



EdTechNZ Founders Day

4-5 August 2023, Wellington

Supported by Education New Zealand

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EdTechNZ Founders Day 2023

Founders Day, a two-day unconference hosted in Wellington on 4-5 August 2023, served as an invaluable setting for leaders in the EdTech sector. Hosted by EdTechNZ and supported by Education New Zealand, the unconference provided a unique platform for EdTech founders to share invaluable insights, discuss shared challenges, and explore collaborative opportunities.

This report aims to provide an overview of the insights explored and a summary of the key takeaways, including but not limited to discussions on startup funding, the importance of empathy in product design, mental health considerations for founders, as well as intricate sales strategies.

Thank you to Education New Zealand, AWS, the EdTechNZ executive council, and all founders who attended for making this a memorable weekend.



Founders Day Agenda

Friday 4 August		Night One: AWS	
Keynote Speaker	Introductions and Lane Litz' story		
Session One	Tough Truth of Fund Raising and EdTech Business Growth		
Saturday 5 August		Day Two: Our Lady's Home of Compassion	
Session One	Kami's Story		
Session Two	Raising Capital and Funding		
Session Three	Partners and Distribution	Content and Devices	
Session Four	Founder craft and Mental Health	Working with Teachers	
Session Five	Sales Tactics	Artificial Intelligence	



Key Highlights

User-Centric Design

Bob Drummond, co-founder of Kami, emphasised the importance of empathy in product design. Kami found its niche by focusing on the needs of teachers, demonstrating that understanding your user base can lead to overcoming challenges and making a lasting impact.

Funding Landscape

A key focus of the event was start-up funding, where founders discussed venture capital, self-funding, and the unique challenges of the EdTech sector. Actionable takeaways included tips on investor assessment, team diversity, and goal setting.

Mental Health

The conference openly discussed the importance of mental well-being among founders. The sentiment underscored the need to prioritize mental health alongside technological advancement.

Sales and Technology

Sales tactics, user conversion, and AI's role in classrooms were other focus areas. These discussions reveal intricate details on B2B and SaaS sale strategies in varying educational settings. Additionally, the conference dedicated time to explore the hurdles of raising funds in EdTech, offering advice on investor relationships and risk management.



User-Centric Design – Kami

Bob Drummond, co-founder of Kami, started EdTech's Founders Day with an exploration of the Kami journey and the importance of a user-centric design.

The startup initially catered to multiple industries realized the importance of focusing on a niche – educational technology – in response to user-feedback. Despite financial warnings against entering the educational sector, Kami listened to their most engaged user group, teachers, and refocused their efforts entirely on adding them.

This pivot from being “customer-focused” to “user-focused” allowed Kami to understand and meet the nuanced needs of educators, from grading to feedback, and especially came to the fore during the challenges posed by Covid-19. By keenly observing and adapting to what teachers genuinely needed and wanted, Kami emerged as a vital tool in the educational landscape.

Their journey underscores the importance of listening to users, understanding their specific needs, and building a product that genuinely helps, as opposed to a one-size-fits-all approach. This user-centric methodology not only helped Kami overcome challenges but also created a product that has made a significant and lasting impact on teachers and learners globally.



Funding Landscape

For EdTech founders, acquiring funding poses unique challenges. Venture capital investment in EdTech is notoriously risky, with VCs often hesitant to invest, as mentioned by the long two-year sales cycle commonly seen in the sector. Investors often prioritise financial return over time and are inclined toward ventures that promise quick profits. Here are a few more insights from our founders:

Alternative Funding and Investor Alignment

Philanthropic funding is another option for sourcing funds but is highly competitive and often requires emotional storytelling or brand exposure incentives, such as logo sponsorships. It's critical to find investors who align with your mission, as those seeking only high returns may not offer sustained support.

The Journey to Profitability

The path to becoming profitable is characterised by a 'long trough of sorrow', followed by a growth spurt often termed as the 'hockey stick' in investing. If feasible, achieving profitability without VC involvement is recommended to maintain more control over the venture.

