

Electronic Education Report



Simba
Information

Business Intelligence on Opportunities in the Educational Software Industry

Scholastic Separates Education Businesses

Citing educational technology as the key growth area with the greatest value creation potential in the company, Scholastic (New York) is splitting its educational publishing business into two units, effective September 1.

The new Scholastic Education, headed by current Scholastic Education president Margery Mayer, will focus on technology and core curriculum that requires extensive implementation, technical support and service, including professional development. The current educational publishing sales force will be part of this unit.

The Scholastic Classroom and Library Group, under the leadership of Scholastic Library Publishing president Greg Worrell, will focus on the supplemental business including classroom

[See 'Scholastic' on p. 5](#)

Library Video Expands Safari Montage Services

Library Video Co. (Wynnewood, Pa.) last month expanded the range of services available under its Safari Montage video-on-demand line to address schools' needs to integrate content from numerous sources, deliver multimedia to their classrooms and manage the content they create.

"Visual media is being integrated into schools' curriculum," Tim Beekman, president of Safari Video Networks, told *EER*. "It's no longer an ancillary part of instruction; it's in schools' portals, it's tied to their standards and part of their assessment."

Library Video introduced Safari Montage Selective Video Streaming, which allows schools and districts to selectively permit access to educational content from live cable television,

[See 'Library Video' on p. 7](#)

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HMLT Will Develop Next Generation of Learning Village On the Microsoft Platform

The leading educational technology publisher, Houghton Mifflin Learning Technology (Boston), and Microsoft (Redmond, Wash.), the world's largest software company, forged a strategic alliance intended to simplify delivery of educational resources last month, shortly before HMLT's parent Houghton Mifflin announced plans for a \$4 billion acquisition of Orlando, Fla.-based Harcourt (see story, p. 2).

HMLT is developing its next generation Learning Village instructional Web portal on the Microsoft.NET Framework 3.0 and will utilize the Microsoft Office SharePoint Server 2007 and the Microsoft Learning Gateway. Educators will be

BREAKING NEWS

Changes for Princeton Review

Bain Capital Ventures and Prides Capital this week agreed to make a \$60 million preferred stock investment in Princeton Review (New York), convertible into common stock at \$6 per share. Under the agreement, Princeton Review will retire its B-1 Convertible Preferred Stock.

Also, Michael Perik, former CEO of the Learning Co., became chief executive of Princeton Review, succeeding John Katzman, who will remain as executive chairman.

Source: The Princeton Review

and four times a year in high school in both English and math.

The Washoe County (Nev.) school district this summer begins using the Edusoft Assessment Management System from Riverside Publishing as its formative assessment solution under a three-year contract awarded this spring.

Washoe is the second-largest district in Nevada, and the assessment contract is worth \$2.5 million over five years—the initial three years plus options of two one-year extensions. The value is based on estimated costs of \$2.57 per pupil annually, annual operating and maintenance costs of \$90,000, and one-time implementation costs of \$97,000.

The district is switching to Edusoft after completion of a three-year contract with Educational Testing Service's (Princeton, N.J.) Pulliam data management system. Edusoft was selected in May after the district reviewed RFP submissions from DataWise (Redding, Calif.), EdMin (San Diego), Maximus (Reston, Va.), NCS Pearson (Bloomington, Minn.) and SchoolNet (New York). ETS did not submit a new bid.

The contract with Riverside includes Edusoft components, state analysis, benchmarking, teacher tools and curriculum management, as well as a full-time Riverside employee serving as a dedicated account manager, and Assess2Know item banks for reading, math and science. ■

Library Video, cont'd. from p. 1

video cameras and URLs through a common interface.

“What makes Safari Montage SVS so valuable to schools is the control,” said Beekman. In addition to ensuring that only appropriate content reaches the classroom, SVS eliminates the need for set-top boxes, which reduces costs, he said.

SVS will help schools manage their bandwidth consumption, Beekman said. Channels can be set up to stream student-produced newscasts within the school and local cable channels can be brought in without sharing bandwidth.

