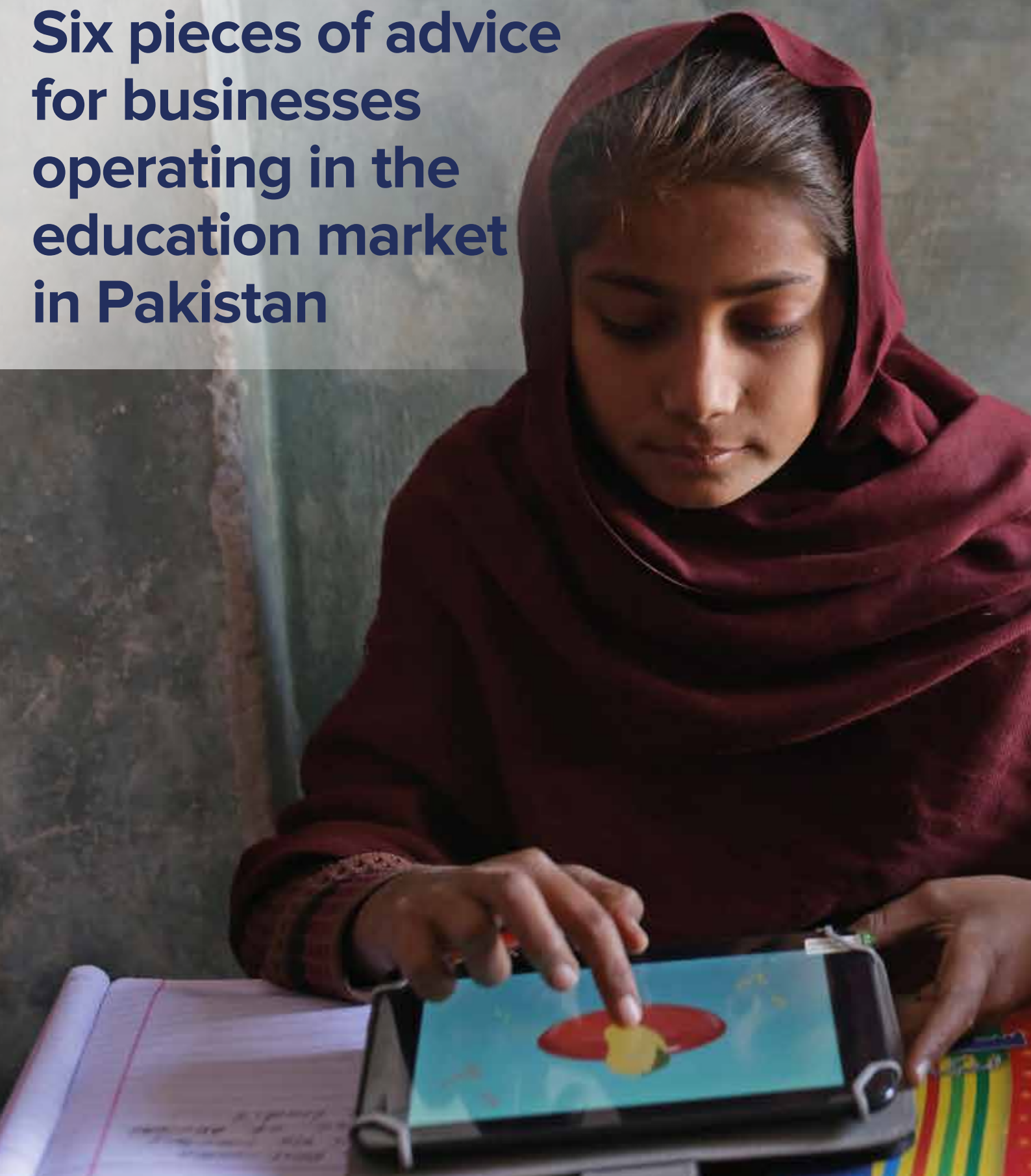


Six pieces of advice for businesses operating in the education market in Pakistan





This practice paper is primarily aimed at IIm Ideas 2 funded businesses and other businesses, start-ups and not for profits, who have business-based solutions that are aimed at improving education outcomes for poorer and disadvantaged children and young people in Pakistan.

