



Deep Insights, Pragmatic Advice



# Insights into Corporate Moodle

*What's the reality and opportunity for Moodle in a corporate environment?*

***Moodle has been in the market place for a few years now, and through some innovative packaging it has started to gain traction as a potential Learning Management System within a corporate environment. But, what is the truth? Is Moodle REALLY an enterprise LMS? Can you embrace it as the perfect LMS partner, or should you be thinking "Caveat Emptor" or buyer beware?***

***Elearnity, Europe's leading learning analyst, has researched the reality of the use of Moodle in a corporate environment. This insights paper examines what Moodle really is and how it is being applied. It also examines the key limitations of Moodle as a corporate LMS and how it is evolving to address those issues.***

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## About Elearnity

Elearnity is Europe's leading independent Learning and Talent Analyst providing independent expert research, analysis and advice on corporate learning and talent technology and innovation. We provide expert independent advice to help organisations accelerate and de-risk their corporate learning innovations.

All our services are underpinned by a unique independent expert understanding of corporate learning based on extensive research and independent market profiling. We provide two core services:

- Learning and Talent Analyst Research with in-depth best practice research, strategic market analysis, news and commentary
- Independent Advisory Consultancy on strategy and best practice

Our research and analysis covers key innovations that are challenging corporate learning and talent organisations; learning transformation, talent management, learning management strategy and systems, talent systems strategy, e-learning and blended learning, the impact of learning and increasing value-added, integrating learning, talent and performance ...

Elearnity's research process focuses on developing deep insights of corporate realities and best practice, and independent understanding of vendor capabilities and actual performance.

Our analysis and advisory process focuses on providing objective unbiased advice *specific to your organisation and business context*.

Example customers include: Alstom, Aviva, Boots UK, BP, BT, Cable & Wireless, HSBC, Lloyds Banking Group, PricewaterhouseCoopers, Thomson Reuters, Rolls-Royce, Royal Bank of Scotland, RSA Group, Shell, Swiss Re, Telefonica, and Vodafone.

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## EXECUTIVE SUMMARY

### *Moodle's Origins*

Historically, Moodle has been primarily used within the academic community as a virtual learning environment or VLE, a software system designed to support teaching and learning in an educational setting. Virtual Learning Environments such as Moodle are designed to deliver a programme of learning and its associated activities over a period of elapsed time, with one or more facilitators/tutors interacting with students, and with focussed interaction between students. Whilst a VLE does provide some management functionality and some content functionality, its primary role is to support the delivery of learning, through a structured educational programme, resources and collaborative activities.

### *Moodle's Place in the Market Today?*

There is no doubt that there is significant interest in the potential to use Moodle for corporate learning, but our research shows that corporate usage of Moodle today is quite limited, and there are still very few public domain large-scale corporate Moodle case studies. Unlike the academic community, few corporate organisations have yet adopted Moodle as a strategic learning technology platform. And if they have, Moodle is typically just one component of a more traditional learning technology infrastructure (alongside a learning management system and other virtual learning/elearning tools).

From our research, the most common role of Moodle within corporate organisations today is as a tactical, low-cost *elearning launch platform* where an organisation does not have a suitable LMS already. Some organisations have used it on a more extensive scale but even then it is for a distinct audience or to meet a specific need.

Despite Moodle's success in the academic market, where it has become established as a common platform to manage the delivery of educational programmes with facilitating tutors, there is limited evidence of corporates using Moodle to deliver a blended approach. This should probably not be a surprise, as a real commitment to blended delivery is often lacking in corporate training, irrespective of the available delivery platforms.

For the sake of clarity, here the word "corporate", doesn't mean quangos or small to medium companies, but is used to describe large private sector companies with enterprise scale operations.

The use of Moodle as a collaborative learning platform or conventional VLE within a corporate environment is also limited, with few good reference examples. In this guise, Moodle is being used for collaborative activities and tutor facilitation, but not generally to manage the overall blended programme. Whilst this type of usage is growing, it will be slow relative to Moodle's overall growth, as corporates slowly shift to blended and virtual learning as a mainstream approach.

### *The Future of Moodle*

There is strong evidence that Moodle can provide a tactical elearning launch platform, and interest in using Moodle as a broader lightweight LMS solution is growing. But currently, Moodle, unless significantly modified, lacks the functionality to manage this effectively in a corporate training/learning context. Nothing illustrates this more than the decision to develop Totara and the other commercial distributions of Moodle. In almost all corporate deployments, Moodle has been heavily customised by partners and independent vendors, and even now, the enhanced functionality that's needed is part of vendor modules, rather than core Moodle code.

# Key Executive Insights



- Moodle is still an early adopter technology within the corporate learning market.
- There are still only a limited number of corporate enterprise wide case studies for Moodle available in the public domain. Many of the historic informal references to corporate usage are overstated and unqualified.
- The primary usage of Moodle in a corporate environment is as a lightweight e-LMS/portal for launching and tracking elearning content in organisations that do not have a LMS or elearning portal already or to support external audience beyond the current Enterprise LMS's reach.
- There are relatively few examples of Moodle being used for its original purpose as a VLE in a corporate environment to support asynchronous collaborative delivery programmes although this is becoming more common.
- Where organisations have a corporate LMS platform and have chosen Moodle as the VLE, the LMS is typically used to manage the overall programme blend and Moodle is used mainly for facilitated asynchronous collaboration within the blend.
- Whilst Moodle is not primarily a content management tool, it can also provide a useful tactical tool for aggregating or grouping content for learners.
- Hybrid Moodle developments with commercial distribution, such as Totara, illustrate the gap that exists between Moodle and a corporate LMS platform.
- Where organisations are keen to use Moodle as their LMS solution, it seems more likely that they will choose a hybrid offering, rather than customising core Moodle themselves.

## INTRODUCTION

### *Why are we looking at this?*

For the last ten or more years, the corporate learning management market has been dominated by specialist Learning Management Systems (LMS) providers. Whilst new entrants emerge on an ongoing basis, to some extent the main story over the past five years, particularly in the large enterprise LMS space, has been one of market consolidation. And over the last 12 months this process seems to have accelerated with large ERP vendors purchasing specialist best of breed organisations. Today, corporate LMS procurement projects are dominated by the large specialists; with little variation other than the enterprise HR systems own LMS option and an occasional learning outsource discussion.

Against this backdrop, the reputation of the LMS market-place has suffered as a result of a perception of poor user interfaces, under-utilised platforms, overly complex workflows, complex upgrades and high costs for licensing, support and maintenance. Much of this is justified. LMS vendors, often seeing themselves as "enterprise software" companies, have historically focused on providing complex and expensive solutions serving back-end learning operations rather than providing simple, user friendly solutions.

Moodle has been increasingly touted as a potential solution to put these wrongs to rights. But, are these claims fair and realistic? Clearly there is a lot of interest in open source software and Blackboard's acquisition of Moodle partners Moodleroom and Netspot reinforces the view that it has had a significant impact in recent years. But can it really be used as a corporate LMS solution?

Core to our research activities is the notion that we provide insight on topics which are high in hype and potentially low in substance. Moodle is just one of these areas. There has been a rapid growth in corporate interest in Moodle, and a great deal of exaggeration in how it's positioned in the corporate market place. There has been mislabelling and hype around what Moodle actually is, and implicitly even more about what it can do. Although some of this hype has diminished lately with the launch of hybrid Moodle products better designed to meet corporate needs, many custom content vendors now offer Moodle as a "LMS" solution alongside their content development services. So, it's timely to provide an independent view of what is really happening with Moodle in the corporate market place.

What this paper aims to do is to help companies understand the realities of Moodle and how it can be deployed to provide the best value and the lowest risk. Although our focus is on large corporate organisations, and this paper is based on Elearnity's independent research and experience in that area, much of the content of the paper will also be applicable to smaller corporate organisations or public sector.

We hope you find our insights informative and useful.

## Research Methodology

This Core Insights paper is based on information and analysis gathered by Elearnity through its research into the corporate Moodle market. It contains the results of research and analysis of the use of Moodle in a corporate environment, carried out with corporate Moodle users and vendors working in the corporate arena, as well as members of the Moodle community.

This includes specific input from:

- Conversations with many large corporate organisations in the UK, Europe and internationally specifically on this subject.
- Independent enquiries with corporate Moodle users and vendors, specific to this research.
- Detailed advisory assignments with a range of major multinational organisations on their current and future strategy for learning management and learning technology.
- An interview with Martin Dougiamas, the “guy who started Moodle”.

## Structure of the Document

### *The Aim of this Paper*

The aim of this paper is to provide an analysis of the current Moodle landscape, examining the background from which Moodle originated, and consider the developments that have driven its corporate evolution.

