonials show LCMS platforms are providing significant ROI when deployed successfully and at scale. The case for multi-format delivery, better content management, and collaborative development is becoming compelling. As digital learning expands, there should be a growing realisation of the need for a strategic approach to content authoring and management.

Authoring should encompass the full learning cycle

The time when learning authoring was only about e-learning courses is pretty much over. Solutions that

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enable the creation of learning experiences, that touch each stage of the learning cycle are going to change the scope of functionality of authoring tools over the next 10 years. This means that authoring is going to become about 'engagement triggers' as much as content. This poses major opportunities and threats to today's solution providers.

Solution Trends

Mobile and responsive content is a minimum requirement

Emergence of responsive design rather than publishing to specific screen form factors is now an entry level requirement for any learning authoring platform. Solutions that require users to publish specific outputs for different devices simply aren't meeting today's customer demand for seamless multi-device/mobile publishing. This is non-negotiable to future-proof content in an increasingly mobile dominated world.

Flash-based content is in terminal decline

All providers are focusing on supporting mobile learning, replacing Flash-based content with new output created in HTML5. Whilst some buyers are still wary of the compromises to interactivity in HTML5 compared to Flash, make no mistake, it is now in terminal decline.

Demand for video continues to grow

The continued growth of video-based learning content is affecting authoring systems too, especially for self-paced learning and performance support. Increasingly, simplicity of use is not just a benefit for learning authors, but also a key enabler of user-generated content and social learning created by learners themselves. However, few tools are focusing on the opportunities provided by democratised content development and video. In a video dominated world, authoring solutions with automated transcript creation will become a critical differentiator to enable specific frame level search.

Learner engagement and gamification features are weak in most platforms

Learner engagement and gamification features are increasingly important to learning design, but few authoring systems are delivering structural gamification options out of the box. So where does this leave corporates? With so many options focusing on delivering similar learning content, there continues to be a

lack of differentiation in the range of learning experiences available. The limitations of many authoring tools in creating games and apps to support learner engagement is a huge opportunity for market disruption. It's not about the number of interactions, but the ability to support each stage of the learning cycle. All learning technologies remain weak in this area.

Performance support is the weak link in the chain from most authoring solutions

Too few platforms properly address content for performance support or prepare for content access through corporate search i.e. through the Intranet. With increased demand for moment-of-need learner support, this continues to be an area of weakness in most tools. Buyers looking to provide more on-demand learner support need to carefully assess their solutions options. Whilst more mature offerings are available for software training, electronic quick reference (including just-in-time video) is often poorly catered for. There is also a fundamental weakness in being able to search content.

Publishing xAPI is starting to truly differentiate authoring systems

xAPI (or Tin Can API) is still not a significant feature demanded from authoring systems. Greater focus on this by authoring tool vendors will be dependent on more visible adoption of xAPI across the learning market overall. Where xAPI is being adopted, it is a niche rather than a mainstream activity. But those who are using it are doing more than offering instruction tools and tracking, they are putting a greater focus on learner engagement across the full learning cycle.

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9-Grid™ Vendor Rating

Vendor	9-Grid™ Rating
Adapt	**Potential Performer**
Adobe Captivate	**Strong Performer**
Adobe Presenter	**Solid Performer**
Agylia	**Core Challenger**
Appitierre	**Potential Challenger**
Articulate 360	**Core Challenger**
Articulate Presenter	**Solid Performer**
Articulate Storyline	**Strong Performer**
Articulate Studio	**Strong Performer**
CrossKnowledge Mohive	**Core Challenger**
dominKnow	**Core Challenger**
Easygenerator	**Potential Challenger**
Elucidat	**Core Challenger**
eXact	**Potential Leader**
gomo	**Core Leader**
iSpring	**Solid Performer**
IBM Kenexa	**Potential Leader**
Lectora Online	**Core Leader**
Lectora Publisher / Inspire	**Strong Performer**
Lumesse	**Core Challenger**
Talentsoft	**Core Challenger**
Xyleme LCMS	**Strategic Challenger**

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Inclusions and Exclusions

Entries into the Fosway 9-Grid™ for Authoring Systems are made on the basis of the appearance of those solutions within Fosway Group's Corporate Research Network which focuses on European and international, enterprise scale corporates. As a result, there may be providers that have little recognition outside EMEA, but are included because they have built a European based corporate presence, with some leading international companies.

