

K-12 Supplier Pulse Survey

June 2020



INVESTMENT BANKING + STRATEGY CONSULTING

About the survey

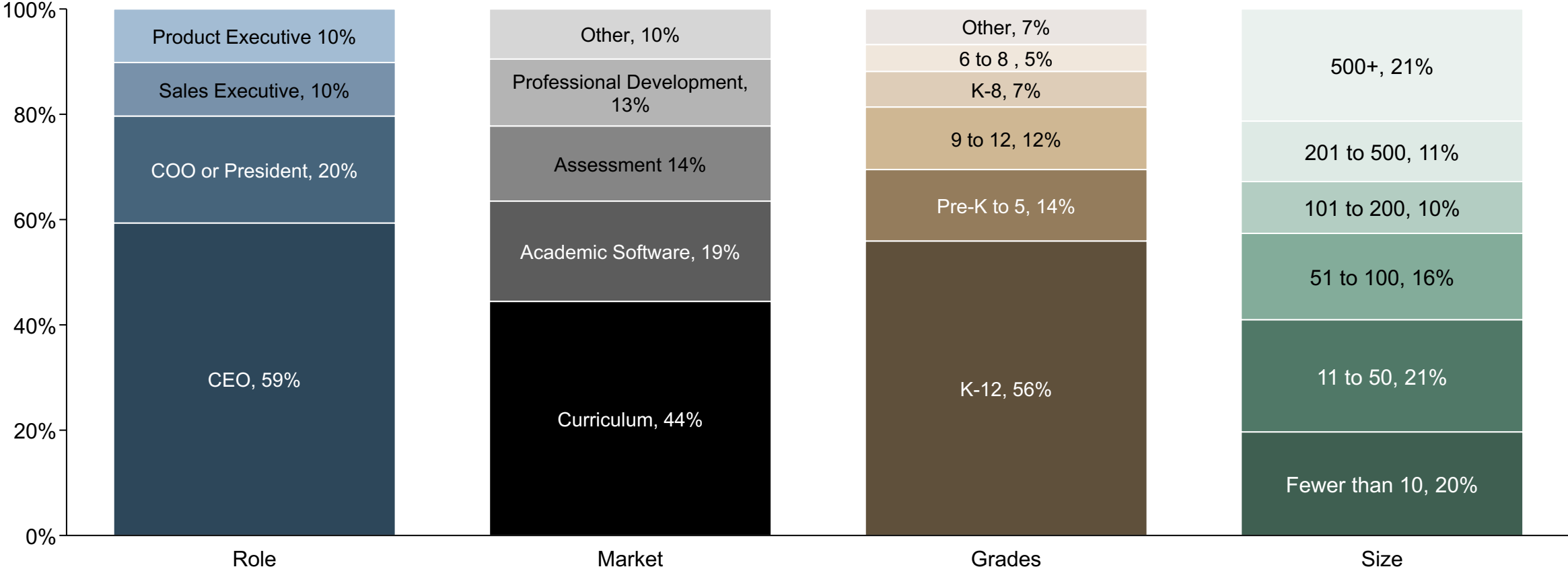
- Tyton Partners launched a short online survey to business leaders of K-12 companies in early June to better understand the ramifications of the COVID-19 crisis on their business
- Survey questions focused on several issues including, but not limited to:
 - Key challenges across strategy, operations, product development, sales, and marketing functions
 - Short- and long-term effects on revenue and product development initiatives
 - Perspective regarding the state of “back-to-school” for the 2020-21 academic year
- Respondents include more than 60 C-level executives and business leaders across curriculum, assessment, academic software, and professional development suppliers
- In appreciation for respondents’ time, Tyton Partners has made a donation to the [NAACP Legal Defense Fund](#) to support voting rights and equality for all
- If you have any questions about the data or would like to continue the conversation, please contact Managing Partner Adam Newman at anewman@tytonpartners.com

Key observations

- A majority (67%) of suppliers expect to **miss revenue targets for this year**; ~50% are likely to miss targets next year too
- In response to pressure, suppliers have prioritized **changes to their product development and go-to-market strategies**
- The **short- and long-term priorities are different** for K-12 business leaders
 - Short-term, suppliers are looking to understand evolving customer needs and close down on pipeline opportunities
 - Long-term, stabilizing the business and addressing equity gaps is key
- **Some suppliers have found unexpected benefits during the current crisis**
 - Leaders have used the challenge as an opportunity to try new and creative approaches vis-a-vis their products and services
 - Multiple respondents commented on the flexibility and resilience of their own employees during a difficult time

