BCNET

Annual Review 2017

Collaborating to shape our future

Building on our history of success

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The year in review

This year, we mapped out a strategic five-year plan in partnership with our stakeholders. Together, we looked back at our history of successful collaborations, and looked forward to chart a clear, strong and agile course for our future.

The result? A renewed BCNET.

Mission

To deliver exceptional value to our members by leveraging our advanced network, fostering collaboration and building on our expertise.

Vision

To be recognized as a global leader in providing innovative solutions to support world-class research and education.
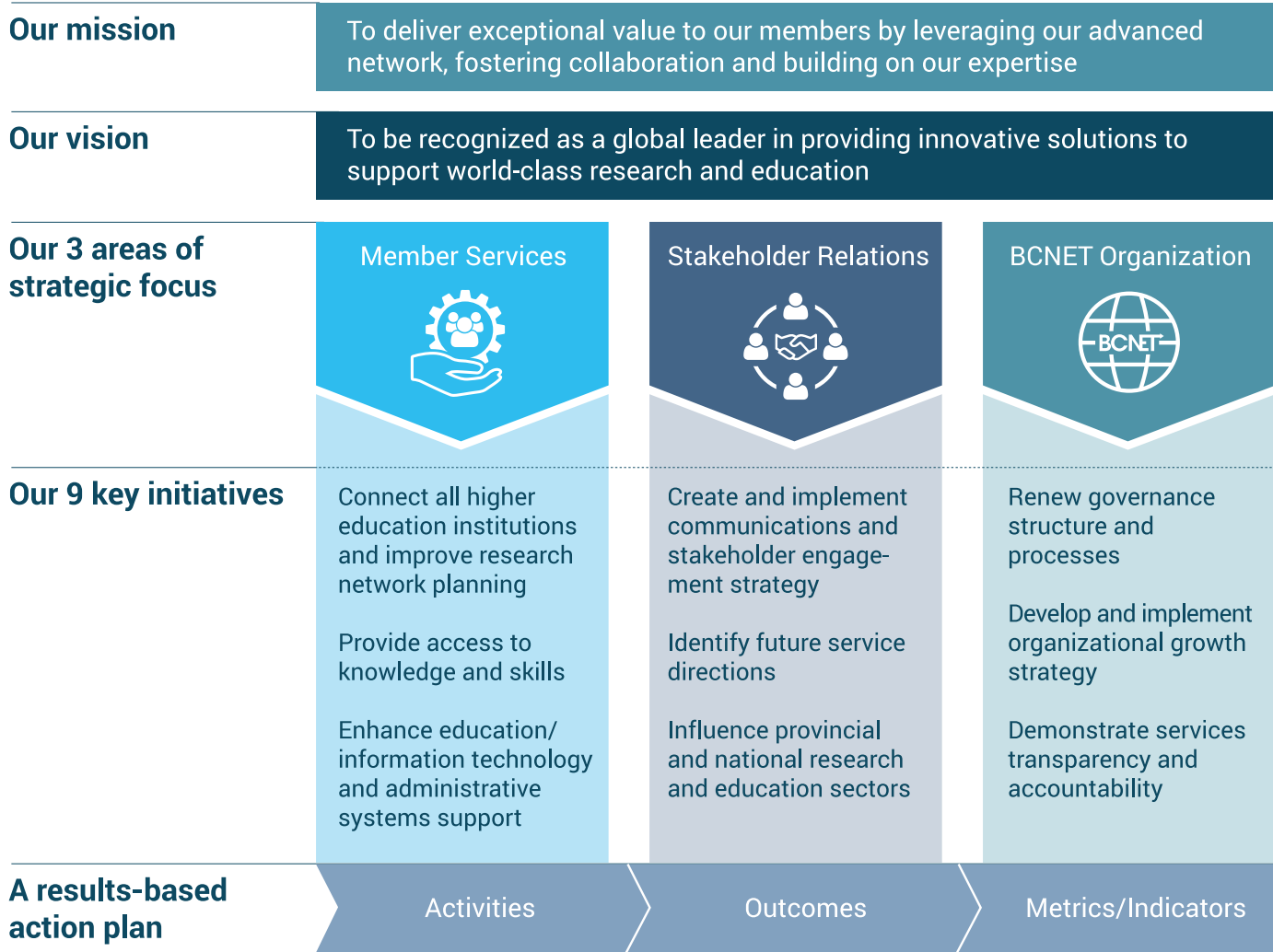
Collaborating to shape our future

One of our key accomplishments in 2017 was the new BCNET five-year strategic plan.

