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## INTERVIEW

# Venture Investing in Education at the Chan Zuckerberg Initiative: An Interview with Vivian Wu

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# Venture Investing in Education at the Chan Zuckerberg Initiative:

*An Interview with Vivian Wu*

In December 2015 upon the birth of their first child, Facebook founder and CEO Mark Zuckerberg and pediatrician Dr. Priscilla Chan launched the Chan Zuckerberg Initiative (CZI), a new kind of philanthropic organization that brings together engineering, grantmaking, impact investing, storytelling, policy, and advocacy work. CZI is committed to advancing human potential and promoting equal opportunity. The education initiative, led by Jim Shelton, is one of CZI's priorities; in fact, Chan and Zuckerberg's commitment to the sector predates the founding of CZI. A year and a half earlier, Chan and Zuckerberg had hired Vivian Wu to work with them to make impact investments in education ventures to fuel innovation in education. Vivian's strong background in investing and consulting, her experience working with education nonprofits, and her passionate belief in the transformative power of education made her a natural choice to spearhead this effort. With the formation of CZI, Vivian is now running their venture investing across the initiatives as the managing director of ventures. Within education, Vivian is focused on supporting entrepreneurs who are developing scalable businesses that will improve learning outcomes and increase access to high-quality education for lifelong learners around the world.

In this edited interview with DMGroup CEO John J-H Kim and Associate Amy Mon, Vivian Wu discusses CZI's approach to venture investments aimed at transforming lives through education.



CHAN  
ZUCKERBERG  
INITIATIVE

You have extensive investment experience across a variety of industries. Can you tell us about your path to the education sector?

It's funny when you look back on your life and start realizing the patterns that emerge. About five or six years ago, a mentor asked me, "What challenge were you put on earth to solve?" I remember thinking that was an incredibly difficult question to answer. I started tracing my professional career: my path from consulting to investment banking to emerging market investing, venture capital investing, and growth equity investing. It was a very clear path from an investments perspective—that has been prominent in my life.

But, it turns out there has always been a parallel path of working with kids and illuminating minds. Some of the most meaningful moments in my life have involved working with kids. I was a mentor in college, and I started an afterschool program when I was in Hong Kong. While at McKinsey, I did pro bono work for a college readiness program. More recently, I consulted pro bono through an organization called Full Circle Fund for several education nonprofits including San Francisco Unified, the Clayton Christensen Institute, and Caliber Schools.

About five or six years ago, a mentor asked me, "What challenge were you put on earth to solve?"

One experience stands out from when I was teaching in rural China at a school with no walls and no bathrooms—in fact, a cow actually walked into my class! The sixth graders I was working with loved to be in the classroom and loved learning. I remember how devastated I was to find out that these families could only afford to send one of their kids to school. And they could only send them until sixth grade because they needed the kids to go back to the fields. Though it was a brief volunteer experience, it had an outsized effect on my path into education. I saw how important it is to give kids the opportunity to access quality education so they can achieve their full potential. That's what drives me.

How did you get connected with the Chan Zuckerberg Initiative?

I started working for Mark and Priscilla in the summer of 2014 and have since been brought under the Chan Zuckerberg Initiative (CZI). Mark and Priscilla were interested in understanding how technology and



## Chan Zuckerberg Initiative

Founded in December 2015 by Facebook founder Mark Zuckerberg and Dr. Priscilla Chan, the Chan Zuckerberg Initiative (CZI) is a new kind of philanthropic organization that brings together engineering, grantmaking, impact investing, storytelling, policy, and advocacy work to achieve its mission: advancing human potential and promoting equal opportunity.

Current initiatives include the following:

- **EDUCATION:** Helping every child recognize and realize their full potential

CZI believes that a whole child approach to personalized learning is one of the most promising approaches to enabling all learners to achieve their full potential. CZI is helping to develop breakthrough products and practices that address the needs of each student by bringing together the best teachers, researchers, advocates, and engineers to tackle pressing problems and build a movement to support the development and broad adoption of powerful personalized learning solutions.

