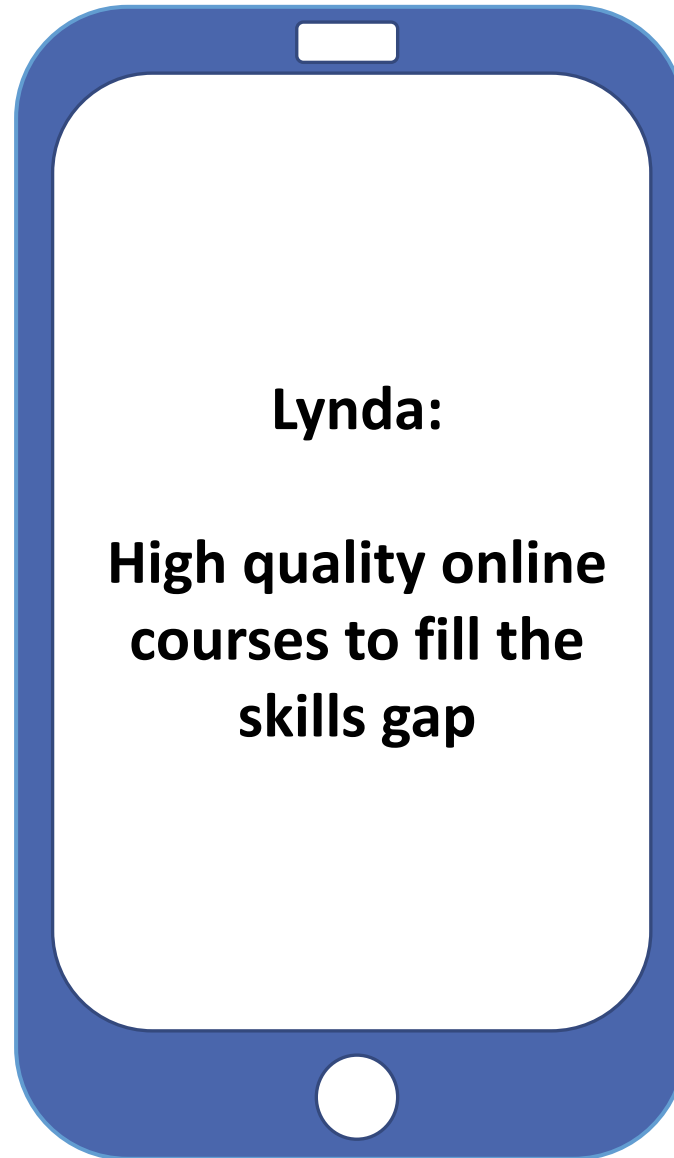


Linked with Lynda

GSBCONSULT[^]

Introduction



Assumptions

- Online education will continue to disrupt traditional educational systems
- Corporate's core competencies are not hosting courses and platforms
- LinkedIn will continue to grow in the international market

Mandate

Present an integrated strategy that unlocks the value of the Lynda purchase by:

- **Adding 73.4 Users over 5 years**
- **Adding 10B in revenue PA by 2021**
- **Paying back Lynda purchase over 5 years**

Recommendations

Develop
grading
system for
LYNDA

1

Pilot Lynda
Satellite
offices

2

Lynda for
Enterprise

3

Add formality | generate global content | capitalize on corporate

Where is LinkedIn?

