



A Utah CEO's passion for education turns into big business

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Chet Linton is passionate about teachers, and they seem to feel the same way about the training products his surging Utah company markets to schools.

At a recent press conference announcing a business/education initiative to improve education in Utah, Linton choked up during his presentation when he got to the part about teachers.

"I'm not an educator, I'm a crazy entrepreneur who gets a little passionate," said Linton, CEO of the School Improvement Network of Midvale. "We need to help them be effective."

It's that fire, plus management savvy and good strategic timing, that have propelled Linton's company to the forefront in delivering teacher professional development materials to schools around the country.

School Improvement Network's sales of professional development videos and materials have skyrocketed since 2006, when the company made the switch from DVDs to delivering the company's videos and other materials online, on-demand and over any high-speed Internet connection. Linton said schools representing almost 900,000 U.S. teachers, a bit less than a third of the nation's total, have bought subscriptions.

"Our goal was to turn the market on its ear," Linton said in an interview at the company's Midvale offices, in a remodeled bowling alley that is next door to a former Safeway that the company also occupies.

School Improvement Network's greatest asset is the 3,000 or so videos of education experts and actual classroom footage from teachers recognized for effective teaching methods. They have been gathered since the company was founded in 1991 by Linton's parents, John and Blanch, Jordan School District teachers who first named it the Video Journal of Education.

John Linton also had a background in video and film, and had done work in those mediums for the state. Motivated by frustrations with his own teaching experiences and inspired from a visit to an Oregon school, he had the idea of creating a "quality teacher series" by filming the best teachers at work in their classrooms, said Chet Linton.

With Chet Linton and his wife on board, the company launched and its videos also began to include sessions with education experts and best-selling authors, covering what teaching practices work best in the classroom.

The company's products were originally based on VHS videotapes, the dominant portable media of that time, and later DVDs. There were drawbacks, though.

Chet Linton recalls that he "would have superintendents come up to me at different meetings and say, 'I got every one of your products in my office.' Of course, I'm thinking, 'Great, how many teachers are going to go to the superintendent and [ask for] that video on how to discipline [a] classroom more effectively?'"

The key was to figure out how to reach the end customer more directly. As early as 1999, School Improvement Network has had an online presence but video streaming was slow and the quality was low. In addition, many schools were not wired for Internet access or had slow connections that made streaming impractical.

The challenge was "how do we get something on every teacher's desk, how do we change practices and help kids really improve and help teachers believe they can do it," Chet Linton said.

Fast-forward to 2006, when a confluence of events changed everything.

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At one of its meetings, the company's directors were asked to discuss whether School Improvement Network would remain what Linton calls a "lifestyle company," a small (25 to 30 employees), family-run affair like it had been since its founding.

"I got up and said, 'OK, what do we want to do?'" Linton recalls. "Do we want to build a great business or do we just want to sell this thing?"

The Lintons, including two of Chet's brothers — one a graduate of Columbia business school, the other the University of Southern California film school — decided they needed to build the business, even if they eventually sold it.

That same year, with changes in technology and in education — better streaming technology, faster speeds and such initiatives as No Child Left Behind — the company realized that it needed a more flexible product format.

By the end of 2006, School Improvement Network had used its library of videos to create its PD 360 (PD for professional development), an online service available 24 hours a day. But it also streamlined the videos and other materials so they could be flexible enough to meet different school's objectives and the needs of individual teachers. The company also included follow-up questionnaires to help teachers and administrators apply the lessons to actual classrooms.

Teachers and others say that PD 360 has made a positive difference in how they work.

Pamela Johnson, a nationally certified sixth-grade teacher at Woodrow Wilson Elementary School in South Salt Lake, said she finds the convenience of being able to watch the videos at home attractive. But she also said the content is targeted to a variety of specific areas where teachers might seek help.

"For example, if I feel my questioning is not what I want it to be to help students extend their thinking, I can go in and target that area," Johnson said. "If there is a new focus area for the district or the school that I want to brush up on or learn more about, I can go in and target."

Lynette Eichers, a Title I supervisor at the school, said it's that ability to narrow topics to small, manageable chunks that can help teachers instruct children who have individual differences that need addressing.

Questions asked of the teacher after the video ends and then more asked a day or so later help teachers focus on implementing the new techniques, she said.

The company also created a social network for educators in which they interact with each other in specific areas or on more general topics.

Robin Farnsworth, who teaches a tech-savvy class of third-graders who use iPads at Woodrow Wilson, said the social networking side has benefitted her. "It's really opened my eyes to the power of communicating and collaborating with other professionals."

Last year, the Linton brothers brought in some private capital in order to buy out their retiring parents and continue to expand.

Symmetric Capital of Waltham, Mass., saw the growth potential when it invested in School Improvement Network in 2011.

"The company is still in the early days of providing comprehensive teacher-effectiveness systems to schools throughout the U.S.," Gene Nogi, a principal at Symmetric Capital, said in an email.

He declined to say how much Symmetric had invested but said it typically puts in up to \$25 million where it sees growth potential.

With the introduction of the online materials, the company's revenues have grown rapidly.

"We've seen exponential growth every single year," said Chet Linton.

Still, the market is potentially much bigger. Linton cited studies that show that the average expenditure in the U.S. on professional development is \$4,500 per year per teacher. The goal of School Improvement Network is to provide its services for less than \$200 per teacher, with the average now from \$125 to \$150, he said.

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The company has three full-time crews that go around the country filming experts and teachers at work inside their classrooms. Overall, it has 202 employees, almost all in Utah. Since January 2011, the company has been hiring about 10 employees a month.

School Improvement Network executives believe it has the bigger market share among companies that offer somewhat similar professional development programs, Linton said. Nationally, 13,617 schools use its products.

The company recently initiated a “soft launch” of a new product, an interactive electronic book in which various media can be embedded but also around which there can be a number of conversations occurring among readers.

Without being specific, Linton said the company has plans for more products.

“We want to get to every school,” he said. ■

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School Improvement Network

- 1991: Company founded by the Lintons to offer videotapes of good teachers at work
- 1999: An early online presence takes shape
- 2006: Company adopts aggressive growth strategy, launching PD 360 as an entirely online, on-demand service
- 2010: Owners bring in equity capital and founders John and Blanch Linton retire

About Symmetric Capital

Symmetric Capital, a private equity firm focused on profitable growth companies throughout the United States and Canada, invested in School Improvement Network in 2011. With the flexibility to invest in either minority or majority ownership positions, Symmetric structures transactions that meet both the immediate and the longer-term objectives of owners and managers – all without changing a company’s entrepreneurial culture or introducing excessive debt that restricts growth. Since 1990, Symmetric’s principals have built dozens of successful, collaborative partnerships, beginning in each case with an equity investment to fund growth, shareholder liquidity, debt repayment, a management-led buyout or a strategic acquisition.

Symmetric targets companies with at least \$10 million in revenues and \$2 million in operating profits. Sectors of interest include business and financial services, healthcare, technology, software, education, and consumer and industrial products. With over \$200 million in committed capital under management, Symmetric typically invests \$5-25 million in each company. Larger transactions can be funded in partnership with our limited partners or with other co-investors. For more information on Symmetric, please visit www.symmetriccapital.com.