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THOUGHT LEADERSHIP | TECHNOLOGY

Are Corporations Evolving Into The Universities Of The Future?



By: Nathan Laverriere • Published December 8, 2023

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Learning Tech Series: SVB Securities is pleased to bring you this series focused on the Learning Tech market – from PreK-12 to Higher Ed Institutions to Corporate and Lifelong Learning.

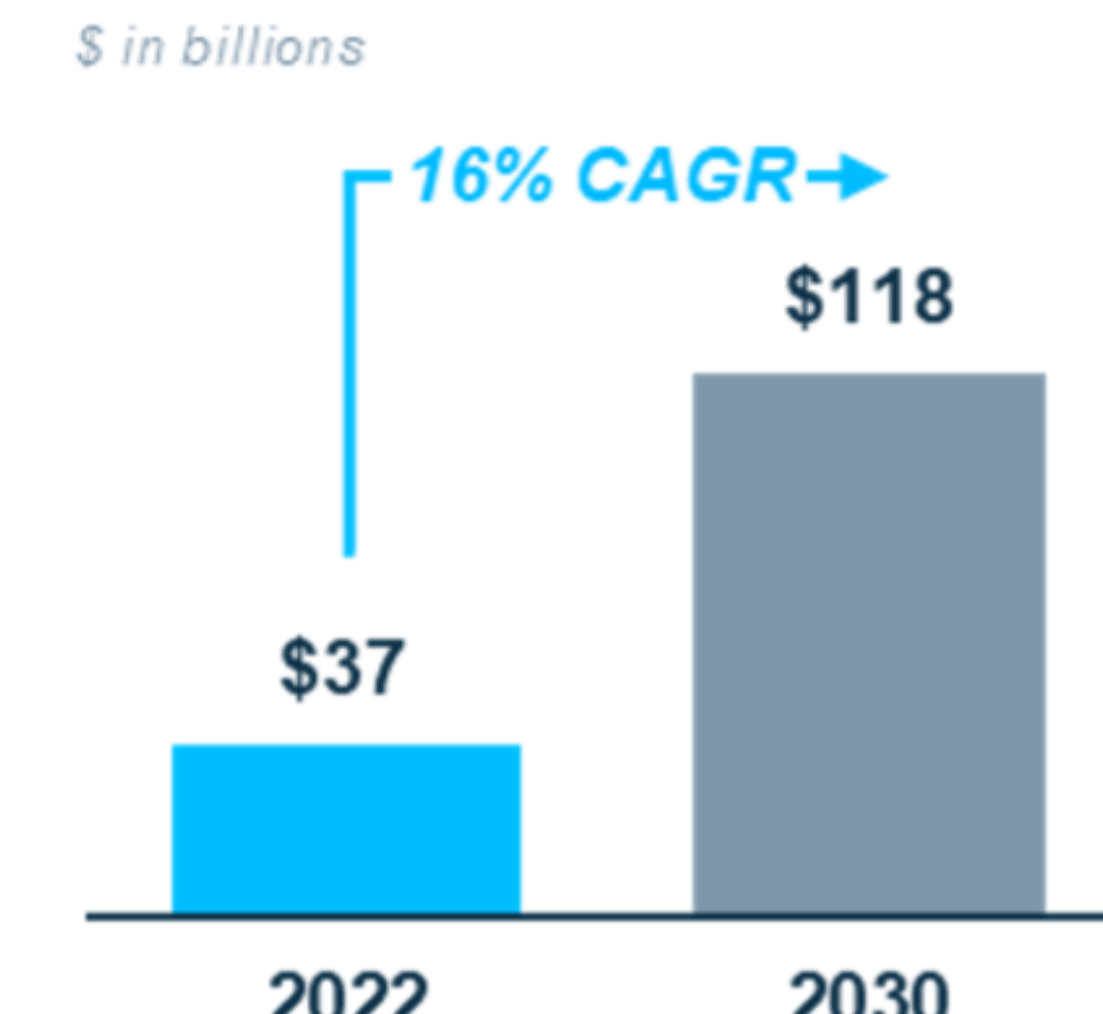
The skills gap that Corporations face today is perhaps their biggest challenge, as business leaders struggle to attract and retain employees with the skills required to drive companies forward. The recent “Great Resignation” exacerbated this situation, with employees leaving their jobs en masse – **4 million** Americans quit their job every month during 2022, with over 10 million job vacancies. How could a corporation possibly execute a business strategy, much less achieve KPIs, when faced with such a massive headcount problem?

