BACK 2 BUSINESS

Teachmint, Classplus draw a post-pandemic map for B2B edtech

Edtech companies that built the infrastructure layer, catering to teachers and education institutions, saw their popularity spike during the pandemic. With classrooms reopening, though, B2B edtech needs a plan—or be relegated to the back bench again

Olina Banerji, 23 Sep 2021

The edtech "infra" layer was an afterthought before the pandemic hit. Now, start-ups building these services are big investment pulls	Teachmint's value has jumped over 7.5x since its last fundraise. Classplus' teacher count has zoomed 10x. These B2B services are critical to a education system under lockdown	The lure of the physical classroom may undo some of this growth; live classes won't be as high on the priority list	So where does B2B edtech in India go from here? Fall back on institutional tie-ups, or mine a new generation of teacher-entrepreneurs? Either way, VC dollars are flowing in

Teachmint, Classplus draw a post-pandemic map for B2B edtech   🔖   🎁   ⌁   💬

Two weeks ago, edtech company Teachmint came within touching distance of a milestone—it could well become India's fifth edtech unicorn. The company is barely a year old, launched in April 2020 just as the pandemic forced schools, colleges, and other physical education centres to shutter temporarily. And now, it's in talks to raise a $70 million Series C round at a valuation of $500 million, reports *Entrackr*. Not even the Indian edtech posterboy, WhiteHatJr, saw this kind of a jump in value after its first year.

Teachmint, of course, isn't exactly like the other edtechs in the unicorn club. In fact, it would be the first business-to-business (B2B) edtech platform to be crammed into a space teeming with business-to-customer (B2C) startups, all directed towards students.

Focussed on teachers, Teachmint is an edtech "infrastructure" layer that contains everything a teacher needs to teach online. Its goal, says its co-founder and chief executive officer (CEO) Mihir Gupta, is to help teachers create online classrooms within a few clicks.

Teachmint's product might be the newest, but by no means is it the only one in the market. A number of B2B edtech startups like Classplus, Winuall, Wise, and Uolo have also sprung up in the last five to six years. This niche segment had to labour under the shadows cast by B2C edtech giants like Byju's and Unacademy. The pandemic, though, drastically altered the position occupied by B2B startups in the edtech space, and changed the scale of their operations.

For the first two months after the lockdown was imposed, no one in the team got any sleep, jokes Mukul Rustagi, co-founder of six-year-old Classplus. "The daily number of students on our platform shot up from 40,000 a month to 1.3 million. Content consumption, like watching videos, increased by 28X," says Rustagi. Classplus claims to have 100,000 teachers on board in 2021, catering to over 10 million students through their virtual classrooms.

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> "There's a lot of scope with tech products. Like remedial classes after school, or sharing online content that's better than the offline content we have access to"
>
> **SAIF KHAN, BAREILLY-BASED SENIOR SCHOOL TEACHER**

Without tools like the ones Classplus and Teachmint offer, many of India's schools and other educational institutions may have had to completely shut down. The acute need for these platforms is reflected in the kind of quick fundraises they've been able to pull in. Teachmint has already raised a total of $40 million from investors such as Learn Capital and Lightspeed Ventures, while Classplus has bagged $90 million from marquee investors like Tiger Global and GSV.

"India is in the funding sweet spot right now. VCs like Learn Capital or Kaizen, who focus on education, are willing to invest patient capital," says Vivek Kathpalia, a partner at international law firm Nishith Desai Associates, and has been involved in several financial transactions in the edtech space. Kathpalia believes that the recent edtech rout from the Chinese market will also help boost fundraises in India. "People are looking for where they can get a return and there is excess capital chasing fewer opportunities," says Kathpalia.

That's good news for these B2B edtech platforms, which have wedged open a unique opportunity, not just for themselves but for budding teacher-entrepreneurs as well, who can now directly earn revenue from dedicated apps, instead of slogging for hours making content for B2C apps. The Teachmint app, says Gupta, is now used by a variety of tutors looking to hook an online, and possibly international audience, for their classes.

