

The Language of Learning

AutoSkill International Inc. helps children across North America hit the books the right way.

AutoSkill International Inc. offers a product that is impossible not to want—it makes learning possible. Today, thousands of children in North America are overcoming learning impediments in mathematics and reading thanks to the company's educational software programs.

Almost 30 years ago, Dr. Ronald Trites and Dr. Christina Fiedorowicz set themselves a monumental challenge. They wanted to unravel the puzzles of learning, especially of literacy.

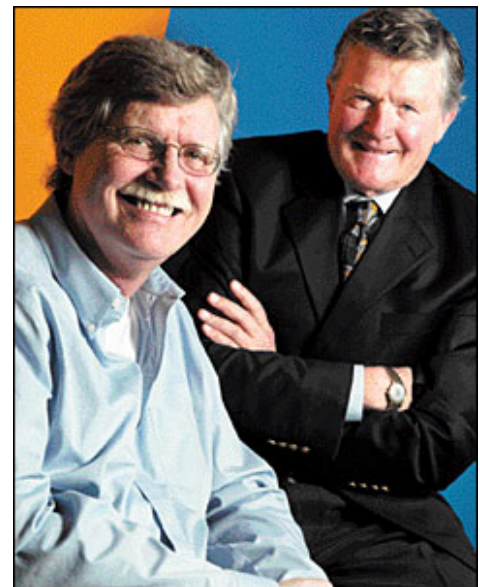
They wanted to know what caused some children to become dyslexic, to jumble letters, to have difficulty connecting what they saw on a printed page and what they heard when those words were read aloud.

"Statistics show that between 6% and 10% of children in North America suffer from dyslexia," Dr. Trites says. Research by Drs. Trites and Fiedorowicz focused on explaining and treating this condition.

Thanks to that research, about 625,000 North American school children a year are getting the help they need to overcome problems with reading and basic mathematics. That help comes in the form of leading-edge software provided by AutoSkill International Inc., the Kanata, Ont., company Dr. Trites and Dr. Fiedorowicz founded in 1985.

AutoSkill is on a roll, says Peter Eddison, president of the company since the fall of 2001. Buoyed by a combination of Internet technology and government aid to school boards, especially in the United States, the company is now selling its Academy of Reading and Academy of Math learning software to entire school districts instead of on a one-by-one basis to individual schools.

The difference is substantial. A single piece of software with 20 concurrent users sells for just \$20,000. Sell to a school district such as that in Pittsburgh, with 6,000 students using it, and the selling price jumps to more than US\$600,000.



Dr. Ronald Trites, right, and Peter Eddison see even greater potential for their educational software as governments look to address learning problems experienced by children in North American school systems.

Autoskill International Inc.

Head office: Kanata, Ont.

Business sector: Educational software

Market: North America

Number of Employees: 55

Web site: www.autoskill.com

Roynat > CAPITAL

"Right now, we have about 3,000 schools and school districts in the United States and about 1,000 across Canada using our software," Mr. Eddison says. "Sales have been growing by about 25% a year for the past five years and show no signs of slowing down."

That growth was driven by three factors. First, the software works. Studies show the reading software boosts students' abilities by an average of 2.5 grade levels after just 25 hours of use. The math package averages a 2.1 grade level gain after just 10 hours.

Second, the widespread acceptance of the Internet as a teaching aid means entire school districts can deliver learning software with ease to each facility within their jurisdiction. The software can sit on an off-the-shelf central server (Windows 2000 or 2003 server station with a Pentium 4 processor and two gigahertz of hard disk space and three gigabytes of random access memory).

Classrooms need similarly mundane equipment - Pentium 4, 1GHz workstations with a gigabyte of RAM and Windows XP professional or Windows 2000 professional workstation operating systems.

Finally, there is funding. Sales began to rise four years ago, when U.S. President George W. Bush signed the No Child Left Behind Act, which provides federal funding to schools to provide basic literacy and math programs. To handle the rapidly increasing complexity and a very different form of product - Internet-capable and GUI instead of character based - and to market it, Mr. Eddison took over the presidency. He had been a board member and a partner in Reid Eddison Inc., a consulting company that provided business mentoring to senior management of high-growth technology companies. "The company needed a different skill set in its CEO," he says. "It was apparent that offering Web-based products was a key to the future, and the new No Child Left Behind Act meant that thousands of school districts could now afford the software."

The software's success is that it addresses the basic problems children face when it comes to mastering both math and English. As Dr. Trites explains the situation, children may face one or more of three basic problems when they begin to read. They may be dyslexic, reversing the order of letters; they may have sequential problems and skip words or letters or they may have integration problems, difficulty in connecting what they see and what they hear and, as a result, mispronounce words.

What his and Dr. Fiedorowicz's research showed was that many of these difficulties could be resolved by going back to basics and drilling a child in each of the learning steps until the brain could handle the task with ease. It comes down to a matter of milliseconds, he says.

If you can improve the speed with which a child's brain processes a task, the result improves reading speed in an almost geometric progression. What the doctors found was that repetition was the key to training the brain. The AutoSkill software starts with letter recognition. Once that is up to speed the child moves up to long vowels, then short vowels, then letter combinations.

AutoSkill takes the same approach with math; repetition is key, it trains the brain. The company also created SpanishTutor to help children in areas where English may be a second language. It also has a Literacy Intervention Suite, a School Report Pack and the AutoSkill Advantage Customer Support Program.

Dramatic growth has really only come in this decade but the company was able to not only survive but prosper almost since its inception in 1985, Dr. Trites says. In 1987, for example, AutoSkill, in partnership with Unisys, was awarded a grant by the Ontario Ministry of Education to equip 25 Eastern Ontario schools with literacy software.

"That \$500,000 to \$800,000 in revenue was enough to fund all the research we did between 1985 and 1990," Dr. Trites says. Orders of about 300 software packages a year were enough to support a staff of five.

AutoSkill sells through regional educational software distributors. They also handle the chore of tutoring schools in its use. The company maintains its own support staff in Kanata, however, reachable through a 1-800 telephone line.

Looking ahead, Mr. Eddington and Dr. Trites see immense opportunities for the AutoSkill software. The U.S. school market is enormous. There is also the potential for extending sales to groups teaching English as a second language to recent immigrants.

"What it does is address the very fundamentals of life in today's world," Dr. Trites says. "Literacy and basic maths. What we have going for us now is an established track record, proof that AutoSkill software can and does make an enormous difference."