In the fall of 2016, we embarked on a six-month consultative process with the BCNET Board of Directors, members and external stakeholders. The goal was to create a new, five-year strategic roadmap.

Their invaluable input not only guided our strategic planning, it helped us renew our mission and vision. From member feedback, we created a roadmap that outlines three key strategies to shape our growth, as well as areas of focus, key initiatives and desired outcomes. Our strong and agile plan reflects our members' needs, and ensures BCNET will remain effective and adaptable as we evolve and grow in a landscape of constant change.

Our Strategic Roadmap 2017–2022

Our mission
To deliver exceptional value to our members by leveraging our advanced network, fostering collaboration and building on our expertise

Our vision
To be recognized as a global leader in providing innovative solutions to support world-class research and education

Our 3 areas of strategic focus

Member Services	Stakeholder Relations	BCNET Organization

Our 9 key initiatives

Member Services	Stakeholder Relations	BCNET Organization
Connect all higher education institutions and improve research network planning	Create and implement communications and stakeholder engagement strategy	Renew governance structure and processes
Provide access to knowledge and skills	Identify future service directions	Develop and implement organizational growth strategy
Enhance education/information technology and administrative systems support	Influence provincial and national research and education sectors	Demonstrate services transparency and accountability

A results-based action plan

Activities	Outcomes	Metrics/Indicators

Message from the President

"We made great strides in our ongoing efforts to build on the strength of members' deep and strong sense of community and collaborations to grow and evolve."

I'm pleased to report that 2017 was another remarkably successful year. We made great strides in our ongoing efforts to build on the strength of members' deep and strong sense of community and collaborations to grow and evolve.

We developed a new five-year strategic roadmap as part of our commitment to evolve BCNET and provide continuous value to our members. Through a facilitated process, we consulted with the Board of Directors, members and key stakeholders to gather a broad range of input. The feedback we received served to renew our vision and mission, pinpoint key strategies and create a five-year strategic roadmap. Together, we defined three key strategic areas of focus: member services, stakeholder relations and the BCNET organization. Our future activities will be tightly aligned with these areas to enable us to be an even more valuable, responsive and resilient organization.

As we continued to expand our service offerings, our focus on core network services remained strong and unwavering. We worked collaboratively with our members and stakeholders to connect an additional 21 higher education sites to our Advanced Network. We also implemented 100-Gigabit upgrades to ensure that we stay at the forefront of technology innovation and support the needs of our research institutions.

I would like to thank our members for partnering with us to make 2017 a successful year and for the opportunity to work together and contribute to the advancement of education, research and innovation.

Bala Kathirisan
President & CEO

Message from the Chair

I am proud to present you the BCNET Annual Review that highlights our key achievements during what has been a remarkable year.

Collectively, we looked to the future for ways to grow BCNET and build on our history of innovation, collaboration and success. We consulted with the Board, members and stakeholders to renew our mission and vision, identify priorities and design a strategic plan that will guide us for the next five years.

BCNET's success is deeply rooted in our unique, collaborative approach to partnering and working with our community of members and stakeholders. One outstanding example of the power of partnerships is our progress in connecting every public, post-secondary institution to the Advanced Network. This year, we connected a total of 21 new higher education member sites to the high-speed digital infrastructure. In all, the sector has 100 times more available bandwidth today.

Dozens of collaborations are also underway in the strategic sourcing of contracts for the sector. BCNET's team of procurement experts delivered a broader and greater number of IT and general contracts, boosted savings and efficiencies by 67 per cent and offered exceptional expertise in procurement and vendor management.

I want to thank the dedicated team at BCNET, the Board of Directors, the Ministry of Advanced Education and our industry partners for making this past year a great success.

Brian Mackay
Chair, BCNET Board of Directors

"BCNET's success is deeply rooted in our unique, collaborative approach to partnering and working with our community of members and stakeholders."