### *Key Sections*

The content of this document is split into the following main sections:

- Some initial context, with an overview of what Moodle really is in the corporate landscape and some key considerations around whether it is a true LMS
- An exploration of the realities of Moodle in corporate organisations
- An examination of the drivers behind corporate organisations who choose to deploy Moodle over more traditional elearning models
- A exploration of the available supply chain options and the challenges that face corporate when they are adopting Moodle as a LMS
- Insights into the largest global implementation at the Open University (OU) and the lessons that can be drawn from the OU as a case study
- An overall summary, analysis and recommendations



# WHAT IS MOODLE?

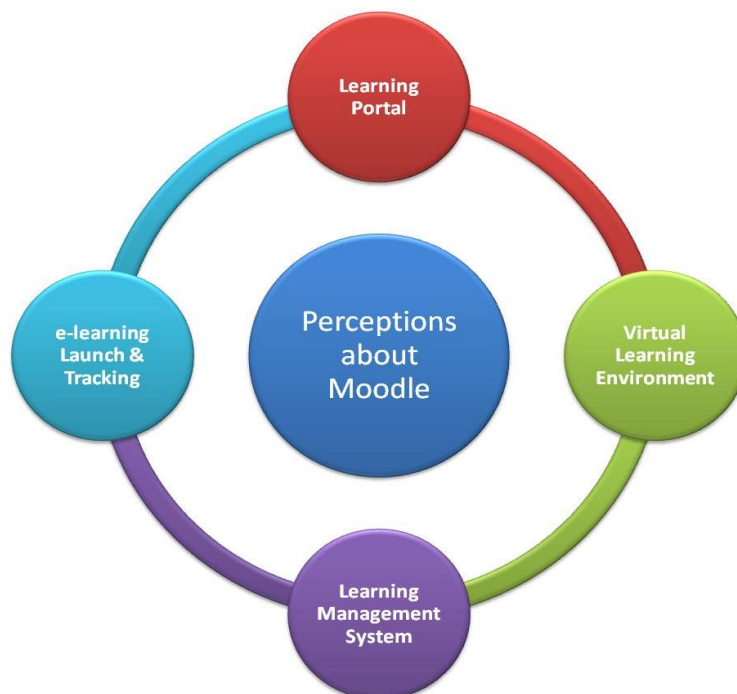
## The Definition

*“Moodle is an Open Source Course Management System (CMS), also known as a Learning Management System (LMS) or a Virtual Learning Environment (VLE). It has become very popular among educators around the world as a tool for creating online dynamic web sites for their students.” [www.moodle.org](http://www.moodle.org)*



The name Moodle is in fact just another in a long list of Learning Technology abbreviations and stands for *Martin's Object-Oriented Dynamic Learning Environment*. It was originally created by Martin Dougiamas in 1999 to help educators create online courses with a focus on interaction and collaborative construction of content. As a consequence, Moodle has been heavily adopted in the academic community, both within schools and within the further and higher education sectors. Its presence is significant; the Moodle user base has grown rapidly. Moodle.org currently estimates that there are over 66,000 registered sites and over 58 million users worldwide. Interestingly it appears to have reached a relative plateau in its growth in 2011 for the first time in the last 5 years.

## Where does Moodle fit?



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There are number of, often inappropriately applied, labels given to Moodle. In the interest of clarity these have been defined here, so that as we discuss Moodle we will have a shared understanding of what we are describing.



To some extent they are the different hats that are placed on the system that are used by suppliers to dress it for prospective customers.

### **Learning Portal**

Learning Portals are gateways to learning activity, usually targeted at pulling learner journeys, such as Leadership Curriculums, Sales Programmes, Contact Centre induction for example, into a single and intuitive point of presence. They deliver a simple landing pad for learners that bring the assets together from potentially numerous sources. Often they contain a range of embedded functionality that is pulled from other applications, or they simply use their interface as an automatic redirection point for resources that are actually maintained elsewhere. A great example of this is the use of Microsoft SharePoint to create a “front-end” to what would otherwise be confusing or a plain boring user experience for learners. Many corporate organisations have developed portals which act as the entry point to their LMS.

### **VLE – Virtual learning Environment.**

These are learning systems that are designed to support teaching and learning typically in an educational (academic) setting. They were originally designed to support asynchronous collaborative distance learning programmes, and are inherently focused more on providing a place which teachers and pupils could access learning resources and assignments, track progress, and collaborate with other students within the course. Their purpose is to support a specific cohort of learners on a specific learning programme.

### **LMS - Learning Management System**





















































LMSs have a much more corporate pedigree. Evolving out of systems to manage training activities, they now support many types of learning within a corporate context. Corporate learning departments use LMSs to automate course administration, provide self-service to course access and booking, automate training workflow such as user notifications, manager approvals, wait-list management, and the delivery and tracking of elearning, online assessments, the management of continuous professional development, collaborative learning and the management of training resources such as trainers, rooms and equipment. Increasingly LMSs also provide elements of Talent and Performance Management. They support processes for employee appraisals, competency management, skills-gap analysis, succession planning, and, 360 degree reviews. They also facilitate capability development by enabling learners to identify their learning gaps and support the building of development plans. During recent years we have seen many LMS vendors reposition themselves as Talent Management organisations.













































### **EL&T – Elearning Launching and Tracking**

Historically many corporates have used the training administration components of their HR system to capture classroom training information. Unfortunately, these systems had no understanding of elearning or other web-based learning techniques, and so the elearning portal was born. Often provided by elearning suppliers to enable use and reporting on courses for their customers, elearning portals are mainly web-based access points to launch and track elearning courses. To avoid confusion, we're going to refer to them as "elearning launch and tracking" rather than elearning portals. They typically provide little functionality other than to act as a platform for accessing a catalogue of elearning courses, registering employees, and then the start, finish and course completion scores. They may also provide limited tracking reports, mainly focused on elearning access and completion.

## Is Moodle a True LMS?

What is clear from anyone who gets even moderately close to the Moodle platform is that not all of these different hats fit it that well. Reflecting on the definitions and Moodle’s functionality, it does provide a really tight fit, especially in the area of VLE and EL&T; here it’s very snug and very well matched. In the other areas, however, characterised in a full LMS, the hat becomes almost embarrassingly over-sized. Even with the release of Moodle 2.0, with more flexibility relating to course completion and prerequisites, there are still significant gaps when compared to a commercial Enterprise LMS.

Functionality	Learning Management System	Virtual Learning Environment (Moodle)	Learning Portal	e-learning Launch and Track
<b>User Management</b>				
User Management				
Learning Plans				
<b>Learning Interface</b>				
SSO / User Login				
Learning Portal				
Learning Paths				
<b>Learning Management</b>				
Classroom roster processing				
Resource Management				
Auto-enrolment Management				
Notifications and Student messaging				
Manager enrolment and approval				
Grading and Completion of Coursework				
Display scores and transcripts				
<b>Learning &amp; E-Content Delivery</b>				
SCORM & AICC				

Functionality	Learning Management System	Virtual Learning Environment (Moodle)	Learning Portal	e-learning Launch and Track
Blended course delivery				
Assessment and Pre/Post Testing				
External Content Source Integration				
Collaborative Learning				
<b>Evaluation Management</b>				
Automated Course Evaluation				
Evaluation Reporting				
<b>Reporting</b>				
Learning Reporting				
Manager Reporting				
Departmental & Individual skill gaps				
Compliance Reporting				
Dashboards				

**Figurative Comparison of Different Learning Systems**  
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Despite the claims that are often made for it, Moodle has a very limited ability to deliver the breadth of functionality you'd expect to find from a genuine Enterprise LMS, unless it is significantly customised or extended with specialist modules: e.g. performance management.

So, if the re-sellers' hype that Moodle is a full blown LMS doesn't live up to the definitions, what is really going on in corporates?

How are they using Moodle?

## Insights...

*"In reality, even academic institutions do not typically use Moodle as an LMS, other than on a tactical basis for small scale standalone pilot projects. Large academic organisations will have completely separate systems for managing students and student administration."*



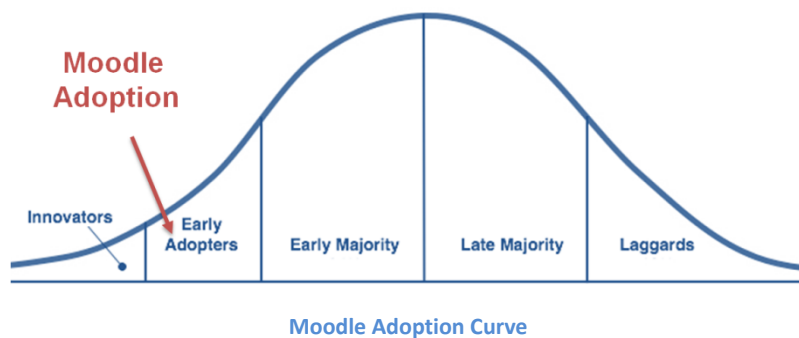
# WHAT ARE CORPORATES REALLY DOING WITH MOODLE?

## The Corporate Back Story

Elearning has been tracking Moodle for a number of years, and in 2007 started background research on the use of Moodle within a corporate training and learning context. This initial research reinforced our view that whilst Moodle was widely used within academia, its use for corporate learning at that time was much more limited. Since then this situation has significantly changed. The rapid growth in acceptance of Moodle in academia coupled with the perceived cost advantages of an Open-Source software solution, has resulted in much greater awareness of Moodle in the corporate learning market. But in reality, that awareness has still yet to be translated into widespread corporate adoption as an Enterprise LMS solution.

### Early Adopters

In corporate terms, Moodle is still very much an *early adopter technology*. Despite extensive searches, through both conventional corporate research channels and less conventional routes such as social networks, it is clear that there is still a lack of real (and verifiable) information on *enterprise wide* Moodle projects. The large-scale corporate case studies available in the public domain, tend to be limited to focused learning projects or involve hybrid/commercial distributions of Moodle.



