



Association Learning

Open Source or Commercial Learning Management System?



Introduction

This report looks at the pros and cons of both commercial Learning Management Systems (LMS) and open source learning solutions. It is a debate that has raged for several years with many divided on what they think the best option is.

As a commercial LMS provider, it is a topic we are often questioned about by our prospective customers. Frequently we are asked why a license-free open source solution is not the better option. However, our aim is not to provide a definitive answer to this question, but rather to outline the key factors we feel an association should consider when faced with making this decision.

So to continue our series of reports written for the association and professional body market, we thought it would be an interesting topic to do some research and write a report on. It's also worth noting that

our objective is to present an unbiased view and we hope we have managed to achieve this.

Throughout the report we look at a number of key topics including **license fees, IT resources, on-going support and maintenance, product roadmap, security and industry best practice.**

For each area we have outlined what we believe to be the advantages and disadvantages of selecting a commercial versus an open source solution.

As you will see there is a lot to consider and the final decision is not a straightforward one, but we hope this short report will at least serve as a useful checklist of items to consider when faced with this type of decision.

Open Source or Commercial LMS?

Top Considerations

- 1. Licensing Costs**
- 2. Staffing Resource**
- 3. Support and Maintenance**
- 4. Product Roadmap**
- 5. Security**
- 6. Best Practice Advice**

01

“When it comes to open source software **“free”** doesn’t always mean completely free.”



Licensing Costs

When people think of open source software, the first thing that springs to mind is “free” – no license costs to worry about and no annual support and maintenance charges to pay each year. We have to admit, it is a difficult one to argue against, and it certainly is one of the major benefits of choosing to implement an open source software system.

Open source Learning Management Systems are no different. Organizations going through an LMS selection process have to weigh up the pros and cons of choosing an open source system with no license fees or annual support and maintenance costs, over purchasing an LMS from a vendor that will charge such fees.

Of course it’s never quite that straightforward and the obvious “I’ll take the free one, thanks!” answer may not always be the correct one. When it comes to open source software “free” does not always mean completely free. There are hidden costs, which we will come to in other sections of this report. For now we’ll focus purely on software license fees and ongoing maintenance charges.

Open source solutions certainly come out on top in this case. Once a decision has been made to go with an open source LMS, it’s simply a case of going to the website and downloading the latest version of the software.

Commercial LMS vendors on the other hand look to charge license fees so that they can survive, grow and further develop their platform.

However, we have found that in the association marketplace in particular, some LMS vendors are now looking to develop pricing structures that enable them to compete more favorably against the free open source platforms. Some have adopted flexible and creative approaches to licensing, over and above the traditional “perpetual per user” model.

Flexible options such as “pay as you go”, “per course purchase” or “per course enrollment” or some other type of revenue share model can appeal to associations and professional bodies that are looking to avoid large up-front license fees.

These types of alternative licensing models mean associations are only paying for usage of the LMS by their members, in line with their own course sales, thus removing the risk that may exist if a significant upfront license fee is required. Alternative licensing models such as these reduce the major argument for choosing an open source solution.

“Pay as you go” or revenue share models can also include annual support and maintenance, removing another reason for choosing open source over a commercial solution.

02



“Both open source and commercial LMS solutions require committed resources and project management. Each of these has associated costs.”

Staffing Resources

One of the major factors that comes into play when deciding between an open source and commercial LMS solution is the IT resources required for each.

If an association decides to select an open source LMS, they will take either a “go it alone” approach or will contract with an external consultancy to assist with the implementation. Regardless of the approach chosen, both come at a cost.

Using internal IT resources to work on an LMS implementation may not have a direct financial cost from a cash outlay perspective, but there is of course the cost of employee time and the lost cost of other projects they could be working on instead.

Contracting with an external firm that specializes in the implementation, configuration and customization of the selected open source LMS obviously comes with its own costs, such as daily consulting rates. Outsourcing the implementation does not remove all the internal costs either. For instance, the association will have to assign a project manager to oversee the consultants and to make sure the project stays on track. In addition internal business owners will be required to give direction on their desired outcomes for the solution and resources are needed to carry out user acceptance testing to ensure these goals are being met.

In contrast, choosing to implement a commercial solution will typically involve an implementation project with the involvement of consultants from the selected LMS vendor. These implementation projects also come at a cost, which will likely be covered as part of the license fee negotiations. However, on the plus side it should reduce the level of input required

from an association’s internal IT resources as the vendor should have the required expertise to install, configure and customize their product.

Usually the implementation project will include the main tasks required to get the organization up and running on its new LMS. This includes everything from user interface branding, migration of existing training history, integrations with third party systems and delivery of administrator training on the system.

