Business Development Plan

From Maham Ba

An MBA Project of Southern New Hampshire University

**Abstract**

This paper explores entrepreneurial opportunities for Cornerstone On demand’s (CSOD) Learning Management System (LMS). Major opportunities exist for the software’s integration of the TinCanAPI (Rustici Software, n.d.) – a new model of aggregating learning data, integrating the Massive Open Online Course (MOOC) Online learning platform – which allows for delivering free training to wide audiences, and social media learning – a method which leverages social media in delivering and consuming learning (Pappas, 2016). I will further describe and discuss the social learning opportunity in greater detail, and analyze the role that big data (Foy, 2015) will play, in CSOD’s exploitation of this future opportunity.

The paper will also describe the major trends for social learning – based on social media. I will review the impact on the opportunity and its sustainability by discussing how CSOD can focus on the 3 major trends of social learning today: the growth of video-based social media apps, the changing landscape of user demographics (Baker, 2017), and the advent of mobile as the preferred platform for the development of new social media applications (Kulkarni, 2017).

Keywords: LMS, social media, CSOD, learning, mobile, MOOC, Facebook, TinCapAPI

MARKET DOMAIN

In this section, I evaluate the current business environment of MY selected market domain.

## Domain Overview

The full path for my selected market domain is Service-providing Industries > Information sector > Publishing subsector > Software Publishers > Enterprise Software and Systems > Learning Management Systems. The Bureau of Labor Statistics (US Department of Labor, 2017) issues the North American Industry Classification System, which categorizes industry sectors in North America, as well as their sub-sectors.  The information sector (NAICS 51) is part of the service-providing industries supersector group. Within the information sector, exists the publishing industries (except internet) subsector (NAICS 511), itself with 2 subgroups:  Newspaper, Periodical, Book, and Directory Publishers (NAICS 5111) and Software Publishers (NAICS 5112).  My chosen company, Cornerstone Ondemand, Inc. exists under the Software Publishers subgroup of the publishing industries subsector, in the enterprise software and systems domain, as part of the learning management systems subdomain.

## About Cornerstone Ondemand

CSOD, as its affectionately called, is a company that develops and rents out their talent management suite, which originally started out as an online learning company in 1999.  Originally, the company was started by educators who saw a trend for computerized education and internet technology.  It filled a gap but also staked some key ground in the market.  Businesses who needed to deal with regulation and compliance issues, could use this system to automate parts of training and reporting.  The company began at a time where there were very few players in the industry, and giants like PeopleSoft and Oracle had just made their foray into the domain.  There was plenty of room to play.

Now, Cornerstone OnDemand, Inc. provides a full suite of learning and talent management solutions in SAAS (software-as-a-service).  This also includes selling technical support services, management and technical consulting, and content-related services.  CSOD, now based in Santa Monica, provides cloud-based software to which they sell subscriptions to their clients. The software’s aim is to help companies manage every aspects of everyday work life which according to Li (2014), includes “recruiting, training, performance, managing compensation and planning succession strategies”. The company was founded by Adam L. Miller, Steven D. Seymour, and Perry A. Wallack on May 24, 1999 in Miller’s New York City apartment.  CSOD is currently headquartered in Santa Monica, CA.    (Cornerstone, n.d.)

Cornerstone has 1,823 employees, and reported 423.12 M in Revenue for 2016.  The sales have increased by 24.58% from 2015.  Over the last 5 years, CSOD has seen growth rates of 51.77% in revenue, 22.58% in net income, 18.24% in earnings per share, 43.29% in capital spending, 75.77% in gross margin and 51.04% in cash flow (Wall Street Journal, 2017).

Competitors in this industry have ebbed and flowed, mostly because they couldn’t adapt to future trends in the marketplace. Next, I examine a few key factors which will impact a company’s ability to maintain or gain market share, or otherwise be acquired or go out of business. These factors are Talent Suites, Big Data, Social Learning, ERP Integration and Mobile Learning.

## Key Factor: Talent Suites

Originally, CSOD was an e-learning online company. Their product was a learning management system to which they sold subscriptions. By focusing on that single product, they were able to create a very attractive tool. Then the talent field materialized out of combining multiple disciplines in human resources, and we started seeing a merging of the multiple companies which existed to support these multiple disciplines. HR software vendors, typically payroll or employee data, began gobbling up talent companies to add to their products and thus, create talent management cloud based applications.

According to Rao (2012), there have been a couple of major moves in the industry. SAP acquired SuccessFactors, adding to their on premise HCM product, cloud-based offerings with SuccessFactors’ performance, compensation, recruiting and learning management products, as a talent suite. Salesforce, another major player in the industry because of the reputation of their illustrious CRM (customer relationship management) system, enhanced their offering with the acquisition of a social performance platform called Rypple. Oracle, another giant in the business (which was incidentally acquired by PeopleSoft, the other giant in the business), acquired Taleo, originally a recruiting system which itself bought Brassring and expanded its talent management offering.

CSOD has followed suit, however they developed their own additional offerings inhouse.  CSOD acquired competitor Sonar6 (Savitz, 2012), an Australian company offering talent management software to small and medium sized businesses. Sonar6 continues to operate independently – not integrated into CSOD’s product suite – but their clients are now also CSOD clients. This move allowed CSOD to penetrate the small/medium business market and stake its claim there. Faced with these consolidating mergers, smaller players will find it very hard to compete and may either drop out or sell off, increasing the market share of CSOD in the industry. CSOD also acquired Evolv for $43 million (Yang, 2014), a talent analytics engine which computes various talent-specific metrics based on existing HR data. Evolv is being absorbed into the company and its native software, as an additional selling point and added value to their suite of internally-built products.

This key factor particularly impacts smaller players without the infrastructure to make strategic buys in order to stay alive. The smaller ones are more vulnerable to being acquired and consolidated. When smaller players with unique software, get acquired, the opportunity to specialize and create an offering of the highest quality, goes away, as big players want to earn revenue on selling bundles, not creating uniquely terrific products. The smaller guys go out of business because they just can’t keep up with competitors creating similar offerings and selling them under their already recognized brands.

## Key Factor: Big Data

In 2011, about 2 years after Big Data was introduced to the business world, companies were starting to think about whether their existing methods for managing business data were going to become outdated (Devlin, 2011). Back in those days when getting the most you’re your business data meant reconciling data from multiple business systems in order to deliver one simple and helpful source of decision-support information for leaders, the amount of data being processed was still relatively small, meaning we only dealt with files that were megabytes and nothing greater in size. Gigabytes and terabytes were nowhere near being born yet.

During these times, enterprise data warehousing emerged as the science of storing a company’s business data in a way they could query it and get additional information from it. Data warehousing required actual storage on premises, connected to servers hosting programs that would manage this data and make it available via multiple data marts, for quick access by specific groups. Of course, this mean data copies and additional storage. Storage vendors like EMC were killing it. Data warehousing is still alive and well but the previously used frameworks for managing “small” data have changed and adapted to “the cloud”, enabling more data to be analyzed in less time.

