

Education Industry Overview



Every cause has an effect. What happened to education during the Covid years sparked new growth in the EdTech market that is likely to continue for some time. In addition, the concept of education itself is undergoing a redefinition as it moves away from strictly being an on-site, in-person, campus-driven endeavor.

At a high level, there are three primary constituencies for EdTech:

- K-12 students
- The post-secondary education market
- The corporate influence & lifelong learning

The K-12 group is the largest by numbers, but it is also the least likely to change in terms of content delivery. In this application, EdTech will more likely be a supporting cast member rather than a principal actor. Technology has a more significant role in traditional universities as they face pressure to provide degree programs that translate into the post-graduation marketplace. Finally, people already in careers utilize learning options to stay relevant in their current fields or re-skill for something new.



Did you know

- Global EdTech is a **\$125 billion** market
- The industry will grow by **13%** annually through **2030**
- Workforce learning is nearly **50%** of the industry

The most investment capital is flowing into startups that provide workforce skills development. There are more than 1,400 such companies in the US alone; India is next on the list with nearly 400. A good indicator that an industry has caught the eye of the investor class is when an article lists not the top ten or top 20 businesses to watch, but the top 115.



Trends to watch

No matter the setting, a key issue in delivering instructional material is engaging students so that what is taught stands a better chance of being retained. To that end, gamification is a means of motivating students and encouraging their participation by adding an element of fun to what can be dry material. Other issues impacting the industry include:

- **Hybrid delivery & personalization:** these are grouped as complementary means of curriculum delivery. Whether in-person or online, consumers of any product – and education is a product – want experiences that consider their strengths, skills, and interests. Historically, the K-12 system has not worked this way, and neither has higher education. The former is being challenged by homeschooling, and the latter is now competing with scores of online colleges. The hybrid approach allows for some personalization when students work independently, with the classroom reinforcing lessons and promoting broader discussion.

The school-to-work continuum: the value of degrees is being questioned as employers hire for skills rather than credentials, and the cost of higher education keeps spiraling upward. The whole point of education is to prepare people for whatever comes next in their lives, whether it's K-12 paving the way to college, college as a path toward employment, or continuing education to stay current in one's field. As such, there must be a better connection between education and the world of work.

- **AI/VR/AR:** these are lumped together under the general heading of technology that can, if not revolutionize education, certainly change how instruction is delivered. These tools can provide more of a hands-on environment that breaks down complex subjects while appealing to people who are visual learners and increasing classroom engagement, whether in-person or online. In addition, virtual assistants can help with administrative tasks, giving teachers more time to actually teach.

STEM to STEAM and 'skilling:' it is estimated that 65% of today's children will work in jobs that do not yet exist, and many people in the workforce face the potential of being made obsolete. The STEAM approach aims to go beyond subject mastery by teaching students how to learn, how to ask questions, and how to innovate, things that are seldom part of the rote learning approach. At the other end of the spectrum is a raft of workforce learning and skills development programs to fill the demand for professional, short-term courses in response to a changing business landscape.

It is essential to see technology as a tool, not a self-contained solution. EdTech provides scalability and geographical outreach for instruction while streamlining administrative processes such as applications and admissions. New means of disseminating curricula are possible, but there is still a need for subject matter experts to teach the materials and an audience that is willing to pay for it. t



Potential obstacles

When technology is involved, the need for qualified people to support it is not far behind. At an institutional level, companies like ours are your partner in continuity, preventing service disruptions and efficiently resolving the issues that occur. More vexing are issues at the individual level – a student whose device is not cooperating or a teacher unfamiliar with new platforms and how they work.

There is also the issue of access itself. A study from Pew Research says that one-third of American households with school-age kids and low incomes have no broadband access. That is an obstacle for hybrid or distance learning approaches, so it's good that young people prefer in-person learning. Access is a lesser concern for organizations that have learning management systems that employees can utilize. Other industry challenges include:

- **Keeping up:** this has more to do with a course of study than any technology used to teach it. Even digital skills have a shelf life; the skills gap is real, and people no longer expect coursework to have long-lasting value. This again speaks to the connection between education and real-world application and the need for the two sides to be far more intertwined than they currently are.
- **Engagement & isolation:** distance learning can be a disaster for young students, eliminating the social time necessary for their maturation. This also applies to older people, but in a different way; too much quiet can de-motivate students, and the online classroom makes collaboration nearly impossible. This puts pressure on teachers to create a sense of community within their classrooms and implement lesson ideas that encourage participation.
- **Cost & competition:** there is no shortage of vendors of programs and tools on the market, but which are right for any individual user? For product makers, the ramp to creating a sustainable business can be challenging, and online universities are a clear challenge to academic hegemony. The upshot may be more opportunities for students and perhaps more cost-effective solutions since greater competition tends to drive down costs.
- **Perception:** this is most prevalent within higher education, where issues such as rising tuition, an uncertain job market, and the campus culture itself are raising questions about ROI. While people with post-secondary education and training tend to do better than those without it, this umbrella also includes the skilled trades, which are not part of the typical four-year uni.

One undeniable strong suit is the industry's necessity to society. Neither education itself nor EdTech is in danger of going out of style, and many of their challenges are shared, mostly being seen as providing genuine solutions to consumer and marketplace demands. So long as the link between subject matter and real-world applicability is tended to, the industry should be okay.



How we can help

Anything that involves technology, from new platforms to integrating existing systems to working in the cloud to supporting individual users, falls within our frame of expertise. The digital transformation has impacted every industry but has had the most profound impact on legacy sectors, such as insurance, energy, and education. Organizations in these businesses are deeply rooted in traditions and relationships, often working with little competition for their services. That has now changed and so have consumer expectations.

Another area where we can offer value is data analytics which provides clients with real-time insight about their customers' behavior and sentiments, budding market trends, and other information that supports business outcomes. For many businesses, data is their most valuable asset, a form of currency that guides decision-making. But using the reams of information collected begins with the ability to make sense of it, combing through the mountains of data generated to find the nuggets that matter. We do that.

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