Survey demographics overview

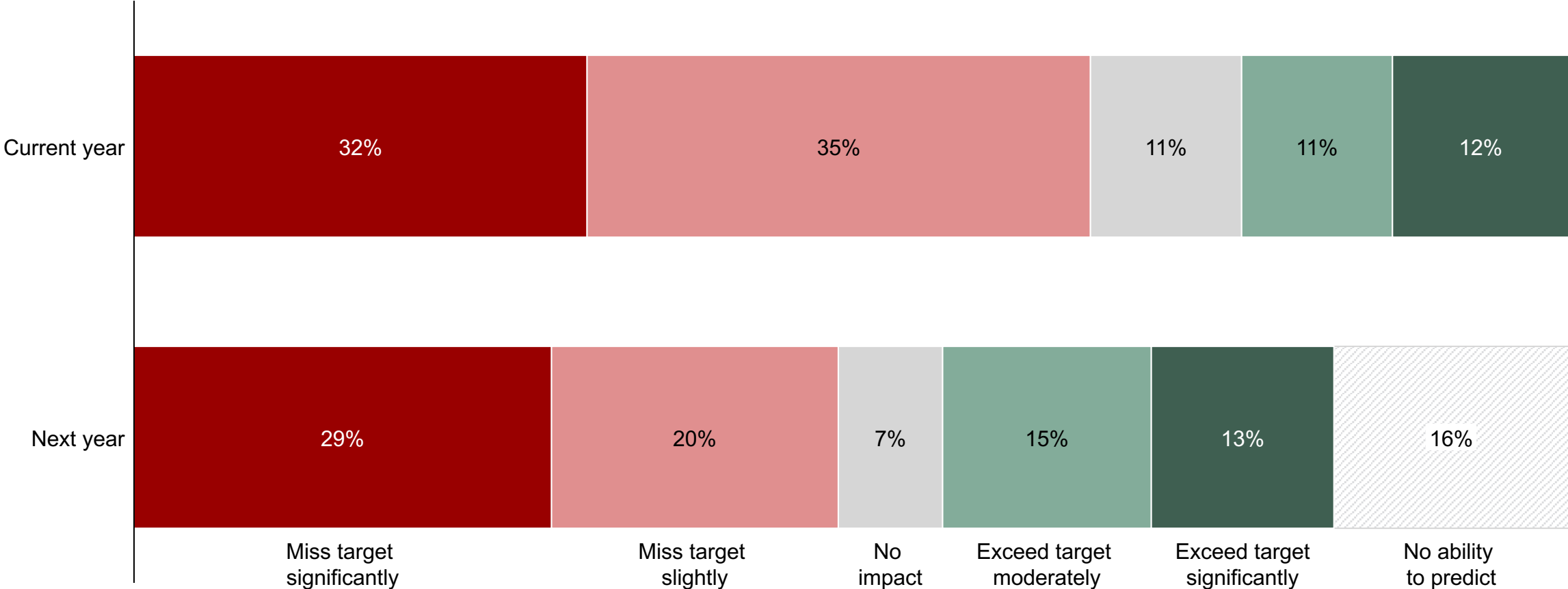
Survey Demographics*



Note: *Reflects 64 total respondents
 Source: Tyton Partners COVID-19 Supplier Survey June 2020

Among respondents, 67% expect their business to miss this year’s revenue targets; ~50% expect to miss next year, with an additional 16% not able to predict

