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INTERVIEW

Investing to Transform Education: An Interview with Matt Greenfield of Rethink Education

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Investing to Transform Education:

An Interview with Matt Greenfield of Rethink Education

Former tech entrepreneur and literature professor Matt Greenfield is seeking to bring new and different approaches to K-12 and higher education through his venture capital firm Rethink Education. Noting that our education system is one of the last places to be remade by technology, Rethink Education seeks to foster companies that provide new categories of educational support through technology.

Greenfield's path to co-founding Rethink Education is rooted in his experiences as a young venture capitalist and as an educator. After early success in the tech sector, Greenfield went back to Yale University to pursue a Ph.D. in English. He then spent a decade as a professor at Bowdoin College and City University of New York, College of Staten Island. Through his teaching experiences, he learned about the challenges of urban education at every level. This eventually led him to seek to transform the education sector and foster innovation through venture capital.

In this edited interview with DMGroup CEO John J-H Kim and Associate Amy Mon, Matt Greenfield discusses Rethink's strategy and his vision for the future of learning.





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—Matt Greenfield
Managing Partner
Rethink Education

You left teaching English at the university level to be a venture capitalist in the education sector. Can you tell us how that came about?

Right after college, I went to work as a venture capitalist and then joined a software startup. But I had been an English major and remained passionate about literature. When the startup I was with got sold, I took my modest winnings and decided to go back to Yale to get a Ph.D. in English. I then got a job teaching 16th- and 17th-century English literature, first at Bowdoin College and then in the City University of New York (CUNY) system. Academia and teaching seemed like a natural career path for me. My father was a venture capitalist, but he had a great books degree from St. John's College in Annapolis and always loved literature. My mother had been a high school teacher, and most of the members of my family have been teachers of one kind or another. I have one relative who is a sociology professor at Stanford. My father's sister was a kindergarten teacher and her daughter became a high school teacher; his brother and his brother's wife were high school teachers, and one of their two children also became a teacher; and there are many teachers on the other side of my family as well.

At CUNY, I was at the College of Staten Island and also taught at the graduate center. It was a fascinating place to teach. I got myriad lessons in the challenges of urban education at every level. I was teaching people who had come out of the New York City schools; I was teaching future teachers in the teacher training program; and I

was teaching master's courses, usually Shakespeare, to current New York City school teachers. I was encountering a variety of problems.

So, it was the desire to solve these problems that led you back to venture capital?

I ran into a man named Larry Berger at a party. He had been an undergraduate at Yale and then a Rhodes Scholar together with one of my graduate school classmates. Larry had started an interesting company called Wireless Generation. Given my experience at CUNY, I was fascinated by Wireless Generation's products and I ended up hounding Berger and his co-founder until they sold some stock to me—as well as to a group of my friends and family members. That was the company that was eventually acquired by News Corp. and became the famous disaster Amplify—but for venture investors in Wireless Generation, it was a very good investment.

Then, I met a specialist in autism who was focusing on the problem of there not being enough people trained to deliver behavioral therapy to autistic children. She felt that one shouldn't need an advanced degree in psychology in order to provide applied behavioral analysis to autistic children, and she had developed an extensive professional development resource with 1,200 modules. It was in the form of a box full of paper, and when I saw it, I said, "I think this should be a software product." She asked me what that would mean and I wrote a business plan under her guidance. I thought about trying to run it, but then decided I would make a terrible

CEO. I was still a college English professor at the time, but I found two successful entrepreneurs who got intrigued by the idea and ended up starting it. I helped them round up money—again, from friends and family members—and that turned into a company initially called Rethink Autism. It's now called Rethink, and it's a company that my firm is an investor in today.

These investments inspired you to start Rethink Education?

One thing led to another. I reconnected with one of the other investors in Wireless Generation and we ended up forming this firm Rethink Education to make investments in education businesses. We did it for two reasons. One, we had seen that it was possible to build an attractive and useful business in this area, and two, we noticed that most other venture capitalists were much less interested than we were in school districts, universities, and other traditional educational institutions. They were more interested in direct consumer businesses. We had had a positive experience working with school districts, and so we decided that there was a gap in what the investment industry was doing in education. That's why we formed Rethink Education in July 2012.

How does the transition from an angel investor to an institutional investor inform your view about the types of companies you choose to invest in?