- **SCIENCE:** Helping cure, prevent, or manage all diseases in our children's lifetime

Researchers are dramatically expanding our understanding of the science behind medicine, the human body, and illness. To accelerate this progress, CZI is bringing together scientists and engineers in new ways to create computational and experimental tools to empower the scientific community and build a movement to support basic science research.

- **TECHNOLOGY:** Bringing cutting-edge tools and technology to social change

CZI believes engineers can help turbocharge and scale solutions to facilitate social change, and therefore has established a cross-functional engineering team to design, build, and scale software systems to serve all Chan Zuckerberg Initiative's focus areas. This technology will help teachers bring personalized learning tools into hundreds of schools, and will help scientists build new tools that can help cure, prevent, or manage all diseases within our children's lifetime.

- **POLICY AND ADVOCACY:** Helping to support and sustain movements that advance human potential and promote equal opportunity

With a belief that meaningful change must be supported by movements to be sustainable, CZI participates in policy debates and builds public support for issues that can advance that mission. Initially, CZI's Policy and Advocacy team supports its work in education and science—building a movement to fund more scientific research and increasing the public's understanding of the power of personalized learning, for example. It will also explore other areas to ensure greater opportunity for all, such as affordable housing and criminal justice reform.

entrepreneurship could accelerate the work that they were already doing in education, and were looking for someone to launch that investment effort. I had been a technology investor for 16 years already, and was advising innovative education reform organizations and the NewSchools Seed Fund in education technology.

It's just been an incredible opportunity to work for Mark and Priscilla, who are thinking in a very big way about their potential for impact. They are willing to take risks and have a long-term perspective. From a personal standpoint, I can't even express how thrilled and how fortunate I feel to be able to merge my professional experience with what is such a deep, personal passion for me.

**The Chan Zuckerberg Initiative's mission to unlock human potential and promote equal opportunity is such a broad-based goal. What does this actually mean in terms of your work?**

Our priority areas are education, science, and policy. We believe that education is one of the most fundamental ways to unlock human potential. Through our work in education, we seek to enable every young person in the world to earn a living wage, build independence, articulate their purpose or identity, and pursue their passion.

At CZI, we want to use all the available tools in support of our mission. In some cases that will be through making grants to nonprofits; in some cases that will be through venture investing in for-profits; and, in other cases that will be building solutions with CZI engineers.

On the venture investment side, our goal is not just to build a venture portfolio. When we look at investments, we focus on a number of impact criteria as well as traditional financial and business criteria. We have a particularly strong focus on businesses and entrepreneurs who care deeply about a few things, including improving outcomes in learning and employ-

ability through personalized learning, increasing access to a quality education, and helping students to learn quickly.

**You have an extensive investment background, but is social impact or venture investing different?**

Impact investing adds another layer of complexity to the traditional investment decision process because we focus first and foremost on whether companies align with our impact objectives. Our first set of criteria is, "Does this align with our vision of enabling all learners to achieve their full potential? Are these entrepreneurs with a strong focus on impact who, at the end of the day, will understand the balance between building a successful company and keeping the focus on improving education and improving the lives of learners?"

**You talk about the goals of learning and employability. In your opinion, is the current system falling short?**

When you look at the dropout rates or the challenge for graduates to find jobs that match their skills or to even get jobs at all, it's clear that we need a greater focus on outcomes and providing skills for long-term success.

**How can school leaders begin to think about this differently?**

I can speak to how we think about education. We start first with, "What is the status of the learner?" We want to understand their needs—their basic physical, mental, and emotional health as well as any learning, cognitive, and behavioral needs or opportunities. Additionally, we recognize the role their family background and environment play in their readiness to learn. We think about how to integrate an understanding of the learner's health with their academics. We think about what's going on inside a classroom as well as outside of the classroom.