This paper shares six pieces of advice we would like to pass on. This is based on IIm Ideas 2's experience investing in education solutions aiming to become financially sustainable businesses. It is not intended to be definitive advice that guarantees success but rather an invitation to think about what next, or an aide memoire, during your business development journey.

1. Keep your eye on the prize

In the short to medium term, we recommend you consolidate your present business and risk strategy.

Over the last four-years we have wrestled with balancing financial sustainability (return), education impact (results) and risk. You are likely to have the biggest impact when your product and/or service reaches poorer and disadvantaged children and young people in Pakistan, but your experience has shown that if you focus too much on this market segment, your risk profile increases and you jeopardise plans for financial sustainability.

Therefore, in the short to medium term, we recommend you consolidate your present business and risk strategy to facilitate your move from the existence to growth phase of your business, via survival. When you are in a stable financial position, you can start to expand your business to this segment - by assessing the extent to which your theory of change and market validations, and risk profile will need to change. That said, if your feasibility assessment concludes it is not viable, but you still have real desire to serve this target group, then we would recommend you form strategic partnerships with organisations, such as local NGOs, who are perhaps more geared towards serving this segment.



Children's Global Network

CGN pivoted their Parwaan business model when they realised that they were not generating sufficient revenue to continue beyond the lifetime of Ilm 2's investment. They had initially gone to market with a heavily subsidised product – training and equipment for local entrepreneurs to set up early childhood education centres. This generated a relatively large number of customers (entrepreneurs) and centres being set up in less wealthy communities.

However, their business was not on a strong financial trajectory – CGN would have had to raise a considerable amount of funding from other sources to continue offering their product at such low cost. CGN made the wise decision to pivot their business model; they increased the price of their product (and reduced the subsidy) and restructured their organisation. A higher price point has made it more difficult to identify entrepreneurs from less wealthy communities willing to pay the initial set up cost.

 parwaan.org.pk

 [ParwaanECED](#)

 [Parwaan_CGN](#)

2. Be cautious on how much effort you invest in persuading government to adopt your solution

Despite the growth of low-cost private schools in recent years, more than half of all children enrolled in school in Pakistan are in public schools. Public schools are also more likely to enrol children and young people from poorer and disadvantaged backgrounds because education is free. Consequently, innovations that improve public sector education services have the potential to reach millions of children and young people and create transformational impact.

However, as many of you have already experienced, getting your product into public schools is difficult and despite numerous meetings and high levels of interest, government has not yet agreed to buy any of the business-based education solutions that have been developed with support from Ilm Ideas 2. Possible reasons for interest not translating into sales include: i) the absence of a

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dedicated budget to pay for such products and services; ii) the absence of a clear owner for your solution in government; iii) government procurement rules; iv) government concern that they lack capacity to manage the use of your product effectively; v) concerns about recurrent subscription costs or maintenance costs; and vi) the cost of your innovation. It may also be that you need to work on your value proposition; when you pitch to government you need to be very clear about how it will help them solve their problems, focus on their interests and achieve their goals (educational or otherwise!).

Given that the reasons listed are systemic and will take time to change, and that so many of you have invested so much effort in trying to work in the public sector, we recommend that you think carefully about investing yet more time and effort – unless you feel you have a reasonable chance of success. If you still want to press ahead then try to bring a donor with you (i.e. funds that will allow you to work in public schools at no cost to government), or approach the semi-autonomous education foundations in each province, or try to piggy-back on projects/programmes that are already being implemented in government schools.




Institute of Social and Policy Sciences

One solution (non-business based) that has attracted funds to go to scale is STRIDE by ISAPS. ISAPS works with government and communities to conduct local level planning to identify where there is demand for post primary education. Based on demand, ISAPS works with government to establish afternoon schools for secondary education in a local primary school – and helps students get to school by providing transport.

