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Executive Summary

Since the Internet became commercialized in 1995, it has seen immense growth, stretching its twisted pair cables far across the entire globe. In tandem with the growth of the Internet, education has been taking advantage of the immense new communications possibilities to bring their content to more consumers than ever before. As mentioned by Donald Clark in Epic's "The Markets for e-learning" there is an estimated "\$2 trillion and growing" worldwide market for education and training (p. 9) Epic is one of the UK's premiere consulting firms on e-learning. The College Project will utilize the power of web 2.0 architecture to optimize the current university structure and fill a critical gap in the e-learning environment.

Product Explanation

There is a critical need for something more than the current online education system. This is illustrated by Making the Grade (2006) which noted that "Only 4.6 percent of Chief Academic Officers agreed that there are no significant barriers to widespread adoption of online learning." (p. 3) The College Project is used in order to fill the gap between online and traditional learning. It is a way for members of an institution to find information and become involved in projects relevant to their interests and degrees taking place on their campuses and in their areas. Online education makes it virtually impossible to search out classmates in order to collaborate on class or degree related pursuits. However, if a web service were implemented that allowed students to create, find, and participate in projects from all disciplines it could be a great supplemental tool to online and traditional higher education. The College Project aims to harness the idea sharing and collaboration power of the Internet into a categorized,



searchable, and community maintained repository of work being done within a university environment. The project hopes to increase awareness and provide unique opportunities for users to become involved in events that will increase their marketability when entering the job force.

The need for a tool that encourages collaboration in online environments is especially critical. This is illustrated in the figure below, which describes the percentage of online content and associated delivery method.

Figure A
Proportion of Content Delivered Online

Proportion of Content Delivered Online	Type of Course	Typical Description
0%	Traditional	Course with no online technology used — content is delivered in writing or orally.
1 to 29%	Web Facilitated	Course that uses web-based technology to facilitate what is essentially a face-to-face course. Uses a course management system (CMS) or web pages to post the syllabus and assignments, for example.
30 to 79%	Blended/Hybrid	Course that blends online and face-to-face delivery. Substantial proportion of the content is delivered online, typically uses online discussions, and typically has some face-to-face meetings.
80+%	Online	A course where most or all of the content is delivered online. Typically have no face-to-face meetings.

Making The Grade, Online Education in the United States 2006

p. 4

Target Market

The most effective implementation of this product is achieved when it is used in conjunction with an already existing learning content management system(LCMS). A LCMS is a tool used by an institution for the purpose of facilitating course



communication and classroom supplementation utilizing the power of the Internet.

Perceived buyers are organizations which already have an LCMS implemented. Three of the most popular LCMS in operation today are Blackboard, Angel, and Sakai.

Blackboard

Despite the fact that an open list of blackboard implementations is not readily available, it is possible to obtain a sample of the client base. This is obtained by the list of user group participants on the Blackboard website. This has been included as “Figure B - Estimated Blackboard Users” in the appendix.

Angel

Angel is another popular LCMS that has been implemented in higher education as well as K-12 learning environments. A list of selected clients is available on the Angel website and has been included as “Figure C - Selected Angel Clients” in the appendix.

