

20:22 Accelerated Growth

Investor Strategy Session – 20 September 2019

Our agenda

1 Introducing 3P Accelerate Growth Plan

2 Accelerated Growth Strategic Priority #1
Product and Customer Expansion

3 Accelerated Growth Strategic Priority #2
Accelerating profitable sales in the Americas

4 Accelerated Growth Strategic Priority #3
Enhanced Customer Experience and Retention Improvements

5 3P as a Global Education K-12 Brand

6 FY20 Outlook and Wrap Up





Introducing our 20:22 accelerated growth plan



A refreshed sales organisation



Deepak Karandikar
AMER Head of Sales

- 10+ years experience in enterprise software sales in K-12 and higher education in USA and Canada
- Previously VP West, Renaissance Learning and VP West, Edmentum



Todd Jones
Global Sales Operations

- 20 years leadership experience in sales operations in US technology businesses
- Previously VP, Sales Operations & Enablement, Renaissance Learning and VP, Global Sales Operations, Symantec



Chris Mathews
EMEA Head of Sales

- 15+ years leadership experience in edtech across EMEA, Americas and APAC
- Previously VP Global Partnerships, Discovery Education, Exec Dir, New Leaders and Dir, Scholastic Education



Steven Clement
APAC Head of Sales

- 10+ years leadership experience in enterprise software sales in ANZ
- Previously Sales Director, Oracle and Associate Sales Director Seek Learning



20:22 Accelerated growth plan

Product and
customer expansion



Accelerate profitable
sales growth in the
Americas



Enhance customer
experience and
retention



A growth focussed,
high performance
culture



Product and customer expansion

We enter FY20 with an expanded product portfolio spanning maths, literacy and science.

Mathletics

Mathsees



stemscopes
SCIENCE



Reading
eggs

WordFlyers

Readiwriter





Mathletics

Product
and customer
expansion

Innovation at our core

Introducing our largest ever Mathletics updates

- Now covering all mathematics proficiencies
- Customer expansion into secondary school (Yr 7-10)
- B2C customer expansion
- Regional expansion – in AMER (Inc. Latam)



6M: A whole new learning framework

- We have created a unique teaching and learning framework – the 6Ms
- The framework identifies key elements of effective learning journeys
- Building a flexible and adaptable approach to learning and teaching in the classroom
- Equipping teachers to personalise their teaching
- Empowering individualised learning



Practice & fluency

Teacher insight:

Teachers need to teach, assess and report on curriculum standards but find it difficult to locate resources and activities that specifically address these standards in a way that allows them to personalise the learning journey for each individual student.



6Ms learning framework and practice & fluency in Mathletics

New standard-aligned teaching and learning journeys:

- that directly address all mathematical standards for key curricula
- with unmatched teaching resources and custom-designed questions that address multiple ability levels, covering all the 6Ms

...and

- introduces a new rolling mastery concept
- can be practised on mobile phones
- enables AI-informed adaptive teaching and learning pathways



Presenting problem solving & reasoning

Teacher insight:

Students need to make connections between their learning and be able to apply new skills and knowledge in unfamiliar contexts.

Problem solving & reasoning (PSR) resources are in demand in schools as teachers seek to address these issues in their classrooms.



DEMO of new PSR Resources in the modern learning environment (MLE)



Solving the motivation problem

Teacher insight:

Many teachers find it difficult to engage students deeply in mathematical learning in their classrooms.

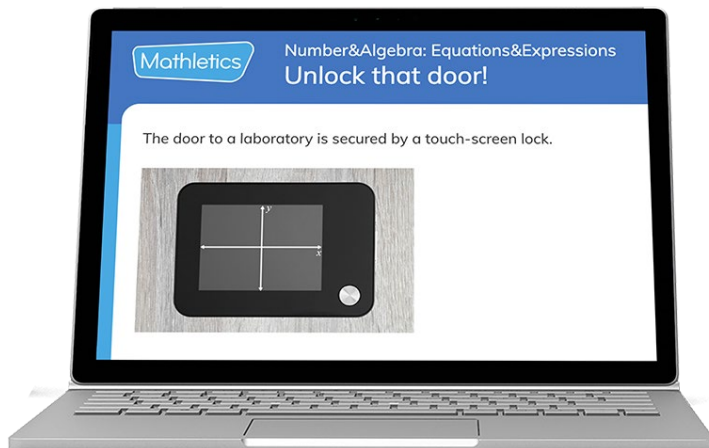
Students often wonder 'what's the point?'...

Creating relevant, authentic experiences that spark the curiosity in the learner is key to deeper engagement. Our new problem solving and reasoning activities meet this challenge head on.



Real and relevant

- Engagement is driven by 4 key factors:
 - Purpose, Autonomy, Success, Relationship
- PSR items present mathematical concepts in real, relevant and authentic contexts
- PSR items are intrinsically motivating



The journey is important

Teacher insight:

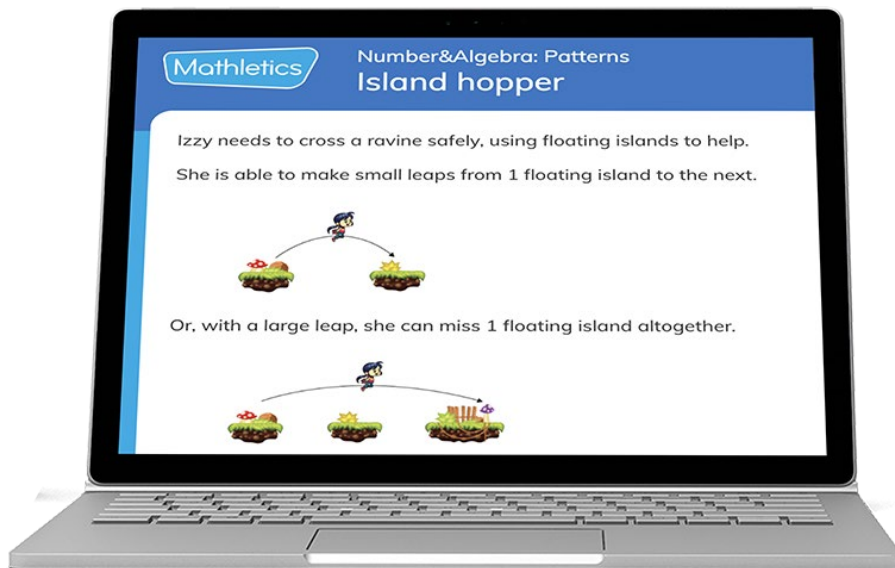
Teachers often complain that it is difficult to facilitate a deep understanding of concepts. It is important that resources equip teachers to facilitate and assess a learning journey.

Our PSR activities deliver this path and evidence of the connections required.

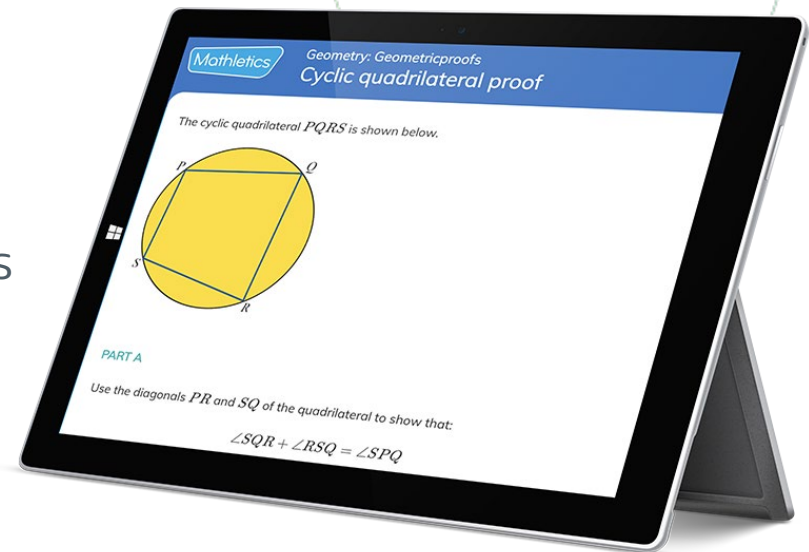


The journey made clear

- Our PSR questions are designed for deep understanding which focuses on the journey rather than the answer
- PSR questions foster critical thinking skills



Investigate the number of different ways there are of crossing the ravine for up to 6 floating islands. Record your results in the table.



What do you notice about the results?

Use your results to **predict** the next 3 results in the table.

How do the results differ to **Part B**?



Personalised teaching on the run

Teacher insight:

In today's busy classrooms, teachers find it difficult to assess, where students are at in their understanding and how to meet their individual needs real-time to personalise each student's learning journey.



