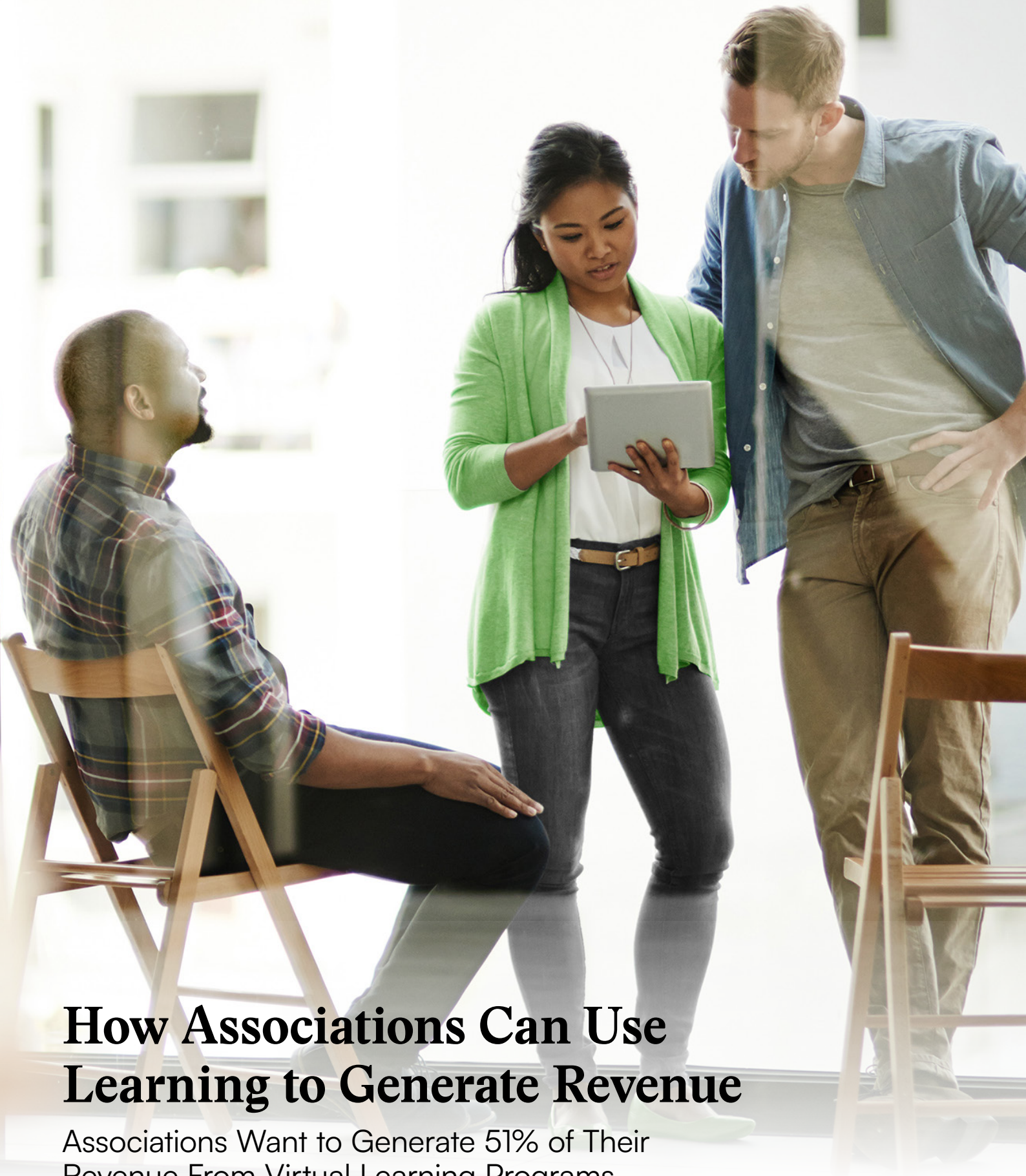


# D2L



## **How Associations Can Use Learning to Generate Revenue**

Associations Want to Generate 51% of Their Revenue From Virtual Learning Programs



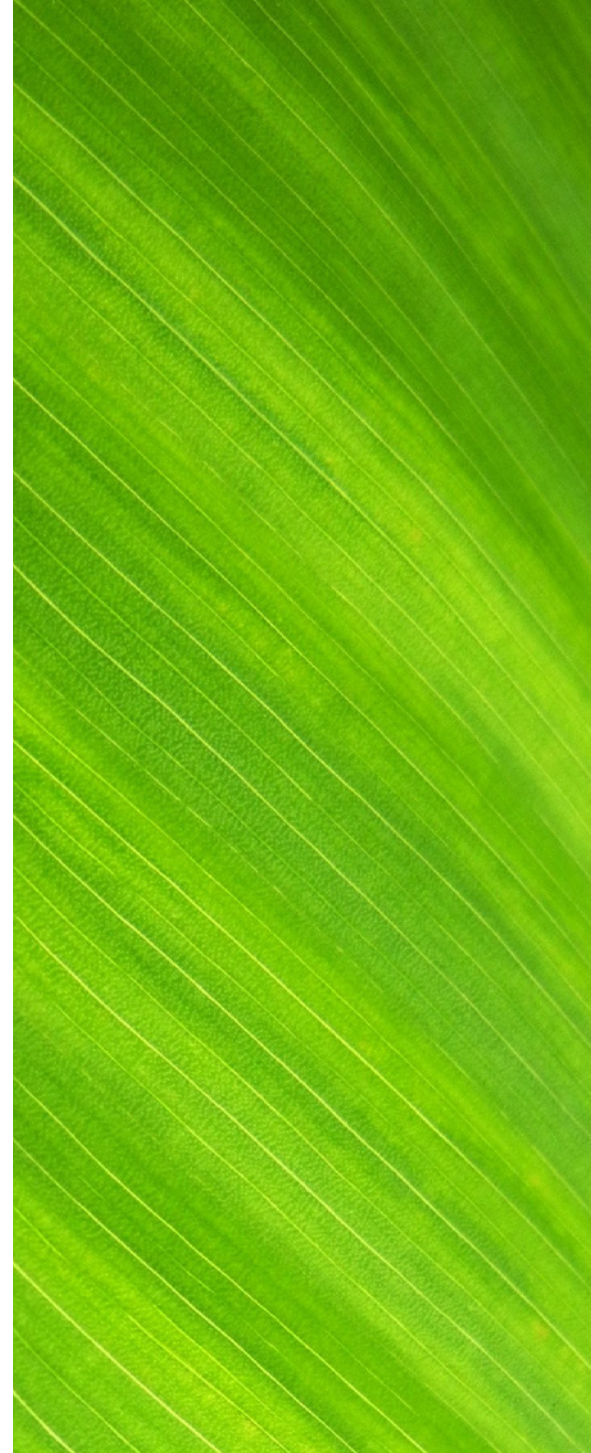
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# Introduction

Professional associations give their members a variety of benefits, including access to resources, learning and networking opportunities to connect with and learn from their peers. But over the past few years, associations of all types and sizes have had to reassess how, when and where they offer continuing education to meet the evolving needs of members. In some cases, that meant fundamentally transforming membership models.

Some associations already had online learning in place, while others had to overhaul existing in-person programs. To explore how associations have adjusted their business models, D2L and Training Industry, Inc. partnered for a research study of 125 membership-based organizations. We wanted to know the nature of the changes they've made, where they've realized success and where they see their associations going next.

