



January 13, 2009

Happy New Year!

Last year about this time I announced the formation of the Client Success team here at Blackboard. Now that it has been a year since we formed this team, I wanted to write back with an update on how we have done.



We formed this group because we knew we needed to make faster and bigger changes to the client experience. Support, Product Development and Hosting Services were certainly focus areas. But we also really wanted to tackle the whole of the client experience, to rethink how we engage with you in all parts of our organization.

So what follows is our review of what worked well, what didn't, and where we should focus our efforts next year. Fair warning, it's no quick read. Pulling this together has been really instructive for us, both in looking back and looking ahead. I want to make this an annual communication. We will refer to it as our "annual client experience letter". I hope you will take the time to read it and share your feedback with me.

Executive Summary

We made important improvements in Client Support responsiveness, stability of Blackboard products, Managed Hosting infrastructure, and providing opportunities for clients to connect with other members of the Blackboard community. Still, we have a significant amount of work to do to continue to improve in these areas. We will start this state of the client experience by reviewing the results from the just-completed annual survey in which you weighed in. Keep reading to learn more about our review of

- Results from the 2008 Client Satisfaction Survey
- News from the retooling of Client Support
- Update on Product Stability
- Investments in the Blackboard Managed Hosting Experience

Results from the 2008 Client Satisfaction Survey

We just concluded the survey in November and are still sifting through your feedback. Participation was strong and candid. Results on some key areas are encouraging. More of you than ever before have said that your experience with Blackboard has improved year over year. We also understand that our strength is in the quality of our product with 71% satisfaction. More of you also said you are seeing greater value from your Blackboard products, with a 5% increase from 2007 to 2008.

We liked to see those statistics. But we do know that we need to keep improving on things like reducing the time to resolve issues, a sentiment nearly a third of you agreed with. And the survey has provided invaluable feedback, like the fact that part of the delay is because there are too many exchanges of information back and forth between you and us before resolution happens.

As I mentioned, we are still processing the data, evaluating implications. I see that we are indeed making progress but that we have to work harder to see the pace of improvement we want in the coming year. The good news is that a redesigned survey and responses from nearly half of you gives us more information than ever to help us plan for 2009. Thank you again for taking time to give us this direction.

News from the retooling of Client Support

Bringing in an outsourcing partner this year to help us with North American, South American and Latin American Tier 1 client support - the people who answer the phone when you first call - was a big undertaking. Entrusting these interactions with you to someone else, no matter how qualified, was difficult. Clients and some of our own staff were skeptical.

Today we are confident the decision to outsource our Tier 1 support with Sutherland Global Services in Rochester, New York was the right one. With Sutherland in place we have seen huge improvements in our responsiveness to your phone and email inquiries. Positive comments from clients about our Tier 1 staff have delighted Sutherland and us. We're so delighted that our Managed Hosting department has also begun using Sutherland for Tier 1 Support.

The early success with Sutherland has freed us up to focus on building up our Tier 2 and 3 technical teams so we can resolve issues faster by getting the case to the right subject matter expert. The technically complex issues will always be the most challenging but we still want to get them resolved quickly. In 2009 we will be focusing on faster resolution of these more challenging questions by beefing up our technical troubleshooting and applying more resources to root cause analysis.

Stability, Stability, Stability

You told us last year that product stability was at the top of your priority list. We heard you. The software we have released in 2008 is more stable and scalable than ever due in large part to improvements in our Quality Assurance process.

When we measure stability for a new release we look at a lot of indicators. How many hotfixes were required with each new release? How frequently did clients need to contact us for system stability problems? What has the feedback been on the public listservs?

And most telling, how did our software perform for those of you entering a new academic term or school year? This is when many of you see maximum usage of your system and when we receive the most requests for support. Typically our volume of case activity doubles during this "busy season." So, how did it go this year? We saw fewer outages than ever before. Our support volume was again high but on consistently less urgent issues, and cases were resolved more quickly than in the past.

All in all encouraging results from one of the smoother Back to School periods we can remember. As we prepare for the next one, we will continue to make access to tools like the Back to School site easier to use and more valuable.

The focus in 2009 is not only on avoiding problems we have seen in the past so they don't reoccur, but also on anticipating potential future issues and getting to them before they emerge. Continued progress is needed as we prepare for Blackboard 9. This is a milestone release with important leaps forward in the user experience, new student engagement tools and an easier, more effective experience for

teachers and learners. Helping many of you make what should be a seamless upgrade will be a good test for our ongoing support improvement. I am confident the steps we took this year have us well prepared.

Investments in the Blackboard Managed Hosting Experience

When we decided to introduce a managed hosting solution back in 1999, we were responding to clients who basically said to us, “you do it... our program is growing and changing so rapidly, we want to focus on the teaching and learning, you handle the technology for us.” The promise then and now was to leave the worries of managing one of the most heavily used technologies at your institution to us.

