Build or Buy: A Guide to Determining Your LMS Strategy

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Your organization is doing great. Your learning programs are rich with valuable content. Your learners are eager and engaged.

But there's one piece that doesn't quite fit in this otherwise picture-perfect puzzle: Your learning management system (LMS) isn't everything it should be. Whether due to the limitations of old technology or an off-putting user experience borne of a clunky interface, your LMS has over time become the one area of your organization that learners seem less than impressed with.

In this case, however, that one area is a big deal. Your LMS, after all, can significantly impact all of the other great things that are happening across your organization, both positively and negatively. For example, an effective LMS can help your learners:

- View your organization as the go-to source for education in their field, and look to you first for new learning options.

- Become more engaged, which translates into additional revenue as they seek out new educational opportunities.

- Keep ahead of changes in their field as your offerings adapt and evolve over time.

On the other hand, a substandard or outdated LMS is likely to have the opposite effect on your learners, causing them to:

- Fulfill their educational needs elsewhere, taking that potential revenue with them.

- Become less sticky and engaged, leading to a constant treadmill of new learner acquisition rather than longer-term learners with higher lifetime value.

- Develop a diminished view of your organization as a go-to source for education in their field.

That's why investing in a flexible LMS isn't just smart—it's essential. The global LMS market is expected to nearly triple in size by 2030, growing almost 20% every year.

That's also why associations and credentialing bodies that view their LMS as a strategic asset face a big decision when it's time to upgrade: ***Should we build or should we buy?***

It's a familiar dilemma, but when it comes to lifelong learning, the stakes are especially high. The choice you make now will directly impact your ability to scale, adapt, and deliver value to your learners long term.

Your organization may be thriving today. But what comes next? How you answer the build-or-buy question could determine whether your LMS propels your momentum forward or derails it.

Making the Move: When Is it Time to Upgrade Your LMS?

The precursor to any build-or-buy discussion is an assessment of your organization's current LMS.

Is it still meeting the needs of both your learners and the organization? Or is it time for a change? If you bought your current LMS from a third-party vendor, is that vendor still delivering the value it promised? And if the organization's needs or goals have changed since finding that vendor, are they capable of handling those new needs?

A clear look at your LMS may reveal limitations. Here are some common challenges:

Lack of Customization Capabilities

No two learning organizations are the same. If your LMS can't adapt to your unique needs, it will quickly become a constraint instead of a catalyst. At minimum, your LMS should allow you to tailor experiences with:

Blended learning models that combine the flexibility of digital learning with the personal connection of in-person instruction.

Gamification that motivates learners and increases long-term engagement with course materials.

Adaptive remediation that weighs the strengths and weaknesses of each individual learner and prioritizes content where learners need the most support.

Difficulties for Your Administrative Team

Your LMS isn't just for learners. It's a daily tool for your internal teams as well. If it's clunky, limited, or outdated, your admins will spend more time fighting the system than improving it.

Look for an LMS that empowers administrators with:

- **Scalability** beyond seat counts. As the scope of your organization's learning needs change, you need an LMS that can change and evolve with them.

- **Progress visibility** across learners and cohorts, making it easier to track, intervene, and guide learners at the right time.

- **Performance reporting** that goes deeper than pass/fail, pinpointing where learners excel, where they struggle, and how to evolve your programs accordingly.

Lackluster Customer Service

When learning is mission-critical, you need more than just an LMS vendor, you need a strategic partner. Your LMS provider should offer guidance, expertise, and responsiveness that matches the stakes of your programs. Look for a partner that offers:

Deep expertise in your industry, with a clear understanding of your learners, use cases, and goals.

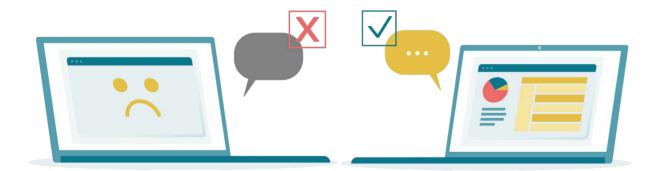**Hands-on implementation support**, so your team isn't left figuring it out alone.

Data-driven insights that help you measure, refine, and evolve your learning strategy.

Responsive, collaborative service, not just during onboarding—but throughout the life of the partnership.

Training and change management, so your team stays confident through every update and evolution.

⚑ RED FLAG WARNING

Is Your Current LMS Sufficient?

Is your LMS letting you down? Here are five red flags that could reflect a mismatch between your current system and your evolving requirements, or maybe even a failure of the platform itself.

Inadequate Support

Long response times and a lack of proactive support from your LMS provider can leave your organization struggling with issues that disrupt your learning programs.