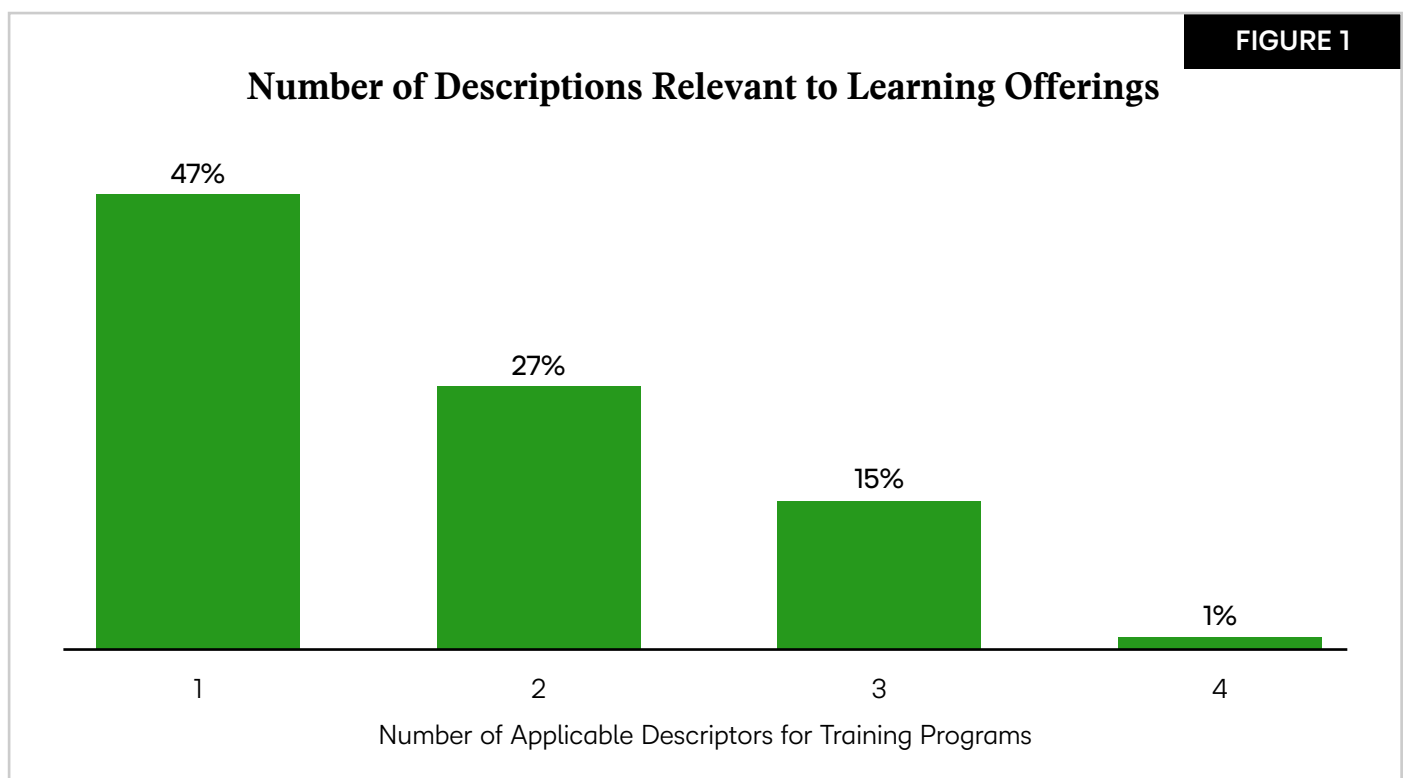


# The State of Continuing Education for Associations

Learning and events are central parts of the work professional associations engage in to serve as a voice for their industry and provide a community of support and learning for members. There are several ways to characterize the learning and continuing education programs offered by professional associations, but the dominant three are:

- a one-off, stand-alone program
- a certification with a qualifying test
- a course for continuing education credit (CEC)

Between 40% and 50% of associations characterize their existing learning programs as a stand-alone program, a certification, or a course for CEC. As shown in Figure 1, 43% of associations indicated that they offer two or more kinds of learning programs. At the same time, 47% said that they rely on a single type. This tells us that although continuing education programs are far from uncharted waters, the ways in which associations use them can vary widely.

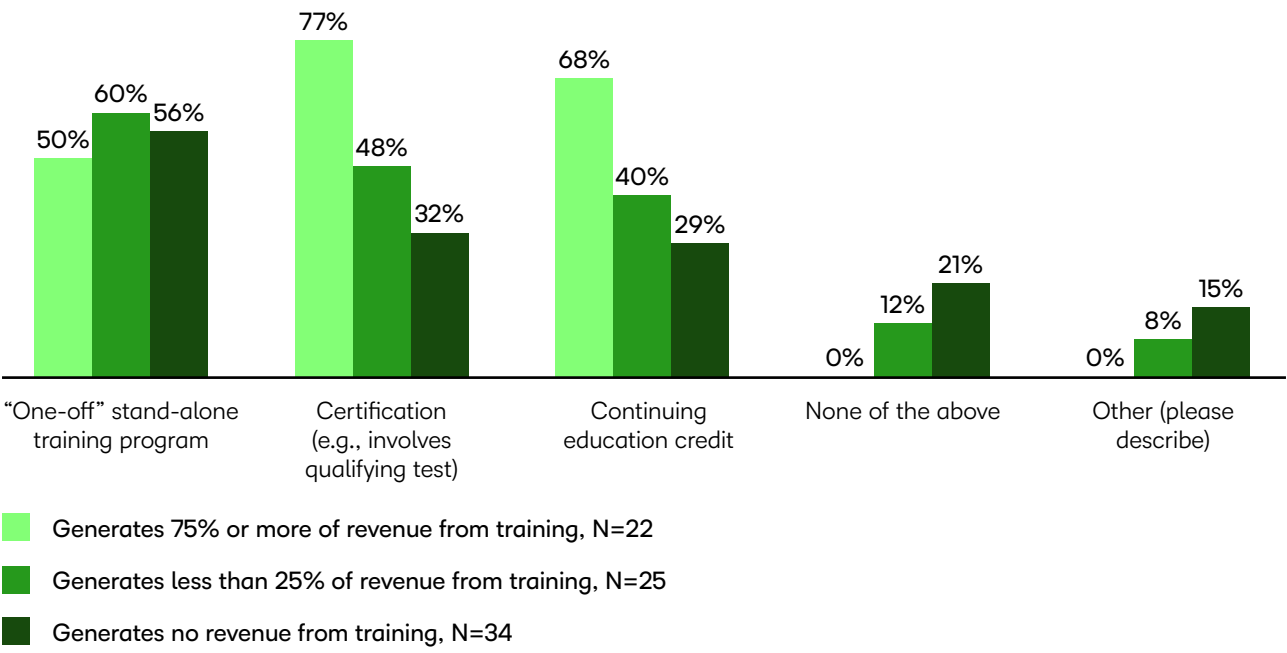




While providing continuing education and learning and certification programs is important for many associations, not all necessarily rely on them as a revenue stream. Figure 2 highlights the percentage that learning contributes to association revenue. The findings indicate that the associations that are deriving significant revenue from learning programs tend to offer either certification or CEC. Associations that generate less than 25% of revenue or no money at all are more likely to offer stand-alone programs.