After an 18 month test phase in four districts of Khyber Pakhtunkhwa and Punjab, ISAPS has secured follow on funding from government in Khyber Pakhtunkhwa to keep the 30 afternoon schools established open and funding from government to scale up the solution across Punjab. There are several possible reasons for ISAPS's success:

- They began their intervention in close partnership with the two provincial governments (with whom they already had good connections) with high levels of support – especially in Punjab where the Government funded afternoon teacher salaries from the start;
- They had a good understanding of the political economy and education financing in both provinces and was able to use that knowledge to influence decision-making;
- The solution addressed a challenge that was high on the political agenda and was easy for all actors to understand;
- They presented a strong value for money argument – the solution presented was more cost-effective than other options available to achieve similar learning and access gains.

 i-saps.org

 [ISAPS.pk](https://www.facebook.com/ISAPS.pk)

 [I_SAPS](https://twitter.com/I_SAPS)

3. Learn about learning

You all have developed feedback loops within your businesses. You should continue to use the systems in place to track progress and performance against your business plan. Do actively evolve them to ensure you are getting the information you need to explain variances and in making strategic and/or pivoting decisions. Remember business analytics are a key ingredient in any successful business.

You should also continue to investigate the education impact you are creating. You might feel that now IIm 2's investment has ended, this aspect of business

Investigating your impact on education does not necessarily mean conducting expensive large scale, third-party quantitative learning assessments.

development is a luxury that you can live without. But having qualitative and quantitative data about your education impact will help you market your product, improve your product over time and increase your credibility. Do not underestimate the value of being able to present such information to investors and other clients - many of them are interested in the social impact you can achieve and will be looking to see how well you track and understand the value that you are generating.

Please note, investigating your impact on education does not necessarily mean conducting expensive large scale, third-party quantitative learning assessments. You can set up short 'projects' to investigate change that may (or may not) be happening to teaching and learning as a result of your product. For example, interview teachers or parents to collect data on their perceptions about children's learning, observe a few children or teachers using your product, track learning among a small group of students as they learn a new topic or concept, use your observations to tell stories about your product, what you are learning and how that is informing what you do.



SABAQ

SABAQ's digital learning solution is now being used in over 600 schools. Schools, teachers and students use the solution in a variety of different ways and early results suggest that the solution has a positive impact on learning. However, the magnitude of the impact on children's learning is different in different settings. This could be further investigated to better understand which factors maximise the impact of SABAQ on children's learning. Information collected could be used to inform the development of new content, to better target content and sales, to improve customer support, to demonstrate knowledge of your users to potential investors and to create marketing and communications materials.

 sabaq.edu.pk

 [merasabaqPK](https://www.facebook.com/merasabaqPK)

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 [mera.sabaq](https://www.instagram.com/mera.sabaq)

4. Be ready, if you want, to scale

If you want to scale, you need a strong foundation and a deliberate scaling strategy or pathway.

You have all entered the education market: earned revenue, increased your market share and customer base, and are building brand awareness. However, your operations are still at a relatively small scale. You may be content with organic growth but if your vision is to scale, then you must keep in mind that scaling is a *dramatic* increase in the reach of your product or service to achieve *transformational* impact. Consequently, scaling will present you with new set of challenges.

If you want to scale, you need a strong foundation and a deliberate scaling strategy or pathway. Preparing a pathway will help you to understand and assess the possible options early on, and in-turn to make deliberate decisions (at the right time) to greatly enhance the chance of achieving the greatest impact.

One useful exercise to undertake is to build scenarios and plan for it. For example, imagine you are offered a multi-million investment deal to scale the impact of your business over the next two years with the goal of transforming education outcomes for millions of children and young people in Pakistan. How will you respond? Will you use the investment to scale deep, scale up, scale out or scale across? What pathway to scale will you take: public, commercial, hybrid, horizontal or vertical? Or maybe you'll decide on a mix of strategies? How will you do it? What resources will you need?



Knowledge Platform

Knowledge Platform's solution 'Learn Smart Classroom' is a blended learning solution that supports the teaching and learning needs of secondary schools in Mathematics, English and Science. With an investment from IIm 2, Knowledge Platform has strengthened its business operations in Pakistan, streamlined its product delivery and successfully grown its market share - by making sales to more than 215 private schools in 20 cities across the country.

