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MARKETS

Zuckerberg-Backed Startup Seeks to Shake Up African Education

Bridge aims to provide cheap, Internet-based education in Africa



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By **MATINA STEVIS** and **SIMON CLARK**

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MASII, Kenya—An army of teachers wielding Nook tablets and backed by investors including Bill Gates and Mark Zuckerberg is on a mission to bring inexpensive, private education to millions of the world’s poorest children.

In rural Kenya, 6-year-old Sharon Ndunge, sitting in a rough-built classroom with chicken-coop wire for windows, a tin roof and wooden benches, is among 126,000 students enrolled at the more than 400 Bridge International Academies that have sprung up across the country since the company was founded in 2009.

Bridge's founders are challenging the long-held assumption that governments rather than companies should lead mass education programs. The company's goal is to eventually educate 10 million children and make money by expanding its standardized, Internet-based education model across Africa and Asia.

The Internet and Barnes & Noble Inc. Nook tablets are used to deliver lesson plans, which are then used by teachers. The tablets also are used to collect test results from students scattered across hundreds of towns and villages and serve as a means of monitoring their progress.

"It's like running Starbucks," said Greg Mauro, a partner at California-based venture-capital firm Learn Capital LLC, the largest shareholder in Bridge with a 15% stake, likening it to the coffee chain with standardized systems and procedures that can be replicated across new locations. If all goes to plan, the American-run, Nairobi-based education startup will seek a stock-market listing in New York in 2017, according to Mr. Mauro.

Mr. Mauro has invested alongside Microsoft co-founder Mr. Gates, e-Bay Inc. founder Pierre Omidyar's Omidyar Network, textbook publisher Pearson PLC and others who already have put more than \$100 million into the company, of which about 90% is equity investments, according to Bridge. Facebook Inc. co-founder Mr. Zuckerberg this month invested \$10 million in the company, according to Bridge. The investment comes as the social-network company expands into emerging markets to potentially reach billions of new customers.

Mr. Gates saw "significant innovation in the approach and wanted to support it personally," said a spokeswoman for Mr. Gates.

Bridge co-founder Shannon May said Bridge is more cost-effective than state-funded Kenyan schools and provides better teaching. Kenyan public schoolteachers spent an average of two hours and 40 minutes teaching a day, according to a 2013 World Bank report, and 45% of teachers weren't doing their jobs: 16% were absent from school, 27% were at school but not in class and 2% were in class but not teaching. By contrast, Bridge said its teachers teach for more than eight hours each day, and there is unexcused teacher absenteeism of less than 1%.

Bridge's revenue is in the "low double digits" of millions of dollars, Ms. May said. She estimates it will be \$500 million in 10 years.

This lofty growth forecast for a company that hasn't turned a profit rests on the hopes of people like Jacinda Ndunge, Sharon's mother, who spends \$6.50 of her monthly \$100 income from her vegetable stall to send her daughter to Bridge. A big attraction for her was more attentive teachers and a smaller class size than at a free state school, she said. Bridge's average class has 30 pupils. At some Kenyan state schools, the student-to-teacher ratio is 100-to-1, according to the teachers union.



A classroom at a Bridge International Academy in Nairobi, Kenya. PHOTO: PHIL MOORE FOR THE WALL STREET JOURNAL

‘At state school, many times the teacher did not go to class. Sharon comes home with homework to do and is happy to go to school.’

—Jacinda Ndunge, who pays \$6.50 a month to send her daughter to Bridge.

“At state school, many times the teacher did not go to class,” Ms. Ndunge said. “Sharon comes home with homework to do and is happy to go to school.”

Bridge teachers on average make 10,000 Kenyan shillings a month, about \$110, less than half what state teachers make but more than most other comparable schools, said Ms. May. There are other private, inexpensive schools, most of which are religious or organized by individual communities. Bridge said its advantage is that the quality of education is better through the use of technology and standardized procedures.

Last month, Bridge opened its first seven schools in Uganda and plans another 65 or so by year-end. It then plans to move into Nigeria by the end of 2015 and to India in the second half of 2016.

To be sure, some critics said it is a step backward for poor people to pay for education and question the standardized teaching model.

“There’s something about it that flies in the face of progress,” said David Archer, head of program development at Action Aid, a London-based nonprofit, antipoverty organization who has campaigned for universal free education for two decades. “There are individual needs of individual kids. Does this standardization zeal actually give better education to children?”

Ms. May defended Bridge’s teaching model. “Just because the class is scripted doesn’t mean the tablet is restrictive,” Ms. May said. “Children do interrupt with questions,

teachers do go off script.”

Bridge’s progress comes as for-profit companies play an ever-bigger role in Africa’s development, seeking to make money through businesses that often serve a social purpose. Private-equity fundraising for investment in sub-Saharan Africa more than tripled to a record \$4 billion in 2014 from the year before, according to the Washington-based Emerging Markets Private Equity Association. Private-equity firms also have invested in African health-care services, nurseries and for-profit universities.

Providing education to Africa’s poorest has historically been the domain of governments and charities. Ms. May, 38 years old, is an anthropologist who first became interested in education as a means of lifting people out of subsistence living in rural communities while she carried out postdoctoral research in China.

Along with Bridge’s other founders, she saw a business opportunity as the Kenyan government struggled to keep up with booming enrollment rates.

Bridge’s rapid expansion isn’t without potential roadblocks. “A big risk is that Bridge grows too quickly and neglects quality,” said James Tooley, a professor of education policy at the U.K.’s Newcastle University and an advocate of low-cost private schools.

Ms. May acknowledges growth comes with big and often unpredictable challenges. When moving teachers to train in Uganda, for example, Bridge staff got embroiled in a standoff with Ugandan authorities suspicious that they were possibly transferring aspiring jihadists to training camps. The situation was settled peacefully.

And in Kenya, Bridge students almost missed an important national exam because there was no government regulation in place dealing with how children not attending traditional private or public schools take such tests. The incident was eventually resolved.

“The biggest challenge that Bridge will face in any market is going to be regulatory,” said Amy Klement, a partner at Omidyar Network.

Investors said the Nook tablet is at the heart of what makes Bridge work. All class plans, tests and additional materials are uploaded on it. Teachers manually enter test results through the tablet, and every piece of information is stored electronically. Bridge also monitors teachers through the tablet. For example, if a teacher doesn’t sign into the tablet one day, Bridge can call the teacher to find out why.

“All Bridge’s systems have been designed with the view of getting to millions of students,” said David Easton, an investment director at CDC Group PLC, a London-based investor in Bridge.

A 2013 report commissioned by Bridge by an outside research firm indicates Bridge students score better in literacy and numeracy tests than peers attending nearby public

schools.

But overall, separate research doesn't show an advantage of low-cost private schools over state schools. A report by the U.K. government's Department for International Development found "little evidence" low-cost private schools are better than state schools and "no evidence" that quality influenced parents' decisions on where to send their children to school. The same department is an investor in Bridge academies.

Corrections & Amplifications

A report by the U.K. government's Department for International Development found "little evidence" low-cost private schools are better than state schools and "no evidence" that quality influenced parents' decisions on where to send their children to school. An earlier version of this article said the report had found "little to no evidence" low-cost private schools are better than state schools. (March 18)

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