



Driving ROI

The Case for a Unified Education
Technology Platform

Research by

HOBSON & COMPANY

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Methodology

PowerSchool has partnered with Hobson & Company for this special research report highlighting examples of validated use cases where the impact of PowerSchool is not only strategic for K-12, but also measurable based on key metrics confirmed by current users of the solution. The project began with internal research with subject matter experts within PowerSchool to identify the technology's value proposition—from the inside out. The second step, which is the most important, was external research where Hobson & Company researchers interviewed actual customers who have been using the technology and can speak to their experience in a quantifiable manner—or the outside-in perspective. The goal during this step was to understand and articulate the benefits—or sources of value—seen by existing customers. Finally, researchers took the customer findings and developed an ROI or TCO analysis based on the actual customer validation and data points, which was then used to estimate the value for potential customers and confirm the value for current ones. Benefits were categorized for each product into core value areas as well as identified as delivering 1) cost savings, 2) productivity gains, and 3) incremental revenue opportunities.

Interviews were conducted in November 2016, with a sample of 23 customers from across the U.S. for this research report. Customers included principals, special education directors, IT directors, curriculum information teachers, superintendents, directors of special education, directors of assessment and accountability, data analyst and attendance officers, database managers, and directors of accountability, data and testing.

What will be covered in the research report: Research consisting of in-depth interviews with customers found that a validated education technology platform addressed specific customer challenges across schools and districts to deliver a quick and compelling ROI (Return on Investment). The following sections will be covered within this report: education and student management challenges determined through customer interviews, PowerSchool education technology platform benefits across three broad business objectives (improve school operations, increase student and parent engagement, and empower teachers and drive student growth), sample annual benefits within each business objective, and key ROI findings.

In K-12, education technology and student management are crucial components to successfully delivering on the final product—education. Without the right infrastructure and tools in place, it is a steep uphill battle to efficiently and effectively accomplish the ultimate objective of educating students. Yet this is an area that many schools and districts struggle deeply with due to outdated processes and systems in place to help support optimal student registration, robust student information management, unique needs of special education, student behavior and, finally, but perhaps most importantly, to help support classroom and student performance.

EDUCATION AND STUDENT MANAGEMENT CHALLENGES

Customers interviewed noted that there are consistent challenges throughout schools and districts. Below is a list of some of the most universal concerns.

- **Inefficient and Time-Consuming Processes**
Managing student information and their education is the cornerstone of every school yet it is mired with inefficiencies. Most schools and districts still depend heavily on manual paper-based processes, inefficient home-grown systems or a variety of disconnected point solutions that provide inconsistent support and simply do not meet their unique needs. These inefficiencies result in school administration and teachers having less time to spend directly on improving student performance.

“PowerSchool forced us to look at processes to be more efficient and exposes breakdown of processes and overlaps in responsibilities.”

ANDY SCOTT

Technology Coordinator,
Rochester City
School District, NY

“PowerSchool Learning is light years ahead of others in terms of ease of use and flexibility with full features and range of options.”

ALEX ROBERTS

Associate Director of IT,
Campbell Hall School, CA

“PowerSchool allows us to look at data in a deeper way and functions as an instructional and predictive tool, in addition to the typical reporting we do.”

JAY MCPHAIL

Assistant Superintendent of
Innovation,
Fullerton School District, CA

“For students to be successful, parents need to be involved in their education process, and the PowerSchool Learning parent portal gathers all household members into one screen, easily providing all relevant information.”

DAN MARKERT

Director of IT,
Moorhead School District, MN

“Students and parents are in tune with their academic progress because the amount of information available to them is unbelievable.”

DR. CHRIS MARCZAK

Superintendent,
Maury County Public Schools, TN

- **Lack of Data and Visibility**

Managing student registration and information in multiple locations, including paper files, can be extremely challenging—particularly for large or dispersed school districts. Visibility is expected yet can be difficult, if not impossible, to achieve with an outdated, manual, or less-than-optimal digitized system. These archaic and decentralized methods often have a negative impact on administrative staff, teachers, students and parent experiences, which can all have an adverse effect on education. In addition, without insight into what areas are struggling, school districts find themselves providing sub-optimal support to their students, teachers and staff—without achieving the desired effect.

- **Poor Student and Parent Engagement**

Successful education depends on both students and parents being involved and engaged in the process, yet teachers and school administrative staff struggle to find the time and information it takes to communicate effectively, and in an individualized manner, with each student and their parent(s). Without access to the tools they need to see individualized data and to communicate effectively, they are left to rely on outdated processes which often result in poor parent engagement. In addition, students are apathetic as they are not provided with the information they need or want to be completely in tune with their academic progress.



