

## EdWeek Market Brief

Market Trends

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# CEOs From Inc. 5000 Companies Offer Tips for Mastering the K-12 Marketplace

*The 34 Education Businesses on the List Generated \$766.3 Million in Revenues in 2017*

**Michele Molnar**

Associate Editor



An analysis of companies selling to the K-12 crowd from the Inc. 5000 reveals that many of them are pitching their services directly to parents. Fewer than half of the businesses on the list—which names the fastest-growing private companies in the U.S.—sell directly to districts, but many of the biggest ones to make the list do.

Together, these 34 companies accounted for \$766.3 million in revenues in 2017—ranging from the largest, Curriculum Associates, with \$187 million in revenues, to newcomers like GoGuardian, a startup that qualified for the first time this year, and ranked #1 on the education list. The software-as-a-service provider that works to make safe and effective K-12 learning environments, has grown 4,409 percent, earning it the position of 66<sup>th</sup> fastest-growing company on the overall Inc. list.

To qualify for the Inc. 5000 this year, private companies were ranked according to their percentage revenue growth from 2014 to 2017. [See the full list of education companies focused on K-12 at the end of this story.]

Business execs whose companies made the Inc. 5000 in the K-12 education space offered advice on how organizations can push for fast but sustainable growth.

The largest category of education companies on the Inc. 5000 list provides enrichment programs outside of school, including services such as teaching children to swim, organizing soccer teams, offering music education, and providing driving instruction.

Five companies focus on test preparation and tutoring. The largest, C2 Education, had \$87.9 million in 2017 revenues and has appeared on the list seven times. It was #27 on the K-12 education segment of the list this year.

*EdWeek Market Brief* spoke with leaders of six companies—five of which work directly with K-12 schools and one that operates 23 private schools in nine states—to learn their views on fast growth and the K-12 marketplace. [Tips from Rob Waldron, CEO of Curriculum Associates, and others on the 2017 list, are here.]

## GoGuardian: 'Cash-Flow Positive' Since Day One

### Tips for Managing Fast Growth

**Take care of your employees.** “Change is very scary for some people,” said Johanna Wetmore, CEO of EvoText, a company that creates e-learning platforms for publishers, content providers, and districts.

**Be transparent.** “It’s OK to tell your employees, ‘I don’t know,’” said Wetmore, whose company was #19 on the K-12 list. “Just don’t lie to them.”

**Start with “the why.”** “Connecting to the ultimate purpose is important for unleashing individual potential not just of our students, but our people,” said Ricardo Campo, CEO of Endeavor Schools, a private school network that is #5 on the education list.

**#1 in education:** GoGuardian, a four-year-old business that started by helping schools and teachers manage Chromebooks and has moved into monitoring students' use of technology for suicide prevention and other safety initiatives, is a \$14.7 million company. Its artificial intelligence technology is used on more than 5.5 million students' computers.

"Our main goal is to make the internet the ultimate learning platform in K-12," said Advait Shinde, co-founder and CEO, in an interview. The company is experimenting with curating students' online experiences to see which ones produce the best educational outcomes.

Shinde said the focus on education is something "that inherently motivates us," and as GoGuardian's U.S. growth continues, he plans to eventually expand internationally.

GoGuardian has attracted a lot of investor interest, but Shinde said he's not interested. "We've been cash-flow positive since the inception," he said. "That's important to me philosophically. I always want to maintain control of my destiny, and not be beholden to shareholders, investors, or general market trends."

Managing fast growth has been a challenge. "The hard part is that systems that work at a particular scale, don't necessarily work when you multiply by 10 times: engineering systems, human systems, and communications internally," said Shinde, so he has developed a constant "introspective mindset" to make sure he has the people, teams, and systems that will allow the company's growth to continue.

**You can't communicate enough.** Tell employees "what you're doing, why you're doing it, and the value you're creating" for them, and your customers, said Tim Clifford, president and CEO of Frontline Education, #14 on the list and a provider of web-based human capital solutions for K-12.

**Don't let the business consume you.** If you need to bring on more employees to be able to focus on what you're good at and passionate about, add staff, advised Dave Burgess of Dave Burgess Consulting, #10, a professional development and book publishing company.