Ultimately, the objective is to figure out, for each individual learner, how we can best support them so

**Vivian Wu's Biographical Timeline**

 <p><b>1990–1994</b> University of Pennsylvania B.A. in European History The Wharton School B.Sc. Economics and Finance</p>	 <p><b>1994–1996</b> McKinsey &amp; Company Business Analyst</p>	 <p><b>1996–1998</b> Morgan Stanley Capital Partners Associate</p>	 <p><b>1998–2000</b> Harvard Business School M.B.A.</p>	 <p><b>2000–2002</b> Accel Partners Venture Capitalist</p>	 <p><b>2002–2011</b> TA Associates Principal</p>
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they can grow, learn, and master the skills that are necessary for success in life, including a fulfilling career. This is why we have such a strong emphasis on personalized learning across all of our investments.

**How do you see businesses addressing the challenge of improving education outcomes?**

We believe that entrepreneurship and technology can drive innovation and have the potential to support learners and teachers in new, creative, and highly scalable ways. In our opinion, there needs to be a laser focus on improving actual outcomes and learning advancement, not just on how engaging a product is or how entertaining it is.

If there is an opportunity for companies to build scalable and sustainable business models in education, that is a great way to attract new thinking, ideas, and talent, and to build potentially even more scalable solutions than just through philanthropy alone. Part of our philosophy is finding companies with impact-focused entrepreneurs who understand their market and users, do great product design, learn fast and iterate based on what drives outcomes, and build companies that become sustainable, really add value, and transform education.

**Several of the organizations you have invested in are focused on the use of student data and personalized learning. Can you speak more about why these are important?**

Absolutely. My view is that in order to make the best decisions, educators and students need to have real-time accurate data about where students are, how they are progressing, and where they are striving to get to. As one example, MasteryConnect is a formative assessment platform that we are invested in. It allows teachers to really understand where their students are in the process of learning and understanding a concept. The information is actionable because it's delivered to them almost immediately versus at the end of the semester. When teachers have real-time visibility into what is

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going on in their classrooms, it empowers them to individualize their instruction to help students who need additional support and help students who are advancing quickly.

**What other potential do you see for leveraging data?**

Data can help to enable the type of collaboration that is critical to address the needs of the whole child. We believe that everyone—from parents, teachers, and administrators to physicians, counselors, and therapists—has a role to play in helping a student thrive and progress. In the past, it's been very difficult for all of those individuals to really contribute to the academic and developmental growth of a child. Now we're seeing platforms that allow for better communication and the ability to track information; while protecting the student's privacy, everyone helping a student has a holistic view of the learner's health and cognitive needs, as well as their goals, interests, and the things they are excited about.

We invested in a company called Ellevation Education, which serves over a million English language learners (ELL). They have a software platform for ELL specialists to manage workflow and administrative responsibilities for compliance. The platform also extends into the



**2011–2014**

U.S. arm of Hong Kong-based family office  
Managing Partner



**2014–2016**

Reach Capital/  
NewSchools Venture  
Seed Fund  
Advisor



**2014–2016**

Full Circle Fund  
Board Member/  
Executive  
Committee

CaliberSchools

**2014–Present**

Caliber Schools  
Board Member



**2014–Present**

Harvard Business  
School Alumni Board  
Executive Committee



**2014–Present**

Chan Zuckerberg  
Initiative  
Managing Director,  
Ventures



classroom and provides tools and strategies for teachers to address some of the unique needs of English language learners in their classroom. It's an example of how to make it easier for an ELL specialist and a teacher to collaborate in supporting every ELL student in their class.

CZI has also made a number of grants in this area. One example is the Silicon Valley Regional Data Trust, which is launching a very exciting project called the DataZone, a data-sharing environment across several public agencies that serve children and families in areas like health, education, and other social services.

**Can you highlight an organization that embodies the innovation and scalability you seek?**

One example is Newsela, a company we invested in that we think is bringing product and business model innovation to the education sector. First, they've developed a reading platform that tailors nonfiction articles to students at differentiated reading levels to stimulate group and classroom conversations and assess reading improvement. Second, they have been successful in leveraging the concept of freemium that is prevalent in the traditional online world to the education sector to harness teacher demand for a great product.