The advent of big data has pushed leading technology companies like IBM among others, to launch promotional initiatives touting big data around as their way of building the niche analytics market. It started in manufacturing with IBM capturing supply chain data and generating money saving metrics (Devlin, 2011), and now the big data virus has spread to other functions who want to benefit from more in-depth analytics to drive their businesses. Enter Human Resources, where executives not only don’t know all the data they have access to, they cannot access it, much less get from it anything useful. They are still working on getting the data warehouse concept integrated, from my experience even today. But big data is here and there is a lot of pressure to get with the program. And thus, the learning and development functional areas that are now accountable for regulatory reporting, shareholder earnings and a social standing race between them and their competitors, are starting to look for bigger data to use when managing human capital and its various aspects.

Data gives learning a personality (Foy, 2015). It is generated by the learner and helps to paint a picture and story as well. HR executives want to see this picture but were previously never budgeted to spend money on big business toys like data analytics. Foy (2015) warns, and accurately so, that the LMSs that will be successful will figure out how to integrate big data capability into their offerings, as it would soon be the norm. LMS vendors who are not able to scale their products up, will be vulnerable and possibly go out of business, having failed to keep up. Unless they get bought out and integrated into someone else’s already big-data friendly offering, they risk getting cut out.

Data Analytics for e-learning is based on using data to leverage training outcomes. There are multiple tools that can be used to this, such as predictive analysis, multi-source knowledge mapping, to design a system that caters to individual Learning Analytics needs. Incorporating analytics with online learning results in more comprehensive and in-depth evaluation of learners.

In the future, Big Data will impact even how e-learning content is designed, delivered and measured (Arshavskiy, 2017). It will most likely impact which tools a company will use for designing training, knocking out those vendors who do not integrate those upcoming standards. It will impact which learning management systems a company will use, thus possibly putting some companies out of business, who are not able to adapt. Also, companies will look to leverage multiple mediums which might each provide additional big data to analyze and benefit from, so vendors who are platform-limited and cannot scale up, will also be pushed by the wayside unless they sell off. Big data will impact how courses can be personalized for users, generating new data to be analyzed for even newer insights.

## Key Factor: Social Learning

Even the president of the United States does it! Tweeting is the act of posting a message on Twitter, everyone’s favorite platform which connects anyone and everyone all across the globe and, even in space. (Arshavskiy, 2017). With the advent of the millennials in the workplace, social learning, or learning while leveraging social media tools and channels, is on the rise. Arshavskiy (2017) discusses how web-based information repositories like wikis, forums, blogs and videos that are being shared by contributors from all over the world, is rapidly becoming the chief learning resource, both for learners in schools or in corporations.

Social learning is based on four major pillars that anchor its position in today’s world of learning. Search capability, one of the pillars, makes accessible a wide array of content, allowing learners to customize their training, and to access targeted training that is related to their general learning path. Gizmos in today’s search tools should allow learners to search and find that specialized content, then add it to their learning paths in various capacities and mediums. Searching is extremely integrated into most applications, because they provide the user with more direct access to sought out materials, and may reduce the amount of time spent browsing learning.

Studying in a social environment allows for tracking and sharing learning activity with others (the second pillar). This can help steer learners towards new learning content, or even compare one’s learning track with other learners’. When studying progress can be tracked, it can be automatically tested to monitor other learners progress through the learning track, performance with the learning materials, and ultimately learners retention level of the training content.

Arshavskiy (2017) also discusses 2 other pillars key in social learning, pillars that talent management software vendors must be able to integrate within their offering, or else be left by the wayside in favor of fuller talent suites which already include this capability. Rating and recommendations make up the third pillar. Users can use ratings to indicate how useful training was to them, or the value they feel that training might represent. This value, in form of a rating – commonly expressed through a scale of stars (1 through 5 stars, 1 being the lowest and 5 being the highest rating), is a pillar in social media already, and it is making its way into learning where users can rate content, tools and even platforms. Learners who browse available content, can sort that content by rating, and identify top rated content for their own consumption. Using the same method, training practitioners can leverage user ratings in identifying the most popular content items, and then deliver more of the same content to increase learner satisfaction.

Recommendations are another part of the ratings pillar. Users are able to recommended training and content to their peers, and managers can recommend training to their teams. This helps cut out much of the searching effort, or the general and sometimes endless browsing that might occur when learners are looking for training. Accessing a list of training recommended by peers and managers, many times people who work in their own industry, company or department even, helps quickly narrow down a large pool of content and direct the users to exactly what they need, and what they are looking for. Recommendations and ratings can be gathered to help users find the right content for a successful training program.

Lastly, contributions are a big pillar of social learning. Social media allows users to contribute training they feel is appropriate to share with colleagues (Arshavskiy, 2017). For example a manager, using social learning, can make recommendations for training content to their team members, in order to steer them towards training they feel is appropriate given their business needs. Social learning is an absolute trend of the future and companies who are unable to capitalize on this trend, or integrate it effectively into their offerings, will shortly be losing major market share. Conversely, small companies that are able to master this technology and successfully blend it into their offering, will continue to remain competitive, and possible become very attractive candidates for acquisition by one of the top players in the industry.

## Key Factor: ERP Integration

A few changes in the market are driving how companies like CSOD must respond in order to remain profitable.  Companies today are seeking software that can integrate with their existing systems, in order to maximize their efficiency and return on technology investment – ROI. As a project manager, over 79% of my work involves integrating one system into multiple others. Integrations have to do with exchanging data between systems, so that the systems can talk to each other and work together on certain tasks. Companies need their systems to talk to each other in order to get an accurate picture of how the business is performing.  The more tasks are automated, the better the reporting.   Users are fluent in newer and more social technology, so CSOD and its competitors must adapt their offerings to match these new functionalities, especially for younger generations who will be using their products (Wobbrock, 2014).

## Key Factor: Mobile Learning

This final factor which I have chosen is possibly the most important one, the one that will determine whether an LMS company will make it to the future, or instead, simply disappear. Indeed, in today’s mobile world we live in, we must talk about mobile learning.

Whenever a company is using various technologies, they come to a point where they want it to be accessible via a single point. The smart phone market has created the very single point companies are now interested in. Gautam (2017) describes how mobile devices are integrated all over today’s society. From a wake-up alarm, to reading news during breakfast, checking work mail away from the office, listening to podcasts during the commute, communicating with colleagues throughout the day, conducting personal business during free time, mobile phones have truly permeated every aspect of our daily lives. And so employers who wish to effectively communicate and connect with their employees, which includes delivering training and important work-related information, will seek to reflect that same social personal mobile integration, into the work environment.

