Association News

IVCA Article: Highlights of the IVCA Luncheon, 'How Entrepreneurs are Addressing Gaps in Education'

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CHICAGO – One of the benefits of membership in the IVCA is the opportunity to attend the many luncheons throughout the year, with timely and valuable topics set forth and discussed. Last month, the topic "How Entrepreneurs are Addressing Gaps in Education" was organized and moderated by Lon Chow of Apex Venture Partners.

The topic refers to how entrepreneurs are addressing unmet needs in today's education. Each of these entrepreneurs on the panel created businesses that offer instructional programs.

The panel included
- Neal Sales-Griffin of Starter League (software development training),
- Howard Tullman of Kendall College and Tribeca Flashpoint Academy (digital media)
- Shegan Campbell of Kids Science Labs.

In his introduction, Lon Chow emphasized what the goal of the luncheon seminar would be – "The members of the panel are looking at opportunities versus any problems in education, strictly from an entrepreneurial perspective. They saw these opportunities, and decided to build their businesses based on these opportunities." As Chow pointed out, according to a recent Forbes Magazine cover story, the education field is becoming more and more inefficient, and a new group of disrupters are looking to fix it.

The following are the highlights of the luncheon.

Lon Chow: What are the backgrounds and the origins of your schools?

Shegan Campbell: Why is it that when you look at any child from infancy to middle school, they are solving problems, but everybody thinks science sucks? It wasn't rational or logical, and so we thought it was a major problem. What kept coming up was Kid's Science Labs, and it became the idea we were most passionate about. We realized it was something we should do, because most parents are overworked and tired, but they love their kids and want them to be the smartest in the classroom. And they'll pay for that kid to have access to an opportunity to achieve that goal.

We decided to create a business that was all about teaching kids problem solving, using science from the time they're two years old. They come in once or twice a week, they take classes that we write based on their questions, so we don't have physics or chemistry, our classes are based on questions like 'why are leaves green?' and 'how does lotion work?' or 'why do I take a bath every day?' It's stuff that kids ask, and then the science follows. We adapt, do experiments and let them lead us. We're trying to open 600 centers around the world, that are neighborhood centers of excellence. We wanted to provide not only what kids

demand out of science, but what parents want them to learn.

Neal Sales-Griffin: I had a few companies as an undergraduate at Northwestern seven years ago, and worked for Sandbox Industries as an analyst and intern. My task was to come up with ideas for the tech and mobile space. I hired developers and designers to implement those ideas. And in working with those developers and designers, I began to realize how much I didn't know, and how irrelevant I was about to become. By night, I began to teach myself the stuff I was hiring these developers to do – programming, building web apps and implementing the user interface for the apps I was envisioning. I realized how hard it was, so I quit my job to teach myself these things full time. I did this for a year, using all the books, e-books, online videos – everything I could possibly learn about how digital companies get started.

After a year, I realized I still had a long way to go. And what my co-founder of the Starter League and I realized was that there should have been a place we could have gone to for these skills, and their wasn't. It wasn't in grad school, where they weren't teaching it anyway and there were no solid curriculum or resource to give us the information we needed. So we decided we needed a place to learn, and came up with the idea for the school in March of 2011. Our first class opened in October, and we created a place where the right mentorship, the right instruction and the right people who want to make their ideas real on the web, as well as have the skills that are relevant for today's entrepreneurs and today's companies. When we launched the site for the school, we thought we'd get 12 people for the program. Turns out we got 100 people to apply, at $6000 each for a three month class, and we took 30. In the past year, we've taught 400 people. It's a mix of post grad professionals, college drop outs taking a break to get real world skills, start-up founders and professionals who've convince their companies that these skills are necessary.

