THE POWER OF COMMUNITY:
ACHIEVING MORE BY WORKING TOGETHER

BCNET 2017 | 2018
ANNUAL REVIEW

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 that support world-class research and education

Table of contents

The Power of Community

The power of the BCNET community lies in our spirit of collaboration. We are able to do what we do because of our members.

Our culture is unique. We are a product of our members' willingness to work toward the greater good.

For nearly 30 years, we have championed member engagement, brought the community together and nurtured a culture of trust.

Engagement has been one of the hallmarks of our success.

By bringing together individuals from diverse domains, geographic locations, institutions big and small, and unique skillsets, we are better able to create value for all.

Our community is strong. And together, we achieve more.

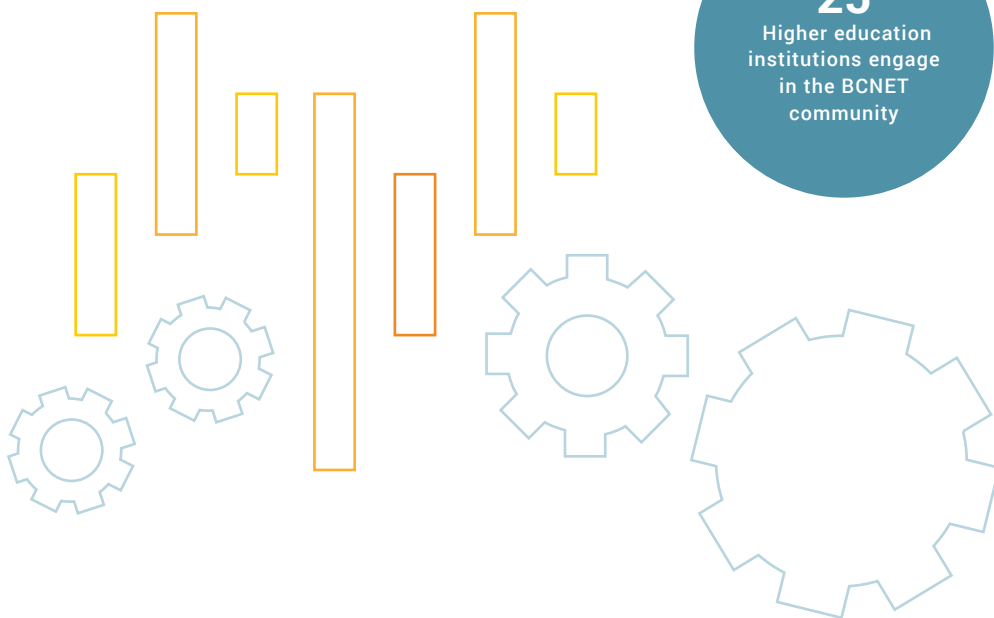## The Power of Community by the Numbers

Our collaborative culture translates into tangible and measurable results.

445
Staff from 25 member institutions participated in our services committees, communities of practice and working groups

25
Higher education institutions engage in the BCNET community

#1
Our member community is the #1 driver of member satisfaction

90%
Of members agree BCNET facilitates collaboration

93%
Of members agree BCNET delivers value to their institution

$68M
Total spend for all BCNET services (2018)

$200M
Total spend for all BCNET services (2014–2018)

