

ESSENTIAL READS

How to scale an EdTech startup in India?



PART 02

The journey of an education entrepreneur is challenging. Entrepreneurs tend to get caught up between the notion of wanting to universally improve education standards versus building a sustainable business. It is possible to do both by keeping a hawk's eye on business metrics. Define whose problem you are solving and why it is critical to solve it. If you cement these two pillars, you have built a strong foundation to then grow a sustainable edtech startup.

Launching an Edtech startup? Whose problem is it anyway!



I have the elixir of life to sustain my Edtech startup

Most often, entrepreneurs are so caught up with perfecting their product, they think of the product as a designer and not the user. A few questions to get you started:

- Can the user look at your product and highlight the top three differentiators from what she is using currently?
- In absence of your product, is the user facing a glaring problem?
- On using your product, will they see an immediate improvement in scores/productivity?

If your answer to the above was in the negative or “maybe”, then there is a fundamental mismatch between your product and the user’s need for it.

In education, users will not pay for “nice-to-have” products and if there is no critical need for it, adoption will be slow. It has to be a “must-have” solution.

If your product is unable to immediately demonstrate a reward in terms of improvement of scores of students, a reduction in time for teachers to complete a task, or highlight a pathway to an increased salary, it is unlikely that your user will pay for it repeatedly and spread the word around.

Once we have confidently answered questions around the need of the product, it is worth considering whether or not the different design elements you are including genuinely serve any purpose.

- **A super-light app that looks extremely slick:**

Have you included it only because everyone has an app and it is the flavour of the month? Instead, think of whether your product is naturally mobile-first vis-à-vis it being an afterthought and creating an app to make it cool. Coolness doesn’t always result in customers paying for it and certainly not in an edtech startup.

- **All scoring is gamified:**

So, there is a weekly scoreboard and students can compare their performance. Sure, for kids any sense of competing with their peers will drive them to spend more time on your product. However, what needs to be uncovered is, are they spending time doing activities that are only helping in increasing their points and not improving their learning.

If it is the former, the edtech startup app has failed them and gamification for the sake of it is pointless.

- **I have built this using some cutting-edge technology and it is the first of its kind:**

Does the user care for this tech, does it make her life better, simpler and easier, because of using this? Have you over-engineered the product of your edtech startup without thinking of why it was being built in the first place? If your user is an average teacher, she has neither the time nor the motivation to spend extra time learning to use a new platform that is complicated to understand.

I dream of scaling my Edtech startup

Now comes the last pit stop, before you run the final few laps of the race. If you have survived the first two phases, you deserve a pat on the back. Why is it that many an edtech startup, they reach a stage beyond which they either stagnate (if they are at least profitable, this is not too bad!) or end up being heavily dependent on government funding? Could we build an organisation anticipating these roadblocks, so that it can grow into a truly large and sustainable education business in India?



- You have identified who your consumer is, what their pain point is, and are clocking revenues too. However, is this an early adopter problem wherein you will get to an annual revenue of ~\$1 Mn, but beyond that, your market is quite limited? **Is your problem inherently only a middle-class problem,** and hence will never have mass appeal? Be aware of this early on, lest you are shocked once you have saturated your initial market.

- Very often, you have estimated and accounted for the time and cost involved in making sales to educational institutions. **Often non-trivial details such as after sales support, and feedback from customers is ignored.** This can prove to be perilous, and costs can escalate rapidly. This may not seem a major cost item in the first few years of running the business, but once the business starts scaling, costs will mount up quickly.
- Have you considered well-entrenched partners in the space with whom your edtech startup could be partnering? **Not all partners are competitors and don't shy away from even having that initial conversation.** Don't get into the rigmarole of drawing up lengthy MOUs, NDAs and forget the larger picture of figuring out how to partner and grow sales. Ensure you matter to the partner and your presence is a genuine value add to their product portfolio. If so, then go ahead and start a pilot.
- This is probably the most important of the lot, **any false notion of generating money only after you hit scale needs to be thrashed today.** If you are unable to get a consumer to pay for your content or service today, it is unlikely this will change dramatically because you have reached a million users. Why is this the gospel truth in education? Because consumers have enough options to choose from. Your edtech startup needs to be able to prove that customers are willing to pay for your product today, not years down the line.

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*This is the second part of the series of articles on **Essential hacks for Edtech startups**. You can read the first part on how to launch an Edtech startup PDF in the folder enclosed.*

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Essential hacks for Edtech startups

PART 02

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