Teaching Without Classrooms: Education Investing In a COVID-19 World

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Despite significant gains in online, or distance, learning over the last ten years, COVID-19 has enormously and irrevocably altered the education landscape in 2020. Technology adoption in primary and secondary schools, widely viewed as consistently trailing higher education institutions by five to ten years, has been forced to leap forward with almost no warning.

As recently as the first week of March, schools in the United States were operating normally, and COVID-19 was still largely a China-centric phenomenon. Then a small outbreak in the Seattle area became significant and immediately life-threatening. When news broke that a Rice University researcher returned to the U.S. carrying coronavirus after a tourist trip to the Nile in Egypt, Rice canceled classes to deter the spread of the virus. Literally within days, domino after domino began to fall as universities extended spring breaks and then quickly elected to move classes online the rest of the semester. The same scenario played out across Europe and South America.

It did not take long for that same ripple effect to roll through primary and secondary school systems as well. State and federal governments across the globe were soon requiring schools to close in an effort to halt the potentially exponential growth in new cases of coronavirus. As a result, schools, school districts and higher education institutions suddenly had to adopt online education for their entire student populations.

RAPID TRANSITION TO VIRTUAL CLASSROOMS

Because many colleges and universities have provided online programs for several years, they were in a much better position to quickly shift their classrooms to a virtual setting. Purpose-built technologies from leading providers, including Echo360 and Panopto, are already "battle-tested" and ready for wider deployment. Similarly, enterprise-level learning management systems from Instructure, Blackboard and D2L promised that their solutions were ready to facilitate fully online instruction. Given their history with online programs, many higher ed institutions at least knew what tools they needed and, in most cases, already had relationships with those vendors.

Primary and secondary schools, on the other hand, are being forced to make snap decisions on technology purchases simply to keep students from going multiple weeks without instruction. Some of these makeshift solutions (e.g., Zoom, Skype, etc.) may help schools get by for a short period, but most were not built to serve as true virtual classrooms. Schools and educators should be commended for doing their best under unprecedented circumstances, but many of the tools being utilized today will inevitably be replaced by more powerful, tailored solutions in the weeks and months ahead.

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NEED FOR SECURE ONLINE SOLUTIONS

Providers that are positioned to provide solutions to the problems schools have now and in the future will experience a dramatic acceleration of growth. Despite dealing with capacity constraints of their own, remote proctoring solutions (e.g., ProctorU, Examity) have already grown quickly because of the increased number oof the dramatic increase in the number of courses being delivered online.. Now, those providers are experiencing demand they could never have foreseen.

Secure remote assessment providers, such as ExamSoft and PSI, will also be critical in ensuring the validity of end-of-term exams and other mission-critical assessments. This will be true not only for colleges and universities, but increasingly for professional exams and certifications. It will also be true at the secondary school level where seniors are not likely to set foot in a classroom again prior to graduating and younger students are preparing for high-stakes assessments that will substantially contribute to college applications this fall. We have already seen the difficulty schools and assessment providers face as they wrestle with moving to pass / fail grading or potentially eliminating standardized assessments from application requirements.

COVID-19 will fully tip the scales toward online delivery of high-stakes assessments. The ACT has been preparing for online delivery—the first optional online exam dates are currently set for the fall of this year—but with the March and April, and potentially May, dates being canceled globally, ACT will likely be forced to accelerate plans to deliver an online solution now. The College Board, publisher of the SAT college readiness assessment, faces a similar situation. Incorporating tools like remote proctoring and remote exam delivery systems may be the key to enabling that acceleration, particularly in a world where everyone is being asked, if not required, to socially distance.

EDTECH WILL LEAD NEW INDUSTRY INVESTMENT AND M&A

Much like online instruction and assessment solutions, cloud-based tools that function well in a world where virtually everyone is working from home to maintain social distance are poised to perform well in the weeks and months ahead. While school systems will rely heavily on core systems (SIS, LMS, ERP, etc.) through the crisis, they will also need to adopt new technologies. Tools that can help schools better communicate with their constituents, that create safe learning environments when students return to school, and that establish additional flexibility for teachers and students to interact will gain substantial momentum in the near term.

We are learning more about COVID-19 seemingly by the hour. At the same time, students everywhere are, by necessity, learning how to learn with instruction delivered via technology. Thankfully, the tools exist to keep schools operating and students learning. Savvy education investors will identify providers of those tools and partner with them to not only deliver effective education solutions but also to build more successful companies. Successful operators will ultimately be able to also grow through acquisition, offering a broader suite of solutions, improving student outcomes and creating more efficiencies in the back office. In the wake of COVID-19, EdTech investors will continue to turn to M&A to grow their offerings and develop innovative solutions.

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