

# Ellucian invests in higher education's digital transformation

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## Ovum view

### Summary

At Ellucian Live, Ellucian's annual user conference, and Ellucian Executive Forum, held in April 2019 in New Orleans, the higher education vendor's 2019 theme was the "Power of Together." This theme about how collaboration can create innovation extended not only to its community of customers and partners, which at over 8,000 attendees from 32 countries probably makes Ellucian Live the largest higher education technology-specific event globally, but also to the vendor's internal journey of transformation. Ellucian shared the ways in which it has made significant progress in the past 12 months to streamline its internal business model, such as creating a digital transformation team and appointing a chief customer experience officer, as a means to improve its product delivery, strategy, and cadence. The initial results are promising. Ellucian reports that 2018 was its best year ever, with a notable increase in its overall revenue, thanks to accomplishments such as 35 new ERP/SIS (enterprise resource planning or student information systems) wins, 115 completed implementations, and significant growth in global regions.

### Helping institutions navigate the journey to the cloud

Ovum predicts that global spend on cloud-based applications will increase from an estimated \$865m in 2018 to \$2.65bn in 2023 and, unsurprisingly, becoming a cloud-first organization and helping its customers manage their own journey to the cloud are major priorities for Ellucian. Outsiders might be surprised to hear how successful cloud implementation and transitions have been for Ellucian schools, given the large number of Banner and Colleague customers with on-premises systems. In order to ensure that schools are cloud-ready, Ellucian required its users to update to Banner 9 administrative applications by the end of 2018 and strongly encouraged Colleague customers to update to UI5. Ninety-nine percent of Colleague and 76% of Banner customers are now on the latest versions (while many of the rest are on extended support and plan to upgrade to the private or public cloud versions concurrently).

One-third of Ellucian customers now have at least one solution in the cloud, and Ovum expects these numbers to dramatically escalate in 2019 and beyond. Ellucian has created the Cloud Council user group and is also investing heavily in its digital transformation practice, which focuses on enabling institutions to map out their optimal pathway to the cloud and sharing best practices on how to leverage its full value.

Many of the vendor's existing customers are taking advantage of Ellucian's managed services as a practical step in their journey to the cloud. The University of Wilmington shared that when it was upgrading from its heavily customized instance of Banner 8 to 9, moving to managed cloud allowed it to pass over many of the administrative responsibilities of managing an ERP, ensuring the project was delivered on time. With the aid of Ellucian architects, the university is still able to develop and maintain its unique local business processes (where needed) in its managed cloud environment.

The eventual destination (and indeed, the optimal choice for institutions that are net new customers) should be SaaS or public cloud, given its ability to manage upgrades and patches and provide institutions with high levels of security and scalability. Existing clients such as University of the

Cumberlands, Trevecca Nazarene University, and Marygrove College have successfully modernized to SaaS-based instances of Banner and Colleague within the last year.

## Other product updates focus on the end-user experience

Other noteworthy innovations announced by the vendor include a more modern user interface (UI) for Degree Works to be launched in 2Q19, feature integration between Degree Works and CRM Advise, and updates for Banner and Colleague Self-Service. While many self-service capabilities are available with the modern Banner 9 experience, others are still in the Banner 8 UX. Ellucian announced that all baseline self-service will be available in the Banner 9 UX within the next 12 months (including Degree Evaluation, Enrollment Verification, and Graduation Application for Banner Student; My Approvals and My Purchase Orders for Banner Finance; Benefits Administration and Faculty Load and Compensation for Banner HR).

Ellucian's Ethos platform is another major component of the vendor's product strategy. Given Ellucian's large portfolio of systems offerings and the hundreds of systems that make up an institutional ecosystem, Ellucian saw the need to create a unifying platform that could serve as a single source of truth. Ethos has been very beneficial for Ellucian users, and hundreds of institutions were attending the dozens of sessions on how to streamline integrations and achieve better use of campus data with Ethos. One particularly rich customer example is that of the University System of Georgia (USG), a system of 26 institutions that includes research-intensive (R1s), four-year, and two-year colleges. USG uses the Ethos platform to support the state's HOPE Scholarship initiative, which provides tuition assistance for all Georgia residents with a 3.0 or higher GPA in high school. Leveraging the Ethos platform, USG ensured accurate and timely information sharing between each institution and the Georgia State Finance Commission. This reduces the burden on institutions by managing the exchange of data and allows eligible students to receive the scholarship funds critical to them.

While many elements of the Ethos platform have been more back-end focused (e.g., managing integrations of Ellucian and third-party systems or standardizing data through the Ethos Data Model), Ellucian Experience is a new product that focuses on the end-user experience. It surfaces data from various systems and puts them all in one place (such as financial aid information from Banner and Colleague or degree progress statistics from Degree Works) as customizable tiles or "cards" that campus constituents can access from one single application. Schools and third-party solutions can add their own cards as well. Ellucian Experience will provide preset cards based on persona. For example, a first-year student might need a campus map to learn how to get around campus, while a senior might look for information on how to apply for graduation. The product's modern UI follows responsive design standards and rivals that of other vendors in providing a convenient, constituent-friendly experience. The product has been in beta with several customers (including Drexel University, University of Toledo, and Tarrant County College District) and will be in select release starting this month.

## Ellucian continues to dominate the SIS market

Despite the competition from other vendors moving into the higher education technology space, particularly major software vendors such as Workday and Oracle that have spent the last few years developing cloud-native student information systems, Ellucian has maintained a strong grasp on its user base. With the largest number of systems for the higher education community, including its four

fully mature SIS (Banner, Colleague, PowerCampus, and Quercus for UK/Commonwealth schools) Ellucian has solutions to target institutions in all regions and sizes. Notably, of Ellucian's new 35 ERP/SIS wins this year, many were outside North America, where Ellucian has historically won most of its business. In addition, almost as many switched to Banner from other Ellucian SIS to support specific institutional needs. Among this number were Misr University in Cairo and Fiji National University. Colleague also continues to grow, adding 11 new customers, including Cape Breton University, Marian University, and Southwestern Oklahoma State University.

Ovum believes that Ellucian's emphasis on the importance of cloud-based systems, innovating mission-critical applications, and the end-user experience should resonate with the overall higher education community. As student and institutional expectations continue to evolve rapidly, it is encouraging that Ellucian is providing the support and solutions necessary to help its customer base navigate this era of digital transformation.

## Appendix

### Further reading

*Ovum Market Radar: Student Information Systems*, ENV006-000048 (March 2019)

*ICT Enterprise Insights 2018/19 – Global: Education*, PT0141-000005 (October 2018)

"Ellucian revitalizes the higher education community," ENV006-000018 (April 2018)

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