Africa’s first EdTech incubator
Jamie Martin: education (government & business) experience in UK, ME, USA, Africa

Jamie Martin

- Special Adviser to UK Secretary of State for Education
- Education specialist at BCG, Deloitte in UK, Middle East
- Adviser on strategy, focused on Africa, to international education companies & VC funds

Consulting, govt in Africa, UK, Middle East, USA

- Senior adviser to UK govt overseeing wholesale reform of school system
- Worked on fundraising, operations, growth with education start ups in SA & Ghana
- Review of Africa strategy & global transformation for >$100m revenue UK education business
- Growth strategy, fundraising ($80M) & market entry for Middle East school chain
- Several due diligence projects for top private equity firms on education assets
CiTi is Africa’s oldest incubator & ecosystem builder, having created R 1 Bn in revenue for companies over 18 years

Businesses supported: 1500+
Jobs created: 3 000
Revenue: R1 bn

18 years

- Great industry reputation for delivery & thought leadership & innovation
- Complete end-to-end business support from an idea stage to R30m a year companies
- Strong M&E and administration
- B-BBEE Level 1 supplier
- 3/5 Elements of B-BBEE Scorecard
- Strong corporate & public, academia, SMME partnerships
Now partnering with CiTi to launch Injini - incubator dedicated to using tech to improve African education

Africa’s education opportunity

• Africa undergoing huge pop growth
• Get education right & this = opportunity
• BUT - BAU failing & big structural challenges
• Tech solutions can help but limited support

How we will help seize it

• 8 EdTech start-ups per cohort (2x p.a)
• 6m programme + R 500k funding each
• Support to scale & raise further funds
• 16 new EdTech start ups scaled p.a
EdTech acceleration/incubation model has been proven - for investors and start ups - on other continents

- **Imagine K12** - 60 alumni companies gone on to raise ~ $100M of further funding & reach ~ 10 million students
- Total of **14 EdTech dedicated accelerators** started and $2.3bn invested in EdTech companies since 2001

- **Emerge** - c.40 alumni raised >£10m further funds, reached c.50% uk schools; individual apps >1m downloads
- **XEdu** - after 1 year graduated 19 businesses, some raising >$1m follow on & selling to schools in US & Asia

- **EduGild** working with 10 businesses in 1st year, graduated its first cohort & announced a second campus
- Indian EdTech companies raised >$200m in 2016; BYJU raised $50m, Cuemarh $15m from Sequoia & Google

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**United States**

- Imagine K12

**Europe**

- Emerge Education

**India**

- EduGild
We have laid the ground for the incubator by building an EdTech cluster & running several EdTech ecosystem events

**EdTech cluster**

- Cluster of 5 established education companies in Bandwidth Barn
- All committed to helping on our incubator programme via expert mentoring & workshops

**Ecosystem events**

- Events in Cape Town, Kampala, Nairobi, Joburg
- Monthly EdTech meet ups - first got >400 attendees
- Run monthly innovation roundtables with tech & education experts
- Have >500 person SA & >200 person international EdTech contact list & relationships across the sector in SA, Africa, internationally
Our philosophy: African innovations that enhance, not replace, existing education within & beyond Africa over the long term

1. **Africa leads, not follows** - the greatest challenge & opportunity in EdTech lies in Africa - it will produce the greatest innovations

2. **Little platoons, big innovations** - it will be teachers & entrepeneurs - not big bureaucracies - who realise technology’s potential in education

3. **Empower teachers, not replace them** - we will help teachers deepen & widen impact, not try (and fail) to make them obsolete

4. **Agnostic on methods, religious on results** - we should embrace new ideas, but rigorously test them & discard what doesn’t work
BAU has failed in African education - only technology can overcome the structural barriers to success

Only 50% of children attend pre school

Only 42% of students will pass matric

Only 50% of children attend pre school

Only 18% of matrics go to university and half of these drop out

Only 6% of young people go into higher education

Only 36% of elementary school leavers go onto secondary school

Youth unemployment is therefore c50%

Only 70% of rural African children never attend school

Only 42% of students will pass matric

Only 6% of young people go into higher education

Youth unemployment is on average 60%

Only technology can overcome huge structural barriers like low teacher quality, poor accountability & administration, parental illiteracy, geographic and cultural barriers