Teachers are equipped to personalise the learning

- Real-time collaboration
- Real-time assessment
- Individual tracking



Ask the teacher

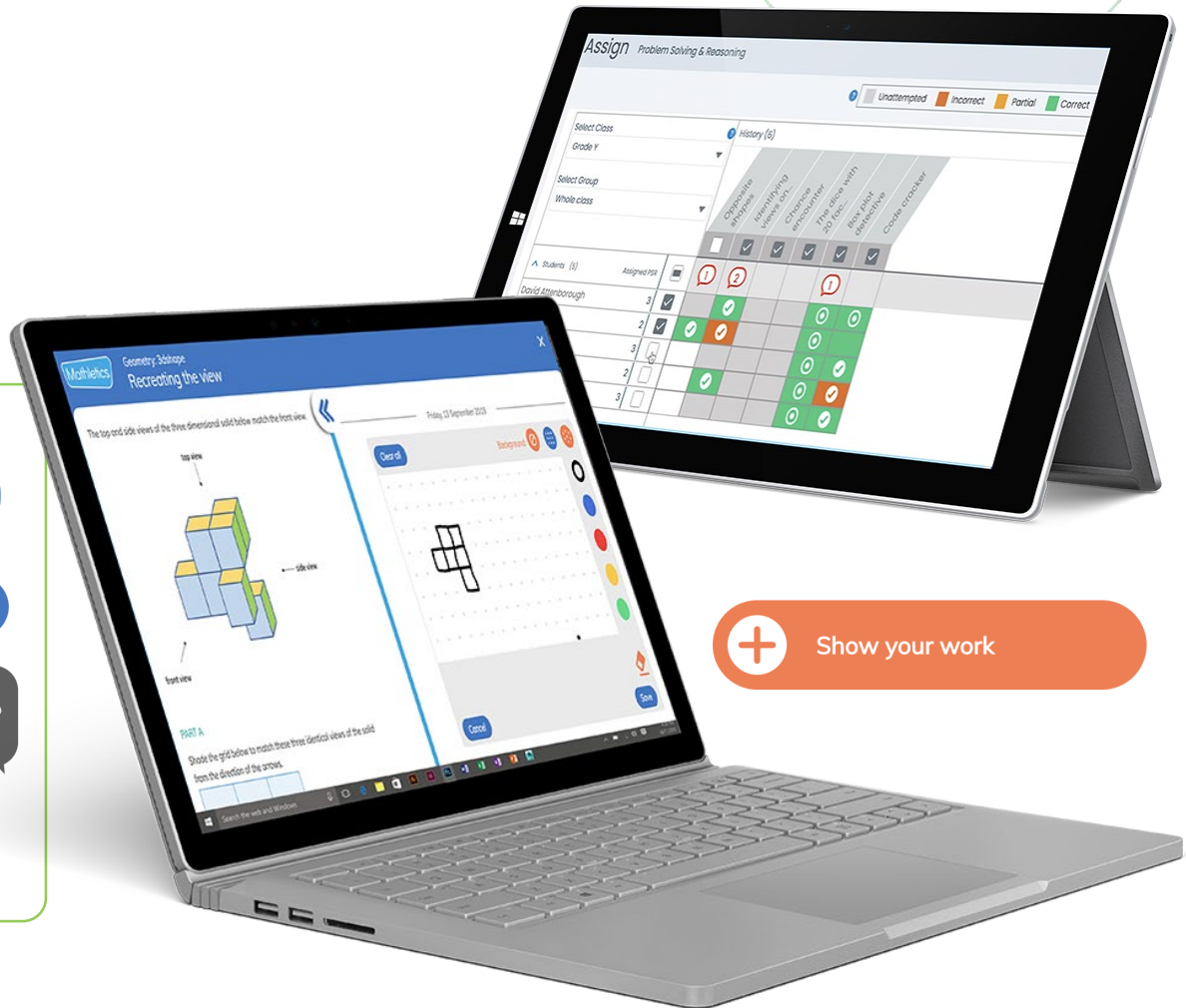
Abc

Write question



Record question

Sir,
I'm finding it difficult to work out angle 1. I can see it is vertically opposite to angle b but i'm not quite sure where to go next.
Tim



Show your work



Finding effective and trustworthy resources

Teacher insight:

Teachers find it difficult to source and implement problem solving and reasoning (PSR) resources that are:

- content applicable
- stage/year relevant
- at an appropriate depth.

Many teachers lack confidence in delivering problem solving and reasoning resources effectively.

Our PSR resources provide constructive, useful and practical support for teachers.



Mathletics problem solving & reasoning delivers ...

- Resources aligned to content and are grade specific
- DOK level information that equips teachers to customise depth of learning
- Support for teachers in how to best deliver PSR



Solution(s)

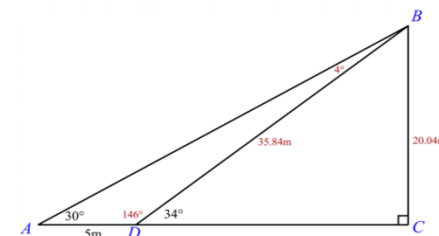
PART A: See diagram for reference

Need to find BD in order to use $\triangle BCD$ to find length BC .

Can use the *Sine Rule* on $\triangle ABD$ to find BD .

$$\begin{aligned}\angle BDA &= 180^\circ - 34^\circ \\ &= 146^\circ\end{aligned}$$

$$\begin{aligned}\angle ABD &= 180^\circ - (30^\circ + 146^\circ) \\ &= 4^\circ\end{aligned}$$



Strategic questions

- What patterns can discover by using some different terms in the sequence?
- Does this pattern always hold true?
- How could you prove/show this?

Teaching hints

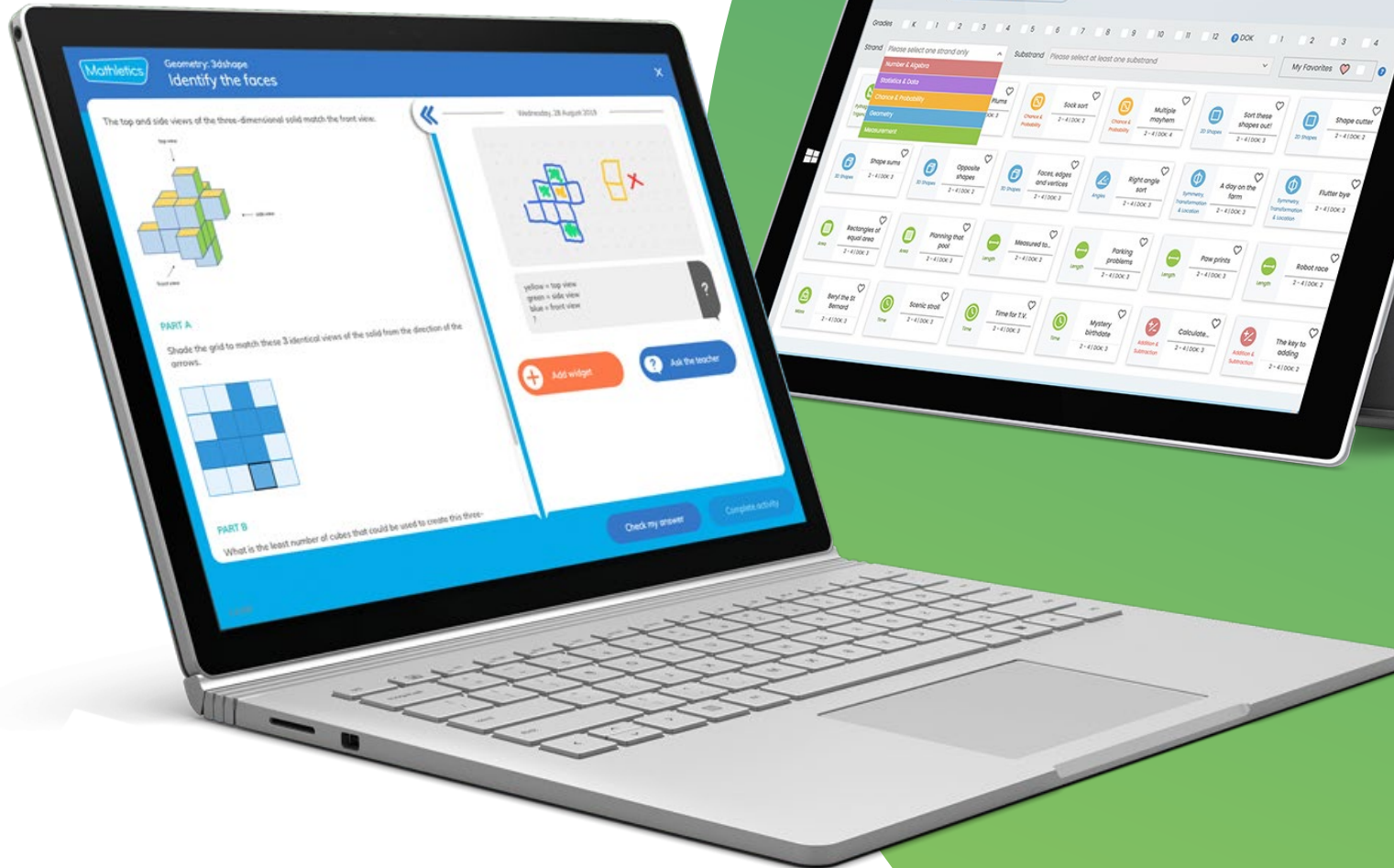
Addressing misconceptions

Problem solving & reasoning notes



A product revolution

Our largest product upgrade to date



A product revolution

We have now begun delivering the most significant upgrade to content in Mathletics since our inception.