34
Total number of procurement contracts awarded (2014 –2018)

26
New higher education sites connected to the BCNET Advanced Network in 2018
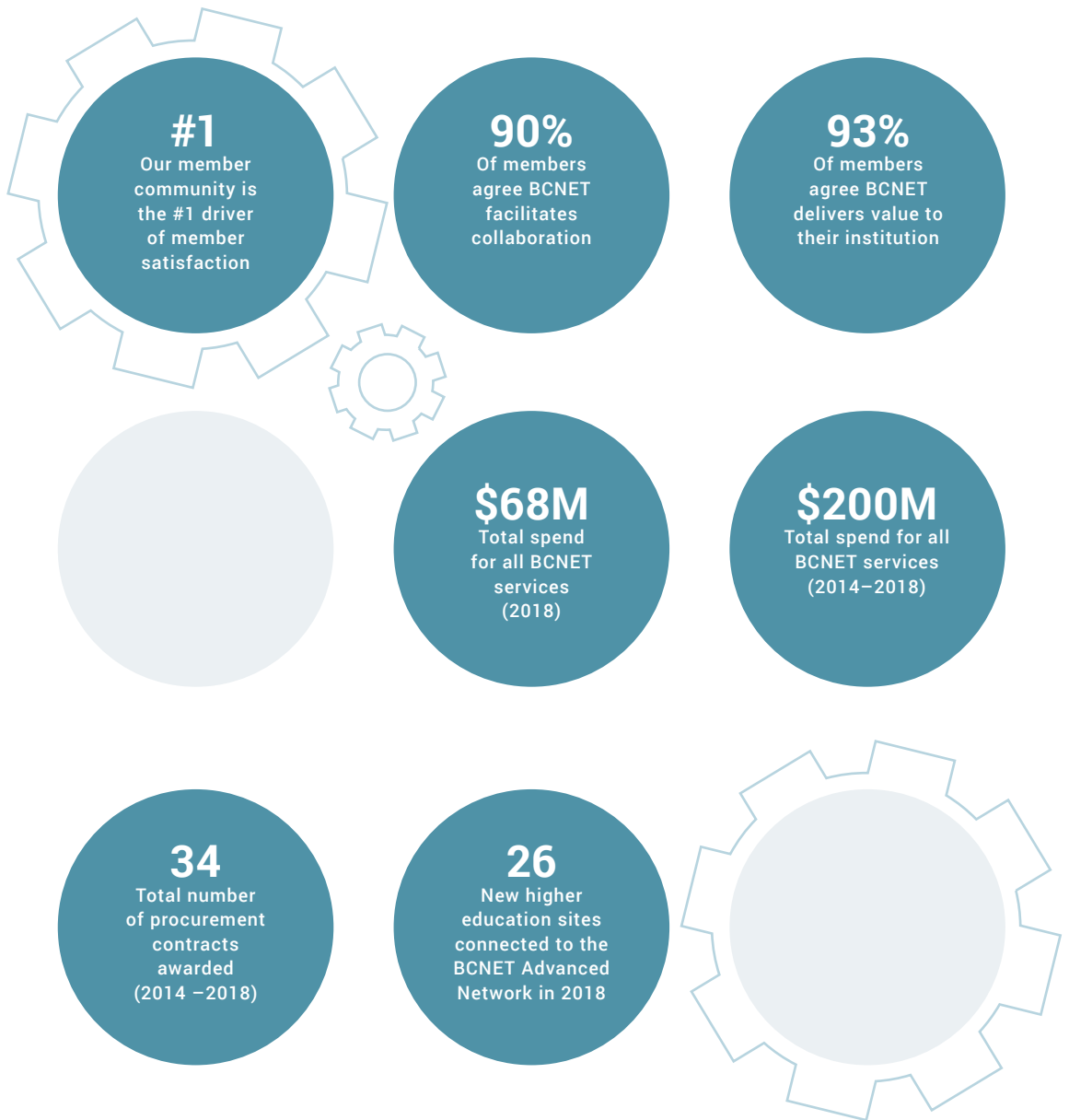
It is my honour to present you the 2017/18 BCNET Annual Review. In this report, we celebrate the achievements of BCNET, enabled by our strong community of members who inspire and shape the development of solutions that advance teaching, learning and research.

One such achievement is BCNET's delivery on its strategic initiative to connect all higher education institutions in the province to the high-speed BCNET Advanced Network. This year, in partnership with members and the Ministry of Advanced Education, Skills & Training, BCNET made significant progress on this massive network expansion project. With BCNET more than doubling the number of new campus site connections in the last five years, this has been an enormous undertaking. The exponential growth in network services delivered to an additional 84 campus sites means that more institutions than ever have access to critical network infrastructure to meet the increasing demand for digital innovation in higher education. This report also highlights BCNET's continued success in fostering collaboration and engagement with a diverse group of stakeholders to influence the future direction, development and participation in a wide variety of shared services. By bringing together individuals from across domains and institutions, BCNET is better able to precisely represent its members' distinct needs and deliver greater value for all.

We have much to be proud of over the past year. The spirit of collaboration continues to flourish among institutions. This strong and engaged community is helping to deliver on our vision of being recognized as the global leader in providing innovative solutions that support world-class research and education.

I look forward to the year ahead and reporting even greater achievements next year.

Bala Kathirisan
President & CEO

Message from the Chair

This has been a remarkable year for BCNET.

Today, all 25 public post-secondary institutions in British Columbia, from the smallest rural college, to the largest urban comprehensive research university, count among our members. We have made significant progress in 2017/18 in connecting all higher education institutions, adding 26 campus sites this year alone, and connecting four new institutions to the Advanced Network. Whether it's leading-edge bandwidth for research, high-definition video conferencing or savings on shared services for hardware and software, we empower our post-secondary partners regardless of their size or location in the province. Faculty, staff and students across British Columbia have access to valuable services and education technologies that support world-class teaching and research.

For more than 30 years, we have worked to create and maintain an engaged community that puts the needs of our members first. Our highly regarded service delivery model allows for all voices to be heard, resulting in consistently high participation, engagement and member satisfaction, which reached an all-time high in 2017/18.