2017 Additions and Removals

The 2017 9-Grid™ sees the inclusion for the first time of Articulate 360 and Appitierre. No solutions have been dropped from the grid this year.

Accuracy of Information and Warranties

The analysis and recommendations made in Fosway 9-Grid™ are based on the information currently available to Fosway Group from sources believed to be reliable. Fosway Group disclaims all warranties as to the accuracy, completeness or adequacy of such information. Fosway Group will have no liability for errors, omissions or inadequacies in the information contained herein, or for interpretations hereof. Opinions expressed herein, are subject to change without notice. All content is copyright Fosway Group Limited, unless otherwise identified. All rights reserved.

Understanding the Fosway 9-Grid™

What is the Fosway 9-Grid™

The Fosway 9-Grid™ is a five dimensional model that can be used to understand the relative position of different solutions and providers in a selected market segment. It allows organisations to compare different solutions based on their Performance, Potential, Market Presence, Total Cost of Ownership and Future Trajectories across the market.

9-Grid™ is unique, because the model contains value in *all* of its zones – not just the top right.

9-Grid™ not only provides an understanding of the market, but also identifies the high-level actions that can help corporate organisations get the best from vendors.

9-Grid™ is based on Fosway Group's independent research in the HR, talent and learning market over the past 20 years, and draws upon the insights and experience of our Corporate Research Network. The Corporate Research Network is a group of HR and learning professionals, who between them represent over 150 of Europe's leading companies. These companies are typically global enterprise-scale organisations with their Head Offices in Europe (or the EMEA HQ of global companies).

Essentially the 9-Grid™ model brings together our independent view of solution providers, including their:

- **Performance** - comprising of two elements: Market Performance and Customer Performance.

- **Potential** - scope, capability and sophistication.

- **Presence** - historic and current presence in the market. This includes the size of the customer base, the number of enterprise customers and the overall size of the business, within the scope of the market segment we are examining.

- **Total Cost of Ownership** means the FULL cost of acquiring, implementing and operating the solution (typically over a three year period). Importantly, this includes internal and external costs.

- • Future Trajectory – our view of their direction of **travel** in terms of Performance and Potential, relative to their current position and the market as a whole.

Interpreting the exact position of the vendor in a 9-Grid™ zone is explained in more fully in our Introduction to the 9-Grid™ document available from our website www.fosway.com.

We strongly recommend reading the full document to understand the model in detail.

The Critical Difference between the 9-Grid™ and other Analyst Models

There is a very important difference between 9-Grid™ and other Analyst models. In the 9-Grid™ all of the nine zones have value, and more interestingly, have an associated set of actions that can help you to maximise the value of the relationship with different vendors.

This means that being in the top right is **not** the only valid selection point. For some organisations, top right may not even be desirable. There are many other zones that offer success, especially when balanced against Total Cost of Ownership.

The 9-Grid™ Variables for Authoring Systems

What do potential, performance, presence and total cost of ownership mean in the context of Authoring Systems?

Performance

As usual this still covers the questions of when people make a choice about solutions: do vendors win, are they retained by their customers and do they make their customers happy. This is viewed through the lens of large international corporates and is taken from the experiences we have gleaned from our Corporate Research Network. Which means this may not necessarily reflect the experiences of smaller and mid-sized organisations, where content management may not be a strategic consideration.