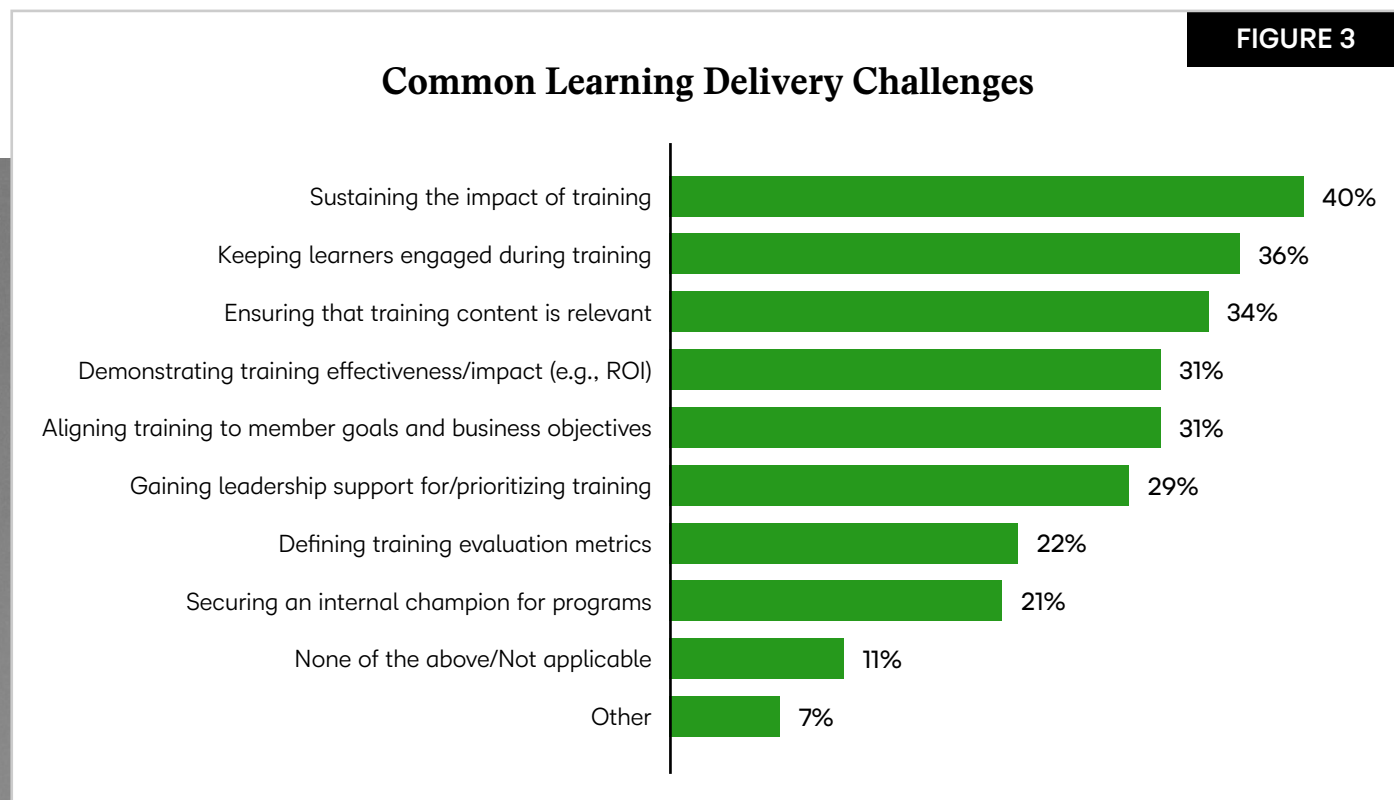
**FIGURE 2**

**Percentage of Revenue From Learning Programs**



# Challenges Associated With Delivering Learning Programs

Developing and delivering a successful learning program is no easy task. We asked our sample of associations what challenges they faced when delivering learning. As shown in Figure 3, over a third of associations identified sustainment, learner engagement and content relevance as their top three concerns.



However, associations did not universally experience these challenges. For instance, we found that associations that were planning on maintaining their virtual learning programs moving forward perceived the landscape of challenges differently than did those that planned to revert to their previous business model once restrictions were lifted on activities like in-person events (Figure 4).

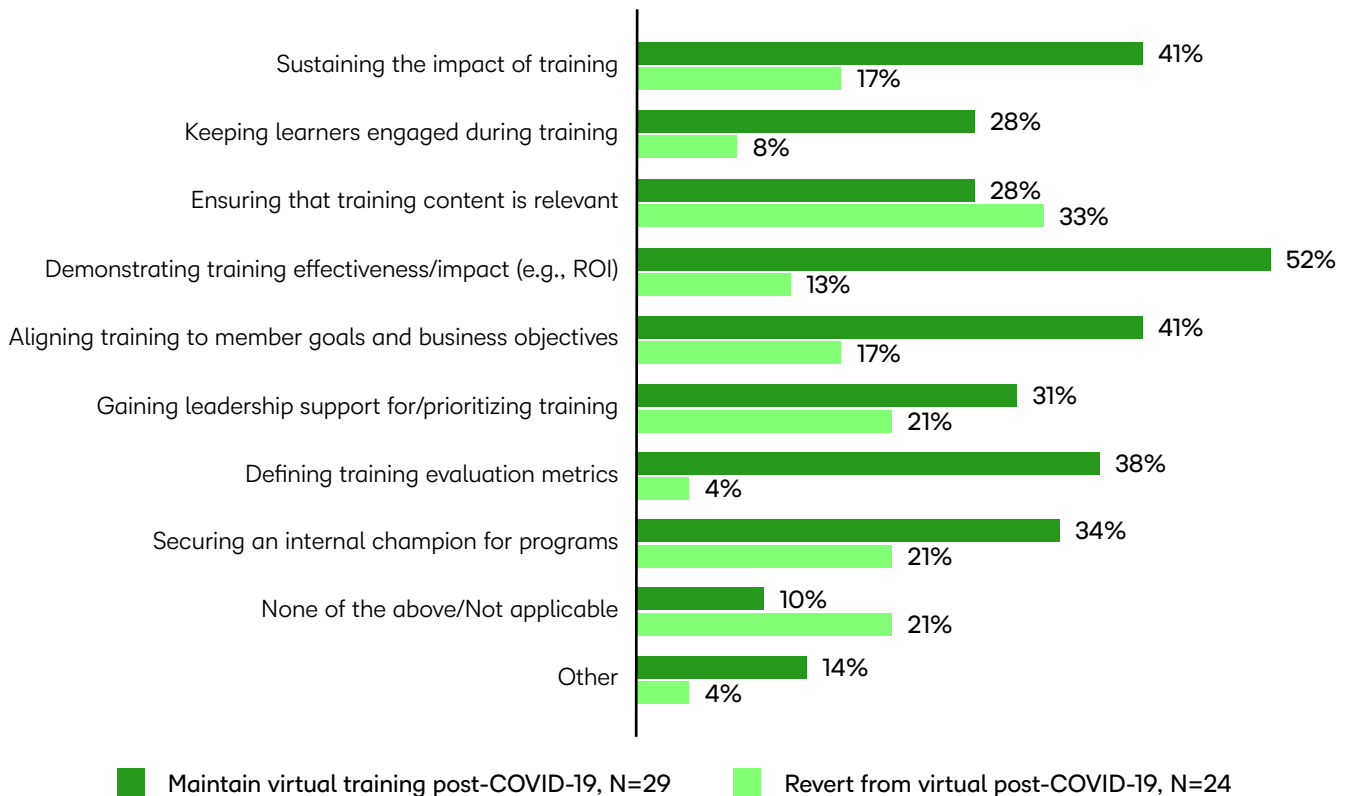
The associations that plan to continue virtual learning cited challenges with demonstrating learning effectiveness, sustaining the momentum and aligning learning to member goals and business objectives.

