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Smart Sparrow Flying High in Pearson Education Acquisition

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Abstract: Founded in 2011, Sydney-based e-learning company, Smart Sparrow, delivered an adaptive digital learning platform for universities and businesses to develop engaging, student-centric digital learning materials. Smart Sparrow's technology was acquired by international digital learning company, Pearson Education for integration into their Global Learning Platform on the 16th of January 2020.

Keywords: e-learning, adaptive learning, digital learning delivery, learner-centric education

1. The success story

The sale of Smart Sparrow's Adaptive eLearning Platform to Pearson Education in January 2020 is a success story fifteen years in the making [1].

In response to the lacklustre use of digital technologies in education delivery in 2005, and believing that digital learning should, and could, be done better, Smart Sparrow founder and CEO Dr Dror Ben-Naim conceptualised the first iteration of an adaptive e-learning platform and founded the Adaptive eLearning Research group at the University of New South Wales. The research group developed a platform capable of integrating principles from psychology, education, and computer science with the technology used in games and movies to create engaging, learner-centric education and training, and commercialised the resulting platform through the business entity; Smart Sparrow. The platform has undergone several transformations since its conception and has been adopted across more than 700 schools, universities, and businesses across the globe to empower effective digital learning delivery [2].

On the 16th of January 2020 the *Aero* Adaptive eLearning Platform was acquired by Pearson Education for US \$25 million.

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2. How did we start?

In the early 2000's Dr Ben-Naim envisioned a future where everyone would use laptops to enhance learning online. The last fifteen years of steady increase in technological adoption and digital delivery of education have proven his prediction, with the COVID-19 pandemic further driving an increased pace for educational institutions adopting digital delivery across the globe.

The concept of an adaptive digital learning platform first came to Dr Ben-Naim whilst developing virtual labs for the School of Physics at the University of New South Wales. A PhD exploring how to integrate adaptive capabilities into digital learning led to the invention of the Adaptive eLearning Platform, and the establishment of the Adaptive eLearning Research Group at the University of New South Wales with a core group of people committed to improving the way that education was delivered online.

Their motivation was simple: To make education better. Through pioneering innovation in learning design and educational technology, the group hoped to improve the way that online educational content was curated and delivered and inspire future advances in digital learning innovation.



Figure 1. Smart Sparrow CEO Dr Dror Ben Naim; co-founder Zach Belinon, and COO David Rowe.

3. Our technology

This meant that the team needed to think beyond the limitations imposed by existing technology. Dr Ben-Naim observed that the tools that you use for developing online learning materials dictate what you can produce, which inspired a reverse-engineering approach to designing a novel e-learning platform. *“When you ask yourself what an online learning activity should look like, how we want it to look, this is reverse engineering. So that’s what we did – sat*

with professors, learning designers, subject matter experts, and dreamed what online learning should be. We asked 'What do you want to do?', and built a tool to do it."

The resulting Adaptive eLearning Platform facilitates the use of interactive and engaging learning activities, supporting tactile engagements, learning by doing, and even 3D environments to create relevant and applied learning experiences. In essence, an immersive and applied learning environment. The Platform supports personalised learning, with an adaptive capacity to evaluate learner performance and directly address learner needs.

Integrated into the Pearson Education Global Learning Platform (GLP), the adaptive learning technology will enhance the ability of the GLP to provide adaptive and learner-centric education, and enable Pearson to build more engaging and interactive ebooks, whilst also empowering authors to codesign content and provide an improved user experience.

According to Tim Bozik, President of Global Product & North America Courseware, Pearson, *"The Smart Sparrow technology will help build more personalized and effective learning experiences that engage students whenever and wherever they need it. We believe this has the potential to drive better learning outcomes that in turn will lead to improved employability prospects"* [1].

4. The journey so far

Early uptake of the Adaptive eLearning Platform started at the point of origin – the University of New South Wales. As interest grew amongst teaching staff and students, it was clear that the platform met an unmet need amongst educators and learners alike.

In 2011 the team decided that it was time to scale up and make their technology available to the world. Founded by Dr Ben-Naim, Shaowei Ho, Zach Bellinson, and Ariel Shoham, Smart Sparrow was formed to commercialise the Platform, supported by initial investment from academic seed fund Uniseed and venture capital firm OneVentures, and later by UK-based Yellow Brick Capital Advisors, Moelis Australia Asset Management, and US-based ACT.

The platform has since been adopted by more than 700 institutions across the globe, spanning the K-12 and university education sectors as well as corporate.

As the platform rolled out into academic and corporate markets the team faced one major challenge: the need to continuously rewrite the code base to enable the product to meet customer needs. As the product evolved, the gap between what customers wanted from the product and what the product could actually do stretched wider and wider, and the Smart Sparrow team concluded that they needed to rewrite the whole platform; a daunting prospect.

This led to the development of a completely different product – the *Aero* platform that ultimately attracted the attention of Pearson Education. Although Pearson Education had engaged in conversation with the Smart Sparrow team for a decade, the education company did not express serious interest in acquiring Smart Sparrow technology until the *Aero* platform was launched.

The COVID-19 pandemic of 2020 added an additional dimension to this process, with the sudden need to bring education delivery online, driving a rapid uptake of digital learning by universities around the world. As businesses suffered, however, some customers closed down and others downsized.

5. Look to the future

Although Smart Sparrow will shut down by the end of 2021, their innovation will live on through Pearson Education as the technology is integrated into and deployed through their Global Learning Platform.

This is a satisfying conclusion to the journey for Dr Ben-Naim. *“When the world’s biggest learning company comes along and wants to buy the platform, it validates that our version of this solution was right.”*

Acknowledgments

Many thanks to Dr Dror Ben-Naim for agreeing to be interviewed.

References

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The company



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Investment Rounds (collected in 15.08.21)

| Series A | 09.2011 | Uniseed Ventures | 500,00

| Series A | 09.2011 | OneVentures | 1,500,000

| Series B | 10.2013 | Yellow Brick Capital Advisors | 10,000,000

| Series C | 02.2018 | Uniseed Ventures | OneVentures | Moelis Australia Asset Management
| American College Testing | 15,500,000

Main facts (collected in 15.08.2021)

The Company started in September 2011.

The first product was delivered in early 2012.

The company at its peak employed 80+ staff.

The next milestone is finalising transition of technology and staff to Pearson Education and shutting down Smart Sparrow.

Dr Melinda Stanners is an adjunct academic at Torrens University Australia, and currently the Usability Research Lead at a medical device startup dedicated to improving accessibility of automated external defibrillators within the community.

As Usability Research Lead, Dr Stanners works to translate innovation into application by advocating for the user in device design, developing training materials, and contributing human factors and usability insight and content to regulatory and corporate communications. This reflects a career emphasis on innovation and communication demonstrated through roles as lecturer, EEG and neurofeedback technician, technical writer, and corporate trainer in the academic, medical, service improvement, and aerospace industries.

