

IBM AND ASTD RELEASE LEARNING SURVEY RESULTS

Data Reveal Organizations Increasingly Tap Service Providers for Best Practices, Access to Talent and Cost Reduction

ARMONK, N.Y. AND ALEXANDRIA, VA, December 10, 2004 – IBM, in partnership with the American Society for Training & Development (ASTD), today announced the results of the “IBM/ASTD Learning Outsourcing Survey, 2004.” IBM and ASTD surveyed 174 learning and human resources executives to understand perceptions and use of external learning services. The data reveal that while this marketplace is still young and is being driven by cost savings opportunities, it is poised for future growth as companies look to service providers to help accelerate the transformation of their learning environments.

“Together with ASTD, IBM wanted to better understand the issues faced by top learning executives when deciding how to manage learning in their enterprises,” said Nancy DeViney, general manager, IBM Learning Solutions. “IBM and ASTD have both seen an increased interest in organizations considering outsourcing learning processes or functions.”

“This survey identifies the most pressing issues and driving forces behind an organization’s decision to outsource portions of its learning function,” said Brenda Sugrue, senior director of research for ASTD. “Although the survey suggests that the primary reason for learning outsourcing is potential cost reduction, over time, more companies will leverage third-party vendors to gain access to capabilities that will help organizations transform their internal learning functions.”

Survey results suggest that in the future, companies will look to learning vendors for more than just cost savings, and will place more emphasis on the transformative aspects of learning. While 67% of respondents named “cost reduction” as one of the top three reasons to use learning services providers, next were lack of internal capabilities (46%) and the need to have access to best practices and talent (43%).

The survey results also indicate that the three most important characteristics buyers seek when choosing a potential learning provider include: knowledge of their industry, company, internal issues (71%); ability to deliver on service-level agreements, costs, other performance measures (54%); and speed in delivering a solution that meets requirements (40%). The results indicate that while learning executives are moving toward the idea of leveraging service providers for their learning initiatives, it is important that the vendor of choice be reputable and knowledgeable in the organization’s industry and have highly-qualified and established practices.

Additional results from the survey can be found in the December issue of ASTD’s *T+D* magazine. The full survey report will be available online in January 2005.

About IBM

IBM is the leading provider of learning solutions and IT training helping businesses improve workforce performance. IBM attends to the learning requirements of corporations, governments and educational institutions with an integrated portfolio of services, software, hardware, research and alliances with strategic business partners. IBM helps customers address their specific learning needs, ranging from learning

infrastructure to broader transformation initiatives. With its global presence and extensive expertise, IBM draws on its world-class portfolio of e-learning software, hardware, custom content development capabilities, education and information technology services, research and award-winning experience to help customers realize the full potential of e-learning. For more information, visit www.ibm.com/learning.

About ASTD

ASTD (American Society for Training & Development) is the world's largest association dedicated to workplace learning and performance professionals. ASTD's 70,000 members and associates come from more than 100 countries and thousands of organizations - multinational corporations, medium-sized and small businesses, government, academia, consulting firms, and product and service suppliers.

ASTD marks its beginning in 1944 when the organization held its first annual conference. In recent years, ASTD has widened the industry's focus to connect learning and performance to measurable results, and is a sought-after voice on critical public policy issues. For more information, visit www.astd.org.

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