



# Canada: e-Learning in the Education and Training Market

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## Summary

*Note: As the U.S. and Canadian dollars are currently at parity, and it is forecasted to remain that way over the next two years, we have used an equal U.S. and Canadian dollar for all figures in this report.*

e-Learning is becoming one of the fastest growing e-commerce trends within the Canadian education market. It is the third most used internet application right behind website design and email. According to International Data Corporation (IDC), the worldwide corporate e-Learning market was valued in 2004 at \$23 billion with projections that by the year 2010 the market size will reach the \$50 billion mark. In contrast, the e-Learning market in Canada was valued at \$250 million in 2001, and recent numbers have indicated a market size of \$2 billion in the year 2005, comprising approximately 4% of Canada's educational service industry. The growth in the Canadian e-Learning market has created excellent market potential for U.S. developers of web-based learning and training content.

## Market Demand

Canada is the best partner for marketing e-Learning solutions due to its geographical proximity to the U.S., language similarity (with the exception of French, which is the official language in the province of Quebec), the short travel distances required to meet potential buyers, the high regard for protection of personal information and confidentiality, and the relatively clear language and structure used in business contracts that make it easy for U.S. companies to enforce contracts in the Canadian legal system.

Canada's Information Communication Technology (ICT) market represents a \$130 billion market opportunity, and it has been driving significant economic and technological growth across the Canadian e-Learning industry in the last decade. Since 2005, the increased popularity and cost efficiency associated with the penetration of ICT has allowed approximately 22 million internet users in Canada to take advantage of education and training opportunities regardless of their physical location. Statistics Canada reported in 2003 that over 63% of ICT firms used internet technology for training, and approximately 35% of working Canadian adults received some form of job-related training via the Internet. In 2003, 24.9 % of Canadian households used the Internet from home for formal online education and learning.

U.S. suppliers are uniquely positioned to sell e-Learning solutions to companies in Canada in all sectors, however, areas of particular interest include: information technology (IT), information management (IM), financial services and its intermediaries, healthcare, government, digital animation, simulation and video game development, oil and gas, insurance, and post-secondary education and coaching.

Because of the sophisticated level of internet use in Canada since 2000, users of e-Learning find Internet, intranet, e-mail, CD ROMs, DVDs, satellite and cable TV, and web conference systems as the most popular methods for receiving education and training.

## Best Prospects

Major industries within the Canadian economy including Government and public administration, educational services, health care and social assistance, finance, insurance, real estate and leasing, culture and recreation are heavily investing in e-Learning solutions that can bring significant education and training opportunities to support their organization's professional development, as well as contributing to Canada's environmental, social and economic sustainability. e-Learning education and training content is being used specifically in, and as a combination of, the following software both in both English and French:

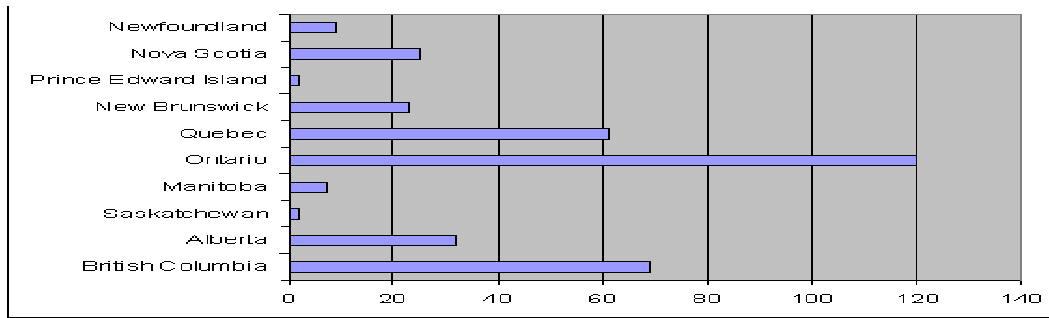
- **Telecommunications Software** with a particular focus on online training to be deployed to organization branches located in remote areas.
- **Financial Software** to deliver training opportunities to institutions with large number of financial intermediaries, specifically within the insurance, real estate, and banking industries.
- **Healthcare Software and Services** for which specialized and very knowledgeable workforce is in high demand to address the significant challenges of assisting a growing aging population.
- **Digital Animation, Video Game Development and Simulation Software.** Increasingly more corporations and educational institutions are adopting as a learning and training methodology, as it provide users a much enriching and dynamic learning experience. Simulation is becoming a fast growing learning methodology as it handles very sophisticated virtual environments allowing for successful training without risking injury or production quality.
- **Large Enterprise Software** for applications that streamline business processes and educational curriculums to drive competitiveness (business intelligence, content management, IT infrastructure management) as well as those that assist companies to improve cost efficiency in their very competitive markets.
- **Virtual Management and Security Software**, that is now used to replace physical training with virtual classroom tools and content, especially when developing training software for tactical and disaster recovery strategies.