Library Video also introduced the Safari Montage EdCast Network, an IP-based, customizable network for educational institutions to manage, share and view digital

EER STOCKWATCH

Share Price Values for Instructional Software Publishers, June 22 - July 20, 2007
(closing prices)

	Ticker	July 20	July 6	June 22	% Chg. 6/22-7/20	% Chg. YTD
LeapFrog*	LF	\$10.01	\$10.56	\$10.29	-2.7%	5.6%
Plato Learning	TUTR	\$4.05	\$4.27	\$4.52	-10.4%	-24.7%
Renaissance Learning	RLRN	\$12.89	\$12.93	\$12.25	5.2%	-27.9%
Scientific Learning	SCIL	\$7.05	\$6.99	\$6.78	4.0%	30.3%
Siboney Corp.	SBON.OB	\$0.22	\$0.18	\$0.18	22.2%	100.0%
Average for Group		\$6.84	\$6.99	\$6.80	0.6%	-10.6%
NASDAQ Nat'l. Mkt. Composite Index		2,687.60	2,666.51	2,588.96	3.8%	10.6%

*LeapFrog is the only index company listed on the NYSE, all others listed on NASDAQ

Source: Yahoo! Finance; Simba Information

media, including video. The EdCast network will give subscribers access to digital content from museums, public libraries and educational television stations.

“This product is perfect for states that are creating and licensing content they want to deliver to schools and districts,” said Beekman. Encrypted into the content by the creator is who gets access to it, and for how long, said Beekman, who called EdCast “You Tube with video-rights management.”

Library Video launched Safari Montage Live!, a video-conferencing-on-demand tool that connects computer users via the Internet to make any classroom a teleconferencing classroom. It can be used for distance education, professional development, video conferencing and sharing guest speakers with remote locations.

Beekman said that because using the required hardware was complex, it had been a struggle to get teachers to use teleconferencing, but flash-based Montage Live! provides ease of use with educators signing on in an e-mail model. ■

People ...

- ▶ Classroom and home educational software provider **Knowledge Adventure** (Torrance, Calif.) last month named **Dan Cavalli** vice president of the school division, responsible for managing daily sales and marketing operations and strategic planning for new initiatives. Cavalli previously was vice president at **7th Wave Consulting** (Tiburon, Calif.), an education arena sales and marketing firm.
- ▶ Special education management software provider **Spectrum K-12 School Solutions** (Towson, Md.) last month named **Searetha Smith Collins**, formerly an education consultant for Promethean and president of SEA-S Consultants, vice president, education strategist. Also last month, Spectrum K-12 named former teacher and leader in statewide education associations **Jodie Butler** vice president, government relations.
- ▶ Additionally last month, the Clayton County (Ga.) school system, with 61 schools and 51,000

students, adopted Spectrum’s special education IEP management software product ENCORE!

- ▶ **CTB/McGraw-Hill** (Monterey, Calif.), the testing arm of McGraw-Hill Education, last month named **Linda McGarvey** vice president of publishing, reporting to COO **Sandor Nagy**. McGarvey, who will guide product design and content development, including a focus on technology, previously was vice president of education assessment product and services at **Harcourt Assessment** (San Antonio, Texas).

Partnerships and Acquisitions ...

- ▶ Last month, the **Nova Learning Alliance** was launched to promote 21st century skills for every child, provide professional development opportunities to support technology integration across the curriculum, and offer site-based training and workshops. Members are: Fourier Systems (New Albany, Ind.), GoKnow Learning (Ann Arbor, Mich.), MathResources (Halifax, Nova Scotia, Canada), Inspiration (Portland, Ore.), Thinkronize (Cincinnati), LearnStar (Dallas) and LanSchool (Orem, Utah).
- ▶ **Educational Testing Service** (Princeton, N.J.) expects to complete its \$435 million acquisition of **Thomson Prometric** (Baltimore) before the end of September. Under the definitive sales agreement reached earlier this month, the transaction includes \$310 million in cash and \$125 million to be paid through a promissory note due in 2014. ETS, which is Prometric’s largest customer, gains technology-based testing and assessment delivery services and expands its position in the global market. ETS plans to operate Prometric as a wholly owned for-profit subsidiary.

News Briefs ...

- ▶ Reading software publisher **Lexia Learning Systems** (Concord, Mass.) last month introduced Lexia Reading v5 with an option for delivery over the Web and a 24-hour school-to-home connection.