Users

- Young professionals
- Job seekers
- College grads = 39 mil

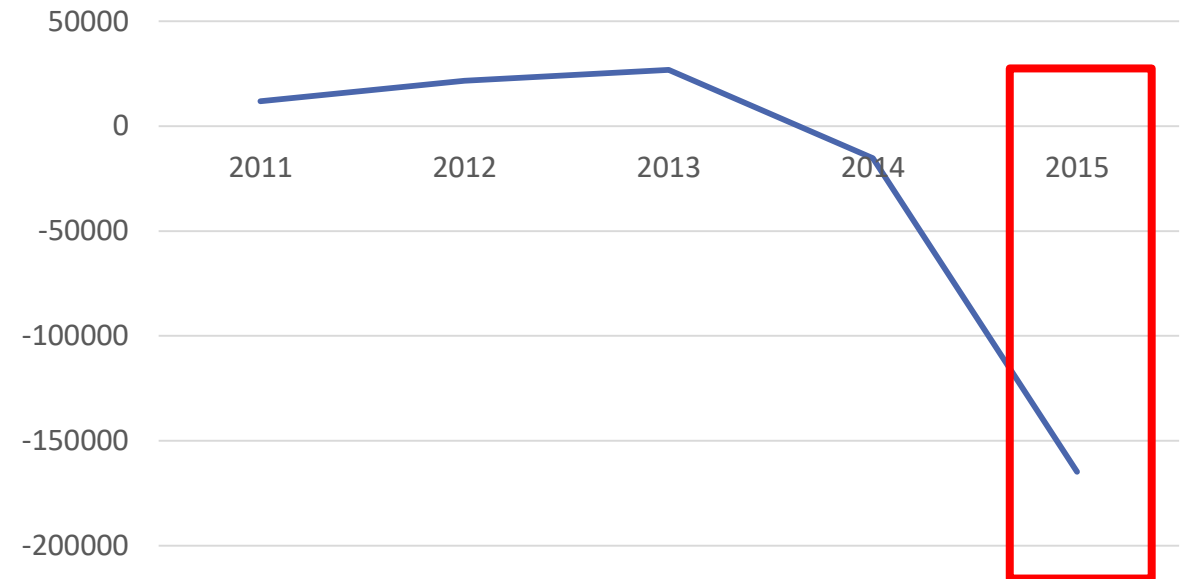
Total users

- 467 mil

Countries = 467 mil users

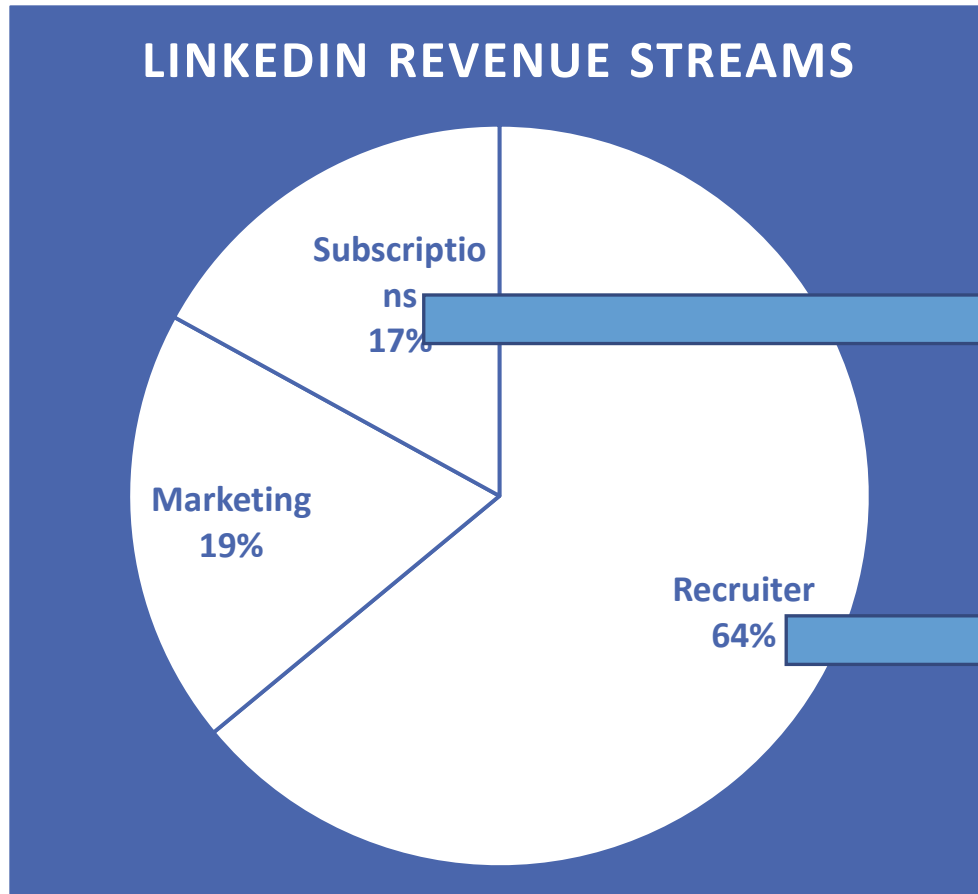
- USA = 133mil
- China = 26 mil
- India = 39 mil
- UK = 21 mil
- Brazil = 27 mil

Net Income & Loss



LinkedIn has a global footprint | 2015 Loss | Lynda value still to be unlocked

Who does LinkedIn serve?



LinkedIn = 79M Premium Users
Lynda is free for Premium users = **Not Monetized**
What about the 387M free LinkedIn Users?

Recruiters using Lynda ONLY to vet applicants
= **NOT monetized**

Opportunity in the recruiter/corporate AND non subscription space

Lynda content

Content Creation

1. Comprehensive proposal
2. Relevant qualifications
3. Interviews
4. **FLY TO CALIFORNIA to film course**

Partnerships:

Partnership with **40% of US** universities including ALL IVY LEAGUES

Offering:

- Prerequisite courses
- Day-to-day enhancements

Lynda has US centric content creation and service offering

Analysis of Lynda

	MOOCS	YouTube	University	Lynda
High Quality Content	✓ ✓ □ □	✓ □ □	✓ ✓ □	✓ ✓ ✓ □
User Experience	✓ □ □	✓ □	✓ ✓ □	✓ ✓ ✓ □ □
Quality Education	✓ ✓ □ □	✓ □ □	✓ ✓ ✓ □ □	✓ ✓ ✓ □ □
Skills focused material	✓ ✓ □	✓ □	✓ ✓ □	✓ ✓ ✓ □
Expert content	✓ ✓ ✓ □	✓ □	✓ ✓ ✓ □	✓ ✓ ✓ □
Grading	Yes	None	Yes	None
Accreditation	Paid	None	Paid	None
Cost	Free	Free	Expensive	Low

Lynda has no grading or accreditation

Enterprise – HR and Training

- 1. Corporates are global and need standardized onboarding**
- 2. Core competencies not in hosting platforms**
- 3. Require high level of skill from employees**
- 4. Already using LinkedIn for recruitment**

Opportunity to enhance service offering to corporate clients

Key Issues

How does LinkedIn extract value out of Lynda acquisition

1

Lynda **needs**
grading
credibility

2

Lynda is **US**
centric

3

Lynda not
leveraging
LinkedIn
Customers

Alternatives

<u>Options</u>			
<u>Criteria</u>	Get accredited by university	Launch a premium Lynda subscription	Open Lynda to content creators globally
Increase profits			
Bring in new users			
Capitalize on recruiter customer in LinkedIn			