## Key Suppliers

Private Sector Educational Services (PES) firms are the driving forces in the e-Learning market in Canada. They deal not only with schools and post-secondary institutions, but are engaged in any form of business that imparts instruction and training in a variety of different sectors and industries. PES firms already outperform their sector counterparts (that is private and public universities and technical colleges) in the use of the Internet (89% versus 63%), e-mail (84% versus 60%), and accessible website (70% versus 26%). PES firms reported e-commerce sales in 2000 of about C\$71.4 million, a 73% increase over 1999, and it is estimated that by 2008, PES will become the single largest area of market growth in an Internet platform in the Canadian education market.

Canada has over 300 PES providing some combination of technologies (LMS/LCMS, authoring systems, and content management systems), services (strategy, planning and project management, instructional design, and website development), and content applicability (custom courses, post-secondary courses, and industry-specific courses) to government programs at the federal and provincial level, universities and colleges, school boards, and private sector organizations (for profit and non-profit) in almost any industry of the economy. Although the U.S. dominates the global market of vendors delivering e-Learning content, Canada has more e-Learning service providers on a per capita basis than the United States, UK, Germany, India, Australia and Singapore. In addition, there are approximately 50 organizations that are associated with universities and government agencies, for a total of 350 groups involved in the Canadian industry. In Canada most PES are concentrated in the provinces of Ontario, British Columbia, Alberta and Quebec.

While most e-Learning service providers promise to deliver a full level of expertise in areas such as content, technology or services, they typically focus on one of the three areas, relying on partners to cover the other two. In reality, approximately 53% of companies had a primary focus in the content area, 23% concentrate in the services sector, and 24% focus in the technology arena.



Distribution of e-Learning service providers within Canada by Brandon Hall Research, 2005

Canadian providers of e-Learning content, technology and services, are listed in the Canadian e-Learning Directory, an online search tool produced by the Canadian eLearning Enterprise Alliance (CeLEA), with support from the Department of Canadian Heritage. This directory can be accessed at <http://www.celea-aceel.ca/directory>.

The following is a list of e-Learning service providers with a proven record and recognition by education industry associations in the delivery of learning and training solutions to all sectors of industry in Canada:

|   |  |
|---|--|
| Automated Learning Corporation<br><a href="http://www.automatedlearning.com">www.automatedlearning.com</a>  | Bruner Business Communication<br><a href="http://www.brunerbiz.com">www.brunerbiz.com</a>  |
| BNH Expert Software<br><a href="http://www.bnhexpertsoft.com">www.bnhexpertsoft.com</a>   | CE Network, Inc.<br><a href="http://www.cenetwork.com">www.cenetwork.com</a>   |
| Prospero Learning Solutions<br><a href="http://www.prosperolearning.com">http://www.prosperolearning.com</a>  | UDUTU<br><a href="http://www.udutu.com">http://www.udutu.com</a>   |
| Desire2Learn<br><a href="http://www.desire2learn.com">http://www.desire2learn.com</a>   | Gandy Associates<br><a href="http://www.gandy.ca">www.gandy.ca</a>   |
| Operitel Corporation<br><a href="http://www.operitel.com">http://www.operitel.com</a>   | Redwood eLearning<br><a href="http://www.redwoodelearning.com">http://www.redwoodelearning.com</a>   |
| WORKINGFaster.com Inc.<br><a href="http://www.workingfaster.com">www.workingfaster.com</a>  | JED New Media<br><a href="http://www.jednm.com">www.jednm.com</a>  |
| QualitE-Learning Assurance Inc. and<br>FuturEd Consulting Education Futurists Inc.<br><a href="http://www.egcheck.com">www.egcheck.com</a> ; <a href="http://www.futured.com">www.futured.com</a> | Psychometrics Canada Ltd.<br><a href="http://www.psychometrics.com">www.psychometrics.com</a> ; <a href="http://www.careerid.com">www.careerid.com</a> ;<br><a href="http://www.testingroom.com">www.testingroom.com</a> |
| Sundance Consulting<br><a href="http://www.sundance.ca">www.sundance.ca</a>   | WATMEC Waterloo Management Education Centre<br><a href="http://www.watmec.com">www.watmec.com</a>  |