**Reward hard work above innate talent.** This idea is based on Angela Duckworth's work around grit, and it's the approach Campo believes in.

**Deliver on your promises.** The easy part is having a relevant product or service, said Lynn Hatton Hodson, the COO of InnovateEd, which ranked #12 and provides consulting and system development for school districts. Showing the work you do impacts students is the bottom line.

## Frontline Education: 'Security and Stability' After Acquisitions

**Rolling up companies:** To Tim Clifford, the president and CEO of Frontline Education, being on the Inc. 5000 signals to its district customers that there is “security and stability” in a company that has grown fast through acquisitions. In 2017, the company had revenues of \$127 million and is 14th on the K-12 list with a three-year growth of 259 percent. It also appeared on the list two years ago.

“Putting 11 companies together in three years, it’s been quite a lot of work,” said Clifford. “I would tell anybody that getting on the Inc. 5000 list just for the sake of growth is a mistake. Growth at any cost is not a good way to run a business, or to create value for your customers or a good environment for employees who want to stay on for a long time.”

When things are moving fast “you just can’t communicate enough with employees and clients,” said Clifford, whose company provides web-based human capital management solutions for the K-12 education industry, including an integrated Insights platform for an array of district employee needs.

Now, he said Frontline will focus for 2019 on building a larger professional services team to educate clients about the company’s expanded capabilities.

## Dave Burgess Consulting and InnovateEd: K-12 Consulting, Professional Development

**Educators offering advice:** Two low-tech companies that provide K-12 insights made it onto the list this year: Dave Burgess Consulting, a \$3.9 million company that publishes educators’ books and provides professional development through the authors, and InnovateEd, a \$2.7 million company that provides consulting based on districts’ willingness to undergo “whole system change” for student improvement.

Burgess, author of “Teach Like a PIRATE: Increase Student Engagement, Boost Your Creativity, and Transform Your Life as an Educator,” got into business when a publishing company approached him about writing a book based on his “teach like a pirate” workshops. The contract terms of the traditional publishing industry shocked

him, he said. "This all started for us to be able to control the message—to have creative control and control the money."

Soon, more educators approached the company looking to use its services. "The whole situation flipped for us and we're about to publish our 60th book," said Burgess. "This business is growing because we're amplifying the voices of educators who have powerful messages, and giving them an equitable and fair way to share that message."

For InnovateED, the growth has come in a company whose standard for minimum engagement with a district is three years to achieve the key goals it identifies.

"Change, from a systems perspective, does take that long," said Lynn Hatton Hodson, the chief operations officer.

One reason InnovateED has grown so much, she said, is because of a contract she and her partner landed 10 years ago with the Los Angeles Unified School District that will bring them another \$1.5 million in the 2018-19 school year.

"With schools, it takes a long time to implement something, and make it stay in the system so it doesn't leave when the people at the top of the district leave," she said.

Much of its growth can be attributed to the fact that, when some of those district leaders move on, they recommend InnovateEd to their new employers. The growth comes from delivering on promises, and "showing that the work we do really does impact kids," she said.

## Fastest-Growing Education Companies

Since 1982, Inc. magazine has compiled a list of the fastest-growing private companies in the United States, based on three-year revenue growth. This year's list includes a number of businesses that provide education-related services and products, featured below.

Source: Inc. 5000 survey

*Research assistance provided by Librarian Holly Peele.*

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See also:

- Education Companies on Inc. 5000 List Give Insider Looks at Fast Growth
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**Michele Molnar**  
Associate Editor

Michele Molnar is associate editor of *EdWeek Market Brief*. She is also a reporter who covers industry and innovation for *Education Week*. Michele began working as a contributing writer for *Education Week* in 2012, covering parents' influence on education. She joined the staff in 2013 to write about the intersection of education and business in the pre-K-12 marketplace.

✉ [mmolnar@epe.org](mailto:mmolnar@epe.org)   [@EdWeekMMolnar](https://twitter.com/EdWeekMMolnar)   [in](#) LinkedIn

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6935 Arlington Road, Bethesda MD 20814 - 1-800-346-1834