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To: Key TechMIS Contacts

From: Charles Blaschke

Subj: Suggested Marketing and Sales Strategies

Below I have taken the liberty of suggesting a marketing and sales strategy for TechMIS subscribers which have products which could be purchased and used in Title I and related programs. While I have presented below general strategies and tactics, detailed approaches and initiatives will depend upon subscribers' specific products and services, and primary means of selling (direct vs. dealers vs. tele-sales) etc. However, I do believe if one followed the suggestions below, then you should be able to capture your share of the over $10 billion of Title I and other ESEA funds that were finally released during the week of October 6 and will be in Title I district directors by mid-November.

Over the next six to eight months, the highest priority niche market to target now should be Title I, while early next year, a growing priority should be special education.

Title I is the highest priority now because:

- Selected districts will receive over $2 million in Title I funding increases this year;

- A large portion (e.g., $1.0-$1.5 billion) of ESEA additional funds will be transferred into Title I programs, particularly schoolwide programs, because there is no required accounting and reporting on how the money is being spent.

The districts to target include about 800 large districts which will likely receive 2/3 to 3/4 of the increased ESEA funding and additional funding increases from E-Rate refunds and other sources. The list is available from Mailings Clearing House (Mary English 800/776-6373).

Within these districts, the priority school targets are:

- Schools receiving Title I funding for the first time, particularly newly-designated Title I schoolwide programs (estimated 8,000-12,000 schools); many first-time schoolwide programs will have 3-5 months from the beginning of school for planning.

- Schools that have been failing for two consecutive years which have to spend an amount of at least 15 percent of their school's budget allocated from their district "reserve" for professional development for teachers and instructional aides (estimated 5,000-6,000 schools).

- Schools failing three years and in which state-approved supplemental service providers must be available for parents to decide to send their eligible children to them for remedial services.

While schools targeted for failing three consecutive years were considered a much higher priority in April, as the result of May 22 state guidance on consolidated plans (see July TechMIS) and August 6 USED proposed Title I regulations the number of these schools have decreased from the estimated 8,500 by USED then to probably only 3,500-4,000. USED August 6 proposed regulations allow districts who use the most recent test scores the option of taking a school off the targeted list or putting one on the list. Recent surveys of urban parents of school age students reveal that 70-80 percent do not want to transfer students under parent options or supplemental services. Only in those states (e.g., Georgia) in which a large number of districts have requested and been approved as a supplemental service provider should a firm target these schools and then only with a current customer partner.

While Congress "mandated" USED allocate about 30 percent of Title I funds in July to states and in turn to districts, for a variety of reasons USED allocated only 40 percent of only the basic grant or an average district of only 22 percent of the total Title I allocation. However, for districts receiving large increases in funding in concentration, incentive, and target components of the new formula, they received in July only 10-15 percent which explains why August, September, and even October sales have been lower than anticipated, especially in large urban districts. The remaining amount of funds were allocated to states during the week of October 6 and should be in the hands of districts in mid-November after state SEAs make adjustments.

For those districts which followed the August 6 proposed regulations and put into a Title I district level "reserve" 10-20 percent of Title I funds to cover the cost of anticipated transportation and supplemental services costs, some of these Title I directors will spend the remaining amounts funds for products and services in March to May. In addition to Title I directors, joint meetings should be set up between the technology office and the office of special education in these large districts to explore sales possibilities paid for out of IDEA and state special education funds, which will increase much more than Title I Federal funds for FY 03.

Please call me if you have any questions.