Customer research identified PowerSchool's education technology platform benefits across three broad objectives—**Improve School Operations**, **Increase Student and Parent Engagement**, and **Empower Teachers and Drive Student Growth**, as detailed below.



1 IMPROVE SCHOOL OPERATIONS

▶ Increase administrative productivity.

Administrative staff is increasingly frustrated with outdated and inefficient processes with both student registration and student information management, as well as with classroom management areas they interact with. PowerSchool provides efficient and intuitive technologies to support student and classroom management with highly automated and digitized processes for registration, student information (such as scheduling, health management, etc.) as well as learning assessments and special education.

Customers interviewed reported a reduction in administrative time spent on student and classroom management of **over 25%**.

"We now have 90% of students registered and data delivered to PowerSchool when school starts, compared to before where it was Christmas and some schools still didn't have everyone entered."

—Melissa Green, Director of Management Information Systems,
DeSoto County School District, MS

"Before, principals had nothing to go on other than a teacher's gut."

—Jim Yurasits, Director, Accountability, Data & Testing,
Orange County Public Schools, CA

Improve IT productivity with system and data management.

Outdated and disparate systems often make it extremely difficult for IT to manage the systems and data security effectively. PowerSchool provides a centralized architecture that allows for flexibility and customization to address data security and data access requirements by role or profile, including making only student-specific or district-wide aggregated information available to individual users. In addition, more efficient data capture enables accuracy and completion of data input. With these productivity savings, IT is able to redirect time to higher level and proactive activities.

Customers interviewed consistently experienced a reduction in IT time spent on system and data security management of **over 25%**.

"We are able to set it up and only allow the right credentials to change things in the source system."

—Andy Scott, Technology Coordinator,
Rochester City School District, NY

"By having all systems integrated together, we expect to have higher productivity and reduced implementation hours."

—Dan Markert, Director of IT,
Moorhead School District, MN

Reduce printing and mailing costs.

In an environment where every dollar counts, schools often spend an extraordinary amount of money on paper printing and mailing of various materials related to registration and education. PowerSchool allows for fully digitized registration and education processes including parent communication and online registration.

Customers interviewed experienced a reduction in printing and mailing costs of **40%**.

"We reduced our paper and printing costs by 97% which resulted in approximately \$95,700 in annual savings."

—Melissa Green, Director of Management Information Systems,
DeSoto County School District, MS





▶ Improve data quality to save time on compliance reporting and increase funding.

With disparate and inefficient systems, often reliant on human-error-prone manual data entry, data quality and access represent significant challenges. PowerSchool provides reporting that is in compliance with often-changing requirements with more complete and accurate data in time for funding deadlines.

Customers interviewed reduced time spent on reporting by **35%** and increased funding by **0.2%**.

“Before PowerSchool, it would have been a mess to go out and get these reports with data from other programs... we easily save over 90% of time running reports compared to our prior system.”

—Deb Fox, Senior Technology Consultant,
Oxford Community Schools, MI

▶ Increase special education funding.

With a heavy burden of paperwork that can affect funding, special education departments struggle to ensure completion and accuracy to ensure they are not losing out on all possible funds. PowerSchool Special Education ensures the correct services are not only being offered to all appropriate cases but also tracked and reported on in order to maximize reimbursement.

Customers interviewed felt that using PowerSchool Special Education can increase special education funds by **0.5%**.

“PowerSchool Special Education has certainly helped us pay attention to what’s important, giving us the opportunity to look at data before submitting for reimbursement for Medicaid, and helped keep track of many additional variables, including staff credentials.”

—Dr. Thomas Koepke, Director of Special Education,
Macomb Intermediate School District, MI

▶ Reduce special education audit risk.

When faced with a special education investigation or audit finding, staff find themselves struggling to find the information they need to provide and often have to spend a significant amount of time re-training the entire department in order to address those findings. PowerSchool Special Education enables a digitized and controlled process for tracking and managing each special education case according to state and federal compliance requirements.

Customers interviewed experienced a reduction in special investigations and audit findings of **75%**.

“PowerSchool Special Education (PSSE) allows us to communicate confidently with staff and provides an audit trail of access to show who accessed the documents and when. The documents and functionality within PSSE enhanced and improved our overall compliance.”

—Dr. Thomas Koepke, Director of Special Education,
Macomb Intermediate School District, MI

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INCREASE STUDENT & PARENT ENGAGEMENT

▶ Improve parent engagement.