Source: University of Johannesburg research; Department for Education statistics; OECD; Africa America institute
African EdTech entrepreneurs need support to remove growth constraints. But only continent with no EdTech dedicated programme support.
EdTech innovations lack support - lack of seed funding, technical talent & sales access are major barriers to growth

- No early stage fund focused on African EdTech
- Reliant on sporadic angels or self funding
- Start ups don’t have the relationships or expertise to find the right funding on right terms

Start ups cannot raise early funding or they raise dead money on bad terms

- Few founders are technical focused - no CTO
- Start ups can’t afford quality (or any) developers
- Need variety of skills - impossible to access that with start up budget, networks, knowledge

Start ups can’t hire a CTO & either can’t build their product or build a bad one

- Start ups don’t have the relationships with education institutions to scale sales
- They lack the marketing expertise or budgets to access parents, students, centres

Start ups don’t reach the institutions, parents or students they need, so they remain small scale, low impact

Result is only a trickle of new innovations reach SA/African education systems & very few impact system at scale
An incubator is the right mix of support, investment and ecosystem - with long term, follow on support

- Co-working space
  - Cross pollination of like minded Ed-Tech entrepreneurs

- Mentoring & workshops
  - Expert advice for start ups at key points over longer time duration

- Venture fund
  - Early stage capital & support in achieving growth

- Accelerator
  - Intensive programme focused on rapid scaling of business & further fund raising

- The incubator
  - Offers co-working space for start-up collaboration - but also full EdTech specialised programme support (and a cluster of more mature companies on site)
  - Mentoring & workshops at key points over 6 months - but also day to day support
  - Early stage capital & growth support - but hands on day in day out long term involvement & vision
  - Focus on scaling & further fund raising - but with longer time period more suited to SA, Africa market
We have built a network of services and expert advice needed to build an EdTech business

- Successful EdTech entrepreneurs & industry players
- Developers & designers for building MVPs
- Funder intros via VC, Angel, HNI, Corporate
- Legal, accounting, back office support; tech & data experts
- Supply chain & sales channel experts, links
- ECD centres, Schools, Universities, Vocational Colleges

The incubator

Please see appendix for list of experts who will be part of our programme
We aim to offer R 1M (~$80k) of support per start up, including average of R 500 k direct funding (~$40k)

The incubator - R 1M per start up

Avg. of R 500k (~$40k) direct funding per start up

Programme support worth R 500k (~$40k) per start up

Note: Assumes ZAR/USD of 12.5; direct funding is an average across the start ups, some cohort members may get more/less
Our programme will graduate EdTech businesses able to scale & sustain long term job creation & education impact

1. Skills in business operations, tools & strategy from mentoring including industry experts

2. A revised and tested proposition and business model, with EdTech specialist help on initial supply chain & sales channels

3. A strong MVP, tested and refined with customers and users

4. A legally and financially compliant and stable company, with the understanding and support to maintain that

5. The skills and relationships to raise further funding and build a sustainable long term education intervention
Appendices
Experts & partners
Best SA & international experts & entrepreneurs in education, tech, investing, start-ups will provide workshops & mentoring (1/3)

**Education**
- Jon Clark, Director School Development Unit, UCT
- Chris Bradford, CEO African Leadership Academy
- Rose Luckin, Professor, University College London knowledge lab
- Cecilia Waiseman, VP Research & development, MindCet Accelerator
- Kathryn Patillo, Education researcher & co founder Mattis Fund

**EdTech entrepreneurship**
- Rob & Sam Paddock, Founders, Get Smarter
- Chinezi Chijioke, Founder, Pioneer Academies
- Rapelang Rabana, Founder, Rekindle Learning
- Kolawole Olajide, Founder, Clock Education
- Riaz Moola, Founder Hyperion Development

**Tech industry**
- Alok Gupta, Head of data science, Air Bnb
- Roger Norton, Adaptive Learning & programming, Play Logix
- John Naiker, Robotics expert, Edro
- Sonia Kuhnel, Block Chain Academy
- Wynand Groenewald, Game Design, Sea Monster
- Dr Jacques Ludik, Data Science/Machine Intelligence Expert
Best SA & international experts & entrepreneurs in education, tech, investing, start-ups will provide workshops & mentoring (2/3)