This year also saw BCNET continue to engage with its members to evolve, expand and increase adoption of services. Among our accomplishments are the launch of a new Enterprise Resource Planning office with the support of the Ministry of Advanced Education, Skills & Training, the expansion and launch of EduCloud as a backup service, and the rise in the number of IT and general contract offerings.

The results and progress we have seen in 2017/18 are a testament to the power of our community. While we foster trust and bring together individuals from across domains, it's your willingness to engage and your spirit of collaboration that create powerful communities of practice that benefit all.

Steve Grundy
Chair

THE YEAR IN REVIEW
HIGHLIGHTS OF ACCOMPLISHMENTS 2017/18

Our Strategic Roadmap

In 2016/17, we developed a new five-year strategic roadmap as part of our commitment to continually evolve BCNET and provide value to our members. This year, we worked toward delivering on nine key initiatives under three areas of strategic focus: member services, stakeholder relations and the BCNET organization.

We successfully expanded, enhanced and grew our member services

WE GREW OUR SERVICES PORTFOLIO

NETWORK SERVICES CYBERSECURITY ★

SHARED SYSTEMS & TECHNOLOGY

ENTERPRISE RESOURCE PLANNING ★

PROFESSIONAL DEVELOPMENT & TRAINING

PROCUREMENTS

★ NEW

We connected institutions in BC to the powerful, high-speed Advanced Network

One of our key initiatives outlined in the BCNET strategic roadmap is to connect every public, post-secondary institution in BC to the Advanced Network. Between 2014 and 2018, we more than doubled the number of new site connections – from 64 to 150. This year alone, we connected four new institutions and 26 sites.
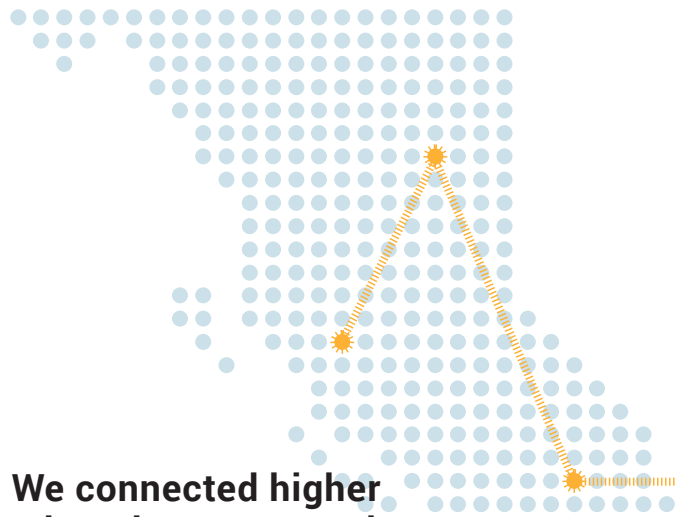
We connected higher education campus sites

Between 2014 and 2018, we more than doubled the number of connections to major campus, remote and rural sites.

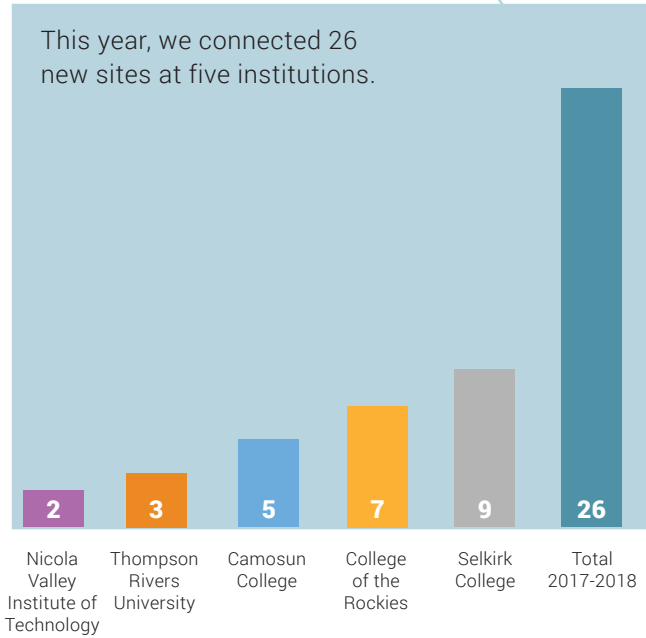| 2014	2015	2016	2017	2018
64	72	98	119	150
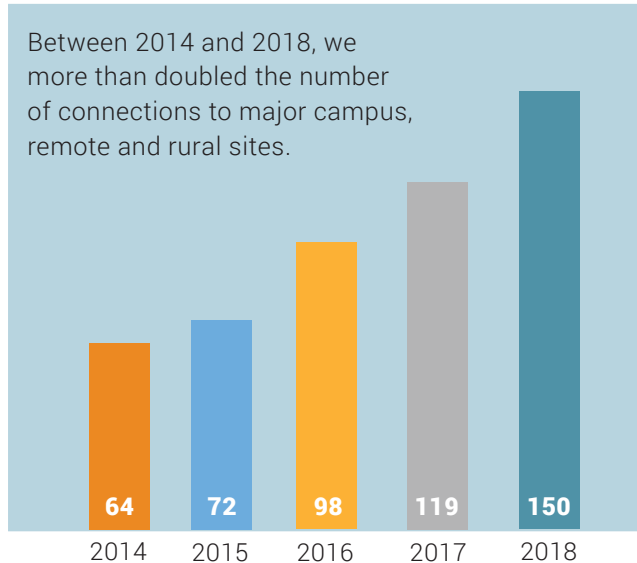
In this era of digital transformation, connecting to the Advanced Network keeps our member institutions competitive and supports teaching, learning and research.