We improved sector-wide savings and boosted the buying power of members
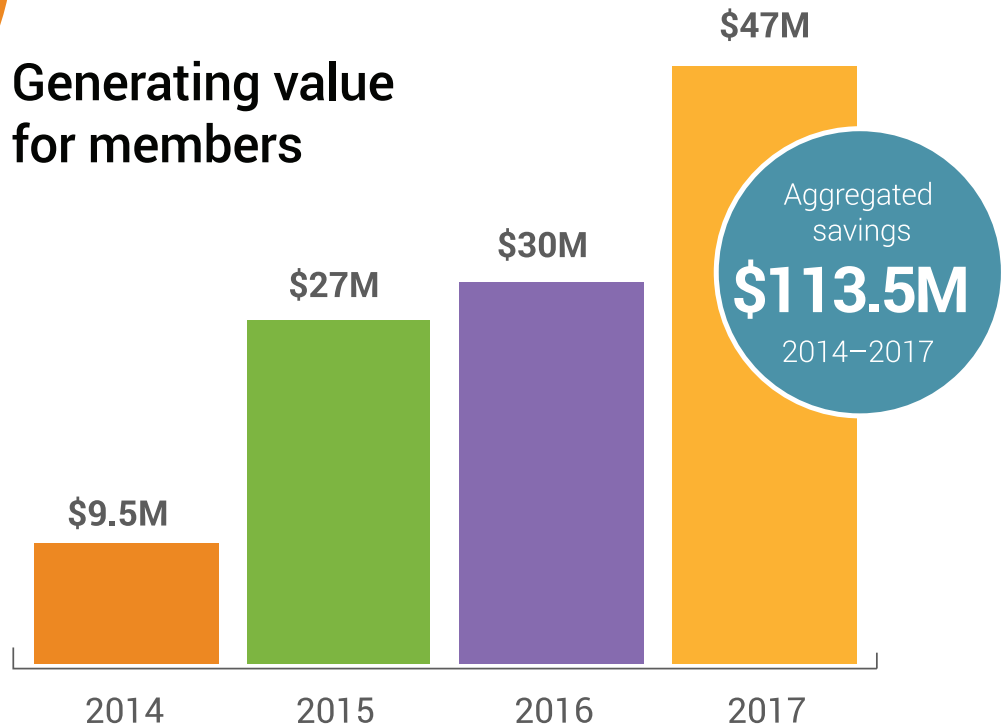
We are successful because our members are willing and dedicated to pursuing opportunities together.

Throughout our history, we have been effective at fostering a collaborative culture and building a community of trust, where members share expertise, discuss unique requirements and explore innovative solutions. From this community, a portfolio of member-driven shared services has emerged. Today, thanks to our members' ongoing contributions, we can offer a broad range of services that grows every year.

Working together as a sector to share expertise, knowledge and best practices—especially among users of information technology—is invaluable. This value, however, can be difficult to measure. To report our achievements, we track sector-wide savings and buying power. Year over year, collective savings and spending has risen, a strong indicator of the effectiveness of our collaborative model.

INFORMATION PROTECTION · **SHARED SYSTEMS & TECHNOLOGY** · **GENERAL PROCUREMENT** · **IT PROCUREMENT** · **NETWORK**

We serve 25 higher education member institutions in British Columbia

$113,500,000

Aggregated sector-wide savings for all services 2014–2017

Generating value for members

$47M

$30M

$27M

$9.5M

Aggregated savings
$113.5M
2014–2017

2014   2015   2016   2017

ANNUAL GROWTH OF AGGREGATED SAVINGS FROM ALL SERVICES

We calculate savings by using the manufacturer's suggested retail price when educational pricing is not publicly available.

We grew our Shared Services portfolio

We have consistently grown and evolved our Shared Services portfolio thanks to member collaboration and input from individuals across all levels and functions.

We delivered projects in our service portfolios this year, including the Advanced Network, Shared Systems and Technology and Procurement Services. We also launched a new portfolio to offer professional development and training services for members. This portfolio will help our community access training in high-demand skills for their IT staff.

We continued to focus on connecting every higher education member institution in B.C.
We advanced our signature project, the Integrated Network Solution, a plan to connect every public, post-secondary institution in B.C. to the BCNET Advanced Network.

In this era of digital transformation at higher education institutions, connecting to the BCNET Advanced Network keeps our province's colleges, research universities and institutes competitive. Our high-performance network infrastructure boosts access to the data and technology that advance the strategic mandates of teaching, learning and research, and is an efficient way to deliver shared IT solutions.

The BCNET Integrated Network Solution Project began in 2013. By December 2018, it is anticipated that 100 per cent of public, post-secondary institutions will be connected to the BCNET Advanced Network. In 2017, we celebrated connecting five campus sites of the Justice Institute of BC, three campus sites of Douglas College and seven sites of Okanagan College.