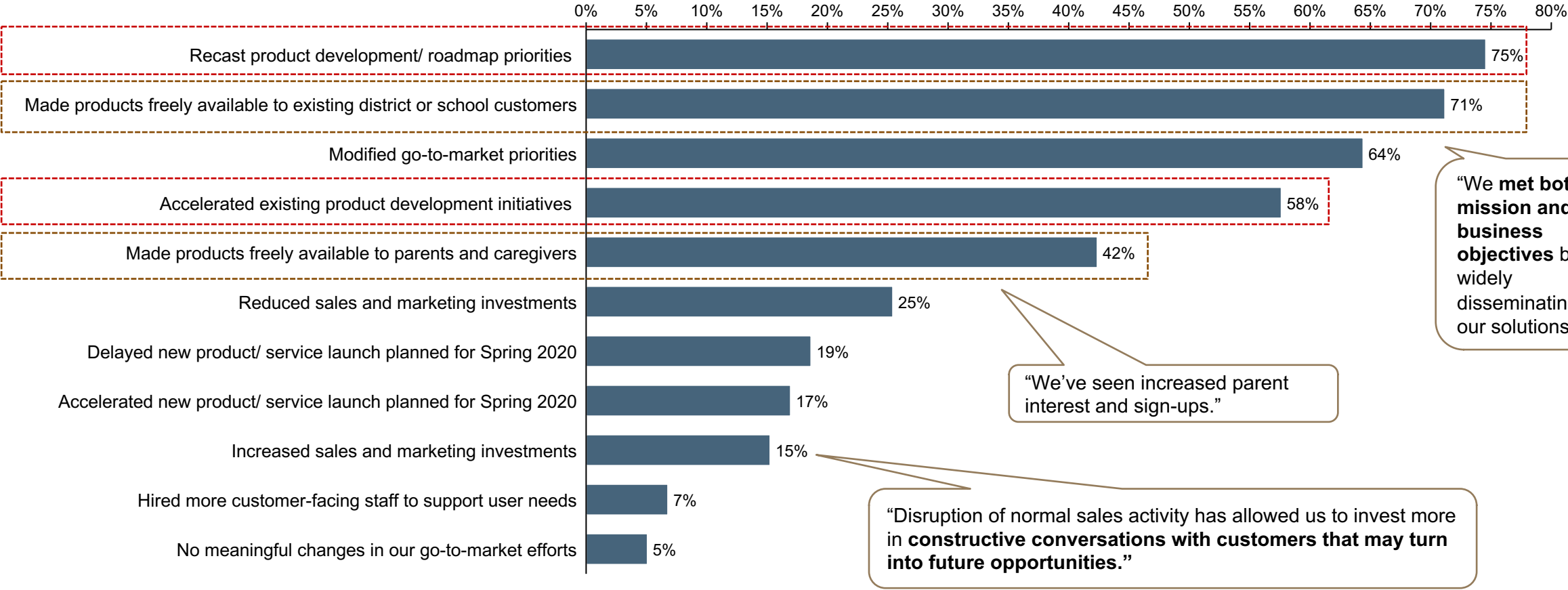
COVID-19’s impact on current and next year’s revenue



Notes: Questions: “Overall, what best describes the impact you believe the COVID-19 crisis will have on your revenues for the current fiscal year?”, n=59; “What best describes the impact you believe the COVID-19 crisis will have on your revenues for the next fiscal year?”, n=64
 Source: Tyton Partners COVID-19 Supplier Survey June 2020

Respondents highlight significant focus on product strategy and availability as a result of the crisis; 75% executives report recasting development priorities