The companies that will make it into the future of LMSs, will have mastered the basics of mobile learning, which is increasingly a most certain inevitability. Gautam (2017) lists 6 reasons why mobile learning is the “next must-thing”. Mobility: today’s workforce is no longer limited to working in a single location. They can work from various places, including coffee shops and their own homes. Future LMSs should fully accommodate for this capability. Flexibility: A mobile LMS will allow users to not be limited to learning on a desktop. Learners can now access content through multiple devices and learn where they are and when they want. Just In Time Learning: social media’s characteristic is that users get instant access to information and learning will be delivered this way in the future. Retention: A mobile LMS will provide access to multiple platforms for content, such as documents, PDFs, videos and images. This will make it easier for learners to access and retain learned knowledge. Tracking & Reporting: By using data collected through mobile LMSs, employers will be able to track learning effectiveness, improve available training and identify areas needing improvement. This will be achieved by leveraging live reports on key learner or learning metrics. Considering the significance of the mobile learning market, which will reach $8.7 billion in 2015, and $12.2 billion by 2017 (Pappas, 2014), LMS vendors will need to provide this feature to employers otherwise they will not be able to compete in the marketplace.

COMPETITIVE READINESS

In this section, I will be evaluating internal and external factors pertaining to CSOD’s competitive readiness.

## SWOT analysis

Subject: Making Cornerstone Ondemand the top learning management systems provider worldwide.

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| --- | --- |
| **Strengths** | **Weaknesses** |
| * Proven 17 year history and track record * System integrates well with most suites * LMS offering around since 1999 * 1 of top 4 corporate LMS systems * Great number of skilled staff * Superior product performance vs. competitors. * Ethics-based construct in system * Solid list of clients worldwide * Increase of focus on corporate learning * High functionality and customization * Effective pricing model * Product innovations ongoing. * Management is committed and confident. | * Lack of user customizability * Operating at a loss since inception * Lack of local support resources * Lack of local implementation resources * Ongoing negative Cash flow * Some gaps in range for certain sectors * Innovation is at a minimum * Don't have a detailed plan yet. * Leadership not committed * Limited 3rd party integration capability * Management cover insufficient |
| **Opportunities** | **Threats** |
| * Integrate TinCanAPI * Integrate MOOC learning platform * Integrate social media learning * Increase R&D funding * Competitors have poor products. * End-users need new ideas. * Fill in competitor gaps * Address market specific gaps * Penetrate the collegiate market * Business and product development? * Research out on tomorrow’s LMS * High selling LMS * Profit margins will be good. | * Integrated Talent suites with LMS * Growing list of industry newcomers * Retention of key staff critical. * Pressure to sell from shareholders * Unsustainable financial backing. * Possible negative publicity. * Vulnerable to reactive attack by major competitors. |

## Strengths to exploit

LMS offering around since 1999

The company has been around since 1999, coming of age during a time of great technological advances. Malamut (2014) recalls how that year there were 248 million by the end of the year. Currently, there are almost 3 billion internet users worldwide, Salesforce.com was the first software to deliver cloud-based services (over the Internet). This was also the year the entire world fear complete and utter destruction of the financial system because computers up until then, had only been programmed for years in the 1900s, and not in the 2000s. In 1999, 6 billion people inhabited the planet, Blackberry phones and Bluetooth headsets were the rage - having just come onto the scene, the Euro was introduced to European Union members, Napster was born, the Matrix was the hottest movie, and TLC and the Backstreet Boys ruled the clubs respectively with “No Scrubs” and “I Want It That Way”.

Cornerstone was born into an age of great change, ushered in by the 2000s. It was revolutionary in the industry and encompassed the best of customer features in LMSs. CSOD has been in business 18 years now, no longer a freshman in the industry, but rather having sharpened its chops early as the tech landscape changed and more training was needed to elevate our current level of technological progress. This can be leveraged with customers and partners alike, reinforcing the fact that Cornerstone probably shaped a large portion of the course since taken by learning management systems. CSOD is now more like an elder in the family. This solid history leads to the next strength to exploit.

Top 5 LMS Worldwide

Being a top system affords a certain amount of deference, creates a certain amount of competitors but also comes with a certain amount of responsibilities, explored under opportunities. CSOD’s LMS is currently 1 of top 5 corporate LMS systems, by most professional review sites or industry media. In addition, in my experience as a LMS project manager, I find that the top 5 LMSs currently in use by most corporations are SuccessFactors LMS, Cornerstone OnDemand, Saba LMS, SkillSoft and SumTotal. Ingwersen (2017) reviews these systems and identifies Cornerstone as one of the top enterprise LMS currently in use, with which I myself do concur. Leveraging this position as a top contender, CSOD can further seal its position in the field a

Superior product performance vs. competitors

CSOD has superior performance and this should be prioritized. The user interface has successfully been built to maximize usability and functionality. I have personally experienced the evolution of the UI for this system, and being familiar with all the other systems it stands against, I can personally and professionally vouch for CSOD’s performance and capabilities against its competitors any day. I found that the most popular system is SuccessFactors, simply because it is now part of the SAP business suite, and is bundled with that offering. SAP is an extremely popular and robust financials suite, so bundling the acquired SuccessFactors LMS with that offering, has automatically become the de facto LMS – only because of its parent SAP. SuccessFactors is extremely clunky, not intuitive, and works like a system from the 80s. And yet it is the most popular system. CSOD needs to showcase and herald our performance comparisons louder and to more clients in order to show how its performance is superior.

Solid list of clients worldwide

Although CSOD didn’t have the advantage of being purchased by a giant in the financial software industry, and thus be pushed out to all its existing clients as the de facto LMS offering, the company has built an impressive list of clients on its own since 1999. In addition, CSOD acquired competitor Sonar6 (Savitz, 2012), an Australian company offering talent management software to small and medium sized businesses. Sonar6 continues to operate independently – not integrated into CSOD’s product suite – but their clients are now also CSOD clients. This move allowed CSOD to penetrate the small/medium business market and stake its claim there. This increases the list of clients we can market to, and use in promoting our services and establishing our reputation in the industry.

## Weaknesses to mitigate

Lack of local support resources

Historically, getting certified as a CSOD administrator has been extremely difficult. CSOD has chosen to make their certification process limited to only their clients and unfortunately this means that very few people can step in as additional resources. This places the company in a precarious position of not being able to muster enough resources to support their ongoing or upcoming contracts with large customers, and that is something that creates major concerns with the clients. Professionally, I have worked with 3 such large clients who had the system as their main system. They decided to change systems after CSOD was seriously lagging behind in providing them with the technical support required to manage the system. CSOD’s answer was to create a new contract to provide services, when their regular services pipeline failed to accommodate existing client requests. If we are to succeed at our goal, we will need to shore up resources to support our existing and future clients, and possibly save multiple contracts where clients are disillusioned with our technical support resources. This is a major priority.