We connected higher education campus sites

Between 2014 and 2017, we almost doubled the number
of connections to major campus sites, and remote and rural sites

Year	Connections
2014	64
2015	72
2016	98
2017	119
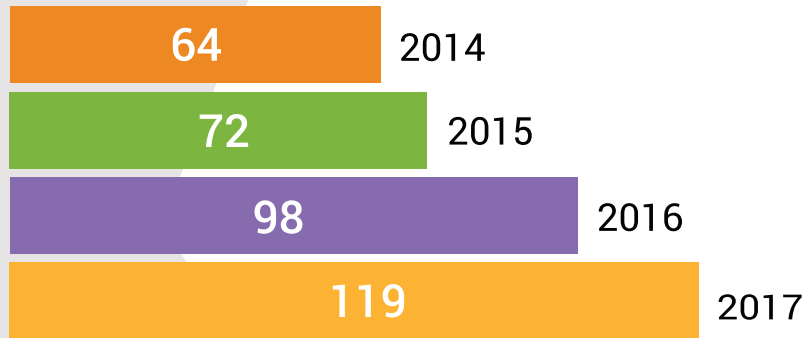
100x increase in available bandwidth (megabits per second) between 2014 and 2017

68%
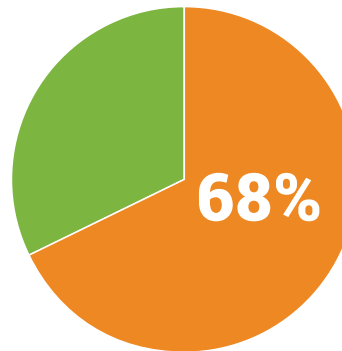
We made progress in connecting the entire sector in B.C.

17 out of 25, or 68 per cent, of B.C.'s public, post-secondary institutions connect to the Advanced Network

We provided expertise in procurement, contract and vendor management

We collaborate with members to identify and source contracts that meet their needs, offer the best value, enhance administrative efficiencies and comply with legislative and regulatory requirements.

In 2017, we launched BCNETSource, a two-year pilot project in partnership with the Administrative Service Delivery Transformation Initiative, funded through the Ministry of Advanced Education. The scope of the pilot includes delivering existing procurement services to the sector, and evolving and growing the breadth of contract offerings for 25 higher education institutions in B.C.

Thanks to this project, members today have access to a team of in-house procurement experts. The team provides outstanding value to members through supply management expertise and innovative collaborative approaches to sourcing contracts. In 2017, they broadened the information technology and general contracts portfolio, adding five new information technology contracts and three extended contracts, and executed 21 general contracts for the entire sector. They also improved the quality of service offerings through ongoing contract and vendor management.

The BCNET procurement process is based on open, fair and transparent principles. The team of procurement experts fosters collaboration and engagement among members along every step of the way, from identifying needs, through to the awarding of contracts. Once contracts are awarded, they work with vendors and members to maximize the value of the contract.

Our proven strengths in collaborating to identify contract needs is delivering tremendous savings
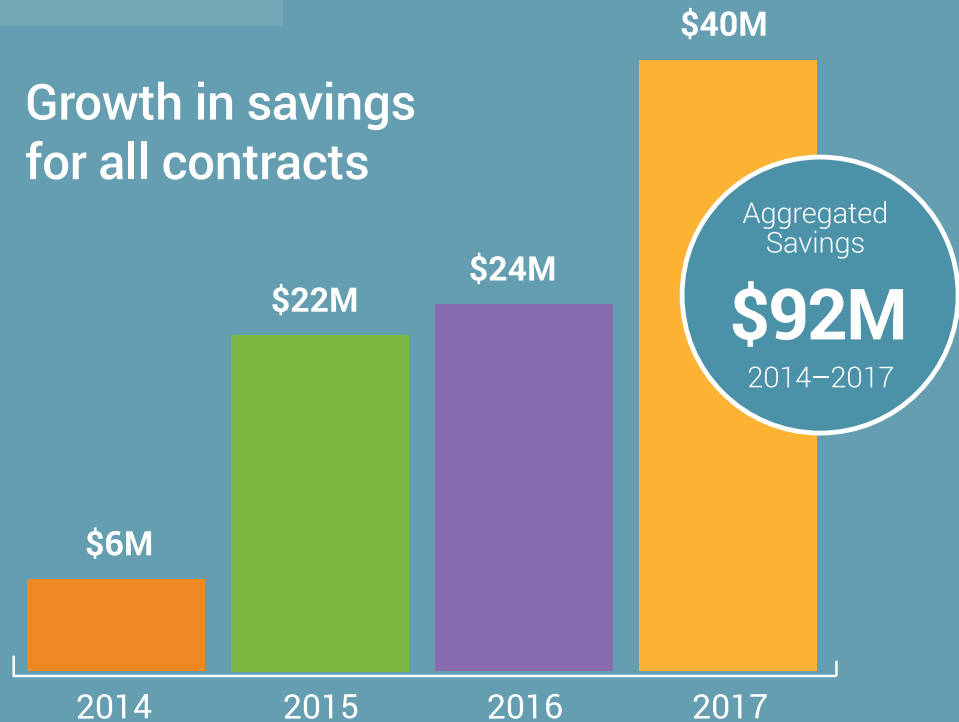
$92,000,000

