NEAT EVALUATION FOR SEERTECH:

Learning Services

Market Segment: Innovation in Technology/Tools

Introduction

This is a custom report for Seertech presenting the findings of the NelsonHall NEAT vendor evaluation for *Learning Services* in the *Innovation in Technology/Tools* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Seertech for learning services, and the latest market analysis summary.

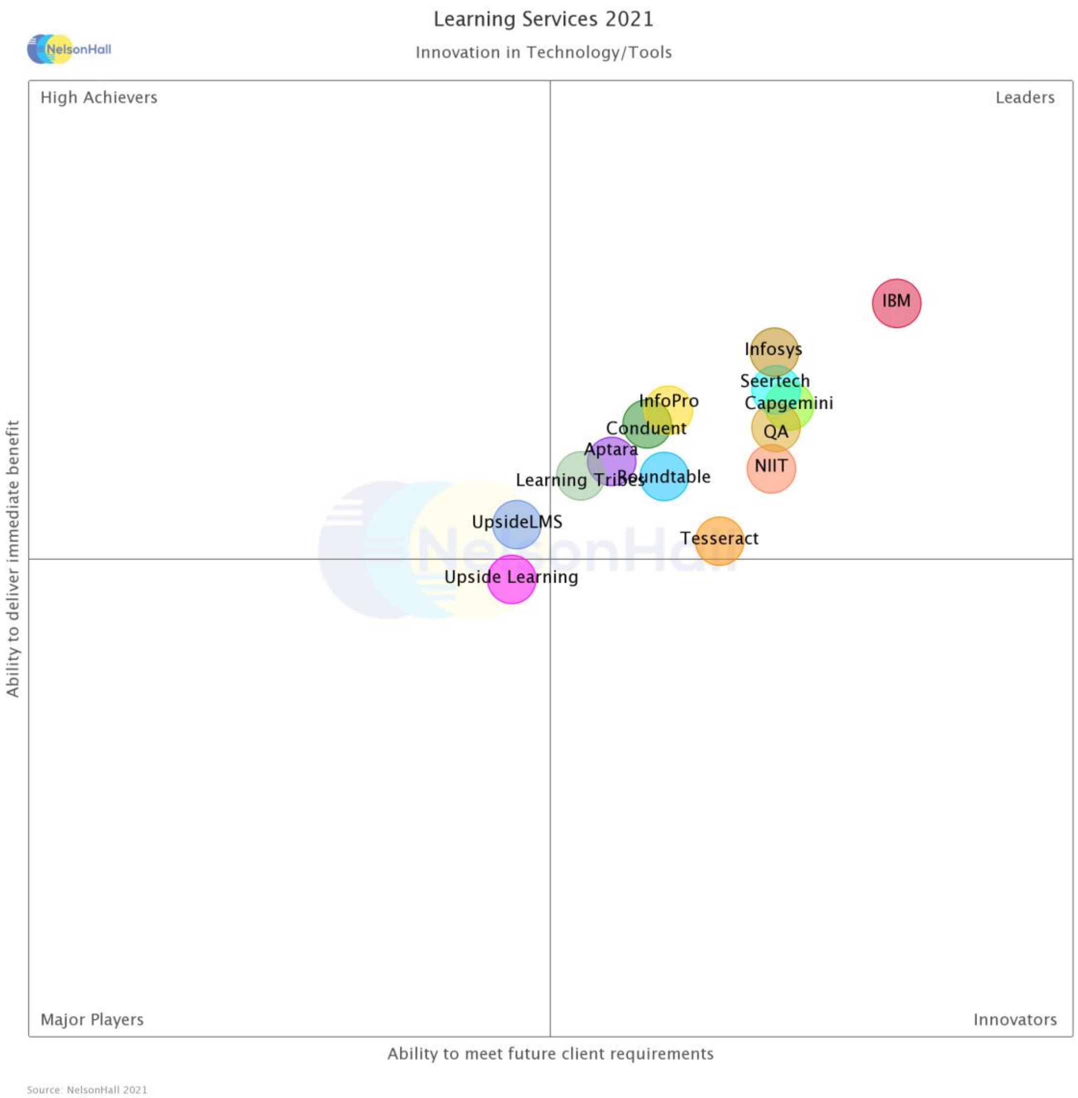
This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering learning services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with a specific focus on learner experience, service innovation, technology innovation, geographic footprint & scalability, and digital learning transformation.

Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Aptara, Capgemini, Conduent, IBM, InfoPro Learning, Infosys, Learning Tribes, NIIT, QA, Roundtable Learning, Seertech, Tesseract Learning, Upside Learning, and UpsideLMS.

Further explanation of the NEAT methodology is included at the end of the report.

NEAT Evaluation: Learning Services (Innovation in Technology/Tools)



NelsonHall has identified Seertech as a Leader in the *Innovation in Technology/Tools* market segment, as shown in the NEAT graph. This market segment reflects Seertech's ability to meet future client requirements as well as delivering immediate benefits to its learning services clients with specific capability around technology innovation.

Buy-side organizations can access the *Learning Services* NEAT tool (*Innovation in Technology/Tools*) here.

Vendor Analysis Summary for Seertech

Overview

Seertech Solutions (Seertech), founded in Australia in 2003, is an established, high-growth business that hosts and develops a complex, global cloud technology solution. Seertech Solutions is a learning management system (LMS) provider, delivering mission-critical learning and compliance management solutions for its clients. It meets complex, global, and industry-specific needs, establishing Seertech as a niche provider.

Seertech provides learning delivery, administration, tech, and consulting services. The company's "mission-critical" training goes beyond learner engagement and boosting productivity. It is directly linked to improving safety and quality, streamlining operations, increasing revenue, or minimizing legal risks.

Some clients/organizations focus on driving new or existing revenue streams from the sale of training, either as the core business or as a market differentiation strategy, leveraging Seertech's eCommerce functionality within its proprietary LMS.

Seertech offers a well-established and renowned concierge service. It provides deep engagement as a trusted advisor on an ongoing basis, helping clients continuously improve their learning offerings.

In 2020, Seertech put together a Channels Framework focused on aggregating different modalities into a single curated structure, with an expert in each area. The expert collects information (available to subscribers via the LMS) and allows forum chats around a living theme. The Channels Framework has positively impacted collaboration by sharing ideas across participating organizations, notably being taken up by the pharmaceuticals, manufacturing, and construction sectors, and those organizations selling learning services for profit.

Seertech's proprietary cloud-enabled LMS is iLearning PLUS (ILP). Evolved over many years and leveraging Oracle Technology (Seertech is an Oracle Gold Partner), the highly configurable ILP is designed to meet organizations' needs now and into the future. ILP can be configured to various industries' compliance needs, safe in the knowledge that the secure platform ensures client (and customer) data is always protected. Over 28 enhancements were made to ILP in 2020, with a robust roadmap of further improvements for 2021. Seertech also uses third-party technology/tools.

Seertech has seen much traction in aviation and BFSI.

Financials

NelsonHall estimates Seertech's 2020 Learning Services revenue to be ~$16.4m.

Strengths

- Serving clients/organizations where training is "mission-critical"
- Its Channels Framework, launched in 2020
- Strong eCommerce capabilities
- The reputation of its concierge service in the marketplace

- Seertech's iLearning PLUS LMS:
  - Highly configurable technology based on Oracle software (Seertech is an Oracle Gold Partner)
  - Notably, its eCommerce features/functionality to enable clients to sell training services
- iLearning PLUS roadmap, determined by clients' needs
- Hosting services (AWS or OCI)
- Third-party tech/tools partnerships with disruptive providers.

Challenges

- Ensuring it focuses on growing in the more lucrative markets (such as the Middle East) to offset challenges abounding in flat/shrinking markets (such as Australia)
- Promoting and educating organizations on the benefits of Seertech's USPs as a high-touch, qualitative provider (concierge service) in a market where buy-side organizations are focused on driving down costs.

Strategic Direction

Seertech has the following strategic priorities for 2021:

- Expanding learning service offerings to enable Seertech to become a one-stop-shop for clients' learning needs
- To focus growth in the U.S. and the Middle East (based on word-of-mouth from existing client base)
- Continued growth from sales of iLearning PLUS, as disruptors embrace digital learning
- Focused growth in the B2C/B2B learning eCommerce space
- To continue to enhance iLearning PLUS based on clients' needs.

