**Financing the Venture**

1. **Funding**

Coursera was established as one of the first MOOC Providers in 2012 by Stanford’s Daphne Koller & Andrew Ng. The start-up raised funds from a total of 8 rounds till date, totalling the amount to $210.1 million (as of June 2017). The following table shows detailed report of the funds raised.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Announced Date | Transaction Name | No. of investors | Money Raised | Lead investors |
| April 18, 2012 | Series A - Coursera | 2 | $16M | Kleiner Perkins Caufield & Byers |
| July 17, 2012 | Series A - Coursera | 2 | $6M | - |
| July 10, 2013 | Series B - Coursera | 5 | $43M | THE WORLD BANK GROUP |
| Nov 24, 2013 | Series B - Coursera | 3 | $20M | - |
| Aug 25, 2015 | Series C - Coursera | 4 | $49.5M | New Enterprise Associates |
| Oct 27, 2015 | Series C - Coursera | 6 | $11.6M | EDBI |
| Apr 10, 2017 | Series D - Coursera | 1 | - | - |
| Jun 7, 2017 | Series D - Coursera | 7 | $64M | GSV Asset Management |

Coursera will use the funds to enhance its “enterprise business” under which it offers customized courses to companies and for “product innovation”. The company plans to use the funding to accelerate its business in three areas: to develop new technology in areas like artificial intelligence to improve and personalize the learning experience; to expand its range of full online degrees (versus short courses and one-off classes); and to continue building out one of its newer areas, targeting non-profits and businesses and their own corporate development and training needs.

Today there are some 50 companies offering courses through Coursera, including BCG, BNY Mellon, L’Oréal, Axis Bank, PayPal and Air France KLM, while government and non-profit customers come from the U.S., Pakistan, Egypt, Malaysia and Singapore.

1. **Strategic Partners**

Coursera mainly works with universities and colleges, but also with governments. University partners include University of São Paulo in Brazil, University of London in the UK, Indian School of Business of India, Yonsei University in Korea, and institutions like Yale and University of Pennsylvania.

It has a total of 16 investors, out of which 5 are lead investors. Some of them include GSV Asset Management, New Enterprise Associates (NEA), Kleiner Perkins Caufield Byers (KPCB), Learn Capital and new investor Lampert Foundation. Other funds are coming from the World Bank's investment arm (International Finance Corp.), as well as from Russian entrepreneur Yuri Milner.

1. **Comparison**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Coursera | Udacity | edX |
| Organisation Status | For Profit | For Profit | Non-Profit |
| Funding | $210.1 million | $160 million | $60 million |
| No. of Courses | 2700 courses | Around 180 courses | 1800 courses |
| No. of Registered Users | 30 million | 8 million | 14 million |
| Payment for content | 6%-15% of gross  revenues from course  + 20% of gross profits  from aggregate set | $5,000-$15,000 to  instructors; 51% of  profits to partner  institutions | 50-70% of revenues  after upfront  payments from  partner ($250,000 or  $50,000) |

1. **Revenue Streams**

Coursera gets revenues through Verified Certificates, Specializations, iMBA, co-creation fees from content providers, company contributions embedded with Global Skills Initiative, and merchandise selling. Coursera announced the Signature Track in January 2013. Signature Track “securely links coursework to real identity” via a verified certificate, which costs between $30 and $100. At launch, six courses were eligible for the verified track; students facing economic hardship can apply for financial aid. The certificates are used by students to show employers professional qualifications or prove acquired skills. Just more than a year after launching the signature track, Coursera had generated more than $5 million in cumulative revenues from it.

In 2014, the company announced a specializations track, which involves construction of a curriculum based on subject-related signature track courses. There are now a few dozen such specializations, generating more than $1 million in extra revenue above the traditional signature track courses. Each specialization program culminates with a 'Capstone Project' where students apply their new knowledge to relevant, real-world challenges. Coursera is partnering with top companies to create and sponsor these projects.

In addition to charging optional tuition fees, Coursera's monetization strategy includes providing networking opportunities that introduces its students to potential employers and recruiters. Employers can also pay for access to valuable student information – with their consent – such as performance metrics and demographic information.

Other sources of revenue may include:

* Students on the free track can also have the option to purchase university-branded certificates of completion for each course.
* Enrolled students can pay for human-provided tutoring services to help them in trouble areas.
* Enterprise versions of the platform may be sold to companies, governments or other organizations for professional training and certification.
* Coursera may sell advertisements on their web site/app or offer official course/specialization sponsorships.
* Coursera could license their identity-verified testing services for secure assessments to end users.

1. **Cost Structure**

Coursera’s main cost structure are made up of co-creation cost, payment for lecturers, payment for teaching assistants and other team members, including for monitoring forums while course is ongoing, and cloud services it uses in delivering its courses.

1. **Why would investors choose Coursera among others?**

Coursera is the preferred choice for most of the investors interested in MOOC due to its following features differentiating it among others in the market:

* Largest Audience base.
* Auto-grading feature in courses.
* Free courses on trial basis.
* Playback speeds and quizzes in videos.
* Available on almost all platforms.
* Featureful Forums.
* Capstone Projects.