

Blackboard To Buy Out Angel Learning

By David Nagel • 05/06/09

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Blackboard is buying out Angel Learning, the maker of a major competing learning management system, Angel LMS.

The two companies today announced the signing of a definitive agreement in which Blackboard will acquire Angel for \$80 million in cash and \$15 million in stock. Blackboard acquired another major rival, WebCT, back in 2005. The deal with Angel leaves only one major competitor in the commercial learning management space: Desire2Learn, which Blackboard has been pursuing in court for more than two years now in lawsuits involving alleged patent infringement.

However, Michael Chasen, Blackboard president and chief executive officer, told Campus Technology that he does not see a competition issue with the acquisition.

"Actually there's more competition today with course management systems than ever before," he said in a phone interview. "There's multiple open source competitors; there are new entrants that come into the market space every single year. So, from a competitive perspective, even though certainly we've acquired our competitor [in] buying Angel, we're finding more competition today than we ever have in the past."

Said Adrian Sannier, university technology officer and vice president, Arizona State University: "We are kind of divided on the Blackboard/Angel acquisition. On the one hand, we are pleased for Blackboard. They are a good partner of ours. They provide a significant portion of our learning platform, so anything that makes them stronger, improves their ability to innovate-- that's a plus. But on the flip side, it's starting to feel like there aren't too many choices out there in the learning management space and that maybe we are getting to the place that without competition we are not going to see as much innovation as we need to see. So, we are certainly guarded in our opinion of this thing and will watch it very closely to see how it plays out."

Alex Hwu, director of the Center for Digital Education at the University of Alaska, Fairbanks, echoed Sannier's sentiment: "It's shocking because I'm always thinking Angel is really, truly, listening to the end user's voice.... I don't know enough details yet, but, if Blackboard is doing the same thing as when they took over Web CT, I think it's a great loss for learning labs in the [United States] or even globally. Because the less people compete, the worse [product/service] the user gets."

Hwu continued: "And I'm really upset, because in my position right now I'm actually writing a recommendation of what's best for us.... We are using Blackboard at the University of Alaska,... but now we have less choice."

Chasen also said that although there were regulatory issues to be addressed in the prior WebCT acquisition, there were none this time around. Angel, he said, has far fewer clients than WebCT did at the time of the buyout (roughly one-third the number).

The acquisition, Chasen said, will not have any bearing on Blackboard's ongoing patent litigation against Desire2Learn.

"It's going to be a huge incentive for moving from proprietary systems to Web 2.0 and open source," said Gary Brown, director, Center for Teaching, Learning, and Technology, Washington State University. "Our job is to help people learn how to navigate that,... and I think it's going to have really interesting implications for the struggling IT services that institutions are working with right now, in this resource-scarce environment."

Angel's client portfolio includes approximately 400 organizations, according to information released by the companies. Blackboard itself has, in the past, claimed ownership of somewhere between 70 percent and 80 percent of the commercial LMS market in higher education in the United States--about 1,915 colleges and universities, as well as 388 K-12 districts as of April 2008. Today the company said that, with the acquisition, the Blackboard community will total "5,800 K-12 schools, colleges and universities, government organizations, and corporations" around the world.

Chasen said that the acquisition should not impact current Angel customers and that Blackboard will continue development of Angel LMS.

"There really shouldn't be a change for the customers at all," he said. "We have the users conference coming up next week, and we'll actually be there in person, able to meet people, talk with them. Our plan is to release version 7.4 of their software as [had been] planned over the next upcoming week then continue development with upgrades and support after that."

He added that, further down the road, Angel's technologies may be integrated with Blackboard's. "Longer term, what I think the opportunity is here is to share best practices and technology between Angel and Blackboard and bring to [Angel's] user community great new features [and] functionality and to take some of the best of the Angel features [and] functionality to the Blackboard community."

He continued: "I'm talking there much longer term. In the short term we're going to continue to release the next version of the Angel product and continue business as usual."

When asked directly, Chasen would not commit to a version 8 of Angel LMS, saying, "There certainly will be an upgrade in the path for Angel Software. I couldn't even guess what the number version would be or when that would come out."

Angel's education technology portfolio includes its flagship Angel learning Management System and ePortfolio. Its services include managed hosting, consulting, and training.

According to Blackboard, both companies' boards have approved the deal. The acquisition is expected to close this month. Further information about the acquisition can be found in a special section on Blackboard's site here [<http://www.blackboard.com/Company/Angel.aspx>].

Mary Grush contributed to this article