



Blackboard

## Ray Henderson's Blog



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#### *Evolution Unbound*

Evolutionary biologists once widely believed that change in organisms occurred in a smooth arc of continuous change over time. In recent decades that notion was challenged by a new view that the natural record shows long periods of stasis interrupted by bursts of change.[i] I'm pleased to share that after years of modest but important change today we're announcing a punctuated evolution at Blackboard.

#### **Context for Our Evolution**

Over the past two years we've updated our vision for education and our changing role within it. We've added a range of both software and services products to our portfolio that reflect a broadened focus—on the whole student lifecycle within the institutions we serve, rather than just online homework and related workflow.

Blackboard *Collaborate* is now the leading platform for synchronous learning and collaboration. Blackboard *Analytics* provides the most robust enterprise business and academic intelligence offering in the market. Blackboard *Mobile* products have rapidly emerged and set the pace for both mobile learning and community products. We've created the largest and most sophisticated

education services organization in the industry, and provide a wide range of outsourced student services from enrollment to financial aid administration to 24x7 helpdesk. Combined with significant improvement in our fundamentals of client responsiveness and technological openness, these efforts are reinventing our image in the market. In the span of just a few years we've greatly diversified our products and revenues. I believe we're now in our best position ever in fulfilling a vision of ourselves as an education solutions provider. We now possess a uniquely valuable collection of assets, skills, and an enviable record of success in delivering mission-critical education services.

As so it's natural that as we focus more on institutional solutions, and our products and revenues diversify, that we'd re-examine our product offerings. And just as naturally we'd begin with our learning management system stack. This is both our historical strength and a key plank in the solution platform for most institutions. Nearly every prognosticator has declared this is a market that's undergoing a great deal of change. We agree. And more to the point, we believe the most important new dimension shaping the LMS market today is the growing acceptance of open source software.

While several commercial products have had impact at the margin, open source LMS platforms have had a dramatic impact on LMS adoption globally. Moodle in particular now has tens of thousands of adoptions, the great bulk of which are conversions of green-field institutions new to online learning. The community source Sakai initiative has had a disproportionate impact on research institutions, particularly in North America.

Open source advocates argue the benefits in technology development model, risk management, community involvement, and avoiding license fees. As a commercial provider we've highlighted the benefits of an adaptation to the traditional proprietary model, with open standards and open APIs. A model where a well supported community provides direct input in product development but without the burden of execution, and which provides subsidized client support that's more proficient and personalized to specific clients. Both models clearly work, but the choice about which is best depends on the goals defined by the institution.

So bringing this together, our strategic shift towards a focus on the full student lifecycle rather than the LMS niche begs an important question: should we expand our offerings to include multiple LMS products, particularly the open source products that are now more widely adopted? Our answer is yes. The long game for Blackboard is to bring the full complement of our solutions across the student lifecycle to more institutions. So we'll expand our product ladder to fit the breadth of our ambitions. And just like that, we'll relegate the era of "one LMS choice only" to our adolescence.

### **Blackboard Embraces Open Source**

The headline above this paragraph may seem odd. But I assure you that what you'll read next may sound stranger still. Ours is no mere dalliance with open source, but a very committed plunge into the pool.

**Moodle:** I noted above that Moodle enjoys a large following around the globe. Some institutions that prefer Moodle have the infrastructure and staff to run it reliably on their own. Others do not,

including many clients of Blackboard's non-LMS products. A large number of services firms have risen to fill this niche in the market, and proceeds from their growth helps fund the organization that creates the Moodle product. Today we've announced the acquisition of two of these firms: Moodlerooms Inc., a leader in North America, and NetSpot Pty. Ltd., an international leader in Moodle services located in Australia. Both have strong records of delivering Moodle services with high client satisfaction. And in combination they immediately add a strong Moodle product and services offering to our lineup, and one that we will invest to extend globally.

