INTRODUCTION

One of the key drivers in the education marketplace is technology as a platform to deliver curriculum and learning tools to students of all ages. Over the last couple of years EDmarket has been meeting with publishers, venture capitalists, distributors, academics and consultants to understand what some of the major challenges are for the publishers and developers of EDtech products. Time after time we heard that there are thousands of great ideas and new products being developed, funded and designed, but there is not a clear understanding of how to profitably take these products to market and get them in the hands of the students and teachers who can benefit from these innovations. With this study, our goal is to help companies better understand the shifting nature of the K-12 market for EDtech products and to understand their place in this complex marketplace.

Thank you to all the industry experts who gave their valuable time and shared their knowledge with the research team of Leslie Stebbins, Director for Research at Consulting Services for Education (CS4Ed) and Bryce Bancroft, a graduate student at the Harvard University Graduate School of Education. Leslie and Bryce spent countless hours researching, interviewing and analyzing the comments and data to provide the best understanding of this dynamic K-12 EDtech marketplace. We would also like to thank Angela Nelson of Stages Learning Materials for providing strategic guidance and support for this project.

We invite you to be part of the conversation about the future of EDtech distribution by joining other organizations that want to succeed in the educational products marketplace. Find out more about the Education Market Association and how we can help you at www.EDmarket.org.

Jim McGarry, President/CEO
Education Market Association

EXECUTIVE SUMMARY

In the fall of 2016 the Education Market Association (EDmarket) commissioned a study to explore successful EDtech sales distribution strategies in the K-12 space. Twenty EDtech leaders were interviewed using a flexible survey instrument.[1]

We heard agreement among EDtech leaders interviewed that there is significant confusion about how to get EDtech products into schools. The EDtech market, valued at more than $8 billion,[2] has always been a challenging space to enter, and as products shift from physical to digital new channels have emerged and established channels are evolving. The purpose of this report is to understand the different strategies being used and to identify potential new channels in order to assist companies in succeeding in this space.

Key Findings:

- 100% of EDtech Leaders interviewed stated that using a direct model is ideal and 85% said that sales were ultimately about relationships with decision makers. Field and inside reps, telemarketing, and webinars as well as newer strategies such as strong company websites are key components of a direct strategy.
- Direct sales are time consuming and expensive for companies to set up. Using a combination of indirect channels and then transitioning over to direct is a recommended strategy.
- Indirect sales models are undergoing change: established models such as resellers, distributors, and independent reps are evolving and new models are emerging that include working with partners. Of note is the rising role of demand side partners including:
    - » Educational Service Agencies (ESAs)
    - » Short Term Trial Innovation Hubs (i-Hubs)
    - » Vendor Marketplaces
    - » Review Platforms.

A majority of EDtech leaders interviewed referenced the following themes:

- Schools are voicing dissatisfaction with single comprehensive curriculum packages from large publishers and they want the ability to pick and choose curriculum and tools that work best in specific areas.
- 90% of EDtech leaders interviewed referenced the lack of a Single Sign-On—simple access in one place to all technology products a school is using—as a huge pain point for schools.

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1 The list of EDtech leaders interviewed and the survey instrument are in appendix A and B respectively.

2 Richards, J. & Stebbins, L. (2014). 2014 U.S. Education Technology Industry Market: PreK-12. Washington, D.C.: Software & Information Industry Association.

- While selling used to be based on long-term personal relationships, decision-makers in education today change jobs more frequently, and the process of issuing RFPs and the necessity of transparent, evidenced-based decision-making requires more focus on instructional outcomes and less on relationships to drive sales, though relationships continue to play a key role.
- Enthusiasm for Open Educational Resources (OER) is increasing for teachers, principals, and district leaders, but quality OER needs to be curated so that schools are not overwhelmed with choices.