

## Atlantic Digital Startup Academy / ADSA

# CASE STUDY

# ED TECH

# THE POWER MBA

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## 1. **Startup introduction:**

The Spanish startup ThePower Business School is a globally recognized institution that has revolutionized the way students learn. With a commitment to innovation and excellence, the school has created a groundbreaking learning method that combines the best of 15-minute classes with real-time webinars, delivering practical, updated, and actionable knowledge.

ThePower Business School offers a flexible and accessible learning experience, allowing students to access course content in real time from any device and geographical location. By embracing technology and eliminating the constraints of traditional classrooms, the school provides students with the freedom to learn at their own pace and according to their individual preferences.

A distinguishing feature of ThePower Business School is its dedication to nurturing expertise in various subject areas, including business, marketing, and ecommerce. The school has carefully curated its curriculum to incorporate insights from the world's most influential companies, such as Spotify, Amazon, and LinkedIn. By studying and analysing the strategies and practices of these industry leaders, students gain a comprehensive understanding of the latest trends and best practices in their chosen fields.

ThePower Business School believes in creating an immersive and interactive learning environment that prepares students for the dynamic challenges of the modern business landscape. Through their innovative learning method, the school equips students with the skills, knowledge, and confidence necessary to excel in their careers and make a significant impact in their respective industries.

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Joining ThePower Business School means embarking on a transformative learning journey that empowers individuals to unlock their full potential and achieve their professional goals. With a commitment to shaping the leaders of tomorrow, the school invites students to redefine the future of education and make a lasting impact in the world.

### a. Story line

2015 – In Madrid a group of friends with an entrepreneurship mindset at a boutique business consultancy firm, often met up to brainstorm. In one of the sessions, they came up with the idea of an app, similar to TripAdvisor that would work through circles of acquaintances. But it was discarded after realizing that it had no place in the market.

2017 – 2 years later one of the friends was considering doing an online MBA at a French platform, after looking at the French product, a light bulb went off, realizing that many other young people would have the same needs.

They started crating landing pages to validate the value proposition. They initially recorded four lessons as introduction with a small payment. In just three months they had a total of 150 students signed up. From the beginning two business angels join as co-founders and professors and later they expanded the team with renowned businessmen and executives.

2020 – In 3 years more than 20.000 students had completed one of the programs from a wide range of profiles. Around 200 new students had enrolled each month. Most of the students come from Spain, but by the end of 2020 they were having more students coming from Latin America. By that time, they also started creating a new programme in English and looking into top Businessmen and executives form top companies around the world.

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2023 – Now a days they have over 100.000 students, in over 103 countries, with more than 700 events across the globe. They are one of the largest business networks worldwide.

In the last year they have started with a new B2B business model offering the entirely different model, based on subscription with 600 companies such as Securitas Direct, Coca Cola, KPMG or Deloitte.

This program is focused on improving the skills of employees and managers, adapting profiles to the demands of the labour market and retaining the company's most valuable talent.

### b. Financial starting point

The startup initially launched with a modest capital of 14,000 euros, relying solely on capital increases from family and friends. Remarkably, it achieved self-sufficiency from its first month of operation.

### c. Current financial point

At present, the startup has experienced significant financial growth. In its business-to-consumer (B2C) model, it generates an annual income of approximately 20 million euros. Additionally, through its business-to-business (B2B) model, the company earns around 30 million euros per year, calculated based on the number of companies served and the subscription price per person.

## 2. International market situation

### a. Industry overview

The EdTech industry has witnessed significant growth and consolidation in recent years, driven by the increasing adoption of technology in education and the impact of the COVID-19 pandemic. EdTech, or education technology, leverages IT tools and practices to enhance learning experiences. The industry

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has seen a shift from conventional learning to personalized and interactive techniques, with a focus on lifelong learning and democratizing access to knowledge.