Lack of local implementation resources

CSOD partners with companies which call themselves implementation partners. These implementation partners are organizations selected by Cornerstone to work hand in hand with them, and to take on the contracts that Cornerstone cannot implement because of their low resources. These partners, companies such as Appirio, Tribridge - acquired by DXC Technologies this year (McLean, 2017), perform all the actual work during the implementation, while the contract is overseen by a CSOD manager. Workday, suffering from the same disease of having too much business on their hands and not enough resources to do the work, is using a similar model. Partners such as Appirio and Tribridge do not necessarily fully rely on CSOD and as such, will not have the company’s best interest in mind as they can always go implement another software for any given client. CSOD must relax its certification process, and build a better pipeline of trainable resources to support the growth in business.

Innovation is at a minimum

Cornerstone features are numerous and considered world-class features for a learning management system. Yet and still, technology continues to evolve and the company needs to commit to innovating more readily and more often. The company still needs to focus on integrating the latest innovations into its system in order to make it the LMS of choice. Some of the features that CSOD should focus on integrating today for the future, include TinCanAPI – a new learning delivery model, and possibly integrate more features that matter to schools and universities (OnTheCloud.com, n.d.). Making an impact in schools will ensure devotees once students graduates. The company should also open up more of a channel to its customers in order to pick their brains and get ideas as to how to make the software better. Keeping the innovation down to the same 3 people who have been leading it for the organization, is sure to keep them on the first floor.

Limited 3rd party integration capability

Part of the innovation that needs to happen, is working on integrating with every major HR and finance software out there. It is critical that the system be able to integrate with other players because, sometimes companies pass LMSs over when they don’t know how to play nice with the in-house systems. CSOD needs to become known as the integrated LMS, the LMS that can integrate with any existing system in an enterprise. For this, CSOD has to come up with an integration layer, an API module where interfaces can be generated on the fly for whatever system parameters exist in the enterprise. This is not a complicated solution to build and can change the way CSOD is viewed by its clients, potential clients and its competitors.

## Opportunities to Consider

Integrate TinCanAPI

TinCan API, or Experience API (there is a heated debate on what to call it, but it began as TinCan) is basically the adaptation of the “updates” stream for learning purposes (Rustici Software, n.d.). CSOD has integrated a social module, but the full integration of a social media-like stream of activities and updates about learners and their learning, does not yet exist within CSOD. Competitors like behemoth SAP have the money, the resources and the runway space needed to experiment but also integrate such tools. In order to remain competitive, CSOD will need to do the same. It’s about accessing all of the new data that will be made available with this tool. Arshavskiy (2017) reminds us of the role that big data plays in elearning. It sheds key insights about learning gaps, tracks learner and group preferences on learning methods and tools, it highlights where an organization’s strategy may be failing, and concurrently provides clues on how to tailor learning for the best results.

Integrate MOOC learning platform

MOOC is a Massive Open Online Course that delivers training via the internet to an unlimited number of users for an unspecified amount of time. This training includes video lectures, course readings, problem sets and interactive forums fostering interactions between students and professors. These MOOCs can be very valuable to CSOD clients in that they help sharpen specific skillsets, provide no-cost training opportunities, offer targeted performance support learning opportunities and are available in a multitude of topics (Pappas, 2016). CSOD needs to integrate the feature of linking to open MOOCs and creating MOOC-based offering into its content creation engine within the LMS. This would increase the amount of training opportunities a company could offer employees, without any additional cost, a major value add.

Integrate social media learning

Social media learning is the incorporation of methods like MOOCs, TinCan API and others, in order to create a world of social learning, where learners can easily learn from each other, connect to a variety of learning that can be consumed at their convenience, and to have a continuously improved learning experience with targeted suggested training. When CSOD fully integrates these social learning tools into the LMS, it will have truly become a social learning tool, that can serve a multitude of clients and a variety of learning strategies. Social media is the ruling method of communication for tomorrow’s youth so CSOD must integrate it.

Increase R&D funding

R&D funding will be required to work on these integrations and to get the product up to the standards it needs to reach in order to establish CSOD LMS as the de facto learning management system for the enterprise or academia. The money will be used to hire innovation and development teams that can conduct the proper research to:

1. Identify the full list of all the features needed in multiple industries from a LMS
2. Design and develop each of these features and test with existing customers
3. Integrate these new features into the LMS through progressive releases

## Threats to Anticipate

Integrated Talent suites with LMS

Originally, CSOD was an e-learning online company. Their product was a learning management system to which they sold subscriptions. By focusing on that single product, they were able to create a very attractive tool. Then the talent field materialized out of combining multiple disciplines in human resources, and we started seeing a merging of the multiple companies which existed to support these multiple disciplines. HR software vendors, typically payroll or employee data, began gobbling up talent companies to add to their products and thus, create talent management cloud based applications.

According to Rao (2012), there have been a couple of major moves in the industry. SAP acquired SuccessFactors, adding to their on premise HCM product, cloud-based offerings with SuccessFactors’ performance, compensation, recruiting and learning management products, as a talent suite. Salesforce, another major player in the industry because of the reputation of their illustrious CRM (customer relationship management) system, enhanced their offering with the acquisition of a social performance platform called Rypple. Oracle, another giant in the business (which was incidentally acquired by PeopleSoft, the other giant in the business), acquired Taleo, originally a recruiting system which itself bought Brassring and expanded its talent management offering. As these companies consolidate into giants, CSOD must remain competitive. Developing the better product with a solid and thorough integration API will solidify CSOD as the LMS of choice.

Growing list of industry newcomers

A list of LMS for 2017 yields names born only this year. Many of them are trying to grasp onto the bandwagon that is e-learning, and get a piece of the pie. While none of the newcomers have made a significant impact, barriers to entry keep being lowered due to access to technology and technologists alike, along with the plentiful user feedback about learning experiences and systems. According to Pappas (2014), even Adobe – which owns PDF and which also purchased Captivate among other learning development software – has fancied itself being an LMS company now, and has release its own LMS, with Adobe’s learning design tools fully integrated into it. Adobe has been around for years and is an industry standard worldwide renowned company. If they say they have an LMS, they are assured an immediate following within their customer base. These newcomers, whether already established by name, or wet behind the ears, will be a serious threat to CSOD.

Retention of key staff critical

CSOD has to be able to retain our key staff, those professionals who are in demand because of their contextual experience, those that have a few years with the company and who may get burned out when they reach a compensation ceiling or do not get the opportunity to truly innovate with the product. It is important to build a pipeline of talent, and offer the right incentives, whether intrinsic or extrinsic, to keep the talent onboard. Today’s job market is basically the seeker’s market and they can make many more choices right now.. CSOD should implement a strategy that will ensure top talent is identified first, then properly retained.