### Prospective Buyers

Buyers of e-Learning in the Canadian market can be segmented into the following target demographics: government programs (federal and provincial), universities, technical colleges and school boards, and private organizations (for profit/non-profit). Many organizations are purchasing either a single e-Learning solution or a combination of non-customized e-Learning commercially off-the-shelf, customized content and courseware development tools.

**Government of Canada (GOC)** — Departments and Agencies of the GOC are acquiring unlimited access to self-directed, interactive, 24/7 mentoring Web-based e-Learning courses of over 400 English and 100 French IT course titles for less than \$500 per user per year. Although one of the biggest buyers of e-Learning solutions in Canada, there is a procurement process that U.S. suppliers will need to become familiar with when doing business with the GOC. U.S. companies interested in selling e-Learning solutions to the GOC

must deal directly with Public Works and Government Services Canada (PWGSC), the GOC's official purchasing agent. GOC covers two specific training fronts: Government employees with training needs in the areas of Information Management (IM), and Information Technology (IT) and Office Applications (OA), and employees at the Project Management level with very specialized training requirements.

For employees with IM, IT and AO needs, PWGSC has purchased e-Learning courses from SkillSoft, Inc. providing e-Learning solutions to 21 out of the approximately 250 different departments, ministries and agencies in the federal government through a program called E-Learning Gateway.

Although PWGSC has negotiated licensing costs to each of its agencies of approximately C\$475 per user, their intention is to continue identifying comparable e-Learning providers that can serve their training needs across Canada at a more advantageous licensing cost to the Canadian Government. There is therefore a demand for Information Management (IM), and Information Technology (IT) courses as well as Office Application (OA) training, with a 25% or more of its content be developed in French language.

GOC employees at the Project Management level have had since 2005, approximately 1,086 online courses available provided by approximately 95 pre-qualified training suppliers. With the number of e-Learning courses expected to increase in the coming years, there is an opportunity for U.S. e-Learning service providers to create partnerships and discuss a variety of training solutions, especially in each province and municipality where e-Learning for training purposes is in current demand but not fully addressed.

U.S. suppliers can explore business opportunities with the GOC by accessing the government's official Internet-based electronic tendering service [MERX](#). This online subscription gives vendors access to more than 1,500 open tenders from the federal government, provincial governments and many municipalities, school boards, universities, and hospitals that are subject to Canada's trade agreements. Approximately 200 new tenders are posted daily.

The MERX system provides U.S. suppliers with easy access and excellent opportunities to sell a wide range of products and services to Canada's public sector. The Basic Subscriber package is free of charge providing U.S. companies with access to Federal Government procurement opportunities. From there, it is possible to search, view and download tender documents at no charge. This package also includes a free delivery of Opportunity Matching results, and one free Opportunity Matching Profile that automatically searches for opportunities of interest to a company's criteria in the profile it can create. In order to access opportunities, other than federal government opportunities, users must subscribe to one of the fee-based packages, which will entitle the user to access the lists of tender opportunities by Municipalities, Academia, Schools and Hospitals (MASH).

