COMPETITIVE ANALYSIS

IDC MarketScape: Worldwide IT Education and Training 2013 Vendor Analysis

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IN THIS EXCERPT

The content for this paper is excerpted from the IDC MarketScape, "Worldwide IT Education and Training 2013 Vendor Analysis", by Cushing Anderson, (Doc # 239139). All or parts of the following sections are included in this Excerpt: IDC Opinion, In This Study, Situation Overview, Future Outlook, and Essential Guidance. Figures 1 and 3 are also included.

IDC OPINION

This IDC study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the market. This study assesses key technology vendors participating in the information technology (IT) education market as a line of business (LOB) to support the sale of their technologies. As one would expect of market leaders, overall, these vendors performed very well on this assessment and continue to improve their offerings. Key findings include:

- **Delivery and portfolio of offerings are strengths.** Vendors are universally strong at integrating a variety of delivery options in their portfolio. Firms are increasingly leveraging advanced technologies such as labs, games, and simulations to better transfer knowledge to their students.

- **Education services are improving.** While all vendors offer custom training programs — customized content, delivery formats, scheduling, and so forth — few vendors are in a position to be credible advisors to IT departments on staffing, skill requirements, and best practices for IT organizational management. Many firms offer skill assessments to individual learners, representing a strong foundation to offer higher value consulting.

- **The impact of training on the enterprise use of technology is frequently weak.** Most vendors have a limited understanding of the performance measures that their training is intended to influence. Therefore, they are unable to describe the business impact that successfully trained or skilled workers will have on the performance of the related technology. This disconnect makes it difficult to effectively describe the opportunity cost of spending a dollar on training as opposed to some other essential need.

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IN THIS STUDY

This IDC study uses the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy.

This study assesses a number of vendors participating in the IT education market. This evaluation is based on a comprehensive framework and set of parameters that assess vendors relative to one another and to those factors expected to be most conducive to success in a given market during the short term and the long term.

This study is composed of two key sections. The first is a definition or description of what characteristics IDC analysts believe make a successful IT training line of business of a technology vendor. These characteristics are based on buyer and vendor surveys and key analysts' observations of industry best practices.

The second part is a visual aggregation of multiple vendors into a single bubble chart format. This display concisely displays the observed and quantities scores of the 11 reviewed vendors. The strategies axis represents a three- to five-year span and future perspective, while the capabilities axis represents current product and go-to-market execution. Market share of each vendor is indicated by the size of the circle representing the vendor.

This document concludes with IDC's essential guidance to support continued growth and improvement of these vendors' offerings.

Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions, on the IDC MarketScape, detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Note: All numbers in this document may not be exact due to rounding.

SITUATION OVERVIEW

The IT education market covers the training of customers and partners on technology topics, processes, and features. The market is primarily served by four types of organizations:

- Internal training departments training their own employees
- Training specialists, either vendors or individuals, who are professional training providers
- Systems integrators or IT consultants who deliver training to their clients
- The technology vendors themselves that train their customers and partners as a value-added service

This IDC MarketScape is focused on the training line of business of the IT vendor. IT vendors of all types and sizes have an external-facing training LOB responsible for customer and/or partner training. The role of a training LOB within an IT vendor ranges from feature documentation to product evangelist to adoption enabler to channel enabler to product value optimizer. Without conscious definition and execution of a sound customer and partner education business, IT vendors (and their training LOBs) may find themselves in the wrong role for the markets they serve.

This document is focused on improving the business execution of the training LOB of IT vendors. Based on IDC's research, observations, and interviews with many of the key participants in the market, this document provides several dozen "practices" or "approaches" to successfully building, maintaining, and growing a training business.