Lack of Scalability

An LMS that cannot grow with your organization—either due to rigid contract terms or a dearth of flexibility—can impede long-term growth and success.

Limited Content Options

Outdated content formats or restrictive content management capabilities can impede your organization's ability to provide a dynamic, engaging learning experience.

Transactional Relationship

High upfront fees and poor customer support are indicators that your LMS vendor is prioritizing short-term gains over a long-term, supportive partnership.

Insufficient Analytics

Poorly designed dashboards and limited data insights can hinder your ability to track performance and drive improvements.

Let the Debate Begin: 3 Key Build-or-Buy Considerations

The decision to invest in a new LMS is a significant one for any learning organization. It's a good idea to start with a big-picture understanding of what's involved and what you're trying to accomplish before drilling into the details of features or configurations. Here are three questions to consider up front.

1. Where do you want your learning program to be in 5 years?

Choosing an LMS isn't just about what you need today. It's about where you want to go.

Is your organization planning to expand its educational offerings, shift delivery formats, or reach new types of learners in the next 3–5 years? If so, your LMS needs to be ready for that evolution.

Even if your current system meets your basic needs now, ask yourself:

- Will it still serve you well if your catalog doubles in size?

- Can it support new formats, modalities, or credential types?

- Will it grow with you, or hold you back?

This is also the right time to consider learner behavior. If you expect more users to choose online formats (and many will), your LMS should offer the kind of digital experience today's professionals expect.

Think About It

Maintaining your LMS is one thing (and not a small thing), but innovating over time takes another level of dedication. Can your current LMS get you where you want to go?

2. What will your total cost of LMS ownership be?

Building an LMS may seem like the less expensive option initially. But costs for IT builds are notoriously difficult to pin down, and often exceed expectations.

If you're considering building an LMS, does your budget take into account the very real possibility of rising costs? And beyond the hard dollars and cents, what's the opportunity cost of dedicating your IT team to an LMS build? What other projects might need to be paused or scrapped?

Buying an LMS from a third party provides more price certainty. The upfront cost tends to be higher, but the risk of unexpected overruns is much lower. Plus, expertise and support are typically built into that upfront price.

Think About It

An LMS is a complex system with many moving parts—a build will almost always take longer than expected. Does your in-house team truly have the bandwidth for that kind of undertaking?

3. Can your LMS keep up with evolving learner needs?

The educational landscape is always changing, as are the needs of your learners. An LMS is not a set-it-and-forget-it type of project. If your LMS isn't adapting to the different things learners are looking for along their career journeys, there are plenty of third-party options for them to consider instead.

While some organizations may be able to keep up with that type of evolution in their built LMS, others will struggle to meet the demand for such rigorous upkeep. And rightfully so: today's learners expect personalized study materials, multi-format learning materials, interactive digital learning opportunities, data-powered reports on their progress, and so much more.

A company that specializes in LMS projects, on the other hand, will be dedicated to monitoring the changing landscape and helping your organization make innovations based on things like changing learner needs, newly available technology, and user feedback.

Think About It

Adaptability matters. If your LMS doesn't continue to give learners what they need, someone else's will.

IN PRACTICE: BUILD → BUY

Even large organizations with the IT resources to build their own LMS sometimes decide that this type of specialized project is best left to a dedicated provider. Take McGraw-Hill Education, for instance, which moved from an in-house LMS to a third-party solution in order to be more nimble and adaptive

The result: **a 10x increase in online learning engagement.**

What an Effective LMS Looks Like: The Basics and Beyond

Once those big-picture questions have been sorted out, it's time to get into the weeds of exactly what your LMS is going to deliver. Whether built or bought, there are certain bedrock features that any LMS should have, including:

- **Payment processing** that is simple, straightforward, and seamless.

- **Assessment tools** that provide timely feedback for learners.

- **A credentialing engine** that makes it easy to verify and track learners' progress.

- **Data analytics** that let you track and monitor learners' educational journey.

- **Flexible integration capability**, making it easy to connect with things like your AMS, CRM, video conferencing, analytics tools, e-commerce, and more.

Most organizations can probably build an LMS with these types of essential features for less than a third-party solution. But is the bare minimum really enough? Today's learners want software that is personalized, mobile, and on-demand. It's what they've come to expect in every other aspect of their lives—from shopping to travel to entertainment—and your LMS is no exception.

What Does Your LMS Deliver?