There is, however, a degree of misinformation (or at least, information that is easy to misinterpret) on the corporate use of Moodle within the Moodle community. The Moodle community sites are dominated by discussion of academic projects and experiences, but there are also a growing number of informal references to “corporate” projects as well. Whilst these references may technically be valid, i.e. the organisation quoted may be using Moodle; there is little or no qualification of the scale or manner of use in these organisations. One example is Intel. Intel is often referenced as a company which uses Moodle. But our research has uncovered no significant evidence of any large-scale systemic usage. Digging further, the only specific usage we could find in Intel related to one “small-scale” project to support Intel’s academic community. Google and Novell are also often quoted as being corporate Moodle users, but our enquiries suggest that it is used solely as a SCORM player for elearning content. While Moodle partners may claim, honestly, that a significant proportion of their work is with corporate organisations Moodle is very rarely used in scale across large corporate organisations as the enterprise LMS solution. Even where we have seen larger scale Moodle implementations (such as Tesco) customers have moved across to hybrid Moodle solutions which offer more corporate features. Elearning believes that the lack of corporate case studies reflects the early stage of adoption of Moodle in the corporate learning community. There is no doubt that corporate usage of Moodle is increasing, and with that, will come

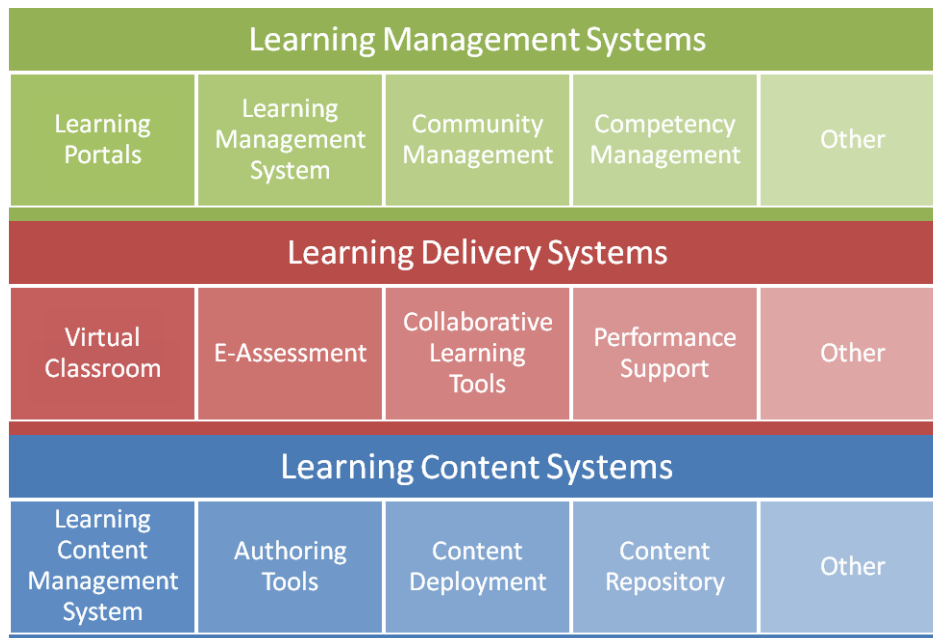
more evidence of large-scale corporate adoption. In the meantime, we believe this research represents the most accurate picture we can provide on actual corporate usage and best practice.

## The Reality of Corporate Moodle

Historically, Moodle has been primarily used within the academic community as a virtual learning environment or VLE, a software system designed to support teaching and learning in an educational setting. Virtual Learning Environments such as Moodle are designed to deliver a programme of learning and its associated activities over a period of elapsed time, with one or more facilitators/tutors interacting with students, and with focussed interaction between students.

Given the inherent differences between an academic educational model and corporate training learning, it is important to be able to relate to a corporate learning model when considering the corporate use of Moodle. Corporate learning technology can be categorised into three primary classes of systems:

1. **Learning Management Systems** and related portal, access and community tools which support and manage the main learning operations processes including learner access, curricula and courses, events and scheduling, enrolment and approvals, completions and certification
2. **Learning Delivery Systems** that support and manage virtual delivery activities including synchronous (real-time) and asynchronous (non-real-time) instructional delivery and collaboration, assessment and simulations, social learning tools etc.
3. **Learning Content Systems** that support and manage the creation, assembly, storage and distribution of learning content, either for online/e-delivery or to output to many forms including paper, presentation, online, offline, mobile etc.



Corporate Learning Technology Architecture

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Whilst a VLE does provide some management functionality and some content functionality, its primary role is to support the delivery of learning, through a structured educational programme, resources and collaborative activities.

### *Moodle as Learning Delivery System*

Whilst we would expect the primary role of Moodle to be as a Learning Delivery System for facilitated asynchronous virtual learning (as in academia), in reality, the research identified only a small number of examples of Moodle being used in this way in a corporate environment although this does appear to be growing. We believe this reflects the lack of maturity of corporate usage of Moodle as well as the event-driven nature of corporate training historically.

In one example identified by our research, facilitated virtual courses were the only method of elearning delivery currently, i.e. they were not using elearning or other virtual learning approaches, although they were considering the introduction of elearning content. In the second case study, the use of Moodle is more systemic and it was used explicitly for delivery where there is a requirement for facilitated collaborative learner activity, not just content delivery. In this case, Moodle is being used as an asynchronous collaboration tool. If this is part of a blended approach with elearning content and/or live virtual classroom sessions, that blend is managed outside Moodle.

Although there was limited evidence of the use of Moodle to deliver and manage facilitated courses, where it was, corporates had selected Moodle specifically because they were looking for a VLE, and found it best matched their requirements. It was also only where Moodle was being used for facilitator led courses that there is evidence of a blended approach being used. In both examples, it was notable that the elements of the blend were all virtual activities; where there was any face to face activity it was managed outside Moodle.

### *Moodle as a Learning Management System*

Moodle is also sometimes positioned as a LMS, i.e. a component of the Learning Management System category. This is even included in the definition of Moodle from Moodle.org. In Elearnity's view, this is incorrect and shows a lack of understanding of what a LMS is and does, both in a corporate and academic learning context. In reality even academic institutions do not typically use Moodle as a LMS, other than on a tactical basis for small scale standalone pilot projects. Large academic organisations will have completely separate systems for managing students and student administration. These systems are typically referred to as Managed Learning Environments (MLE) or Student Information Systems (SIS). This distinction between a Learning Management System and a Learning Delivery System is important.

### *Moodle as an Elearning Launch & Tracking Solution*

From our research, whilst none of the corporate organisations was using Moodle as a full LMS, they were, however, using it to launch and track elearning courses where the organisation did not have a pre-existing LMS capability. ***This is by far the most common corporate use of Moodle, as an elearning content launcher.***

For organisations implementing elearning content that don't have, or want a full blown learning management system, Moodle is a simple way to track SCORM compliant content. In some cases, organisations

## *Insights...*

*“Although there was limited evidence of the use of Moodle to deliver and manage facilitated courses, where it was, corporates had selected Moodle specifically because they were looking for a VLE, and found it best matched their requirements”.*



selected Moodle for this purpose themselves. But in the majority of cases, Moodle was provided by an elearning content vendor as a low cost way to deliver and track their content without having to have a purpose built LMS. Or it has been developed as a portal for specific projects where learners could access information as well as launch elearning. This also simplifies the supply chain from the customer with one vendor supplying both the content and delivery mechanism.

### *Bridging the gap to LMS Functionality*

Whilst Moodle may not be suitable as a LMS currently, its use as an elearning launch platform confirms the potential for Moodle to perform this role longer term for some organisations, with appropriate enhancement.

Conversations with both users and vendors reinforced this view, and where custom development work was being carried out for corporate customers, the majority of it related to adding LMS functionality for classroom resource management and competency management for example. Later in this paper we will discuss where this has progressed to the next stage with vendors now offering hybrid Moodle solutions under commercial distribution, such as Totara or Joule from Moodlerooms.

### *Pay Per Use elearning*

Although not strictly corporate users, Moodle does seem to be popular with training providers, professional associations and external education departments, who use it to deliver content to an external audience. This is similar to the elearning launcher, except usually access is provided on a “pay per use” basis and these Moodle installs have been extended to support credit card or other online payment systems. Most of the content in these cases is usually in the form of elearning, although there may also be other supporting e-resources such as PDF documents. Normally access to elearning or e-resources is self driven without any facilitation.

### *Moodle as a Learning Content System*

The final potential category of corporate learning technology is that of a learning content system. As described in the previous section, the most common role of Moodle in a corporate environment is as an elearning content launcher. In this paper, we have classified this within the Learning Management System category. Moodle is also used as a container for other e-resources, but the primary role of Moodle in these cases is to provide controlled access for learners, rather than as a content development platform.

Most corporate examples have e-resources hosted on or delivered through the Moodle site, without any facilitated interventions. Where there is any degree of interaction, it tends to relate to non-learning activity such as communicating the logistics of the course. Moodle has also been integrated with external content management systems, such as Drupal or Joomla to extend this capability further.

In some cases, Moodle is also being used as a convenient way to group together associated learning content. This is because the organisation either lacks other tools to do this, or where those tools do exist there are technical or usability issues that mean Moodle is a more convenient solution.

### *Using the Social Features*

Moodle's whole ethos is based around collaboration. What is surprising is that despite this being one of its strongest hands, with a few notable exceptions, the social features really don't get used at all in a corporate context. In particular, during our research, we found no use of blogs and wikis, and only some limited use of discussion forums; which is truly ironic, given its capability to support that style of learning and interaction.