With investment from Jazz (Pakistan's largest telecommunications company) Knowledge Platform's blended learning solution is also being used in 75 public schools across Islamabad. The solution has received a positive reception from schools, teachers, principals and students, and the evaluation report suggests that the solution has a positive impact on the learning outcomes. In addition, there are now more than 50,000 young people using the Learn Smart Pakistan app to help cement the concepts they have learned in their classrooms.

With a big investment, should Knowledge Platform pursue a Public-Private partnership with the government or scale via its commercial pathway (i.e. sales to private schools)? Or is it possible to do both? What new functions and capabilities does it need to scale? How long would it take to put them in place? What other new partnerships could help Knowledge Platform take its 'Learn Smart Classroom' to scale?

 knowledgeplatform.com

 [knowledgeplatform](https://www.facebook.com/knowledgeplatform)

 [kplearnin](https://twitter.com/kplearnin)

5. Adapt to stay current

The speed with which you can respond and adapt to changes will determine how successful and relevant you will be.

Given the large number of children and young people in Pakistan without access to quality education, there are sufficient opportunities in the market for your solution to remain relevant for at least a few years, i.e. it is futureproof. In addition, you have a good runway in achieving your business plan targets. That said, it is imperative that you continually scan the market for change. Changes may include new or updated regulations or policies (with the potential to have a negative or positive impact on your business), new players who present opportunities for new partnerships or competition, and new markets (for example, as new market segments start using smartphones). Continue to build resourceful networks and your personal contacts so that you are the first to know about changes in the market.

The speed with which you can respond and adapt to changes (for example by making it cheaper, faster, easier to use, or more impactful) will determine how successful and relevant you will be, i.e. the extent to which your company is recognised as the leader or 'go-to' organisation in your field. There are a countless number of examples of (international) companies and brands who failed to adapt, or adapted too late, which are now powerful lessons learned in any MBA programme.



TeleTaleem

TeleTaleem's ILMunate service offers supplementary online teaching to children in schools where teachers are in short supply or under-skilled – a remotely located teacher interacts with children in their classroom. ILMunate was also used to deliver school and cluster-based teacher training – the remotely located trainer interacts online with small groups of teachers. As internet services become more affordable and greater numbers of teachers have access to smartphones, collecting teachers in a group to interact online with a remotely located trainer may no longer be necessary. TeleTaleem is already working on extension strategies and are developing other teacher training products and services that take advantage of increased individual connectivity among teachers.

 teletaleem.com

 [TeleTaleem](https://www.facebook.com/TeleTaleem)

 [teletaleem](https://twitter.com/teletaleem)

6. Continue with internal growth

Continuing with internal growth will make you fit-for-purpose and gives credibility to potential investors and partners.

As your businesses grow, it is vital you continue with internal growth. Management style, organisational structure, systems, ownership and culture are likely to change as you progress through the business stages. Change and transition is not easy; you will need to plan carefully to ensure you can effectively lead yourself and others through the change curve.

Over the course of IIm 2's investment, notably through the conditionalities, you have strengthened your human resource, audit, business analytics, financial forecasting and accounting functions (to name just a few). In addition, the quarterly stocktakes which we held were in effect pseudo-board meetings; this allowed us to support and challenge you to assess our return on investment. We recommend you continue with all these practices and discipline, i.e. do not return to type. Continuing with internal growth will make you fit-for-purpose and gives credibility to potential investors and partners.