Understanding, practice & fluency

- Standard-based curriculum coverage with all strands and sub-strands brought to life with new C21 relevant content
- **60%** of new content will address the all-important Years 7-10
- Out-of-the-box differentiation by vertically integrating 3 ability levels
- Reporting against global curricula and standards

Problem solving & reasoning

- **33%** more content for teachers to assign to students
- **50%** more mathematical proficiencies covered
- **75%** more depth of knowledge (DOK) coverage
- **57%** PSR addressing Years 7-10

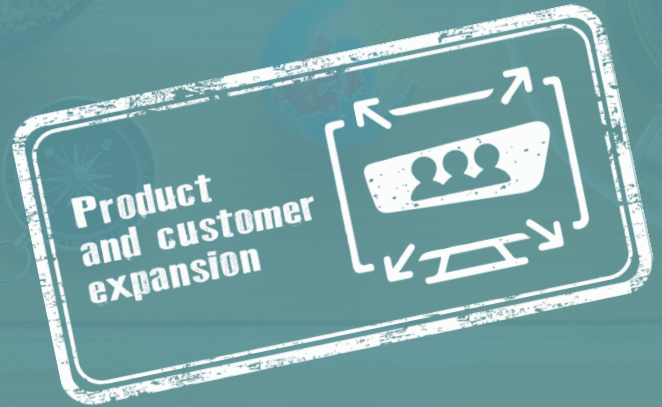


Cross-product student engagement

First milestone of new student engagement and reward system launched.

- Built to encourage a growth mindset, rewarding progress and mastery
- Strengthens cross-sell opportunities between Mathletics and Rediwriter
- Introduces age-band specific assets to engage Years 7-10
- Crucial in our drive to increase time on task and time in product – a key retention winner!





B2C Creating a home advantage

Created a brand new Mathletics student app, Multiverse app and kicked off ambitious plans for a mobile-first future

- Student app
- A new B2C strategy
- Data-driven advantage



B2C app rebuild



Brand new iOS and Android Mathletics Student app

- Designed for low-bandwidth and patchy WiFi connection
- Future-ready for problem solving & reasoning and practice & fluency activities
- Assessments to follow soon



A new, research focused B2C strategy

Our market research has helped us to better understand parent pain points and define a clear competitive advantage in our next generation B2C product.

Parents want to give their children an advantage – to 'get ahead'

With fully personalised pathways

Crucially, they want to align to what is relevant in the classrooms

Our ability to create this school connection presents a unique opportunity for 3P



The data advantage

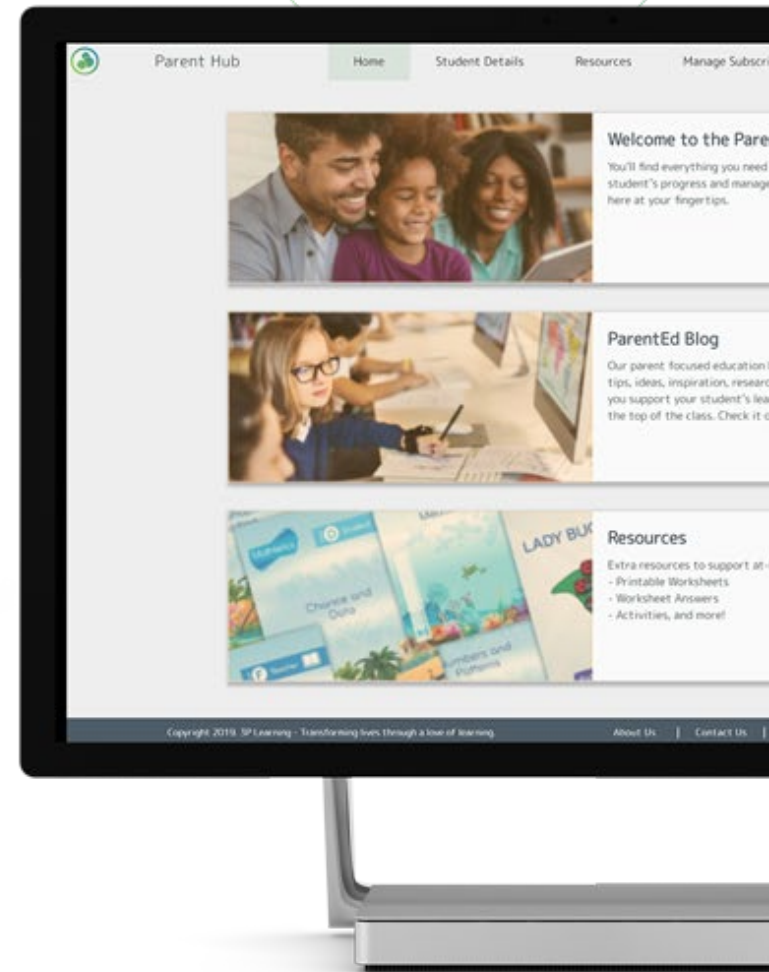
Our new B2C product will be a compelling offering that uses our global B2B install base to create a direct connection between parents, students and schools.

- With unmatched access to real-time data, detailing what schools are teaching, we will build highly tailored student experiences that mirror what they learn in class.
- This will allow parents to truly support their child's learning.
- Personalised learning pathways will be data driven and accessed through our signature mobile-first user experience.
- Multi-subject options will offer total flexibility for parents.

We will offer a unique home advantage to existing new customers.

Mathletics

Readiwriter





Readiwriter

Spelling

Product
and customer
expansion

Literacy learning into the future

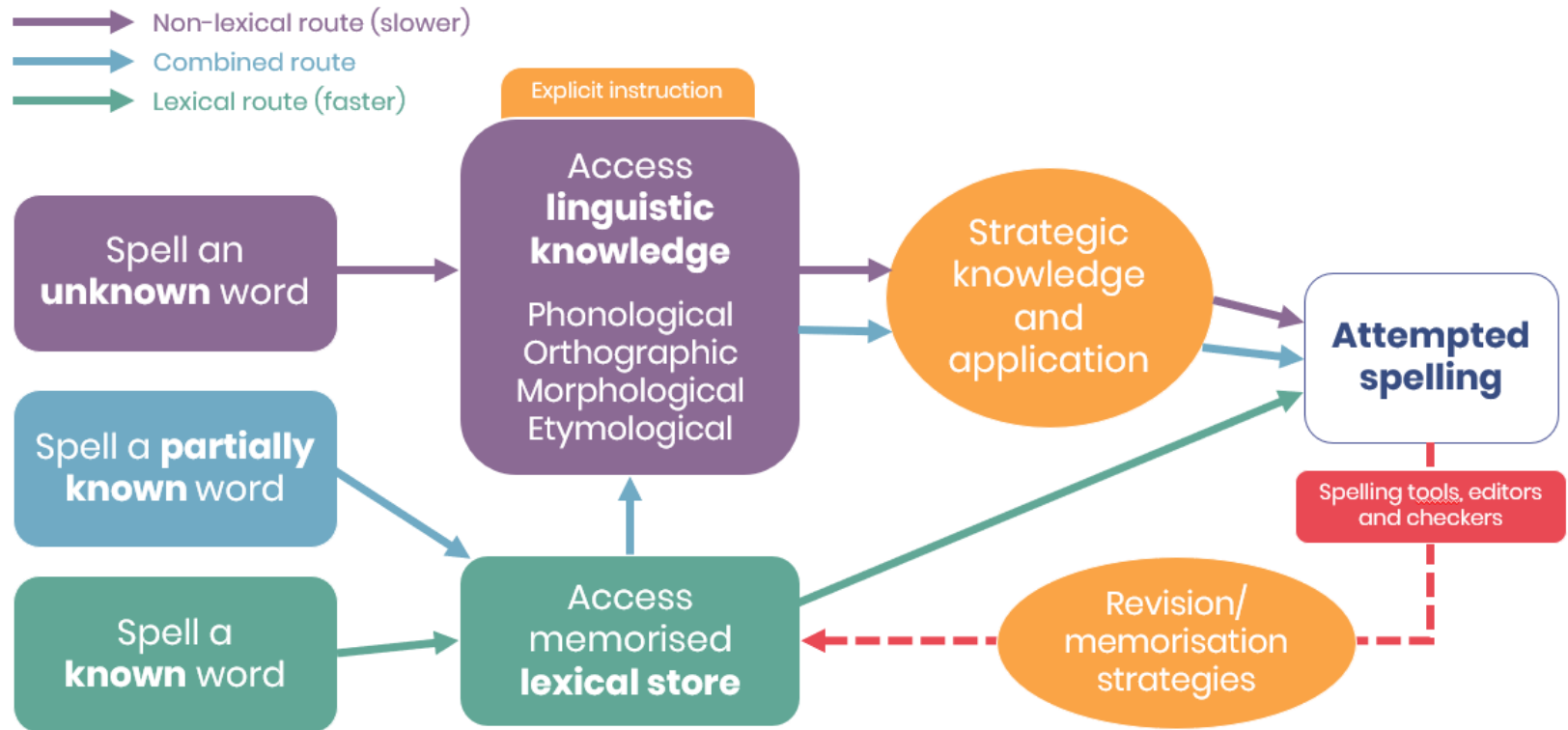
Defining the next generation literacy product

