Next Education's CEO Brainstorms in Solitude

By Sonal Khetarpal - 29 Jul '14

Photo/Image: Arshanapally Prabhakar Rao

Beas Dev Rahlan, Next Education's Founder and CEO feels that often, in product development, companies may visualise the look-and-feel of the product but overlook how the customer will interact with the solution.

His pedigreed education - M.Sc from IIT Bombay and MBA from London School of Business - would've easily set up Beas Ralhan for a promising corporate career. But, Ralhan's love for developing products made him a start-up junkie. In 2007, after his stint at UK-based online gaming company, PartyGaming, which he had helped grow to $12-billion, Ralhan finally decided to brave an entrepreneurial plunge. He co-founded *Next Education*, a digital learning solutions company, with his former colleague Raveendranath Kamath and two other co-founders who have since left the company. In FY 2013-14, the Hyderabad-based company closed its books with Rs150 crore in annual revenues, and a customer base of more than 6,000-plus schools. Ralhan credits his ability to grow the company to his approach, one that he says pretty much resembles a school timetable neatly bookmarked for all activities. In this story, he takes us through that studied model.

My day is usually quite structured. I get up at 6.30am and start working by 7am. I use the morning quiet to email my team members-responses on stuff they've sent me, or ideas and instructions for the day ahead. This way they have their to-dos for the day lined up even before they reach office.

Responding to emails takes me almost an hour. This is followed up with a conference call with the sales team. I have to get a daily update on the new schools that have enrolled for our e-learning solutions and the ones from whom we have collected the payments. We have 6,000-plus schools as customers in 500 towns and cities across India. In addition to providing e-learning solutions for lower primary to secondary class (the K-12 segment), we

also offer schools maintenance services for their hardware upkeep of digital content. Schools pay us an initial installation fee and the rest of the amount comes through monthly instalments. This makes our company's business model very operations heavy so it's essential to keep a tab on everyday revenue movements.

We have around 350 to 400 people in the sales team all around India, however my focus is on the 25 people who comprise what I call the "bridge team". This team has people that are common between the sales team and the R&D team and they are the ones responsible for launching the product and making it successful. Having such a bridge team is quite crucial for us as e-learning programmes are quite complex. It is only when my sales team understands the product in and out that they will be able to explain better its value to the customers, thereby, increasing the chances of making a sale.

> " I can't solve every problem, and I don't want to try."

My morning call at 8am is with this team. It is then their responsibility to disseminate the information to the rest of the sales force. After these calls get over, around 9am, that I have my breakfast and start getting ready for work. Office is only a kilometre away so I walk the 15-20 minutes it takes me to get there. In the past 12 years, or ever since I began working, whether in Dallas for Infosys Technologies or in Europe for PartyGaming, I've never stayed more than two kilometres away from my place of work. It is stupid to waste two or three hours of your life everyday in commuting from one place to another.

I reach office by 10 am. Since I have already sent out the instructions and replied to emails, no one usually disturbs me for the next two hours. Till 12.30pm I have the luxury of me-time. I use these two hours to critically review our e-learning solutions. Each day, I pick up one of our products for examining—one day I will be thinking about TeachNext, our audio-visual learning solution to aid teachers in teaching students, planning lessons and assessing students; the next day, I'm scrutinising about one of the self-learning programmes for students, for instance, the MathsLab or EnglishLab. I will think about the new updates made, features that should be added or removed, if any new insight should be included. That way I analyse seven different products in a week. Yes, I work for six and a half days, taking a break only on Sunday evenings.

I understood the value of ideating alone after reading the research paper The Death of Leadership in Management by Dana L. Hudnall who says that real ideas and solutions require solitude and deep thinking. R&D at its core is not a team activity. In a group, when people discuss ideas they might not find the best solution but the most easy solution, Hudnall says.

As I ideate, I write my thoughts down. More often than not I will also draw the features I want to include or change. Since drawings are more visual, it's easier to explain the new idea or concept to the R&D team. In product development, I feel, the common mistake we make is we visualise the look-and-feel of the product but overlook how the customer will interact with the solution. Drawing it out really helps with that.

After these two hours of sitting alone in my cabin, the rest of the day in office is spent in meetings. I have divided my meetings in two parts. From 2pm to 5pm we have tracking meetings wherein I will get updates and monitor the progress of one of the departments in the organisation, HR or call centre or admin. Then, from 5pm to 7pm I have review meetings with the same team. I will then analyse each metric, solve problems and try to optimise processes, if required.