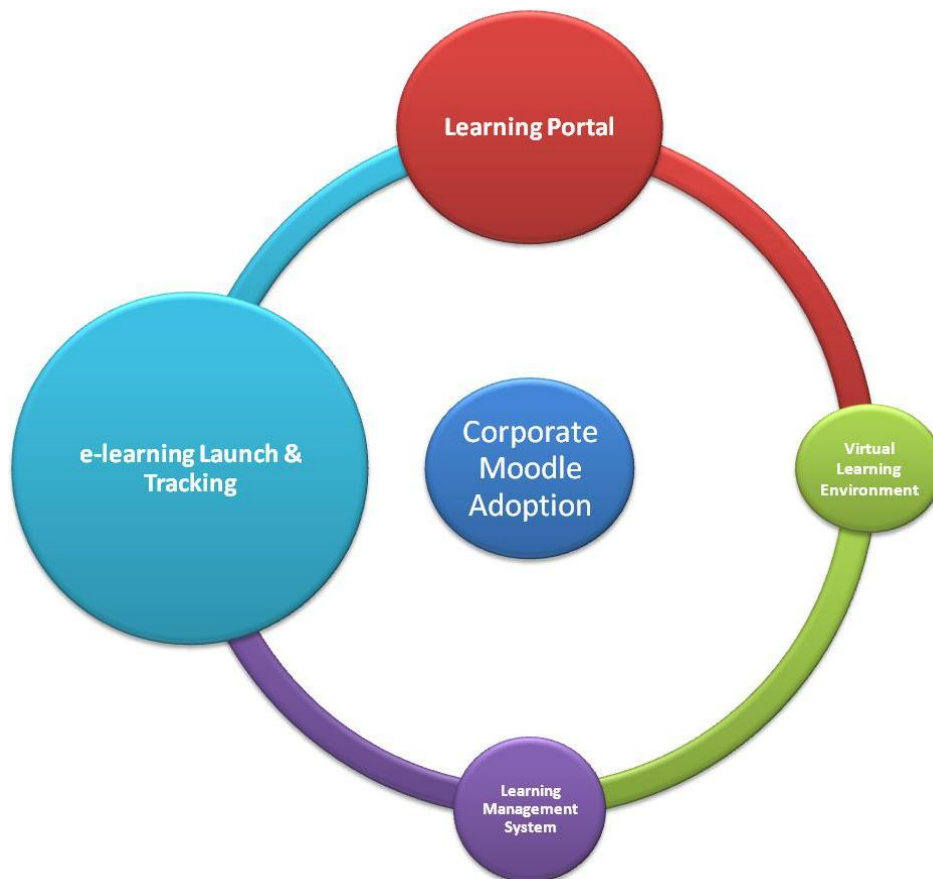
## The Full Perspective

Given our definitions at the start, what is clear is that the labels associated with LMS, EL&T, VLE and Learning Portal have achieved a less than balanced weighting.

Despite the claims that Moodle is a LMS the practical experiences show a very different reality. As we highlighted in our definitions sections earlier in this document, Moodle implementations are actually much more orientated to elearning launching, Learning Portals and tracking than LMS, because that is precisely what it enables you to do given the right support.

So it isn't surprising that it is being adopted very successfully in those areas. In many ways what this means is that the picture of Moodle use is much more aligned to its capabilities rather than the hype. The only remaining queries we have are:

- 1) Whether corporates are really clear about where their tactical decisions will take them.
- 2) Whether they have a clear view of the longer term sustainability.
- 3) They really understand the long term value.



**Figurative Corporate Moodle Deployments**

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At what point will the solution no longer provide the growing room of innovation that their owners need? That is precisely what we'll explore next, because that will be dependent on the corporates drivers behind buying Moodle and what their future approach to performance, talent and learning needs to be. It's also a consequence of how sustainable Moodle is in managing their changing needs.

## WHAT IS DRIVING MOODLE ADOPTION?

Corporates mostly first approach Moodle as a tactical solution. Some consider it as a potential Enterprise LMS system. However, it was not uncommon for an organisation with a clear functional requirement for a LMS, to readily abandon many of those requirements due to the perceived cost advantages of using Moodle. In one notable case, the user was willing to rewrite their policies and practices to accommodate the lack of features.

Most telling, however, is that where corporates followed a structured procurement process, involving a Request for Proposal (RFP), Moodle was rarely selected as the best fit.

Not surprisingly, the organisations that have taken a more rigorous approach to selecting Moodle, with robust selection processes, appear to be making good use of the system, and have much shorter wish lists for missing functionality. These companies usually have a much better understanding of the financial and technical implications associated with using Moodle.

They may have made comparisons with other commercial LMS systems, although unless they are in the market for a simple elearning launch and track solution, they may actually have been looking to source a VLE solution such as Blackboard or Desire2Learn rather than a full LMS.

So, what are the drivers that lead to corporates buying Moodle?

### The Key Themes and Drivers

#### ***Requirement for a Learning Delivery Platform***

*(LMS means different things to different people).*

Don't have the budget for an Enterprise system.

May have looked at lower cost middle tier systems, but still have challenges relating to budget or functionality.

Often start looking at Moodle because it is 'free', although their perception of free may be that has 'no cost'.

Whilst it's true that there is no licensing cost, there will be a cost either in money or time...

For some it is simply the lowest cost solution, and that is enough.

#### ***Planning to deliver elearning and need something to launch and track it.***

Vendor driven. The vendor may also supply the Moodle site, which in effect provides them with an additional revenue stream.

During conversations with both vendors and users we came across a range of prices for the set up and hosting of a corporate Moodle site. None were typically less than £5k and dependent on the need, figures in the £20k+ range were not uncommon.

Rather than a full blown LMS, many organisations make a decision to implement elearning and are looking for a low cost solution to tracking and reporting on activity levels. This is where Moodle can fulfil a perfect role as a content launcher.

## So, Why Moodle?

This is part of the conundrum. The market options to address these drivers for low cost, entry point technologies aren't just restricted to Moodle. So, why has Moodle been so successful, when other alternatives have failed to grab, even some of, the limelight?

### *Because it's got the Momentum*

Most significantly, Moodle has passed the tipping point of being the de-facto standard for Open Source learning delivery platform. One vendor that we spoke to actually suggested that they preferred a different Open Source solution, finding it to be a more technically robust and competent; however, Moodle was simply an easier sell. This seems to indicate that it's the VHS of the Open Source learning solutions world!

### *Because of Weak Procurement Processes*

In the corporate world, when you are raising budget to purchase a commercial LMS, no matter the size or cost, it would be unthinkable to start the procurement process without a clear business case and functional requirement.

Often because Moodle has no licensing cost, some organisations are completely avoiding a formal procurement process. The ability to download and install the software on any PC can be argued as being a benefit, but the lack of a formal selection process significantly increases the risk of selecting the wrong product.

That isn't to say that Moodle or any other Open Source system can't be right, but rather that it should be assessed in terms of its ability to meet the functional requirements of the organisation. As we highlighted before, there seems to be a sense of Caveat Emptor, with those who followed a formal process not selecting it as their preferred solution.

## *Insights...*

*"Most telling, however, is that where corporates followed a full RFP process, Moodle was rarely selected as the best fit. "*



# THE SUPPLY CHAIN – WHO CAN IMPLEMENT MOODLE?

There are several options if you look to pursue Moodle as your desired Learning solution. You can work with Moodle Partners, Non Moodle Partners, Content Vendors, and internal IT Groups.

## Moodle Partners

Moodle partners have certain benefits over non-partners; they have better access to core code; higher priority in the issue queue; direct access to, and therefore more influence on, Moodle.com and only partners may use the Moodle name in their branding and marketing.

## Non-Moodle Partners

Not all potential vendors find the partner programme appealing. Some dislike the financial commitment (all partners make a financial contribution to Moodle based on a percentage of Moodle related turnover). Some have issues with the territory issues and finding that it is something of a closed shop. For others Moodle is simply not a big enough part of their business to make it worthwhile. We found nothing to suggest that a potential vendor that wasn't part of the partner programme was intrinsically a worse option.

## Content Vendors

Possibly inspired by the increasing popularity of the Software-as-a-Service model, a number of vendors, both partners and non-partners are now offering Moodle in a range of pre-configured, hosted options. This differs from previous hosted Moodle options in that these sites often include added functionality offered only by that vendor. That functionality is usually targeted at corporate users. Only time will tell if these offers are able to scale to the level needed for enterprise applications, but they may offer a potential solution to organisations with concerns about supporting an open source application. There is one major caveat with this approach. By virtue of the fact that the customisations made to these hosted offers are specific to one vendor, it makes nonsense of the idea of using Open Source to avoid vendor lock in.

## Internal Supports

Where technical resources permit, it is entirely possible to host and support Moodle internally. However, the more customised the install, the bigger the challenge this becomes. This may be seen as a low cost or no cost solution because no money is changing hands, but account must be taken of the internal time spent looking after the system. This is especially true in large corporate organisations where IT resource is at a premium and the reality is business critical support takes precedent.

The OU example is a good indication of how well set up you need to be to support an install of any significant size and most vendors quickly dispel the no cost solution belief.