But while these firms bring strong products our choice of partners for this endeavor was heavily weighted towards people. We acknowledge a need for trusted guides for this new territory, with people who can commit to helping us create a positive image as a helpful contributor but also a thriving business that is always part of a healthy open source ecology. We're very pleased to share that the leadership of these organizations that will help us along our way include many well respected leaders from the Moodle community. NetSpot Managing Director Allan Christie joins us along with his top deputies Brett Buchel, Mark Drechsler, James Strong and Steve Watt. From Moodlerooms CEO Lou Pugliese and founder Tom Murdock have come aboard, and also my former ANGEL collaborators Dave Mills and Phill Miller.

The first act of this dream team of advisors was to provide an introduction to Moodle creator and founder, Martin Dougiamas. In fact I'm writing this as I return from a first meeting that Michael Chasen and the team and I held with him in Perth, Australia. I'm sure it was a bit surreal for all present, but our meetings were productive in outlining areas where Blackboard can best contribute to the Moodle project as we set out on a journey. Our new Moodle team now has a vision to execute against as we try to sustain and build upon the reputation of Moodlerooms and NetSpot within the Moodle community.

**Sakai:** I've noted the special place that the Sakai platform occupies amongst key research institutions. While fewer in number than Moodle adoptions the segment that Sakai occupies globally includes institutions of great strategic importance to us over the long term. As we considered who might best guide us in our strategy and acceptance within the Sakai community we immediately thought of Chuck Severance. Chuck was among the founders of the Sakai project and enjoys a well-earned reputation in ed-tech circles for both his technological insight and skills as a community organizer. I'm pleased to share that Chuck has joined us to lead our effort to develop a supportive relationship with the Sakai community, define how we can contribute to its future platform development, and assist us in building a services practice that's well suited to the unique needs of this emerging community. You'll be hearing more about Chuck's role and initiatives in the coming weeks.

### **Our Multi-Platform Product Ladder, and Investment in Bb Learn**

So clearly, our LMS product ladder has become significantly broader. We have an immediate offering in the products offered by Moodlerooms and NetSpot, and commitment to create an offering that caters to the unique needs of the Sakai community. In combination this will significantly broaden the number of institutions that we can serve with the rest of our portfolio, adding stronger offerings to the value tier and others designed to support the needs of the research driven institution.

These new platforms join our core Blackboard Learn platform in the product ladder. Learn remains our fully featured flagship product. It continues to enjoy growth in both the number of users it supports globally and its importance in providing a mission critical platform. Our clientele have migrated rapidly to our latest platform, Blackboard Learn 9.1, as its reputation for stability and quality have drawn our clients to adopt it more rapidly than any previous LMS version we've produced. And as we've marked our renaissance in usability with 9.1 SP8 – "The Ocho" – adoption has gained even greater speed. The large majority of our Learn clients have now adopted our latest product. I'm quite pleased to note that our client satisfaction is now setting all time highs, and we're seeing the strongest outside interest from those on competing platforms that we've seen in years. Our message to our clients on Learn is quite simple: the renaissance in this platform that's underway with Ocho will continue apace. And while I'll drop no hints here, I'm confident that what we'll unveil at BbWorld 2012 in New Orleans will confirm for all that investment in this platform is accelerating, and in a way that will delight our community.

**Special Announcements for our ANGEL Clients:** Our ANGEL platform has many strong supporters, and it continues to serve many institutions very well. Today we're announcing further investments for the benefit of this community and their future choices of LMS platform. First, we've had a large number of clients ask that we extend the life of the platform and today we've announced that we'll do so. We'll extend support and maintenance at the same level our ANGEL clients enjoy today. And once again I'll hint that there are special announcements related to ANGEL that we'll share in New Orleans. Second, I'll reiterate that ANGEL-inspired features are being developed into our 9.1 product at an even more rapid pace. But our ANGEL clients can expect a new twist: we will also deliver ANGEL-inspired features on the Moodle platform as a part of our new product laddering. We're determined to make sure that our product ladder offers the best range of choice to our ANGEL clients for their future needs.

### **Our First Words within New Communities**

We understand that our announcements today may generate a mix of reactions. Longtime participants in the open and community source communities may be concerned about our corporate intentions, and how we'll conduct ourselves given that we are governed by an interest in business growth. Similarly for those who are clients of the firms we've acquired, there will naturally be concerns about our entrance to the community and our execution against the commitments made to them by companies and people that have now joined forces with us.

