

## A message from the chief executive



Marjorie Scardino Chief executive

**Pearson's goal is simple: To help people make progress in their lives and to thrive in a brain-based economy through learning.** We have our commercial and financial goals too, of course, and we believe we've been successful in meeting them, because, at our heart, is that social purpose: to make a positive impact on society by helping people learn. **We're reaching for a wide definition of 'learning', though: one not constrained by age or circumstance or confined to a classroom. We think learning never stops; it's happening all the time, all around us. And we're setting out to prove it and improve it.**

Our basic strategy to achieve our grand goal is pursued by all Pearson's businesses in some shape or form and has four fundamental parts:

1. To develop **compelling, trustworthy content** that customers deem worth paying for;
2. To serve it up not just naked, but with **services, mostly technology**, to make it more useful, more personal;
3. To work in **markets that are growing** and have strong demand for our services;
4. To fuel our investment in that work through **steady efficiency gains**.

We learned a lot about ourselves as a company in 2009. We started the year facing a ragged array of challenges. Though the previous year's threat of a full financial meltdown looked less seismic,

the aftershocks of recession were rippling out to just about every one of our markets. At the same time, the gathering pace of disruptive change was testing the strategy and imagination of every media company including ours.

So... we reviewed the lessons we'd learned in previous years – keep our eyes on the goal; keep investing; keep people working; change, change, change.

We saw an opportunity, not to ease off the gas, but to accelerate. To invest both money and imagination in the fast-growing digital, services and international markets that have given us our impetus. We reckoned that in the short term we could pull further away from our competitors, and that in the long term we simply could not afford to pause for rest on the journey from publisher to digital and services company that we've been making for some years now.

In 2009, about a third of our sales came from digital products and our services. Over the past five years, our digital revenues have grown at an average annual rate of 19%. Seven years ago, our testing and qualifications businesses (a good example of our providing education services, rather than 'products') had sales of less than £200m. This past year they were five times that.

Our strong performance – both financial and competitive – is largely the result of our having had a consistent strategy and invested consistently in it over the long term.

We believe that strategy (though the playbook keeps changing) and investment will help us remain the innovator and the scale player in our industries, and remain both a durable company and a long-term growth company. But, we know that will happen only if we keep changing.

That's why this 160-year old company tries always to be learning. Like many students, we're finding that the learning itself can be as stimulating as the results. And all the time, that's making us stronger and stronger, too.

Marjorie Scardino Chief executive

This is an edited extract from Marjorie's statement in our annual report. [Click here](#) to read the full version.