Outlook

NelsonHall expects that Seertech will:

- Continue to build partnerships with niche content providers
- Focus some content on duty of care responsibilities that its clients increasingly face
- Through its well-known concierge service:
  - Guide clients in using the latest modalities/platforms (AR/VR/3D) to deliver safe and compliant mission-critical training remotely, with in-person training for practical skills demonstration
  - Continue to help its clients to automate processes that were previously highly manual
  - Further expand its Channels Framework as a means of educating clients on the most appropriate modalities to use for the new era of work, due to the popularity of the initiative demonstrated in 2020

- Advise clients on reskilling/upskilling due to automation replacing/augmenting roles
- Advise clients on issues around learning platform accessibility (for employees and contractors), ensuring compliance and security
- Continue to drive its Oracle Cloud Infrastructure (OCI) hosting in the Middle East, to grow its in-region presence.

Learning Services Market Summary

Overview

Organizations acknowledge that the shift to digital learning must be a mid-to-long-term strategic goal for their businesses, as 2021 has brought the realization that the pandemic effects will loom long into the decade. Yet, social and technological change continues apace as the workforce becomes more multigenerational (each with their own learning needs) and the accessibility, mobility, and sophistication of learning tech increases.

Learning vendors have opportunities to adapt their businesses further as they seek to guide their clients on the future of learning in the new era of work. Learning services/solutions will be learner-centric, tech-enabled, and future skills-focused, determining how the specific learning areas of content, delivery, admin, tech, and consultancy evolve. Content will be created (where tailoring is required) or curated. Delivery will be mostly digital, with pockets of in-person learning to demonstrate skills/knowledge. Admin will be mostly automated, digital, or specialty (supplier management), and tech services will extend beyond learning tech, deployment, integration, and security. Consulting will expand to encompass all learning areas and be more strategic in focus.

As learning services mature, there is likely to be more market segmentation, as learning vendors choose to specialize in learning strength areas, mirroring trends in other areas of talent outsourcing.

Buy-Side Dynamics

Buyers of learning services want to normalize blended learning/eLearning, invest in impactful modalities, and make learning more accessible and engaging for their learners. Organizations recognize the future workplace/workforce will be heavily tech-enabled. Yet, learning services buyers want those services at the best possible price. Hence, buy-side organizations expect their chosen learning vendor to roadmap change for their learning function and offer innovative pricing and commercial terms to ride the economic uncertainties that may prevail for the next few years.

Reskilling and upskilling are essential considerations for buy-side organizations in order to retain talent by giving workers opportunities to advance their careers. Still, the priority given to enhancing skills is somewhat determined by the mix of external factors at play for an individual organization, and the urgency to reskill/upskill.

The need for data/analytics is currently ranked a low priority for buyers of learning services. As organizations embrace digital/eLearning and are exposed to insights about their learners, the demand for detailed learner-specific data and analytics will take off.

There is recognition from the buy-side community that their organizations do not have the know-how internally to advance their learning function to the level it needs to be. 87% of organizations are seeking third-party support, through a learning services vendor or other third-party specialty provider, to support them on their digital learning transformation journey.

Market Size & Growth

The size of the global learning services market in 2021 is estimated at ~$3.8bn and it will grow at 4.5% per annum to reach ~$4.5bn in 2025. In the period 2021-2025, the most buoyant sectors will be banking, financial services, healthcare, and pharmaceuticals. Over the same period, new industries will emerge (e.g. digital healthcare), or existing industries will evolve (e.g. renewable energy and advanced manufacturing).

A very lucrative area for 2021 and beyond is consultancy around learning tech, as more organizations seek advice on how to use their own tech ecosystems more effectively, seek plug-in tools to enhance those ecosystems, or need to leverage a cloud-based solution. The demand for specialty platforms (microlearning, VR, for example) to augment existing platforms will increase as learners seek engaging, short, at-the-point-of-need learning solutions.

Learning administration services may see growth up to 10%. Organizations seek to outsource basic administrative tasks, giving vendors scope to offer Supplier Management services, (Digital) Learning Admin as a Service, and data/analytics services.

Contract durations are shrinking (standard three-year contracts in 2021 will likely shrink further). Organizations will increasingly seek flexible commercial terms, including transactional pricing, based on specific work completed at different stages throughout the contract duration.

Vendors prefer to target large organizations as they offer the most lucrative contracts, with higher numbers of employees to train and larger budgets to spend. Vendors also target mid-sized organizations, notably for learning tech sales.