Upskilling to fill gaps

Providing opportunities to employees to build skills and gain new credentials can alleviate tightness in the labor market – and corporations are beginning to catch on. A growing number of corporate leaders are leveraging digital learning environments, development paths and platform solutions to provide upskilling – addressing the diverse needs of businesses and team members alike. **Guild** is a leader in this space, as their platform is designed to provide every employee access to learning and career development, driving meaningful business outcomes and bridging the gap between traditional universities and corporations.

The early results are telling – 91% of corporations believe training has increased employee productivity. In 2022, the corporate e-learning market was \$37B, and as corporations continue to see the value in digitized corporate learning, that number is expected to reach \$118B by 2030, at a 16% CAGR.² This success is driving more investment by corporations and has the potential to lead the evolution of traditional universities and their relationships with lifelong learners and corporations.

Global Corporate e-Learning²



Significant Investment By Major Corporations

Today, the average annual spend per employee on Learning and Development (L&D) is \$1.3K.³ Accenture invested \$1B+ in training and learning initiatives for its employees. Amazon’s initiative “Amazon Upskilling 2025” will invest \$1.25B+ to provide training programs to its employees. Salesforce pledged to upskill half a million U.S. workers through its Trailhead online learning platform.

\$1.3K

Average annual spend per employee on Learning and Development (L&D)³

\$165B
2020 North America Workplace L&D Market Size⁴

\$358B
2020 Global Workplace L&D Market Size⁴

The list continues to grow as corporations are in fact, a key driver in the evolution of lifelong learning.

	Invested \$1B+ in upskilling, training and learning initiatives for its employees
	Amazon Upskilling 2025 will invest \$1.2B+ to provide upskilling training programs to its employees
	Grow with Google provides free digital skills training through live and on-demand virtual workshops
	IBM Skills Academy is designed for academia and helps provide students with additional job-related skills
	Launched global initiative to bring digital skills to 25 million people
	Pledged to upskill half a million US workers through its Trailhead online learning platform