In 2008 we delivered on that promise to many of the more than 600 clients who rely on Managed Hosting to run their Blackboard implementations. We served them from 6 data centers with 2200 servers storing 1.2 petabytes of client data. Looking again at how we did through the busy period in August and September of this year, we completed more than 1500 application change requests, and dozens of customer hardware migrations, customer upgrades, system and application audits, and hundreds of database audits. We also averaged 44 million page hits per day during this period compared to 25 million daily page hits the prior year. We have had 99.9% network uptime across all of our data centers for the past 2 years and are now monitoring 12,000 different services every 5 minutes.

But with this level of usage we also encountered some growing pains, even as we were making serious investments - in our data center technology, staff and their expertise – to avoid these pains in the future. We have grown our investments to keep up with the volume of Support requests from Managed Hosting clients, a community that is growing quickly and driving deep adoption of Blackboard at their institutions.

Entering 2009 we have taken significant steps to continue improving performance. The addition of several industry-leading network management tools means we can more proactively anticipate needed changes in our Hosting environment ensuring better performance and stability. And as I mentioned we are also moving the first line support to Sutherland so that we can better respond to your issues.

Connecting Clients and Sharing Best Practices

You have long told us that connecting with your peers is a big part of the value you get from the Blackboard Community. Over the years we have tried various things to make connecting easier, with varying degrees of success. This year we explored how we could provide more and better networking opportunities for client using our website.

This is what we learned:

- You want to connect based on very specific interests, localities or regions, around different products, technologies, implementation types.
- You don't want a site that requires another login but one that is flexible enough to create group areas that are “members-only.”
- You want to subscribe to activities through RSS feeds, social networking capabilities, and incorporate feeds from flickr, twitter, and other web 2.0 sites.

The updated [Blackboard Connections](#) website was launched in October. It supports all of the above plus a centralized Job Board, Best Practices, Community Calendar and more for System Administrators, Developers, and users of the Blackboard products. We have also integrated it with Behind the

Blackboard so you only have to remember one login to access both websites. Visit <http://connections.blackboard.com> to see for yourself.

Finally, as hard as it is to hear sometimes, we think the “too much is never enough” view is a big part of client success. So let me tell you about two new, and we hope easy, ways in which you can give us your feedback.

Introducing the “Suggestion Box”

I have heard a lot of feedback about our product enhancement process. A few samples of what you told me:

- “Enhancement requests stay in a queue for long periods without any status change”
- “There are multiple ways to provide product feedback; I’m not sure which channel is best,”
- “I don’t feel that my voice was heard and that it impacted the product direction.”

Our new Suggestion Box, a single place for all of your product suggestions, is our attempt to respond. Whether the idea originated as an individual client request, as a part of a user group discussion, during a meeting with your client manager or through any other channel, the Suggestion Box will now serve as the single repository of all of your product-related feedback.

You can find the Suggestion Box at <http://suggestions.blackboard.com>. One of our Product Managers will review every suggestion to better understand the challenges your organization is facing. If we need more information, we will contact you promptly.

What happens to it then? You can see how we use your input today at the website: <http://www.blackboard.com/products/whathappenstosuggestion.aspx>. We are also continuing to refine this process, so feel free to submit ideas in to the Suggestion Box along with product enhancements. We have already received some great suggestions on crowdsourcing and other tools for making the decision process more transparent.

Introducing “Tell Michael Chasen”

Some of the most valuable feedback I have gotten over the years has come from direct interactions with you at tradeshows, user conferences, and at your institution. No filters, no fluff, just candid, sometimes spirited input. And I know there is always the concern about how close the CEO can stay to the real world problems you are facing as we grow. So I want to make myself more directly available.

Through the ***Tell Michael Chasen*** program you can contact me at <http://www.blackboard.com/company/feedback> to tell me your thoughts or pose questions about our company, products and programs.

If you’ll take advantage of this new channel, here is what you can expect of me. I *will* personally read every one of the messages I get. Working with the Client Success team, I will make sure each message submitted receives the proper attention from Blackboard.

One great place to start is your thoughts on this communication. What else would you like to see me cover? We have already got lots of ideas for next year... but I would love to hear yours.

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I hope you found this inaugural update on the client experience useful. With more communications like this one, along with *shorter* updates throughout the year, we will keep working on making our communication with you as transparent as possible. I encourage you to provide me and all Blackboard staff feedback along the way.

In 2008 we made some improvements that I hope you are starting to see and feel. With that said, we know we have plenty more ground to cover and we are committed to doing so. With the rollout of Blackboard 9 and other solutions, 2009 should be a year in which we really show you a new level of value and innovation in your Blackboard implementation. The foundations for that value are the things we have talked about with you in this letter - stability, support and connected community. We understand and will continue to raise the bar and deliver the type of experience you expect.

Thanks for reading,

Michael

Michael L. Chasen
President and CEO
Blackboard