We connected new sites

This year, we connected 26 new sites at five institutions.

2	3	5	7	9	26
Nicola Valley Institute of Technology	Thompson Rivers University	Camosun College	College of the Rockies	Selkirk College	Total 2017-2018

We added bandwidth to the Advanced Network

Secure, reliable, high-speed network services are the foundation for digital innovation that supports teaching, learning and research in higher education.

NETWORK SERVICES BY THE NUMBERS

98%
Of members satisfied with network service support

89%
Of members satisfied with Advanced Network service

50%
Increase in Advanced Network usage

22%
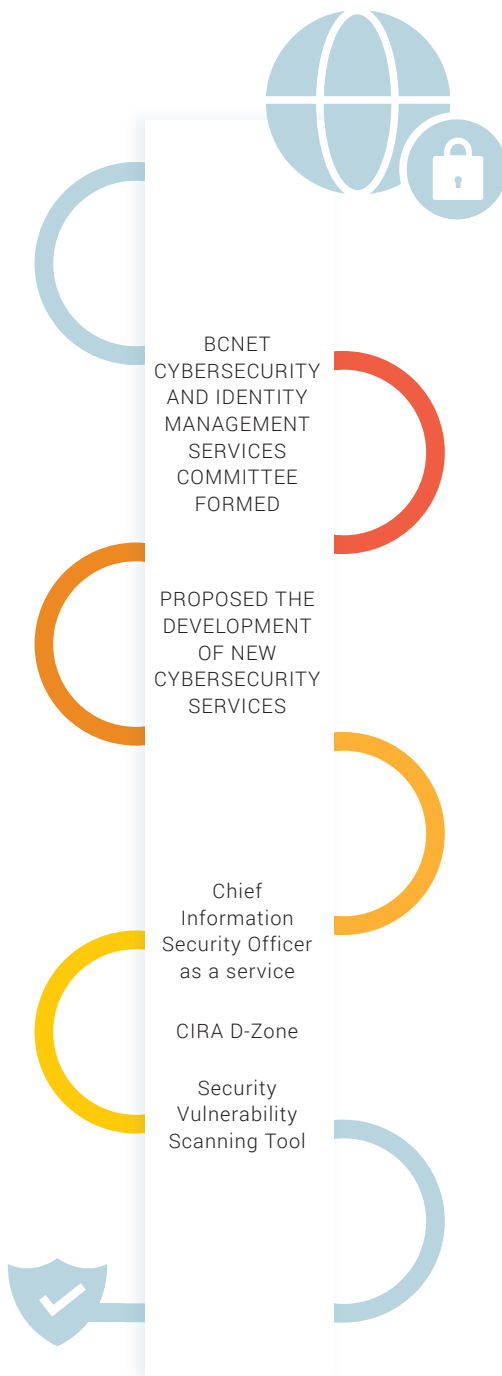Increase in internet transit bandwidth

We strengthened cybersecurity

With the number of new cyberthreats facing our community, cybersecurity is a top priority for our member institutions.

To strengthen cybersecurity in our community, BCNET formed the Cybersecurity and Identity Management Services Committee.

Made up of a diverse group of chief information officers, chief information security officers, information security managers and subject matter experts, the committee's mandate is to:

- Collaborate on service requirements
- Influence sector-wide practices and standards
- Recommend information protection, data protection and privacy programs
- Identify common cybersecurity service needs
- Prioritize service delivery

BCNET CYBERSECURITY AND IDENTITY MANAGEMENT SERVICES COMMITTEE FORMED

PROPOSED THE DEVELOPMENT OF NEW CYBERSECURITY SERVICES

Chief Information Security Officer as a service

CIRA D-Zone

Security Vulnerability Scanning Tool

We established an Enterprise Resource Planning Office

With the support of the Steering Committee of the BC Provincial Government Administrative Systems Delivery Transformation Office, BCNET established a new Enterprise Resource Planning (ERP) Office. This office offers support services to member institutions, facilitates collaboration among institutions and promotes adoption of a sector-wide ERP strategy.