Associations that do not plan to continue offering virtual learning cited issues with content relevance, lack of leadership support, and problems securing an internal champion as primary barriers to delivering learning.

Obtaining leadership buy-in and finding advocates to promote the value of continuing education across the organization are both integral to building a culture that prioritizes learning and development (L&D) initiatives. Associations that see the value in learning are more likely to invest in it moving forward.

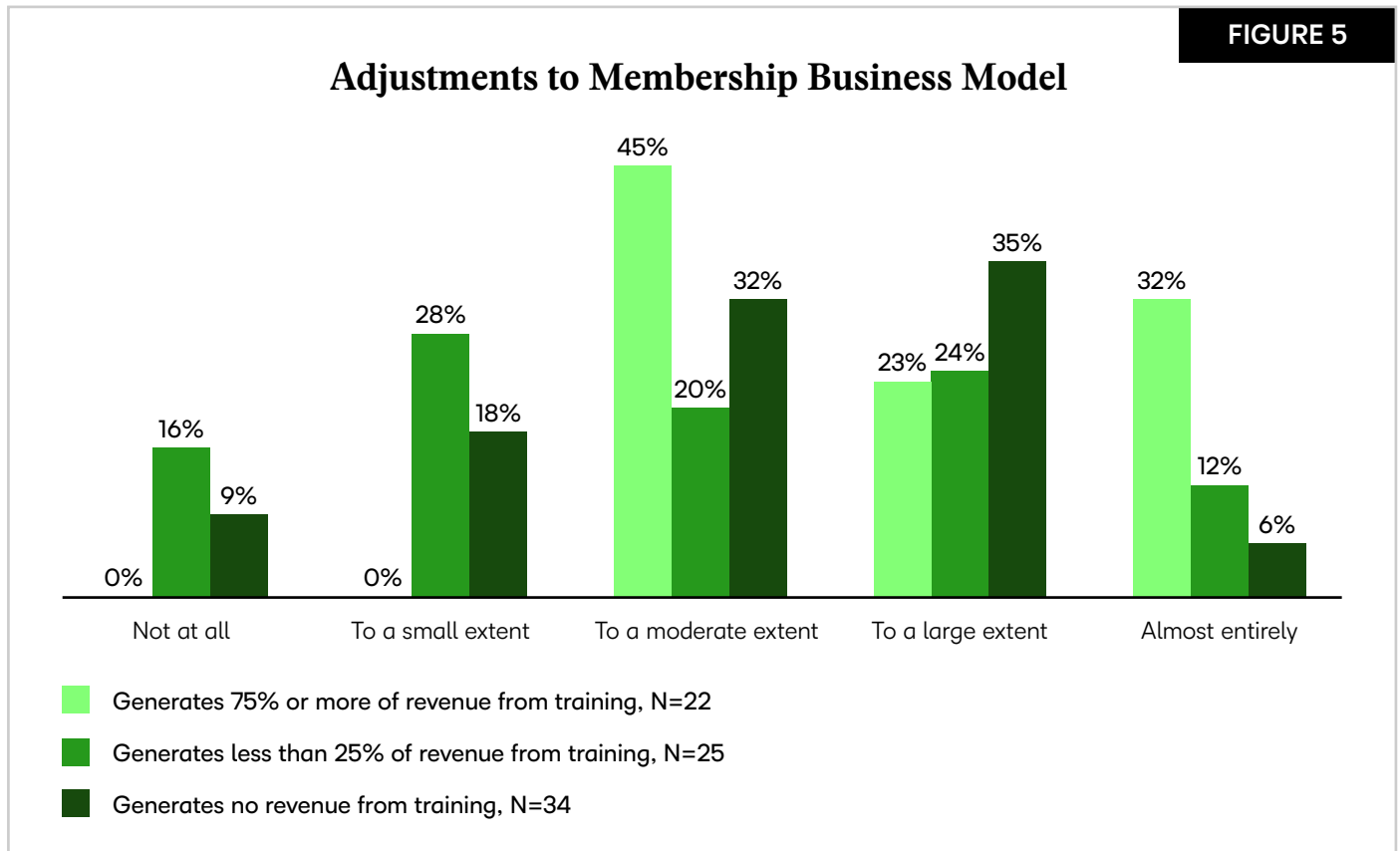
FIGURE 4

### Common Learning Delivery Challenges Based on Virtual Learning Strategy



# Changes to Business Models for Associations

The pandemic altered business models across industries and organizations, and associations were no exception. Figure 5 shows that while relatively few associations made few or no adjustments, most associations have made substantial changes to their membership model, with roughly a third of associations that generate revenue from learning programs indicating that they almost entirely overhauled how they operate.

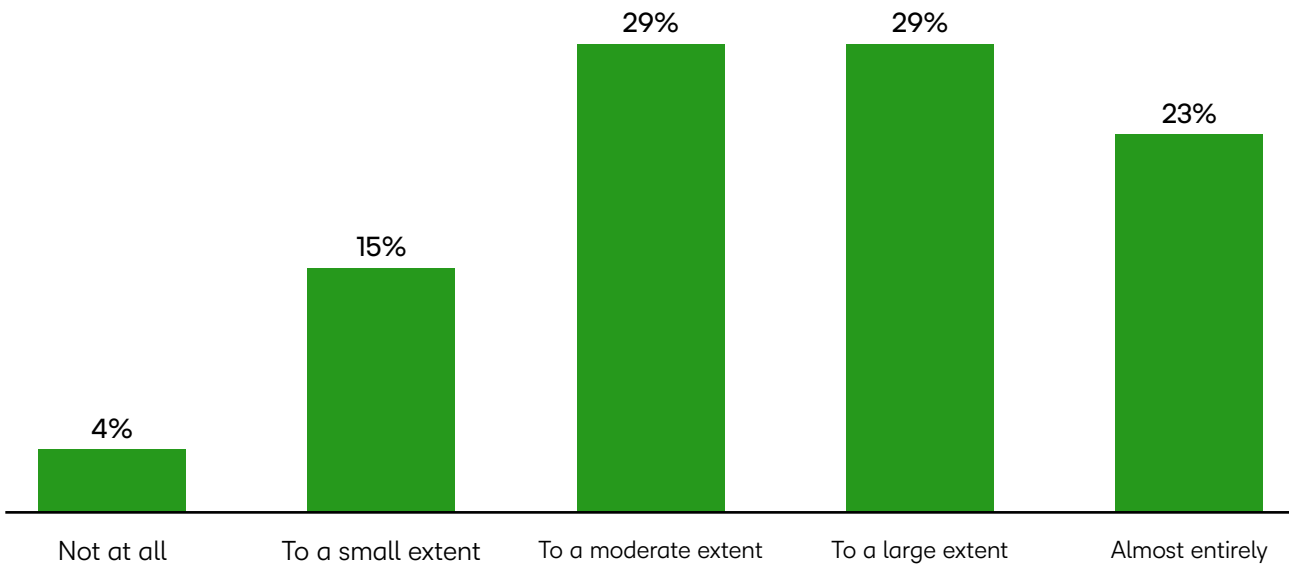


While many associations have shifted to other ways of making revenue, we wanted to know how likely these organizations would be to maintain virtual programs in the future. As shown in Figure 6, a combined 81% of associations expected to permanently keep many if not most of the changes put in place over the past few years.



