

How this unfunded ed-tech startup quietly conquered Nigeria



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The ed-tech space across Africa is one of great potential, and we regularly hear about innovative startups building solutions tackling educational issues across a variety of countries on the continent.



Territope Ogunsemo

One such company, however, has largely snuck under the radar. But the Lagos-based <u>Krystal Digital</u>, founded by Temitope Ogunsemo in 2011, has a claim to being one of the best of the lot.

The startup came about as a result of a "difficult and frustrating experience" for Ogunsemo when he attempted to get hold of his academic transcript. In a bid to tackle such issues, he developed a school information management system for government-owned secondary school Kings College in Lagos.

The principal of the school liked the product so much he asked other principals in his network to adopt a similar technology, and Krystal Digital was born.

"I saw the opportunity to develop a School Information Management System that would not only improve the storage and retrieval of academic records but also position these schools to harness the benefits of digitisation," says Ogunsemo.

Its flagship service, MySkool Portal, is a web-based application for school information management system designed for proper documentation of school data. The startup now has more than 50 institutional clients made up of government-owned

High Schools across more than 20 states in Nigeria. It has more than 75,000 active student users, and annual revenues in excess of NGN1.1 billion (US\$3.1 million).

All of this has been achieved without any external funding, with Krystal making money by charging students in all the schools that deploy a small annual fee of around US\$30. It makes revenue by developing similar information managements systems for leading corporate organisations in Nigeria.

For Ogunsemo, it has all been about organic growth, anchored on three principles – people, operations and innovation. Today, Krystal Digital has more than 150 employees.

"We rely on the ability of our people to innovate and collaborate with each other and our customers to develop value-adding solutions," he said. "We are also committed to conducting our business transparently and ethically by managing our business process towards ensuring a positive impact on the society."

Ogunsemo said his team learned to innovate in order to survive.

"Surviving also bred an ability to focus, a focus which translates into capital efficiency because we are self-aware enough to stay within our bounds," he said. "Money isn't spent on hair-brain ideas, dumped down the drain or spent on ad-hoc or random opportunities. We keep innovating internally at a fraction of the cost, while cherry-picking strategic investments which tightly complement our core business."

For example, the startup recently invested around US\$1 million in building digital IT academies across various secondary schools in Nigeria, and it is working in partnership with Microsoft's Imagine Academy to teach Nigerian students Microsoft professional programme courses.

Ogunsemo is optimistic about the potential impact of ed-tech solutions in Africa, saying accelerating the adoption of technology in classrooms will empower teachers to improve education outcomes and provide students with the skills they need to transition into jobs in the knowledge economy.

"Research by the World Economic Forum estimates that by 2020 there will be 1.5 million new digitised jobs across the globe. At the same time, 90 per cent of organisations currently have an IT skills shortage, while 75 per cent of educators and students feel there is a gap in their ability to meet the skills needs of the IT workforce," he said.

"To prepare the talent needed for the digital economy, education must adapt as fast as the demand for IT skills is growing and evolving."

However, infrastructure deficits, high costs, and poor perception and knowledge of the potential of technology continue to be obstacles to running a technology company in Nigeria.

"The ICT infrastructure deficit is a major constraint. This reduces Krystal's productivity by 40 per cent. There is also a poor perception of ICT, basically because of the lack of education generally in Nigeria about the potential of technology and also due to the lack of solid implementations of technology," Ogunsemo said.

"Embracing technology in Nigeria would mean embracing transparency. There are a lot of people excited to flip the system on its head, hence if you show up with a software that promotes efficiency in certain institutions, you might be met with blank stares."

Despite these problems, he says Krystal Digital is fired up to close the digital gap in education.

"In the kinetic enterprise, the only thing constant is change and we are constantly rethinking how we envision and deliver our solutions," said Ogunsemo.

"We believe deeply in the power of the Nigerian ingenuity and we will continue to focus our investments in areas where we can have a direct impact on job creation and job preparedness."

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ABOUT TOM JACKSON

Co-founder @DisruptAfrica. Tech and business journalist in Africa. Passionate about the vibrant tech startups scene in Africa, Tomcan usually be found sniffing out the continent's most exciting new companies and entrepreneurs, funding rounds and any other developments within the growing ecosystem. Kenya's Angaza Elimu using tech to transform classroom experiences - 4 Oct 2018. Applications open for MEST class of 2020 - 17 Sep 2018. African startups go beyond "find a tutor" model to improve educational outcomes - 4 Sep 2018.

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