Team Composition and Relationship Dynamics

A well-rounded team is crucial, consisting of members who understand the business, can communicate the vision, and have deep industry knowledge. Equally vital is the relationship between founders and investors, as a toxic partnership can spell disaster for the startup.



Distribution and Market Entry

Successfully entering the market requires strategic planning and adaptability, encompassing customer reach, relationship management, and performance metrics. Here are the top key insights from our founders:

- 1. Customer Reach:** knowing how to get in front of your target audience is crucial. Various channels, both digital and physical should be leveraged.
- 2. Distribution Partners:** The nature of the product or service determines the kind of distributor needed. Building a distribution network is often challenging. It requires networking, proper vetting, and aligning business goals between parties.
- 3. Relationship Management:** Partnerships require consistent evaluation and performance metrics. Not all relationships deliver as promised, requiring due diligence and ongoing moderation.
- 4. Challenges with Specific Organisations:** Navigating entities such as NZTE and ENZ need specific tailored strategies to utilise them to their potential.
- 5. Formulating Market Strategy:** While starting in New Zealand offers localised insights, thinking globally is critical for scalability. Understanding the competitive landscape, customer needs, and regulations is key for successful global market entry.

Foundercraft and Mental Health

EdTech founders tackle many hurdles during the start-up stage of their business. Our founders highlighted the importance of choosing the right support networks, maintaining a work-life balance, and prioritising mental well-being for both personal and business success.

1. **Choosing the right support:** Multiple organisations exist to support founders, but finding the right one can be a challenge.
2. **Work-life-balance:** Founders often struggle with balancing multiple roles and responsibilities, both personally and with their business. It is crucial to learn balance and be ok with dropping a ball, making sure it's not the glass one.
3. **Network and Community:** Networking with other founders offers invaluable lessons to know they aren't alone in their journey, although self-reliance remains essential.
4. **Personal time:** Prioritising personal time to recharge is important for maintaining balance and maintaining a high level of importance. Personal time also ensures you connect back to your personal why's.
5. **Finding flow state:** Engaging in activities that bring joy both within and outside of your work can be a way to recharge and maintain a balanced mental state.



Sales Tactics

In the evolving EdTech landscape, effective sales tactics are critical for success. Our founders discussed their top recommendations on how to effectively manage their sales tactics:

1. **User-centric approach:** Tailor your product to meet the needs of the end-users, ensuring that it adds value to the teaching and learning experience.
2. **Networking and exposure:** Gain credibility and leads by attending industry events and conferences.
3. **Long sales cycle preparedness:** Be patient and persistent, as the sales cycle in education is often lengthy, especially when dealing with institutions.
4. **Product-led marketing:** Create a product that is effective and user-friendly and intuitive to use and understand from a customer perspective.
5. **Understand your customer:** Know who the decision-makers are in your target market and tailor your sales strategy accordingly.



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So, what? What's next?

Following the valuable insights shared at our Founders Day, EdTechNZ is now poised to help further support our EdTech founders.

These insights will serve as a foundation for our activities in 2024, focusing on creating a thriving EdTech community that positively impacts educational outcomes for all.

EdTechNZ Focus Areas for 2024:

- **Digital equity** – advocate for government funded initiatives aimed at increasing digital access and literacy;
- **Scaling domestically and globally** – activities to assist our EdTech companies to overcome challenges related to New Zealand's small domestic market size.
- **Mental well-being for founders** – ensuring our EdTechNZ ecosystem feel supported and have a sense of community;
- **Engaging Educators** – produce initiatives to actively engage with teachers, aiming to ensure our EdTech founders actively address teachers' needs and challenges and that their products and services are fit for purpose.

Moving Forward:

In early 2024, the EdTechNZ executive council will meet for a strategy day where a full programme of work will be curated based on these key insights. Activities may include research reports, events, workshops, and regular communications to our community.