PowerSchool provides a structured communication mechanism for parents to access their child’s real-time information on any computer or mobile device, allowing for transparency and collaboration in education. In addition, PowerSchool helps drive parent support through real-time grade and assignment updates and push notifications, with multiple languages supported in order to remove language barriers.

Customers reported a reduction in teacher time spent on parent communication of **over 20%**.

“The parent portal reframes the entire conversation during conferences, allowing parents to have a good understanding before even coming in.”

—Andy Scott, Technology Coordinator,
Rochester City School District, NY



▶ **Improve student behavior and engagement.**

In the past, there were weak tools and systems in place to impact student behavior and engagement. PowerSchool Behavior Management provides students with positive reinforcement and easily viewable 'checking and savings' accounts where they can consistently earn, track, and manage their 'positive behavior' earned credits.

Customers interviewed increased attendance by **over 0.5%** with PowerSchool Behavior Management.

"We were able to hire another teacher to alleviate classroom stress (related to headcount) with the additional funds from improved attendance."

—Dr. Adam Pugh, Superintendent,
Lafayette County School District, MS





3 EMPOWER TEACHERS & DRIVE GROWTH

► Improve teacher productivity.

Teachers often spend many more than 40 hours per week on their jobs, with much of that time spent on non-instructional tasks related to student and education management. PowerSchool provides a suite of products that digitize and automate many of those tasks with robust functionality such as seating charts, attendance, easy-to-use gradebook, curriculum creation and execution, assignment management, pre-written standards-based assessments, etc.

Customers interviewed experienced significant productivity savings for teachers across the suite of products of **well over 10%**.

“Our previous grading system was so cumbersome for teachers, but with PowerSchool SIS, they can grade and make notes right in the system from anywhere and at any time.”

—Andy Scott, Technology Coordinator,
Rochester City School District, NY

“PowerSchool Learning truly lets our teachers focus on learning and not technology... even our anti-technology teachers have seen that it saves them time.”

—Jay McPhail, Assistant Superintendent of Innovation,
Fullerton School District, CA

“Now, teachers can launch an assessment in 1 minute and have results as fast as the last kid hits submit.”

—Dr. Chris Marczak, Superintendent,
Maury County Public Schools, TN

▶ Improve student performance.

While student performance is the sole purpose of K-12, it is often one of the most challenging areas to impact. PowerSchool provides a platform for student information and education management that enables visibility into individual student performance and delivers various tools to address identified needs. Additionally, the vast time savings experienced by both administrative staff and teachers result in more time being available for direct student and parent interactions.

Customers interviewed agreed that using PowerSchool can increase funding by **0.3%** through improved student information, improved classroom learning, and improved learning assessments.

“The nice thing is the reports almost analyze the data for you so we can easily see how students are doing.”

—Christi Tilton, Curriculum Information Teacher,
Consolidated School District of New Britain, CT

“There’s no question that fidelity in teaching improves student performance.”

