



Multi-national Companies Embracing Learning Services Outsourcing, Says Everest

Strategic Impact, Cost Reduction Are Key Market Drivers

Press release

DALLAS, September 16, 2008 – Although labor cost savings is a factor, companies – particularly large, multi-national firms – are outsourcing employee training to retain focus on strategy and achieve tangible business outcomes, according to a new [Everest Research Institute](#) study.

The Institute's study, [Learning Services Outsourcing \(LSO\): Accelerating the Learning Curve](#), examines a "quietly" growing but strong market in which companies adopting LSO typically gain more than 15 percent direct cost savings and, in some cases, savings in excess of 30 percent. Even more significant, companies are using LSO to produce tangible business results, such as quicker time to market. The study includes analyses of the LSO market and key business drivers, buyer trends, transaction characteristics and buyer case studies. An analysis of the supplier landscape is also available.

"Multi-national companies are a driving force behind LSO adoption as they look to standardize the learning function across geographies while remaining sensitive to local cultures and requirements," said [Monica Barron](#), Vice President, Research. "With the increasing use of e-learning and the global reach of a growing LSO supplier base, companies are achieving these goals – and more importantly, producing measurable improvements – by outsourcing enterprise-wide learning".

The LSO market is moving beyond the pioneer stage as evidenced by established suppliers expanding capabilities to include or expand LSO offerings. According to Barron, the market will expand further as buyers become more aware of the benefits of learning outsourcing.

Highlights of the LSO study include:

- Manufacturing, high-tech and the banking/financial services/insurance industries are the leading adopters of LSO
- The majority of LSO buyers are companies with more than 15,000 employees with multi-country presence; therefore, about 60 percent of LSO transactions cover multiple countries
- Companies are successfully outsourcing both Human Resources-led training and development functions as well as line function-owned learning
- To date, more than two-thirds of LSO deals have originated in North America; however, demand from Europe and Asia-Pacific-based companies is rising
- Among offshore delivery options, India is the most common delivery location
- In the majority of LSO deals, the technology component is also outsourced. Key drivers for technology bundling in LSO deals include buyer demographics, supplier strategy and learning technology advances
- E-learning is the most common mode among many delivery options, with most companies using a blended approach

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To read more about the findings of the [Learning Services Outsourcing: Accelerating the Learning Curve](#) and other [Human Resources Outsourcing \(HRO\) research studies](#), an extract of the report is available at www.everestresearchinstitute.com. To purchase the report or receive more information about other research services, please e-mail info@everestresearchinstitute.com or call +1-214-451-3110.

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