FIGURE 6

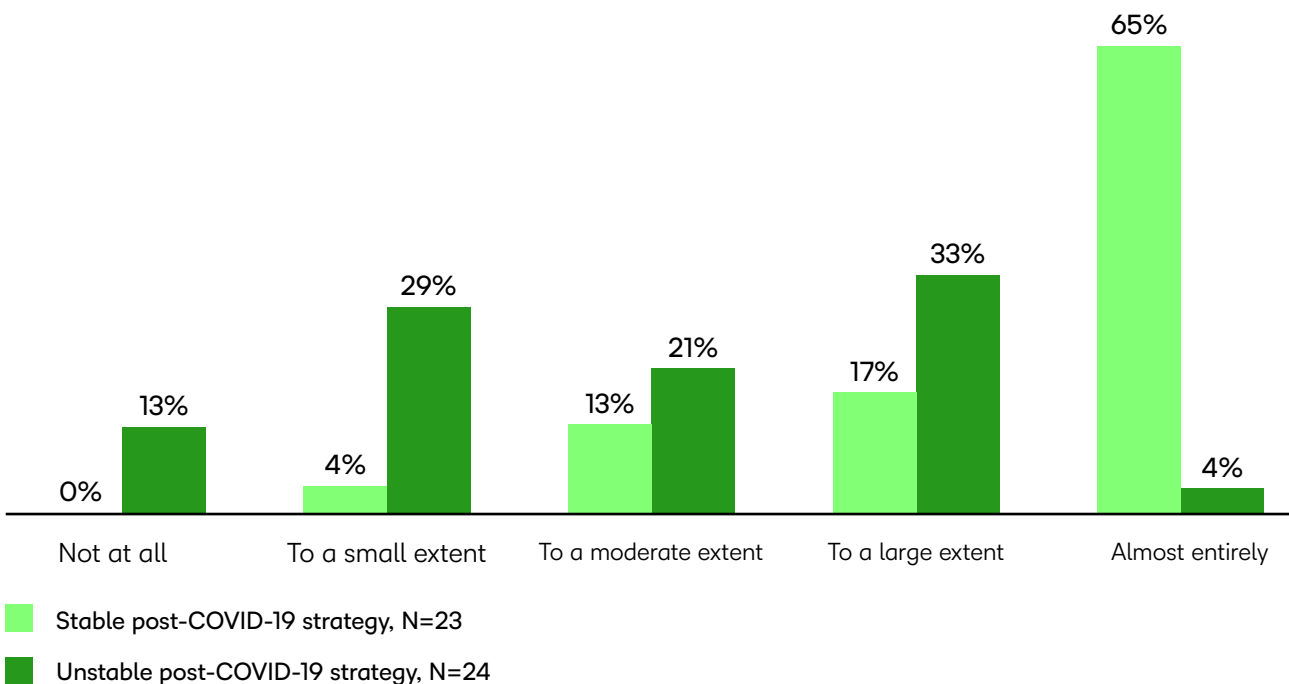
### Likelihood of Maintaining Virtual Components of Learning Programs After COVID-19



The likelihood that associations will keep virtual learning programs is largely determined by whether they have a clear business strategy for the future. Figure 7 suggests that organizations that know where they’re going are very likely to stick with virtual learning for their members in the long term.

FIGURE 7

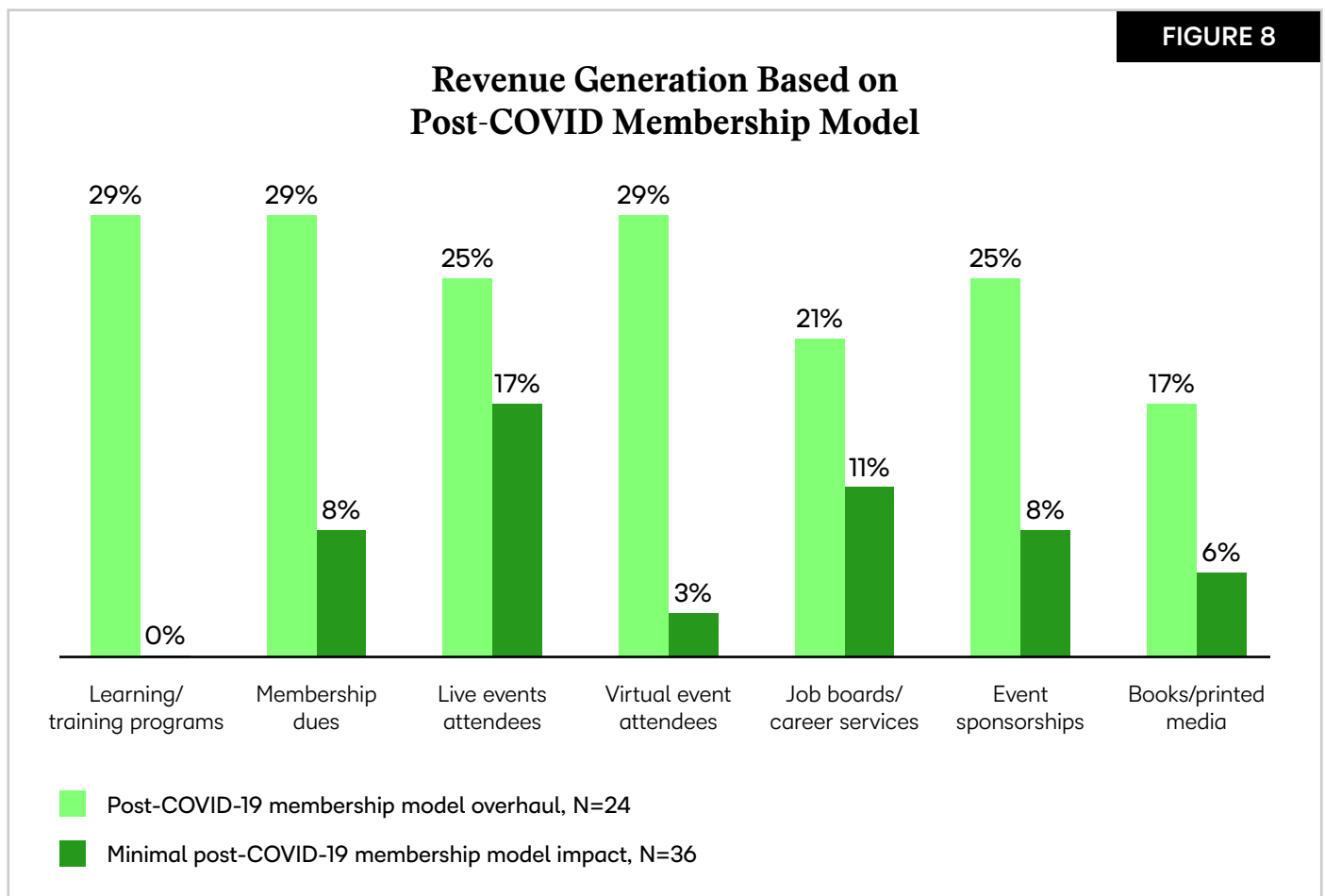
### Likelihood of Maintaining Virtual Learning Based on Stability of Post-COVID-19 Business Strategy