- Supporting teacher confidence
- Curriculum alignment and individual needs
- Live and immediate
- Targeting linguistic skills



A strong theoretical foundation

The lexical-linguistic approach to spelling



Aligned to global curricula



Beta version is now live

Readiwriter

Spelling

Our beta version of Readiwriter Spelling is already in the hands of our cohort of teacher testers, who are putting it through its pre-sale paces.



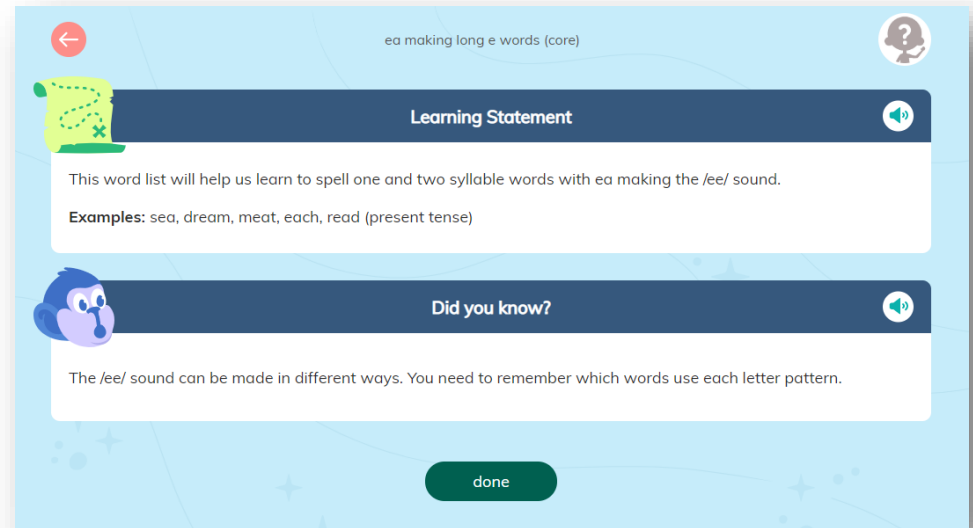
Supporting teacher confidence

Teacher insight:

Teachers often lack the skills, knowledge and confidence to teach spelling in a deep and connected way. Confident teachers develop confident students. Our product will power confident, structured spelling lessons, supporting teacher and student simultaneously.



Solution 1: The 6M learning framework



Readiwriter
Spelling

Demonstration:
the 6M teacher and student consoles and learning statements



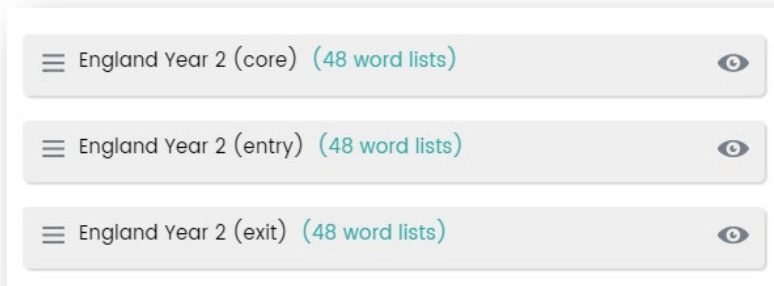
Aligned to curriculum and to individual needs

Teacher insight:

No product will ever see the inside of a classroom if it is not curriculum aligned, but how does that help support the individual learning needs of every student? Teachers balance this complicated scenario every day. REDIWRITER supports this with deeper levels of differentiation and personalisation.



Solution 2: Curriculum-aligned content with flexible differentiation and personalisation options



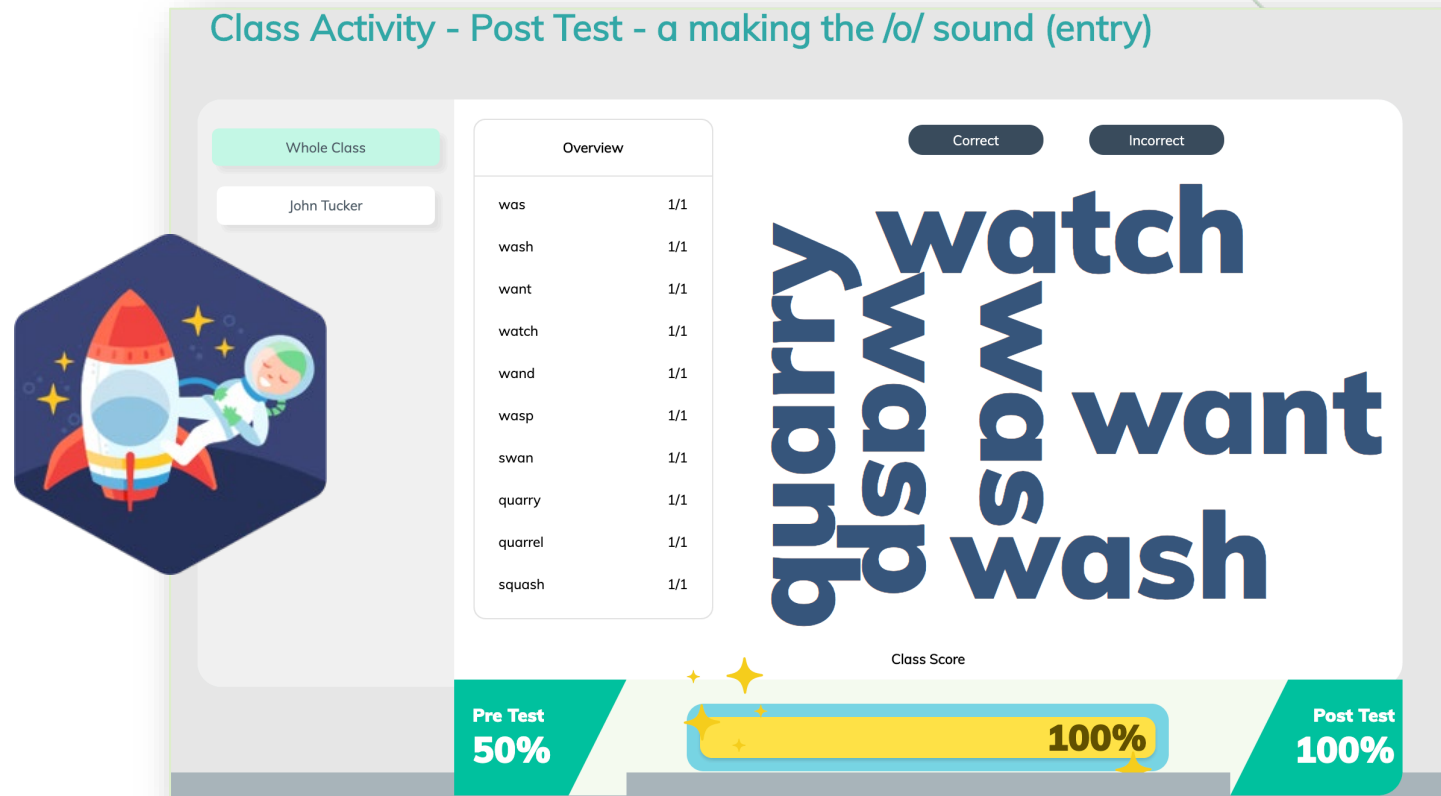
Live and immediate

Teacher insight:

Measuring individual student growth, maintaining data across a large class, while trying to manage and deliver student progress is often ineffective and unmanageable for many teachers. Live testing, with immediate feedback and results, is crucial in the modern classroom.