Pressure to sell from shareholders

Cornerstone Ondemand is rumored to be seeking advice on selling the company. A recent article by Sherman, Hammond, & Jinks (2016) discusses how activist investors Praesidium, Tibco Software, Informatica Corp, JDA Software Group and Corvex Management LP are looking to sell their stock in the company because of its continuing losses. This must be avoided by ramping up the product to a stage where it becomes profitable.

## Readiness

Is Cornerstone ready to compete in the business environment of this market domain? Will it be able to maintain its position and gain ground in order to get the company to be profitable? It is the first product of Cornerstone, and was there before the talent suite offering. It is imperative that it be the one to make the company profitable, otherwise the talent suite was based on a losing product, and this is not true because the CSOD LMS is truly one of the very best available worldwide today across multiple industries.

## PEST Analysis

A PEST analysis is a method for identifying the external factors which may affect an organization. Today’s organizations find themselves operating in an environment that is changing faster than ever before. The process of analyzing the implications of these changes and modifying the way that an organization reacts to them, is known as business strategy. As a strategic tool, the PEST analysis allows for identifying the external factors within an organization’s environment, that could have an impact on its operations. Many of these factors will be things that the organization has no control over, but the implications of which need to be understood.

In this PEST analysis, I offer an environmental scan of Cornerstone Ondemand (CSOD) from an outside perspective. This analysis will assess the company’s competitive readiness from external dimensions, extending to the global marketplace. The scan will include the external political, economic/financial, sociopolitical, and technological trends for the current and potential market for learning management systems.

PEST stands for political, economic, social and technological external factors that may impact business operations and performance. It was created by Francis Aguilar in 1967, a Harvard professor (Post, 2017). The ideal result of the PEST analysis would be that Cornerstone will be able to make timely and effective decisions by analyzing the different factors, and could possibly predict the future to a certain point, by examining the present. Post (2017) reiterates that it will help prepare an entrepreneur to tackle future challenges and possibly highlight some opportunities for a business to capitalize on, while avoiding threats that could harm the business. PEST can work alone or be used in combination with other tools such as a SWOT analysis.

## PEST External Factors

|  |  |
| --- | --- |
| **Political Analysis** | **Economic Analysis** |
| * Intellectual property protection * Data privacy laws * Government stability * Employment and operational laws * Tax regulations * Government leadership * Bureaucracy issues * Stability of neighbors | * Activist investors * Globalization * Global economic recession * Working practices * Finance and credit * Labor costs * Cost-of-living * GDP and GNP |
| **Social Analysis** | **Technological Analysis** |
| * Lifestyle * Attitudes and beliefs * Demographics * Education * Social mobility * Ethics and religion * Historical issues * Cross-cultural communications | * Rate of change * Use of outsourcing * Research and development * Network coverage * Knowledge management systems * Quality and pricing * Patents and licenses * Government activity in legislation |

Political Factors

Keeping up with potential government policy changes in countries where CSOD does business, is very advisable. This is important because even if those country governments are relatively stable, there could be some unforeseen changes in policy which could have serious implications for doing business in that country. As a result of such changes, government priorities can result in new trade regulations and taxation or new policy initiatives in health and safety requirements, employment laws, environmental regulations, or consumer protection laws.

Outside of governments, global bodies like the European Union has driven new legislation to be adopted by its member countries. This legislation could very well impact CSOD’s operations in Europe. One instance of this is how the agreements and regulations surrounding movement of services throughout the EU, gives organizations the opportunity to do business in 27 different countries with almost no restrictions. CSOD should keep aware of the services regulations coming up for review or implementation in the EU for its European clients.

If CSOD is assessing the possibility of doing business in the Middle East or some other parts of Asia, the most serious consideration of all will be the political aspect. The company’s entry into the new territory may not be straightforward, either because of official policies and standing regulations, or because of the political realities of operating in said country.

For example, it might seem as though foreign entry and investment is encouraged and welcomed, however the complexity of the bureaucracy in the country might be too heavy to make the business opportunity worthwhile, even profitable. We would consider other factors such as corruption, the political stability of neighboring countries, the level of freedom of the press, and the countries overall attitude to foreign investment.

For CSOD, a global learning management system which collects data from learning activities and links it to user data, data privacy rules are perhaps the biggest political factor facing the company. As social learning and big data continue to grow as pillars of a learning management system, CSOD and its competitors will need to build for addressing data privacy in a stronger manner, more deliberately, instead of strictly to address regulations from the EU. This will affect the programming and development activities for the software, as well as the planning and processing of user generated data, or user accumulated data into the CSOD system.

Schmidt (2017) highlights some of the newest sweeping reforms targeting the online privacy and data concerns of European consumers. These reforms are scheduled to take effect next spring and will be a very big win for consumer privacy advocates. The regulation applies to any company collecting or storing data within the European Union or for residents of the European Union, whether based in the EU or not. The General Data Protection Regulation was passed by the European Union in April 2016 and at its core, aims to provide internet users with more control over how their personal information is used.

The European Union hails The EU General Data Protection Regulation (GDPR) as the most critical and significant change in global data privacy regulation in the last 20 years. The EU General Data Protection Regulation (GDPR) “was designed to harmonize data privacy laws across Europe, to protect and empower all EU citizens data privacy and to reshape the way organizations across the region approach data privacy” (EU GDPR. n.d.).

CSOD will need to address this regulation in its software by allowing users a right to be forgotten, getting “clear and affirmative consent” (Schmidt, 2017) for processing private data, allowing users to transfer their data to another service provider, notifying users of data hacks, explaining policies and avoiding violation fees of up to 4% of total worldwide annual revenue.

Economic Factors examined

Part of examining economic factors impacting an organization, is to assess potential changes to an economy through the inflation rate, taxes and interest rates, trading regulations and other similar related factors. These other related factors could include the unemployment rate, workforce skill levels, availability of local talent, wage patterns in the area and across the organization, general working practices and regulations, and labor cost trends. Additional issues that could help determine the economic viability of a new business strategy at CSOD, are the current cost of living in our target market, and whether we will be able to secure funding.

The strategy that CSOD needs to create, needs to be flexible enough to be slightly altered in order to accommodate for changes in the economic situation. Such a change could manifest as a result of globalization and its impact on our customers, or as a result of a political ban from the administration of President Donald Trump, which would limit our abilities to hire talent from or do business with specific countries. CSOD would need to flex the strategy to ensure that these changes didn’t have an adverse effect on our ability to sell our products.

One perspective on economic factors is that the Trump Administration’s trade policies are causing tension worldwide and threatening to severely change the order of things in regions all over the world, notably Asia (Behsudi, 2017). CSOD is looking to expand in Asia and would possibly be threatened by such a factor. If trade relations are severely affected between the United States and Japan, Cornerstone might lose a major opportunity to expand our business operations into Japan. Restrictions resulting from such political agreements for laws put in place by the current administration and, politically motivated, will undoubtedly present obstacles for our expansion and capitalization of existing markets for new products. Is lobbying the answer? Or perhaps plan to not greatly count on those countries in currently politically unstable regions.