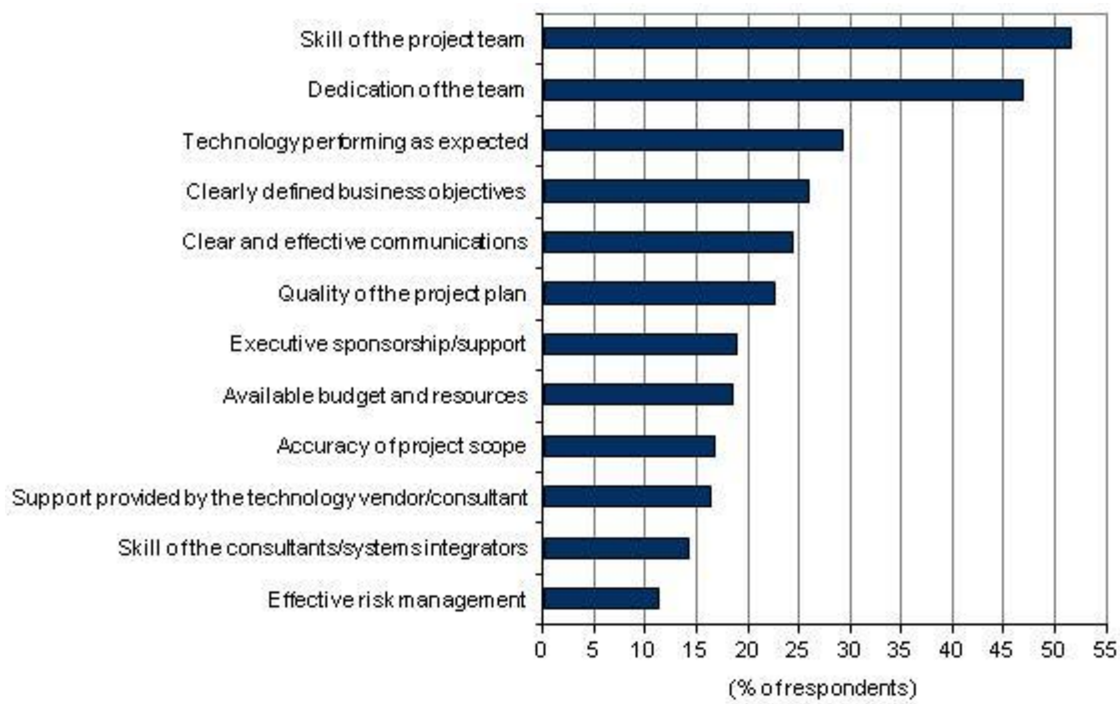
Introduction

Value of IT Education

Recent research has found that 80% of IT managers believe effective training is critical to the success of a project. Three out of four managers believe effective training increases the chances of a project meeting its deadlines. IT project managers report that skill and dedication of the project team is the most important factor to assure a successful project. The skill of the team is considered more important to success of a project than the technology, clear objectives, or even the availability of project budget (see Figure 1). Training and team skill have the most significant impact on overall performance of technology and success of technology projects. Consequently, well-trained teams derive more benefit from their technology investments than undertrained teams. When teams are sufficiently trained, their functional performance can be dramatically improved.

FIGURE 1

Factors Impacting IT Project Success



n = 221

Note: Respondents are IT managers responsible for 221 ERP-related projects.