Howard Tullman: I'm totally confused, I'm hearing you're teaching why to take a bath every day, and I know programmers don't do that. [laughter] I know this for a fact. We started Tribeca Flashpoint Academy for the same reasons you've already heard. You can't teach technology because it changes so quickly. Teaching to solve problems, working in teams and working across the disciplines is what we were interested in. But even more important than that, we had these two populations. One were the digital kids who weren't being served by education, both economically and in getting job afterwards. Industry were also coming to us and saying they weren't getting the skills they need. The colleges were narrow silos, with tenured professors who were not upgrading their technology skills. We saw this from both sides, so we decided to start a school that was high end vocational training. We picked the fun things to do – film, music and game development. But game development in and of itself has morphed into interactive learning, and that's how everything is proceeding. Everything is going from analog to digital everything.

We basically teach motivation with the right kind of feedback, and we also get out of their way. We made up this line, and attributed it to Roy Rogers, which is 'it's so much easier to ride the horse in the direction they're headed." By getting out of their way we give them something to be excited about. The saddest thing I've heard from kids in grammar school is that school is the most boring place they go. We have to change that and make education engaging, and we can do that. We started in 2007 with 100 kids, none of whom came directly from high school. Now 45% come from high school, so that's a tremendous commentary on parents knowing what is right for their kid. We have about 600 students now, with about 95% placement in great jobs. This model can be applied to other subjects.

Chow: Shegan, since you have two customers – the parents and the kids – what kind of age groups and retention are you getting in the school?

Campbell: We've had about 2000 kids come through in the year we've been open. We usually have about 350 per week. The statistic that is interesting for us is that the first class is free, kids can come and try it out. At least half of the kids who try buy at least ten classes, and we retain 70% of those customers. That retention is not because we aggressively market parents, because we don't. The retention is because the kids love it. When you engage someone in something that they're interested in, they will want to be in that place all the time. We start that when kids are two and three years old. They're natural problem solvers. We engage them at that level, and after an hour and a half they don't want to leave. The problem with normal schools is that they try to teach knowledge, not questions like 'why do leaves fall off the tree.' With that approach, I have the kids attention.

As far as the parents, half of them come because of our reputation, and the other half comes simply because they need a break. I understand that as a parent, because that's the reality of being a professional and a parent. We're a good alternative to the kids being at home.

Tullman: I'd add that if you don't get kids before 4th, 5th or 6th grade, the drop-out rate becomes 30% before they get to high school and another 30% thereafter. This early engagement is crucial.

Chow: Howard, I read where you said how awful it was for kids in high school to search out colleges, and how much money is spent for that four-year education versus what the job prospects are when they graduate. With the line blurred between vocational training and higher education, what is the dynamic with parents and students regarding this blurred line?

Tullman: First, I'm not a fan of places like DeVry and places like that because they don't take any responsibility for the awareness of what they teach – they have a medical school and people still think they're just repairing refrigerators – and that's what people think vocational training means. We have to understand that we're the only country in the world that still believes the path to success is a four year degree. Other countries have apprenticeships, job-to-work training and other paths, with jobs that result on the other end that can't be outsourced.

Our concept is that the last two years of college is when the fun stuff starts, so we put those last two years first. And if they want to get a bachelors degree later, or parents think it might be valuable, we can do the articulation arrangements. We've had more universities come to us and ask if we could make digital media a major at their schools. We always say we could, but we tell the administrators that the facility senate would never approve it, because the professors who teach philosophy, sociology and disciplines like that realize they're going away. If you offer digital media, with the promise of jobs afterward, the soft sciences would not get any students anymore. It's a challenge for traditional schools. Parents get it more and more because the goal is to combine what you love with what you do for a living.

Chow: Neal, what has been your experience on that same subject?

Sales-Griffin: We're a little different. We don't say we can replace the education you get at a four-year institution in computer science. But we do have people going through our program because they're not getting the practical applications at the schools. What is funny, is that the motivation to build this school was that I was meeting programmers, practitioners and software designers who had no formal training, they had taught themselves. We wanted to build an educational program that facilitated that – learning by doing. We help people solve problems, and give them the skills along the way to solve them. We're giving them what they need, to keep the motivation going to learn what they need to learn.

Chow: How do you think your particular businesses will evolve?