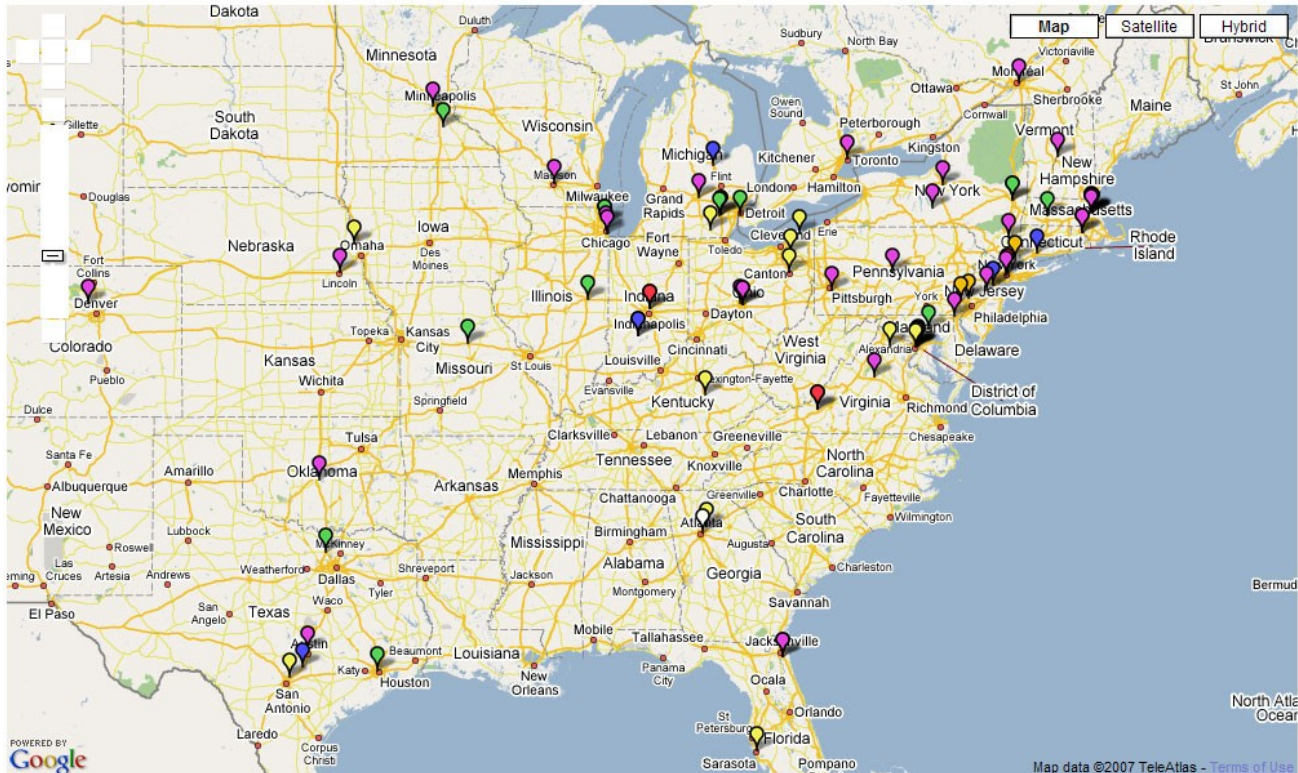
Sakai

The list of openly supported Sakai implementations can be found on the sakaiproject.org website. Due to the fact that the Sakai project is a free LCMS there may also be many non-registered implementations of it running that are not listed on the official site. A graphical representation of the official Sakai server displacement is depicted below.



Figure D Registered North American (NE Region) Sakai Server Implementations

[Show All](#) | [Production](#) | [Sakai Partner Server](#) | [Sakai Partner](#) | [Commercial Affiliate](#) | [Foundation Server](#) | [Sakai Server](#)



Source: Captured by Charles Palen from http://sakaiproject.org/index.php?option=com_wrapper&Itemid=588 using Adobe Photoshop and Internet Explorer.

Once an institution has been targeted, there are two distinct demography's that The College Project is concerned with. The administrators that would be purchasing and implementing the product and the students that would be using the product on a daily basis. The ultimate priority is placed on administrators because they will be the purchasers of the product. However, without student participation, the effectiveness of the implementation may suffer resulting in a lower likeliness of return business from administrators.

**Marketing Strategy**

The primary difficulty with effectively marketing this product is that it is an additional service that will add value and competitive advantage to an already existing model. To this end, for every sale, there must be a degree of buyer education.

Buyer Education Strategy for Administrators

An organization that lacks patron collaboration also lacks reputation. What do you think of when you hear “University of Phoenix” one of the largest online educators in the United States in comparison to “Massachusetts Institute of Technology”? There is a perceived gap between the two educators. It is difficult to associate anything to the University of Phoenix because it does not yet have a history of students collaborating to create incredible pieces of work. Have you ever seen a news story of an online educator’s students partaking in an activity that would make you want to utilize that educator? This is where The College Project would best provide a considerable return on investment for an educator. It is impossible for an institutions patrons to accomplish great things if they do not first have the appropriate means to do so.

Buyer Education Strategy for Students

Once The College Project has been implemented at an institution, students must be convinced to use it. Traditional LCMS do not worry about this step because it is left to the educator. A typical institution encourages participation by mandating use by professors which in turn dictate use to students. As a result, current LCMS are seen as mere necessities for electronic document handling. In an effort to encourage non-traditional use, The College Project would be packaged with a marketing option. This



option would include universal artwork, flyers, and strategies for encouraging the use of The College Project.

Purchasing Options

Purchasing options must be flexible in order to accommodate the several differences in LCMS. There are two types of purchasing options for this product; full product license and individual site license. The variety in purchasing options has been implemented in order to complement the size and variety of academic institutions. The differences in license options are as follows.

