# i·SAFE Ventures™

# Expanding Opportunity for Resellers In the Education & Youth Markets

## Summary

The education technology market is now over $8.39B a year and growing, a ripe target for resellers of hardware, software, security services, network and telecom infrastructure. But competition is getting tougher, the need to find meaningful differentiation more critical, and ways to do that are limited.

There is good reason for the market to be growing, and plenty of room for innovation. With more than 120,000 schools, and 55M K-12 students, companies are paying attention, and fighting for market share. Established companies are seeing annual growth of up to 40%. Investment in startups in the first half of 2015 exceeded the total invested in 2014.

Schools are embracing technology, and not just for testing. Online services, apps, programs and even games are an essential part of education. The classroom experience has increasingly adapted to different learning styles and includes more video, multi-media and interactivity. The definition of online courses is expanding to fill gaps in curriculum, and a range of devices are providing a mobile classroom.

The children using this technology are among the most vulnerable in terms of online privacy. They are becoming immersed in technology, but are not equipped to understand threats ranging from personal safety and abuse, to ID theft, and computer security.

For those reasons, governments have enacted several statutory requirements to product children's online privacy. Federal laws such as COPPA and CIPA are better known, but in the last two years 36 states enacted 52 new laws, and more are coming. Collectively they impose strict guidelines on engagement with youth, parental consent, the collection and use of personal information.

i-SAFE Ventures offers a platform of technology services which enable identity management, and age-appropriate e-safety instructional programming, which meet and exceed regulatory requirements. Our products and services:

1. Enable providers to open new markets, distinguish themselves from competitors, and position themselves as thought leaders in serving the youth and education markets.
2. Solve real customer problems while removing barriers to sale and, potentially, freeing budget that can be used to buy their product.
3. Provide resellers with a true value add that positions them as a strategic advisor to their customer, and not just another vendor.

**Education Startup Funding (in Millions)**
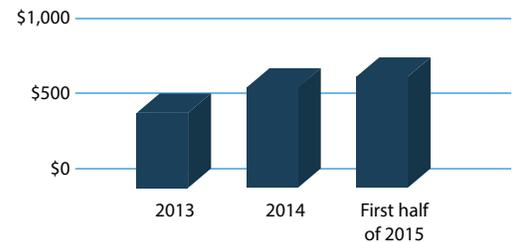


**How IT Budgets Get Spent**
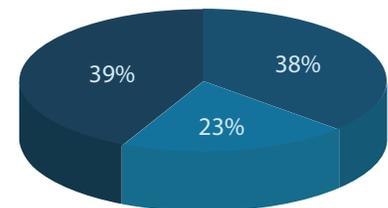


- Content
- Enterprise Management
- Instructional Support

## 81
% of students with access to technology in the classroom.

## 93
% of educators who value technology as a motivating tool.

## 52
% of parents who thinks schools should use mobile devices more.

# Youth Market & Education Trend

Resellers focused on the education market must understand not only educators' needs, but the youth market as well. That audience is large, increasingly savvy, influential, hard to get to and harder to keep.

Today, there are about 30 million children under the age of 13 in the U.S., 10 percent of our population. To this generation, the use of personal technology such as smartphones, tablets, computers and gaming devices to access social media, apps, games, shopping, current events, and entertainment is an innate and powerful — almost reflexive - part of life.

Technology is the means by which many young people engage the world around them, and connectivity is essential for social, commercial and educational functionality.

Schools now use web-based programs and applications to help students meet achievement standards, adapt to learning styles and augment teacher instruction. Technology is integrated into all types of homework, and at test time kids increasingly sign-in to an app rather than sharpen a No. 2 pencil. In fact, $2.5b is spent on testing and assessment alone. There are in excess of 80,000 online programs defined as "educational," although there is not a specific criteria they must meet for that designation.

Beyond the classroom online options are exploding. This creates an amazing opportunity, for providers and kids alike, but also creates a daunting task for maintaining children's privacy. Every month more than 20,000 new apps are introduced into the market, and every day sees another 750 or more online games available. While the main focus here is privacy, once children are users of these apps, they may also be exposed to the 4,900 malware strains discovered every day.

Businesses are realizing the increased influence that youth have over purchasing decisions and the need to provide amenities, such as internet connectivity, as a basic service craved by adults and kids alike. Cafés, restaurants, public transportation, sports stadiums all offer Internet access. Many of these entities invest deeply in creating apps to add new facets to their customer's experience, develop loyalty, and incent them to keep coming back. When 85% of parents give their kids a say in vacation plans, and 34% give them final say, the WiFi-free resort probably won't get the nod.

