



Entrylevel Portfolio

Edtech Market

Market Analysis

Evaluating the Edtech Market



Market Size & Outlook

The global edtech market has a CAGR of 15% indicating rapid growth. The market is currently valued at 85B as of 2021 and is expected to balloon to 230B by 2028. Factors influencing the growth of this market include:

- Job dissatisfaction due COVID reshaping job seekers view on work, life, and benefits
- COVID expediting the shift to elearning formats to make education accessible across borders
- Increased understanding of neurodiversity and the lack of inclusivity of classroom education

Top trends include:

- Reskilling and upskilling in the HRtech sector
- Gamification in education
- Inclusive education practices
- Effective hybrid classroom management tools for teachers
- Increase in availability and affordability of online certifications and licenses



Market Size & Outlook - Challenges

Students/Classroom	Transitioners	Professionals/Workplace
<ul style="list-style-type: none">- Decreases in state funding- Classroom engagement- Tracking progress and student accountability	<ul style="list-style-type: none">- 3% of people complete the MOOCs they take	<ul style="list-style-type: none">- Pay and promotion- Access to Internal opportunities

With all the sub-segments within the market, the market is considered to be fragmented and moderately competitive. We'll expect consolidation in the next 3-5 years.



Customer Analysis

In the pre-professional area of education, the math area of study in the K-12 market (25% CAGR) is the most lucrative when we consider traditional education; however, learners of all ages, socioeconomic statuses, and geographic locations are expected to benefit from the digital form of education. North America is the dominant market currently. However, as developing markets come online through infrastructure investments from Google and Facebook, we'll see the greatest global growth from the Asia Pacific region due to their rapid adoption of mobile devices *and* their fragile infrastructure that warrants a greater integration with technology to mitigate those vulnerabilities.

In the professional area of education, reskilling and upskilling is predominant.



Customer Perception

Given that [76%](#) of workers feel unequipped with skills they need—and that demand for frontline workers is increasing, customer perception is extremely positive. According to [Google Trends](#), interest in online education surged 2-3X worldwide in March 2020, for the following terms: online education, online learning, online course, online class and online school.

Trend Analysis

Key trends and highlights in the industry



Key Trends

1. **Parents as end-users rather than stakeholders:** Because students often need help using edTech products at home, parents are using learning tools more frequently.
2. **Apprenticeships:** In order to combat the “high-skilled” workforce shortage and make better opportunities more accessible to people from non-traditional or lower-income backgrounds, companies are developing apprenticeship programs.
3. **Investing in corporate learning and development:** Over the past decade, many companies have grown to realize that investing in your workforce is essential to the success of the business — over half of companies facing skills gaps believe internal skill building



Key Trends

1. **Adaptive content based on data:** Learning tools can provide supplemental resources for areas of struggle or personalized check-ins based on individual progress. These features can help teachers streamline one-on-one attention and provide more [adaptive pathways](#) for their students.
2. **Verticalized search-engines for specific use cases:** The quantity of free and paid content will create opportunities for companies that can vet it; sort through and organize it; and suggest the best resources, playlists and learning paths to the people who need them.
 - a. *Note: the first antitrust action taken against Google took place in 2020, signaling a shift in the search industry, which hasn't been disrupted in over 20 years. In the wake of the antitrust suit, we'll see new players enter this market for specialized information, including new online search aggregators in learning and education.*
3. **Alternative revenue models:** Due to the availability of free content and information, there is a shift away from freemium to “free trials”. Additionally, the “referral fee” models is also prominent for “matching” services.



Key Highlights - Deal Activity

[Mentor.cam](#) provides access to conversations with otherwise inaccessible people for a fee. They launched in 2019 and in 2021 received [1.4M](#) in seed funding.

[CareerKarma](#) matches people seeking to be reskilled or upskilled with relevant training programs. They launched in 2018 and have received [52M](#) total funding and their latest series B round of 40M in 2022.

[Reforge](#) raised 60M in series B funding to create specialized educational resources for product managers.

[Multiverse](#), a curriculum curation company that manages apprenticeships for large enterprises, raised 220M at a [1.7B](#) valuation in 2022.