Do not deliver increased revenues in the short term

Recommendations

Develop
grading
system for
LYNDA

1

Pilot Lynda
Satellite
offices

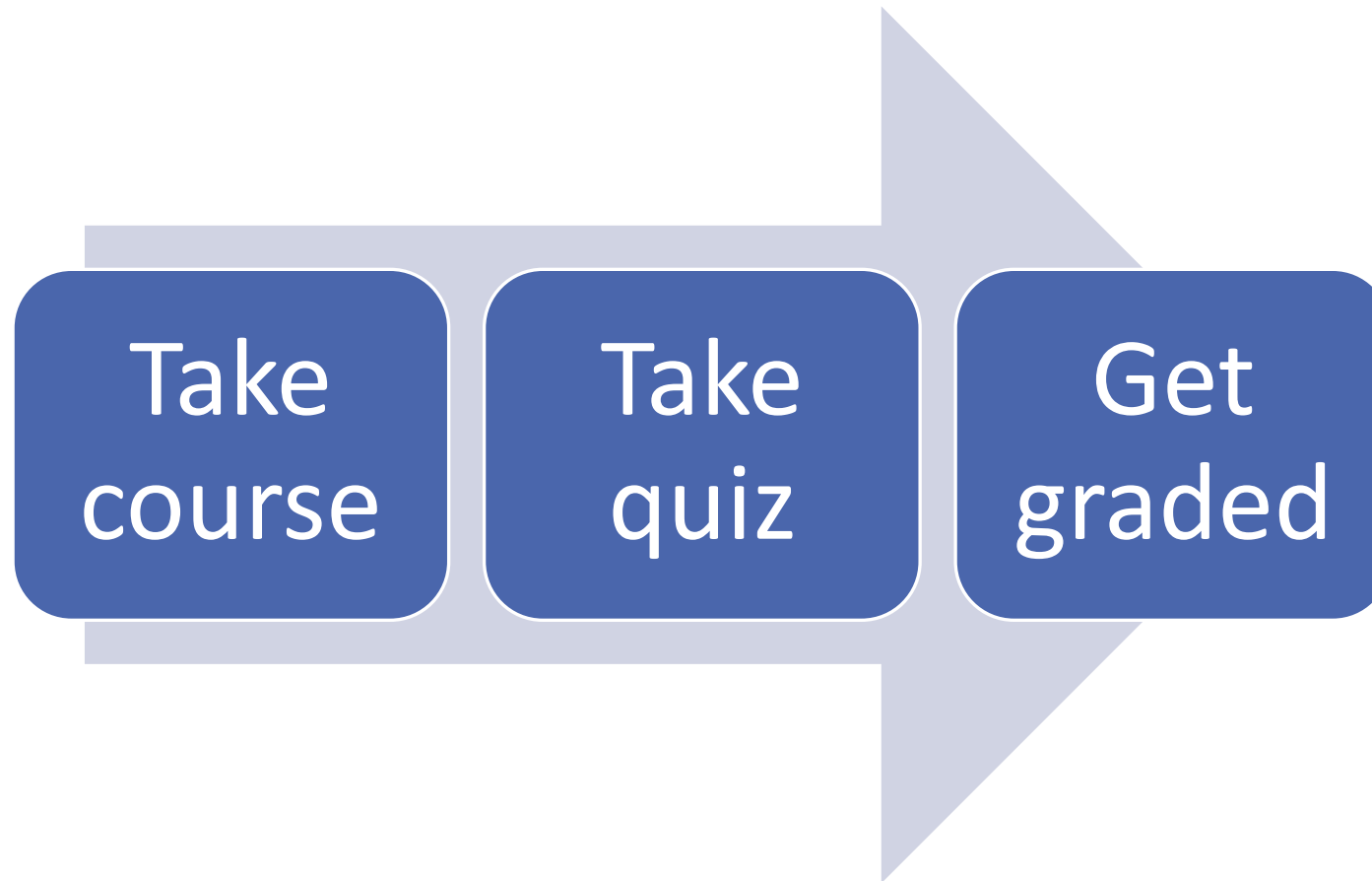
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Lynda for
Enterprise