Formed BCNET ERP Office to offer strategic consulting services to institutions for all phases of the ERP lifecycle

ERP VISION

Service improvement

Cost containment

Risk mitigation

Hired ERP Project Lead Garry Sagert to identify opportunities for collaboration with higher education stakeholders, and support the ERP strategy with actionable solutions

Created the ERP Services Committee to guide strategic direction and provide oversight of BCNET's ERP initiatives

Collaborated through onsite meetings with senior leaders at 20 higher education institutions
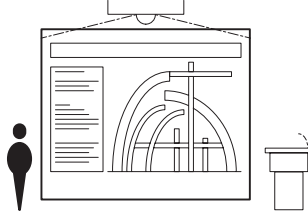
CREATED ERP LIFECYCLE AND A NUMBER OF KEY ERP INITIATIVES

Contract management for major vendors

Enhanced support for Banner and Colleague institutions

Build an online ERP body of knowledge

ERP Office begins offering strategic consulting services in:

• Opportunity assessment

• Acquisition implementation

• Sustainment

We engaged with stakeholders to evolve and increase the breadth of contract offerings

Two years ago, in 2016, we launched BCNETSource in partnership with the Administrative Service Delivery Transformation (ASDT) Initiative.

The BCNETSource mandate included delivering existing procurement services to the sector, and evolving the breadth of contract offerings for 25 higher education institutions in BC.

This year, the team of in-house BCNET procurement experts expanded the breadth, depth and adoption of new and existing general and IT contract offerings. Outreach events, workshops, communities of practice and member meetings were conducted to strengthen engagement with our stakeholders and continue working together for the greater good. To gauge member satisfaction over time, the team implemented a survey to understand member experience with the procurement office and its contract offerings.
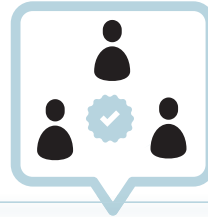
92%
Of members rank contract offerings as valuable

83%
Of members satisfied with BCNETSource

15
IT and general tenders and renewals (2018)

#1
Contract management is a key driver of member satisfaction

How we measure procurement performance

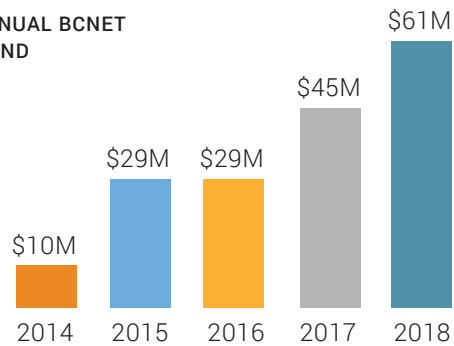We measure growth in spend, contract participation and other metrics to gauge our performance.
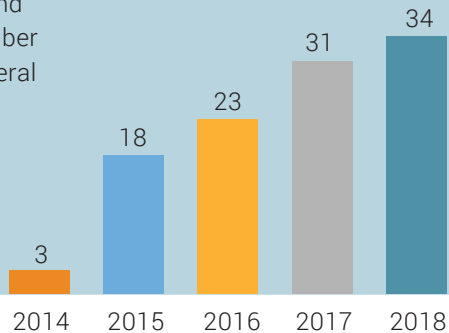
89%
Increase in number of available contracts

$174M
Total contract spend (2014-2018)
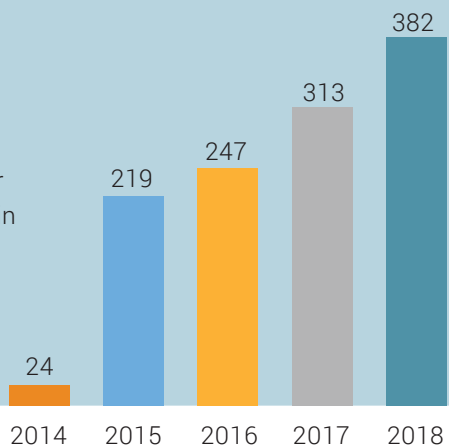
GROWTH IN ANNUAL BCNET CONTRACT SPEND

Year	Spend
2014	$10M
2015	$29M
2016	$29M
2017	$45M
2018	$61M

GROWTH IN NUMBER OF CONTRACTS

We evolved and grew the number of IT and general contracts for institutions.

Year	Contracts
2014	3
2015	18
2016	23
2017	31
2018	34

GROWTH IN PARTICIPATION AGREEMENTS

We helped grow member participation in contracts.

Year	Agreements
2014	24
2015	219
2016	247
2017	313
2018	382

We focused on enhancing our existing education and information technology services

Over the years, BCNET has built innovative partnerships with members to offer shared solutions for information and education technology services. We have a robust portfolio of service offerings that meets institutional requirements. This year, we focused on strengthening existing services and growing member usage.