Source: IDC's *Training Impact on Projects Survey,* 2011

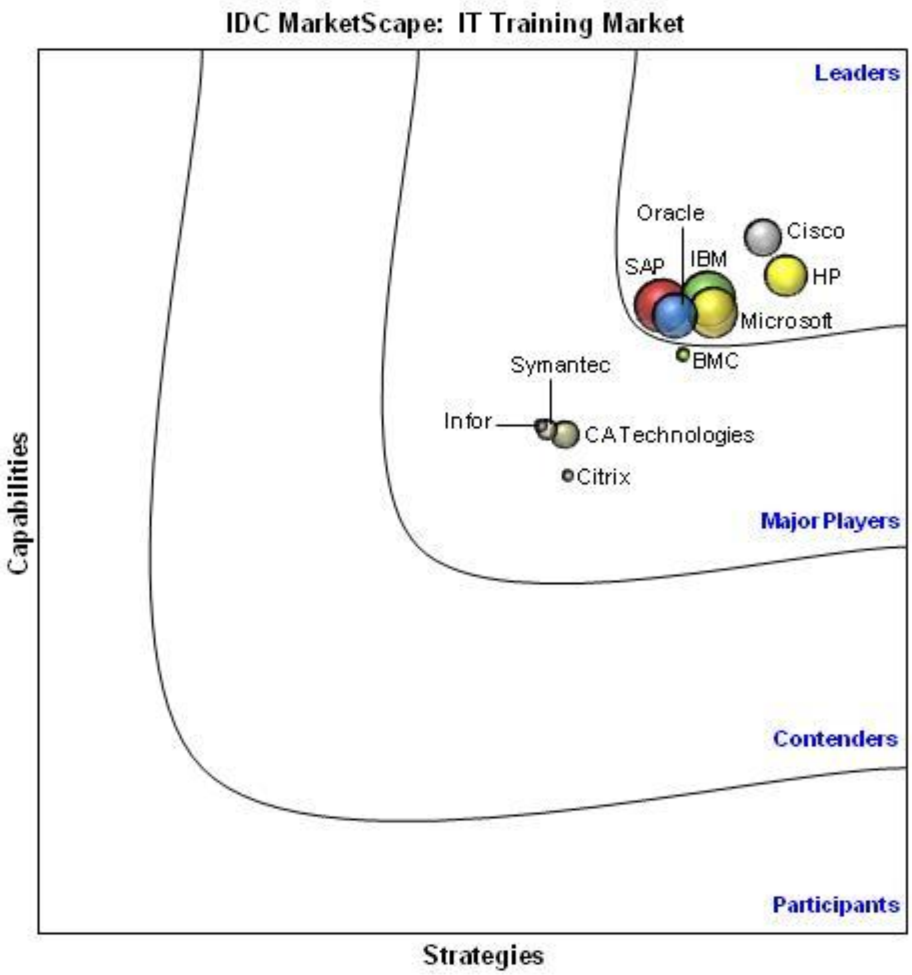
FUTURE OUTLOOK

IDC MarketScape IT Training Market Vendor Assessment

The IDC MarketScape vendor analysis model for the IT training LOB is designed to provide an overview of the competitive fitness of technology vendors in a given market. The research methodology utilizes a rigorous scoring methodology based on both qualitative and quantitative criteria that result in a single graphical illustration of each vendor's position within a given market. The capabilities score measures vendor product, go to market, and business execution in the short term. The strategies score measures alignment of vendor strategies with customer requirements in a three- to five-year time frame. Vendor market share is represented by the size of the circles (see Figure 3).

FIGURE 3

IDC MarketScape IT Training Vendor Assessment



Source: IDC, 2013

Market Analysis

This analysis revealed a continued level of high competence on the part of these vendors. On most categories of the 24 subcriteria, the average vendor rating was "very good." The resulting differences between vendors are small — providing assurance to all clients (and the vendors themselves) that by this analysis, each vendor is well suited to provide quality training experiences to its customers.

At the same time, there are categories where the market as a whole is somewhat weaker and others where performance is stronger.

Market Strengths — Delivery and Portfolio

Vendors are universally strong at integrating a variety of delivery options in their portfolio and are consistently improving their offerings as new approaches become viable. Many vendors leverage labs to provide practical exercises that closely resemble work tasks. And a wide variety of vendors offer certifications for integrators, operators, and end users.

eLearning and instructor-led formats are available appropriately. Most vendors have improved their ability to deliver virtual instructor–led training to help reduce training costs and increase delivery flexibility. Content is increasingly being formatted for searchability, though most vendors have yet to expose their content to broad enterprise search engines.

The vendors, too, are nearly universally committed to expanding their offerings to include training relevant to a broader client audience, often including process training in addition to application training.

Vendor Opportunities — Education Services and the Impact of Training

On the other side of the spectrum, few vendors are in a position to be credible advisors to IT departments on staffing, skill requirements, and best practices for IT organizational management. Because IT organizations' success is tied to organizational competence, vendors need to be able to demonstrate their clients' competence or weaknesses against some form of benchmark to appropriately recommend a training solution. Training services strategies should focus on ensuring optimum team composition and a plan to remediate important skill gaps. Even a relatively small training organization like Red Hat Education (not evaluated here) provides a positive model for diagnosing and recommending appropriate leveraging of a full suite of assessments for both individual and team diagnosis.

