A time to shine

Ed tech platforms are bridging a crucial gap between educators and learners amid widespread global closures that have severely disrupted brick-and-mortar providers. A surge in uptake of online education will outlast the Covid-19 pandemic, writes **James Local**, managing director at investment bank Houlihan Lokey, who foresees significant long-term wins that should accelerate growth and investment in the sector

The Covid-19 pandemic is a having far-reaching impact on how we live our lives.

Lockdowns around the world have led people to look for new ways of doing everything, from socialising and working through to learning and shopping. Almost every aspect of our lives has become digitised and we are all a captive audience for digital platforms that help us adapt to this way of living.

The way we are learning is also changing. Education is an intrinsic part of human society and, far from diminishing demand, this crisis is demonstrating the robust need for education and learning.

Alongside a remote workforce, there are now 1.6 billion academic students unable to attend school or university, according to UNESCO. This has created an unprecedented surge in the use of technology in education and the market is relying on ed tech to help it meet rising demand from a global audience.

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For some time, ed tech has been a sector full of aspiration, promise, and opportunity, yet adoption of technology in education has not kept pace with other sectors. Despite the global ubiquity of education, only 3% of spend in education is on technology, according to HolonIQ.

The change in behaviours ushered in by this period of disruption is likely to have a profound and enduring impact on ed tech, even once the pandemic recedes. The Association of School and College Leaders has already labelled this as "a wake-up call about the lack of ed tech" in schools and, in the midst of the crisis, 58% of ed tech businesses expect to see a positive long-term impact.

And while it might be overly simplistic to say that this current crisis will transform ed tech's direction of travel, there are compelling reasons to suggest we will look back on this period of disruption as an inflection point that significantly accelerated the adoption of technology in education.

This article explains why we expect to see a long-term impact from this current disruption, what that impact might be, and highlights some subsectors to keep an eye on.

What has driven adoption so far?

There are some common themes and underlying drivers that help explain the varying levels of adoption and commercial success of technology in education to date:

Addresses a real need: Must-have solutions with a clear purpose that address needs of learners, educators, and other stakeholders, such as digital safeguarding solutions rather than being just nice-to-have products that lack impact.

Right tool for the job: Where identified needs and product capabilities converge, rather than the use of tech for tech's sake. This includes the use of online learning to deliver training to a dispersed workforce in a highly regulated end market.

Improves outcomes: Solutions that demonstrate their worth by delivering measurable outcomes and ROI through high-quality and highly relevant content. Solutions may fail where learners lack engagement; there is little tangible evidence of improved outcomes if content is perceived to be generic or irrelevant. Good examples of successful models include data-driven assessment tools and adaptive content providers.

Ease of use and saves time: Successful solutions reduce the workloads of educators and administrators, require minimal adoption cost and effort, and complement rather than replace educators. Solutions that fit this category include those that help students access devices, content, and learning experience (LXP) platforms with easy to use interfaces. ▶

What can we learn from the disruption caused by the coronavirus pandemic?

Persuading decision-makers to engage with solutions: This period of disruption is acting as a shop window for many platforms that find themselves serving a broader and more receptive audience than ever before.

Exposure is not just to administrators but to all users, including educators, HR managers, learners, and parents, many of whom are finding new digital tools becoming embedded in their daily life and importantly complementing – not replacing – educators.

These users now have the time and impetus to (re)learn how to use these tools, reshaping behaviours around them and developing enduring skills.

Evidencing impact: As organisations turn to their existing platforms, they are better understanding their capabilities and limitations. Functionality that previously was unused is now being explored.

The strengths and weaknesses of large platforms like Microsoft Teams and Google Classroom are becoming more apparent and there is thus a clear opportunity for smaller, high-quality, differentiated, and joined-up players to shine.

The longer this period of disruption lasts, the more reliant users will become on this web of services, which will afford technology providers the opportunity to demonstrate their educational value and win long-term customers.