Using an LMS provider does reduce the involvement of an association’s internal resources, however, it should be noted that it won’t be a completely hands-off exercise. The association will still be expected to provide input into the requirements process, contribute to project progress meetings and make resources available to complete user acceptance testing at appropriate stages of the implementation project.

Experienced vendors should have the implementation of their product down to a tee and as a result have a proven implementation methodology and be well versed in minimizing the need for resource commitments.

As you can see from above, both open source and commercial LMS solutions require committed resources and project management. Each of these has associated costs. In particular organizations choosing a “go it alone” approach to an open source LMS implementation need to be prepared for the impact this will have on the organization and realize that while the LMS may be free from a licensing perspective, it certainly won’t be free to implement the solution.

03

Support & Maintenance

“While open source solutions leave organizations to fend for themselves when it comes to on-going support and maintenance, commercial solutions will provide this support usually under a service level agreement.”

Aside from the initial implementation costs outlined in the previous section, there is also the cost of on-going customizations, enhancement requests, upgrades, bug fixes and general day-to-day support to consider after an open source LMS is implemented.

Again, there is an option to either retain an external consultancy firm to manage this on-going support and maintenance, or to have dedicated internal IT staff responsible for these tasks.

The level of on-going support and maintenance can often depend on the complexity of the solution. A basic solution often requires limited changes, whereas a more complex solution, by its nature, may require a significant level of on-going support.

When selecting an LMS solution, associations should consider their longer-term e-Learning plans. For example, ask the following questions. Is this just the first step of a wider eLearning rollout? Are there plans to offer members a wide range of training programs with complicated testing and certification requirements? Are members demanding and likely to want more features once they get a taste of the new e-Learning platform? The answers to these questions should help quantify the future level of effort that will be required to support and maintain the LMS.

While open source solutions leave organizations to fend for themselves, when it comes to on-going support and maintenance, commercial solutions will provide this support usually under a service level agreement (SLA). It is covered as part of an annual support and maintenance fee and is usually a percentage of the original license fee, which can range from 18-22%.

For this annual fee, organizations can expect to have access to an online issue logging and tracking system and a dedicated support line for logging product bugs and issues. The SLA will usually stipulate minimum response and resolution times depending on the severity of the issue. This gives the association a level of comfort that there is someone responsible and available to deal with any issues that may arise.

In addition, an LMS vendor will provide access to product updates and new versions of the software as part of the service level agreement. Product upgrades are generally planned out and give customers peace of mind that they will always have the most up-to-date technology and product code.

Another factor often raised in relation to on-going support is the quality of documentation available to LMS administrators. Open source LMS administrators often raise this as an area of frustration. Frequently the availability



Support & Maintenance cont.

of the documentation is either limited or out-of-date.

Because new features are continuously being added to open source solutions by the developer community, it is often the supporting documentation that gets left to the end, or in some cases is completely forgotten about!

Commercial vendors on the other hand are expected to release up-to-date documentation with each new release of their product and usually have resources dedicated to producing high quality online help guides and other supporting documentation.

In researching this report we also found that one of the pros cited for opting for an open source Learning Management System is the access to the source code, something that is typically not provided with a commercial LMS. However this is a double-edged sword. While it is nice to have the source code in-house for peace of mind, the other reason most often stated is

that the user has the flexibility to customize the code. Without knowing the source code from end to end, such customizing commonly derails an open source solution in the areas of scalability and reliability, thus rendering a negative impact on the association and its members.

If a commercial LMS provider is selected there is a risk that the vendor may go out of business. In this case the customer is potentially left high and dry with an LMS platform but no access to its source code, rendering any future customization extremely difficult, if not impossible.

One way to mitigate this risk is to request that the commercial vendor puts an escrow agreement in place. This requires a copy of the LMS code to be placed with a third party escrow agent, with a provision for the client to have it released under the terms of the escrow agreement, for example, if the LMS vendor files for bankruptcy.

04

Product Roadmap

When deciding between an open source and commercial Learning Management System, organizations should always consider the future.

Because technology and online learning trends change frequently, it is important that commercial LMS vendors and open source LMS platforms alike have a product roadmap that provides a clear indication of where the LMS is headed, from both a technology and functionality perspective.

While the roadmaps provided by commercial LMS vendors are often subject to change, they can at least provide a good idea of what the vendor in question sees as the important trends in the market and the likely direction their product will take. For example, the roadmap may include more social learning features, more support for mobile devices or a greater focus on content management.

The future direction of open source Learning Management Systems can be less clear. In many cases the direction is often dictated by the developer community and can sometimes focus on the needs of a smaller number of key developers, rather than what the wider market is looking for.

On the flip side, the ability for anyone to contribute new functionality to open source solutions can result in new

functionality being made available faster.

Commercial vendors on the other hand generally have a detailed process that includes carrying out customer meetings, internal requirements review and ratings, short-listing of preferred features, and a formal software development and testing lifecycle.