Aggregated savings for all contracts 2014–2017

46%

Member participation rate in all available contracts

Growth in savings for all contracts

$6M — 2014
$22M — 2015
$24M — 2016
$40M — 2017

Aggregated Savings
$92M
2014–2017

We calculate savings by using the manufacturer's suggested retail price when educational pricing is not publicly available.

We rolled out a number of new technology services in cooperation with members

We build innovative partnerships to offer new distributed solutions for information and educational technology services.
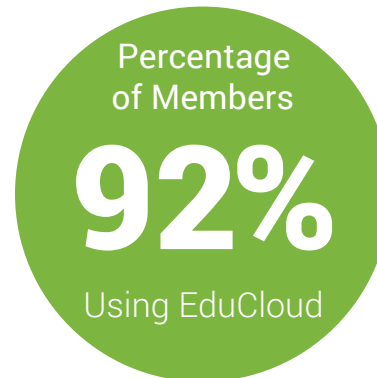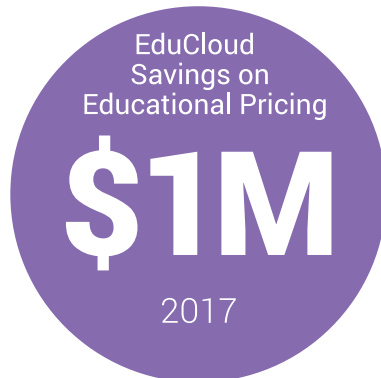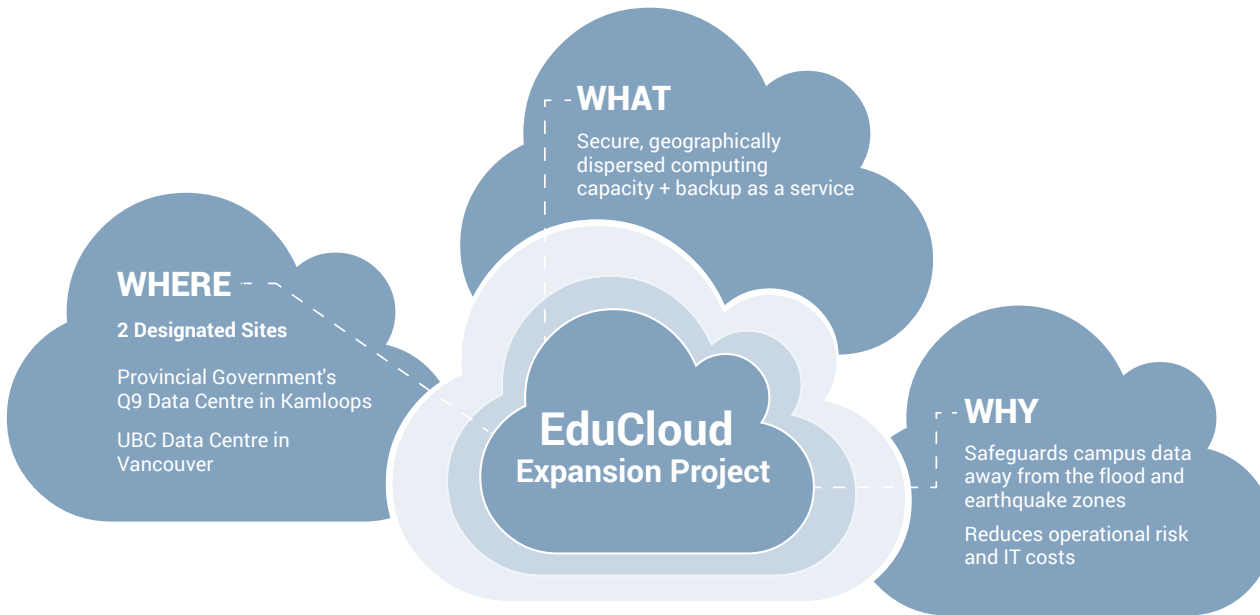
Launched in 2015, EduCloud Server, a virtual data centre service, saw early success with 88 per cent of members signing up for the service. This year, we consulted with members on ways to enhance and optimize EduCloud.