My partner and I were both doing things in education well before we ever thought about making a nickel off of it. My partner at Rethink Education, Rick Segal, has a sister with severe learning challenges as well as physical disabilities. When she was born, it sort of turned his family upside-down. This resulted in his mother going back to school and getting a doctorate and eventually becoming one of the country's leading experts in child development. She published 17 books before her death. Two of Rick's other sisters got academic degrees in child

We always approach our investments with a focus on the most vulnerable populations.

development and published articles and books, and together with Rick they started an inclusive preschool and an institute for the study of child development. Rick got to know education as a philanthropist.

Because of Rick's family history and my early involvement with Rethink Autism, we always approach our investments with a focus on the most vulnerable populations—that includes not only the poor, but also those who are cognitively or physically different, those who are not fully in command of English or the native language of the nation in which they reside, and those who experience discrimination of one kind or another. As an investment firm, we've always been much less interested in companies that serve primarily the rich or the less vulnerable. We think that most companies that sell directly to consumers are essentially widening the gap between rich and poor rather than narrowing it.

We also think that education needs to change for everyone—that there are certain obvious things that need to happen to improve the experience of education and the outcomes for everyone, rich or poor, but we've always been focused on the needs of the most vulnerable. And the great thing about selling to school districts as opposed to consumers is that school districts that serve the poor or that serve non-native speakers of English get extra money from the federal government, specifically to help them with those challenging tasks. And the largest districts, the most concentrated and attractive customers,

Matt Greenfield's Biographical Timeline



<p>1982–1986 Yale University B.A., English</p>	<p>1986–1989 ABS Ventures Associate</p>	<p>1989–1991 DB Software Director of Marketing</p>	<p>1991–1998 Yale University M.A., English Ph.D., English</p>	<p>1997–2000 Bowdoin College Literature Professor</p>	<p>2000–2007 City University of New York (CUNY), College of Staten Island Literature Professor</p>	<p>2007–2008 Rethink Autism Co-founder</p>
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for the most part tend to serve the poor. And so, we've never believed that there was any tension between making the world a better place and achieving superior educational outcomes on the one hand and making rational, prudent investments on the other hand.

How do you source your deals?

There are essentially three ways. First, there is the example of Rethink Autism, where we wrote the business plan and helped start the company ourselves. Second, we decide a particular area is interesting, research it, find companies and go out and talk to them, or ask for introductions to companies in the space. And third is that people are continually approaching us.

You said most other venture capitalists are much less interested in school districts, universities, and other traditional educational institutions. Why is that?

There are a few exceptions, but most venture capitalists are not interested in investing in companies that sell to school districts, at least not until they hit, say, \$10 million or so in revenue, at which point it's not venture capitalists but rather the equity people that are interested. But in the earlier stages, the venture capitalists are not interested because they think that school districts are terrible customers. And yet, the numbers objectively say that they're wrong about that. If you have something that a school district actually needs as opposed to a big hypothesis about what they might need or something that is really just a feature of what should be a larger platform, then districts are good customers. But most venture capitalists simply don't believe that.

There's also a concern about the size of the market, which is somewhat more legitimate. If you have 55 million K-12 students in the United States and you have a product that sells for \$10 to each of them, even if you got every student in the United States, that would still

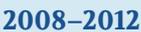
be only a total available market of \$550 million. A lot of the time, venture capitalists are looking for potential multi-billion-dollar markets. I think that the same thing applies to colleges, and especially to community colleges. Many venture capitalists aren't interested in community colleges. I think community colleges have their issues, but they're really the engines of American democracy, along with K-12 schools. They're what give people a chance to improve their economic condition in a way that nothing else can—no other sort of government action these days can help people rise into the middle class or become affluent.

Which types of companies are you particularly excited about these days?

One area that a lot of other venture capitalists would not name as one of their target areas but that we get excited about is great, engaging, exciting, interactive multimedia content. We feel that the majority of the educational content developed for K-12 and postsecondary education is unenthralling. When you see something that is genuinely exciting and deeply engaging for students, you have to honor that. And that excitement creates real opportunity.

Another area we are interested in is assessments that can be absorbed into the daily fabric of instruction. We feel that summative and formative assessments need to be made obsolete, and that ideally you should have a complete picture of where each student is at any moment throughout the semester or the quarter—you shouldn't need to administer a special test in order to discover that.