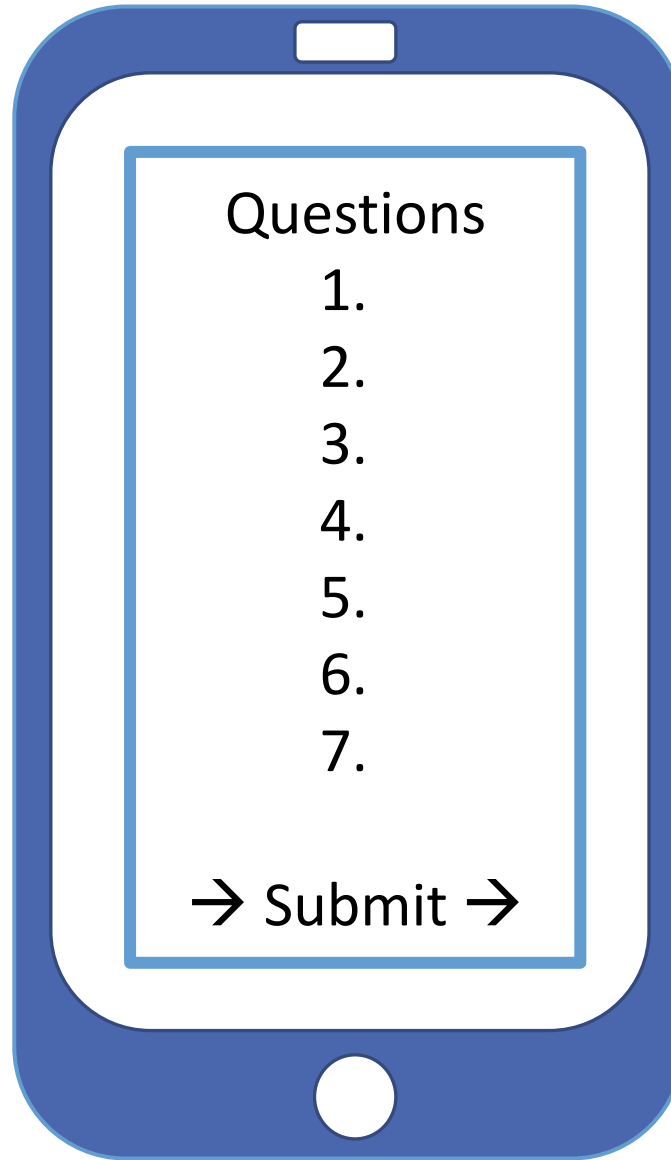
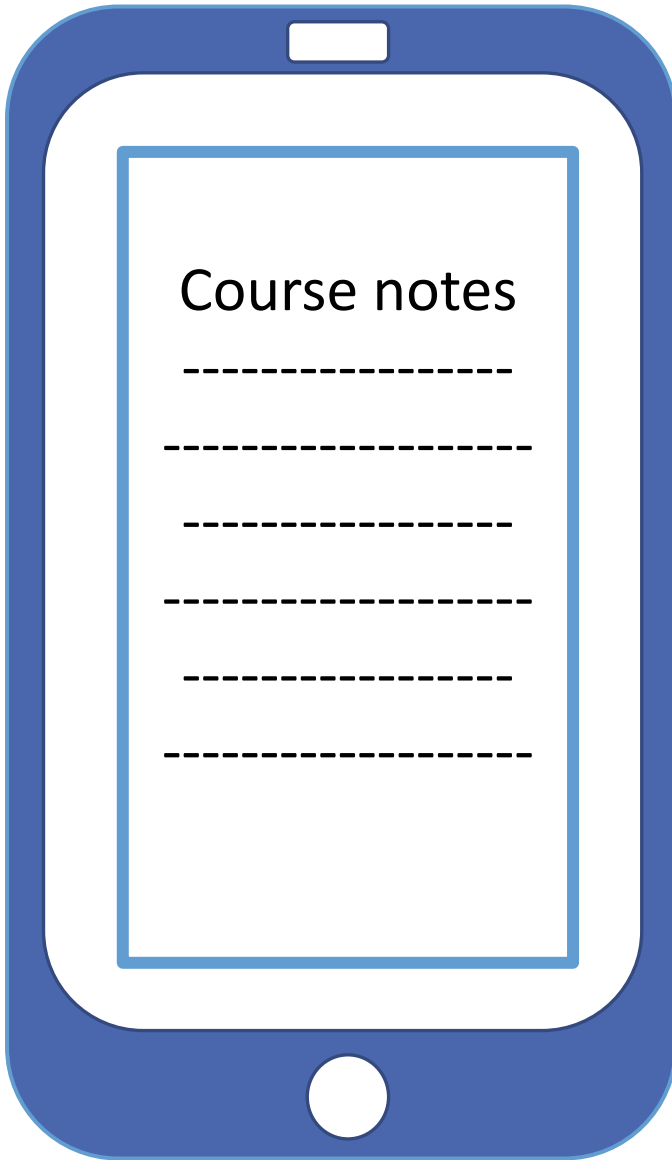
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Add formality | generate global content | capitalize on corporate

