

innovation

perfect

quality

speexx

empowering communication

global

communication

results

**LT-Innovate Summit 2015
Buyers Challenge**

Speexx is Language Training for a Global Workforce



- Speexx is empowering communication at clients such as the Federal Authorities of the Swiss Confederation, Ericsson, Adecco, and large academic bodies all over the world.
- The cloud-based solution features courses and learning tools for all users across all devices, as well as business analytics and APIs for enterprise customers, from SMB to Fortune 500.
- Speexx operates with 1600+ staff and trainer in 60 countries around the world.

As globalization forces enterprises to **communicate across borders**, the cloud and technology based language training suite is now the option of choice.

Challenge Statement

With the introduction of cloud-based HR management systems enterprises are looking for a single source provider for all e-enabled learning scenarios.

Companies are quickly moving to cloud-based language training in order to leverage cloud technology, reduce training costs, establish global metrics and drive employee productivity.

Executive Summary

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Until recently, HR leaders and training managers in enterprises from SME to Fortune 500 had little choice but to purchase language skills training from local vendors training vendors. Cloud based training is now a viable option.

Challenge and Market Needs

- Lack of foreign language skills is #1 reason for poor cross border communication – results in loss of workforce productivity
- Pressure on HR and training organizations in large global companies and public administration
- Need for global metrics to measure training quality and cost
- Attract, hold and develop talent
- Need to reduce complexity and cost of language training
- Reach out to a workforce at many locations with one global standard
- Need to integrate learning into new cloud technology platform
- Comply with local and global training and tech standards
- Corporations want to reduce # of training vendors

Rapidly Growing Global Market

- The global market for online English learning is \$ 2.0 bn and growing by a five year annual growth rate of 14.5%.
- The global corporate language e-learning market is at the tipping point of maturity and significant growth driven by
 - Need for communication across borders in multinational organizations
 - Cloud technology, big data and analytics
 - Replacement of local legacy HR IT systems
- There is a huge opportunity in languages other than English.

Direct training costs cut by **60%**
and **50%** faster time to result
at SpeeXX customer.



«English language e-learning will **double**
to \$ 2.58 bn from 2012 until 2016»

Major Drivers for Cloud-Based Language Training

Cloud, data analytics, social and mobile technologies are driving global e-learning standards. The technology skills organic to solutions like SpeeXX will become more and more critical must-have competencies in the e-learning space.

Globalization Drives Communication

- Globalization forces corporations to communicate across borders.
- Lack of communication skills impedes workforce productivity.
- Business communication and language skills are pivotal for multinationals.

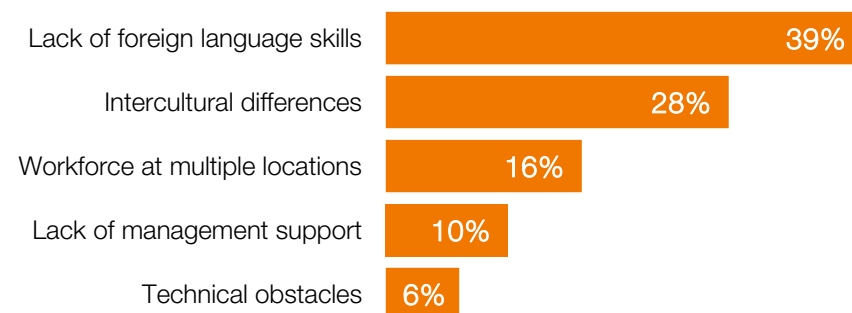
Need for Global Standards

- Organizations are looking for one consistent global standard in
 - Content;
 - Certification;
 - Learning technology and platforms;
 - Trainer education;
 - Services, analytics, reporting and delivery.
- Web based and mobile blended language solutions meet the need to track success and ROI on a global scale.

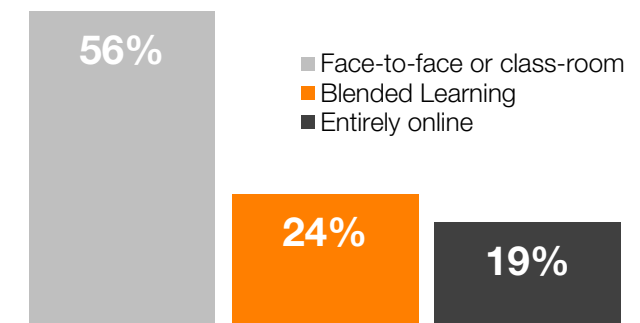
Adoption of Learning Technology

- Corporates are adopting cloud, social, 24/7 mobile, big data and analytics.
- Learning technologies have moved firmly into mainstream learning:
 - Only 56% of training is now done entirely face-to-face or in the classroom
 - 20% of L&D budget is spent on technology
 - 26% of formal learning is e-enabled
 - 82% of companies will increase blended and online learning within the next 2 years

What impedes communication across borders most?



Means of training delivery today



Major Drivers for Cloud-Based Language Training

Organizations are racing to replace legacy HR technology with integrated cloud-based solutions to consolidate platforms, simplify processes, cut cost and improve the user experience. Those systems are the habitat for SpeeXX.

Cloud Technology and Datafication of HR and L&D

- Oracle, SAP, Smartforce move into cloud based HR management systems driving market consolidation and datafication of HR.
- Big data and analytics are the tech drivers in HR fueling a seismic shift from legacy IT systems to central delivery of software services and data warehousing in the cloud.
- Cloud based learning and talent management systems (LMS/TMS) are the natural habitat for SpeeXX online language training solutions.
- Need to adopt cloud-based solutions
- Datafication is changing the DNA of HR: Automation of recruiting, training and performance tracking offers huge potential for cost saving and improving efficiency.