Focusing On Skills, Not Degrees

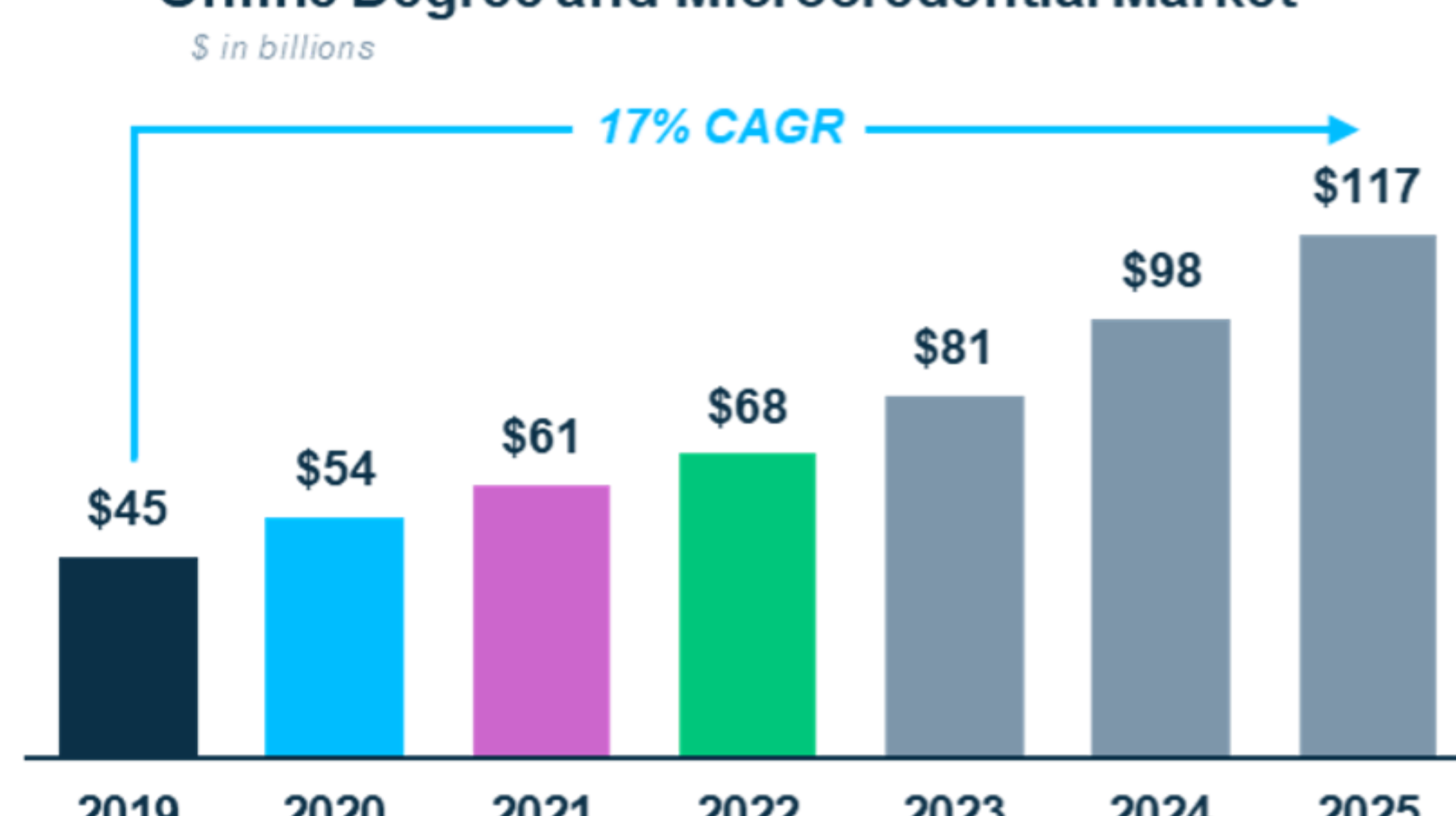
Major companies like [Google](#), [Tesla](#) and [IBM](#) have dropped the requirement for college degrees for new hires, instead focusing on skills-based hiring to widen the talent pool. “Our focus is on demonstrated skills and experience, and this can come through degrees or it can come through relevant experience,” said [Tom Dewaele](#), Google’s Vice President of People Experience.

As traditional degrees become less important and more expensive, where do candidates go to get much-needed skills to compete and stay relevant? Online degree programs and micro-credentials are generating a growing wave of qualified jobseekers to skills-based roles.

Universities need to evolve to support this shift from traditional degrees to other forms of continuing education. Many colleges and universities have started to work with companies like [Coursera](#), which offers packages for individuals, teams and smaller organizations to enterprise-level integrations, providing global training and development programs that are developed by top universities and companies. Their [essential skills roadmap](#) covers business, technology and data, with tracks across Marketing, Product, Sales, Finance, Engineering, Data Science and Managers.

Jobseekers are also looking to companies like [Code Academy](#), which trains teams on the most sought-after technological skills, offering free coding classes in twelve different programming language—focusing on Computer Science, data science, web development and coding.

Online Degree and Microcredential Market⁵



Investing In Educational Technology—From Our Perspective

The surge of investments and digitalization in the last couple of years has paved the way for explosive growth in the future of the Learning Tech industry. This is undoubtedly a trend that could offer significant opportunities for investment.

2021 was a record year for learning tech IPOs, and although uncertainty in public markets caused a pause in the broader tech space, it can be considered a temporary “hiccup” as the economy settles down.

The VC market was not immune to the overall slowdown, although it took longer to show signs of weakening. As inflation, interest rates and recession risk climbed, the cost of capital for VCs increased. The market struggled to find an equilibrium by the end of 2022, as companies needed to grow into their 2021 valuations.

Many learning tech companies are well-funded and can likely wait for the market to improve before considering an exit. Companies that are growing at scale with high sales efficiency are best positioned for an exit, even in a challenging market environment.

To learn more, download: [SVBS Back to School Market Update](#)

- McKinsey
- GlobeNewswire
- Class Central
- Statista, July 2022
- HolonIQ, May 2019

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