Solution 3: Online live testing with immediate feedback



Fun activities to target linguistic skills

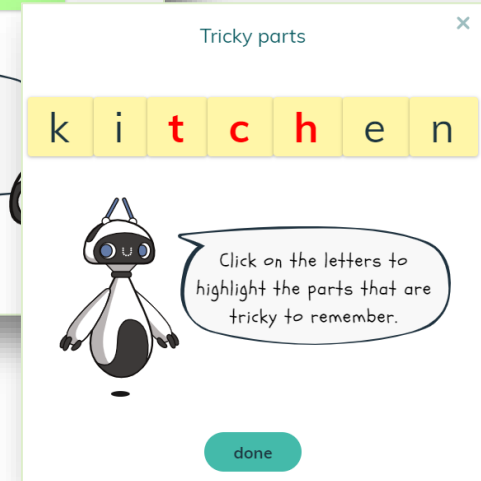
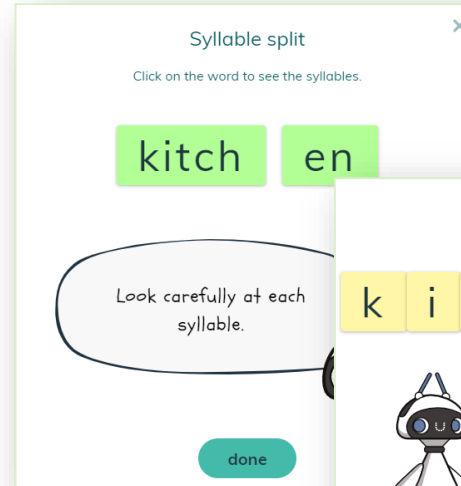
Teacher insight:

Many teachers are forced to rely on memorisation to teach spelling. This is not engaging, or pedagogically sound. Worse still, most of the resources they use are designed to focus on memorisation as well.

Our activities target true learning by explicitly underpinning linguistic skill building.



Solution 4: Activities designed to explicitly target linguistic skills

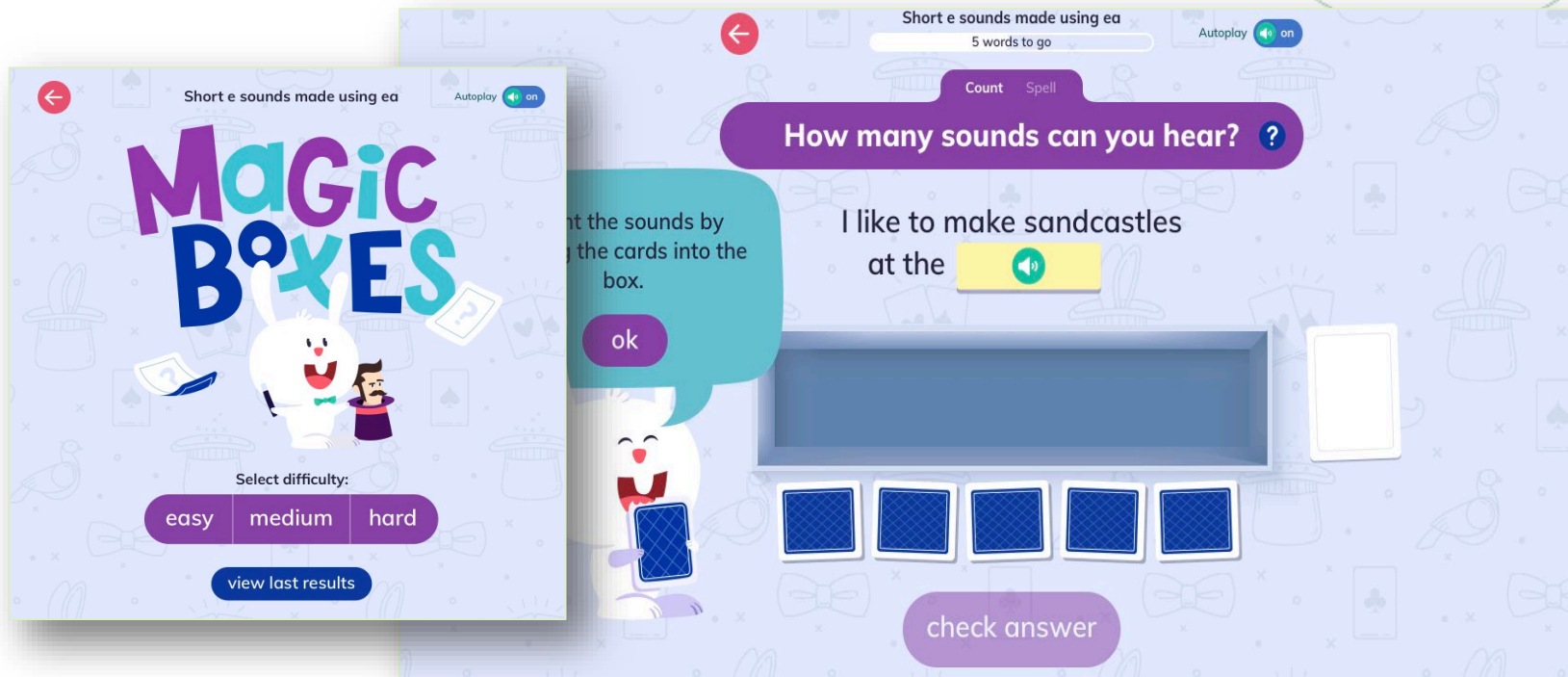


Readiwriter
Spelling

Demonstration:
Look, Say, Cover, Write, Check



Solution 4: Activities designed to explicitly target linguistic skills





Future frontiers

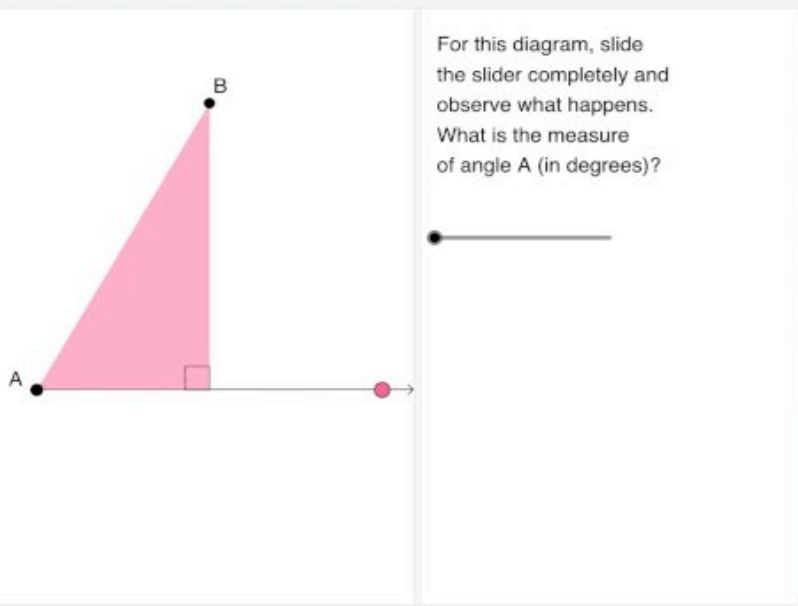
We are keeping a constant eye on future technology advances, and potential partnerships, particularly in areas such as machine learning.



Future frontiers in EdTech

Partnering with industry leaders in machine learning

This proof of concept aims at describing the Sana Learn approach to personalized learning. The algorithms implemented here are only for demonstration purposes.



For this diagram, slide the slider completely and observe what happens. What is the measure of angle A (in degrees)?