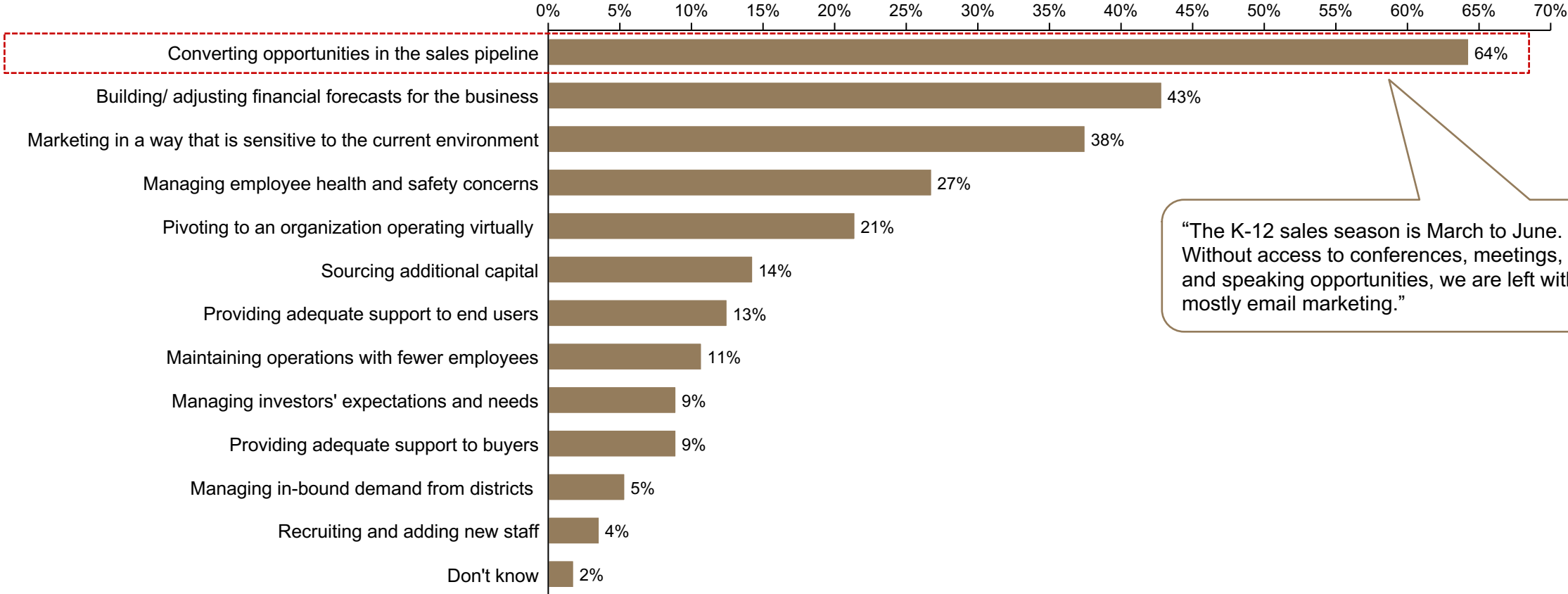
Actions pursued by organization in response to COVID-19



Note: Question: “Has your organization taken any of the following actions in response to the COVID-19 crisis? Please select all that apply.”, n=59
 Source: Tyton Partners COVID-19 Supplier Survey June 2020

Converting sales opportunities is by far executives' greatest challenge; business forecasting and marketing thoughtfully also present considerable hurdles