—Dan Markert, Director of IT,
Moorhead School District, MN

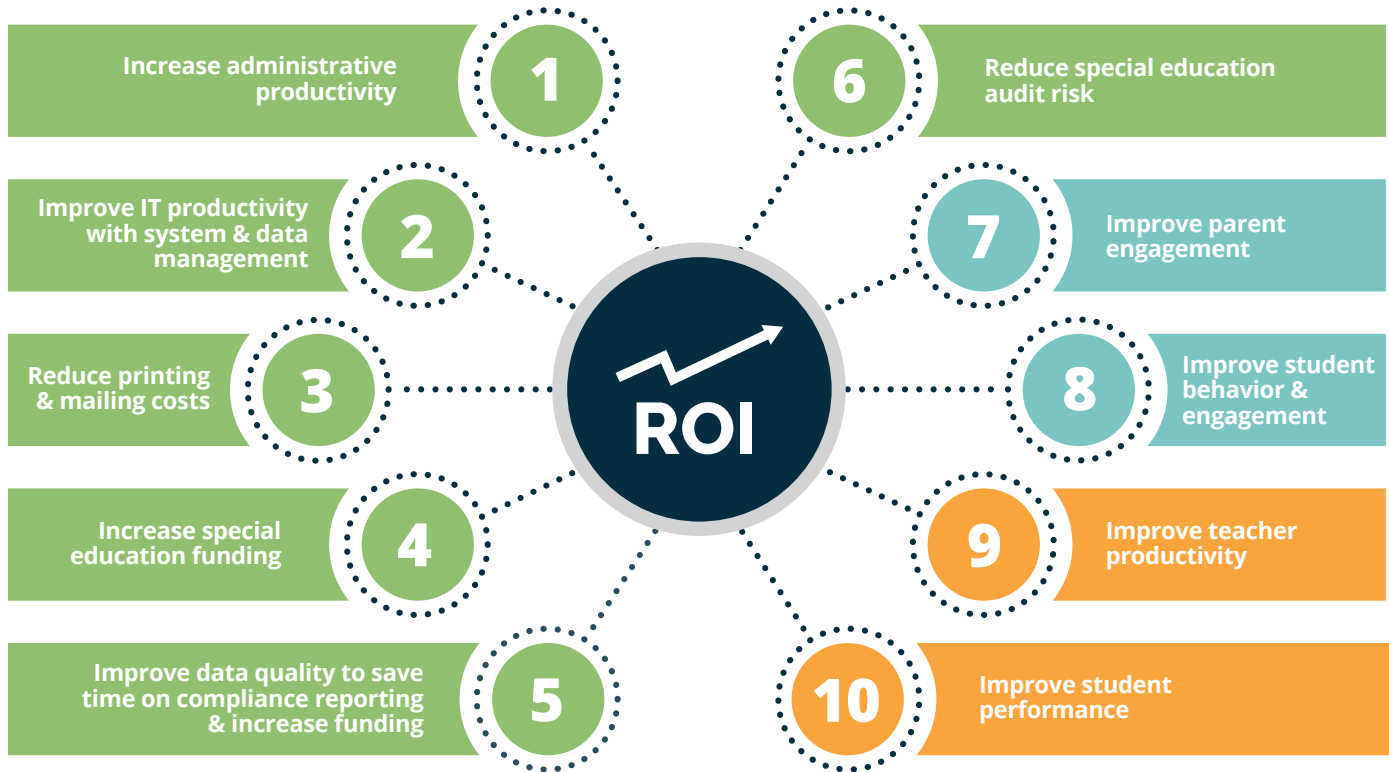
“The system allows a deeper level of personalized teaching and improvement based on each student’s strengths and weaknesses.”

—David Hinegardner, Director of Middle & Secondary Education,
Shenandoah County Public Schools, VA

