

# Electronic Education Report



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Business Intelligence on Opportunities in the Educational Software Industry

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## EER Exclusive:

### Bring-Your-Own Becomes Tech Option in Schools

Bring-your-own-technology initiatives have gone from not even considered to part of some districts' early mobile efforts in less than three years, according to a new report, *Going Mobile in the PreK-12 School Market*, from Simba Information, the parent of *EER*.

A BYOT policy raises a number of challenges, but budget pressures, plus students' increasing propensity to own their own devices and to want to use them in schools, are bringing BYOT into consideration, at least as one component of districts' mobile initiatives.

This is particularly true at the high school level, where 36.4% of respondents to a survey conducted by Simba and MCH Strategic Data (Sweet Springs, Mo.)

See 'BYOT' on p. 4

### Pearson Grows as Shift to Digital Continues

Pearson's (London and New York) 2010 sales growth, operating margin improvement and strong cash flow is attributed to three dynamics: the ubiquity of digital across how Pearson creates, sells and delivers to customers; a business mix that focuses on units that connect to each other; and growth in emerging markets with favorable demographic characteristics and opportunities for scale.

In 2010, 44% of Pearson total education revenue came from digital and services, up from 30% in 2005.

Revenue at North American Education, Pearson's largest business including K-12 and higher education publishing sales, increased 4.8% at a constant exchange rate, to £2.64 billion (\$4.07 billion) in 2010.

See 'Pearson' on p. 6

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#### EER PULSE

#### Errors in State Revenue Estimates Growing in Size and Frequency

- In fiscal 2009, half the states overestimated revenues by at least 10.2%, primarily due to the increasing volatility of revenue streams.
- As a result, states had to close gaps by cutting spending, increasing taxes and fees, tapping reserves and borrowing.
- Arizona, New Hampshire, Oregon and North Carolina had revenue estimate error rates greater than 25%.

Source: *States' Revenue Estimating: Cracks in the Crystal Ball*, a report from the Pew Center on the States and The Nelson A. Rockefeller Institute of Government, March 2011

### 2011 M&A Focus Likely Will Be K-12 Technology

The education mergers and acquisitions market is still waiting for the first big deal of 2011, but when it comes it likely will be in the K-12 technology space, as bridging learning gaps and individualizing learning continue to be priorities for schools.

The 2010 education M&A year ended with News Corp.'s (New York) \$360 million acquisition of Wireless Generation and Scantron's (Eagan, Minn.) purchase of Global Scholar for \$140 million with another \$20 million contingent on Global Scholar hitting 2011 financial targets.

"Within education technology, you are going to see momentum for deals like

Since joining Capstone in April 2009 to build the company's digital business, Brekhus has built a new marketing team, a new sales force and overseen a large investment in product development.

In May 2010, Capstone Digital released its first interactive book for Apple's (Cupertino, Calif.) iPad, iPhone and iTouch platforms. Capstone Digital also offers two databases for K-3 students that include educational games, multimedia and interactive content, leveled text and tools for emerging readers; a third database is being developed. ■

### **BYOT, cont'd. from p. 1**

in conjunction with the report, say their district allows students to bring in their own mobile device for instructional purposes during the school day. At the middle school level, that figure drops to 21.8% and at the K-5 level to just 6.1%.

According to interviews conducted for the report, the types of devices students bring in vary. Many at the lower grades bring in iPod Touches, while the higher grades are dominated by cell phones. Some districts have found a large number of students bring in laptops, while tablets or slates are not yet available widely at home. Some students bring in gaming devices.

#### **BYOT Implementation Case Studies in Report**

Forsyth County (Ga.) Schools started its bring-your-own-technology mobile program in the middle of the 2009-2010 school year. All of its schools were fully Wi-Fi networked already, but it provided targeted professional development and actively worked on the program with seven schools and 40 teachers, including a few each at the elementary, middle and high school levels.

The district then shared what it learned from that program with the rest of the teachers, and "it has taken off like wildfire," said Jill Hobson, director of instructional technology. Forsyth County currently has 20 schools officially on the list as participating in the program at some level, as well as many other schools that seem to be doing it on their own.

Students are bringing in a wide range of devices. The trend is away from laptops and toward smaller handhelds with Internet and voice capability and app sets.

One unexpected result, in addition to the quick pace of adoption, is that behavior has not been an issue in high schools and, in fact, has improved. Now that cell phones are accessible to students any time and they don't have to hide them, the number of infractions requiring disciplinary action has gone from 195 two years ago, before the BYOT policy, to just four this year.

The Dysart (Ga.) Unified School District did not buy devices, apps or curriculum; instead, primarily due to diminished capital resources that do not allow it to maintain or replenish its technology, Dysart's mobile technology initiative involved opening up public Wi-Fi and letting students and teachers bring in their own devices with their own apps.

"We realized that the technology exists in the pockets of the kids," said Quinn Kellis, assistant superintendent. Since the board had prohibited all cell phones, the first step was to change the policy to allow and encourage students to bring that technology in for instructional purposes. The district currently is developing a plan for how to integrate the student's devices into the classroom. ■

*An expanded analysis of mobile technology implementation in K-12 schools—including the penetration of mobile computing and the most popular uses of it—is available in Going Mobile in the PreK-12 School Market from Simba Information. For more information or to purchase the report, call 888-297-4622 or e-mail [customerservice@simbainformation.com](mailto:customerservice@simbainformation.com).*

### **Learning.com Partners with Discovery**

Learning.com (Portland, Ore.) in February made Discovery Education (Silver Spring, Md.) digital services compatible with its Sky digital learning environment, which was launched in April 2010 with the goal of helping teachers bring web-based learning into their classrooms in an easy, efficient manner.

Learning.com's vice president of products and services Paul Herman told *EER* that Learning.com forged its relationship with Discovery because many Sky members said they were using Discovery resources, which are available in more than half of U.S. schools, every day. Learning.com and Discovery users now can access Discovery's content, including streaming Plus and Discovery Education

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