### Insights...

*“This may be seen as a low cost or no cost solution because no money is changing hands, but account must be taken of the internal time spent looking after the system. The OU example is a good indication of how well set up you need to be to support an install of any significant size”*



# THE CORPORATE CHALLENGES OF ADOPTING MOODLE AS A LMS?

## The Challenges

There are a range of challenges that apply to all LMS deployments. These are as true for more traditional suppliers into the corporate space as they are for new incumbents who are looking to carve their niche. Unfortunately for everyone, these challenges don't go away just because you are relatively new on the block. As with all deployments these issues require thorough consideration if you want to be successful:

- Integrations
- Content Upload and Maintenance
- Hosting and Security
- Branding Look and Feel
- Functional Customisations
- Technical Support and User Support
- Upgrades
- Security patches
- And Plug-in Support

### *Corporate Fit and the need for Enhancements*

The manner and extent of functional changes and customisation within corporate organisations depends very much on the specific usage of Moodle. Very few of the functional additions or customisations of corporate clients relate to learning itself; most often they relate to technical integration with other systems, particularly administrative systems.

The other major area of customisation or enhancement is for LMS-like functionality, extending the de facto use of Moodle as an elearning launcher to include basic management functionality for other types of learning.

### *Managing Integrations*

#### *Enterprise Integration*

The most common development requirements relate to integration with existing enterprise systems, especially Single Sign-On (SSO) and user management. Moodle is well equipped to deal with Single Sign-on, and a number of plug-ins exists that allow it to easily integrate with popular user directory systems such as LDAP and Active Directory. It is also able to authenticate via external user databases, and this is a common requirement for membership organisations where a member database is already in use. User management varies in sophistication, but the goal is essentially the same; to import data into Moodle from a HR system or other user management system. There are a variety of techniques used to achieve this, including importing a flat file containing data exported from the HR system, or by a more sophisticated database level integration.

Integrations with enterprise HR systems such as SAP, Oracle and PeopleSoft have all taken place.

### ***Application Integration***

Another common integration point is with synchronous collaboration platforms, or virtual classrooms. Most Moodle vendors have experience integrating with Elluminate (a virtual classroom tool popular in the academic world). Integrations with WebEx and Adobe Connect were also mentioned by vendors, although as platforms they are less common integrations. There are a number of options for connecting Adobe Connect and WebEx with Moodle, including a plug-in which is free to download from the Moodle website. Not surprisingly, Moodle is also commonly integrated with other open source software, such as content management systems (Alfresco, Drupal, and Joomla), the Mahara e-portfolio system, JasperReports and the Kaltura open source video platform.

### ***Moodle Networks***

A built in feature of Moodle that doesn't appear to be commonly known about (at least by corporate clients and users) is the ability to create Moodle Networks, i.e. a network of Moodle sites which can cross refer to each other. A theoretically unlimited number of Moodle sites can be connected together. One site is set up as a parent site and permission to manage specific functionality is delegated to each child site on a per site basis. This approach is popular in some Universities, where there is a central administrative site and each department sets up courses in a child site. Students enrolled via one site can be given permission to access courses or resources on another site, but can only do so via their main login site.

When corporates venture into deploying Moodle there are a number of issues that need to be considered, just as with the deployment of EL&T solutions, VLEs and LMSs. Moodle requires work and infrastructure in order for it to appear in its desired context.

### ***Hosting and Security***

This is often the first issue that corporates need to resolve, where the platform will be hosted. Unless you are Google, your IT department is unlikely to be skilled in, or resourced, to indulge your deployment. So, Moodle hosting is most commonly provided by third parties rather than internal IT departments. Either way, the minimum requirement for any Moodle install is a server. Although a simple Moodle install doesn't have particularly heavy demands, like any application it will perform better if the server has been tuned to support it. Similarly, separate web and database servers may be beneficial for a large install. The ability to support this internally will vary from organisation to organisation. Most vendors will have a range of hosting offers from simple shared hosting through to highly tuned, dedicated servers and database clusters. Data security alone is likely to exclude the shared hosting option for all but the most cost conscious organisations.

### ***Visual and Functional Customisation***

Most LMS installations require some degree of configuration and possibly customisation in order to meet all of the organisation's requirements. Vendors suggest that the open nature of Moodle, and the availability of existing plug-ins that can be customised, make it easier for them (and therefore cheaper for their clients) than if they were making the same changes in a commercial system.

## *Technical Support*

This is often the area that gives the most concern for large corporate customers, as the majority of companies offering support do appear to be relatively small. Even where users are generally satisfied with their chosen vendor, they may still express concerns about their partners ability to scale to the rigours of support, with limited telephone support hours which seldom flex beyond normal (9 till 5) office hours.

## *Upgrades*

All of the vendors we spoke with offered minor upgrades as part of their support packages (e.g. 1.9.6 to 1.9.7), but all stated that major upgrades (e.g. 1.9 to 2.0) would be chargeable activities. Of course, commercial systems also incur a cost when major upgrades take place, but there is usually some degree of commitment to ensuring compatibility for existing customers, which should keep costs low. Moodle and other open source systems don't have to make that kind of commitment. Many customers who were early adopters of Moodle have had to upgrade it to version 2.x. This is a significant process and vendors described this as an upgrade that will require any and all customisations and themes to be rewritten.

## *Security patches*

The application of security patches is normally covered in external hosting packages, and service level agreements should stipulate that these patches will be tested in a sandbox version of your site, complete with any plug-ins and customisations.

## *Plug-in support*

Each and every plug-in added to a Moodle install increases the complexity of support. In addition to security patches and version upgrades for the core Moodle, similar attention needs to be paid to the plug-ins. Some vendors expressed a great deal of reluctance to support systems that are over reliant on plug-ins or third party customisations. Open Source licensing means you can go anywhere for support, but that doesn't mean that everyone will be willing to offer it.

## *Open Source*

How much Moodle being Open Source and licensed under the General Public License (GPL) makes a difference to whether organisations decision to adopt it varies considerably. For some, it is the open nature of the software that provides the primary appeal. They see real benefits in being able to extend and customise it as they see fit, as well having no restrictions on their choice of supplier. Others are indifferent to the licensing, and are primarily attracted by the perceived lack of a price tag. Finally there are those that, for whatever reason, are attracted to Moodle, despite the fact that open source may actually be a hurdle to be overcome within the organisation.

## *Liability*

In any software procurement process there is always the question of liability; where does responsibility lie? The lack of any entity that actually 'owns' Moodle can be a real problem in some cases. For some the solution has been to get the supplier to take on that liability, although for a small vendor that may be a risk they aren't willing to take.



## Community

One of the most mentioned benefits of Moodle and other Open Source projects is the strength of the community around the product. That there is a strong community around Moodle is without doubt. However, as one of the users we spoke to mentioned, they use both Adobe and Articulate products as well and each of those has a very strong user community too. This is not something that is unique to the Open Source world.

When relying on the community for supporting resources such as documentation (something that with a commercial product would be taken for granted) there can be considerable benefits in the 'many hands make light work' approach. The flip side being that the more obscure the functionality, the less likelihood there may be of it ever getting documented.

Community is a two way street, and the users that seemed to be benefiting the most in terms of community support were those that are paying an active part in it. This is hardly surprising, and unless an organisation intends to outsource its entire Moodle operation to a vendor, some consideration needs to be given as to how, and to what degree, they will engage with the community.

## Access to the code

Of course, 'Open Source' means that users have complete access to Moodle's source code and can make whatever customisations they wish. When making a comparison with other types of software such as office suites, this may have more of a benefit, should there be a desire to add or amend the functionality. As LMS or VLE solutions are nearly always web applications, access to the source code is usually possible, even in commercial products, and licensing does not normally restrict you from making changes that you will use in your organisation. To do so would require skilled developers with experience of that platform, but then the same is true of open source solutions. One Moodle user we spoke with described having access to the code as being essentially meaningless when making a comparison to other solutions.

Of course none of these challenges are insurmountable. But, for corporate organisations, there is a level of complexity in some of these areas that may make their Moodle journey less straight-forward than they had originally imagined, or been promised. Moodle is often positioned as a quick win, an interim fix, or a low risk entry point. Depending on your IT department's philosophy and rigour, this could be a bumpier ride than you hoped.

## Insights...

*"The lack of any entity that actually 'owns' Moodle can be a real problem in these cases. For some the solution has been to get the supplier to take on that liability, although for a small company that may be a risk they aren't willing to take."*



# MOODLE'S FUTURE ROADMAP

## Filling in the missing pieces of the LMS Jigsaw?

Discussions with vendors identified a notable degree of technical development/enhancements aiming to add LMS- like functionality to Moodle. As well as basic LMS enhancements, developments have been driven by specific customer requirements, particularly with regard to reporting. The following are the main areas of functional enhancement that corporates seem to feel there are deficiencies:

- Team Management
- Communication Tools
- Classroom and Event Management
- Talent/Performance Management
- Continuing Professional Development
- Business Intelligence and Reporting

Please note: We have not performed reviews of specific functional solutions or plug-ins as part of our research process. This information is provided below is purely to give you guidance on the main areas of enhancements, rather than the level of sophistication, or capability of specific solutions.

### *User Groups and Team Management*

By default, there are only two ways in which users can be grouped together, either by course enrolment or by system role. Neither of these options is practical for user management functions such as assigning content to students in specific job functions or for organisational or role-based reporting; both common requirements in corporate training.

There are several plug-ins that add group management functions to Moodle. These have features such as enabling;

- Students to be members of multiple groups
- Groups to have one or more managers
- Managers to be assigned to multiple groups

This ability to group users is primarily an administrative function, and is likely to be of most use when tied in with other custom functionality such as reporting, communication, or performance management. This is an important piece of functionality for corporate customers and something that is essential to have to use Moodle beyond its VLE capabilities.