FUNCTIONAL	OR	GROWTH-DRIVING
Payment Processsing		Payment Processsing
Assessment Tools		Assessment Tools
Credentialing		Credentialing
Data Analytics		Data Analytics
		Gamification
		Microlearning
		Mobility
		AI-driven Learning Pathways

To meet the expectations of modern learners, an LMS needs features that go beyond the basics. Organizations that offer these types of features will not only be further engaging and delighting their learners, they'll be helping to boost their own revenue as those satisfied learners come back for more. Some ideas to consider:
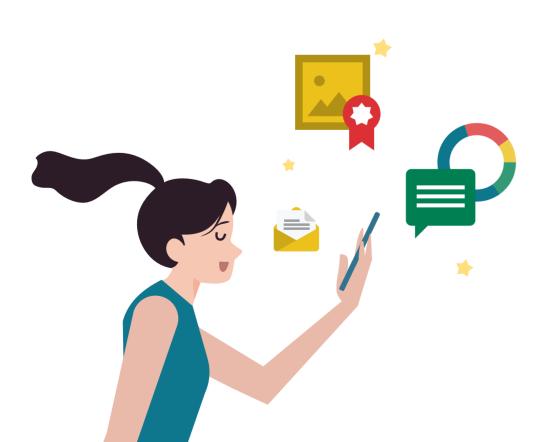
Gamification elements, to increase engagement.

Microlearning options, so your team isn't left figuring it out alone.

AI-driven learning pathways that help personalize the education journey for each individual learner.

A mobile-friendly setup, not just during onboarding—but throughout the life of the partnership

Building these types of features into an LMS requires a level of knowledge and specialization that many in-house IT teams may not have. An outsourced provider, on the other hand, will have experience incorporating cutting-edge features into systems across a wide array of industries and fields.

IN FOCUS: USER EXPERIENCE

What do all of these features have in common? They tie directly to the **user experience**—to how learners are interacting with an LMS.

It's a key focal point for all learners, but particularly for younger professionals, who have spent most or all of their lives online and therefore expect more from every digital interaction. For this reason, user experience should figure heavily into any build-or-buy determination. Here are a couple of points to consider:

BUILD:

Those organizations that opt to build their own LMS enjoy the benefits of having total control over the look and feel of the user experience. With no fixed templates or restrictions, they're free to design the type of UX they believe will most specifically appeal to their learners.

BUY:

The user experience is a prime example of the need for adaptability in an LMS. Outside of irrelevant content, nothing will turn off learners quite as quickly as a clunky or outdated interface. That's why organizations should refresh their LMS every three years to stay current with new technology. A third-party provider has the resources to maintain that kind of schedule, but does your in-house team?

All of these elements and features help an LMS connect with learners. But what happens next? Can you hold their attention and keep them coming back for more? You can if your LMS remains relevant, which involves several other considerations that should factor into the build-or-buy decision:

Agile course and content development	Does your organization have the in-house expertise to not only stay abreast of the changing content needs of your learners, but to seamlessly incorporate those changes into your LMS?
AI capability	If your LMS isn't innovating and evolving with AI, you'll quickly be left behind. Does your internal team have capacity and dedicated resources to incorporate new AI features into the platform on an ongoing basis?
Ongoing maintenance and IT support	Beyond the nuts-and-bolts security updates, administrative tasks, and hosting duties, does your in-house or third-party team have the ability to collaborate on more strategic LMS advice and planning?
Growth potential	From scalability to the ability to adapt to new learning trends, is your LMS designed with an eye toward the future?

IN FOCUS: ADMINISTRATIVE EASE

While the user experience is of course a key element of the LMS build-or-buy decision, the **administrator experience** is just as critical. A system that's cumbersome to maintain, update, and report from will not only weigh on your staff, it will ultimately hinder the learner experience as well. Here a few points to keep in mind from the administrative side:

BUILD:

Organizations that build their own LMS can design administrative workflows that align perfectly with internal processes. They can control the dashboard layout, reporting outputs, and workflow automations to fit their team's exact needs. But the trade-off is complexity. Creating intuitive admin tools that balance power with usability is resource-intensive and requires ongoing updates to keep up with staff needs and evolving best practices.

BUY:

Purchasing an LMS from a third-party provider gives administrators access to proven, tested workflows and interfaces designed for efficiency. Modern platforms often include features like role-based permissions, bulk content management, advanced reporting, and integrations that save staff time. Vendors also roll out updates regularly to simplify processes and keep administrative tools aligned with industry standards.

Does your organization have the in-house resources to continually improve the admin experience—or is it smarter to leverage a provider who does this across dozens of organizations every day?

How Outsourcing Your LMS Lets You Focus More on What Really Matters

Learning organizations that opt to buy rather than build their LMS often focus almost exclusively on the ongoing—and escalating—costs of maintaining an in-house system. That's a worthwhile, pragmatic consideration.