[Gloat](#), an AI talent marketplace that enables organizations to re-deploy their existing workforce to better roles, received 90M in series D funding in 2022 and [57M](#) in series C in 2021. Competitor, Eightfold, raised a [200M](#) series E



Key Highlights - Deal Activity

Interplay Learning raised an \$18M Series B round to develop on-the-job-skills in HVAC, solar, plumbing, and electrical through digital training simulations and virtual reality in 2021.

ChargerHelp raised a \$2.75M Seed round at a \$11M post-money valuation to scale its hiring and training of a diverse workforce to service electrical vehicle charging stations nationwide in 2021.

CareAcademy most recently raised a \$9.5M Series A round in June 2020. CareAcademy is a training platform for home care professionals preparing workers for the growing eldercare market as older adults are projected to outnumber children by 2034.

Key Players

Analysis of key players



Key Players - Coursera (1.1k employees)

Yearly Revenue

- 2018: 140M (*100M in 2017*)
- 2019: 184M
- 2020: 294M
- 2021: 415M
- 2022: 245M (June 2022)

Products & Services:

- Professional certificates
- License Content library solution to enterprises, universities, and governments
- Online degrees

Recent Developments:

- Recently launched bachelors and masters online degree programs
- Degree program revenue has declined due to fewer students completing programs and the avg credit hour per student declining
- Coursera has also been expanding its enterprise segment, which is focused on providing its content libraries to colleges and employers. This segment includes Coursera for Campus, which allows colleges to use the platform's content in their classes, positioning them to compete with 2U education.



Key Players - [Better Up](#) (2300+ Employees)

Yearly Revenue


- 2018: N/A
- 2019: N/A
- 2020: N/A
- 2021: 100M+
- 2022: 170M, assuming 170% revenue retention rate from previous year

Products & Services:

- On-demand coaching platform for virtual professional coaching in the form of 1:1 or group sessions
- AI based individualized coaching for employees on a recurring basis with bite-sized elearning modules relevant to specific employees needs
- Managed EAP services for Enterprises
- Data on employee mental health measured against performance

Recent Developments:

- Series E [300M](#) funding @ 4.7B, for INTL expansion
- Walmart and BetterUp Launch Platform To Support Mental Fitness for Millions of Caregivers
- Prince Harry deemed Chief Impact Officer



Key Players - [2U](#) (5000 Employees)

Yearly Revenue

- 2018: 412M (*287M in 2017*)
- 2019: 574M
- 2020: 775M
- 2021: 946M
- 2022: 494M (as of June 30)

Products and Services:

- A database of Online certification courses, Online degree programs, and bootcamps
- Degree program design and management for universities
- Content marketing
- Student support services

Recent Developments:

- 2U being folded under EdX umbrella brand
- 2U offering “Core Degree Bundle” to include access to the online content marketplace along with its degree and program design offering
- 2U adjusting revenue sharing agreement, degreasing costs for partnering universities, to make it more affordable for students

Evaluation

Incoggo, WriteSea, and Endex

Note: these start-ups are unrelated to edtech, but are start-ups I've had the opportunity to interact with and have more specific data for



Incoggo

Market

The adtech sector is experiencing a paradigm shift; Google announced the elimination of third-party cookies and Apple announced changes that make Identifiers for Advertisers (IDFAs) significantly less valuable than before. Incoggo solves this problem by selling advertisers anonymized and aggregated user data that is generated from users that download their local proxy. Consumers are incentivized to download this proxy for two reasons:

Market gap: Popular extensions like [uBlock Origin](#), one of the most widely used extensions adblockers will need to be entirely redesigned. This is a result of Browser APIs are increasingly restrictive due to Chrome's migration to manifest v3¹.



Incoggo

Product & Unique Insights

Product differentiation: Incoggo is like [Pi-hole](#), but goes a step further and offers a full suite of browser extensions. The platform offers app customization (i.e. change your imessage text to blue), URLs are scrubbed of PII, and choice - in the future, users will be able to pay for their data not to be tracked.