While there's no doubt that the niche has gone mainstream, the tides are about to turn again. Rustagi himself believes there's a rising chorus of "screen fatigue" from b____ and teachers. As educational institutions switch ____ physical classrooms, the relevance of B2B platforms is going to

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have to find other ways to position their services—and get teachers to pay for them. The one silver lining? The behavioural shift among teachers, who now want at least part of their teaching experience to be online.

Teacher-first

When the lockdowns were first imposed, teachers mostly turned to a patchwork of social media tools to set up temporary online classrooms. Live classes on video call platforms like Zoom or Google Meet. Doubt solving through Facebook chat. Assessments on Google form.

Saif Khan, a senior school teacher from the northern Indian city of Bareilly, knows the struggle all too well. Khan knew nothing about Zoom before the pandemic hit. His school had a G-suite hook up and Zoom licences, but the teachers didn't know how to turn business apps into teaching tools. Khan taught himself to use these tools from the hundreds of do-it-yourself tutorials on YouTube.

"There was no product for an online teaching use case. We wanted to create a platform that could quickly digitise the classroom," says Gupta.

Teachmint's classes range from an online tutorial on surgery methods to learning English or music, and are currently free to use for independent educators. Classplus, on the other hand, is more focussed on institutional tie-ups, where it can plug in its tech platform as an education SaaS-type service, and charge an annual subscription fee. It's deliberate about who its primary customer is—the hyperlocal mom-and-pop coaching centre that wants to supplement its in-person classes with after-class services.

Whichever the strategy, these apps have solved several pain points for teachers. Issues like vulgarity and indiscipline, for instance, are impossible to curb online when students log in with pseudonyms or keep their cameras off. Teachmint deals with this by using a student's mobile number as a log-in, making it easy to trace the source of bad behaviour.

Both Teachmint and Classplus offer teachers the record live lectures to replay and add content or

papers—critical when there aren't physical answer sheets available.

Stretching bandwidth

Teachmint is customised to work at different bandwidths, making it easy for those working with limited data plans to use the app

Shifting a large part of what used to be a physical process online also means that teachers had to figure out how to replicate those physical processes for the online medium. Distributing tests online, for instance. Or sending study material to students, when in a classroom, they would have simply taken notes.

On Teachmint, Gupta says, a teacher can take a picture of their handwritten test, which the app then converts to "question blocks" and a fully automated MCQ test is created. There's also an option to take screenshots of the white boards that these teachers use, for students to refer to later. These "automations" make it easy to expand class sizes and teach hundreds of students in one go, adds Gupta. Currently, a Teachmint live class can admit up to 500 students in one go.

Getting physical

All these little features are tethered to Teachmint's central premise—that it can launch a live class within a few clicks. It's similar to what Unacademy promises its students—three clicks and you're inside a live classroom. Teachmint's positioning is deliberate. It's a B2C app that can get teachers online with minimal friction.

This is what, claims Gupta, has helped with the rapid growth in numbers. "There's no big sales push, no heavy customer acquisition costs (CAC) involved. We've used an internet-first approach to our scaling. It helped us get over a million teachers on the platform," says Gupta.