Social Factors examined

Social factors that may impact Cornerstone also include age distribution – is the currently learning-prone generation duly employed and present, population growth rate – impacts the potential demand for the service in the learning-prone generation, employment levels – are our customers amassing employee populations and needing our services, income statistics – are people in jobs where learning might be valued as an investment for the company, education and career trends, religious beliefs, and cultural and social conventions.

There are other factors which should be considered in identifying external social impacts. In the societies where we are looking to do business, we should be able to identify what the social attitudes about education and learning, are. The way people think and why they think it, is important for us to be successful in doing business in other countries. We would need to ensure we leveraged the local workforce in order to more organically integrate and establish ourselves for maximum chance at success.

Technological Factors

The technological factors are a key element in planning a long-term future, but also for identifying issues which could potentially impact CSOD’s operations. Change continues to occur at a mind-blowing rate. This change impacts almost everyone, including some connected to CSOD, and is usually quite unexpected. 100 years ago, Charlie Chaplin would have never thought I could stream his movies for free on my smart phone. Actually, this was also a crazy idea only 20 years ago, just to show how quickly technology has moved.

There are two general categories of technological factors: manufacture and infrastructure. CSOD can focus on the infrastructure part of it by finding more ways to improve automation, improve user experience and web technology quality, outsourcing more to keep costs under control, and to not leave opportunities for new entrants. We must keep up with technology so that we can stay in business and grow our new products.

Cell phone manufacturer Research In Motion (RIM, the makers of the BlackBerry), and NoKia, both of whom were very slow to embrace smart phone technologies, suffered a tremendous consequence. The result was that they both lost significant share to Apple and Samsung. They are now, for all intents and purposes, history. Not being ready for change, destroyed them. CSOD must have a plan to adopt new technologies in order to stay current, and have a chance to get ahead of the curve.

Legal factors may also impact the business. Factors to be considered include current and pending legislation that may affect the industry in areas such as employment, competition, and operations. Cornerstone clients in insurance and banking may be obligated to abide by rules and regulations set up by regulatory bodies governing their operations or their industry. Some regulatory bodies have been set up to monitor legislation observance in the area of consumer protection, employee welfare, and even waste disposal. The 2002 US federal law, Sarbanes-Oxley act set out new or enhance public accounting standards for all American public company boards. This law came about after several major corporate accounting scandals like EnRon and WorldCom took place.

OPPORTUNTIES AND TRENDS

This section assesses intrapreneurial and entrepreneurial opportunities in CSOD, then evaluate trends in the global business environment for their impact on said opportunities. CSOD does have a few opportunities for entrepreneurship, which I discussed in detail in my SWOT analysis. If CSOD can take advantage of these, and possibly execute on a few, they would most likely find success and manage to solidify their place in the LMS world.

Intrapreneurial Opportunities

In my PEST analysis, I discussed how external technological factors are a key element in planning a long-term future, and identifying issues which could potentially impact CSOD’s operations. Change continues to occur at a mind-blowing rate. This change impacts almost everyone, including some connected to CSOD, and is usually quite unexpected. CSOD can focus on its infrastructure by finding more ways to improve automation, improve user experience and improve web technology quality, outsourcing more to keep costs under control, and to not leave opportunities for new entrants. We must keep up with technology so that we can stay in business and grow our new products.

We may be able to improve automation within our technical support services and at the same time improve our product. Improving technical support would require that thoroughly analyze our system’s tech support data. This analysis would yield a deeper understanding of the common issues, and would help identify the types of changes required in our service and the product, in order to reduce or eliminate certain types of requests. These changes would manifest as specific features in the system, that users could leverage to achieve their goals and avoid the need to reach out for technical support. For example, a common support issue in CSOD is the need to upload a bulk set of data to the system, perhaps to update the name of a department, or to add a new manager to a group of users. Clients must call CSOD, and submit a costly request which will take at least 2 weeks to complete, depending on priorities imposed on an already scarce set of support resources, which I discussed in the SWOT. A feature to address this issue, might be a bulk data uploading form that would empower users to upload bulk data into the system without needing to submit a service call to CSOD. Even though such a feature might seem as though it would reduce support calls and thus reduce support revenue, it will definitely build up customer loyalty and market dominance.

In order to execute on such an opportunity, CSOD would need to create a workstream made up of employees from every function, with a single goal to identify major issues that can be transformed into features. It would be their job as a group to explore, identify and formulate automation of support issues through product features. They could meet monthly or weekly, depending on the activity stream and the priorities in development. Another workstream could be assigned to improve user experience in the system. This could be achieved by members continually keeping abreast of new and popular social media apps, in order to identify which user experience breakthroughs should be considered for integration into the product. Such a workstream would work similarly to the one described above.

Entrepreneurial Opportunities

CSOD does have a few opportunities for entrepreneurship, which I discussed in detail in my SWOT analysis. If CSOD can take advantage of these, and possibly execute on a few, they would most likely find success and manage to solidify their place in the LMS world.

TinCanAPI Integration

TinCan API, or Experience API (there is a heated debate on what to call it, but it began as TinCan) is basically the adaptation of the “updates” stream for learning purposes (Rustici Software, n.d.). CSOD has integrated a social module, but the full integration of a social media-like stream of activities and updates about learners and their learning, does not yet exist within CSOD. Competitors like behemoth SAP have the money, the resources and the runway space needed to experiment but also integrate such tools. In order to remain competitive, CSOD will need to do the same. It’s about accessing all of the new data that will be made available with this tool. Arshavskiy (2017) reminds us of the role that big data plays in elearning. It sheds key insights about learning gaps, tracks learner and group preferences on learning methods and tools, it highlights where an organization’s strategy may be failing, and concurrently provides clues on how to tailor learning for the best results.

Integrate MOOC learning platform

MOOC is a Massive Open Online Course that delivers training via the internet to an unlimited number of users for an unspecified amount of time. This training includes video lectures, course readings, problem sets and interactive forums fostering interactions between students and professors. These MOOCs can be very valuable to CSOD clients in that they help sharpen specific skillsets, provide no-cost training opportunities, offer targeted performance support learning opportunities and are available in a multitude of topics (Pappas, 2016). CSOD needs to integrate the feature of linking to open MOOCs and creating MOOC-based offering into its content creation engine within the LMS. This would increase the amount of training opportunities a company could offer employees, without any additional cost, a major value-add.