Full Product License

A full product license provides an institution with the full source code to The College Project under the conditions that they do not re-sell the product. This license is targeted at universities that may already have vast technological resources and a desire to heavily customize the product prior to implementation. In this instance, the service is deployed and maintained on institution resources. Because the source code constitutes the product in its entirety, the purchasing of this license is also conducted based on a one-time payment model.

Individual Site License

An individual site license grants a university full use of The College Project, but the service is implemented utilizing College Project resources. This license is targeted at institutions that operate fully online, or do not have the resources to effectively facilitate The College Project on their own. Because this model is based on a service instead of a product, there is an associated monthly fee for this option.



External Environment

Competition

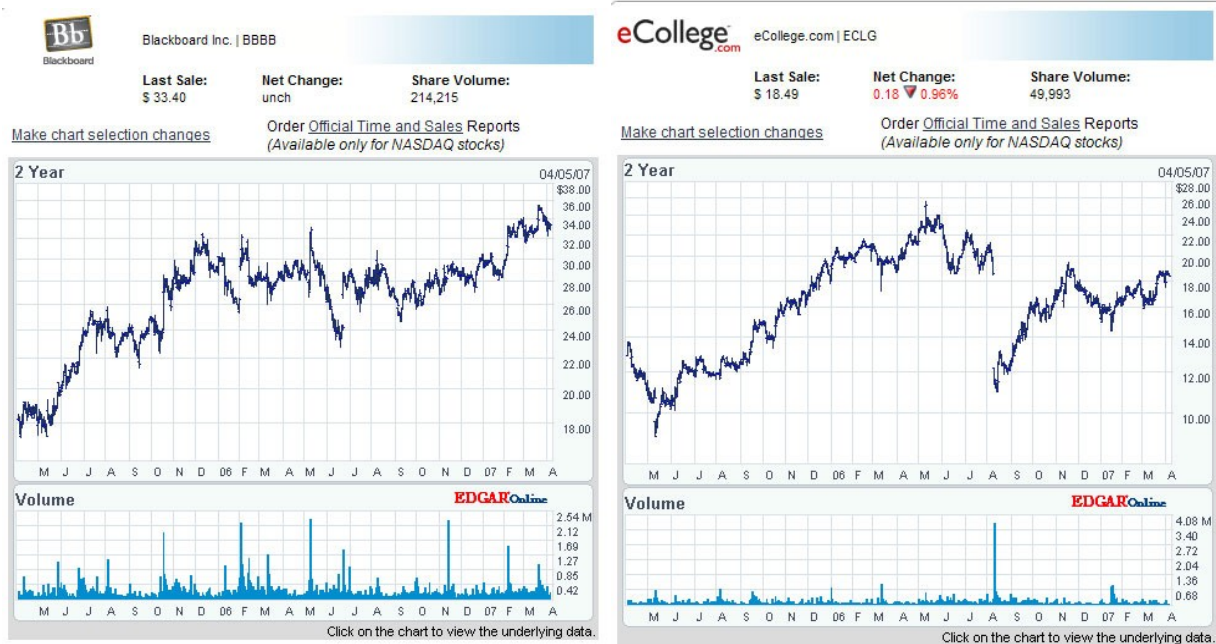
Competition for The College Project is in essence any way that people currently discover endeavors being worked on within their learning environment. This is different for traditional and distance learning students. In a traditional college environment, students obtain this information in various ways. The most common being flyers, professors, and word of mouth. In an e-learning environment, flyers and word of mouth are not available so the primary means of discovery becomes the LCMS because it serves as the student's primary link to the institution.

The current state of the LCMS is dominated by big players and slow but reliable movers that stick to providing service at the level of industry standards. Current LCMS are overpriced and difficult to maintain. In the SSE white paper on Blended Learning ROI eLearning analyst Brandon Hall cited that in 2003 the average "LMS was priced at \$550,000 for 8000 users over a five year period."

In this realm there are two major players to beat in order to claim stake to a sizeable chunk of the market share. The two players are Blackboard and eCollege both traded on the NASDAQ under BBBB, and ECLG respectively. When examining their stock prices side by side over the last two years, it is evident that Blackboard pulls ahead as the giant in this realm bolstering more shares, increased dollar per share value, and more growth in the past two years.



Figure E
Blackboard vs eCollege Two-Year Stock Price History



Source: Captured by Charles Palen from <http://quotes.nasdaq.com/> using Adobe Photoshop and Internet Explorer.