Most vendors do not articulate the performance measures that their training is intended to influence. Therefore, they are unable to describe the business impact that successfully trained or skilled workers will have on the performance of the related technology. Technology training vendors have very few tools to convince a technology buyer of the benefit associated with a skilled IT workforce. This disconnect makes it difficult to effectively describe the opportunity cost of spending a dollar on training as opposed to some other essential need. Combine this lack of insight with a general reluctance on the part of IT managers to spend money on something they don't need, and what results is training consumed only in small percentages of the situations where it would be beneficial.

These critiques aside, overall, the vendors performed very well on this assessment.

Vendor Summary Analysis

This section briefly explains the key observations that resulted in a vendor's position in the vendor assessment graph.

HP

HP is an IDC MarketScape Leader for IT education. HP offers training on all of its appropriate products and many of the products for its strategic partners (e.g., VMware and Microsoft). The company also offers a wide range of nontechnical IT-related topics such as IT service management (ITSM) and project management. HP markets its education offerings to the same segments as its hardware, software, and services offerings. HP's customer training organization is functionally aligned with the company's software business units.

Customer-facing training is available at or near launch of significant releases of new technologies, and partner-facing awareness training is available before launch in most cases. HP training has three functions: awareness of technical issues or opportunities focused on partners and senior-level customers; knowledge transfer focused on conveying concepts and nontechnical information related to IT solutions; and specific skills related to deploying, managing, or using a particular technology. This clear distinction in types of training and appropriate audiences helps HP focus its delivery and prioritize its content creation.

HP focuses its training development primarily on classroom-based instructor-led training (C-ILT) and leverages that development into v-ILT or remote-assisted instructional learning (RAIL). Recently, HP has begun to offer its training material to its students in an electronic format and hosts that material for future use.

Consistent with HP's broader strategic focus on converged infrastructure, HP Education Services is expanding its courses around datacenter setup, networking, system management, and storage utilization. HP has integrated dispersed development organizations into a single training development group that supports content development for customers, partners, and employees. And depending on the target audience, that group also develops training focused on the industry requirements, corporate messages, or business challenges.

Unique among the larger vendors, HP offers a wide range of educational services including strategy, needs analysis, delivery and management, and impact evaluation services and includes both training needs assessments and resource skills assessment. The training needs assessments supports identification of specific training requirements for individuals. The resource skills assessment supports a comprehensive assessment of HP clients' IT organization capabilities. This combination provides HP's clients with a way to understand their "big picture" training requirements while at the same time supporting individual skill and professional development.

HP continues to establish the link between partner success and partner investment in competence. HP has found that partners that invest in technical competence are more effective at selling HP products and have higher customer satisfaction scores. HP's increased awareness of partner success and the company's relationship to training provide customers with access to more appropriate qualified partners and rewards partners for their service to clients.

Areas of Particular Strength

HP's training delivery continues to evolve quickly. In addition to RAIL, HP's remote-assisted learning, HP leverages games, labs, and simulations in a wide range of its offerings. When offered appropriately, these modalities increase the likelihood that a course will be taken, and therefore will increase the skill of its target learners. Additionally, extended practice that often accompanies both labs and games increases absorption of material and helps ensure it is "available" at the moment of need.

HP Education Services offers a consulting framework to clients' plans and manages employee development. HP creates development programs and can conduct outcome evaluation to ensure a training program is specifically tailored to its client's requirements. HP's wide range of educational services help its clients across the entire developmental life cycle.

HP continues to expand its offerings, supporting both partner technologies and cross-technology training.

Areas of Opportunity

The HP training offering is vast, but finding the course that contains answers to a specific challenge is difficult. While HP's IT resource center contains support answers, the resource center doesn't provide learners with an opportunity to identify a particular course that would provide contextual and supplemental information relating to the solution. Additionally, courses are listed in various locations at the HP site, depending on the audience or content being sought.

While there should be unique landing pages for different audiences, the organization of HP's training offering is difficult to navigate and doesn't facilitate solving a problem. HP has improved its course locator capabilities, but, similar to most vendors, this capability can be enhanced significantly.

Continuing the effort begun with its partners, HP's clients should be made aware of the "consequences" of failing to train. For example, trained clients are less likely to call support, and stronger ties may be made between support renewal rates and level of training. HP has begun to offer discounts to its support programs when training programs are purchased.