But the greater advantage of making the decision to outsource is the ability to redirect your organizational focus to where it belongs—serving your learners. A dedicated LMS provider can relieve your organization of many of the ongoing responsibilities and commitments that an in-house system demands by providing:

Continuous updates: Your LMS is continuously updated with the latest tech, saving your organization the time and effort of trying to stay current with developing learning trends that may be outside of your expertise.

Cost certainty: Costs are more stable and predictable with an outsourced LMS, allowing for easier budget planning and reduced overhead.

Content focus: Without the worry about the technical ins and outs of your LMS, you can instead focus your resources on developing what matters most to your learners—compelling content.

Enhanced agility: Outsourcing allows your organization to get out of the old-fashioned sunk-cost cycle of proprietary technology and focus instead on operational efficiency and go-to-market agility.

Shopping Checklist: A Guide to Your LMS Purchase Decision

Outsourcing your LMS may be simpler than building one from scratch, but it's still a big investment that requires planning and preparation. Here are some important steps to take on the road to your purchase:

✓ **Map out the needs of your organization and your learners**

Can you afford an effective LMS? Can you afford to be without one? If your current learning technology isn't meeting the needs of today's learners, the second question may have more consequences than the first.

✓ **Talk to your IT department**

Even if they're not building your LMS, your IT pros can still provide valuable insights into how an outsourced solution will fit into your current learning ecosystem.

✓ **Make a list of must-have LMS features**

Take a forward-thinking approach to your new learning technology. Consider things like what your product roadmap looks like and how your organization plans to grow and scale. Then make a list of features that reflects those goals, from data analytics and social tools to gamification and omni-channel delivery options.

✓ **Research LMS vendors**

Not every platform or provider will have a solution that fits your needs. Bring your list of plans and needs from the above step and compare it against what the vendors you're considering can offer.

✓ **Get a demo**

One common reason for a poor LMS experience is that the system is too hard to use. As you test-drive an LMS in the demo process, think about things like the technical savvy of your instructors and administrators, as well as the data analytics you think you'll need.

✓ **Ask the vendor how to implement your use cases**

If the demo goes well, your next step is to understand exactly how the vendor's software will work with your specific use cases. Because it's not just about what they can do, but how they do it as well.

> ⊛ **Pro tip:**
>
> Don't overlook **consolidation**. Your LMS should support all of your use cases —exam preparation, continuing education, microcredentials, and more— within one platform. This avoids the inefficiencies of managing multiple systems and provides learners with a seamless educational journey.

✓ **Choose a long-term partner, not a short-term vendor a demo**

Your LMS is a long-term investment that should entitle you to a long-term partnership with your vendor. And that partner should be invested in growing your business and giving you a great return on your investment. Just like the LMS you're purchasing, the partner you choose should be set up to meet your needs both today and well into the future.

Ready to buy?

What to Look For in an LMS Vendor

Support for all distribution channels.
(email,video, portal, etc)

Experience across a wider array of industries

Ability to accommodate multiple uses cases

Flexibility an ability to customize

Ongoing service and support

An Effective LMS Is the Heart of Your Learning Organization

Your organization is doing great. But you didn't get to this point by sitting back and resting on your laurels. You got here by constantly working to understand the changing needs of your learners, and delivering solutions to help them continue to succeed in their professional lives.

Few things reflect that commitment quite like the quality of your educational offerings, which is what makes your LMS such a valuable tool. As the manifestation of your organization's dedication to education, a good LMS shows learners how important this is to your mission—and their success. A substandard LMS, on the other hand, sends just the opposite message.

That's why the LMS build-or-buy decision is so consequential. It's about more than dollars and cents. It's about asking bigger-picture questions like:

- Are we looking to roll out a basic platform that meets expectations, or are we investing in a solution that can position both our learners and our organization for future growth and success?

- Does our in-house team have the skills and the capacity to build the kind of specialized and multi-faceted LMS that today's learners demand?

- How will our LMS adapt to both evolving learner needs and new technological innovations?

Asking these types of questions is how you get to the heart of the build-or-buy debate. And making the right choice is how you secure your organization's educational future—and keep the good times rolling.

About BenchPrep

BenchPrep is an award-winning learning management system (LMS) with a mission to transform traditional learning. Specializing in certification training, exam preparation, microcredentialing, and continuing education, we offer an interactive and personalized learning experience. We enable associations and credentialing bodies to grow their education programs and better support their learners throughout the lifelong learning journey.

BenchPrep is more than just a technology provider; we collaborate closely with organizations, helping to design and implement interactive online courses, and providing comprehensive project support alongside a versatile self-service admin portal for streamlined course management.

Many of the world's leading learning organizations trust BenchPrep to power their learning programs, and more than 12 million learners have used BenchPrep to attain academic and professional success.

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