**Educational Institutions** – Canada is investing heavily in the use of technology for learning, both in classrooms like elementary and secondary schools, colleges and universities, as well as in early childhood and health related learning. In 2003, Canada's educational service industry (including the public education system) were valued at CD\$45.3 billion, representing 3.8% of Canada's GDP. A survey by the Association of Universities and Colleges of Canada shows that more than half of university courses feature an online component – ranging from posting lecture notes on the Web to fully online courses. Universities have formed consortia, such as the Canadian Virtual University, to deliver a wider selection of online programs and make it easier for students to transfer credits and even mix and match courses.

Canadian universities are pioneers in distance education and many are now playing a central role in the provision of e-Learning both on and off Canadian campuses. In May 2000 approximately 57% of Canadian universities and colleges offered online courses. Statistics Canada has reported 26% of adult Canadians going online for educational purposes, and although the figures are even higher in some provinces, Alberta and Ontario are experiencing rates of 30% online enrollment or higher.

Through partnerships with PES organizations, educational institutions are purchasing interactive high-quality, e-Learning material, therefore freeing faculty from issues of limited time for class development, technical expertise and support, as well collaborate more easily and effectively in the creation of richer online learning experience for their students.

In the case of School Boards, these institutions have the most rigorous processes for assessing the purchase of pedagogical material available in the market. Boards have pre-existing processes for evaluating programs to ensure that its content clearly matches their existent curriculum. In this context, educational institutions buying e-Learning content are specifically looking at software that can be easily incorporated to their curriculums by using some of the leading methodologies for teaching including: instructional design, educational design, simulation in online didactics, blended learning, collaborative learning, cyber-psychology, conceptual maps, mental map and constructivism, casting and weblogs, social software, wikis, sociology of the internet and authoring tools.

There are opportunities for U.S. developers and suppliers of e-Learning to negotiate agreements with school boards and post-secondary institutions to create customized solutions in order to enhance their current curriculum with programs that use internet, e-mail, CD ROMs, DVDs, satellite, Wi-Fi, and cable TV. Providing this type of technology will address significant challenges in the Canadian education system such as academic staff shortage, lack of facilities, and a high per class student ratio. The following is the list of subgroups within the education market place where there is potential to introduce e-Learning content:

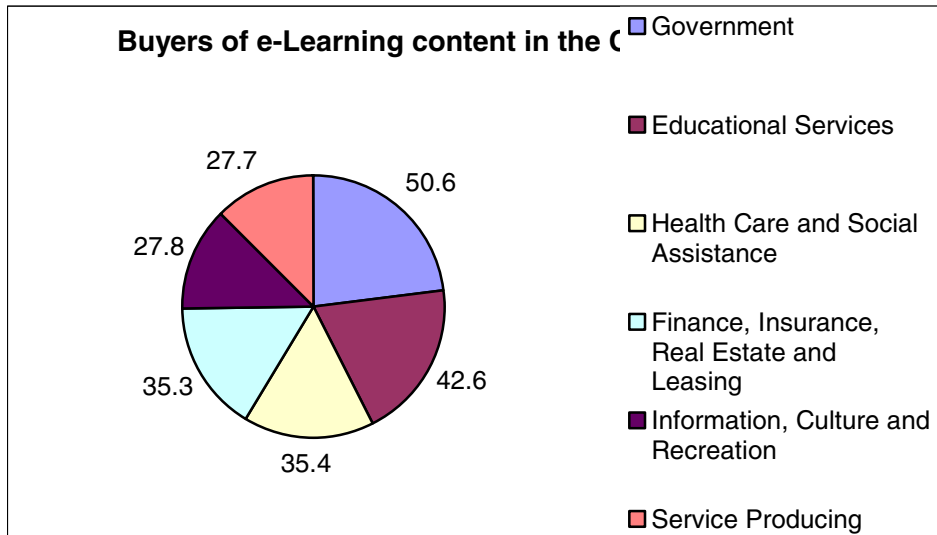
- 1000 private career colleges
- 339 colleges and institutions
- 94 universities
- 426 school boards
- Corporate learning centers
- Professional certification organizations
- Education industry association