Greatest challenges for organizations

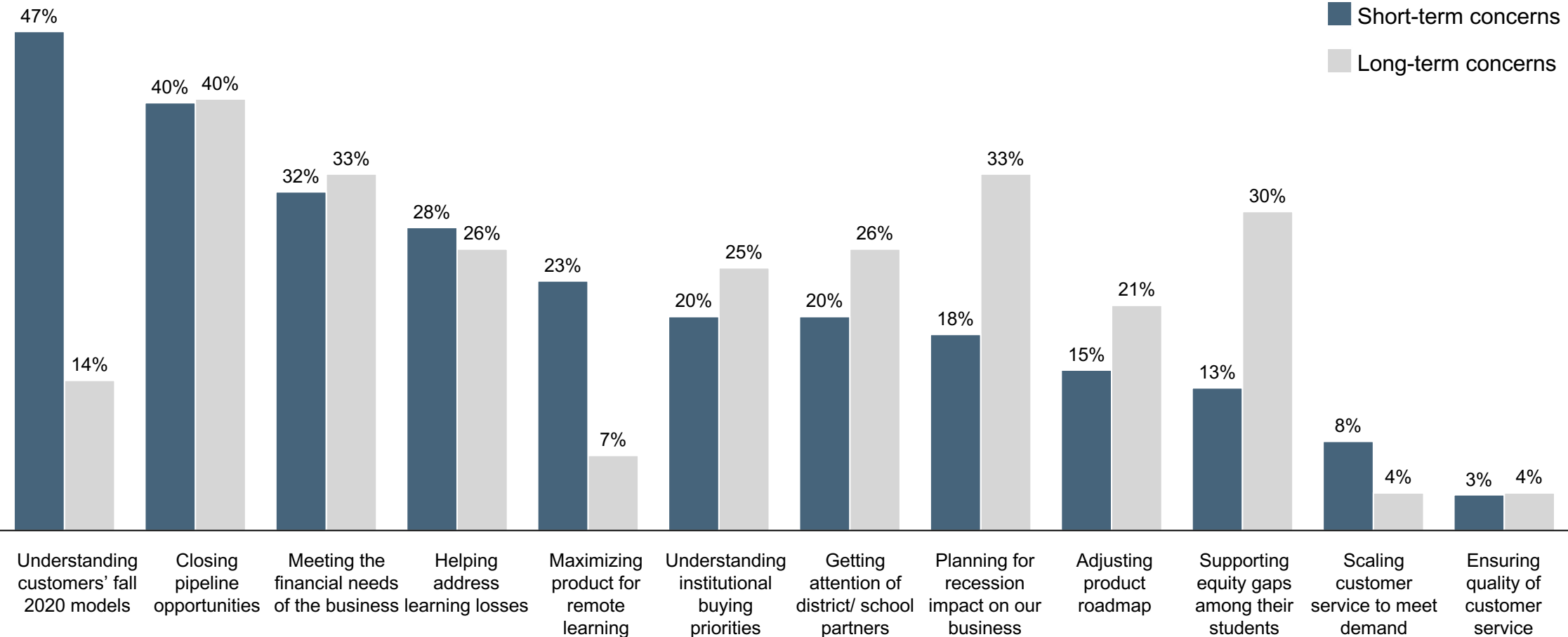


“The K-12 sales season is March to June. Without access to conferences, meetings, and speaking opportunities, we are left with mostly email marketing.”

Note: Question: “What have been the most significant challenges to your business since the COVID-19 crisis? Please select up to three.”, n=64
Source: Tyton Partners COVID-19 Supplier Survey June 2020

Short-term, suppliers look to understand evolving customer needs and close sales opportunities; long-term, stabilizing business and addressing equity gaps are key

Short-term vs. long-term supplier concerns



Note: Questions: "What are your key short-term concerns, i.e., next 2-3 months? Please select up to three.", n=64; "What are your key long-term concerns, i.e., next 6-12 months? Please select up to three.", n=64

Source: Tyton Partners COVID-19 Supplier Survey June 2020

Looking at next year, suppliers anticipate having to serve a districts employing hybrid models with significant budget limitations



Hybrid models will be the norm for K-12 schools

77% believe districts will adopt “hybrid” models, blending at-home and school-based instruction

“There's an opportunity to help support the pain of schools resuming in the fall in a blended/ rolling closure model.”

“We will potentially see dual purchases of print and digital in the fall.”



Schools will operate on seriously constrained budgets

56% predict budget cuts will require considerable shifts in district staffing and spending

“We expect a v-curve recovery...with budget pressures in the next 12-24 months.”

“We must demonstrate empathy while staying engaged with customers and prospects to keep momentum as [much] as possible.”



Suppliers will encounter different dynamics regionally

44% foresee variation by geography; 13% see state politics as a key driver

“There will be grant money from [some] states.”

“A few [states] have extra money in their budgets that they are spending.”

“Some leaders will bring their schools into a new normal and others will not.”

Note: Question: “Based on your organization’s interactions with district and school leaders, which statements best capture your current thinking on potential back-to-school scenarios?

Please select up to three.”, n=64

Source: Tyton Partners COVID-19 Supplier Survey June 2020

Suppliers also expressed a degree of optimism based on unexpected benefits, including anticipated increases in demand



Catalyst for business innovation

Many leaders have used the current crisis as an opportunity to try new and creative approaches vis-a-vis their products and services

“The crisis has accelerated plans to develop virtual delivery processes for our existing products.”

“Our clients have accelerated adoption timelines, which has given us a greater sense of urgency to meet their needs.”

“The changes we’ve made have been possible because they’ve been necessary.”



Employee flexibility and resilience

Multiple respondents commented on the surprising ease with which their workforce adjusted

“Our employees are adapting quickly and easily to working remotely.”

“Productivity has increased with everyone working from home.”

“I did not expect us to adapt so quickly and effectively.”



Improved customer engagement

Respondents report more engagement from customers as everyone strives to figure out path forward post-Covid

“We’re seeing increased dialog and partnership with our state, district and school-level customers.”

“We were able to connect with potential customers in a meaningful way at this time.”

“[COVID-19] has allowed us to have constructive conversations with customers that may turn into future opportunities.”



Increased acceptance of digital solutions

As schools and districts acclimate to remote learning, some digital skeptics are opening up

“We’ve seen faster adoption of digital learning tools by people who had been resistant.”

“Many of the objections and barriers to sales have been removed.”

“The back-to-school structures will vary, but there will be a universal demand for accessing where the students are and helping them progress remotely.”

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	Strategy Consulting	Strategy consulting built on a foundation of transactional experience and data-based market insight
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Our clients span the education ecosystem