All the issues that arise in the company, apart from tracking and optimising, I delegate. Any problem that does not pose an existential risk to the company should not be solved by me. And, I don't even listen to those problems. For me, the best way to delegate is by not listening. If I listen, I will have an opinion. If I form an

opinion, I will share it. The moment I share it, people will just follow it without even giving it a second thought. I don't want to think about such problems. I don't have a God's complex because I am the CEO of the company, I can't solve every problem, and I don't want to try. My core strength is R&D and I focus on that.
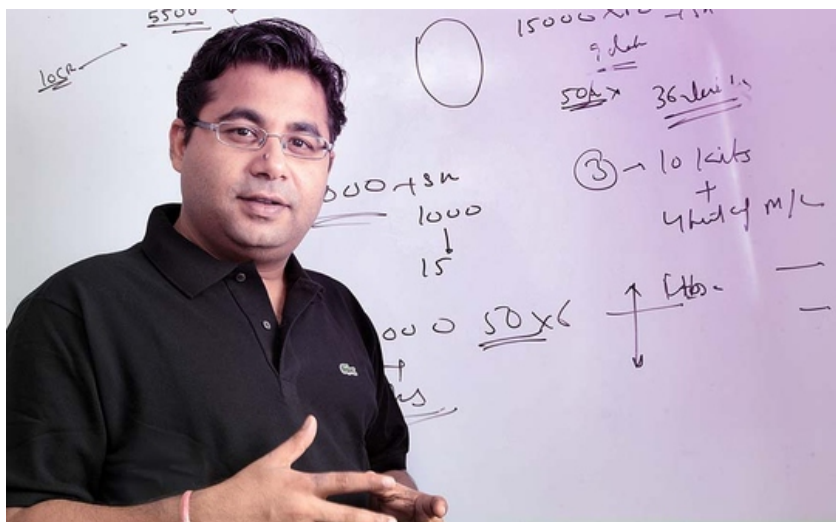
Rahlan believes that any problem that does not pose an existential threat to the company should not be solved by him.

We end all meetings by 7pm. I don't work at all after that. I learnt this while working in the US. There, everyone starts work as early as 8 am and ends it by 5pm or so. You then have the entire evening to yourself and I find that it really helps increase productivity the next day. After 7pm, I'm not really available to my staff. I spend time at home with my wife, watching television or reading a book.

This routine is more or less quite fixed, day after day. However, I break it for two months in a year—in February and March. This is the time when schools are preparing for the new academic year and take major decisions about allocation of funds. During these two months, I travel and visit around 50 schools.

Such personal visits are absolutely essential. Even now a lot of school principals don't understand the value e-learning adds to the whole pedagogic exercise. They think of it as a trend that will pass away soon. If you look at schools in the US and UK, apart from using audio-visual teaching aids, even their administrative work is done on an ERP system. We can't say that about India. We are still ages behind. Teachers waste so much of their time in classrooms just writing on the board, or drawing diagrams while the students wait for them to finish. This reduces the productivity and engagement level among students. With digital learning solutions, all such tasks are done with a click, and the visual aids ensure students are constantly engaged. So, it's important to visit schools to bring in a change in the mindset that e-learning is not just another way to charge parents money but an important tool to make the process of learning easy and fun.

These meetings also help me understand consumers' expectations from our products and get first-hand feedback. It helps recalibrate my thinking on product development for the rest of the year. I have also realised to get honest feedback it is important that I visit schools in regions where I can speak their language. Schools are notoriously colloquial. It is difficult to get them to say more than an okay, good or bad, especially if you don't talk to them in their regional language. So, I make sure I visit all the schools in north India. Fortunately, my co-founder Raveendranath Kamath, who takes care of finance and servicing side of our business, is from Kerela and can speak or at least understand several south Indian languages so he covers schools in that region.

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Whichever region we cover, both of us concentrate on schools in tier two cities. This is in line with our company's philosophy to make digital learning products affordable and hence, accessible for all. Digital learning solutions even now are considered to be the domain of the elite schools of the metros due to their high cost. So, schools for whom cost is a prohibitive factor can't use such solutions. We focussed on that market gap. We offer digital learning products at almost one third the price of others in our industry; we're able to do so because we

around Rs30,000 to Rs50,000 per month. Instead, we offer hardware required for e-learning on individual classroom basis where each digital classroom costs just Rs4,000 per month. This approach has worked for us. We've been adding 1,200 to 1,500 schools every year as customers.

Focussing on tier two town also gives us some great feedback mainly because schools in these areas have a greater focus on academic excellence, not extracurricular activities or all round development of the children, as is the case in metros. Whether it is the right thing to do or not is an entirely different debate. In fact, it was during a visit to such a school in Lucknow that I saw a group of students of Class IX who were running the digital classroom and studying from it on their own. There was no teacher in their class. Seeing students engaging with, and benefiting from, our e-learning solutions gives me a great high.

We are targeting to reach 10,000 schools by this year end. This means that even if each school has a minimum of 100 students, our e-learning solutions will be used by at least 10 million students. If we are able to improve or increase the interest in studying of even one per cent of these students, then I will feel what we are doing is worthwhile.

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