Ascend Learning finds success by marrying organic growth, acquisitions

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Reporter- Kansas City Business Journal

Given its spending habits, including four acquisitions in the past 12 months, Ascend Learning LLC would be expected to post significant annual gains in sales and employees.

But the company, which makes education technology for health care and other industries, also has seen its numbers grow naturally.

On a pro forma basis — not counting acquisitions — revenue increased 19 percent last year to $236 million and jumped 30 percent in the fourth quarter alone, CEO Rick Willett said. And revenue this year should grow 20 percent or more before new acquisitions, he said.

“We’re playing in a market that desperately needs better tools to educate students more effectively at a lower cost,” Willett said. “I think the primary reason for our growth is we have a very solid strategy for fulfilling that need.”

Technically, Ascend is only a year and a half old, formed after combining Stilwell-based Assessment Technologies Institute and Jones & Bartlett Learning, based in Burlington, Mass., under a single umbrella. But that unification represents the assimilation of 22 acquisitions, some of which existed 20 years or more.

The four most recent additions — Informed Publishing in March, Advanced Informatics in January, and Boston Reed and PrepMe in mid-2011 — all contributed additional customer bases, technology or products.

They also added employees, bulking up Ascend’s national total to more than 1,000, including 350 in the Stilwell headquarters and in a satellite office on the Sprint Campus in Overland Park.
This month, Ascend is consolidating its area operations into an 85,000-square-foot space in Two Hallbrook Place in Overland Park. The company has a second headquarters in Burlington, as well as locations in Phoenix, Minneapolis and the Bay Area in California. The two headquarters were established to best serve the company’s largest employee bases and business community roots.

Willett, who splits time between a home in Boston and an apartment in Kansas City, said that incorporating those new workers isn’t easy and starts from the moment Ascend considers buying a company. It uses a highly selective approach to make sure acquisitions won’t just add to the company’s economic success but will mesh culturally: The company finished four acquisitions in the past year, but it looked at 60.

“There were a number of deals that financially were home runs, or could potentially be home runs, but the cultural fit was terrible,” he said.

CFO William Aliber added that unlike some companies, Ascend, which is majority-owned by Providence Equity Partners LLC, doesn’t always look to immediately wring cash out of an acquisition through staff cuts and other “synergies.”

“Our philosophy is to find companies that fit from a strategic perspective and buy those businesses with really an investment mentality,” Aliber said.

Even after the purchase, however, the knitting of cultures requires a lot of training and communication to reflect Ascend’s mission and values, which stress entrepreneurial thought from employees, said Essie Eisenfeld Davis, senior vice president of human resources.

That process begins almost immediately after a deal is finalized, with teams meeting with new staff to share Ascend’s philosophy and history and reinforce those values in employee town halls.

“That builds a lot of trust,” Davis said.

Ascend’s biggest market is nursing students, who use printed and online products to prep for certification exams, college tests and continuing education requirements. Ascend also offers technology that allows schools and organizations to analyze student performance to improve educational offerings.

Nursing represents a huge, growing market as health care struggles to keep up with the aging population. According to the American Association of Colleges of Nursing, enrollment in U.S. nursing programs last year rose 8.5 percent to more than 259,000. In total, the company thinks the U.S. higher education market for its tools is worth between $5 billion and $7 billion.

Willett acknowledged the macroeconomics but said Ascend is doing more than just riding the wave.

“I think we’re winning and growing not just on enrollments, but ... because of our analytical research and providing superior content,” he said.
Karen LaMartina, a nursing professor at Johnson County Community College, said her department has been using products from Ascend subsidiary ATI Nursing Education for about 15 years.

She said she enjoys the company’s customer service and competitive pricing, as well as it being a local company. But she also likes the way ATI provides information on how students are coping with the coursework to help her and other educators better plan the program.

“We rely heavily on the statistics we get from our students’ proctored exams,” LaMartina said. “We have made curricular changes based on some of the results of those exams. We utilize the ATI online materials as supplements to our texts for the preparation our students need to do for classes and clinical. We also use ATI-proctored exam results when counseling students on the success in the program. We have found the predictability of the exams to be very reliable.”

ASCEND LEARNING

Description: Develops and sells education technology for health care and other industries, such as engineering, construction and workplace safety.

Top executive: CEO Rick Willett
Employees: 350 local, more than 1,000 nationally
Revenue: $236 million
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