In addition to lackluster stock prices, there is another reason that eCollege should not be the immediate concern in the e-learning environment, a possible acquisition by Microsoft. It is obvious from the ecollege.com website that they are partners with Microsoft because there are Microsoft logos and references riddled throughout the site. However, it is odd that they are pushing how much better their product is because it runs on the .Net framework, a programming solution by Microsoft. It is also strange that their promotional video (probably the most expensive piece of their site) is full of Microsoft logos, employees, and references. This would be a prime time for Microsoft to acquire



eCollege because they are focusing on services more than products with their next generation of software.

It is however, imperative to keep a close eye on Blackboard. Although they haven't effectively harnessed the web 2.0 architecture, they are showing signs of progress in the realm of effective, simultaneous communication. This is illustrated by their new communication plug-in called Pronto(See the appendix figure F), which is a chat client that allows real time communication with classmates.

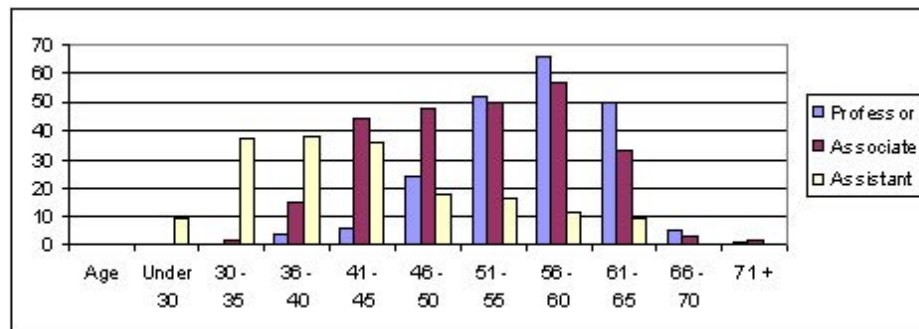
Demography

As mentioned in the Target Market, there are two distinct user groups of The College Project, administrators and students.

Administrators

College administrators tend to fall in an age group of 46-65 year old professionals. This is illustrated by the figure below.

Figure G
Indiana University Fact Book: Regional Campus Age Distribution of Faculty 2004-2005



Source: Captured by Charles Palen from <http://factbook.indiana.edu/fbook04/person/age.shtml> using Adobe Photoshop and Internet Explorer.

Based on this age group and their profession, certain assumptions can be made about them. If they are 46 – 65 years old it is highly possible that if they have



children, they are either in college or in the professional world. It is also appropriate to assume that if they are employed at a university, they own a home or at least hold residence in the same area. The majority of this age group is also part of the baby boomer generation.

Students

The standard age group for college students is 18 – 23. Most in this age group are unmarried, do not yet own homes, and are not strongly tied to one geographical region. This age group has grown up with electronics, the Internet, and is commonly dubbed generation Y. This age group is responsible for the increasing popularity of internet 2 sites like Myspace and Facebook.

Technology

Current LCMS's run on a standard server platform with a database backend. This is the same method that many websites and almost all web 2.0 content sites use. The College Project has the same requirements as it is a web 2.0 application. The general requirements to run this platform are as follows.

- A. 24/7 guaranteed power to the server running the LCMS
- B. A high speed internet connection
- C. A reliable database, which also has 24/7 power and an Internet or LAN connection to the server running the LCMS.

These requirements are easy to find at almost any university or Internet service provider which all house standard 24/7 facilities called datacenters. The College Project is in fact easier to deploy than standard LCMS. This is because College Project was built on the open backend technologies known as PHP and MySQL. PHP is a free scripting language



that is run by many web 2.0 sites such as Facebook and Livejournal. MySQL is a free database that is also very popular and run by clients as large as Yahoo.

Social Change

The educational landscape has changed drastically in the past ten years with respect to education and technology. There has been an increase in the desire for post secondary education and training. An indicator of this is the increasing amount of specialized trade schools such as ITT Tech and Devry University. Technology has also allowed students to learn and communicate in never before seen ways across vast distances. As technology matures, there has also been an increasing amount of adopters. This is demonstrated by Making the Grade(2006) that suggests that “3.2 million students were taking at least one online course during the fall 2005 term” which is a huge increase from the 2.3 million the previous year.

Political and Legal

There are five primary education and legal regulations that apply to e-learning solution providers and/or users. They are listed below and include a brief description.

1. 50-Percent Rule

This regulation places restrictions on the offering of federal financial aid for title IV institutions that offer more than half of their courses online.

2. 12-Hour Rule

In order for students to be eligible for federal financial aid, and institution must provide at least twelve hours of instruction time per week. This rule was created in an effort to ward off diploma mills.

3. Distance Education Demonstration Program (DEDP)



Created as a test in 1998, this program was offered in order to waive the 50 percent and 12-hour rules from distance educators in order to give their students greater access to federal funding.