Developers are incentivized to build 3rd party extensions on their platform due to:

1. Extensions are available cross-browser, which is a pain point
2. In-platform transactions, which is not possible with Chromium today



Incoggo

Team

Previous technical founder ([Ian](#)) and strong GTM founder ([Marianne](#), a close friend)

Metrics

- Market: B2B Data Partnerships model in the Alternative data market
 - \$4.4B (2022) -> \$143B (2030)
 - \$1.5B SOB (2022)
- Traction:
 - Revenue: 2 onboarded partnerships | 12+ ongoing data evals
 - Consumer: 1000 users on ios, windows has a waitlist



WriteSea

Market

The HRtech market is competitive and consolidating. Companies are seeking alternative revenue sources and new ways to monetize job seekers that are seeking new opportunities after upskilling or reskilling.

Product & Unique Insights

[WriteSea](#) is an plug-and-play career services business and platform for job boards. Today, only the largest job boards have career services extensions. WriteSea creates a new revenue vehicle for smaller job boards and associations to compete in the competitive HRtech industry. They currently supply their customers with resume writing, interview coaching, and career coaching. Though Writesea's core business is managed services, its [moat](#) is its ability to sell the underlying software via a SaaS model to Enterprises and Small to mid-sized teams to power their career services and businesses.



WriteSea

Team

Comprised of 1 CTO-[Hanzla](#), (CEO-[Brandon](#), a close friend), and CMO-[Leander](#), who all run their own career services business with >\$1M ARR

Metrics

- Traction:
 - Managed Services: 1 Pilot with one of the largest career solutions corporations, which gives them access to 2k potential clients with more conversations occurring



Endex

Market

The Digital Wealth Management Market¹ is worth \$3.76BB (2021) -> \$8.15B (2027)

Product & Unique Insights

[Endex](#) is a broker-agnostic social investing platform that enables retail investors to copy traders from vetted investors. Despite major competitor, [Public.com](#), leading the social investing segment, Endex has a competitive moat that can help it gain traction including:

Consumer value

- “Share and act” system vs. show and tell system: Users are able to copy other users’ ETFs and add them directly to their brokerage
- Transparency: Users have access to

Creator value

- In-platform monetization through tipping and Endex payouts based on popularity and performance



Endex

Team

Previous securities trader (CEO-[Brittany](#), introduced through a founder friend), co-founder w/venture background (CTO-[Kevin](#))

Metrics

- Traction: 500+ users and >70 indexes (*note: recent prod issue may affect numbers*)

Deal Flow Action Plan

Ideas to generate deal flow



Deal Flow

Ideas

The area where I have unique perspective and value is in product management. In order to start generating an audience and building a brand, I created a substack called [FullStack Product Manager](#) and began writing more consistently on [Medium](#).

Through I've started to gain visibility from some VCs, but, mostly, it's been an awesome way for people to understand my work without working directly with me. However, after some time, I stopped writing.

The first step for me is connected to:

1. Redefine my goal
2. Finding a topic I can write about 100 times
3. Creating an agreement with myself to write on a weekly or bi-weekly basis
4. Carve out time and commit to the date consistently

Investment Memo

WriteSea



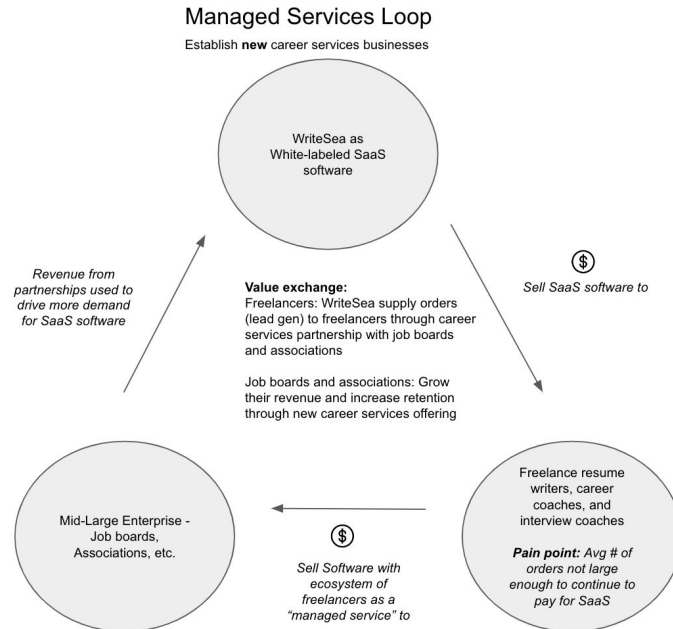
WriteSea

Market & Product

[WriteSea](#) is an plug-and-play career services operations platform for job boards, hiring platforms, and tech bootcamps. Today, only a handful of the largest job boards have career services extensions. WriteSea creates a new revenue vehicle for smaller job boards, hiring platforms, associations, and boot camps to compete in the competitive HRtech industry. They currently supply their customers with resume writing, interview coaching, and career coaching as a service.