### *Communication Tools*

The default email functionality in Moodle is an all or nothing set up, allowing tutors to collectively email all students enrolled on a course, but no form of individual contact. This is considered too primitive for corporate use, where administrators frequently want to target specific groups for emails. There are plug-ins that allow emails to be sent to specific groups of users, but it is worth noting that this functionality may only be

compatible with group management features *created by the same author/vendor*.

Onsite messaging is also available as a plug-in. This is a somewhat different approach in that the student is informed by email that they have a message, but are required to log in to the site to view it. The advantage of onsite messaging is that it is possible to track if the message has been viewed, which may be beneficial where some form of audit trail is required.

Again, this kind of functionality can be tied in with group management tools.

### ***Classroom and Event Management***

Moodle was designed for the delivery of virtual content, and as such, has no support for real world learning activities such as classroom or other face to face learning events. This is a major limitation in potentially using Moodle as a lightweight corporate LMS.

Although it is possible to manage some real world activity using a default Moodle install, the workflow is inefficient and often involves creating multiple courses.

There are plug-ins available that manage certain aspects of face to face delivery, and this is an area where there has been a *notable amount of custom development* for corporate clients. The available plug-ins are usually integrated with other plug-ins aimed at adding LMS functionality, and are clearly aimed at organisations which don't have or want a separate LMS system. Adding the ability to manage face to face activity alongside virtual activity as part of a blended approach may also require custom development.

### ***Talent / Performance Management***

Several vendors have produced, or are developing, plug-ins that adds talent management features to Moodle. Core to these is the addition of competency management, allowing the creation of competency frameworks that can be mapped on to job roles and learning activities. Closely related to this are performance management tools that allow the upload of business objectives into Moodle, which can then be tied into personal objectives for students. Learning activities can be associated with these objectives, and target completion dates set.

The development of a 360 degree feedback tool is something that vendors believe corporate clients will consider a base requirement, although during the research only one vendor suggested that they were actively developing such a tool.

### ***Continuing Professional Development***

Moodle is proving popular in industries where there is some form of CPD requirement, although Moodle itself has no built in CPD functionality. Vendors have developed functionality that allows the automated recording of hours spent on virtual activity, as well as the option for students to manually add offline CPD activity such as conference attendance.

## ***Business Intelligence and Reporting***

The most common area for custom development is reporting and business intelligence. Even the most committed supporters of Moodle concede that the built-in reporting is poor, designed for teachers rather than corporate learning needs. There appears to be three approaches for reporting, depending on the sophistication of the requirement. Custom reports - specific custom reports are hard-coded into Moodle. This may be effective where there's minimal chance that requirements will change. Flexible reports - similar to custom reports, but with the option to select certain parameters when the report is run, such as which courses to include, enrolment status, quiz results etc. This may be functionality developed for a specific site, or may be a plug-in. Business Intelligence Integration - A number of vendors have integrated Moodle with the open source JasperReports Business Intelligence Suite. This allows for very sophisticated reporting, but is likely to be beneficial only where Moodle is being used as a LMS replacement.

### ***Insights...***

*"...without widespread adoption, there is the risk that any corporate specific version of Moodle would be largely dependent on one vendor for support, simply due to the level of knowledge of the customisations."*

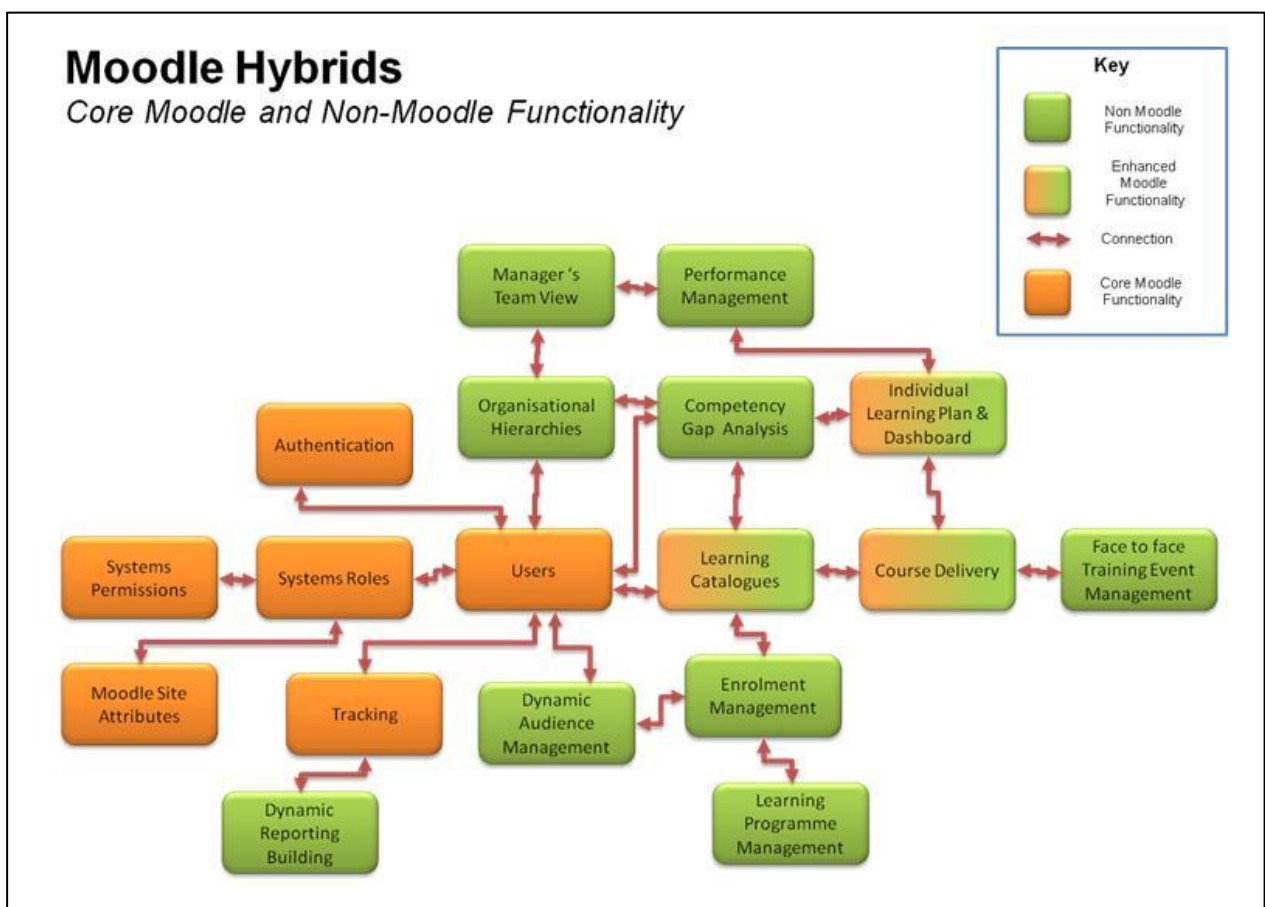


## The “NEW” Moodle

### Corporate Hybrids

As well as the development of extensions to add LMS functionality to the core Moodle install, there are two other approaches emerging. Although there is no appetite from the centre for different hybrid versions of Moodle which are specific to certain segments, that is not true elsewhere.

Several vendors have launched a commercial distribution of Moodle with a custom feature set that is targeted at corporate customers. This is in part being driven by the limitations of the platform itself. One even described Moodle as being 'not fit for purpose' in a corporate environment.



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Some of the key features that they intend to implement are:

- Competency Frameworks - with competencies being at the heart of the system.
- Individual learning plans
- 360 degree feedback
- Resource management for face to face events, such as rooms, meetings and catering.

- Improvements to the interface, both visually and to enhance usability
- Integration with E-portfolio systems.
- Management approval of enrolment requests
- Expiring qualifications

Moodle's licensing under the GPL makes this an entirely legitimate approach, although trademark restrictions may stop the usage of the Moodle name and brand. Licensing requirements also mean that any derivatives of Moodle must also be released under the GPL, so assuming that this version is actually 'released' (i.e. it is made available for users to install), then it will come with the same freedoms as any other Moodle site.

This means that development and support could in theory be sourced from anywhere, and that there will be no licensing fee although it is likely that a subscription fee exists to allow access to support and updates.

However, without widespread adoption or an extensive partner network, there is the risk that any corporate specific version of Moodle would be largely dependent on one vendor for support, simply due to the level of knowledge of the customisations.

## Insights into... Totara



The first corporate hybrid Moodle to hit the UK market place in 2011 was Totara.

Totara is an Open Source *distribution* of Moodle created by three founding partner organisations (Kineo, Catalyst and Flexible Learning) which aims to address many of the corporate gaps found in Moodle out of the box. It does this by adding functionality that covers areas such as manager roles, classroom management, reporting and competency management.

So, what is meant by a *distribution*? A distribution is an extended version of the standard Moodle product with its own particular focus. New functionality is unique to Kineo, whilst still being woven from the core Moodle framework.

In the wider scheme of things, the advent of Totara is potentially very significant for the LMS market overall. It is based on a fundamental recognition of how traditional LMS providers have often failed to provide a genuinely high quality user experience; especially through their end user interface. It also is an honest recognition of the chasm that exists between Moodle and its ability to provide full LMS functionality and the cost issues for smaller corporates looking to deploy LMS functionality.