There's a ferocious battle right now over the Common Core and over summative assessment in general, and many people find it odd that I am somewhat indifferent on these topics. I think the Common Core standards themselves are fantastic. It's good for education technology companies to be able to have a single standard to write to instead of a different standard for

 2008–2012 Stonework Capital Chairman and Founder	 2011–2014 Engrade, Inc. Chairman of the Board	 2015–2016 Columbia University, School of International and Public Affairs Adjunct Associate Professor	 2012–Present Rethink Education Managing Partner	 2012–Present NewSchools Venture Fund Advisor	 2014–Present Allovie, BrightBytes, Hapara, and Intellus Learning, Inc. Board Member
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each state, and it's a big task for each state to develop its own standards. But at the same time, if you wait until the end of the year to figure out whether the students have mastered the topics prescribed in the standard, you're conducting an autopsy of a patient who's already died as opposed to running a diagnostic procedure to find out what you need to do to help the patient while the patient is still alive. You need to know the moment someone is struggling with something, and you need to act to bolster their understanding of that topic at that moment.

Does anything of an enterprise base interest you?

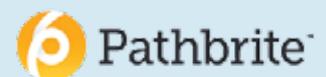
Yes. We are as interested as anyone in the enterprise and the back office, and so within K-12 we have backed people to work on problems like procurement and budgeting. We've also backed people who work on analyses of the root causes of dropouts, assessing how ready a district is for a particular initiative, and even measuring how effective other ed tech tools are. These topics are not glamorous, but if you don't get these right, then it's very hard to do anything else right.

It seems you have a fair number of first-time entrepreneurs in your portfolio. Why is that?

My personal view is that there is a pretty large gap separating entrepreneurs in this space from the customers and users. There are an awful lot of companies that come to me or to people who run education technology accelerators or to other experienced players in this ecosystem and say, "Can you introduce me to some teachers or principals or district administrators so I can learn more about what they need?" I say that if you have to ask that, you shouldn't be starting the company at all. There are a great many companies out there that are insufficiently knowledgeable about the work that teachers and administrators and students do. We are looking for companies run by what we call "authentic entrepreneurs" who start off with a deep understanding of a particular problem, ideally before they ever think about starting a company. That's why we back so many first-time entrepreneurs. They come out of the customer set. They are people with a deep empathy for the users of the products because they belong to that group. Failing that, I think that every company from its inception needs a Chief Empathy Officer. It could be the CEO, it could be the Chief Academic Officer, but it needs to be someone who has a profound understanding of the problem and also a strong desire to solve that particular problem.

There are a lot of inauthentic companies out there that don't have a strong reason for being and are perhaps part of a large crowd of people doing fairly similar things.

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The best companies are the ones that come into being only reluctantly out of immense irritation that no one is solving a particular problem. And they might pivot in an effort to find a better way to solve the problem. They have a clarity about the problem they are trying to solve, and have a strong and clear mission. Theirs is a mission that will change the world, and that's the kind of mission that gives you a much better chance of success because you as the CEO are not going to quit quite as easily as someone who is just looking for a way to make a quick buck. Also, the passion for solving that problem, for helping those people you want to help, will be immensely attractive to potential employees. That is incredibly important because one of the main determinants of success or failure for a technology company is the ability to attract the best talent. A company with a really strong, clear mission will always have an edge in attracting the best talent. There are people who will take an 80% pay cut and leave jobs at Google or Facebook in order to become part of an education-related mission.

Do you think any of the companies you are working with will make public education and teaching more attractive as a career?

I think almost all of our K-12 companies that are focused on teachers and students are doing that to one extent or another. For teachers, standing up in front of the class and compelling students' attention and instructing all of them at the same time when they may have very different resources and backgrounds and some may be less inclined to pay attention at any particular moment is a hard job. It's infinitely easier if the role of the teacher is more like that of a coach where the students have a bit more flexibility to shape their own projects and where the projects are connected to the student's goals.

So, what do you think instruction should look like in the future?

For the curriculum of the future, I think you need to start by figuring out not just what a student's academic skill levels and deficits might be, but also what that student is passionately interested in and what that student is knowledgeable about. Students read on an entirely different level when they have background knowledge and enthusiasm about a topic. And so, if you learn that a particular student is interested in music and another one is interested in sports, then it would be great if you could customize the math problems so that one student is getting problems about organizing a concert or about harmonics and the other one is getting sports-related math questions. It would be great if the student who loves

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music gets an American history class that is organized around the theme of music and the extension of the rights of citizenship to new populations—so, Stonewall and disco, slavery and spirituals.