WE EXPANDED AND LAUNCHED EDUCLOUD AS A BACKUP SERVICE

Based at the Provincial Government's Q9 data centre in Kamloops, the private cloud service gives IT administrators a robust, secure and fault-tolerant environment to safely and continuously back up data at diverse locations within the province, away from the flood and earthquake zones.

We consulted with member users about services operation, requirements and features to improve service delivery

WE GREW ADOPTION AND USAGE OF EXISTING SERVICES

Ongoing education, user-focused service meetings and a greater number of client-facing meetings boosted member adoption of our shared services.
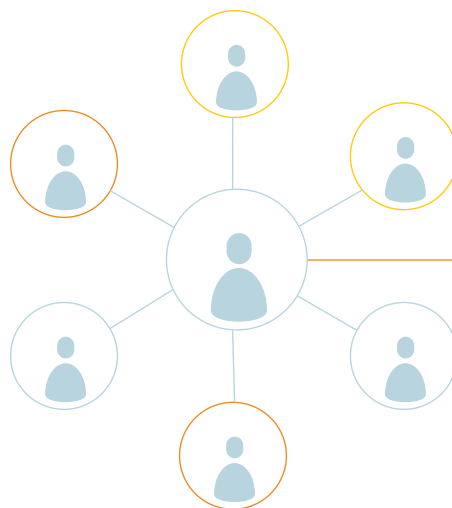
Information Technology Services Adoption and Usage by the Numbers

107,221
Faculty, staff and students using Kaltura shared service

130
Ports used for the BCNET Cloud Videoconferencing Service – an all-time high.

19
Consultations & meetings with BCNET technology users and committees

72%
Of member institutions use IBM SPSS® shared software for advanced statistical analysis

Feature
Member Story
Langara College and Kaltura: Creating, connecting, and collaborating

LANGARA COLLEGE CAME ON BOARD A PILOT PROGRAM FOR KALTURA VIDEO SOLUTIONS IN 2013. TWELVE THOUSAND VIDEO UPLOADS LATER, THE PROJECT HAS DEMONSTRATED SUCCESS – DUE IN NO SMALL PART TO THE OPPORTUNITIES FOR THE LANGARA EDUCATIONAL TECHNOLOGY TEAM TO COLLABORATE WITH OTHER INSTITUTIONS.

As an expert in educational technology, Julian Prior is well-versed in the benefits of using video in the classroom. The Langara College advisor and multimedia specialist is one of the driving forces behind the adoption of Kaltura video enterprise solution at the Vancouver campus.

"We've seen a movement toward students becoming creators, not just consumers of learning," explains Julian. These shifts prompted Langara to look at the video technology they were using in a different light.

A THREE-WAY PARTNERSHIP
Kaltura is offered as a shared service solution through a three-way partnership between BCNET, BCcampus and UBC. BCNET holds the licence agreement

"The Kaltura User Group at BCNET has been great. It has really helped drive the success of Kaltura at Langara."

JULIAN PRIOR
Langara College advisor and multimedia specialist

and manages the service, while UBC operates Kaltura in BCNET's EduCloud, and BCcampus supports institutions in adopting the service and providing the first level of support. It's been a triple win for Langara.

Not only are Kaltura licences priced attractively, the service can be used to securely upload an almost unlimited number of videos onto a hosted server, away from the flood and earthquake zones, and all the while keeping data in Canada and FIPPA-compliant. The video solution also offers a user-friendly experience and integration with popular learning management systems like D2L.

ADOPTING VIDEO ACROSS CAMPUS
Today, Langara instructors and students count among the 107,000 users who access Kaltura on the BCNET EduCloud Server. Since January 2015, about 1,400 faculty and student contributors have uploaded more than 12,000 videos and audio files.

As more and more instructors embrace using video in their courses, Julian continues to advocate for Kaltura across campus. He hosts workshops, and hands-on training sessions. By the end of 2018, he expects to have Kaltura fully rolled out with a suite of features, including closed captioning.

"Often when you implement a technology on your own, you can feel a little isolated," admits Julian. "Although you can draw on the wider tech community for support, there's nothing that beats collaborating with real people you know with whom you can build a relationship. The ability to talk with people from other institutions is huge. I don't know what we would have done without that."

NOTHING BEATS COLLABORATING
For Julian, the most positive thing that has come from this project has been the support from other institutions, and the support from BCNET. He speaks highly of regular Kaltura User Group meetings, facilitated and hosted by BCNET.

We helped IT staff access essential skills training

Continuing education ensures institutions' staff stay up-to-date with the skills required to effectively implement and manage IT systems.

To provide greater access to knowledge and skills for IT staff, in 2017/18 we delivered BCNET professional development and training programs in business and management skills and applications.