Put simply, our position vis-à-vis the open source community is not unlike what I first faced when I was a new voice at Blackboard in 2009. At the time, I was hoping to convince a skeptical audience that we would undergo a pivot towards greater openness in our platform and further to become a key industry leader in implementing open industry standards. I was also trying to convince a skeptical audience that we'd learn from past lessons about continuing traditions of great customer care. Not only would we sustain the high service levels at ANGEL, I committed, but we'd rebuild Blackboard's service reputation to bring it inline with the model we developed at ANGEL. Many in the industry have confirmed our good faith to these commitments. And as the deeds have arrived the skeptics are yielding. And so we start the cycle again with some words about commitment.

### ***For the Communities that support Moodle and Sakai:***

Our announcements today are motivated by a belief that we can contribute positively to these projects in the eyes of the community, while still building viable businesses around them. That recognition has driven us to acquire guides who know their respective bylaws and maxims, and who will faithfully guide our corporate conduct and preserve their reputations in the process. We know that our good standing requires both financial support and in-kind contribution, and we're prepared to execute on both. We're already seeking input from the leadership of these organizations about what contributions would be most valuable to the community.

### ***Clients of Moodlerooms and NetSpot:***

Our first imperative to you is your sustained positive experience. We know that we're entering an all-important time for first impressions. Know that we've begun by doing our best to retain the people that have attracted you with their ideas and service in the first place. And know that your leaders will be actively assisting ours in confirming our steps in this new direction. We're underway together to define a next chapter for Blackboard that's influenced by ideas within their cultures that appealed to educators and helped them thrive. And just as we've adopted traditions from ANGEL, we look forward to this positive challenge to our ways and the positive energy it will bring us to solve educator problems.

### **Conclusion: Things Will be Different, but Better for the Market.**

There's been much said about disruption in the LMS market, citing shifts at the margin in LMS marketshare. Our own vision of disruption is less about what happens *within the LMS market* and more about what happens across the educational landscape writ large. The extension of our LMS product ladder allows a larger number of institutions to consider Blackboard as a key partner in reaching their strategic technology vision, whether for traditional learning, hybrid or pure online programs.

I think it's important to consider what the market gets from this evolution at Blackboard. Rather than another LMS-oriented company, it gets a firm focused on helping institutions to solve the hardest problems in education, comprehensively. The range of technologies that must be pulled together to create a solution for institutions today is both more comprehensive and more complex than ever before. Rather than presenting obstacles by imposing a limitation on which products we support, we're showing our commitment to institutional partnership by broadening our coverage, expanding options and reducing the requirements to change that show we've listened to our constituency about what they need from their partners.

I'll leave you with a first anecdote that clarifies that this transition is real and also shares some of the strangeness of headlines you'll see about how our business changes in the coming years. Recently, the University of California sought a partner to help them create a comprehensive online initiative for UC for the first time. They needed services across the lifecycle, from helping them establish an online brand to student marketing, enrollment, and end user support on both the Sakai and Moodle platforms. The breadth of this request was well beyond what a traditional LMS firm could do, and more typical fare for program outsourcers who demand decade long contracts and a percentage of tuition—something UC hoped to avoid. Anticipating this change

we designed a solution that took full advantage of our new direction, orienting it around platforms other than our own, and giving UC the flexibility to outsource some functions they lacked without onerous commitments of time or future tuition as they developed their program. And so it happened that the University of California selected Blackboard to build and support their online courses to be delivered on Sakai and Moodle.

We're looking forward to other unconventional headlines in the coming year. And we invite everyone to reconsider the caricature of Blackboard they may have written to firmware from prior years. Here's to "thinking different" about our place in the education marketplace.

Cheers,

Ray

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[i] Specifically the theory of "punctuated equilibrium" was developed by Stephen Jay Gould and Niles Eldridge. Wikipedia has a useful summary of the idea here:  
[http://en.wikipedia.org/wiki/Punctuated\\_equilibrium](http://en.wikipedia.org/wiki/Punctuated_equilibrium)