**Private Organizations (profit/non-profit)** - Although Canada has a highly educated workforce, many college and university graduates are entering the marketplace lacking the appropriate IT skills required by many firms. In 2005, instructor-led classroom-based training accounted for 68% of the average organization's training delivery methods, down from 80% 1999. In contrast, the use of e-Learning technology as a delivery method through the workforce increased from approximately 8% in 1999 to 38% in 2005. Large organizations are increasingly seeing e-Learning as an economical and effective approach to skills enhancement, as it reduces the need for classrooms, printed material, and traveling requirements. Canadian firms that in the past suffered an impact to their bottom-line, are also seeing the benefits of implementing this new trend, as it reduces travel and incidentals costs, travel time and absenteeism per employee.

The procurement process of e-Learning training modules in large organizations takes usually a long time as the final sign-off will take place once the evaluation of the product goes through different levels and line of businesses within the organization. Therefore vendors of this technology need to make sure their products balance off-the-shelf products with creative, custom solutions that are uniquely aligned with the business enterprise.

As e-Learning products become more competitive, Canadian organizations are preparing more and more Requests for Proposals (RFPs) before awarding a contract. This can be attributed to increasing caution and sophistication on the part of the purchasing units as they attempt to sort out various vendor claims and scrutinize technologies and its content display and functionality.

U.S. companies are encouraged to sell their e-Learning training content to end users in the areas of health care and social assistance, finance and insurance sector, with most of the entities located in the provinces of Ontario, Alberta, and British Columbia.



Purchasing of e-Learning solutions by Small and Medium Size Enterprises (SMEs) tends to be less formal than in large corporations, with employees and managers often handling multiple roles and being involved in a cross section of company activities. This represents an advantage for U.S. suppliers since there is a smaller circle of people involved in the procurement process, as opposed to large companies where several levels exist for the evaluation and final procurement of this technology. Despite the high level of e-Learning use among large organizations, the adoption of e-Learning amongst SMEs continues to be slow as a result of purchase and implementation costs. Expectations are for industry leaders developing e-Learning training to develop a much affordable solution for SMEs, therefore leading to higher levels of adoption.

### Market Entry

U.S. companies interested in selling e-Learning education and training solutions have the advantage of exploring a market with very limited language barriers. Current demand is for e-Learning material that can be used in both of Canada's official languages (English and French.)

In general, the easiest way for U.S. firms to penetrate the Canadian market is through developing partnerships or joint ventures. Due to the high cost of developing e-Learning solutions locally, and because of the perceived lower costs of reusing already created e-Learning content, buyers in the Government, educational and private sector industry are looking at partnering with companies in the U.S. seeking this type of arrangements. Canada is geographically next door to the U.S., simplifying travel between the countries, compared with the long flights necessary to reach suppliers in other parts of the world. English is the primary language of both countries, but Canada also has, in addition to French, a huge diversity of non-English communities that interact in many different languages. The opportunities to appeal French-speaking companies in Quebec and New Brunswick are as well a huge business potential. Less well known outside Canada are the large Chinese communities in Vancouver and Toronto, and the fact that Toronto has over 60 identified languages with more than 1,000 native speakers per language group.

### Market Issues & Obstacles

The cost of developing or purchasing learning technologies, the time required to develop learning technologies, and the lack of appropriate content are the top three barriers to the implementation of e-Learning solutions. At the corporate level, internet sales are skewed towards the larger firms that want to incorporate e-Learning as part of their professional development initiatives which may not be the case of SME

which are not fully prepared to assume this type of invest. Moreover, the question remains as of the need to invest in training resources vs. the lack of devoted learning time invested by their employees.

In the case of educational institutions, e-Learning is at times being perceived as an unappealing way to attract students, simply because of the lack of interaction between instructors and students. In other words, there continues to be a perception that e-Learning appears to be more effective in distance education, where technology use is required rather than in face-to-face instructional settings. There has also been skepticism about the use of e-Learning technology to improve learning, including suggestions that it represents a threat to formal education, from kindergarten through university.