## 84
% of apps that allow uses to spend additional money

## 56
% of children 8-12 yrs who have a cell phone

## 5.7
Number of internet enabled devices in the average household

## 22
% of apps for children that link to social media accounts.

## 40
% of five year olds with a smartphone, iPad or tablet.

## 35:1
Ratio of kids:adults having their identity stolen.

# Impact of Child Privacy Regulations on Educational
## & Commercial Providers

It is increasingly common for online services, apps, games and programs to require some personally identifiable information, upfront purchase, or the opportunity to purchase inline to enhance the experience.

In these instances, where that user is under 13 years of age, the provider or the school must comply with a number of child privacy laws including COPPA, FERPA, CIPA and PPRA. This has different implications for educational organizations and commercial providers. For more information about specific child privacy laws, visit www.isafeventures.com/regulatory-overview.

## Educational Resellers

▸ The primary use of personal data, in educational programs, is to monitor individual student progress to meet educational standards.

▸ Secondarily, schools depend on the E-Rate program to fund broadband capability required by online programs. The program includes unfunded educational and policy mandates.

▸ Schools have an exemption to COPPA for purely educational programs, but there is no standard definition and additional risk when vendors also supply non-educational programs.

▸ Educators must resolve notification & parental consent conflicts between COPPA, FERPA, PPRA from use of commercial products.

## Hybrids: Providers of both Educational & Commercial Services

▸ Hybrids must navigate the most ambiguous circumstances. If they use FERPA protected data under COPPA exemptions, they can not use that information to market or sell commercial products.

▸ The reality of course is that educational products for which they receive the COPPA exemption may be one click away from commercial products. There is no legitimate wall and it is simply not reasonable to expect a child to stay within the educational environment.

▸ In these cases the provider will want to both mitigate the risk of potential FERPA and COPPA violations, by directly attaining parental consent.

## Commercial Resellers

▸ The primary use of personal data, in purely commercial programs, is to customize the user's experience for improved customer satisfaction, and to increase their spending.

▸ In addition, commercial companies may use apps, gamification and social media as part of marketing campaigns, including the incentive for users to share their personal information. Even where they don't intend to attract children under 13, marketers may be doing just that.

▸ Lastly, some commercial providers, i.e. hotels, restaurants and stadiums may offer free access to the Internet. While not providing additional services or apps, this access alone creates legal risk even when it is delivered through a 3rd party.

▸ With young consumers, any collection and use of a child's personal information must meet COPPA requirements, including verified parental consent. That can be complex for most organizations to attain, and may dissuade them from engaging in the market.

**59**

% of apps for children that collect personal information.

**58**

% of apps for children that include ads.

## The Business Opportunity of Protecting Children's Privacy

The youth market is a significant opportunity for both educational and commercial resellers of network and telecom infrastructure, hardware, software, apps, programs and games. For commercial and educational organizations who embrace the opportunity, and are direct in managing the legal accountabilities set by child privacy laws, there are significant benefits.

For commercial and educational organizations who embrace the opportunity, and are direct in managing the legal accountabilities, there are significant benefits.

1. Openly and assertively embracing the importance of child online privacy as an asset, rather than an obligation, is a competitive differentiator increasing customer affinity for the organization and product.

2. By addressing statutory requirements, and adopting systems which enable scaled execution, businesses increase their opportunity for market expansion and revenue, responsibly.

3. By assertively addressing child privacy within delivery of their services, companies and providers may support their own public affairs agenda or create new means for demonstrating thought leadership.

# The question is: how?

## Solutions for Protecting Children's Privacy

i-SAFE Ventures helps resellers and providers of network and telecom infrastructure, hardware, software, online sites, services, apps and games serving the education and youth markets to comply with statutory child privacy requirements. From a provider's point of view, these services create benefits which break down barriers to increased sales and customer satisfaction.

### Education:

The reality is that schools often struggle to keep current with statutory requirements. i-SAFE Ventures helps resellers and providers to position themselves as strategic advisors, not just vendors, to their education customers:

▸ **Solve customer's funding problem:** Online services require high-capacity telecommunications. i-SAFE programs help schools meet E-Rate program requirements, which they depend on to fund that connectivity.

▸ **Create a budget for your products:** i-SAFE programs help schools perform mandated identity management tasks more inexpensively than they can do themselves. In fact we save districts about 73% of traditional costs, frees budget to purchase a provider's products.

▸ **Remove the strain of redundant tasks:** Educators depend on commercial providers for programs which improve educational outcomes. Communication specifically gaining verified parental consent is an arduous and risk filled task. i-SAFE Ventures products and services remove that strain.