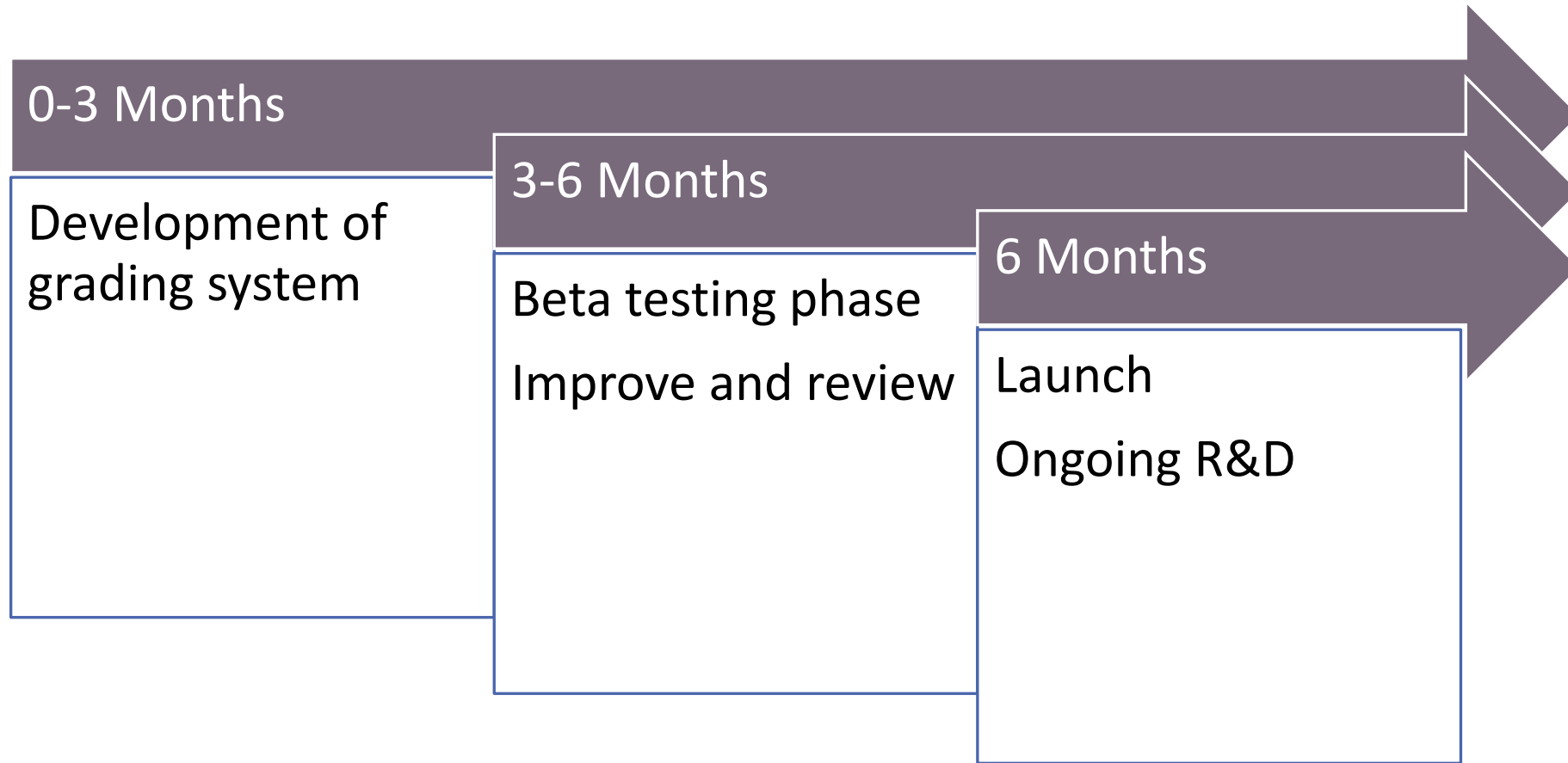
Implementation – Grading on Lynda



1. Display badge on LinkedIn
2. Signal to recruiters
3. Gamify
4. The more course you take the more badges you can unlock
5. Improves your profile hits and increases search visibility

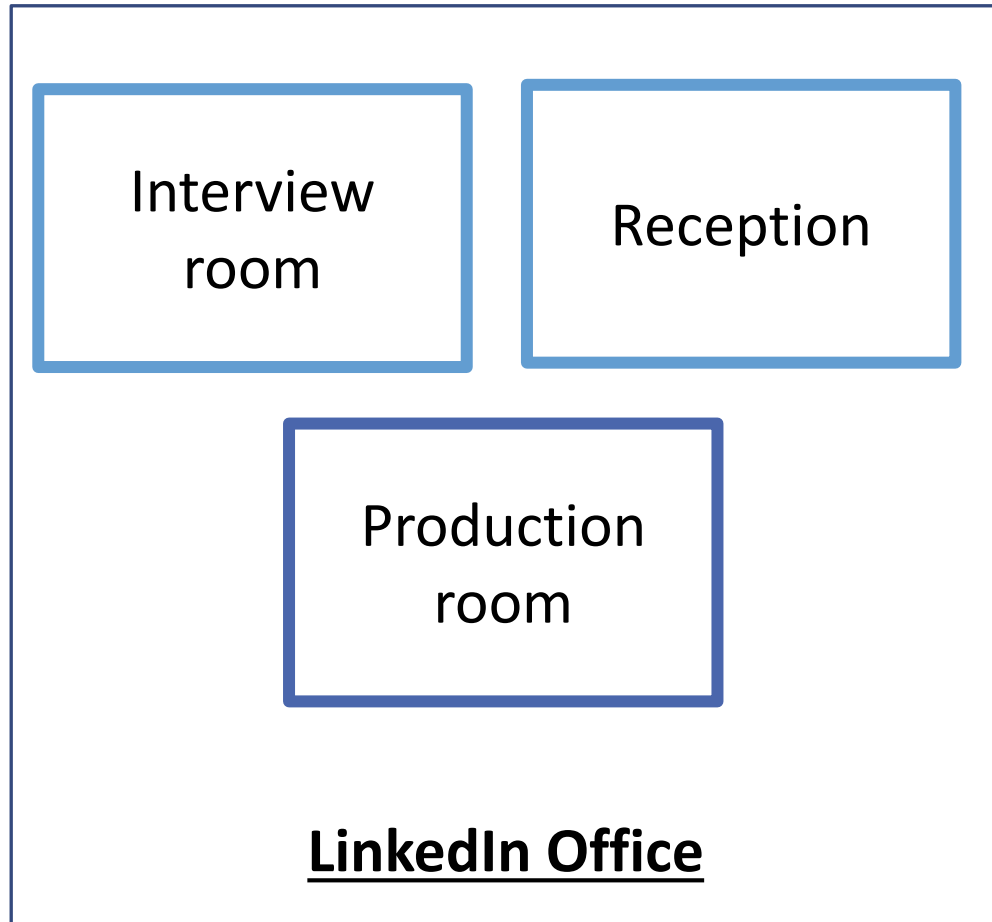


Implementation – Grading



Beta test to ensure product suits the market – COST: 2M dev | Future RD 1M

Implementation – Lynda Satellite



EXPERT AUTHORS:

1. Identify on LinkedIn
2. LinkedIn pulse
3. Push Notification
4. Invite them to create course in their region

Dev cost = 500K USD

Set up cost: 3M USD | KPI: increased courses and intl users

Implementation

Based on site browsing behavior
and job applications

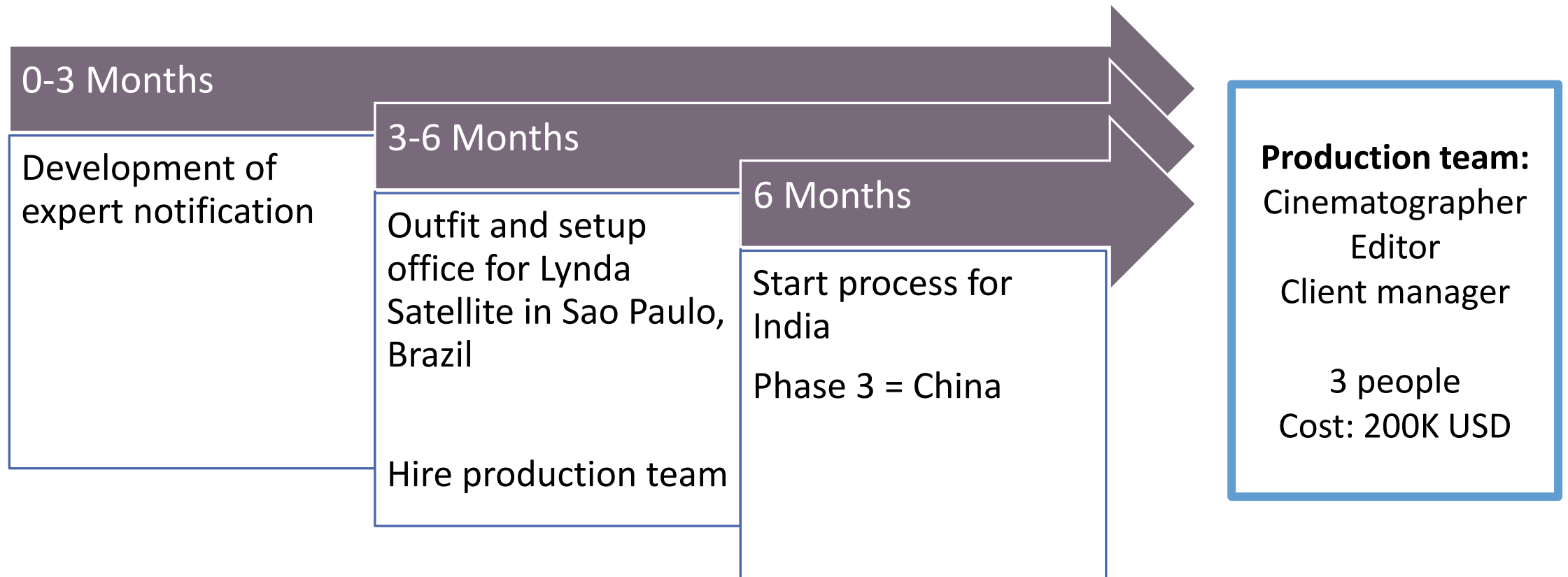
“Take a
course and
improve your
profile”

“Looking at a job?
It needs design
skills – we have a
course for that”

Based on profile strength

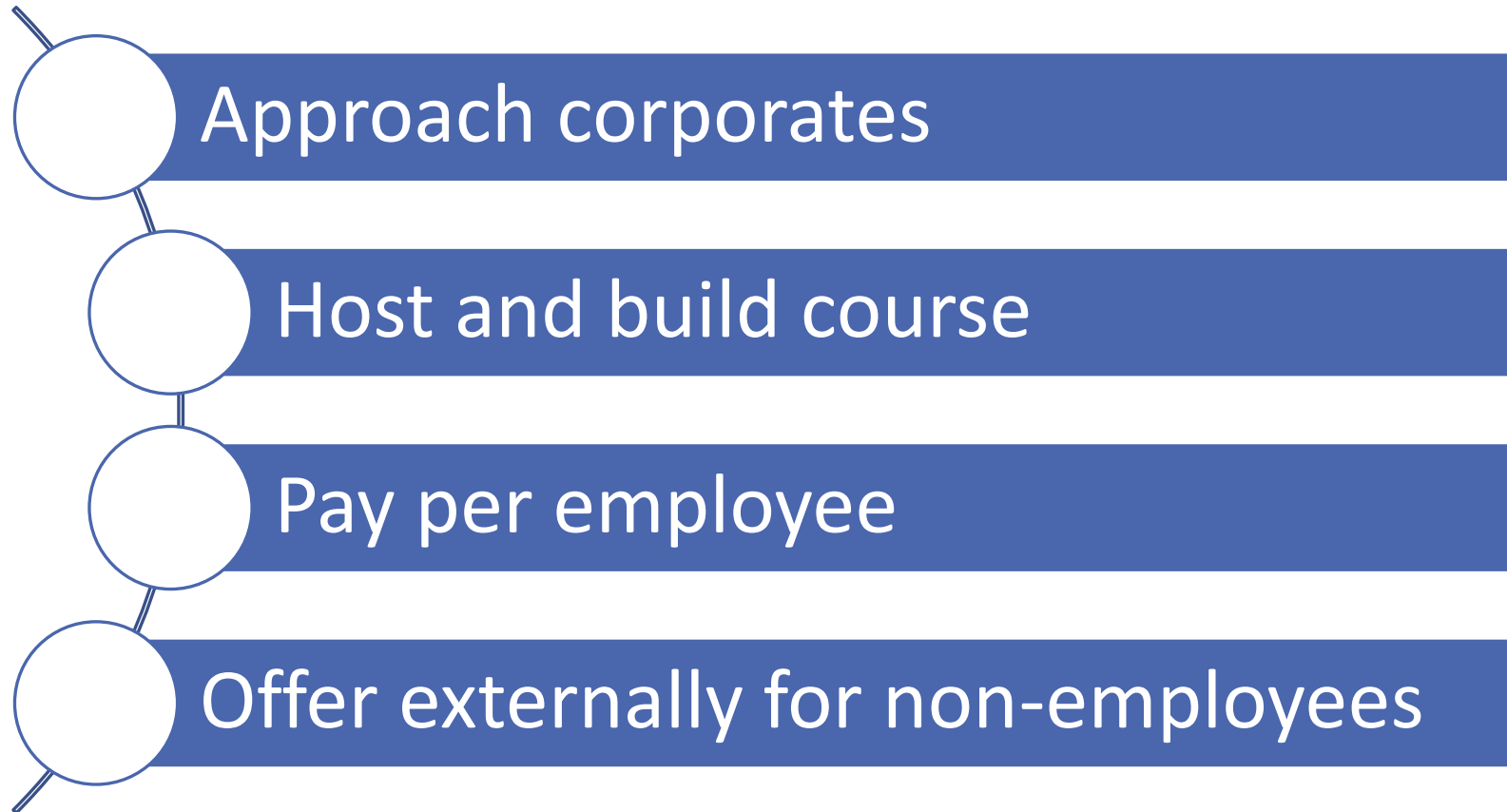
Encourages end users to improve skills and LinkedIn profile