**Education (con.)**

Owen Henkel,  
*Head of Efficacy, Pearson Affordable Learning Fund*

Lucy Crehan,  
*Global Education expert & Author, ‘Cleverlands’*

Shirley Eadie,  
*Head of innovation, NECT*

Nigel Richard,  
*Global Teachers’ Institute*

Dr. Emily Gustaffson-Wright,  
*Micro Economist focused on ECD, Brookings Institute*

**EdTech entrepreneurship (con.)**

Herty Kabeya,  
*Student Hub*

Peter Morgan,  
*Founder, School Advisor & D6*

Wesley Lynch,  
*Founder, Snapplify*

Rishi Kapal,  
*Founder, EduGild*

Doug Hoernle,  
*Founder, Karri Payments*

Glenn Gillis,  
*Founder, Sea Monster games*

**Investors & fund raising**

Lou Classen & James Kilroe,  
*Newton Partners*

Brett Commaille,  
*AngelHub*

Arvind Nagaranjan,  
*Investment Director, Pearson Affordable Learning Fund*

Bas Hostenbach,  
*Education Angel Investor*

Kennedy Kitheka,  
*Investment fellow, Capria*
Best SA & international experts & entrepreneurs in education, tech, investing, start-ups will provide workshops & mentoring (3/3)

<table>
<thead>
<tr>
<th>Education (con.)</th>
<th>EdTech entrepreneurship (con.)</th>
<th>Business set-up &amp; operations</th>
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<tbody>
<tr>
<td>Bailey Thompson, <em>Head of Education, Spark Schools</em></td>
<td>Mark Horner, <em>Founder, Siyavula</em></td>
<td>Adrian Dommisse, <em>Founder Dommisse Attorneys</em></td>
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<td>Tom Parry, <em>Managing Director, Instill Education</em></td>
<td>Patrick Kayton, <em>Founder, Cognician</em></td>
<td>Michal Szymanski, <em>Head Enterprise Development, CiTi</em></td>
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<tr>
<td>Tadadjeu Sokeng Ifriky, <em>University of Cape Town</em></td>
<td>Audrey Cheng, <em>Founder, Moringa Code School</em></td>
<td>Ian Merrington, <em>CEO, CiTi</em></td>
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<tr>
<td>Otieno Julie &amp; Jenn Cotter, <em>EdTech Nairobi</em></td>
<td>Jacob Kestner, <em>MD EduCo Ireland</em></td>
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</table>
We will have an advisory panel of experienced educators from the early years, school, TVET & university sectors.

- **Meet cohort for Q&A once per month**
- **Help the cohort with introductions & relationships**
- **Use own, other institutions for trialling ideas**
- **DBE/WCED relations**
- **Regulatory advice**

Members of the advisory panel include:

- **Deon Halls**, College of Cape Town & **Carol Dwyer**, False Bay College
- **Prof Dick Ngambi**, University of Cape Town
- **Phadiela Cooper**, Principal, COSAT Academy
- **Keith Richardson & Clive Barham**, Principals’ Academy
- **Anthony Sparrow**, Wynberg Boys High
- **Madoda Mahlutshana**, Principal, Chris Hani Secondary School
- **ECD expert, TBC**
- **ECD centre or Primary School leader (TBC)**

Professor Eric Atmore, Director CECD (Invited, acceptance TBC)
We will learn from world’s best EdTech acceleration & incubation programmes - supported by our team from Yale.

Global network of EdTech incubators/accelerators

Yale report on world EdTech ecosystem

- Yale team of 5 supported us January-May 2017
- Interviewed key players in EdTech worldwide
- Report that informed our programme, operations & strategy
Programme details
We will run two 6 month cohorts - each cohort split into 3 ~2 month sections - with 3 month post programme support.