Whilst Totara has achieved some momentum in the corporate market and is clearly acting as a disruptive force, it is still too early to say how successful this venture will be with enterprise scale clients, despite one or two notable large scale enterprise installations.

Totara could offer an attractive solution to enterprise customers who want to take advantage of a low cost option with a broad range of functionality. It is potentially an attractive entry point for training companies, corporate academies; corporates who want to up-grade their current Moodle and those looking to provide a simple access point to their extended enterprise or value chain. But, the solutions' simplicity is a two edge sword. Whilst it makes it accessible to those with less demanding requirements, it less likely to address the complex organisational needs of some global enterprises. Ultimately, as with all solution matching processes, the onus will be on the customer to detail their requirements if they are to truly understand how much Totara might be a viable option for them.

What is also significant is that it also represents a significant step forward in the service model around Moodle. The combination of Kineo and Catalyst and a growing network of Totara partners is probably far more appealing from a corporate perspective than that which is found for Moodle alone or with Moodle Partners.

In many ways, Totara is the most significant vindication of what we have discovered through our research and re-enforces our opinion that Moodle, *on its own*, is not a true **corporate** LMS.



## Moodle in the LMS Landscape

So, in the comparative landscape of fully blown LMS, Moodle and its hybrids, how does the landscape compare?

The table below attempts to illustrate Elearnity’s view of the comparative functionality mix in the learning and development space. Clearly they all have their relative strengths and the issue, as in all situations, is that you clearly need to understand how these solutions will match to your current and future requirements.

LMS Functionality	Established LMS	Moodle (Out of the Box)	Moodle Plus Joomla / Drupal etc	New Moodle Hybrids such as Totara /Joule
Learning portal				
Elearning & E-Content Delivery				
Learning Management Processes				
Capability Management Process				
Assessment				
Collaborative Learning				
Reporting				
Integration				

Figurative Comparison of Moodle Variants versus Established LMS

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For those companies with complex, global organisations which are looking to address more sophisticated learning strategies the adoption of Moodle can be as risky as buying into an over-spec’d solution.

What buyers always need to be exceptionally clear about is their needs, and whilst Moodle may address many of those for many audiences, it is by no means a solution that, as yet, can offer the breadth and depth of capability of LMS providers who have been in place for the past 10 years, or more.

The product, even in the form of its hybrids, is still very much in its first iteration of LMS functionality. Inevitably as the commercially distributed solutions evolve the story will change. The speed with which the Open Source community fuel the speed of this evolution will be one of the most interesting aspects of the LMS market over the next five years.

# OPEN UNIVERSITY CASE STUDY



The Open University

## The OU and Moodle

Whilst the Open University is not a corporate user, it is the world's largest user of Moodle, with 200,000 students enrolled in the systems at any one time. It has also been responsible for driving a significant number of the changes made in Moodle between versions 1.6 and 1.9. This gives them a unique perspective on Moodle as a platform, and its use in a large scale environment.

The Open University certainly demonstrates that properly supported, Moodle is a scalable system, but it's that support element that is critical to success. They are also very realistic in terms of the financial commitments required to deliver and support such a large Moodle install.

### Background

Historically the Open University (OU) has tended to develop bespoke learning systems, although they had occasionally bought in external solutions where the fit was deemed appropriate. In either case though, a new requirement tended to result in a new system, resulting in a proliferation of systems that was confusing for users and hard to support. The OU therefore decided to replace this fragmented approach with an integrated learning system.

A review of the major VLE suppliers (including Blackboard and WebCT) showed a lack of match to OU requirements, and resulted in a decision to develop their own system, but to leverage what could be brought in from Open Source code first. This process also helps them to gather ideas on functionality. They looked at four systems; Sakai, Bodington, ATutor and Moodle, and carried out business readiness testing. At that time Sakai had a large developer community but a small user community. Bodington and ATutor had small developer and user communities. Moodle had large developer and user communities, and had a lot of the functionality they needed, although not everything. The OU therefore decided to adopt Moodle as their base platform and extend it.

Whilst experienced at adapting and extending open sources systems previously, the OU had tended not to feed back their developments into the broader developer community. In the case of Moodle, the OU decided instead to engage more extensively with the Moodle community directly, and to ensure that OU enhancements would be made available to benefit the whole community.

### Insights...

*"The Open University certainly demonstrates that properly supported, Moodle is a scalable system, but it's that support element that is critical to success. They are also very realistic in terms of the financial commitments required to deliver and support such a large Moodle install.."*



It is important to note that the use of Open Source was never driven by cost. The OU had already allocated the budget they would need to license Blackboard or WebCT, and over five years that money has been spent implementing and developing Moodle. The benefit of Moodle has been the freedom and flexibility it has given the OU, and its adoption is seen as an important and correct decision, allowing the creation of an integrated learning environment. A critical point to note is that the Open University already had a well established teaching model and Moodle's approach was closer to their need than competing systems. If they had adopted Blackboard or WebCT, they would have had to change the OU's teaching methods to fit.

### *Enhancing Moodle*

Their first step was to identify what functionality was missing and decide how to get features added. Because of the scale of some of the changes needed, the OU commissioned Moodle HQ to make these changes directly to the core product. Essentially they injected money into the Moodle R&D project, to get the functionality they needed, whilst ensuring that any enhancements were contributed back into the Moodle project for everyone else to benefit too.

In addition to commissioning Moodle HQ, the OU set up a dedicated Moodle development team locating in the OU itself to make and support local changes. The internal team also reviewed the system and requirements to check each feature and decide what to add enhance or remove.

Although there were many small changes, in each version of Moodle, the OU focused on key enhancement areas;

- Version 1.7 was about roles and permissions
- Version 1.8 improved accessibility
- Version 1.9 it was on changes to the grade book

The grade book change related to the scalability of reporting. In previous versions of Moodle, reports were run dynamically as the report request was submitted. This approach was not sufficiently scalable to support the number of Moodle users the OU has. Now the reports are built as students complete activities.

### *Development*

Much of the development is done by the in house OU Moodle development team. As described, some was also done through Moodle.com, and some was outsourced. Outsourced development has been done by several different Moodle Partners and results have been mixed. The best support came from Catalyst IT Ltd in New Zealand, which at the time ran the biggest Moodle implementation in the world. They had great experience in scalability, and supported the OU for a year before suggesting to the OU that they were ready to go it alone.

### *Integration*

The OU Moodle install is integrated with a number of different systems, some developed in house, and some external. Key integrations points include:

- The OU's Student Information System
- Assessment systems
- Their FirstClass online conferencing tool (used by the OU for many years and now being phased out)

Some of these integrations are done through Web Services and others by overnight batch runs (usually flat file imports). A combination of Moodle's openness and the level of development skill on hand in their internal team mean the OU have been able to build in integration hooks that didn't exist. This has also allowed them to integrate with previously unsupported systems.

## Learners

Overall feedback from learners has been very positive, although as with other OU systems, learner feedback about Moodle covers the complete spectrum from 'I don't want to use a PC' to 'this isn't web 2.0 enough'. Learner support is offered via a technical help desk, which is not 24/7 but does operate longer than basic office hours. There is also a plethora of guidance material available as well, and as the OU have built the system with the aim of making things intuitive for students. Some of the custom Moodle developments have been specifically designed to make the system easier for learners; for example; building a simplified Wiki to replace the default tool which the OU believed to be too complex for users.

## Tutors

Historically tutors have worked on two different platforms, the main one being FirstClass, which is an asynchronous collaboration tool. Many of their working practices are based on this, and there has been some resistance to moving away from it, but the OU is improving the forums in Moodle, and other elements, to better fill the gap.

In addition, they also use eDesktop, which is used to create simple websites and manage resources to support courses. It is either liked or loathed, but technically did the job well and was easy to migrate with Moodle.

## Support

The OU has one centralised installation, with everything managed via one hub. The system is managed by Learning and Teaching Solutions, who have a team of 20 people developing and supporting Moodle; two thirds for developments and enhancement and one third on support. Generally it has answered all the problems they had, but the critical success point has been having **strong developers who could create the features they needed**.

## Challenges

In our interview with the OU, they noted that there was no infrastructure in place to support large organisations (unless they built it themselves), and certainly nothing in place to support corporates.

Many of the Moodle Partners are perceived as too small to take on large scale projects.

Open Source has also caused some problems. A general awareness that everything can be changed has led to some user's expectation that everything should be changed, "As it's under our own control it raises expectations that anything can be done, and that introduces the issue of managing people's expectations."

Even where a robust process is followed, skilled development resources, either internal or external, are critical.

## Insights...

*"Open Source has also caused some problems. A general awareness that everything can be changed has led to some user's expectation that everything should be changed, "As it's under our own control it raises expectations that anything can be done, and that introduces the issue of managing people's expectations."*



## Risks

One big issue identified by the OU is that there are two journeys going on simultaneously; the *Institution's* journey and the *Platform's* journey. Currently these journeys are aligned which works well. But what happens if they diverged? For example the OU would like to use more social networking features. What would happen if Moodle decides not to follow this route and develop its own functionality in this area? Making too many changes and stray too far from the core platform introduces several key risks;

- Lock-in to a particular version because local changes have made the system impossible to upgrade
- Loss of the benefits of the open source community because contributed plug-ins may not work

In addition there is a real risk that even the best Moodle Partners are likely to resist supporting a system with too many customisations.