During the COVID-19 pandemic, the closure of schools and the need for remote learning propelled the demand for EdTech solutions. Teachers and students adapted to online classrooms, leading to increased comfort with education technology. EdTech tools have provided benefits such as increased collaboration, 24/7 access to learning, "flipping" the classroom, personalized educational experiences, and attention-grabbing lessons. Teachers have also benefited from automated grading, classroom management tools, and data assessment platforms.

The EdTech industry has attracted a diverse range of players, from startups to renowned companies. Notable players include BYJU'S, VIPKid, iTutorGroup, and Udacity. The industry is driven by the increasing availability of smart devices, awareness about the advantages of technology in education, and the growing demand for lifelong learning. The democratization of knowledge through the internet has made education accessible to individuals worldwide.

### b. Market analysis

The EdTech industry has experienced substantial growth and is expected to continue expanding in the coming years. In 2019, the global Education Technology industry value reached \$76.4 billion, and it is projected to grow at a compounded annual growth rate (CAGR) of 18.1% until 2027. Analysts estimate that the EdTech market will be worth \$350 billion by 2025.

The COVID-19 pandemic has further fuelled the growth of EdTech, with investments pouring into the sector. Venture capitalists invested \$20.8 billion globally in the EdTech sector in 2021, marking a significant increase compared to previous years. While public valuations have cooled, private companies are still raising capital at double-digit revenue multiples. Online education has become the new normal, and the habits developed during the pandemic are expected to persist.

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Consolidation is a prominent trend in the EdTech industry, with mergers and acquisitions driving scale and efficiency. Companies are seeking sustainable ways to address the challenge of high customer acquisition costs. Major deals, such as 2U's acquisition of edX and the merger of Anthology and Blackboard, have been enabled by the availability of capital. Integration challenges arise post-acquisition, but the potential benefits are substantial.

India has emerged as a leader in the EdTech race, attracting significant investment and global attention. With regulatory challenges impacting the Chinese EdTech industry, international players are turning to the Indian market. EdTech funding in India has grown rapidly, with the country accounting for 18% of global investments in 2021. Local EdTech players in India have achieved billion-dollar valuations and have started acquiring companies in the US market.

Overall, the EdTech industry presents immense growth potential, driven by technological advancements, changing workforce needs, and increased capital inflows. The market is highly competitive, with numerous local and international players vying for market share. EdTech companies that can adapt to the evolving landscape, deliver valuable solutions, and differentiate themselves in terms of content, features, and user experience are well-positioned for success in this thriving industry.

### **3. Internationalisation strategy**

#### a. Strategic Option Available

**Global Expansion:** EdTech companies may choose to expand their operations and offerings to new markets worldwide. This strategy involves adapting products and services to cater to the specific needs and preferences of different countries or regions. It may require localization of content, language translation, and customization of features to align with local education systems and cultural norms.



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**Partnerships and Collaborations:** Collaborating with local educational institutions, government bodies, or industry partners can facilitate market entry and expansion. EdTech companies can form strategic partnerships to gain access to existing networks, distribution channels, and customer bases. Collaborations may involve joint ventures, licensing agreements, or distribution partnerships to leverage local expertise and market knowledge.

**Acquisitions and Mergers:** EdTech companies can pursue acquisitions or mergers with existing players in target markets to expedite market entry and gain a competitive advantage. Acquiring local EdTech firms or partnering with established players allows companies to tap into their customer base, infrastructure, and market share.

**Online Platforms and Marketplaces:** Building or participating in online platforms and marketplaces can enable EdTech companies to reach a global audience. By offering their products or services through established online platforms, companies can leverage the platform's existing user base and distribution capabilities to expand their reach across borders.

**Content and Platform Localization:** Adapting content and platforms to local languages, curriculum requirements, and cultural contexts is crucial for successful internationalization. This includes translating educational content, adjusting instructional methodologies to align with local teaching practices, and incorporating region-specific examples and references.

**Government Partnerships and Initiatives:** Collaborating with governments or participating in government-led initiatives can provide access to funding, resources, and support for international expansion. Engaging with government agencies or ministries responsible for education can help navigate regulatory frameworks and gain endorsements or certifications.