Implementation – Lynda Satellite



Setup cost: 1M per office | team = 200K USD | KPI increased courses

Implementation - Enterprise



Corporate Client:

- Batch recruiting
- Onboarding
- And specialized qualifications:
CPA online for EY

Implementation – Overall Timeline

Action	0-3 Months	3-6 Months	6-12 Months
Develop Grading system			
Beta test Grading system			
Integrate Grading system			
Setup Lynda Sao Paolo			
Hire Production Team			
Setup Lynda India: Bangalore			12 MONTH
Develop Expert Author Notification			
Approach corporates			
Enterprise Development Costs			
Enterprise Marketing: Update home page, targeted e-mails and push notifications			
Setup Lynda China: Shanghai			18 MONTH





Financials – Costs

Costs (USD Millions)	2017	2018	2019	2020	2021
Lynda Grading					
Development Cost	2				
R&D Cost	1	1			
Sub Total	3	1	0	0	0
Lynda Global					
New Offices	1	2	4	6	8
New Staff	0.2	0.4	0.8	1.6	3.2
Development Cost	0.5				
Sub Total	1.7	2.4	4.8	2.2	11.2
Lynda Enterprise					
Development Cost	0.5				
Marketing	2				
Content Development	1	2	4	5	10
Sub Total	3.5	2	4	5	10
Total Cost	8.2	5.4	8.8	7.2	21.2

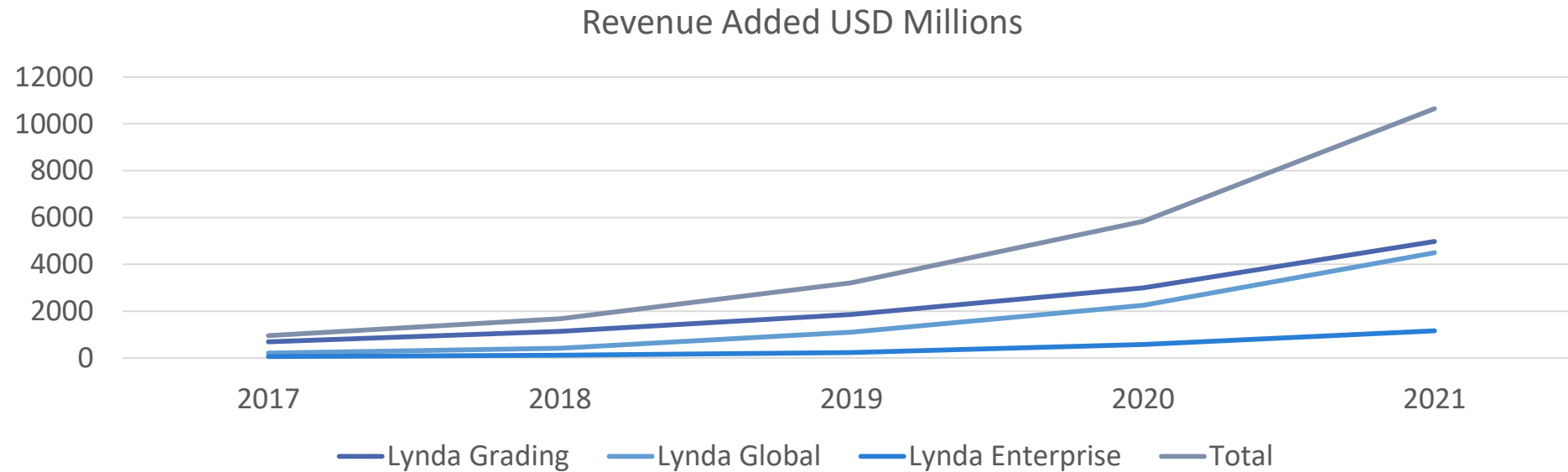
Total Cost	50.8
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Total cost of plan – 50.8M USD – less than 5% of acquisition price

Financials – Revenue





Revenue Added USD Millions	2017	2018	2019	2020	2021	Trend	CAGR
Lynda Grading	690	1140	1860	3000	4980		82%
Lynda Global	210	420	1110	2250	4500		
Lynda Enterprise	60	120	240	580	1160		
Total	960	1680	3210	5830	10640		