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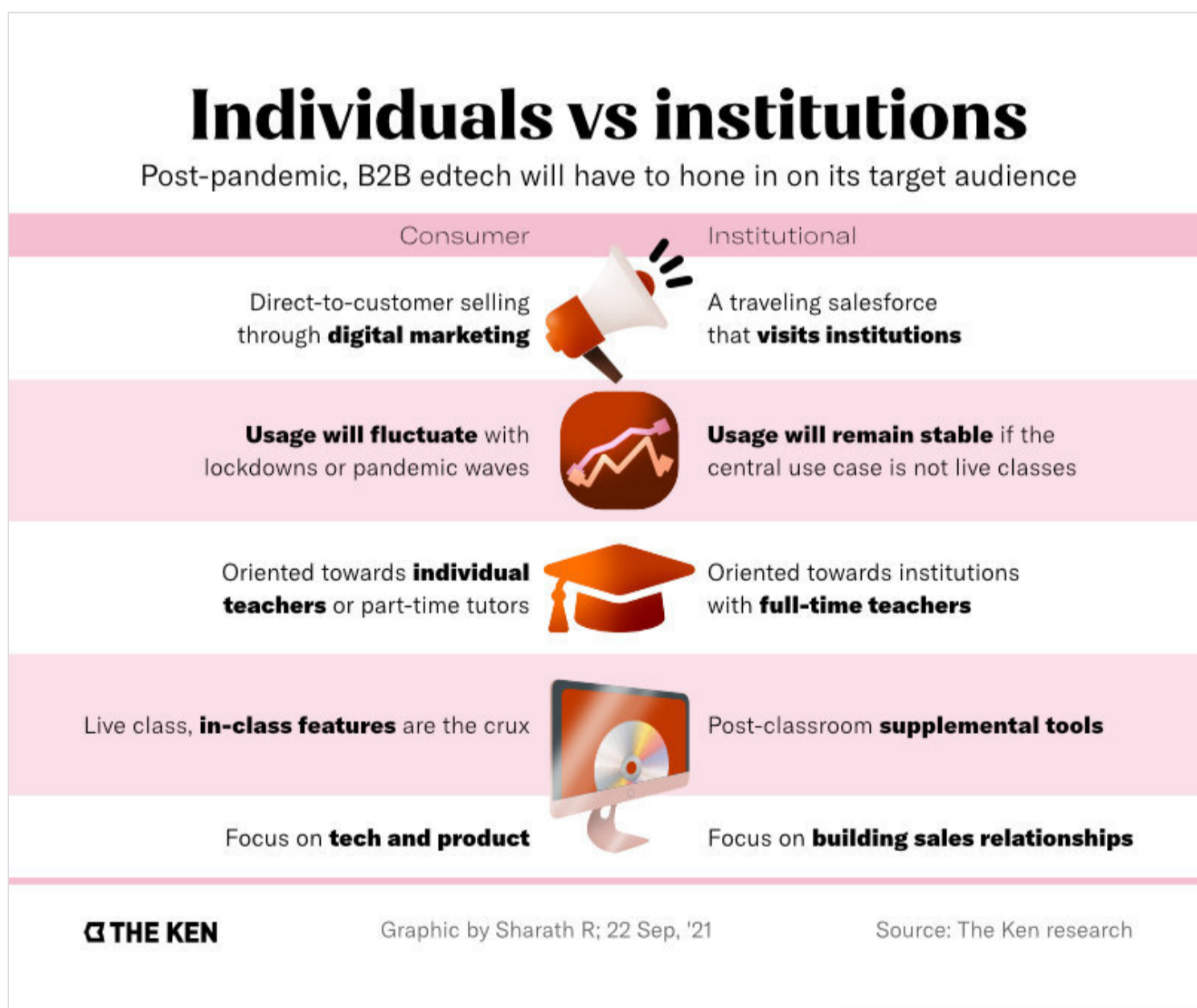The hook here, however, is live classes, fashioned for a time

my app. The advantage here is that you work for yourself,"
says a teacher who has taught on popular B2C apps
previously, and has now set up their own app via Classplus.
They wished not to be identified as they don't want to publicly
comment on their relationship with any edtech app.

But what happens when live classes aren't the most popular
use case? The lockdowns left both teachers and students with
little choice but to embrace the live classes, but schools
gradually reopening across the country could quickly
dismantle this need.

Classplus' Rustagi has already braced himself for a drop in live
class usage. In fact, Classplus' live class feature saw a 50%
drop in usage once the first Covid wave ended, claims the
company. Other features like online tests grew 4X-5X in
usage. Rustagi, counterintuitively, believes that live classes
aren't going to be the default. "Almost 70% of our clients in
tier-2 and -3 towns have already opened up," says Rustagi.