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**Digital Marketing and Localization:** Implementing digital marketing strategies tailored to specific markets is essential for effective internationalization. This includes localized advertising campaigns, search engine optimization, social media engagement, and targeted outreach to educators, students, and parents in different regions.

**Research and Market Intelligence:** Conducting thorough market research and gathering market intelligence is vital to understand target markets, identify trends, and tailor products or services accordingly. This includes analysing education systems, policies, curriculum requirements, and competitive landscapes in different countries to inform strategic decision-making.

### b. Startup internationalization strategy

The startup's internationalization strategy has been centred around content and platform localization, as well as targeted digital marketing efforts. As the company experienced rapid growth in Spain, they recognized the opportunity to expand their reach to Latin America, leveraging the same platform and courses to cater to students in those regions.

To further expand their global presence, the startup embarked on a trip to the United States, engaging with potential top voices, business angels, and key influencers. Their success and growth in Spain had already attracted interest from these individuals. During their visit, they assessed the market fit for an English course and effectively communicated their mission, which they consider to be crucial for their success.

Building on these initial connections, the startup successfully partnered with prominent figures such as the founder of Netflix, the marketing director of Spotify, and the founder of Waze. These collaborations provided a strong foothold in key markets, particularly Germany, the United States, and the United Kingdom.



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In addition to their localized approach and influential partnerships, the startup places great emphasis on fostering a network community worldwide. They actively organize social and networking gatherings, creating opportunities for engagement and collaboration among their global user base. This global linking network serves as a valuable asset, facilitating the exchange of knowledge and connections among educators, students, and industry professionals across different regions.

Through their strategic focus on content localization, platform adaptation, targeted digital marketing, and the cultivation of a global community, the startup has effectively implemented an internationalization strategy that has propelled their expansion into new markets and facilitated their mission-driven success.

### **4. Results and Conclusions**

#### a. Success stories

The startup's internationalization journey has been marked by several key success factors that have contributed to their growth and impact. These factors include an effective market research approach, strategic partnerships, an innovative business model, and the ability to adapt and evolve rapidly.

From the beginning, the startup embraced a lean startup approach, enabling them to be agile and learn from their experiences along the journey. This flexibility has been instrumental in their ability to adapt quickly to changing market dynamics and customer needs.

A core driver of their success lies in their deep understanding of their mission. They aspire to offer a business school experience that rivals the top institutions but remains accessible and affordable to everyone. This clear sense of purpose has guided their decisions and resonated with their target audience.

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One of the critical factors that propelled the startup's success is their emphasis on effective market fit research. They diligently analysed the needs of potential customers before developing their products. This market-driven approach ensured that their offerings aligned closely with the demands and preferences of their target market.

Strategic partnerships with influential figures, known as the "top voices," have been pivotal in the startup's achievements. These renowned international businessmen and women, at the pinnacle of their careers, have lent their expertise, credibility, and networks to the startup's endeavours. These partnerships have opened doors to new markets and provided valuable insights and connections.

Another key success factor is the startup's ability to adapt their business model. They recognized the opportunity to expand beyond their initial business-to-consumer (B2C) model and successfully ventured into the business-to-business (B2B) space while continuing to pursue both paths. This strategic shift allowed them to tap into additional revenue streams and cater to a broader customer base.

The startup's commitment to continuously adapting their courses to meet market and global needs has been essential. They have demonstrated agility and rapid evolution in their offerings, ensuring that their content remains relevant, up-to-date, and aligned with industry trends.

Collectively, the effective market research, strategic partnerships with influential figures, adaptable business model, and the rapid evolution of their courses have played pivotal roles in the startup's internationalization journey and overall success. By staying true to their mission and leveraging these key success factors, the startup has positioned itself for continued growth and impact in the EdTech industry.

**DISCLAIMER: The information provided is based on public information available of each company.**

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