### Commercial:

The reality for providers is that they have used age gates, which are hardly impenetrable, to ward off or cut off any communication with children under 13. This still leaves them at risk, while under serving their customers. i-SAFE Ventures services can give them confidence to engage this market:

▸ **Streamline and validate verified parental consent, at scale.** Parental consent is imperative. It is also hard for individual providers or products to take on the task at scale. i-SAFE Ventures services do, effectively and professionally.

▸ **Increase customer affinity.** By building protection of a child's privacy in, with transparency and obvious seriousness, providers increase the trust of parents and affinity for their product and company.

# i-SAFE Ventures Products & Services

i-SAFE Ventures offers a platform of technology services and solutions which enable identity management, and age-appropriate e-safety instructional programming, which meet and exceed regulatory requirements. These products include:

## i-SAFE Ventures — Product & Services

| Customer | Service Solution Description | Service |
|---|---|---|
| **i-SAFE Digital Learning** | | |
| Districts & Schools | Provides 146 K-12 lesson plans and a video library for E-Rate mandated topics: Appropriate Online Behavior, Social Networking and Cyber Bullying. Plus an additional 252 K-12 lesson plans covering an array of CIPA/E-Rate and other e-Safety topics including cell phone safety, identity theft, e-mail scams, sharing vs stealing online IP. | i-SAFE DC$^4$ Digital Programming |
| **i-SAFE Direct** | | |
| Districts & Schools | Enables districts to communicate specifically with parents about what commercial online sites, services and apps requiring personal information are used in their child's education, and to request parental consent. | i-SAFE Direct VPC |
| | Allows for a single administrator to create and execute the district wide Acceptable Use Policy (AUP) process, with an intuitive step by step guide to create customized documents, integrate with district directories of verified parents, with the flexibility to deploy in individual schools, by grade or by group, to monitor and report progress, and store in compliance with COPPA. | i-SAFE Direct AUP |
| | Enables educators to quickly create, distribute and manage requests for parent approval of student involvement in activities such as field trips, sports or any extra-curricular activity. Direct Permission Slip integrates with directories to simplify communications, provide implementation oversight and reporting. | i-SAFE Direct Permission Slip |
| Parent | Is the secure end user application built into all i-SAFE identity management services, provides verified parents with a single dashboard from which they can manage requests to gather and use their child's personal information, whether that be for educational purposes, extracurricular activities, or commercial web sites and apps. | i-SAFE Direct – My Ok |
| Companies & Providers of Apps and Services | Creates direct verified Parental Consent for the use of educational services and apps where (1) PII is required and/or (2) the environment also provides for sale products and services i.e. games or in-line tokens. | i-SAFE Direct ID Plus |
| | Allows providers of strictly commercial services and apps outside of the educational environment to gain verified parental consent. | i-SAFE Direct ID Basic |
| | Enables Terms of Service verified parental consent for sites, i.e. stadiums, restaurants and retail, for provision of online access, and where for-sale products are available and content may not be suitable for children. | i-SAFE Direct Terms of Service |

# Why Use i-SAFE Ventures Products & Services

When including a partner's products services along with, or embedded into, your own, you need to make that decision carefully. i-SAFE Ventures focuses its own business practices and development on three pillars:

## Solve for Important Outcomes

▶ Make compliance simple.

▶ Achieve true, verified parental consent.

▶ Remove hard costs associated with compliance.

▶ Tie digital learning programs to primary education outcomes.

## Build for Trust

▶ Design Identity management services to meet or exceed the highest standards for COPPA, CIPA, PPRA and FERPA.

▶ Host services on the AWS platform, be platform agnostic and design to SOA.

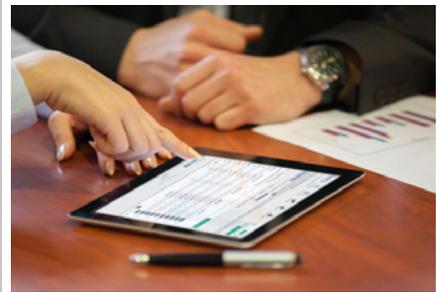▶ Create educational content to meet CCSS, NETS and ALS standards.

## Be Easy to Use



Cloud-based services are always available, always up to date, simple to deploy.
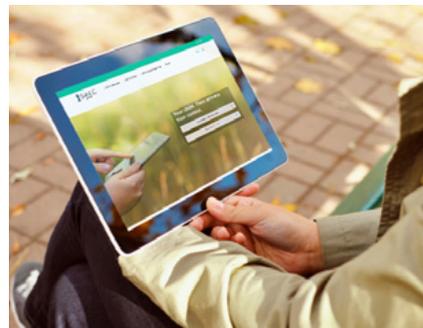


Wizard-driven processes create content in moments.



Quick integration with directories for distribution.



Admin dashboard with real-time data reporting. Long term cloud storage.



Built in notification, security and digital signing for parents.