Reset Submit



Readiwriter

Spelling

Mathletics



Sana Labs

GeoGebra



Readiwriter

Spelling

Mathletics

Product
and customer
expansion

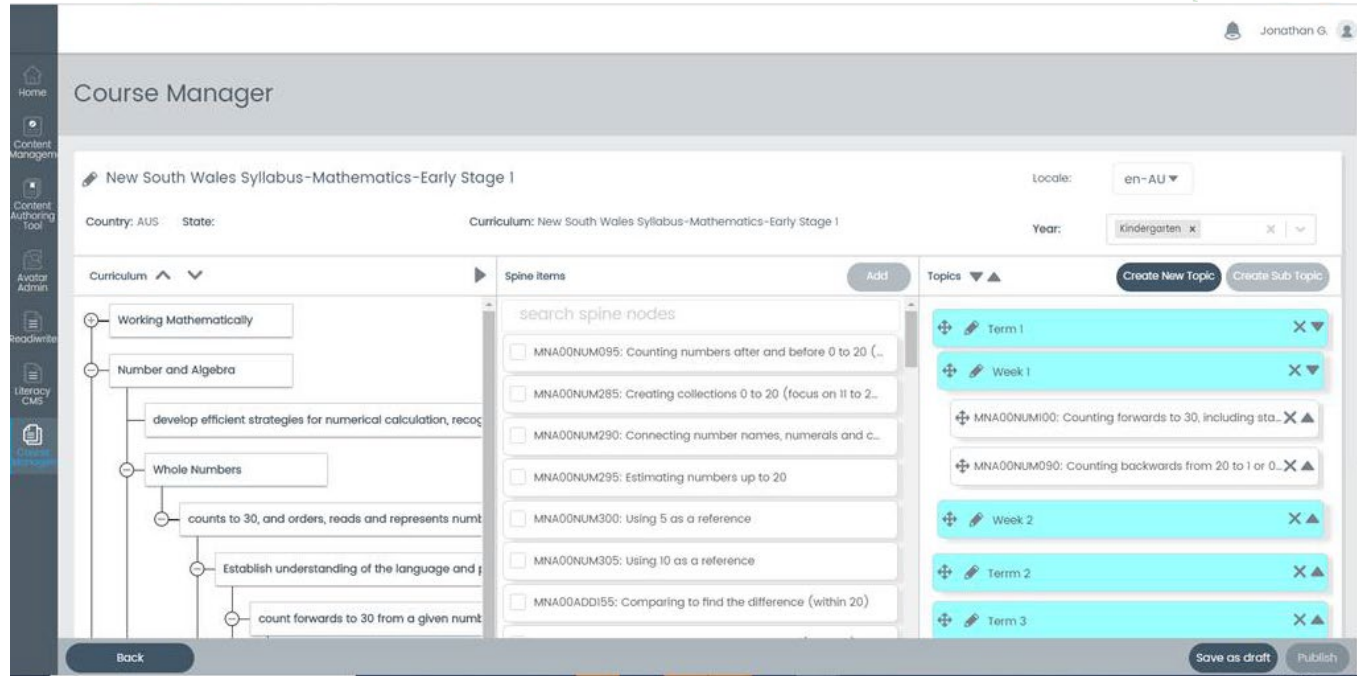
Scalable content production

The platform underpinning our product strategy



Course manager

We have invested in our ability to create content, fast and at scale



Advantages

- Rapid creation and deployment of curriculum-aligned content
- Opens up new markets in states, provinces and countries
- Scalable production/alignment tools give competitive advantage
- Cost out: streamlines current manual process enabling Ed team to focus on more strategic initiatives
- Supports content alignment (eg, with assessment providers)



US education ecosystem alignment

We have built capabilities and are investing in more to succeed in US districts

District reporting

We co-authored with North American District Administrators a dashboard that measures the value and efficacy of their investment and deployment of Mathletics and we will continue to add enhancement to the dashboard.

[Timeline: New analytics visualisations based on district requests every 2 months – 4 in H2FY20](#)

Assessments

3P is working with North American assessment platforms (eg, Renaissance and NWEA with c. 70% market share) to provide personalised content to address educational needs found through these assessment platforms and, in turn, drive licence growth. [\(H2FY20\)](#)

Learning management systems (LMS) integrations

Large districts require EdTech suppliers to integrate with learning management systems like Canvas, Schoology. This requires alignment with the *IMSGlobal*/LTI integration Interoperability standard. 3P is on its way to gaining this alignment. [\(H2FY20\)](#)





Unlocking the Americas growth

Building on our FY19 performance to deliver profitable, accelerated growth in the Americas

- Extended product portfolio
- Top down district prioritisation



The Americas market opportunity for 3P

Our new territory model services all states where we are concentrating on small and medium-sized districts with a bottom up approach.

Market share: Canada K-8 16%, USA K-8 1.5%, Mexico (private schools) K-8: 3%

Total addressable markets

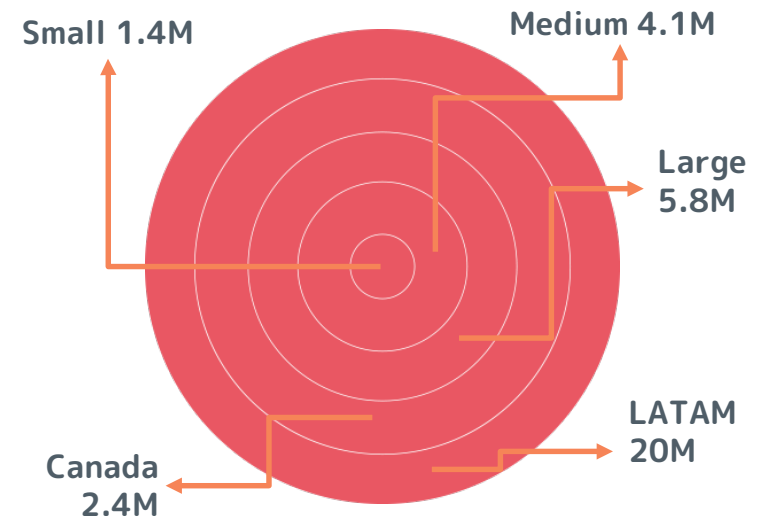
USA: 51M K-12 students, 35M K-8 students ¹

Canada: 2.4M K-8 students ²

LATAM markets for FY20 include:
Mexico 20M, Argentina 5M,
Colombia 5M, Peru 3.7M, Chile
1.7M ³

Sources:

1. NCES Common Core of Data and Private School Universe Survey for 2015-16
2. Council of Ministers of Education, Canada
3. UNESCO 2017-2018



Focus on 'edtech-adopted' addressable market by district size in FY20: 33.7M

Market share shown as 30 June 2019 licences / K-8 TAM (Mexico private K-8 schools TAM: 1.4m)



Profitable Growth in the Americas

- Expanded product portfolio – Mathseeds USA and Canada, STEMscopes Canada, expanded LATAM Reading Eggs, Math Seeds, Mathletics Spanish
- Mathletics enhancements with PSR and better curriculum alignment fills needed product gaps
- Focus on multiple product solution sales
- Activity drives revenue: daily, weekly, monthly KPI's
- Top down district prioritisation, bottom up approach (small & medium-size district focus)
- Low cost telesales and digital supported by territory model provides coverage, growth and ability to land and expand from classrooms to schools to districts
- Marketing supporting sales with 3 x lead volume year over year
- Sales operations adding 5 hours in productivity per seller per week



Pipeline – FY20 progress

These early indicators give us confidence of delivering accelerated growth in the Americas in FY20

- More sales earlier in the quarter
- YTD Marketing Qualified Leads up 60 % percent year-on-year to 4,600
- Increased activity per seller year-on-year
- Introducing Live Chat on website to accelerate deal velocity
- Pipeline more mature than FY19: Opportunities created for Q1-20 (to 15 Sep 2019) up 208% vs. whole of Q1-19 (2,400 vs. 780)
- Cash billings for Q1-20 (to 15 Sep 2019) up 38% vs. whole of Q1-19
- YTD revenue up 24% vs prior year (31 August YTD)
- Accelerating new hires (6) to drive productivity



Enhance
customer
experience
and retention

Customer experience

The front line of the customer retention battle

Deeper engagement

Direct customer feedback

Data driven sales focus

Best in class service



Driving the Customer Experience

The front line in the customer retention battle

The cost of acquiring a new customer is significantly higher than retaining a current one.

Increasing retention in all regions across all products will support our growth acceleration plans.