Integrate social media learning

Social media learning is the incorporation of methods like MOOCs, TinCan API and others, in order to create a world of social learning, where learners can easily learn from each other, connect to a variety of learning that can be consumed at their convenience, and to have a continuously improved learning experience with targeted suggested training. When CSOD fully integrates these social learning tools into the LMS, it will have truly become a social learning tool, that can serve a multitude of clients and a variety of learning strategies. Social media is the ruling method of communication for tomorrow’s youth so CSOD must integrate it.

Entrepreneurial Assessment

The entrepreneurial opportunity here is a combination of 2 opportunities, which intimately play into each other and relate to each other. Social learning allows a company to provide a superior interactive experience with various points of user interaction and learning. Big Data is a natural and logical result of this interaction, which will generate new datasets that can be used to fuel complex analytics that paint a much more complete composite picture of a learner, their experience, and their subsequent impact on the organization. Separately, these opportunities have a lesser impact, but leveraged together they could make all the difference.

Big Data

In 2011, about 2 years after Big Data was introduced to the business world, companies were starting to think about whether their existing methods for managing business data were going to become outdated (Devlin, 2011). Back in those days when getting the most you’re your business data meant reconciling data from multiple business systems in order to deliver one simple and helpful source of decision-support information for leaders, the amount of data being processed was still relatively small, meaning we only dealt with files that were megabytes and nothing greater in size. Gigabytes and terabytes were nowhere near being born yet.

During these times, enterprise data warehousing emerged as the science of storing a company’s business data in a way they could query it and get additional information from it. Data warehousing required actual storage on premises, connected to servers hosting programs that would manage this data and make it available via multiple data marts, for quick access by specific groups. Of course, this mean data copies and additional storage. Storage vendors like EMC were killing it. Data warehousing is still alive and well but the previously used frameworks for managing “small” data have changed and adapted to “the cloud”, enabling more data to be analyzed in less time.

The advent of big data has pushed leading technology companies like IBM among others, to launch promotional initiatives touting big data around as their way of building the niche analytics market. It started in manufacturing with IBM capturing supply chain data and generating money saving metrics (Devlin, 2011), and now the big data virus has spread to other functions who want to benefit from more in-depth analytics to drive their businesses. Enter Human Resources, where executives not only don’t know all the data they have access to, they cannot access it, much less get from it anything useful. They are still working on getting the data warehouse concept integrated, from my experience even today. But big data is here and there is a lot of pressure to get with the program. And thus, the learning and development functional areas that are now accountable for regulatory reporting, shareholder earnings and a social standing race between them and their competitors, are starting to look for bigger data to use when managing human capital and its various aspects.

Data gives learning a personality (Foy, 2015). It is generated by the learner and helps to paint a picture and story as well. HR executives want to see this picture but were previously never budgeted to spend money on big business toys like data analytics. Foy (2015) warns, and accurately so, that the LMSs that will be successful will figure out how to integrate big data capability into their offerings, as it would soon be the norm. LMS vendors who are not able to scale their products up, will be vulnerable and possibly go out of business, having failed to keep up. Unless they get bought out and integrated into someone else’s already big-data friendly offering, they risk getting cut out. This is an opportunity for CSOD.

Data Analytics for e-learning is based on using data to leverage training outcomes. There are multiple tools that can be used to this, such as predictive analysis, multi-source knowledge mapping, to design a system that caters to individual Learning Analytics needs. Incorporating analytics with online learning results in more comprehensive and in-depth evaluation of learners.

In the future, Big Data will impact even how e-learning content is designed, delivered and measured (Arshavskiy, 2017). It will most likely impact which tools a company will use for designing training, knocking out those vendors who do not integrate those upcoming standards. It will impact which learning management systems a company will use, thus possibly putting some companies out of business, who are not able to adapt. Also, companies will look to leverage multiple mediums which might each provide additional big data to analyze and benefit from, so vendors who are platform-limited and cannot scale up, will also be pushed by the wayside unless they sell off. Big data will impact how courses can be personalized for users, generating new data to be analyzed for even newer insights.

CSOD has the opportunity to develop a set of standards when it comes to learning data, by being innovative and creative. This big data standard could be developed by creating a framework for a set of standards, identifying all learning areas, then reaching out to LMS providers worldwide to collaborate and contribute to the standards, by sharing their version of any given area of standardization. For example, Totara LMS could share their standards on content metadata – the data identifying any given piece of content, and ISOtrain could contribute their standards on compliance reporting. ISOtrain doesn’t capture a content owner value but Totara does, so Content Owner could become part of the universally accepted standard and LMS providers will need to make modifications to their software to meet this standard. There are multiple areas that could be standardized, aside from metadata. There are universal processes for acquiring and maintaining content, linking to external content, documenting progress and user feedback, and packaging courses. CSOD has an opportunity to set forward the official guide by stepping up as a leader in the industry and enlisting competitors to contribute to a global standard.

The resources necessary would include analysts to document all the submissions, architects to create and define the framework, and technical writers to compile the information. CSOD could offer to cover all expenses related to capturing the standards, while contributing providers can contribute for coverage of their own supporting activities. CSOD already has a strong reporting engine, which puts to shame many other LMSs, from which it is very difficult to extract data. Because of their existing tool, CSOD has a jump in the area of innovation and can easily lead the way. By also creating and leading the standard, CSOD can establish itself as the premier learning management system provider, and seal its place in defining the ultimate framework for delivering ahead of the curve.

Funding might be a tough sell initially, since CSOD is rumored to be seeking advice on selling the company. A recent article by Sherman, Hammond, & Jinks (2016) discusses how activist investors Praesidium, Tibco Software, Informatica Corp, JDA Software Group and Corvex Management LP are looking to sell their stock in the company because of its continuing losses. This can be avoided by executing on this opportunity, and another which I discuss next.

Social Learning

Even the president of the United States does it! Tweeting is the act of posting a message on Twitter, everyone’s favorite platform which connects anyone and everyone all across the globe and, even in space. (Arshavskiy, 2017). With the advent of the millennials in the workplace, social learning, or learning while leveraging social media tools and channels, is on the rise. Arshavskiy (2017) discusses how web-based information repositories like wikis, forums, blogs and videos that are being shared by contributors from all over the world, is rapidly becoming the chief learning resource, both for learners in schools or in corporations.

Social learning is based on four major pillars that anchor its position in today’s world of learning. Search capability, one of the pillars, makes accessible a wide array of content, allowing learners to customize their training, and to access targeted training that is related to their general learning path. Gizmos in today’s search tools should allow learners to search and find that specialized content, then add it to their learning paths in various capacities and mediums. Searching is extremely integrated into most applications, because they provide the user with more direct access to sought out materials, and may reduce the amount of time spent browsing learning.

Studying in a social environment allows for tracking and sharing learning activity with others (the second pillar). This can help steer learners towards new learning content, or even compare one’s learning track with other learners’. When studying progress can be tracked, it can be automatically tested to monitor other learners progress through the learning track, performance with the learning materials, and ultimately learner retention level of the training content.