Campbell: For Kid Science Labs, it's taking the concept beyond Chicago. Any city with 50,000 people or more can take one of our schools, because broadening the access to problem solving and science education for kids is the natural evolution for us. The second thing we're being asked about is teacher education, because in the school marketplace, teachers fail miserably in science applications. There is very little out there to teach them how to teach science to kids. We get asked to do that. We're trying to figure that out, because it's a different market, but we think we could likely do that. It would be a natural progression for us to serve that market.

Sales-Griffin: To piggyback off of that, this is one of the trends we share. On one end, we're not looking to expand, because there have been so many 3-month 'hacker school' copycats around the country. The way we distinguished ourselves was quality, with half of our 400 students from outside Chicago. So right now it's not about expansion, but Northwestern, the University of Chicago, Mayor Emanuel and the Chicago Public Schools have called. What we have learned in the last year is something potentially we can train others to teach. Teaching the teachers. We have constant demand now, so now we're developing software to augment the learning process for our current students, but also as a platform to teach the teachers. How to take what we do, and teach it in the classrooms in Chicago and beyond. That's the direction we're heading.

Tullman: What I would say, and going off of what the Forbes article says, is that there will be a global market, and the best teacher will win. We see digital media as the empowering and enabling tool to teach what Neal was talking about, to create a scale across all of the disciplines. I think most learning that will occur in the next ten years will take place outside the classroom. Kids will go on the web and find the 50 best teachers on the subject they want to learn. This issue about how do we participate in a vision that will

scale learning so that it will be available for everyone. There is no digital divide...there is not a home in Chicago that doesn't have a video game, a cable or a phone line. How do we distribute learning to places like that, and make parents responsible for it? Those are the visions for taking what we're doing and scale it in different ways.

Chow: Of all the disrupters in this new education industry, what trends or companies are you really excited about or really concerned about?

Tullman: For me, the trend that will break everything apart, is part of three great lies – everyone should own a home, everyone should go to a four-year college and third, that you can teach 30 kids in a classroom with one teacher. That's just not the way the world works. Differentiated learning, driven by technology, is how we're going to address different needs in a classroom in remedial, core and extracurricular learning. Through media and technology, we need to make education universally accessible, and the cream will rise to the top. In Japan, teachers are making millions of dollars creating five minute SAT preparations for ipods. The best are like rock stars. That tells us that the market will value education and reward education, we just need to figure out how to build the processes to make that happen.

Sales-Griffin: There is a big opportunity with online digital resources. When you are on your own at your computer, trying to learn these challenging skills, often when people get stuck they give up. It's easy to walk away. What we discovered was that a more hands-on approach was effective in getting people over those sticking points. But it's not one or the other. There will be ways in the future to enhance these hands-on experience with technology, and the other side tech will be scaled to teach more people. It will be the hybrid between the two mediums that we need to figure out.

Campbell: I would offer two things – the first is that I'm watching the trend regarding core standards that are being rolled out to schools, and I think it's crazy. As professionals, very little of your job is knowledge based. It's about solving problems. Knowledge matters, but schools are just doing that, and that's how kid's minds work. Continuing uniformity will cause resistance on many fronts, and I'm observing the chaos that will ensue. I watched Stanford in the way they've been doing things. I had distant classroom work from my dorm room in the 1990s. They've subsequently offered online classes that 150,000 people have signed on for. Not all of them make it, but the distribution mechanism of finding a great class and a great teacher and pushing it allows for access is wonderful. I think distribution in a format that's practical, that allows you to actually engage, will be hyper-disruptive on the normal system.

Tullman: When I helped to put together the 1871 tech incubator, we talked about rules. Schools are driven by rules, the idea of fact-based learning versus learning the processes is depressing. When the context of 1871 came about, rules of behavior – even if you could generate them all – will never get you anywhere because all of this stuff occurs in an instant. We predicated our school on expectations and performance, here's what you have to get done and solve the problem. How you get there is based on your approach, which is different for everyone. There is no code for everyone. Drop out rates, and that horrible social result, is a product of the schools not paying attention to what their students need.