## What can Corporates learn from the OU Example

**Moodle works incredibly well at the Open University and it shows that Moodle is really scalable, but there are some caveats;**

- It's not really a good reference for a typical corporate
- It had the budget to move to a commercial system, but they spent it on customising Moodle
- They have 20 full-time developers and experience of developing bespoke systems
- Open Source was a step to conformity
- The degree of support that Moodle needs to be scalable for you are to be successful

### Insights...

*“One big issue identified by the OU is that there are two journeys going on simultaneously; the Institutions journey and the Platforms journey. Currently these journeys are aligned which works well. But what happens if they diverged?”*



# SUMMARY INSIGHTS

## The Headlines

### Corporate interest in Moodle and Hybrid Moodle solutions remains strong

Overall, we are seeing a continued corporate interest in Moodle. The rate of adoption in corporates is still strong, but mainly as a tactical elearning launcher, on the basis that it is a low-cost (license free) option with an attractive front end.

### Moodle is impacting Corporate LMS and elearning decisions

As we have said, this is often because of the perceived cost, and often because elearning launch & track are the low hanging fruit for corporates entering into elearning. Moodle is often a popular option when elearning strategy is driven from the content vendors for corporate without learning technology infrastructure; as it's an easy add on for them to their content services. For some, there are opportunities as Moodle offers a complementary addition to a HRMS driven strategy e.g. if you want everything done in SAP, Moodle could be a strong tactical option to manage learning delivery.

### There is confusion as to what Moodle really is and how it can be used in a corporate context, and the impact of Moodle hybrids

Is it a LMS or VLE? Most corporates don't understand the difference and few corporate also appreciate what they are buying.

### There is a lack of real in depth corporate references

This includes the "in-depth" corporate reference case studies from a range of major Moodle partners, often corporate references are not really "corporate" they have historically tended to mean "non-academic", often external training providers, or small-medium enterprise, or programme specific usage i.e. They have seldom been adopted as a strategic platform.

### Most corporate Moodle sites are elearning launch & track

Almost nobody is using it as a full LMS, beyond the commercial distributions of Moodle. This may change over time as credible partners emerge in the corporate market space, especially with the emergence of Moodle hybrids.

### It is a good VLE solution, if that's you want

Moodle is perfect for online collaborative instructor-led blended learning process, but it's not a natural fit for corporates because the learning model and drivers in corporates are, on the whole, so very different. Almost nobody is using it as a VLE (i.e. for collaborative learning) Shell and UAE are exceptions in terms of use.

### The “Out of the Box” functionality is not suitable as a corporate LMS

Moodle is course centric, not learner centric or event centric. It has been architected to work on that basis and only the hybrid Moodle solutions move it away from being used in this context.

### It lacks a corporate roadmap

There is a perception that corporates have the same needs as other markets, especially the biggest audience in academia. This is changing as corporate hybrid versions start to appear, but there is still a way to go.

### The supply chain is not really suited for enterprise scale corporates

To compete with SaaS offerings from more established players there is often a big focus from vendors on hosted packages, which provide low level entry points for corporates entering this space for the first time. There is however, often a lack of understanding of corporate support needs and a lack of scalability. There are concerns that support is the "weakest link" for Moodle.

The “Moodle Partner” concept also has corporate issues, as the Partner network is almost a "cartel". There are some good organisations outside the partners, but there is no quality check and often in reality academic sites have a “closet techie” to keep them running. This informality and lightness of approach is not really viable in an enterprise model. The closest link to an enterprise deployment, at the OU, shows the importance of high scale support.

### It’s not free, despite not having a traditional licence fee

Typically you end up paying £5K-£20K as a start up and then additional costs for support and maintenance. The upgrade path is also unclear, so there may be other costs related to the ability to innovate that may also affect the *total cost of ownership* for corporates.

### There are risks from customisations

With vendors increasingly looking to develop new functionality which enables Moodle to align to corporate needs, there is a high likelihood of customisation which will significantly impact future options, direction, support etc around those who pursue a Moodle platform or a hybrid. This means there are risks around version lock in, dependency on external resources, reliance on others to update and a lack of options for easy re-configuration.

### Perceived weakness of Third-Party modules

Although we have spoken of the almost limitless extendability of Moodle, through plug-ins etc, some of the users we spoke to were reluctant to roll out anything beyond the core Moodle itself. Existing users expressed a feeling that they felt reasonably secure in the quality of the core code released via moodle.org, but that any third party modules come with little provenance and even less support.

#### A “Tactical Moodle” implementation may damage your ability to move to a more strategic platform

Viewed by most corporate users as a tactical option, until they get a "real" LMS, organisations can make functional compromises because Moodle is perceived as free. This may though be counterproductive, especially if the requirements are real and sustainable longer term. Moodle may become a “just good enough” platform, that then becomes an obstacle to longer term change.

#### “Out of the Box” Moodle usability needs careful attention

One thing that was universally acknowledged, was that 'out of the box' Moodle is not the prettiest of systems. It does have a theming system which was enhanced recently, that allows the look and feel to be changed, but some went beyond this in their criticisms. They say that from a user perspective the system is complex and less than intuitive, that workflows are overly complicated and that it is often not obvious how to do things. Of course, the more time you spend with the system the easier it becomes to use. Despite the criticism it is worth noting that these organisations have continued to use Moodle, usually citing the low cost as a reasonable trade off against the lack of usability. Often the look and feel has been extensively branded by external vendors in order to create a viable corporate interface.



## THE CLOSE - BEING SUCCESSFUL WITH MOODLE

When Moodle is married with the right tools and the right requirements there is no doubt that it can be an extremely powerful tool. It's a relevant and potentially compelling solution for corporates, but in its own right it is far from being a true LMS.

Despite the claims to the contrary, it clearly does not provide that functionality; unless you find someone to buy the additional, non-academic, modules from and the wrapping software and services that makes it attractive corporately. In this instance you are starting not to just buy Moodle, but a whole suite of vendor specific code and supporting technologies. To genuinely expect anything else from Moodle out of the box is unfair.

It has its origins in academia; its original purpose was to provide a virtual environment to support students as they navigate syllabus and assignments. So, to expect anything else, out of the box, is a fundamental misunderstanding of Moodle as a platform. Even with the recent enhancements with Moodle 2.0 - 2.2 it is still a long way from containing the functionality to be comparable with a corporate Enterprise LMS.

That Moodle is appearing in new forms under commercial distribution, like Totara and Joule, is clear testament to the fact that Moodle isn't a LMS. Although Totara goes a long way to resolving the deficiencies of Moodle, in a corporate LMS sense, it's still very much work in progress but it will be interesting to see how the product and partner network develops over the next couple of years. Some might argue that actually Totara isn't Moodle anyway (despite being built using Moodle code and is inherently linked to it), so separate is the functionality from the core Moodle that was targeted at academia.

So, what does that leave us with? Where can it be successful? Where can you find the most value from Moodle?

Perhaps the biggest clue to where the power of Moodle lays in the environment where it originally grew.

As we said, its roots are deeply embedded, intertwined and sustained from its core user base in universities and colleges. Moodle's DNA has been engineered, if not evolved, to thrive in that academic environment. That is to say, it has been shaped to excel in the facilitation of defined syllabuses. Short, long, complex and simple. They bring together a body of expertise in the curriculum and the student. In the corporate ecosystem, these could well be likened to the sort of structures you can find in leadership development, sales and technical training programmes.

In that corporate world these things would often be call an "Academy". It is not surprising therefore that this is where Moodle has made the most significant inroads into the corporate market place is where there is a resonance of its original DNA.

So, if you have these discreet syllabuses and there is little or no engagement in the wider, capability, talent and performance management agenda, then Moodle may be right for you; in the guise of either a VLE, a Learning Portal, or a elearning Launch and Tracking tool. But, solutions are seldom planted in isolation. And therein lays the rub. It is critical to understand the overall landscape in which you place Moodle. For corporates this means understanding Moodle's place in their wider learning, talent and performance agenda. It also means understanding the operating environment and model that supports it.

Understanding how a VLE or Learning Portal fits the wider strategy is critical because that understanding will help you to appreciate the consequences of planting it into your organisation and the choices it may crowd out as it grows in use. Only by articulating your needs, the operating environment and the deployment will you establish whether Moodle is the right answer. And it's not just the wider perspective of the learning and development landscape that is critical. It's also the impact your choices will have on your deployment and service model. This affects your total cost of ownership which is ultimately more than just the cheque to your supplier.

That corporates are often approaching Moodle as a tactical quick fix seems to indicate that this wider perspective is not being fully considered and this is where the ultimate problems may lie. Even if you are considering it as a Learning Portal, or a Virtual Learning Environment, (which are its strongest hands) ; if you don't understand its place in the overall landscape, identify your full requirements, and manage them through a strong selection process; then any narrow or tactical decisions can grow into a tangle of restrictions.

## NEXT STEPS

### Accelerate and De-risk

To talk to us about our research on Learning Management landscape, or to discuss what Moodle might specifically mean for your organisation please contact us at [info@elearnity.com](mailto:info@elearnity.com) or by phone at +44 (0)20 7917 1870.

We will use our independent expertise to provide you with the guidance you need to accelerate and de-risk your decisions. We have a wealth of experience, tools, research and profiles at our disposal. We don't have any "products" to sell and we have no "vested "interest" to bias your outcomes. We concentrate on pragmatic, independent advice.

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