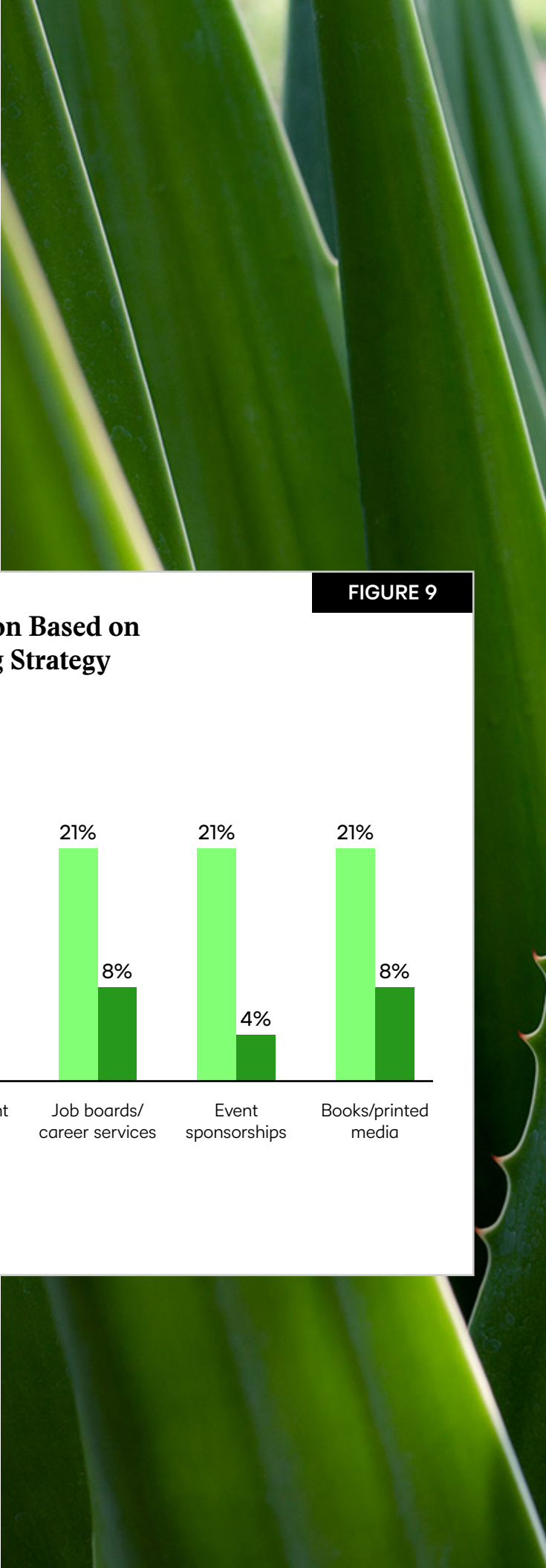
# Learning as a Revenue Stream

Many associations rely heavily on membership dues as a primary source of revenue, but with the landscape changing, they must seek alternative revenue streams to ensure long-term resiliency and success. Virtual learning is one way to do that.

In our research, we wanted to know whether associations launched new learning programs or adapted existing programs to a virtual format during the pandemic. Figure 8 suggests that among associations that needed to make significant changes to their membership model, part of how they've diversified revenue generation is through learning programs. In contrast, associations that haven't adjusted their model over the past few years have not introduced such programs as part of their member offerings.

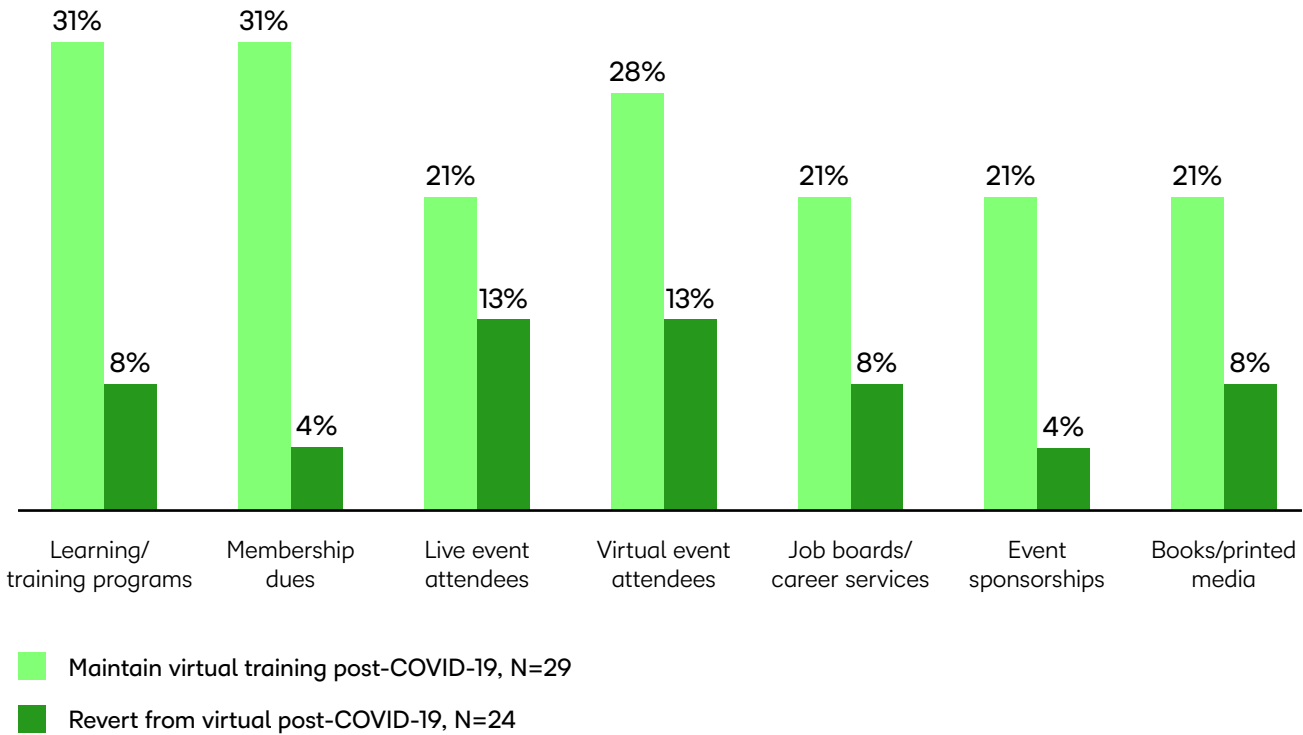


Examining the data further, we compared methods for generating revenue used by associations that are planning to maintain virtual offerings and methods used by associations planning to revert to their previous business model. As seen in Figure 9, those that have gone virtual are planning to stay virtual, focusing on learning as a primary revenue source moving forward.



**FIGURE 9**

### Revenue Generation Based on Virtual Learning Strategy



So, where's the "sweet spot" for the proportion of revenue these associations feel could come from virtual learning programs? According to Figure 10, that answer is 51% on average, with half of associations identifying an optimal target of somewhere between 25% and 76% of revenue.



Associations  
would ideally  
like to generate

**51%**

of their revenue  
from virtual  
learning programs.



FIGURE 10

**Overall, what percentage of revenue from learning/training programs would be ideal for your association/organization?**

Statistic	%
Average	51.2
+/-	31.7
25 <sup>th</sup> Percentile	25
50 <sup>th</sup> Percentile	54
75 <sup>th</sup> Percentile	76

Further, we were interested in understanding whether that ideal proportion of revenue changes based on some of the other findings we discussed earlier in this report. The answer: absolutely. Associations that already generate more than 75% of their revenue from learning programs would like to keep the percentage at or above that number (78% on average). What's notable is that even for associations that currently generate no revenue from learning programs, their optimum is 17%. In other words, learning programs are an increasingly important tactic that membership-based organizations are using for success.