Potential

Potential means scope and sophistication. In the context of authoring systems, scope does not merely relate to the functionality to support e-learning authoring, but also the processes that surround it such as the creation of digital learning experiences and to generate multiple content outputs including mobile and performance support. We no longer live in a single delivery channel environment, and learning content is no longer about 'formal e-learning' delivery alone. Sophistication also includes the depth of configuration and ability to support larger scale content production processes, including centralised and decentralised production models. To score highly here it's not enough to just have the best e-learning creation, a solution also needs to be able to efficiently and effectively manage the production and maintenance process.

Presence

This is their presence in the enterprise market place and is very much about the size of the customer base as well as presence in the overall market. Again, this is not a linear scale, but represent three bandings that group the levels of maturity / distinct groupings we see in the market. Higher Presence solutions will have large numbers of corporate enterprise scale customers and high overall user numbers.

Total Cost of Ownership

In the context of Authoring Systems, TCO is the full lifecycle cost associated with the use of tool, including the cost of acquiring and implementing it, but also the impact it has on the cost of production, translation and localisation, and maintenance of content, as well as upgrade overheads of the platform itself. Our TCO is estimated from the perspective of larger enterprises with multiple authors/project members, and with multi-lingual content needs. It also assumes large numbers of courses. For those working with small scale e-learning authoring needs, the banding for lower and higher TCO would be calibrated differently. The real scalability of tools becomes apparent with larger scale content production and content management needs.

Trajectory

For Authoring Systems, Trajectory is our sense of potential direction of travel in terms of both Performance and Potential. Trajectory is measured relative to the current Performance and Potential of that solution and the market as a whole. It is not a relative positioning compared to other solutions in the same zone.

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Next Steps

Get Deeper Perspectives into Vendors and Solutions

As Europe's #1 HR Analyst, we have a unique independent view on the leading vendors and solutions. Our reports provide detailed, independent analysis of a vendor's performance, potential, market presence, total cost of ownership, and expected future trajectory. They are a critical reference to inform your solution review or selection process. A full list of reports is available from our website www.fosway.com.

Accelerate and De-risk your Corporate Decisions

As well as independent market analysis, Fosway Group also provides a range of independent advisory services to help accelerate and de-risk your strategy and corporate solution decisions. We don't have any products to sell and we have no vested interest to bias your outcomes. We concentrate on pragmatic, independent advice. To talk to us about our advisory services, including virtual advisory input, accelerated strategy, or vendor selection processes, please contact us at info@fosway.com or by phone on +44 (0)20 7917 1870. Alternatively, to find out more, please visit our website at www.fosway.com

If You Are a Vendor

Fosway Group is constantly researching the market via our direct research projects, through conversations with our Corporate Research Network, and via direct vendor tracking and briefing.

Vendors interested in engaging with Fosway Group more deeply are encouraged to consider joining our **Fosway Vendor Programme (FVP)**. More information on FVP is available on our website at www.fosway.com or please contact Philippa Bean on **+44 (0)20 7917 1870** to discuss further.

About Fosway Group

At Fosway Group, we understand that developing and engaging people is how complex global organisations deliver performance and achieve success. Just as every employee's talent journey is unique, so is every organisation's people strategy.

Fosway Group's analyst and advisory services deliver the insights your organisation needs to achieve results and eliminate risk. We know that every aspect of next generation HR and talent are more intertwined than ever. When you work with us, you accelerate your insight and make better decisions.

We're Europe's #1 independent HR analyst, and just like the Roman road we draw our name from, you'll find that we're unusually direct. We don't have a vested interest in your technology or consulting choices. You can depend on us to tell you what you need to know to succeed.

Example clients include: Alstom, Aviva, Boots UK, BP, BT, Centrica, Deutsche Bank, Faurecia, HSBC, International SOS, Lloyds Banking Group, Novartis, PwC, Rolls-Royce, Royal Bank of Scotland, Sanofi, Shell, Swiss Re, Telefonica, Thomson Reuters, Toyota Europe, and Vodafone.

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