

## Press Cuttings

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# Easy as B2C...

B2C platforms are increasingly being used to drive career advancement for young and old. But will they ever be taken as seriously as traditional forms of education, asks **Kirsten Noben**

LinkedIn sent a shockwave through the education sector when it announced it had acquired e-learning platform lynda.com in April. It spent a hallucinatory \$1.5 billion (£960 million) on the video tutorial service, which it believes will give it deeper insights on the skills members are developing through lynda.com courses. It then plans to share this data with recruiters, who will be able to target users that have completed training relevant to the positions they're trying to fill.

While the deal was unique in some senses, it symptomises a broader trend, as ed tech increasingly intersects with employability and career advancement under easy-to-access B2C models. Today, members of the public looking to develop their career skills don't need to take an on-the-job course, they can simply go online and sign up to a programme for little to no cost. Employers are

increasingly endorsing these programmes too, while providers enjoy burgeoning demand and investor interest.

According to e-learning consultant Carla Aerts, an "increasingly fragmented" employment landscape is driving the trend, with many of us embarking on a number of different careers during our lifetimes rather than just one as our parents might have done. "The 21st century workplace will also rely on the ability of employees to involve their skillset and even diversify extensively in many cases," she adds, "so this incentivises us to pick up new skills along the way."

This is already the case in careers such as IT and web development, where the speed of technological change means that every two years many workers find that what they know is out of date or obsolete. Add to this the fact that in a digital age, both the young and old are increasingly relaxed about online learning, and it's easy to see how a platform like lynda.com managed to generate \$150 million of sales in 2014.

### Off to bootcamp

A rising star in the space is Pluralsight, a platform for lifelong learners which teaches courses in coding, IT and creative subjects starting at \$29 per month. Like lynda, the firm's online courses are authored by experts with whom students can connect through the platform for advice. Students also get pre- and post-course assessments that track their progress and a certificate when they complete a course.

"People using our platform acquire a particular technology competency," explains chief financial officer Greg Woodward. "It is not our intention to

replace the traditional university degree, but in the professional world we think that people who have taken our courses do carry extra credibility."

A variation on the theme is the massive online open course (mooc), free online programmes authored by universities and taken worldwide. Moocs launched as an academic idea but are becoming increasingly vocational in nature. Coursera, the biggest platform, says half of its 15 million users worldwide use its courses to "advance their careers and livelihoods".

Another big player, Udacity, now mainly delivers professionally oriented programmes developed in conjunction with bluechips like Google and AT&T. Its Nanodegree programme, which takes an average of six to nine months to complete and costs \$200 per month, is helping students to "succeed in new developer positions around the world", says a spokesperson.

The most headline-grabbing example of the trend, however, is the 'coding bootcamp' whose model more resembles a traditional cramming course. Providers run in-person (as opposed to online) programmes that promise to turn students into real IT programmers in weeks. Industry leaders such as US-based General Assembly now operate in numerous countries and even President Obama has expressed his approval.

### A replacement for a degree?

What excites market watchers is the thought that, one day, such courses will allow employers to gauge skills more effectively than high school exams or university degrees. Bhavneet Singh, founder of education investment firm Sandbox & Co, says that even







Raffaella Rein, founder, CareerFoundry

though "certification is important and degrees have a clear role to play, and continuously will... the tech revolution is a great catalyst to really accelerate both the formal and informal video-based learning spaces".

Raffaella Rein, who founded German coding camp CareerFoundry, adds that for jobs in areas like coding, a degree may not even be necessary anymore. "It doesn't matter if you have a certificate from Stanford, what matters is how good a code you write. People come to us to look for a job with a future."

The catch with many of these new courses is that they rarely come with the kind of formal accreditation you get with a university degree – and perhaps unfairly, this raises doubts over whether they will ever be taken as seriously.

There have been noble attempts to overcome the issue. Digital open badges, such as those developed by Mozilla,

enable organisations to recognise learners for the skills they have attained in a slightly more official way (NASA, Disney Pixar and DigitalMe are all proponents). But badges remain niche, especially outside the tech industries, and as very often a badge earner's performance is not directly observed, it is still hard to fully trust their credentials.

A few moocs now offer accreditation, which the user usually has to pay for, but the sector still hasn't found a way of properly invigilating courses which again damages credibility. Most universities are also wary about giving away fully accredited courses that students (or the state) would otherwise pay for, as it undermines their operating models.

The issue could have a knock-on effect on businesses operating in the space. Aerts says that learners may not always be prepared to pay for an online course or learning content unless they

see a very distinct benefit and especially accreditation. "On the whole, the most tangible direct benefit for which people want to pay is one that helps them get a job or enhance their CVs."

But proponents such as Rein believe that formal accreditation will not be an issue when it comes to acquiring very specific career skills. Moreover, mounting skills shortages drive the need for new solutions: about a million tech industry jobs across Europe currently lay vacant, she says, while industry trade groups such as the CBI lament how unready young graduates are for the workplace.

Platforms can also help themselves by offering add-ons that make them more attractive to consumers. CareerFoundry, for example, offers a mentoring service so courses can be more "tailored toward the specific needs of students". Others offer premium services to assist students with writing their CVs or finding work, such as Udacity's Career Advisor. The the LinkedIn-lynda partnership will take this further by adding headhunting to the equation.

According to Karine Allouche-Salanon, senior vice president of Pearson English Business Solutions, big data that allows real-time feedback will also fortify services. "Step by step progress for students that choose this level of detailed insight could be delivered on a much deeper scale," she says. Cost may become less of an issue as well: student loan providers such as Affirm in the US now offer loans to those attending coding bootcamps, not just traditional colleges and universities.

As excitement about the space grows so does investment activity. According to CrunchBase, Pluralsight has raised \$162.5 million to date and snapped up seven smaller B2C training businesses. Udacity has raised \$55 million and Career Foundry, at the lower end, raised €1.2 million (£850,000) of seed funding in June.

The list of deals goes on and Allouche, herself an angel investor, expects to see more activity. "The exit of lynda.com shows there could be other exits and new players springing up." Providers will also find opportunities in emerging markets such as China, India and Brazil where there is huge demand for digital, says Singh. ■