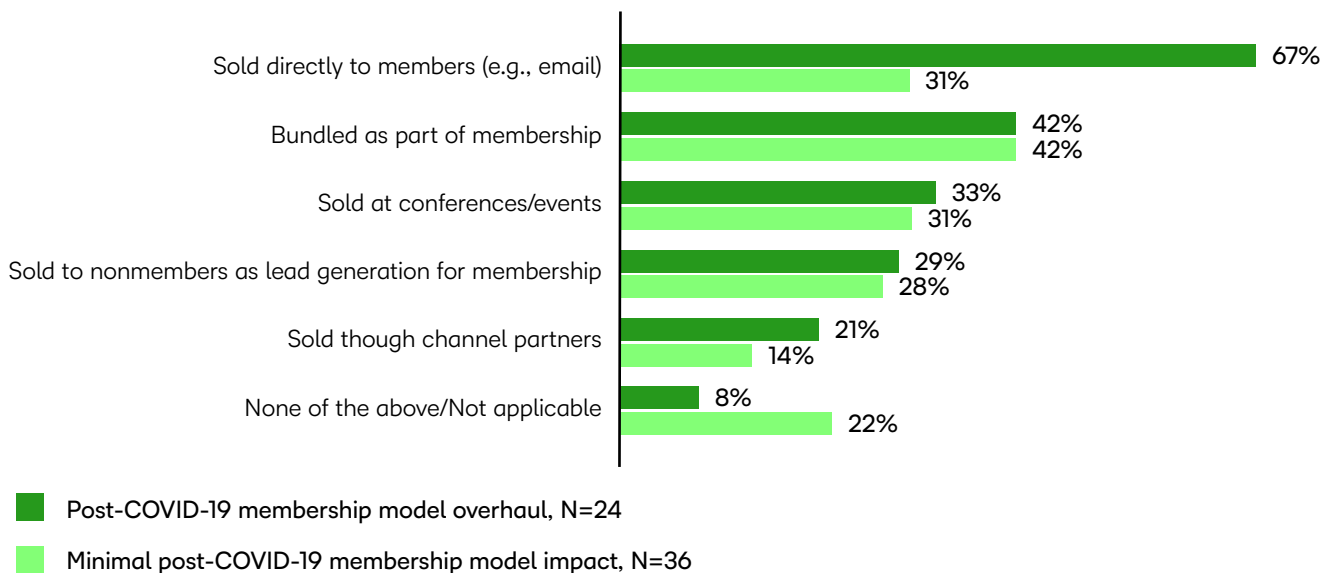
# Monetizing Learning Programs

In this discussion of revenue generation, some associations may already have a model for how to offer their learning programs to members, but others may not have one yet. Figure 11 displays the different ways associations are monetizing their existing learning programs, as well as how these different monetization strategies align with the level of impact the pandemic has had on associations' business models.

It's worth noting that the associations that revamped their business strategy reported selling learning directly to members more than did associations that had not altered their business strategy. However, both groups reported bundling learning as part of membership, selling learning at events or conferences, and selling learning to nonmembers at the same rates.

FIGURE 11

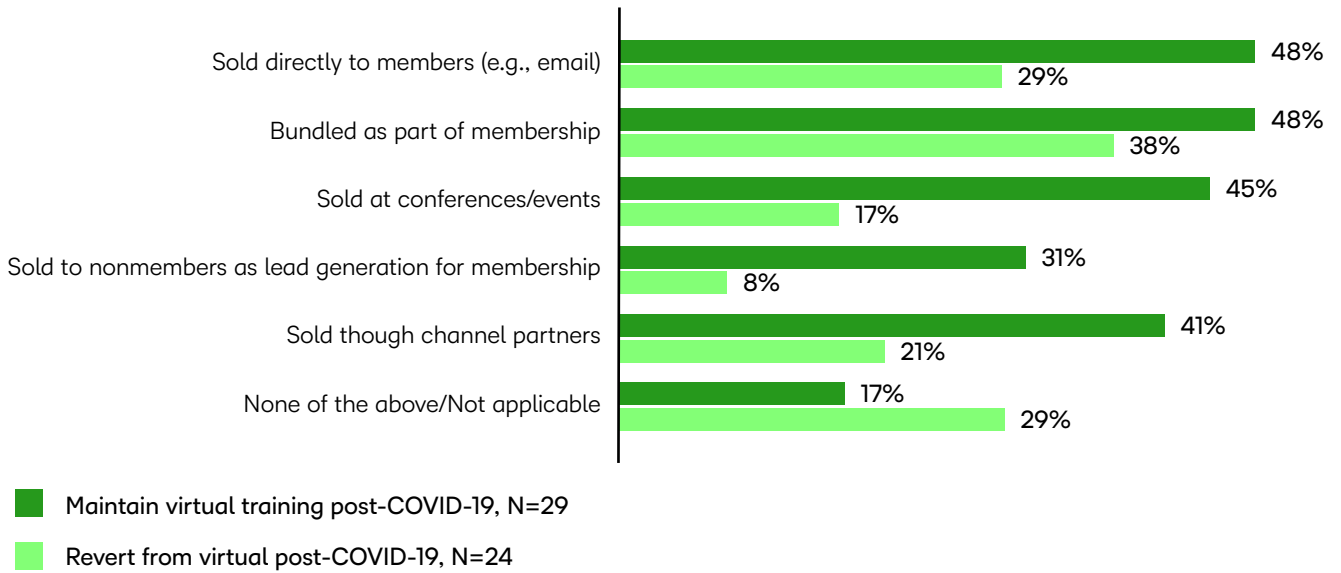
## Monetization of Existing Learning Programs Based on Post-COVID-19 Business Strategy



Examining the data further, we also see that associations that are planning to retain a virtual learning program offering for their members are taking a multifaceted approach to how they position these programs. As seen in Figure 12, they are selling learning directly to members, bundling it as part of the membership package, selling learning at conferences or events, and also utilizing third-party partners to sell learning.