Strong retention relies on continual focus and innovation in 3 areas:

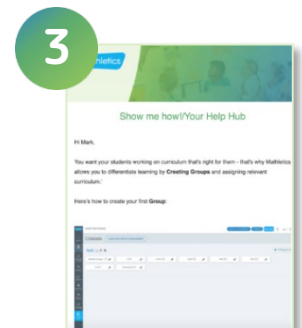
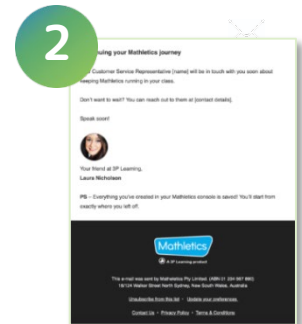
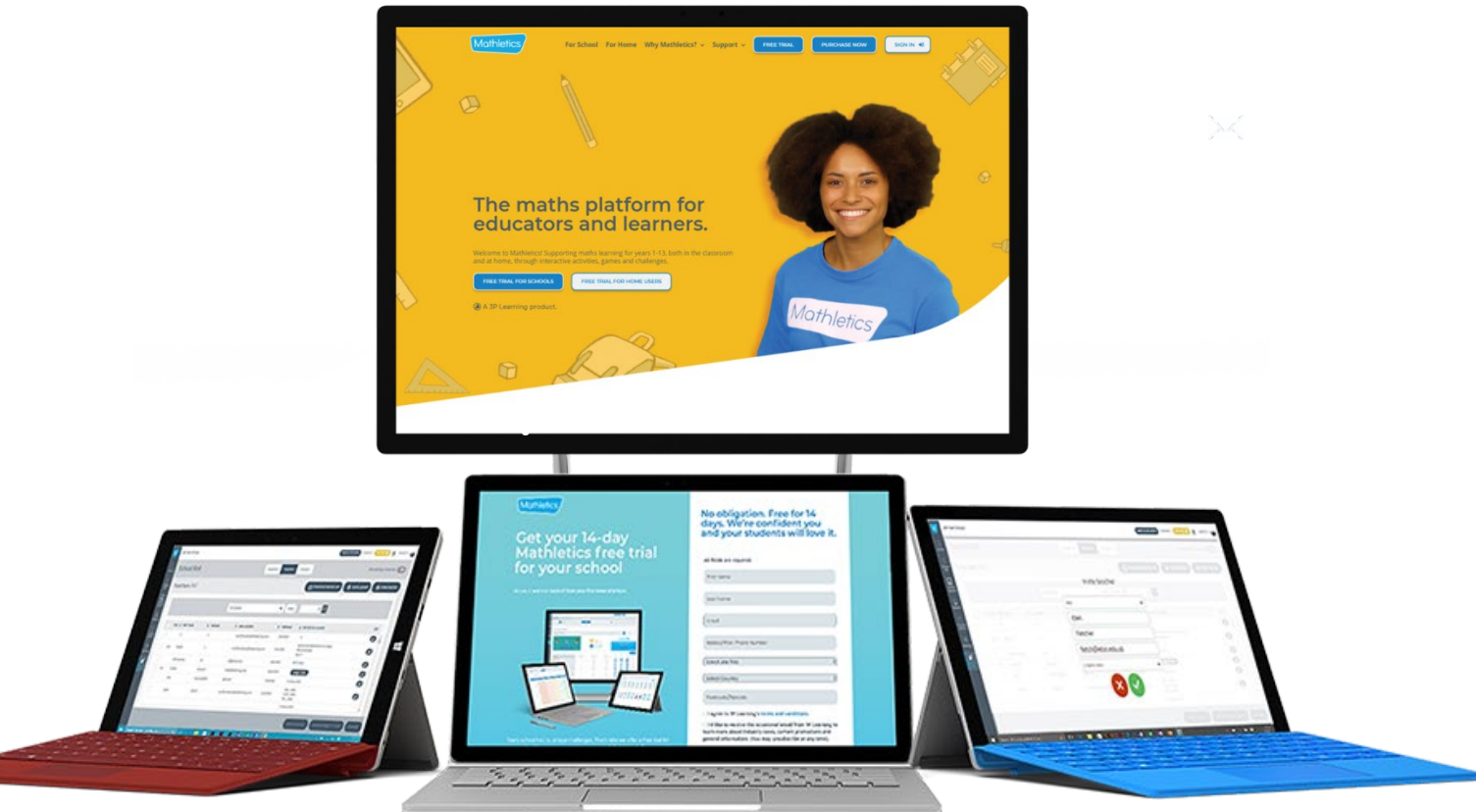
- Customer experience - best in class experience for our customers, one that is based on real insights
- Data-driven sales focus - clear view on the health of our customer relationships in order to create meaningful intervention (automated or human) opportunities
- Sales enablement – develop sellers' knowledge across our evolving and expanded product suite



Customer Experience

A quick, frictionless, hands on experience of the product, without speaking to a sales person

- Allows a customer into the product, set up a class and get started without sales team support - within 2 minutes
- Includes the ability to invite other teachers to collaborate in the trial
- Automated email nurture to deepen engagement throughout the trial



Customer Experience

With teachers, not for them.

- A key part of our differentiation strategy is the way that we work with our customers.
- We go out of our way to consult, gather feedback and test our products – it's important to us to hear direct from our customers on everything we do.
- In FY20 we will take this further with the launch a customer panel – a global teacher community, working directly with 3P on our product strategy and execution.

Describe
your
idea

Tell us why
you think
it's helpful

Comment
on other
ideas!



Welcome to the Mathletics Feedback Forum!

Anonymous

Please allow for individual spelling lists that the students have made for themselves. These could be interest lists, interesting words lists and personalized spellings...

Glenn

High achievers should be encouraged and be able to go on at their own pace. This is a strength in Mathletics. Mastery has been rated by Hattie as a highly effective teaching strategy.



Lisa Smith commented · June 05, 2019 19:51 · [Flag as inappropriate](#)

I have used this concept in my class for my more able spellers. We chose one root word each week, explained its meaning, then students had to find as many words that used that root as possible. I asked students to create TIP charts (term, information - eg adjective, then picture) as this helps build a visual connection to the word and helps them know how to use it. We also explained the meanings of prefixes and suffixes as we go, building charts on the wall where they could move the prefixes and suffixes around to connect them to new root words. This way we built up a whole system of word creating.



Kim Hawgood (Lead Education Specialist at 3P Learning, Visit the 3P Learning Help Hub) commented

· June 05, 2019 15:40 · [Flag as inappropriate](#)

Thanks Esther. It's great to hear that this is important to you. We are developing word sets with morphology in mind - word building, prefixes, suffixes and etymology. To help us understand your needs better, how do you go about investigating word origins in your classroom?



Customer Experience

Automated renewal communications

We are now using digital channels for the first time to allow customers to fully roll over existing classes and create new classes without needing to speak to a 3P representative. Utilising:

- Walk-Me journeys
- Video content
- Downloadable PDFs.

Automated engagement and retention communications will include:

- 60-day email /- success / onboarding journey
- Global 'Educator' newsletter
- Dynamic reporting
- Customer sentiment surveys
- Messaging auto-generated based on product usage data insights
- 90-day renewal communications.

walkme



Newsletter



Data Usage



Customer Happiness Index



Customer Experience

Teacher workflows

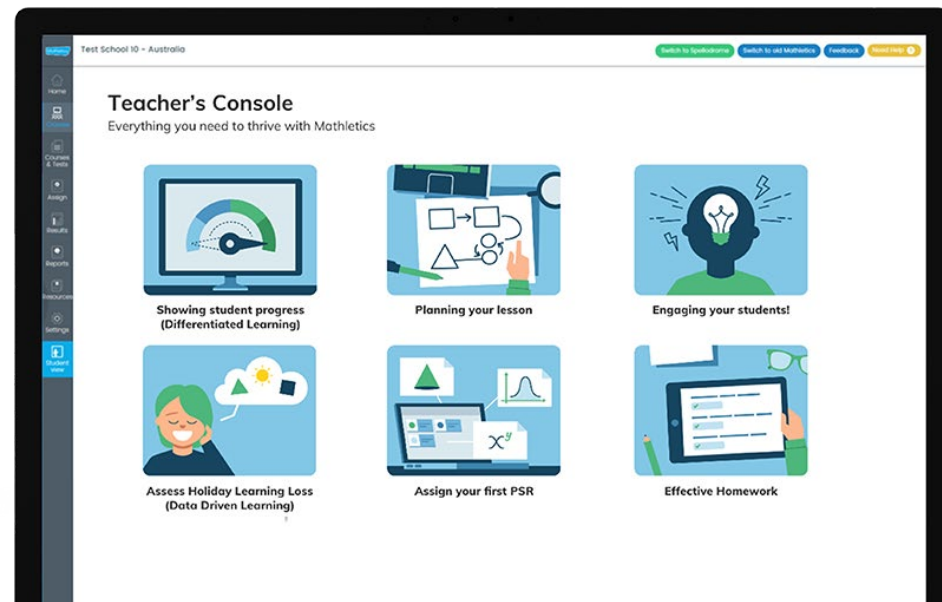
Strategy to improve the conversion rates of trials.

Marketing campaigns are now specifically targeted to customer pain points.

When teachers come into the product, they will see a series of tiles related to a specific pain point/workflow.