Arshavskiy (2017) also discusses 2 other pillars key in social learning, pillars that talent management software vendors must be able to integrate within their offering, or else be left by the wayside in favor of fuller talent suites which already include this capability. Rating and recommendations make up the third pillar. Users can use ratings to indicate how useful training was to them, or the value they feel that training might represent. This value, in form of a rating – commonly expressed through a scale of stars (1 through 5 stars, 1 being the lowest and 5 being the highest rating), is a pillar in social media already, and it is making its way into learning where users can rate content, tools and even platforms. Learners who browse available content, can sort that content by rating, and identify top rated content for their own consumption. Using the same method, training practitioners can leverage user ratings in identifying the most popular content items, and then deliver more of the same content to increase learner satisfaction.

Recommendations are another part of the ratings pillar. Users are able to recommend training and content to their peers, and managers can recommend training to their teams. This helps cut out much of the searching effort, or the general and sometimes endless browsing that might occur when learners are looking for training. Accessing a list of training recommended by peers and managers, many times people who work in their own industry, company or department even, helps quickly narrow down a large pool of content and direct the users to exactly what they need, and what they are looking for. Recommendations and ratings can be gathered to help users find the right content for a successful training program.

Lastly, contributions are a big pillar of social learning. Social media allows users to contribute training they feel is appropriate to share with colleagues (Arshavskiy, 2017). For example, a manager, using social learning, can make recommendations for training content to their team members, in order to steer them towards training they feel is appropriate given their business needs. Social learning is an absolute trend of the future and companies who are unable to capitalize on this trend, or integrate it effectively into their offerings, will shortly be losing major market share. Conversely, small companies that are able to master this technology and successfully blend it into their offering, will continue to remain competitive, and possible become very attractive candidates for acquisition by one of the top players in the industry.

What CSOD must do is explore the social learning opportunity, which will only get more engrained in human society. The current Connect module in CSOD is designed to provide a social interaction platform. It stops short of having actual communities, the ability to make “friends”, like things, share content with others, recommend and rate learning offerings, and possibly create their own learning groups and content, along with outcomes. The module can be enhanced to include more social media-type modules, allowing users to connect with other learners, share content with any user, give feedback on any content and rate each content. This will create a social aspect of learning for any organization, and generate new data sets that can be used to create or modify learning strategies. Small changes can be made to the current social module, leveraging some research and development time, and using clients to test out and give feedback on the developments of the social module.

On Facebook, I was able to create a group that only members of my family would be invited to. In this group we share intimate news, family history, event announcements, and life events or pictures. I posted some special content on project management – basic stuff – and some of my cousins were able to learn something new and apply directly in their lives. They shared their progress and excitement in the group to everyone. This is where social learning is going. Employees need to be able to do the same thing for each other so the opportunity in social learning, is to take learning to the future by anticipating what social media is going to do, in the future. Right now, CSOD has a golden window to push in this area and assume a leadership position with a well-thought out product that makes learning as easy as Facebook.

Trends, Impacts and Sustainability

The very factor that stands to be a potentially very valuable opportunity for CSOD to explore, is also the dominant trend out of 3 trends making the biggest impact on my selected market domain. Social media itself is a major trend in many industries already, and is only continuing to gain ground. Major software developers are rushing to integrate (not always successfully) a social media component in their applications, in order to stay relevant. I did some research to better detail social media as a major trend for my market domain, and its sub-components which apply specifically to CSOD.

Video

Baker (2017) discusses how video has become a major crusade for all major social media providers. Facebook CEO Mark Zuckerberg’s intention of transforming his application into a video-first platform – possibly by 2021, are definitely known throughout the company. Most large social media outfits like Snapchat and Periscope are all video applications and compete with Facebook, thus this strategy. Twitter is also using video and has integrated a live-streaming platform like Facebook and Snapchat. Pinterest and LinkedIn, 2 other major social networking giants, have also integrated video features into their offerings, but not with as much fanfare as Facebook. CSOD’s social media integration must include a video-based feature, where learners can share learning via creating their own videos, not just sharing videos already on the internet. I have personally learned specific skills through watching videos on YouTube, ranging from doing work in Microsoft Excel, to fixing my SodaStream sparkling water machine. It is the #1 fastest rising method of learning in society. Video usage has only grown by leaps and bounds and stands to make a lasting impact on the learning industry. In order to be a sustainable learning platform, CSOD will have to effectively integrate video social media tools and methods into the LMS.

Demographics

Another trend is the change in social media user demographics. Baker (2017) reports that the age landscape of the typical social media users is changing, which means more groups are beginning to use social media, than were before. Social media is no longer exclusively for millennials. From my experience, I’ve helped aunties, uncles, and elderly folks start accessing Facebook in order to connect with their family members spread throughout the country, and sometimes the world. They are mostly using PCs to access Facebook. The general trend here is that social network users in the US are getting older. In 2009, 46% of online adults used any form of social media, compared to 70% today. This is because all the Generation X people, and even the baby boomers, who have flocked to the internet and specifically social media for the reasons I also have experienced and discussed above. Flocking is an understatement. The fact is that social media penetration has hit somewhat of a ceiling in the first world, and will mostly likely only increase by approximately 2% over the next 4 years. Realizing that most of that audience also works, and also needs to learn at work, developing CSOD’s social media modules and features will only put the LMS ahead of the curve, in providing employees with the same familiar functionality of personal social media, to be applied to their learning at work. There are greater margins for growth in the work environment for audience demographics, so CSOD can make a sustainable impact on these social groups by developing features which mimic current capabilities.

Mobile

The 3rd and final component of this major social media trend affecting my market domain, is simply put, the very platform which has enable the skyrocketing growth of social media: mobile phones. Mobile is that third major component, which is driving further advances in social media. Baker (2017) explores Facebook’s ongoing mobile-only transformation, something the company has been working towards since their IPO in 2012. It is predicted that by 2020, 59% of U.S. users will be accessing Facebook exclusively via their mobile devices. Already, 80% of Facebook’s revenue already comes from mobile advertising services. Kulkarni (2017) points out that the majority of the newcomers to the social media space will be creating platforms that are designed to work on mobile devices first. As opposed to major players like Facebook and Twitter, who came to mobile after they had been around, new players in the domain will create their business plan with the mobile platform in mind. mobile phone, but future platforms will be designed with phones in mind from the beginning. There will be seamless integration built in. The future of the internet is mobile, so these newcomers may very well be around for quite some time, and forays into mobile-based systems and learning opportunities, is only the natural direction the business world is heading in. Aside from the infrastructure sustainability concerns (power, technology availability, etc.), more and more businesses offer mobile access to their systems, for their customers and employees. Taking advantage of this channel is a very viable opportunity for CSOD, as businesses continue to adopt a BYOD policy for workers (Bring Your Own Device) – allowing them to use their own personal devices for work.

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