✔ We consulted with our member community during the planning process to identify requirements for high-demand IT skills training.

✔ We partnered with third-party training organizations and negotiated competitive pricing.

✔ We administered the registration and training processes which helped 131 staff from 25 institutions get IT training.

25
Post-secondary institutions participated in training

11
Courses offered

131
Staff trained

"The professional development and training program makes it easy for our team to get essential technical skills and core capabilities training. BCNET coordinates training on behalf of members, aggregates seats, develops specialized training courses and brings in third-party professionals to do the training. This model helps cater to our higher-ed needs, and availability based on our academic cycles. It also extends our ability to train more staff and eliminates logistical challenges."

SANDEEP SIDHU
Director, Client Services, IT Services, Simon Fraser University

We continued to strengthen stakeholder relations through continuous engagement

This year, BCNET continued to cultivate deeper engagement with our stakeholders to influence the future direction and development of shared services.

WE RENEWED OUR SERVICE COMMITTEE STRUCTURE

As part of the renewal of our service committee structure, we financially supported face-to-face meetings to help build relationships, improve dialogue and facilitate decision-making about important service developments.

WE DEVELOPED A DISTRIBUTED ACCOUNT MANAGEMENT MODEL

Our new distributed account management model boosts client services and support resources, enhancing client-member relations.

We grew and renewed the BCNET organization

BCNET continues to invest in people and processes to support our evolution and growth, while focusing on sustaining an efficient organization.

We improved our transparency and accountability of services planning and implementation.

We also measured member satisfaction with our organization, member community and various aspects of our services to understand member perceptions, BCNET's image and areas for improvement.
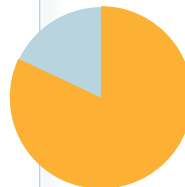
Our Strengths

Delivering value

Facilitating collaboration

Helping reduce costs/improve efficiencies
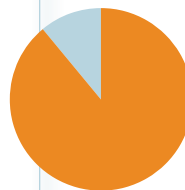
89%
Of members agree that BCNET fulfills its mission

82%
Of members are satisfied with BCNET

FINANCIAL HIGHLIGHTS

BCNET Financial Overview

The BCNET Advanced Network continues to expand, enabling more of our members to access a full range of BCNET services. This is reflected in a year-over-year increase in service revenues of 30 per cent to $10 million. The most significant increases in service revenues have come from shared services ($750,000), training ($250,000) and network fees ($240,000).

Over the year, BCNET generated a small surplus of $200,000 on total revenues of $17 million, slightly ahead of budget.

The network continues to be the backbone of operations, consuming 59 per cent of our financial resources. This year, we enhanced and expanded the network by investing an additional $1.6 million in fibre and network equipment. Over time, 80 per cent of the capital investment in fibre, and 20 per cent of the investment in network equipment have been funded by grants from federal, provincial and municipal agencies. Investment in the network today totals $20 million.

BCNET relies on fees from its members to pay for the services provided. Only 20 per cent of its total revenues is derived from grants from the federal and provincial government. Most grant funding goes toward capital projects or specific, one-time operational initiatives.
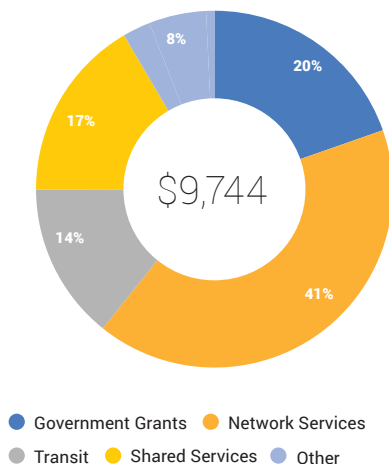
BCNET maintains a healthy balance sheet as reflected in the Statement of Financial Position, with a contingency fund of $1.15 million and operational reserves of $243,000. The balance of the reserves reflects the future amortization of unfunded tangible capital assets.

The 2017−2018 BCNET Audited Financial Statements are available at www.bc.net/news-events/financial-statements.

Summary of BCNET Financial Statements

YEARS ENDING MARCH 31, 2017 & 2018

2018 REVENUES ($000'S)

$9,744

- Government Grants 20%
- Network Services 41%
- Transit 14%
- Shared Services 17%
- Other 8%

2018 EXPENSES BY PROGRAM ($000'S)

$9,547

- Network 59%
- Transit 5%
- Shared Services 26%
- Conference 7%
- PD &Training 3%

STATEMENT OF OPERATIONS

REVENUES	2018	Budget	2017
Network Fees	4,005,335	3,982,546	3,766,419
Network Transit	1,385,419	1,382,800	1,202,219
Shared Services	1,615,140	1,727,791	861,546
Grants	1,914,334	1,516,869	1,593,103
Other	824,209	983,286	340,485
	$ 9,744,437	$ 9,593,292	$ 7,763,772