4. Family Educational Rights and Privacy Act (FERPA)
FERPA are federal guidelines that specify an institutions rights and responsibilities in regard to student educational records. FERPA also gives students the right to review and request amendments to their educational records.
5. Technology, Education, and Copyright Harmonization Act (TEACH Act)
TEACH is especially important to The College Project. Due to the fact that the system allows users to post multimedia and potentially copyrighted material, it is imperative that all posted content be monitored.

In “full product license” situations it will be up to the purchasing institution to abide by these regulations. However, in an “Individual Site License” The College Project will still be liable for content posted by an institutions users. This is because a site license is very similar to independent contractor work where the contractor retains legal responsibility over the product, but receives compensation in exchange for services rendered.

In order to ensure compliance with these regulations, The College Project was developed with built in multimedia management tools.

*Economic*

Due to the vastness of the projected net revenue for public universities, only the immediate reach universities within Michigan have been profiled. Note that the Michigan Technological University figures are based on 2005-2006 and not 2006-2007.

Central Michigan University 2006-2007 Operating Budget Consolidated Net Revenue	\$340,795,818
Source: http://www.budget.cmich.edu/operatingBudget/operating.html	
University of Michigan 2006-2007 Operating Budget Consolidated Net Revenue (Ann Arbor)	\$1,295,048,463
Source: http://sitemaker.umich.edu/obpinfo/files/greybk_aasum_fy07.pdf	
Michigan State University 2006-2007 Operating Budget Consolidated Net Revenue	\$819,800,000
Source: http://opbweb.opb.msu.edu/	
Western Michigan University 2006-2007 General Fund Budget Non Operating Revenue	\$294,067,592
Source: http://www.budget.wmich.edu/docs/06_07_budget_summary.pdf	
Wayne State University 2006-2007 General Fund Budget Non Operating Revenue	\$489,200,000
Source: http://budget.wayne.edu/	
Michigan Technological University 2005-2006 General Fund Budget Non Operating Revenue	\$47,876,000
Source: http://www.admin.mtu.edu/admin/budget/gfbudget06.htm	

In consideration of the figures above, it is not unrealistic to believe that a university has funds that could be allocated to The College Project. Universities are continually taking chances with their budgets and donor contributions in an effort to increase the valuation of their institution. This is illustrated by the Central Michigan University Vision 2010 initiative (<http://www.planning.cmich.edu/>). This initiative allows University members to submit proposals for how the \$78 million dollars raised by the Vision of Excellence Campaign(<http://vision.cmich.edu/>) should be spent.

Timeline for Implementation

There are two distinct timelines for The College Project. The time required to set up the support structure and parent company for it, and the time it takes to implement each sale of the product.



The tasks that need to be performed in order to establish a company to sell this product would take roughly six months or less to complete. Due to the fact that the base product has already been developed and tested, it just has to be re-aligned to the target market and updated to current web security standards. One experienced programmer could do this in a few months due to the class-based architecture of the project. A deal would also need to be brokered with a datacenter to provide expandable hosting for the projects first clients. The proper paperwork would also need to be filed in order to create a business.

Due to the slowing success rate for web 2.0 startups as stated previously by www.techcrunch.com, a leader in Internet startup news, it would be unwise to start this venture at the beginning of summer 2007, when the college population is on vacation and not using LCMS technology. This is demonstrated by the general drop in stock prices around summer for Blackboard and eCollege shown previously. The best time to start would be winter of 2007 because there would be more time to examine the slump in web 2.0 startups as well as begin at a prime time for the LCMS market.

The timeline for an implementation of the project is dependant upon the purchasing option that an institution selects.

Full Product License

If the institution purchases a full product license, then the timeline revolves around the traditional college school year. In order to effectively implement and test this technology, it is imperative to deliver the product immediately when the institutions school year ends. This will provide the intended institution the



maximum amount of time to customize and implement the solution prior to the next academic year.

Individual Site License

If the institution has purchased an individual site license, then the time for implementation is much less than a full product license. This is because the technology used for implementation is controlled by The College Project. This type of license can be implemented at any time during the academic year.

However, there must be at least a month leeway time to integrate the authentication accounts of the institution into the system.

Conclusion

It is still difficult to compare distance learning to traditional education venues, but like it or not, the LCMS has found a home in both arenas. When the education system is dissected it is ultimately a facilitator of information. The current model of e-learning lacks practical hands on experience, and the vastness of a traditional institution masks many opportunities available to students. The College Project intends to fill that gap by positioning itself as the premiere facilitator for project discovery and implementation.



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