It would also be great if you could show them information about jobs connected to their passion. So if you're interested in music, here are five different jobs that you could conceivably have as an adult, and here are the pathways to those jobs. Then, algebra becomes a skill you need in order to be a sound technician instead of a random torture inflicted by adults. You want to give the curriculum a personal meaning for students and connect it to their passions and their goals. Ultimately, you want the student to be asking not "What do I have to do to get an A in this class, what do I have to do to get the degree, which courses do I have to take, what does this teacher want from me?" but rather, "How can I use this institution to accomplish my own goals, which reflect my values and my passions?"

You would want to integrate workforce training into K-12 education?

I think that teachers ought to be talking to students about future jobs starting in preschool. Students don't have to stick with a particular idea, but they should have a hypothesis that gives meaning to the academic work they do. I also think kids are fascinated by the work that

adults do, and that they should have a lot more short- and long-form nonfiction reading about the work that adults do—about the work that *they* might do when they become adults.

Students are flying blind, to some extent. They're making huge decisions about their futures based on things that their cousins or their neighbors tell them. They don't have the facts. They don't know what the salaries are, they don't know what the work really involves, they don't know if they're qualified, if they have the aptitude, and they also don't know how well a particular job really maps to their passions and their values. And it's not just the poor kids who have this problem. There are an awful lot of people who go to law school because it's the thing you do if you're a good student and you don't have any other particular plan in mind. And then you discover, either in law school or in your first job as a lawyer, that you actually hate the law because you never learned enough about what it's really like at an earlier stage in your career.

So we need to fold a lot more information about careers into the curriculum at every level, starting in preschool, and incorporate challenges and projects related to careers and work at every level of education. And ideally, we need to incorporate actual internships. One kind of company that I am looking for is a company that can manage for educational institutions virtual internships with employers and make those internships educational and meaningful.

So, a school district would provide students with the opportunity to have a virtual internship with an outside company?

Yes, a company or a nonprofit. By the way, I also think it would be very interesting if teachers could have internships, physical internships. I don't know if this is a business at all ... I doubt it; but wouldn't it be interesting if an art teacher could spend part of her summer break working for an advertising agency or a mining company or a tech company and just learn a little bit about what other people's work is like? In general, people do not have enough knowledge about their options. Everyone is flying blind.

What's the most significant way that education technology will affect school districts?

I think that ed tech is going to be able to provide district leaders with a lot more information. Right now, teachers go into the classroom, close the door, and then very often wall out the administration. The classroom becomes a zone of privacy, and as a district leader, you don't really

know what they're doing in there or how effective it is until you get the NWEA test results or whatever other summative assessment results you might be getting. You are, in effect, flying blind to some extent as opposed to having a finely tuned sense of which students are making what kind of progress in whose classroom and where you need to do a little extra instructional coaching or deliver extra resources to help someone out. In my opinion, there's a lot more information that district leaders are going to be able to access going forward, thanks to technology. Instead of knowing only how likely this particular third grader is to drop out of high school, you will also be able to know what specific interventions and resources would prevent that from happening. Or you can better assess what things can be done to retain teachers you might otherwise lose, or how to make the district more attractive to great teachers.

How can district leaders go about better selecting and adopting ed tech across their schools? What are some challenges or barriers?

Right now, there isn't really a strong locus of smart demand for the best ed tech products. In higher education, we all know that certain institutions like Southern New Hampshire University and Arizona State and Western Governors are extremely hungry for innovation; they are willing to give a fair hearing and test anything that seems innovative. But in K-12, the procurement process and the way to establish credibility is a little bit less clear. I understand that principals and district officials are continually being bombarded by vendors trying to sell them things that might be uninteresting or not make sense. But at the same time, I think there needs to be a mechanism for conducting a fair evaluation of genuine innovations and a streamlined process for acquiring them and for recommending them to others and helping people understand what kind of contribution these innovations can make. I think that we need to establish more platforms like the I-Zone and the League of Innovative Schools that give a leg up to innovation. I think it would be very helpful for district leaders to take a hand in co-creating products and explaining the features they need. Also, it would be terrific if district leaders would on occasion issue a challenge and say, "If a product does this, then we will buy it."

Any other thoughts that you would like to share with district leaders?

I would love to hear from some of your readers, and I would encourage them to reach out to me. I would love to be in dialogue with more school and district leaders. ♦