## Trade Events

**Fast Forward Educational Media Showcase**, April 30 & May 1, 2008, Vancouver, B.C.

What is Fast Forward? Fast Forward is a media showcase bringing public and special librarians, educators and school administrators, business, health, public and private sector trainers together with media distributors for just one purpose: to preview DVDS, videos, CDs and other media in order to make better purchasing decisions. Who Should Attend? Buyers and evaluators from: schools, colleges, institutes and universities; health care agencies; libraries, resource and media centers; business, professional development, and human relations training departments and companies. Why? The showcase is the largest in Canada.

<http://www.langara.bc.ca/ffwd/>

**ePortfolio & Digital Identity**, May 5-7, 2008, Montreal, QC.

The conference is organized in partnership with the Centre for the Study of Learning and Performance (CSLP) at Concordia University and the Centre de recherche en informatique de Montréal (CRIM). Tracks will be run in French and English. Presenters and authors are invited to submit an abstract of their contributions by 31 January 2008 on the following themes: Lifelong learning and employability ePortfolios, Building systems of recognition and accreditation with ePortfolios, Exploiting the full potential of digital identity, ePortfolio architectures and advanced technologies, Designing ePortfolio strategies within regions and sectors, Managing knowledge with ePortfolios.

[http://events.eife-l.org/eportfolio\\_montreal/news/eportfolio-digital-identity](http://events.eife-l.org/eportfolio_montreal/news/eportfolio-digital-identity)

## Resources

Industry Canada

[http://strategis.ic.gc.ca/epic/site/dir-ect.nsf/en/h\\_uw00264e.html](http://strategis.ic.gc.ca/epic/site/dir-ect.nsf/en/h_uw00264e.html)  
[http://www.cebi.ca/Page\\_e.asp?PageID=5](http://www.cebi.ca/Page_e.asp?PageID=5)

The Canadian Interactive Alliance

<http://www.ciaic.ca/en/search/node/e-learning>

Canadian e-Learning Directory

<http://www.celea-aceel.ca/directory/?fuseaction=celea.Search>

Canadian Council on Learning

<http://www.ccl-cca.ca/CCL/Topic/WorkandLearning/?Language=EN>

Conference Board of Canada

<http://www.conferenceboard.ca/education/reports/default.htm>

STT Trainer (a Kaplan IT learning division)

[www.stt-global.com](http://www.stt-global.com)

Brandon Hall Research -

<http://operitel.com/Document%20Library/News%20and%20Events/An%20Overview%20of%20the%20Canadian%20E-Learning%20Industry.pdf>

<http://www.brandon-hall.com/publications/11dec7.shtml>

Association of Universities and Colleges of Canada  
[http://www.aucc.ca/search/index\\_e.html](http://www.aucc.ca/search/index_e.html)

IDC - <http://www.idc.com/research/simplesearchres.jsp>

Canadian Education Association  
<http://www.cea-ace.ca/home.cfm>

Human Resources and Skills Development Canada -  
[http://www.hrsdc.gc.ca/en/hip/lld/olt/Skills\\_Development/OLTResearch/e\\_learning\\_workplace.shtml](http://www.hrsdc.gc.ca/en/hip/lld/olt/Skills_Development/OLTResearch/e_learning_workplace.shtml)

Statistics Canada  
<http://www.statcan.ca/english/conferences/it2001/program.htm>  
[http://cansim2.statcan.ca/cgi-win/cnsmcgi.pgm?Lang=E&SP\\_Action=Theme&SP\\_ID=1821](http://cansim2.statcan.ca/cgi-win/cnsmcgi.pgm?Lang=E&SP_Action=Theme&SP_ID=1821)

Ottawa Citizen  
<http://www.canada.com/ottawacitizen/news/city/story.html?id=63ed9256-5b53-4121-9ab4-5220641ee7cf>

### For More Information

The U.S. Commercial Service in Ottawa, Canada can be contacted via e-mail at: [luz.betancur@mail.doc.gov](mailto:luz.betancur@mail.doc.gov)  
Phone: 613 688-5216; Fax: 613 238-5999; or visit our website: [www.buyusa.gov/canada](http://www.buyusa.gov/canada)

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