The explosion last year in venture funding for education technology—more than $1.87 billion invested—wasn’t strictly earmarked for K-12 classrooms, colleges and universities. A fast-growing portion of ed-tech investments is squarely focused on corporate cyberlearning applications as businesses struggle to fill skills gaps and retain talent. As one vivid illustration, consider the $1.5 billion paid by LinkedIn to acquire Lynda.com, a venerable subscription-based online learning company in business for two decades.

Wrote LinkedIn CEO Jeff Weiner, in a blog post justifying the deal:

“I believe we need to transition from a 20th century approach heavily reliant on rote learning to a 21st century curriculum focused on collaboration, critical reasoning and creative problem solving; provide more opportunities for experiential vs. textbook learning; better equip teachers to cater to multiple forms of intelligence vs. simply focusing on math and verbal skills; ensure compassion is taught in every classroom; and provide today’s students with the skills they need to obtain the jobs that are and will be vs. the jobs that once were.”

One investment clearly centered on corporate opportunities as the $135 million raised in August 2014 by Pluralsight, which specializes in “hard core” training for software developers and IT professionals. The same
month also brought an **$85 million** Series B financing round for Desire2Learn (aka D2L), a Canadian ed-tech company allied with both IBM and Microsoft.

“The education industry is undergoing a technology renaissance unlocked by cloud computing, digital content, mobile devices and big data analytics,” said Jon Sakoda, a partner with New Enterprise Associates, one of the investors. “We have seen tremendous adoption of D2L’s cloud-based learning platform in higher education, K-12 and the corporate sector. This round of funding should enable the company to further expand its global presence.”

D2L founder CEO John Baker said many of his company’s large corporate clients are using the D2L platform, called Brightspace, to improve workforce retention by turning employee onboarding into an ongoing process rather than a moment-in-time event. “Research shows that it can take five years to become really successful in your job. We can help people become productive much faster,” he said.

One way to accomplish this is through game-based learning, which encourages employees to visit the platform to progress toward higher levels of competency.

Consulting firm Accenture, a D2L enterprise customer, uses the company’s system to hook employees before they’re actually hired. “For us, onboarding starts before the candidate actually starts. We’re able to create a better profile. At the same time, we’re showing someone exactly how they can advance,” said Rama Siva, human resources lead for Accenture India and Accenture Software.

For example, the platform helps recruits in the company’s Asia Pacific region improve their English language communications skills. “We’ve seen a much higher level of stickiness, a drop in early attrition rates,” Siva said.

The market for corporate e-learning is expected to grow 13% annually through 2017, according to **research by Roland Berger Strategy Consultants**. “The labor force in many countries is getting older, retirement age is rising,” the advisory firm wrote in a 2014 report. “With knowledge increasing exponentially and requirements in the workplace constantly changing, employees have to always improve their skills to maintain their ‘employability.’ With only a small fraction of employees able to afford the time and money to periodically go back to school full-time, professional development is taking on a bigger and bigger role.”

On the flip side, cyberlearning platforms could help untried, entry-level candidates develop real-world experience. That explains the **$6.2 million early-money infusion** for Knod, a company that connects undergraduate students with potential employers. The platform’s customers are would-be recruits seeking to gain real-world experience that complements the courses they’re taking for a specific degree. It’s used by the likes of GE Healthcare, IBM, and Johnson & Johnson.

“It’s clear that many of today’s universities aren’t adequately preparing students with the skills they need to enter the modern workforce, creating a severe gap for employers who can’t find qualified employees to fill open positions,” said Kent Madsen, managing director at Epic Ventures, one of Knod’s investors.