



Written by [Sam Blumenfeld](#) on April 28, 2015

## Hi-Tech Entrepreneurs Seek Golden Opportunities in Education

You may never have heard of such hi-tech start-ups as Pluralsight, Learn Capital, GSV Capital, Degreed, Smarterer, and Jefferson Education Accelerator. These are some of the new companies started by hi-tech entrepreneurs interested in finding money-making opportunities in America's large and chaotic education system.



The schools may not be performing well, but that's not because there's a lack of money.

The top executives of these innovative companies recently met in Scottsdale, Arizona, at the annual ASU-GSV summit conference put on by Arizona State University and GSV Capital to get a slice of the education pie. According to the *New York Times* about 270 companies made presentations, each represented by its chief executives or founder. "It's a place where it's all senior people," said Deborah Quazzo, one of the organizers of the conference. "So conversations can occur at a high level."

The conference has become the place for investors and companies on the lookout for the next big thing in education technology. This year it drew McGraw-Hill, Pearson, Google, Microsoft, and the New Schools Venture Fund, to name a few.

Pluralsight specializes in onsite skills training. Its website notes that its courses "are authored by an elite group of tech and creative professionals, innovators and leaders."

[Degreed](#)'s mission is to "jailbreak the degree" and give learners a new form of academic credentialing. The startup recently came into a \$100K grant from the Gates and MacArthur Foundations after winning the "Digital Media and Learning Competition." Degreed doesn't want to compete with Stanford and other universities; it wants to be a complementary service where you can detail your experience in formal education (whether you have a diploma or you're a dropout), along with the other learning activities you've participated in along the way.

Smarterer uses experts and crowd-sourced questions to quickly — in as few as 10 questions and 120 seconds — tell you how your talent stacks up against your peers. It allows businesses to build custom tests to improve hiring, support learning discovery, and inform workforce planning. As one might suspect, Pluralsight has already swallowed up Smarterer. In the future, you'll be able to test your skills and then receive personalized course recommendations to help you further grow in your career. By acquiring Smarterer, says Pluralsight CEO Aaron Skonnard, "we're changing the way you learn by helping you bridge the gap between the skills you have and the skills you need."

Major sponsors of the conference included the Walton Family Foundation and the Bill & Melinda Gates Foundation, which underscored the high political stakes involved in education and the benefits these big-money businesses hope to accrue by their involvement in this huge economic sector of American life. The Gates Foundation is a major funder of the Common Core Standards initiative.

The *New York Times* reported:



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Arne Duncan, the United States secretary of education, for instance, made an appearance here in which he advocated data-driven technologies known for “personalized learning” — websites and apps that can display different math problems and reading assignments to individual students, based on their particular abilities.

The hope is that such individually tailored products will improve students’ learning, grades, test scores, graduation rates and, ultimately, employment prospects. “We must make learning more personalized,” Mr. Duncan said.

In other words, computer technology will make it possible for the federal government to direct an individual’s education without any interference from parents or local education officials. However, none of the companies present had the capabilities of providing such personalized education. Indeed, one study done by Kaplan, the test preparation company, found that showing students videos, which the company had expected to be more engaging, was less effective than providing students with traditional text-based problems to solve.

The Kaplan study seems to indicate that there is a limit to the uses of the computer as a learning tool. It may be good for gathering tons of data, but it cannot substitute for a child’s own self-teaching propensities, although we have yet to see how birth-to-six education will interfere with that natural self-teaching ability. The human infant is a dynamo of self-learning, particularly of language. The government’s intention to interfere with that learning process will probably prove to be more harmful than good. But that’s par for the course. Whatever government touches in education seems to make it worse. That’s the lesson we’ve learned from pouring billions into the Elementary and Secondary Education Act since 1965. Fifty years of the ESEA program has turned American public education into a basket case. The system is wallowing in billions of dollars it doesn’t know how to use effectively.

It is this utter failure that has prompted well-meaning hi-tech entrepreneurs to see if they can invent something that will improve American education. To address the paucity of outcomes data, two groups at the conference discussed their coming efforts to study education technologies. Kaplan announced plans for an accelerator intended to identify pressing educational problems and the products that might solve them. According to the *Times*:

“Every C.E.O. will tell you their product is great and it works,” said Maia Sharpley, Kaplan’s vice president for strategy and innovation. “Well, let’s test it and pilot it and have the data to show that it works or it doesn’t.”

In September, the newly formed Jefferson Education Accelerator will join the ranks of emerging ed-tech incubators. Supported by the [Curry School of Education Foundation](#), the Jefferson Education Accelerator will be able to take advantage of its connections to faculty at the University of Virginia and other universities to provide research and mentoring services to growth-stage ed-tech companies.

Leading the charge is [founding CEO Bart Epstein](#), formerly senior vice president and general manager at Tutor.com, who describes the accelerator as the “finishing school for education companies.”

In all, the annual ASU-GSV conference has quickly become an event where investors can learn what’s new in the world of education technology and what isn’t. But, of course, there is one traditional technology they are all totally unaware of: intensive, systematic phonics. Brought back to use in every primary school in America, it would solve most of our education problems.



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