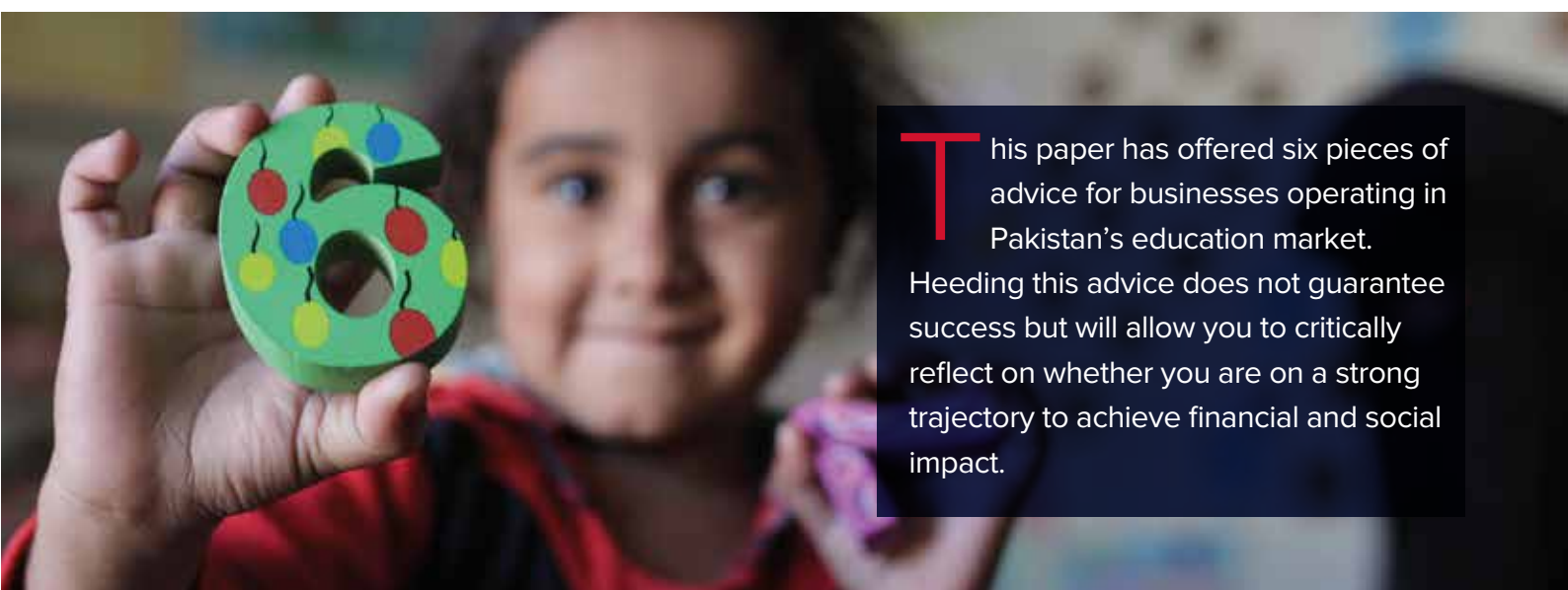


AzCorp Entertainment

AzCorp is a social enterprise creating edutainment for children and young people in Pakistan. They develop entertaining and educational comic books based on a relatable universe of heroes and villains that come alive in exciting stories. With support from IIm 2, AzCorp developed a series of 36 comic books for children titled Sheeba and the Private Detectives. AzCorp entertainment had established a board of advisers prior to IIm 2's investment. That said, it was largely dormant, with the occasional ceremonial meeting. The quarterly stocktakes held by IIm 2 demonstrated the real value and benefit of a functioning board, along with providing a framework to support and challenge them. As a result, AzCorp is updating and revitalising its board. They are identifying people with relevant skills and experience which will be of value to them, such as in education and digital transformation, and intend to continue with quarterly meetings post IIm 2.

AzCorp is also intending to continue with quarterly audits from a category A auditor. This allowed them to significantly strengthen their internal controls, bookkeeping and financial and management reporting over the course of the investment. These improvements helped them to successfully pass the due diligence for their recent USAID Small and Medium Enterprise Activity grant.

 azcorpentertainment.com  [AzCorpEntertainment](https://www.facebook.com/AzCorpEntertainment)  [azcorpcomics](https://twitter.com/azcorpcomics)  [azcorpcomics](https://www.instagram.com/azcorpcomics)



This paper has offered six pieces of advice for businesses operating in Pakistan's education market. Heeding this advice does not guarantee success but will allow you to critically reflect on whether you are on a strong trajectory to achieve financial and social impact.

About Ilm Ideas 2

Ilm Ideas 2 is a programme funded by UKaid and managed by Cambridge Education, part of the Mott MacDonald Group. The programme engages with a wide variety of players, primarily from the private sector, to design, test and transition to scale innovative approaches to improving the supply and demand for quality education in Pakistan. The programme provides grant funding and advisory services. Ilm Ideas 2 also partners with business and technology incubators in Pakistan to support education start-ups (very new businesses) with innovative products and services.



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