The HRtech landscape is vast, and the job board market is extremely competitive and niched than ever before. Though Writesea's core business is managed services, its [moat](#) is its ability to sell the underlying software via a SaaS model to enterprises and small to mid-sized teams to power their teams of freelancers.

Market & Product



Enterprise Freelance Management Software
Enhance **existing** career services teams by powering project management for their freelancers and workflow management for full-time operations leads





WriteSea

Traction

The team has a pilot secured with one of the largest associations. Due to their personal businesses, they have a supply of 100+ writers to support a handful of deals that would have 2k-4k orders a month.

Open questions:

- Do you plan to hire a sales team?
- How are you measuring the effectiveness of your outreach strategy?
- Why are associations opposed to targeting job boards directly? If you're pursuing both, what's the success rate for both?
- Are there other use cases for the product that you're discovering through these conversations? If so, what are they? Are you folding them into your growth plans?



WriteSea

Competition

Talentinc.com, a \$5B+ business, has a monopoly on the established career services market. Additionally, job boards can stand up their own career services business on their own.



WriteSea

Sales and Distribution

Their primary GTM strategy is outbound sales, conferences, etc. They've established one Pilot with one of the largest career solutions corporations, which gives them access to 2k potential clients with more conversations occurring.



WriteSea

Team

Comprised of 1 CTO-[Hanzla](#), (CEO-[Brandon](#)), and CMO-[Leander](#), who all run their own career services business with >\$1M ARR. Their personal businesses will provide the supply for the Managed Services business. They already have processes and educational material in place to onboard new freelancers at scale.



WriteSea

Deal

2M seed @ 10M valuation cap. [Collab Capital](#) is the lead investor

Due Diligence

Due diligence for WriteSea



Due Diligence

Team

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Due Diligence

Market

Their largest competitor is [TalentInc](#), and they have a monopoly on the career services market. They are within the \$400B job board and staffing market. They're initially focused on creating partnerships with large associations like YM Careers. They've secured a deal with YM careers, and they are eager to begin pilots with WriteSea.

Open questions

- What is your Serviceable Obtainable Market?
- What are your measurements for product market fit?



Due Diligence

Product

They've built a cloud-based SaaS software that's built with a micro-service-oriented architecture. The product is scalable and its APIs can be reused to build out or enhance other business lines. Though the technology being utilized is not innovative or patentable, the product experience is robust, comprehensible, and immediately valuable to its end users, enabling them to solve a pain point for their end users on behalf of their customers.

Open Questions

- What SLAs do you have in place to protect privacy and data?
- What enhancements are planned to ensure the product establishes and maintains differentiation in the scenario where there are more entrants in the market?



Due Diligence

Financials

- ENT 50/50 Revenue share: No revenue has been generated yet. However, if the pilot is successful, it will be a multimillion-dollar deal
- SMB SaaS: 10k+ ARR

Open Questions

- If funding is received, which revenue customer segment will you invest in growing?
- What is the CAC payback period for an ENT or an SMB customer?
- What % of the company does each co-founder have? Has there been an employee equity pool established?



Due Diligence

Legal

- Is your platform GDPR compliant?
- How will data be protected? Who will own data on the platform?



Due diligence

Risks

The biggest risk I foresee with this business is TalentInc. aggressively adjusting their prices and revenue sharing agreements in order to retain the freelance and Enterprise partnerships. The other risk is in being unable to create enough freelance supply to cover demand, resulting in failed partnerships that dismantle the business entirely. However, given the team has bootstrapped the company to date, and their personal businesses are tied to the WriteSea corporation, whatever barriers the team encounters, I expect the WriteSea team to overcome them