More than 15 million people use Newsela's freemium product, and it is loved by teachers and students. Now when principals and administrators purchase the premium analytics, they can gain valuable insights into how students are performing, and they know that teachers are already actively using and value Newsela. This approach can help Newsela cut through the long school district procurement cycles that have been a challenge for many education technology companies.

**Any other organizations in your portfolio that you are particularly excited about?**

Several of our companies are leveraging technology in very innovative ways. One example is BYJU'S, a mobile education platform in India serving 4th through 12th graders in math and science through personalized playlists of lessons using exceptionally high-quality videos. India has tremendous income disparity and geographic dispersion. Because content is delivered by mobile, BYJU'S can address the problem of access to trained teachers even outside of the top-tier cities in India. Also, BYJU'S has created a way to provide offline access to all of their videos. When your mobile phone connects with a network, it syncs and the system catches up on your progress as a learner. The system can personalize the next batch of content—without users incurring the significant internet data charges that would prevent many lower-income populations from accessing this great content.

**What are some of the differences between the opportunities that you're seeing in the United States versus the opportunities and entrepreneurs you're seeing elsewhere?**

We have portfolio investments right now in India and in several countries in Africa. We're seeing incredible innovation internationally, in part because the need for improvement is so great and entrepreneurs are finding creative ways to overcome the barriers they face. We've seen a really strong set of entrepreneurs attracted to working in those markets.

There are significant income disparity and affordability issues in so many of the developing countries that we work in. Challenges range from lack of access to trained teachers or high-quality curriculum and materials to not having reliable internet.



**Education Portfolio**



An example of using technology to overcome some of these barriers is Bridge International Academies. Bridge has an innovative approach using learning science and technology to design and deliver curriculum and to collect classroom observation and student assessment data in order to improve student learning. In Kenya, where Bridge has been educating students the longest, students taking the 8th grade national exam achieved a 34% higher pass rate than the national average after two years on average at Bridge.

**A lot of investors who do not share our long-term view stay away from investing in companies that are selling primarily into school districts because of the long and unpredictable sales cycle.**

**And how does that compare with the opportunities you are seeing in the United States?**

Here, I believe we need to focus on making sure that the most effective solutions, technology or otherwise, are making their way into districts and classrooms—and are getting funded by investors and customers so they can continually be improved.

As many district administrators know, U.S. education companies have a real challenge in building, scaling, and attracting investment funding. A lot of investors who do not share our long-term view stay away from investing

in companies that are selling primarily into school districts because of the long and unpredictable sales cycle. I believe we need to address that dynamic in order to give students the best educational opportunities.

More than 90% of the students that we're trying to serve are in districts. We would like to see ways to make the procurement process more transparent and focused on rewarding efficacy. We're interested in encouraging entrepreneurs to be thoughtful about product design, how teachers will adopt the product, and how implementation can be done with fidelity. We would like to see what works win.

**Do you have any advice or insights that you would like to share with district leaders?**

District leaders are the real experts on this, not me. I see through our companies' lens to some extent. But, I encourage district leaders to stay focused on efficacy when purchasing and adopting these products within your districts. Over time that will create the kind of ecosystem that we all want to see—products that make teachers' lives easier, help students learn better, and give administrators the ability to make better decisions.

I also encourage continued support for a culture that allows for the adoption of technology and recognizes it as a tool. It's important to promote an openness to solutions and a willingness to support teachers in their professional development to learn some of these new solutions, tools, and approaches, and encourage them to iterate and optimize. But, it's also important to understand that technology for technology's sake is not the answer. From our perspective, we hope that more districts continue to focus on the potential for individualizing instruction to meet the complex needs of learners and providing teachers with the tools and support they need. ♦



Vivian Wu with Andela fellows in Nairobi

Photos courtesy of Chan Zuckerberg Initiative