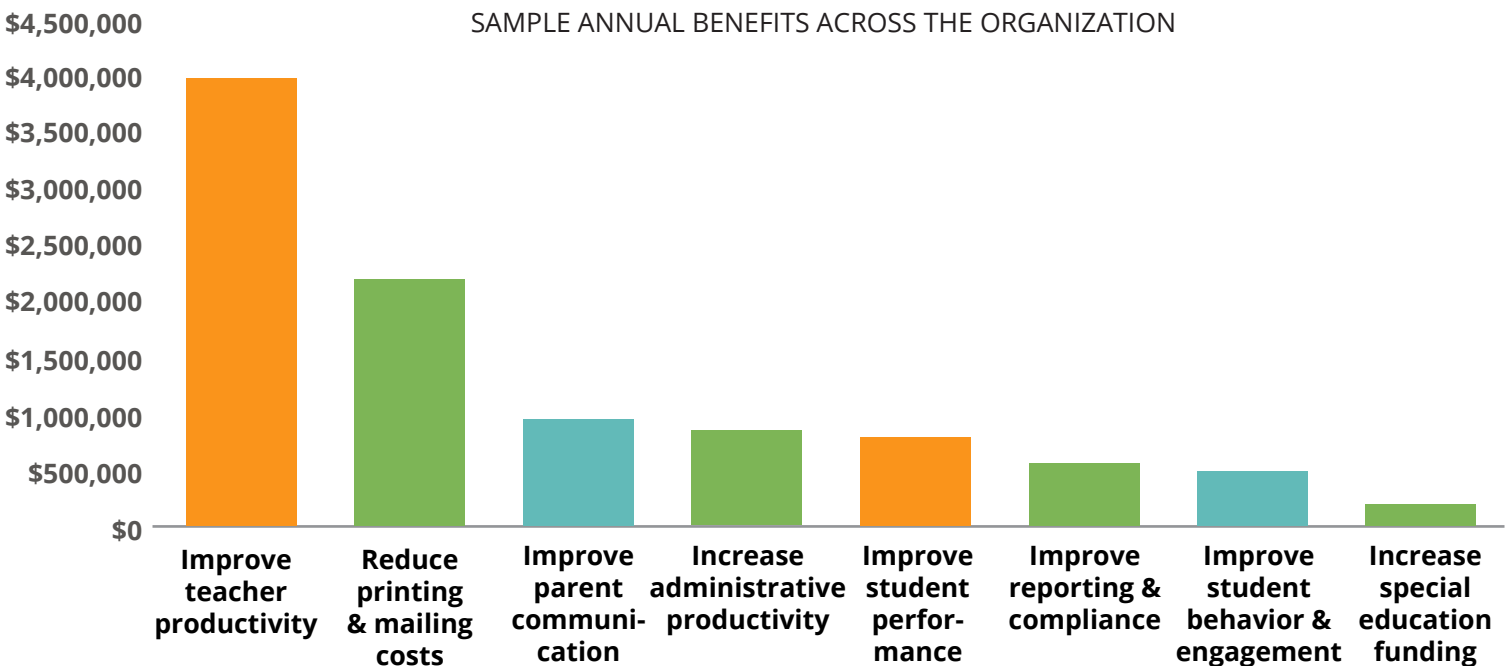


“Now, teachers can launch an assessment in 1 minute and have results as fast as the last kid hits submit.”

In summary, **10 distinct organization-wide benefits** were identified during the customer interviews for this research paper:



The graphic below provides a sample of the **potential Year 1 value** of those benefits to a school with 20,000 students:



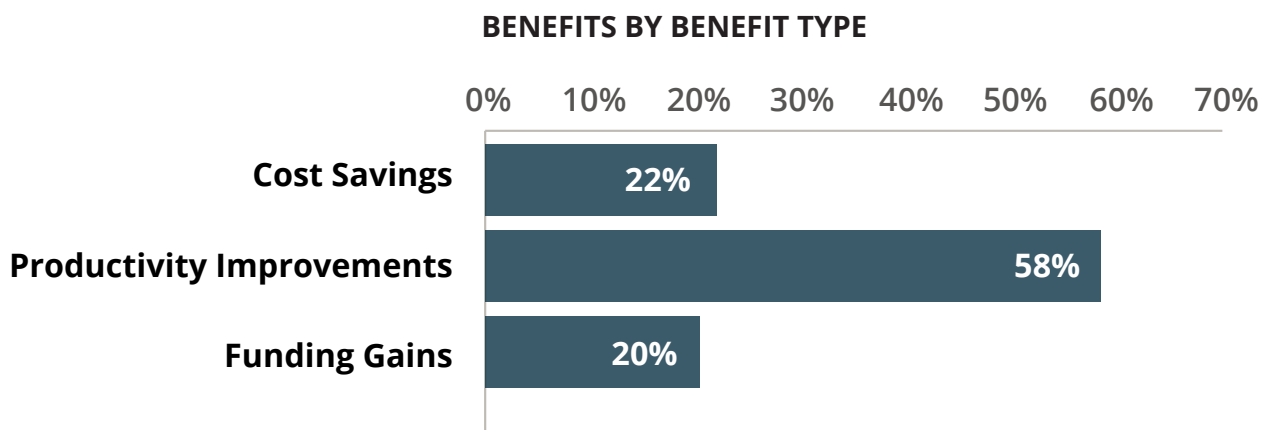
KEY ROI FINDINGS

The value of a validated student and education technology platform is immediate and demonstrable. A sample school district with 20,000 students, 1,065 teachers, a 93% Average Daily Attendance and a \$10k per-student annual funding rate can realize significant financial benefits from an investment in this validated PowerSchool solution. **For this typical organization, annual benefits can exceed \$10M.**

For this sample district, the three-year investment totaling approximately \$1.2M generates a positive return in 2.0 months. The three-year net present value (NPV) and return on investment (ROI) are strong at \$8.7M and 898%, respectively. The key financial metrics for the sample organization were calculated by standard methods and are shown below. The NPV calculation assumes a 10% cost of capital.

FINANCIAL METRICS	3-YEAR VALUE
Payback (months)	2.0 months
NPV	\$8,723,799
ROI	898%

The chart below shows how these benefits are split between cost savings and productivity improvements for the above sample organization.



About PowerSchool

PowerSchool is the leading K-12 education technology provider of solutions that improve the education experience for 100 million students, teachers, and parents in over 70 countries around the world. We provide the industry's first Unified Classroom experience, empowering teachers with best-in-class, secure, and compliant online solutions, including student information systems, learning management and classroom collaboration, assessment, analytics, behavior, and special education case management. We streamline school office and administration operations with online solutions for student registration, school choice, and finance/HR/ERP. We drive student growth through digital classroom capabilities and engage families through real-time communications across any device.

Visit <http://www.powerschool.com> to learn more.

About Hobson & Company

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well researched, yet easy-to-use ROI and TCO tools have also helped many technology companies better position and justify their unique value proposition. For more information, please visit www.hobsonco.com.