A technical advisory committee of users came together in a forum to discuss their needs, and create a strategic roadmap to prioritize service improvements. The committee agreed that the top priority was the need to safeguard data away from the flood and earthquake zones. They recommended geographically diversifying EduCloud services as well as adding a new backup service.

We investigated options to expand EduCloud to meet user demand. By partnering with the Ministry of Advanced Education and UBC, we were able to expand EduCloud services by using the existing designated sites of the Provincial Government's Q9 Data Centre in Kamloops, and the UBC Data Centre in Vancouver. Our Advanced Network acts as a high-speed, cost-effective backbone that securely transports and quickly backs up data across the province.

The newly expanded EduCloud service offers secure, geographically dispersed production and backup computing capacity to institutions. This geographical diversity provides critical functionality for institutions located on Vancouver Island and in the Lower Mainland, distributes workloads away from their primary data centres, protects against natural disasters and reduces operational risk and IT costs.

WHAT

Secure, geographically dispersed computing capacity + backup as a service

WHERE

2 Designated Sites

Provincial Government's Q9 Data Centre in Kamloops

UBC Data Centre in Vancouver

EduCloud Expansion Project

WHY

Safeguards campus data away from the flood and earthquake zones

Reduces operational risk and IT costs

EduCloud Savings on Educational Pricing

$1M

2017

Percentage of Members

92%

Using EduCloud

We launched four new services for the Shared Systems and Technology portfolio We collaborate to deliver cost-effective technologies that empower teachers and learners.

Kaltura offers exciting new possibilities for teachers and learners

Thanks to a three-way alliance with BCNET, BCcampus and UBC, we launched Kaltura, a leading enterprise video platform. Kaltura is an affordable, EduCloud-hosted shared service that allows members to create their own CampusTube in a robust, stable and scalable environment.

Digital signage provides flexible ways for institutions to communicate

The shared digital signage service offers a unique, distributed approach to operate, manage and distribute a sector-wide solution. We forged partnerships for a member-operated shared service that includes pre-negotiated licensing, infrastructure, hosting, administration, customer service and training support that makes digital display simple, easy and affordable.

New partnership provides cost savings and incentives

We negotiated a new partnership with Desire2Learn to bring members competitive pricing and purchase incentives for the company's Brightspace learning management solution.

Moodle now a BCNET shared service

Working in partnership with BCcampus, this year we moved Moodle production and operations to BCNET. The shared service is a secure, highly available Moodle environment that offers reliable EduCloud server infrastructure and functionality, simplifies system administration and minimizes costs, all in a robust and flexible environment.

We introduced a professional development and training services portfolio

As technology evolves and changes, so too does the need for skills training.

To acquire the latest skills training in new technologies for their IT staff, our members need to source third-party trainers. Ongoing workplace learning ensures staff are current with the skill sets required to administer and manage the information technology systems that keep an institution operating.

In consultation with the community, we identified skills that are in high demand, developed a service delivery model and proposed a catalogue of offerings and pre-negotiated pricing to meet skills training needs. By listening to our members' needs, gauging collective interest and identifying requirements, we created a professional development and training service solution.

In early 2017, we launched our first course to the community and we plan to roll out an entire curriculum for next year, increasing access to skills training for higher education IT staff in B.C. Under our shared services model, we partner with third-party providers and aggregate demand across institutions to offer competitive pricing.

We are governed by our member-elected Board of Directors

The BCNET Board of Directors is comprised of 23 directors with diverse backgrounds, knowledge, skills and expertise, as well as experience on other boards. Together they provide strategic oversight for BCNET.