SOFTWARE PASS THROUGH SERVICES			
Revenues	6,896,143	6,512,370	6,651,279
Expenses	(6,896,143)	(6,512,370)	(6,651,279)
	$ -	$ -	$ -

EXPENSES BY OBJECT			
Staffing	3,258,595	3,256,234	2,774,529
Amortization	1,233,819	1,120,435	1,119,225
Cost of services	4,402,447	4,464,344	3,131,110
Other	652,439	637,831	649,120
	$ 9,547,300	$ 9,478,844	$ 7,673,984

SURPLUS	$ 197,137	$ 114,448	$ 89,788

STATEMENT OF FINANCIAL POSITION

	2018	2017
Financial Assets	$ 4,509,531	$ 3,018,589
Liabilities	8,167,580	6,736,803
Net Debt	$ (3,658,049)	$ (3,718,214)
Non-Financial Assets	7,496,319	7,359,347
Net Assets	$ 3,838,270	$ 3,641,133

CAPITAL INVESTMENTS ($000'S)

Legend:
- Fibre
- Network Equipment
- Other

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
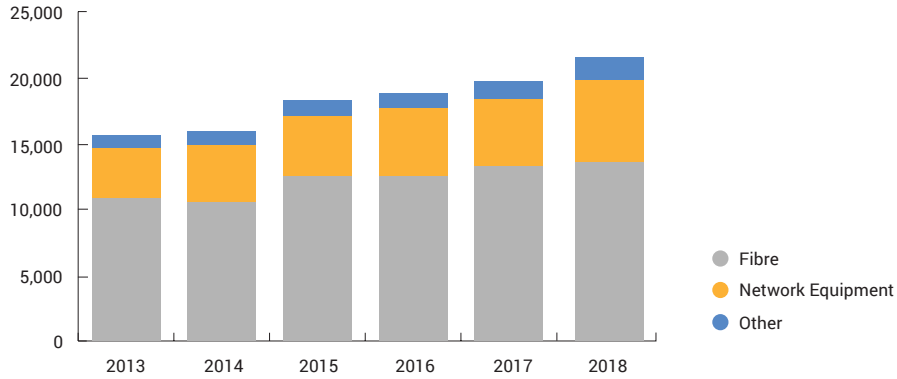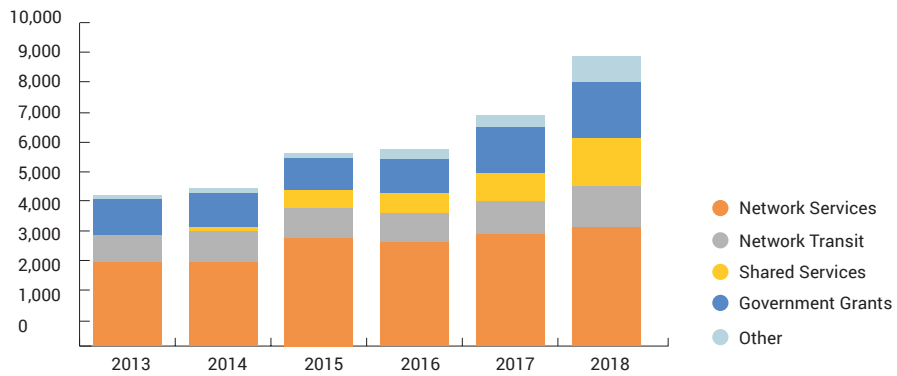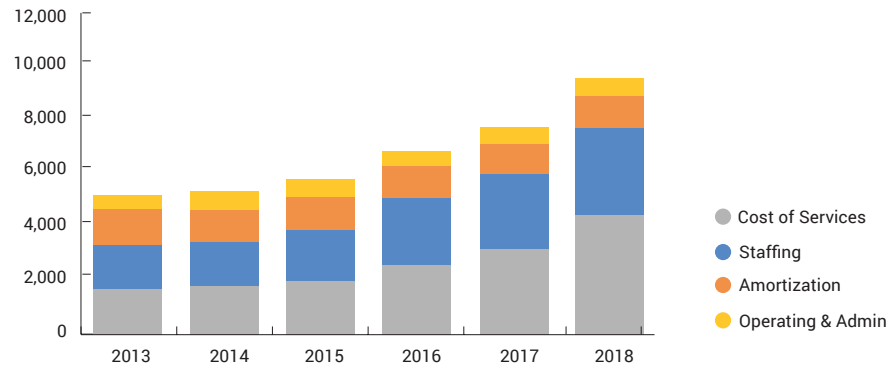
WWW.BC.NET

INFO@BC.NET

SUITE 750
BCIT DOWNTOWN CAMPUS
555 SEYMOUR STREET