Therefore, it is important for associations to consider how well the various LMS solutions available in the market meet current needs and also how closely the product roadmap aligns with future e-Learning requirements.

If the match-up of future requirements is not great, associations will need to consider how willing and flexible a vendor is, when it comes to input into the product roadmap.

Similarly if the preferred solution is an open source one, associations need to consider whether or not the technical resources are available (either in-house or can be contracted in) to add new features to the learning platform, should the future releases of the open source solution not cover all the future functionality required.



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05

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Security

Security is also an important consideration for any association looking to implement a Learning Management System. Unlike corporate organizations with behind-the-firewall solutions that are only accessible to internal staff on the network, associations will generally need to make their LMS accessible to the public. This means extra security precautions are needed.

In addition, many associations and professional bodies require an LMS with shopping cart or eCommerce functionality. This enables them to sell course offerings and events directly to members. In the case of online payment transactions security is critical in this case.

When it comes to open source solutions, rightly or wrongly, there can be a perception of a lack of security. This perception possibly stems from the fact that the code is exposed to the open source community so that people of different technical backgrounds can see it, share it and build on it. While this has obvious advantages it may also create security issues.

Another potential security risk arises from the fact that open source platforms are transparent and this perhaps makes it easier for hackers to find potential vulnerabilities. These concerns are less of an issue for

more established and proven open source LMS solutions, when compared to newer solutions, which may not have received the same level of real-life testing in a production environment.

With respect to commercial Learning Management Systems, in many ways they face the same security challenges as their open source counterparts. As with all web based solutions, and particularly those with an eCommerce component, they are open to the risk of hackers, viruses and the like.

Associations considering a commercial LMS should review the level of security testing performed on the product. In particular, they should look at how regularly new rounds of testing is carried out. Is there a dedicated product security team in place, and how up-to-date are they with the latest web security standards and best practices?

When carrying out reference checks, it is a good idea to ask if existing customers had any security issues in the past, and if so, how quickly and professionally they were addressed by the LMS vendor. Whether it is a commercial or open source solution, the answers to these types of questions should provide the level of comfort required from a security perspective.

06

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Best Practice Advice

A final item worthy of a mention when selecting a Learning Management System is the level of implementation support and industry best practice advice that can be imparted by the system provider.

One of the benefits of paying implementation fees to a commercial LMS vendor is the experience that a qualified consultant can bring to bear on the project.

Having implemented the product many times, a seasoned consultant will come with a clear project management methodology, and as such should be able to highlight any project risks up front. The consultant should also have a focused project schedule with measurable deliverables and project milestones highlighted.

In addition to implementation experience, the selected LMS vendor should also have relevant industry experience. They should

be in a position to point out what works well in the association's space, with regard to course offerings, certification programs and evaluation approaches.

If, on the other hand, an open source platform is chosen and installed with internal technical staff, the best practice advice that comes with a commercial solution will be missed.

An alternative option is to hire an external consultant who has implemented the selected open source LMS platform in the past, for other similar associations. While this might be an expensive solution, the long-term benefits of a successful implementation could well make the upfront expense worthwhile.

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Conclusion

To wrap up this report, we believe it is clear from the topics covered that when it comes to choosing between a commercial and open source LMS, there is no right or wrong solution. The right solution is the one that best fits the needs and requirements of the individual association or professional body.

Much will come down to the budget that is available for the project, the LMS solution goals of the association, the level of internal technical resources available within the organization, and the on-going support and maintenance requirement.

In each of these key areas there are pros and cons for both commercial and open

source LMS solutions. However, one of the most important considerations is the functionality required. At the end of the day, whether the software is free or not will matter little if the chosen platform fails to meet the online learning needs of members.

We hope this report will at least serve to highlight some of the key considerations which should be added to an association's checklist when going to market for a Learning Management System and trying to decide whether an open source or commercial solution would best fit the organization.

About WBT Systems

WBT Systems is a leading provider of e-learning software for the efficient management and delivery of training and education programs online. TopClass, WBT's Learning Management System, is used by global associations and professional bodies across the United States, Europe and Australia.

TopClass is a web-based Learning Management System that enables employees, members, partners, or any learners across an organization and or different countries to access training and events from a single online platform.

Other Association Reports

Other reports published by WBT Systems in this series include:

“How e-Learning in US Associations Compares with the UK.”

This is a complimentary, survey-based report that compares types of training offered in the UK and US, online learning formats, Learning Management System usage, functionality and implementation plans.

“A Practical Guide to Online Learning for Associations”

Designed for Associations and Professional Bodies, this is a brief guide that provides helpful information on the various stages of the e-Learning project lifecycle, from planning and system selection to implementation and launch.

These free reports can only be downloaded from the WBT website at **www.wbtsystems.com**.



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