BCNET Board of Directors from left to right

BACK ROW

Mark Roman
Chief Information Officer, Simon Fraser University

Jonathan Butt
Manager, IT Services, College of the Rockies

Matt Milovick
Vice-President, Administration & Finance, Thompson Rivers University

Peter Kingston
Vice-President, Finance & Administration, Justice Institute of British Columbia

Dr. Jonathan Bagger
Director, TRIUMF

Jag Madan
Chief Information Officer, Langara College

Peter Smailes
Treasurer, Treasury, University of British Columbia Secretary/Treasurer, BCNET Board of Directors

Dr. Norbert Haunerland
Associate Vice-President, Research, Simon Fraser University

MIDDLE ROW

Alan Davis
President & Vice-Chancellor, Kwantlen Polytechnic University

Gayle Gorrill
Vice-President, Finance & Operations, University of Victoria

Bala Kathiresan
President & Chief Executive Officer, BCNET

Wency Lum
Chief Information Officer, University of Victoria

Ian McLeod
Chief Information Officer, Douglas College

Steve Grundy
Vice-President, Academic & Provost, Royal Roads University

FRONT ROW

Brian Mackay
Associate Vice-President, Digital Strategy and Chief Information Officer, Thompson Rivers University, Chair/BCNET Board of Directors

Anna Machaj
Former Chief Information Officer, Vancouver Island University

Stephen O'Connor
Chief Information Officer, Capilano University

Stephen Lamb
Former Chief Information Officer, British Columbia Institute of Technology

MISSING FROM PHOTO

Jennifer Burns
Chief Information Officer, University of British Columbia

Kevin Brewster
Assistant Deputy Minister & Executive Financial Officer, BC Ministry of Advanced Education

Greg Condon
Chief Information Officer, University of Northern British Columbia

Roy Daykin
Vice-President, Finance, Okanagan College

Gary Leier
Vice-President, College Services & Chief Financial Officer, Selkirk College

Our financial highlights
An overview of the year

This year, BCNET generated a small surplus of $90,000 on revenues of $14 million, slightly ahead of budget. This was another year of growth with continued expansion in all areas of our operations, evidenced by a year-over-year increase in revenues of 19 per cent.

The Advanced Network continues to be the backbone of our operations, and consumes 63 per cent of our financial resources. This year, we enhanced the Network by investing an additional $730,000 in fibre and network equipment. Sixty-eight per cent of our members now use the Advanced Network and have access to the shared services that run on the Network.

The Shared Services portfolio now accounts for 22 per cent of our operations (13 per cent in 2016), an increase of 90 per cent over last year. Much of this increase was due to the addition of BCNETSource, a two-year pilot project funded by the Ministry of Advanced Education that enhances our non-IT procurement services. We also added new shared services to our catalogue, including the expansion of EduCloud, Moodle, Digital Signage, Desire2Learn and Kaltura.

BCNET relies largely on fees from its members to pay for the services we provide. Twenty-one per cent of our revenue is from grants from the federal and provincial governments. Most of this revenue is either for capital projects or one-time funding of specific operational initiatives.

BCNET maintains a healthy statement of financial position with a contingency fund of $1.15 million and operational reserves of $119,000. The balance of the $3.6 million in our reserves reflects the future amortization of unfunded tangible capital assets.
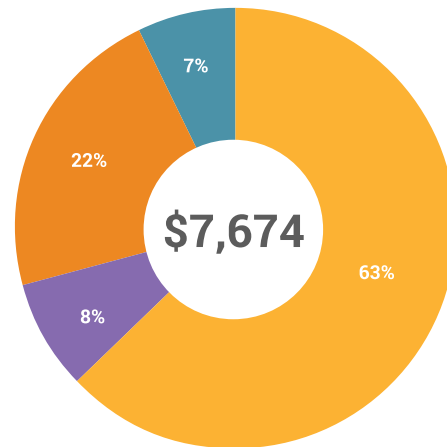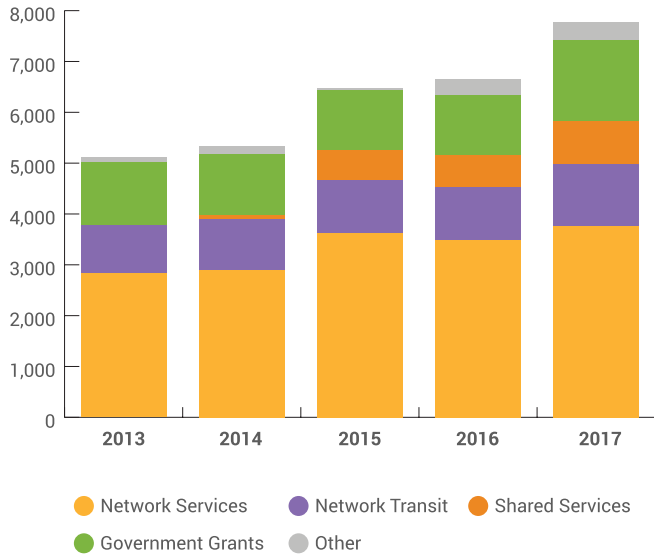
2017 Revenues ($000's)