Global HR, L&D and Talent Management

- Given the need to operate globally, organizations are struggling to globalize talent and learning management
- HR and Learning & Development need to reduce complexity from multiple, local silo systems to global management standards.
- HR leaders are reskilling their teams to drive HR innovation and deliver greater business impact using big data and analytics

80% of organisations want a cloud-based LMS by 2015 
Only **18%** have actually implemented anything



Global E-learning Market

The growth of the global e-learning market is driven by the increasing acceptance of e-learning in the corporate sector. Companies are adopting e-learning in order to reduce training costs and increase employee productivity.

Dynamic Growth

- Global e-learning market is to grow at a CAGR of about 25.81% over the period 2013-2018, worth \$112 billion in 2015.
- LMS (Learning Management Systems) market year-over-year growth rate of about 25%, growing from \$2.55 billion in 2013 to \$7.83 billion in 2018.
- Large underpenetrated corporate market with approx. 55 million users in talent management systems and an est. 400 million potential users.
- SaaS talent management market leader Cornerstone OnDemand user base grew at a 56% CAGR over the past five years.

The transformation has just started

- 41.7% of global Fortune 500 companies use technology based training. This market is growing at a CAGR of around 25% per year.
- Market growth is fuelled by falling operational and telecom costs, internet penetration and growing demand for workforce training
- 80% of corporations want to adopt a cloud based LMS by 2015
- Public administration and education accelerate digitization of the learning space with massive national and international programs.



The world e-learning industry is expected to grow by

100%



Global E-Learning Market for English Language Training

In the language training industry the biggest potential is online. Budgets for digital English language learning products in 2016 will account for 7.3% of the global US \$35.9 bn English language learning market.

E-learning Growing Fast Within Global Language Market

- Online English e-learning industry will to \$ 2.58 bn in 2016 at a CAGR of 14.5%.
- 82% of corporations want to increase e-learning in the next 2 years.
- 43% of corporations already used e-learning for teaching languages in 2012.
- The global all languages learning industry will be \$56.9 bn in 2016.
- There is a huge opportunity in languages other than English.
- Fastest growth expected in emerging markets.
- Government mandates designed to increase English proficiency proliferate.

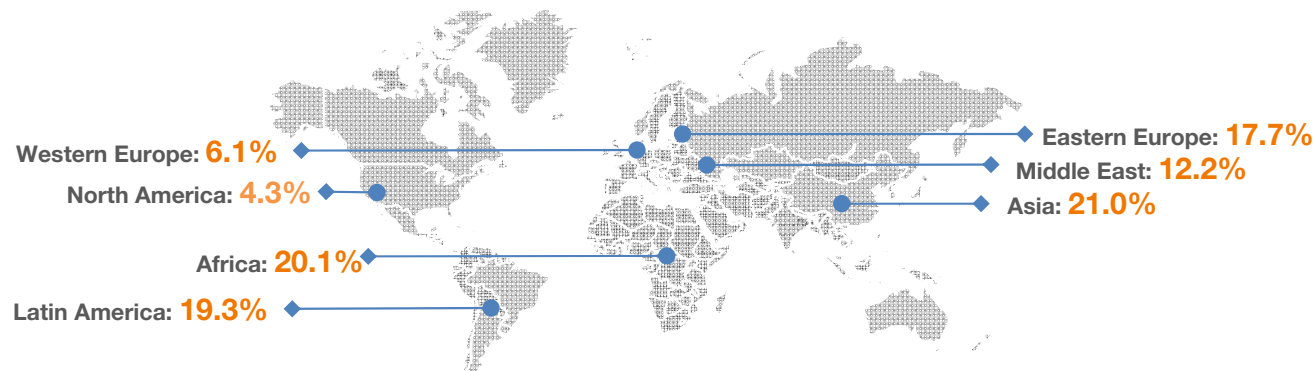
E-Learning Substitutes Classroom

Use of e-learning for language training in corporations almost tripled in just two years

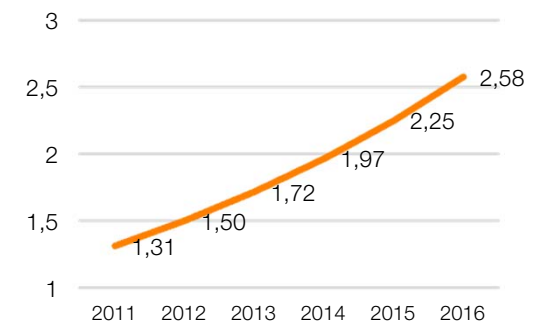
+187%



Market Growth: Worldwide English e-learning 5 year growth rates by region



Online English learning industry (in bn \$)



The Corporate Market is a Blended Learning Market

Corporations are looking for a single source provider for all e-enabled language learning scenarios: live online classes, dynamic course content and personal support over the internet.

The Corporate Blended Learning Market

- Blended learning is a disruptive innovation in corporate e-learning.
- Corporations are looking for single source providers of all elements of the blend to reduce complexity, cost and the number of vendors
- 82% of corporations plan to increase blended learning
- Blended learning meets the need for flexible and personalized training anywhere, any time and on any device
- Blended learning helps organizations manage the transition from classroom to e-enabled training
- Blended learning gives students what they want: real life experience, teacher guidance and instant feedback.

82% of corporations will increase blended learning in the next two years

The SpeeXX Perfect Blend

- The Perfect Blend is the industry benchmark for the most complete single source set of language learning scenarios integrating
 - Dynamic content and curriculum based e-learning
 - Compelling web based and mobile self improvement tools
 - Personal coaching with individual feedback
 - Live video classes for individuals and groups
 - 1:1 Phone tuition
 - Live online classes



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