Individuals vs institutions

Post-pandemic, B2B edtech will have to hone in on its target audience

Consumer	Institutional
Direct-to-customer selling through **digital marketing**	A traveling salesforce that **visits institutions**
Usage will fluctuate with lockdowns or pandemic waves	**Usage will remain stable** if the central use case is not live classes
Oriented towards **individual teachers** or part-time tutors	Oriented towards institutions with **full-time teachers**
Live class, **in-class features** are the crux	Post-classroom **supplemental tools**
Focus on **tech and product**	Focus on **building sales relationships**

THE KEN   Graphic by Sharath R; 22 Sep, '21   Source: The Ken research

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Teachmint. Rustagi is clear that he wants to target a segment that will pay for Classplus' infrastructure layer, instead of individual teachers who use free apps to teach part-time, who rarely do after-class follow up. Rustagi adds that there's a Classplus Lite app for teachers to try—much like the live class Teachmint app—but the majority of his effort goes in pursuing small coaching businesses that cater to 500-1,000 students.

The main Classplus offering is that the platform sets up a digital storefront for a small coaching business. It's a white-labelled app or website that the business can then customise with its own logo, with features like chat and recorded videos. "These aren't businesses that will let go of their physical classrooms because teaching is a hyperlocal activity. Students want to learn from teachers who speak their local language. It's a fallacy that teachers can teach anyone online. That's not where the market is headed," says Rustagi.

An online presence is also a nifty marketing tool, though the onus to get this traction rests solely on the tutors or institute. According to information sourced by *The Ken,* Classplus charges anywhere between Rs 8,500 ($115) annually to Rs 1,00,000 ($1355) for creating and maintaining this digital infrastructure. Classplus also takes a cut— approximately 5.9%—out of study material or classes sold online through the apps or websites it creates for these businesses.

Playing the long game

Despite the behavioural shift, the biggest post-pandemic challenge for these platforms would be to make sure they're not rendered an "also-have" service—great if the service is available but also not a loss if it isn't.

For one, Classplus will have to go back to its sales-heavy push model with institutes. But helping it along will be the new market that's opened up for the segment. Even if physical classes open, schooling can no longer realistically be confined to physical classrooms and textbooks. "I don't think teachers have a choice anymore," says the tutor who uses Classplus. They'll have to build digital storefronts, like the tutor quoted above has done.

The teacher also points to other potential customers ~~~ from those who teach in CBSE schools to those who take

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platform is "deep" enough to handle all types of use cases." It's the best way to avoid going from 'must-have' to 'also-have'", says Rustagi.

Despite its focus on institutions, Classplus is going after a few other avenues—Rustagi recognises that his company's future audience is going to be more mixed. And he's willing to be agile for them.

Classplus has experimented with a few strategies to attract "popular star teachers" to its platform. According to information sourced by *The Ken*, Classplus offers incentives and some extra support to help these teachers run their classes. These teachers are often able to earn as much on their dedicated Classplus apps as they might have been offered as a salary when working with B2C apps. The incentives though, are of a significantly smaller amount, when compared to what B2C apps pay. Rustagi claims there's been no special deals with any teachers on the platform.

Classplus, arguably, is investing in getting "star teachers" onto the platform, as a sign that it's easy to build and launch an online business on their platform.