<table>
<thead>
<tr>
<th>Key</th>
<th>Programme</th>
<th>Cohort 1 event</th>
<th>Cohort 2 event</th>
<th>External event</th>
<th>SA school/Uni/TVET holidays</th>
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</thead>
</table>

## Ed Tech & SA events
- **E-learning Africa** (Mauritius)
- EdTech X Asia (Singapore)
- Summer holidays
- EdTech X in CT (TBC)
- EdTech X Europe (London)
- Edu week (JHB)
- Winter holidays

## Proposition refinement
- Launch
- Refined proposition
- Refined proposition, incorporation

## MVP building, trialling & refinement
- MVP built
- MVP trialled
- MVP built & trialled
- Xmas break

## Sales & growth
- Cohort 1 ends
- Cohort 2 ends

## Post programme & getting further investment
- End of post programme support

### Timeline:
- **2017**
  - Sep: EdTech & SA events
  - Oct: Proposition refinement
  - Nov: MVP building, trialling & refinement
  - Dec: Sales & growth
  - Jan: Post programme & getting further investment

- **2018**
  - Jan: EdTech & SA events
  - Feb: Proposition refinement
  - Mar: MVP building, trialling & refinement
  - Apr: Sales & growth
  - May: Post programme & getting further investment
  - Jun: EdTech & SA events
  - Jul: Proposition refinement
  - Aug: MVP building, trialling & refinement
  - Sep: Sales & growth
  - Oct: Post programme & getting further investment

### Key dates:
- **Winter holidays**
- **Easter holidays**
- **Summer holidays**
The programme will focus on 4 streams: business set up, EdTech, scale up, post programme sustainability

<table>
<thead>
<tr>
<th>Programme focus</th>
<th>Outcome at programme end</th>
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<tbody>
<tr>
<td>Proposition refinement</td>
<td>• Understand basic paedegogy &amp; SA education system, core tech skills &amp; concepts</td>
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<tr>
<td>MVP building, trialling &amp; refinement</td>
<td>• Incorporated &amp; SARS compliant</td>
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<tr>
<td>Sales &amp; Growth</td>
<td>• Legal &amp; accounting support contracted</td>
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<tr>
<td>Post programme sustainability &amp; further investment</td>
<td>• Employees properly contracted</td>
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<tr>
<td>• SA Education system, education basics</td>
<td>• MVP designed &amp; built</td>
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<td>• Tech 101s = blockchain, coding, AI, etc</td>
<td>• Initial pilots completed, more set-up</td>
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<td>• Incorporation and legal basics workshops</td>
<td>• Evidence base for effectiveness</td>
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<tr>
<td>• Financial responsibilities, compliance workshops</td>
<td>• Refined &amp; tested proposition &amp; product</td>
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<tr>
<td>• Accounting, HR, labour law &amp; compliance</td>
<td>• Suppliers &amp; customers on formal contracts</td>
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<tr>
<td>• Dev&amp;design team to build product</td>
<td>• Template supplier and customer contracts</td>
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<tr>
<td>• Iterate with dev team, educators students</td>
<td>• Marketing strategy, plan &amp; budget</td>
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<tr>
<td>• Paedegogy workshops, efficacy sessions &amp; implementation with academic experts</td>
<td>• Sales strategy, plan &amp; relationships</td>
</tr>
<tr>
<td>• Marketing &amp; sales expert workshops</td>
<td>• Financial, HR &amp; ops scale up plan</td>
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<tr>
<td>• Hands on sales help from our team</td>
<td>• If wanted, have pitched for further funding</td>
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<tr>
<td>• Marketing trial with R 30k budget</td>
<td>• Strong relationships with potential funders</td>
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<tr>
<td>• Strategy, financial, ops &amp; HR scale up expert workshops &amp; hands on help from the team</td>
<td>• Very well developed funding pitch, presentation</td>
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<tr>
<td>• Upskill entrepreneur &amp; team in personal skills &amp; knowledge on finance, HR, strategy, ops, legal</td>
<td>• Have hired or plan for hiring right team</td>
</tr>
<tr>
<td>• Post programme finance support for 3 months</td>
<td>• Agreed growth plan for next 6-12 months</td>
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<tr>
<td>• Intros to future funders; demo days</td>
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<tr>
<td>• Hands on help with further fundraising (ongoing)</td>
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