Challenges & Success Factors

There are several challenges that learning services vendors face. There is concern that a 100% digital strategy potentially impacts the ability to maintain high service delivery standards, as the pandemic's social restrictions prevent high-touch, in-person, and highly interactive learning services. Success requires a compromise level in challenging times, but it presents the opportunity to showcase the high level of engagement afforded through digital studios/platforms. Vendors can support clients with alternative ILT strategies (deployed in socially-distanced formats) and increase communication frequency with clients to compensate for non-in-person contact.

It is challenging to offer cost-effective learning solutions for clients while economic uncertainty prevails, as some organizations' budgets are cut, and other organizations want more for less. Success can be demonstrated through small snippets of appropriate advice or quick fixes (such as supplementing existing tech with a few extra tools) that will make an impact. It is about educating organizations on what is right for them to take small but impactful steps. Organizations can sometimes struggle to look long-term (beyond the immediate quarterly business cycle). While budgets are constrained, vendors help organizations plan and act for the long term. A focus on future skills needs is a sure key to success.

Offering ongoing flexibility and agility in learning services can be a challenge. There is an opportunity to target specific solutions, expand portfolios, increase knowledge in broader learning/tech segments, and foray into other talent-related streams. Vendors can consider planning and trialing new methods/approaches and introducing flexible contracts and pricing. Quick-deploy solutions aid flexibility/agility. Multiskilling employees to move between learning streams alleviates peaks and troughs in demand.

Despite the leap forward in embracing digital learning, barriers to digital learning transformation prevail. With the continued drive for expensive HCM deployments in organizations, basic learning modules leave organizations frustrated at their lack of functionality. Vendors can demonstrate success by educating stakeholders and showcasing tools that can augment the features/functionality of those HCM modules. Successful vendors undertake an audit of organizations' current learning set-up (including tech stack), understand what they want to achieve through learning, and propose solutions based on augmenting their legacy technology with additional tech/tools. Vendors must work with CTOs from initial engagement to address tech/tools security concerns, as distributed workers may become the new norm.

Outlook

The outlook for learning services is positive, with vendors building on their strengths and either expanding or specializing their offerings. The demand for learning administration services, learning tech services, and learning consultancy will remain buoyant. Specialty learning content will continue to be in demand, but the curated content route will be the preference for generic skills content. Learning delivery will be predominantly digital.

Learning is becoming more tech-enabled, such that learning vendors will need to have a digital- and learner-centric approach to their learner services. Learners will increasingly strive for anytime, anywhere, any device learning access, preferring bite-sized learning chunks at the right time (increasingly in the flow of work). So, vendors will have to solutionize by embracing engaging modalities to motivate learners to learn, pulling tailored content of interest and relevance. Simultaneously, learning vendors will have to advise organizations on the right balance of existing and new proprietary and third-party tech that will deliver the learning experience they crave for their workforce.

The use of VR and AR will grow significantly over the next 3 to 5 years, as the technology (and the peripherals) become less expensive, the cost being an initial stumbling block, despite the interest in using VR. With the future workforce likely to be more remote than in the pre-pandemic era, organizations will be keen to give remote employees a sense of the real office through VR, rather than missing out altogether. The use of alternate reality will grow as it combines the newer VR and simulation modalities, allowing learners to practice skills in a safe, alternate reality space. Other modalities will continue to be used, as using multiple modalities helps to engage learners on an ongoing basis.

Consultancy around technology will be vital, such that learning vendors must understand their clients' existing tech/learning tech landscape before advising how to move forward. While organizations may be keen to use newer modalities (which can be bandwidth-sapping) to engage learners, organizations must have the required infrastructure before deploying specialty platforms to deliver those modalities. Learning platforms (including broader tech on which to deliver learning) will continue to evolve, with the use of AI, ML, and automation being essential to driving a personalized digital learning experience. More organizations will demand data/analytics on their learners and use the resulting insights to improve their learning offering, so learning vendors will need data-savvy teams to help articulate their client organizations' findings. There will be a greater drive for using outcome-based metrics to measure learning programs' success because of the uptake in monitoring learner data/analytics.

Vendors will increasingly deliver learning digitally. The use of in-person simulations to enable learners to demo their skills at the end of a predominantly online learning experience will continue unless offerings in the alternate reality space advance to a level that they replace in-person simulations. However, ILT is unlikely to disappear completely, as organizations are likely to want in-person learning to take place as an occasional alternative to the digital norm.