**FIGURE 12**

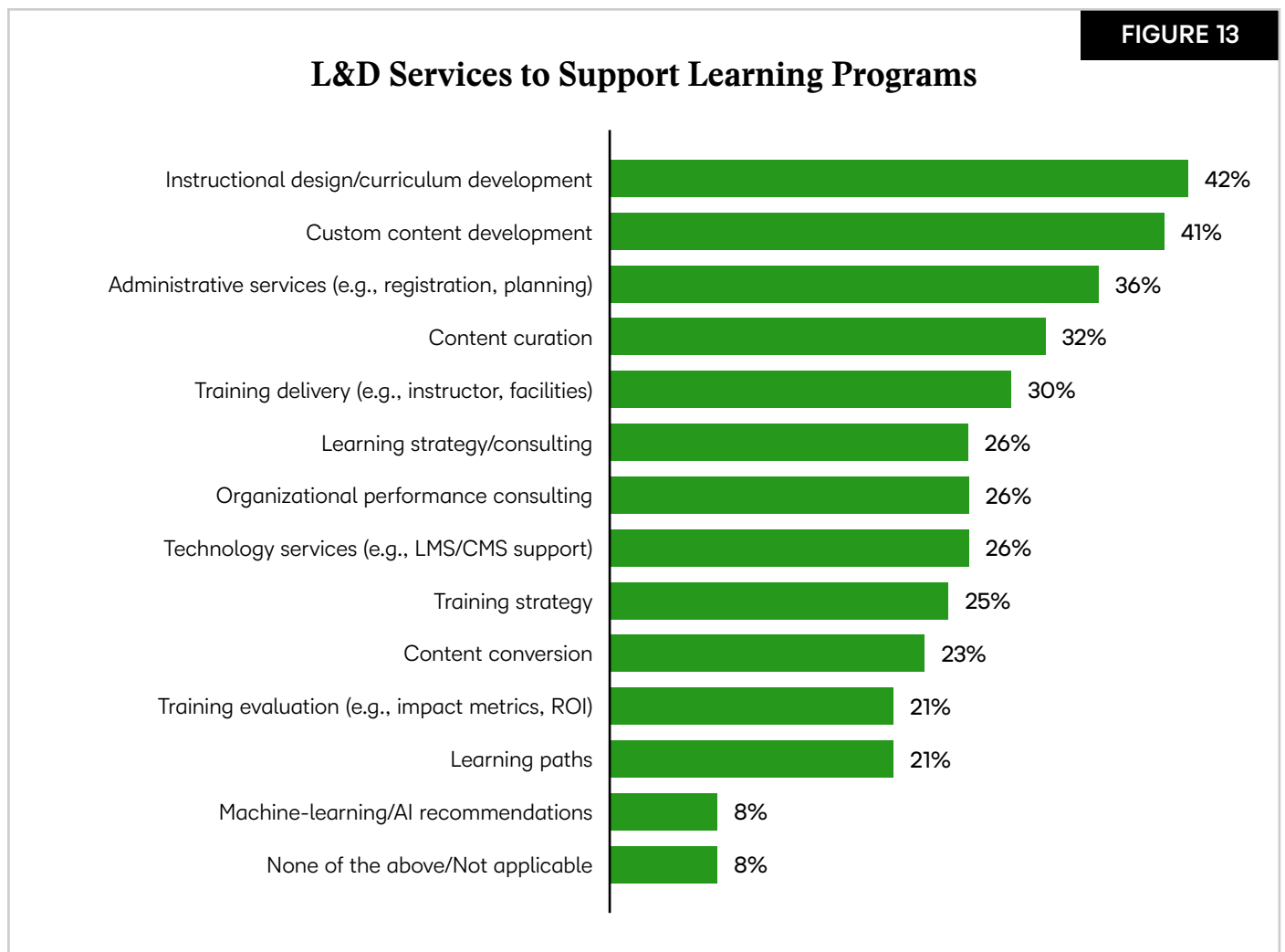
**Monetization of Existing Learning Programs  
Based on Virtual Learning Strategy**



# The Outlook for Associations

Associations dipping their toe in the water for the first time may not be familiar with everything that's involved with creating virtual learning programs. Figure 13 shows that in general, associations identify some core learning and development-related services as being important—namely, designing programs, developing content and administering the programs.

If associations lack internal expertise in developing learning programs, they can often leverage the support and services of a training partner. Whether it's one service or all L&D services, training vendors can help associations design and develop the right learning for their members.



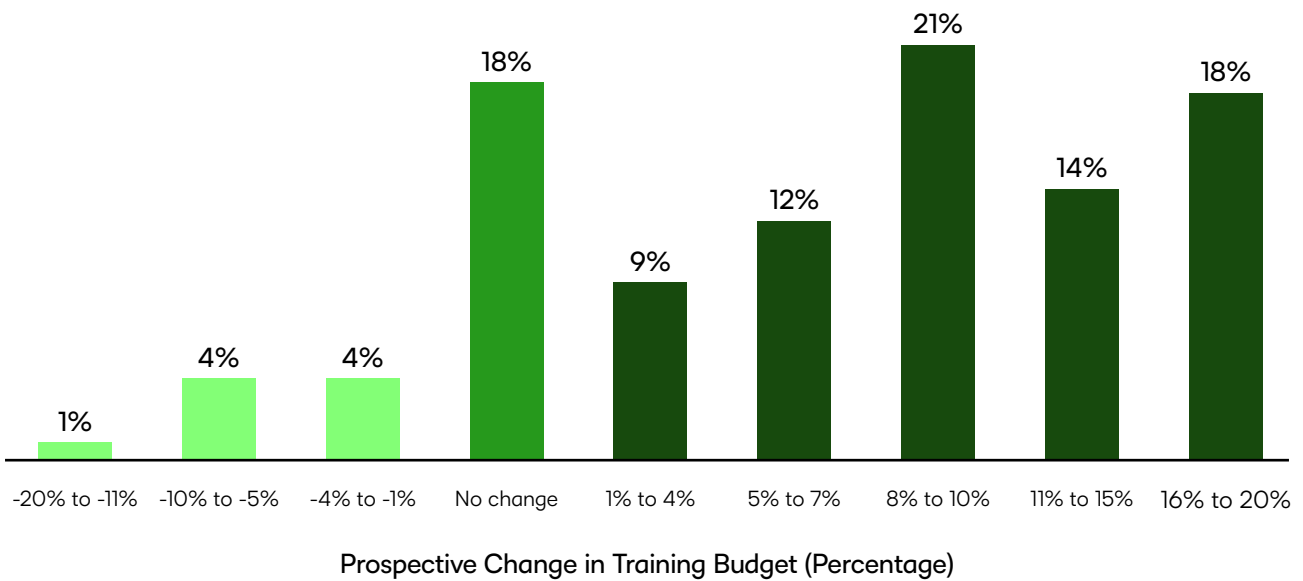


In our study, 74% of associations are planning to increase their learning budget for members within the next fiscal year (Figure 14). This is consistent with Training Industry's past research, which shows that many organizations have been increasing their training budgets in the wake of the pandemic. Associations, however, often have unique outlooks on and approaches to continuing education. What we see in Figure 14 is an investment not only in members but also in a

method of generating revenue for the association itself. Most notable is the increase in budget we saw for associations that were generating less than 25% of revenue or none at all from learning prior to the pandemic. This signals that associations are realizing that learning has the potential to be a lucrative revenue stream, and those that have dipped a toe in to test the water are now looking to jump in.

**FIGURE 14**

**Prospective Change in Learning Budget for Next Fiscal Year**





# Summary

The pandemic has upended business as usual for all organizations, including professional associations. Without in-person events and opportunities to network, connect and learn, associations were challenged with revising their offerings to attract and retain members.

Our research found that more than half of associations plan to keep virtual learning programs as a permanent part of their business moving forward. Associations are realizing that online continuing education has the potential to be a lucrative revenue source and add value to membership offerings. When it comes to how much of their revenue associations want to generate from learning, our research found that figure to be 51%.

As the landscape for associations continues to evolve and traditional revenue sources weaken, associations must diversify their offerings to meet the needs of their members and generate revenue. Taking learning online is proving to be a viable way to future-proof associations.

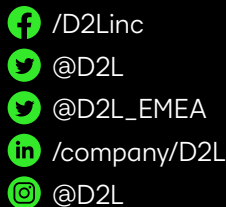
# About D2L

D2L is transforming the way the world learns—helping learners of all ages achieve more than they dreamed possible. Our signature platforms—D2L Brightspace and D2L Wave—improve the learning experience for learners around the world, regardless of age, ability or location. Working closely with clients all over the world, D2L is supporting millions of people learning online and in person. Our growing global workforce is dedicated to making the best learning products to leave the world better than they found it.

D2L Brightspace is built to help create highly personalized experiences that unlock learner potential. A leading Learning Innovation Platform, D2L Brightspace enhances the learning experience for millions of learners of all ages.

D2L Wave is built for companies that want to amplify their employees' potential by cultivating lifelong learning and future-proofed skills. An Upskilling Education Platform, D2L Wave connects your workforce with professional development opportunities that align with your company's business strategy.

Learn more about D2L for schools, higher education, and businesses at [D2L.com](https://www.d2l.com).



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