Complex decision-making processes: For those organisations in the middle of a technology roadmap, decisions have been accelerated out of necessity.

If it wasn't clear before, the must-have nature of learning technology has become a self-evident truth.

Many are finding that their current platforms are inadequate for their needs and, with daily usage, the key criteria for technology purchasing decisions is clearer than ever.

What long-term trends might accelerate?

High-performance learning platforms: Remote learning platforms are omnipresent in corporate and academic settings, but the potential of these platforms is often left untapped.

The importance of usability is well established and can be seen in the steady rise in platforms building consumer-grade user experience. This has resulted in a doubling of the LXP market year-on-year, often at the expense of legacy platforms.

These platforms will be relied on by schools and employers in the coming weeks and months and used in new and more intense ways. For example, in the UK during school closures, secondary schools have adapted quickly with over 80% of work set via an online platform. However, 45% of work set in primary schools is still by physical worksheet and it is only in the private sector that more advanced technology, such as online chatting or live video, is being used. This adaptation will test the effectiveness of these platforms and those that create high levels of engagement, are well integrated and deliver demonstrable learning outcomes stand to benefit.

Lifelong and professional learning: Online training that is required for regulation, employment, or career enhancement is well established. With most of the workforce unable to attend face-to-face classes and potentially with more time on their hands, online courses are already seeing a surge in demand. The most popular online course at Yale, 'The Science of Well Being', saw more enrolments in March than in all of 2019.

Similarly, a European portal that matches students with learning courses generated more online leads during March than in any other month.

Adaptive content: Technology enables the creation of high quality, relevant, and fresh digital content at scale. The use of this content online and for homework has become well established, but providers of proprietary content are now seeing significant surges in demand as teachers look for ways to continue delivering learning remotely.

Learning as a retention tool: There has been an emergence in the role of learning as a tool for employee retention and engagement. Aside from upskilling, corporate learning opportunities are expected by employees, 93% of whom would stay at a company longer if it invested in their careers, according to LinkedIn Learning. No longer just the preserve of L&D teams, this crisis may mark the point at which online learning becomes a key concern of HR teams as a reward and retention tool at a time when so many employees are away from their places of work.

Online tutoring and mentoring: Tutoring has surged in popularity in the K12 market, driven largely by parents who have looked to supplement state-funded schooling without the full cost of private education. Business-to-business platforms are also working effectively with tutors to provide rapid and robust skill acquisition in areas such as language learning. Effective online tutoring platforms that connect tutors and students in virtual classrooms are already in use and many will come to rely on them in this crisis. India's Byju's has reported a 60% increase in new students, while one UK-based provider delivered more online classes in March than in all of 2019.

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Promoting Digital Safety: From contact tracing to Zoom bombing, the digitisation of our lives has brought high-profile privacy and security concerns to the fore. Safeguarding policies for schools and universities are mandated in many countries and online platforms have grown as more schools enabled bring your own device and 1:1 programmes. The platforms that provide these services will increase in prevalence as we rely on them to keep our digital lives safe, in and out of the classroom.

Cloud migration: Despite state and government encouragement, such as the UK's 'Cloud First' policy, many organisations haven't fully embraced cloud or software as a service (SaaS) platforms, and, therefore, do not benefit from a lower cost base and improved agility. Many legacy solutions performing adequately and the disruption of implementation has created inertia. Before Covid-19, cloud services in the K12 sector were expected to grow at approximately 30% annually and the clear service continuity and accessibility benefits will likely spur many customers to spec SaaS and cloud solutions in the future.

It is clear that the disruption caused by Covid-19 is having a dramatic effect on how we live our lives.

Technology in education is stepping up to help meet the ongoing demand from a world of learners in new ways and the longer the disruption goes on, the more behaviours will be normalised.

In time, the short-term surge will dissipate, the overwhelming reliance on these services will be reduced, and services that are currently free will be charged for. However, the role of technology in education will be clear to a global audience and many of the established and emerging trends will have accelerated. ■