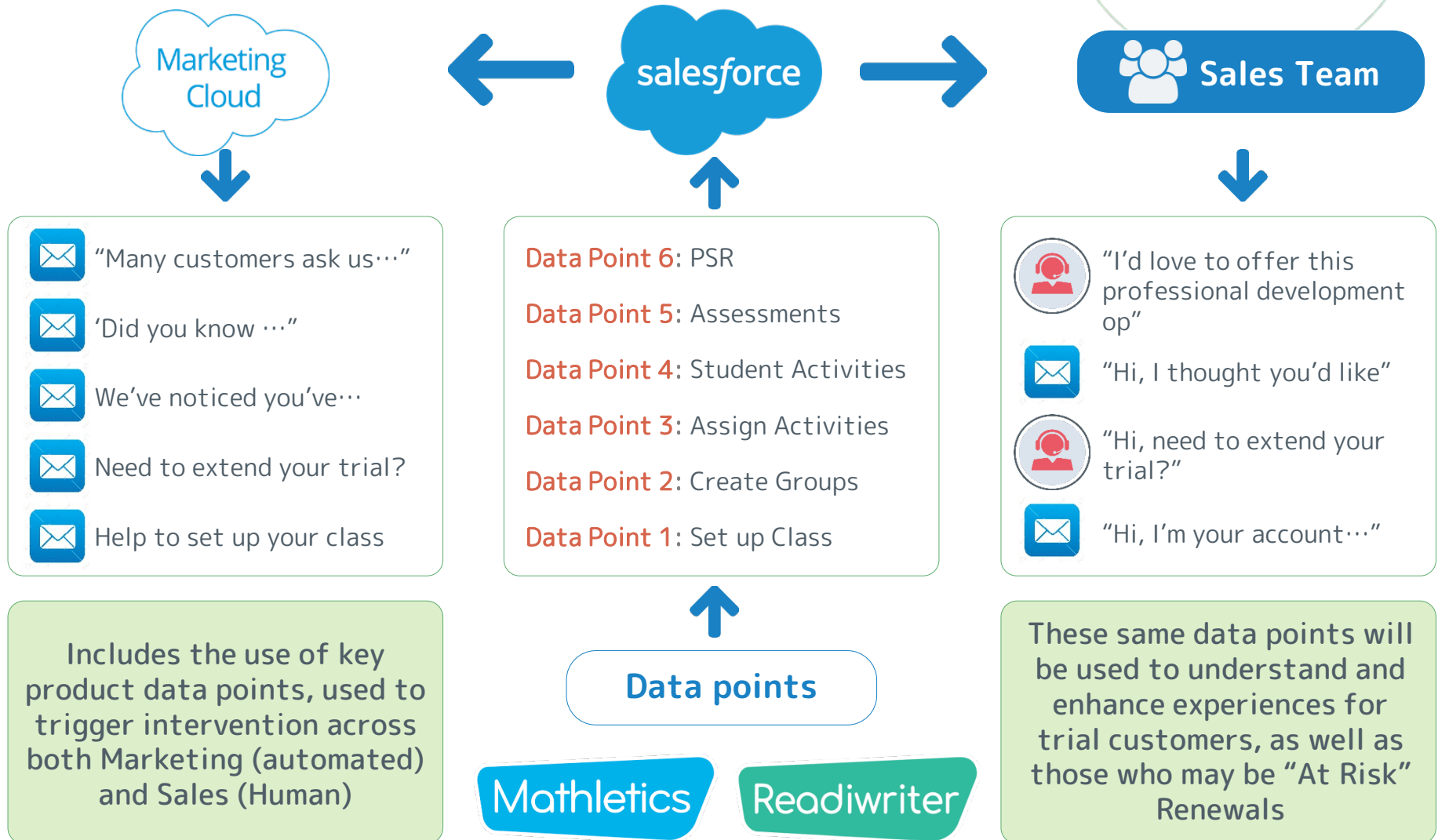
- Showing student progress (differentiated learning)
- Planning your lesson
- Engaging your students
- Assessing holiday learning loss (data-driven learning)
- Assigning your first PSR
- Effective homework

This is a key retention strategy as we open doors to the customer, showing the diverse range of problems we can solve within our product.



Data-driven customer care

Our customers deserve a personalised experience of our product that reflects their unique circumstance. Data will deliver this for us.

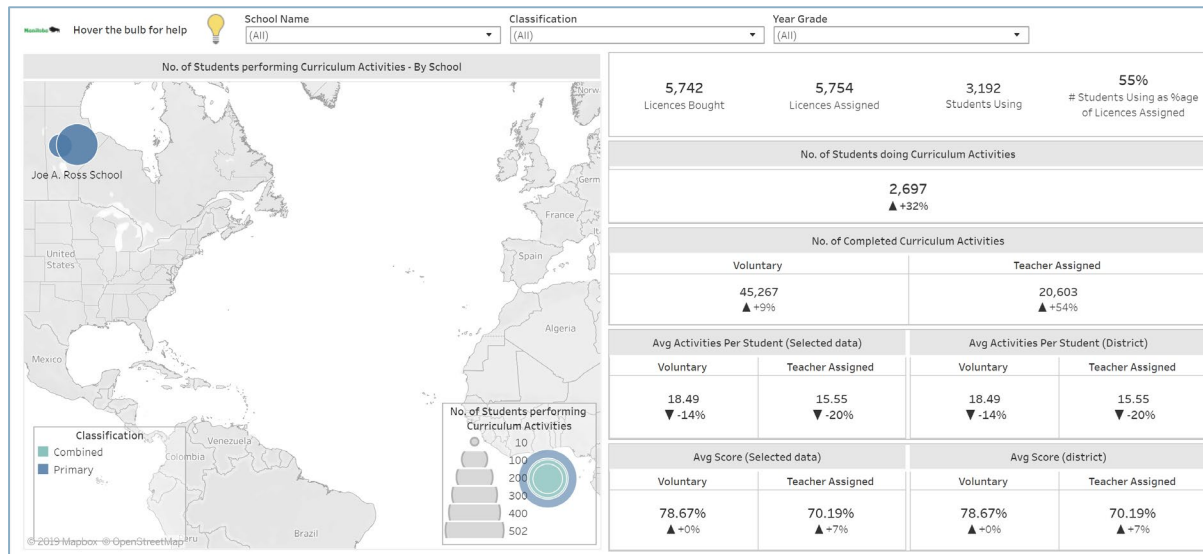


Data-driven sales focus

Leveraging Data to Deliver Customer Outcomes & Success



Global Customer Usage & “Health Score” Dashboards



Leveraging a robust set of insights, we will enable our sellers to identify potential areas of opportunity or risk, increase product utilisation and ultimately improve our retention rates globally.

- Single view of our customer product usage across sales regions globally
- Standardised customer “Health Score” benchmarks aligned with activity-based reporting
- “Early Warning” indicators to promote Sales & Marketing messaging
- Automated alerts to trigger required Sales & Marketing interventions.



Data-driven sales focus

Aligned globally to increase engagements and Customer Success



Assist our sellers to further engage with our customers, drive product usage and deliver an increase in our retention rates aligned with our goals in FY20 and beyond.

- Global selling motion which drives customer engagements from point of purchase through renewal; Onboarding, implementation and ongoing "Health Checks"
- Customer facing processes aligned to increase touch points and Sales Productivity
- Formal Sales Playbooks to drive Up / Cross-sell opportunities
- Globally aligned to enhance the customer experience and accelerate Retention rates



Sales Enablement

Enabling Our Sellers to Address Customer “Pain Points”

Expanding our sellers' knowledge globally



- Formalised product certifications across portfolio
- Personalised training which leverages multiple delivery mediums
- Ongoing sales assessment to validate knowledge 30-60-90 days and ongoing



- Aligned content to drive sellers' knowledge across expanding portfolio
- Standardised assets to deliver a solutions-based customer conversation
- “Guided Selling” capabilities to expand Up / Cross-sell opportunity



- Persona-based messaging aligned with customer objectives and “Pain Points”
- Solution specific “Sales Packs” which complements Global Selling Motion
- “Real-time” action-based alerts to trigger customer intervention and nurturing

The enablement of our sellers globally is critical to achieving Retention Rates and our future revenue growth



A global education brand

Building our educator community



Building our educator community

- Offering thought leadership for teachers of every ability level
- Gathering feedback and ideas from our customers and audience members through real conversations
- Providing quality support for customers and other members when they need it.
- Talking to customer before they know they need our product, building awareness among our target audience.
- Learning from customers and what they want, expect and need in terms of content, products, services and support.
- Building one-on-one and one-to-many relationships between audience members and our brand.
- Boosting engagement and increasing the likelihood of conversions and sales.
- Providing value to our customers outside of pure product.



3P as an educational content leader



FY20 outlook & wrap up



Regional outlook for FY20



APAC

Growth from improved retention and expanded product portfolio across our large installed base with cross-sell opportunities for STEMscopes and REDIwriter and a stronger Mathletics 7-10.



EMEA

Growth, despite tough marketing conditions, from improved retention, expanded product portfolio across our installed base and growth outside of the UK.



AMER

- H2 sales growth momentum to continue, buoyed by expanded distribution of Mathseeds in North America, cross-selling STEMscopes to our Mathletics install base in Canada and Mathseeds & Reading Eggs in Latin America.
- Increased investment in marketing and sales headcount commensurate with growth.



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