Sales-Griffin: One of the other trends is the coding literacy movement. If you can take an idea and solve the problem with writing software, in whatever type of job you're in, that is advantageous in any industry, in all walks of life. That is very exciting trend.

QUESTIONS FROM THE ATTENDEES...

Q: In the Kid's Science Labs, how will you as a teacher provide the quality control if you expand?

Campbell: One of our biggest challenges is taking teachers into our culture, and teaching them ways to engage the child, and so we've been developing a training method for teachers that involves observing us and spending time in our classrooms. Because teaching is a hard thing to do, and it's even more difficult if you don't understand what is important. A kid wants someone who can engage them, be not afraid to make mistakes and be yourself. You can train that, much in the way you can release the potential in a leader. Our core teachers are the seeds of the organization, creating a culture of engagement with children. It is the greatest challenge we have, so we have to have a culture that reinforces itself.

Tullman: I saw someone over the weekend that said all schools of education – that teach teachers to teach – should be eliminated, to replace them with people who have domain expertise, who love and know

something. Teach them how to teach, instead of just teaching people to teach in the abstract. That sounds absolutely right.

Sales-Griffin: You all know how hard it is to find a developer for your companies. Think about how hard it is to find a developer that also knows how to teach well. That's a huge challenge, and a challenging one, if we can teach these people how to teach.

Tullman: Shegan, we could also film you and create a series of lessons that parents could play for their kids, using the inexpensive science-teaching materials you described, and that's how we could scale it as well.

Q: Since compensation for teachers is such an issue in public schools, what is the compensation models in your for-profit education centers?

Campbell: What the good teachers care about, we've found, is not so much money but the opportunity to teach without the bureaucracy slowing them down. They care not having to spend time on useless lesson plans or teaching something they know is not valuable. And every one of teachers were willing to make a financial sacrifice to teach kids using our methods, because they are also equity holders in the business. That keeps their commitment to what we do, and as we grow they will grow. I haven't had those compensation issues in our model.

Tullman: I'm at the opposite end of the spectrum. If you are running a business, like any business, there are so many other efficiencies that you can have relative to the traditional education model, that you can make up by paying the teachers a great wage. We spend a lot of our resources on teachers, because they are the reason we're in the business we're in. In any confrontation between student and facility, if it's a jump ball the student will always win. We're in the education business. Having said that, if you don't demonstrate that you value these teachers and make it clear that they are the primary participants, then we're not serving our education business.

Q: How do you do teacher evaluation?

Tullman: We have a 360 model – students, facility observation and industry outsiders evaluate the instructors – it's the most central thing we do. We do it every month.

Sales-Griffin: We have direct student feedback. Imagine in college if your professor gathered everyone around at the end of the week and asked how he was doing. As in could they had done better and what have you learned. That's what we do, in all of our classes. We keep track of the information, and adapt and improve our methods based on that feedback. It's easier now because we're smaller, and the challenge in the future will be how do we package that type of evaluation as we expand.

Campbell: Our evaluations come in three forms. First, the kids in the classroom give evaluations immediately in the way if they're happy or not when they leave for the day. The second is for the parents, with a takeaway that is constructed, and the parents can feedback if it's credible. From our standpoint, we discuss weekly with our teachers what is working in the classroom or what isn't working. We require teachers to spend time observing and assisting each other, because every teaching style is different. That way we get a cross pollination of good teaching methods.

Q: How close is your partnership with the people who are hiring your students, how do you set your curriculum based on market forces, rather than just what a school board thinks should be taught?

Tullman: From our standpoint, that was the luxury of starting from zero, and building the curriculum exactly to the industry standards. For the first three years, when we weren't accredited, we literally changed it on a quarterly basis to keep up with technology. Now that we are accredited, we have a more formalized process of doing that, but we are as industry-centric as you can ever imagine. They are partners, they do provide technology for us, even early, because they've figured out it's a good trial market. Many of our students do work-for-hire programs, to make a connection to employers and to give them a portfolio that is rock solid.