While HP leverages support data to help identify weaknesses in its training portfolio, it should also collect skills assessment via surveys after the completion of classes and leverage that information along with other information to help prioritize and improve its portfolio.

HP doesn't have a published and marketed "point of view" of the level and distribution of skills its clients should consider as a base for operational capability. This limits the clients' ability to evaluate their own capability against what an expert would consider reasonable and makes it hard for HP's consultants or partners to establish a baseline for good operational practices.

ESSENTIAL GUIDANCE

The key finding of this research is the remarkable capability of most vendors. For the most part, and with only some variation:

- Their operations provide excellent educational opportunities to their clients.
- Their offerings are generally available for their major products.
- Their offerings leverage effective delivery models.

The most consistent area for improvement for these vendors, and the marketplace as a whole, is making appropriate training content easier to find and helping clients understand the benefit of being properly trained.

As mentioned frequently in this analysis was the limited expression by vendors to describe the operational benefits of being appropriately trained. Unfortunately, this necessitates training buyers to develop their own business case for training, and it is too often inadequate.

Also mentioned many times within this assessment is vendors expose their training content to a surprisingly limited range of search. Most only make title, date, format, and covered product visible to search. Some make additional, limited keywords visible to search. A relative few make the description or topic outline of their course searchable, and none make all content searchable to the word. And, also surprisingly, the most effective search results come from within the education microsite. This means that even from within a vendor's main Web page, education offerings are invisible to the vendor's enterprise search engine. At a very minimum, searches from the main page of a vendor's Web site and the education microsite should return the same education-related content. At best, a search on the Web site should search through course content, objectives, and even teacher notes — returning each appropriate course title.

On the other hand, there are many examples of powerful changes in IT education delivery that is improving the quality of the experience and the value received by clients. These include:

- Services that help customers adopt technology, in addition to using technology, including services that help align technology with business objectives, change management, and training offerings to ensure achievement of project objectives
- Robust development of learning paths to help clients fully prepare for use of a complex technology
- Expanding the use of content delivery leveraging "smart" devices and mobile phones. While still in its infancy, the use of mobile devices has an opportunity to extend the connection between training vendor and student and, in the best case, increase the relevance of the training content to performance.

Each of these points offered by one or several of the reviewed vendors suggests IT education is evolving effectively but inconsistently. Vendors can find examples of successful practices among their peers but can equally find examples of less-effective practices. The key will be to identify those with the most potential and weed out those that retard value.

LEARN MORE

Related Research

- *Several Opinions, Same Result: Increased Value of High-Skilled Tech Workers* (IDC #lcUS23843612, December 2012)
- *Worldwide and U.S. IT Education and Training Services 2012–2016 Forecast Update* (IDC #237438, October 2012)
- *Knowledge Leakage: The Destructive Impact of Failing to Train on ERP Projects* (IDC #236130, July 2012)
- *Impact of Training on ERP Project Success, 2012* (IDC #234545, May 2012)
- *Worldwide and U.S. IT Education and Training Services 2012–2016 Forecast* (IDC #234462, April 2012)
- *Impact of Certifications: Do Certifications Matter?* (IDC #lcUS23386812, March 2012)
- *Worldwide Services 2012 Top 10 Predictions* (IDC #233279, February 2012)
- *IDC MarketScape: Worldwide IT Education and Training 2012 Vendor Analysis* (IDC #232870, February 2012)
- *CLO Survey: Learning and Development Outlook for 2012* (IDC #231825, December 2011)
- *Market Analysis Perspective: Worldwide and U.S. IT Education and Certification, 2011* (IDC #231587, December 2011)

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of a number of vendors participating in the IT education and certification market. The IDC MarketScape is a vendor assessment methodology and tool designed to assess vendors relative to one another and to those factors expected to be most conducive to success in a given market. This evaluation is based on a comprehensive framework and a set of parameters that assess vendors relative to one another and to those factors expected to be most conducive to success in a given market during the short and the long term.

"Education customers can be confident that their technology vendors are providing very good instruction in formats that are consistently improving. Overall, vendors are weakest at measuring the impact of training on the enterprise, making it difficult to effectively describe the opportunity cost of spending a dollar on training as opposed to some other essential need." — Cushing Anderson, program vice president, IT Education and Training Services research