$7,764

- 21%
- 49%
- 15%
- 11%
- 4%
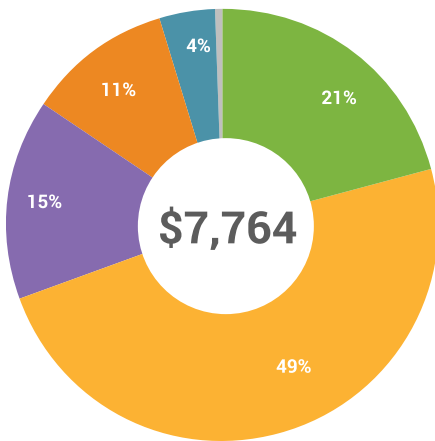
🟢 Government Grants 🟠 Network Services 🟣 Network Transit
🟠 Shared Services 🔵 Conference ⚪ Other

2017 Expenses ($000's)

$7,674

- 63%
- 22%
- 8%
- 7%

🟠 Network Services 🟣 Network Transit
🟠 Shared Services 🔵 Conference

Revenue Trends ($000's)

Legend:
- Network Services
- Network Transit
- Shared Services
- Government Grants
- Other

Expense Trends ($000's)

Legend:
- Cost of Services
- Staffing
- Amortization
- Operating & Admin
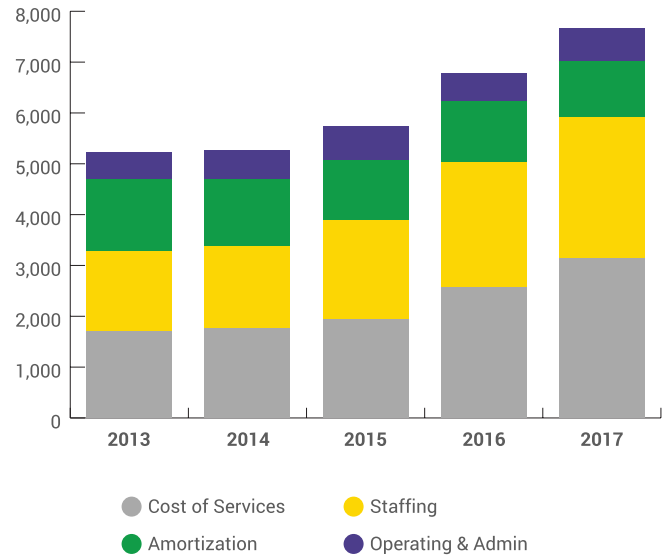
Capital Investments ($000's)

Legend:
- Fibre
- Network Equipment
- Other
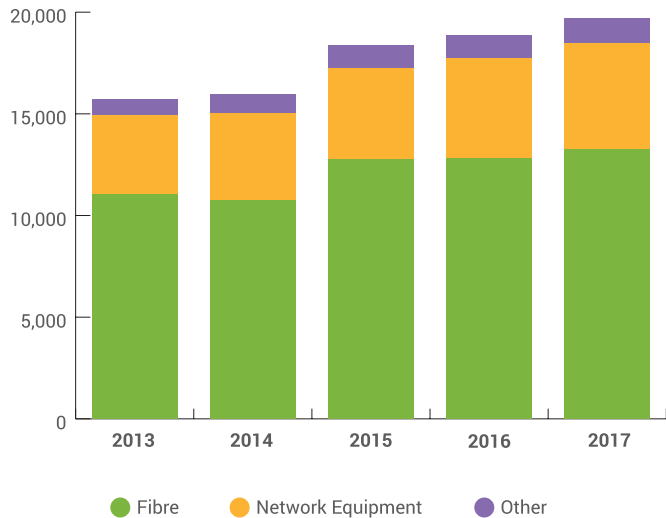
WWW.BC.NET

info@bc.net

🐦 @BCNET_Network

Suite 750 - BCIT Downtown Campus
555 Seymour Street