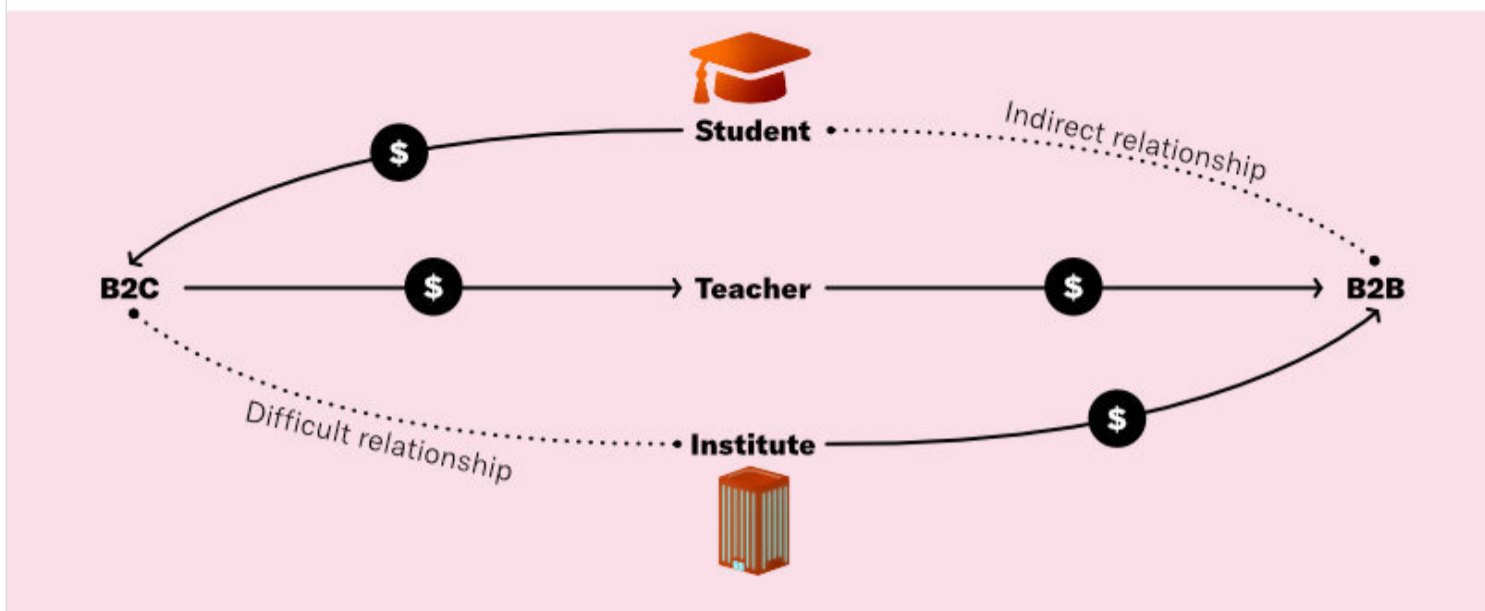A new way to gift this story to non-subscribers.   ✕

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To be B2B

B2B edtech will be a prominent way for teachers to earn online

Indirect relationship

Difficult relationship

Student — B2C — Teacher — B2B — Institute

The battle for teacher talent

B2C
Exposure
Captive audience
Content and tech support
Perks
Exorbitant payouts

B2B
Option to be entrepreneurs
Don't have to follow B2C's hectic schedules
Can have own app/ YouTube channels
Lower payouts but more autonomy

THE KEN

Graphic by Sharath R; 22 Sep, '21

Source: The Ken research

Teachers aren't the only ones seeing a behavioural shift. There's also inbound interest from a few schools that want to get on a Learning Management System (LMS) for the future. A traditional LMS is a digital backbone of a school, and can be used to manage the whole learning process and collect data feedback on performance.

Rustagi is willing to entertain individual requests, but schools make up only 5-7% of this client base. "Most schools have a set schedule and tech stack that their educational partners have placed with them. And that's why most good schools use popular products like Google Meet and Microsoft Teams," he says. Toppling over such incumbents is not an opportunity cost that Classplus wants to incur.

Teachmint, on the other hand, is looking to "democratise the LMS" system in favour of smaller, tier-2 and -3 affordable schools that have never used digital tools before. systems are usually desktop first, so they aren't for these schools," says Gupta. Teachmint is now trying to

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incurring the traditionally high CAC needed to "push" such products onto schools.

To survive in the long run, both Teachmint and Classplus will have to move off from their main road and branch out into different revenue models. Which ones work out for them depends on a number of factors, chief among them being how quickly physical classrooms open up.

But one's thing is now clear—teachers like Khan aren't going back to an entirely non-tech teaching experience. "Teaching online changed our life," says Khan. That's a sentiment worth cashing in on, both for B2B edtechs and their multi-billion dollar VC backers.

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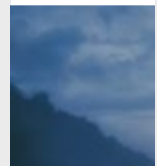### How FrontRow, Celebrity School, Unluclass can build India's MasterClass

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