Service delivery will continue to be a mix of high-touch, self-service, and automated, although the relative proportions may change according to each vendor's clients' preferences. Both low-cost and higher-cost locations will be used on an as-needed basis, along with elements of working-from-home and remote support.

Learning services vendors will expand in regions such as the Middle East and LATAM, building upon the small footprints that some vendors have in these regions. The cautionary approach to geographical expansion taken in 2021 will subside as vendors ensure their growth plans get back on track. There will be more traction in the mid-market space, a hotbed of opportunity for learning tech sales (in the absence of large HCM suites), which will offer opportunities for other learning services later.

Some learning vendors will grow their portfolios to become a one-stop-shop for all learning services and technology, and others may choose to narrow their focus on a few learning areas. Some will continue along a specialist route. The learning services space will likely follow the same path as recruitment outsourcing (RPO and CWS/MSP) as the learning services market matures. For buy-side organizations, that means greater choice in sourcing a learning services vendor and determining which vendor is right at a particular time for a specific learning need.

NEAT Methodology for Learning Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet client future requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet client future requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- Leaders: vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- High Achievers: vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- Innovators: vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit
- Major Players: other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.

Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offering	Learning content creation/development services Learning content curation services Content Digitalization/ Transformation Range of modalities Learning administrative services (range, sophistication, pivot) LMS/LXP (+ other learning tech) services Other broader tech/tools services Learning consultancy services (core) Strategic Learning consultancy services (learning roadmap strategy, future skills, insights, data/analytics, etc.) Specialist services (Sourcing Talent as a Service, etc.) New Services (includes broader talent) Reskill Upskill
Delivery	Global North America U.K. Continental Europe Middle East/Africa APAC LATAM Traditional learning facilities Digital learning facilities Range of suitable/adapted learning modalities (delivery) Provision of skilled instructors, etc. for learning (reskilled/upskilled) Delivery support mix (onshore, nearshore, offshore, etc.) Application of service automation Flexibility, scalability, agility in service delivery Range/sophistication of LMS, LXP, + other learning platforms (XR, curated content) Use/sophistication of advanced analytics, RPA, AI, ML, VR, AR, etc. Learner experience (personalized, mobile, self-service) Next Gen Services Innovation Next Gen Tech Innovation
Presence	Size Mix Large Organizations Mid-size Organizations Small Organizations North America

Continued…

	U.K. Continental Europe Middle East/Africa APAC LATAM Single Country Multi-country (One Region) Multi-region Global
Benefits Achieved	Cost savings Accelerated time to learner competence Improved (digital) learning content (for COVID-19 pandemic) Improved delivery agility/flexibility/ scalability Improved learner satisfaction/ engagement Improved adoption rate/usage of training (notably during the COVID-19 era) Improved compliance Using latest learning technology Perceived ROI/value for money Improved overall learning outcomes

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Specific Learning Services Capabilities	Ability to Reimagine Service Offerings (aligned to market/global trends) Vendor Knowledge and Expertise Best Caliber Personnel (includes proactiveness) Strength of Partnership Flexibility of Approach Ability to Scale/Pivot at Speed (Agility) Digitalization/Transformation Capability Continuous Improvement Mindset Recommendation
Ongoing Offerings Development	Overall future learning needs Future-fit content (created or curated) services for reskilling/upskilling Future-fit learning admin services (digital, data, analytics) Future-fit learning delivery (digital, blended, eLearning, modalities) Future-fit learning consultancy (future of work learning, tech) Future-fit tech services (Learning platforms, tools, for new era of learning) Advanced learner data/analytics for Informed Insights Deployment of intelligent tech/tools to enhance learning (RPA, AI, ML, etc.) Future-fit service delivery Mechanisms in place to drive innovation in services Mechanisms in place to drive innovation in tech/tools Mechanisms in place to drive personalized learning experiences Mechanisms in place to support on the future of learning (emerging trends) Mechanisms in place to drive service delivery/ operational excellence Mechanisms in place to drive the journey to future learning transformation Roadmap in place to evolve appropriate tech/tools strategy Future holistic talent journey (strategizing for future workplace/workforce skills needs)

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.

research.nelson-hall.com

Sales Enquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

Guy Saunders at guy.saunders@nelson-hall.com