

## EDUCATION WEEK

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### **Baltimore, Boston Move to Build Ed-Tech Hubs**

**By Danielle Wilson**

Baltimore and Boston are cities with their own distinct economic identities, but more recently they've shared an economic-development strategy: Both have organizations working aggressively to establish their metro regions as hubs for educational technology companies and startups.

The efforts in Baltimore are being led by an ed-tech advisory group focused on building support in the city and across Maryland. In Boston, a nonprofit that began by creating a networking group across the city has now launched an "accelerator" program designed to help young ed-tech businesses succeed.

The Baltimore and Boston initiatives come amid an influx of money into the ed-tech sector. Venture capital investors poured more than a billion dollars in 2013 into technology companies across the country that are working in the education, training, and test-preparation markets. That money is flowing into supporting the development of products and services in areas such as digital content, assessment, management systems, and professional development.

Richard Culatta, the director of the office of educational technology at the U.S. Department of Education, said "we can certainly see that certain areas of the country seem to be better engaged with the ed-tech community," and that is the case for Baltimore and Boston. But he added that Pittsburgh and New Orleans are also "thriving ed-tech cities."

#### **Building Collaboration**

The Greater Baltimore EdTech Advisory Task Force was established a year ago to bring together professionals from education, technology, and business. Led by a 10-person executive committee, it began with the goal of evaluating and supporting the ed-tech community in Baltimore. It later expanded its reach statewide.

One of the Baltimore organization's projects is EdTechMD, a task force launched in February to create networking opportunities, development tools, and a formal mentoring network to help entrepreneurs and others hoping to enter the ed-tech marketplace.

"Maryland has the key features that make it a great place for ed-tech startups," said Andrew Coy,

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the chairman of the ed-tech advisory task force. He is the executive director of the Digital Harbor Foundation, a Baltimore-based nonprofit that focuses on improving students' technology and innovative-thinking skills.

Mr. Coy said the EdTechMD project is seeking to create “organic” interactions between people in the education, technology, and business fields. It plans to offer financial support to startups by raising \$3 million by the fall to invest in new companies and entrepreneurs.

In Boston, an organization called **LearnLaunch** is trying to help ed-tech startups in the city and the greater New England region by building stronger links between educators and the technology community. LearnLaunch co-founder Eileen Rudden said that Boston's reputation as a city with a lot of venture capitalists and investors makes it an ideal setting for new companies in need of financial backing.

The founders of LearnLaunch created the nonprofit after co-founder Marissa Lowman hosted a series of successful meet-ups and networking events in 2011 with her previous organization, EdTechUp, which is now a part of LearnLaunch. LearnLaunch offers classes, conferences, and networking events for anyone in the ed-tech community with an interest in ed-tech startups.

In 2013, the organization began the LearnLaunchX Accelerator program to provide a centralized workspace that offers mentorship and funding to companies. The highly competitive, residential program gives seed funding of \$18,000 to early-stage companies in return for a 6 percent stake in their businesses. The accelerator also hosts “demo days,” in which the founders of the companies make presentations to other potential investors.

Many startup companies see this kind of networking and building of business relationships as important strategies for helping them grow. Both Baltimore and Boston are located in regions that provide a large ecosystem of technology companies and research universities. Baltimore, for instance, is home to **Laureate Education**, formerly Sylvan Learning, and Johns Hopkins University, while the Boston area features **Houghton Mifflin Harcourt**, the textbook publisher and digital-learning-tool developer, as well as Harvard University and the Massachusetts Institute of Technology.

For example, one ed-tech company that said it was drawn to Boston by the opportunity to be close to like-minded businesses was **Cengage Learning**. The educational publishing company announced that it's moving its corporate headquarters from New York City to Boston.



Jess Gartner, the CEO and founder of the Baltimore-based educational technology startup Allovue, a resource-planning platform, received help from the city's Emerging Technology Center and the Greater Baltimore EdTech Advisory Task Force to start and develop her business. —Matt Roth for Education Week

"We believe that Boston is one of the key centers for future growth of education technology," Cengage Learning CEO Michael Hansen said in a press release.

Cengage Learning's headquarters will be in Boston's Innovation District, a waterfront neighborhood that is home to an estimated 200 companies that operate primarily in the technology and creative-design industries. The district was set up under former Mayor Thomas Menino with the goal of establishing an urban environment where established companies and entrepreneurs could collaborate.

### **Schools Testing Products**

Getting access to established companies and mentors is crucial to startups, said Jennifer Carolan, the managing director of the NewSchools Seed Fund, a part of the **NewSchools Venture Fund**, based in Palo Alto, Calif. NewSchools makes investments in early-stage ed-tech companies, and the organization has worked with both the Baltimore EdTech Advisory Task Force and LearnLaunch by co-investing in startups.

"Connections and networks are vital to the education market," Ms. Carolan said. "Education is a local endeavor," she continued, and local ed-tech investment groups are familiar with local and state laws, "can align financial capital and support," and provide a base of knowledge to new businesses.

Organizations supporting ed-tech entrepreneurs in Baltimore and Boston also say the two cities offer other advantages, including a socioeconomically diverse landscape of regular public, charter, and private schools for businesses hoping to test products in schools. Developers of education products often complain about their inability to gain access to schools willing to put their products through the paces.

"Baltimore has an amazingly diverse school population, within a small distance, with wide ranges of performance levels," said Mr. Coy. "Innovators want to solve problems, and the schools are willing to take part in implementing the new technology. The school districts in the region are "entrepreneur-friendly," he added. Ed-tech startups participating in the **EdTechMD** program benefit from the existing relationships the organization has fostered with schools, Mr. Coy said. Those ties allow them to test their products and services in classrooms faster than if they tried to forge alliances on their own, he said.

Whether the Baltimore efforts will pay off in the long run remains to be seen, but a number of education entrepreneurs have chosen the city recently, in some cases with support from EdTechMD.

Ed-tech startup **Citelighter**—a bibliography program that allows students to store, organize, and share research—moved to Baltimore from its New York City office in 2013. Likewise, **Three Ring**, which allows teachers and students to capture photos, video, and audio of student work with a mobile app, announced in February it was moving its main office from New York to Baltimore; and education companies **Allvue**, **Moodlerooms**, and **Straighterline** already called Baltimore home.

Yet both the Boston and Baltimore initiatives are also likely to have to overcome challenges associated with focusing on developing educational technology within a specific region, a number of observers say.

Ms. Rudden, of LearnLaunch, said the relatively strong achievement of Boston area schools may not make the city the right one for all companies, particularly ed-tech startups that are aiming to show they can make major improvements in schools' performance.

Ms. Carolan of the NewSchools Seed Fund said she didn't see a downside to the geographic focus of the Boston and Baltimore efforts, but she said both programs would need to remain flexible in trying to help new education companies grow.

"It's really important to focus on the scale of the business," she said. "You can't constrain yourself or limit the potential of a business by putting too much focus on its location."

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