Total Revenue Added 22320

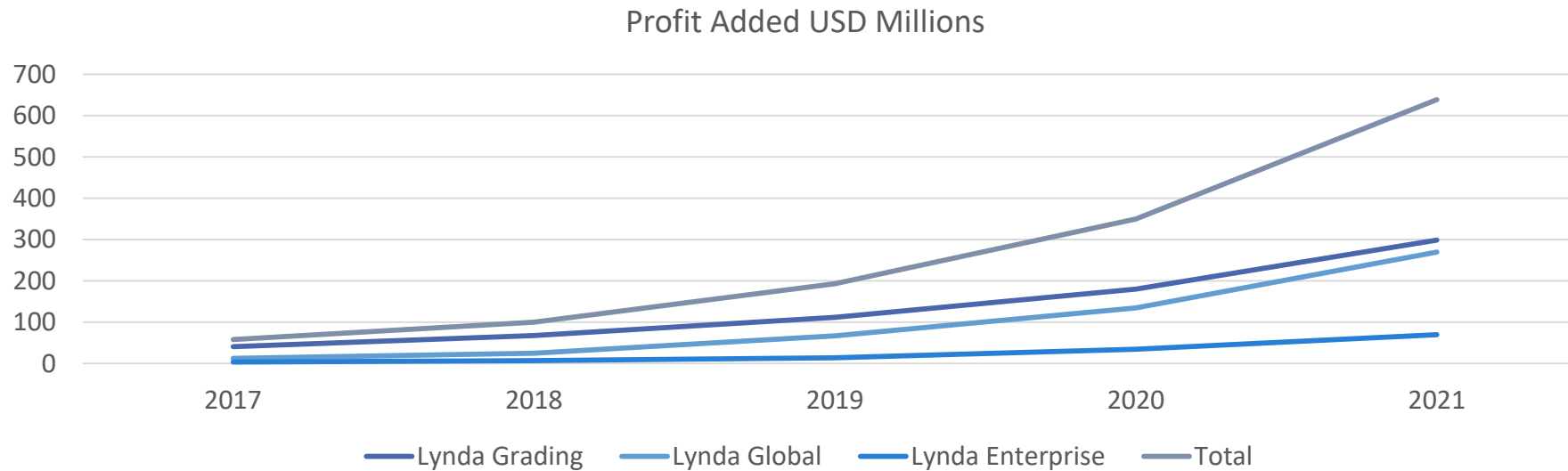


Lynda will add 10B USD in revenue by 2021

Financials – profit

Profit Added USD Millions	2017	2018	2019	2020	2021	Trend	CAGR
Lynda Grading	41	68	112	180	299		82%
Lynda Global	13	25	67	135	270		
Lynda Enterprise	4	7	14	35	70		
Total	58	100	193	350	639		

Total Profit Added 1340



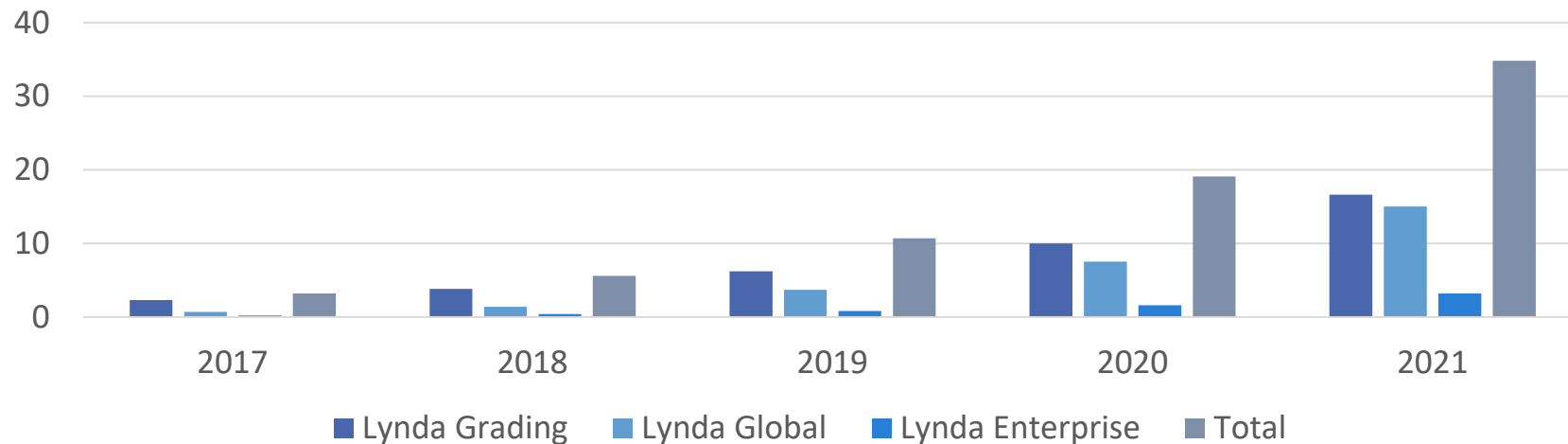
Payback period for Lynda = 5 years

Financials – Impact

Users Added (Millions)	2017	2018	2019	2020	2021
Lynda Grading	2.3	3.8	6.2	10	16.6
Lynda Global	0.7	1.4	3.7	7.5	15
Lynda Enterprise	0.2	0.4	0.8	1.6	3.2
Total	3.2	5.6	10.7	19.1	34.8

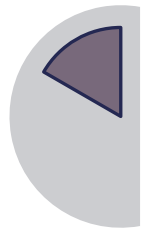
Total Users Added 73.4

Increase in Users (Millions)

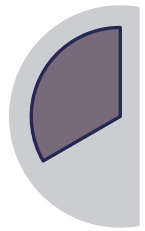


73.4M users added to Lynda in 5 years

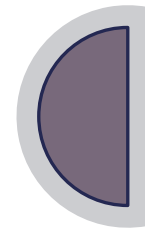
Critical Success Factors



Grading
system
reflects
competencies



Satellite
offices attract
authors



Corporate
ambassador
for Lynda
enterprise
experience

Conclusion

Leverage LinkedIn global footprint

Leverage corporate partnerships

Turn Lynda into a **powerhouse offering**

... not just another MOOC ...