

# From diplomas to doctorates, how upGrad scaled up continued learning



Students taking online classes.

## Synopsis

Starting off with a focus on working professionals, upGrad now addresses the lifelong learning needs of those aged between 18 and 55 years. Its products range from study-abroad courses to skill-certification training, and it also partners with enterprises and institutions. How did it carve out its niche and grow steadily in spite of the challenges posed by the pandemic?

When **upGrad** was founded 2015, some of today's best-known ed-tech companies were either being set up or were scaling up. Seven years down the line, ed-tech is going through an interesting juncture after a rejig in expectations following the pandemic. upGrad has stood out in the sector — it is one of the few companies that recently raised capital despite challenging market conditions, it has not been in news for any layoffs, and it appears to be in the middle of a growth run, making acquisitions along the way.

upGrad started off with a focus on working professionals, in a segment classically called continued learning. One of the earliest courses it offered was a data-science

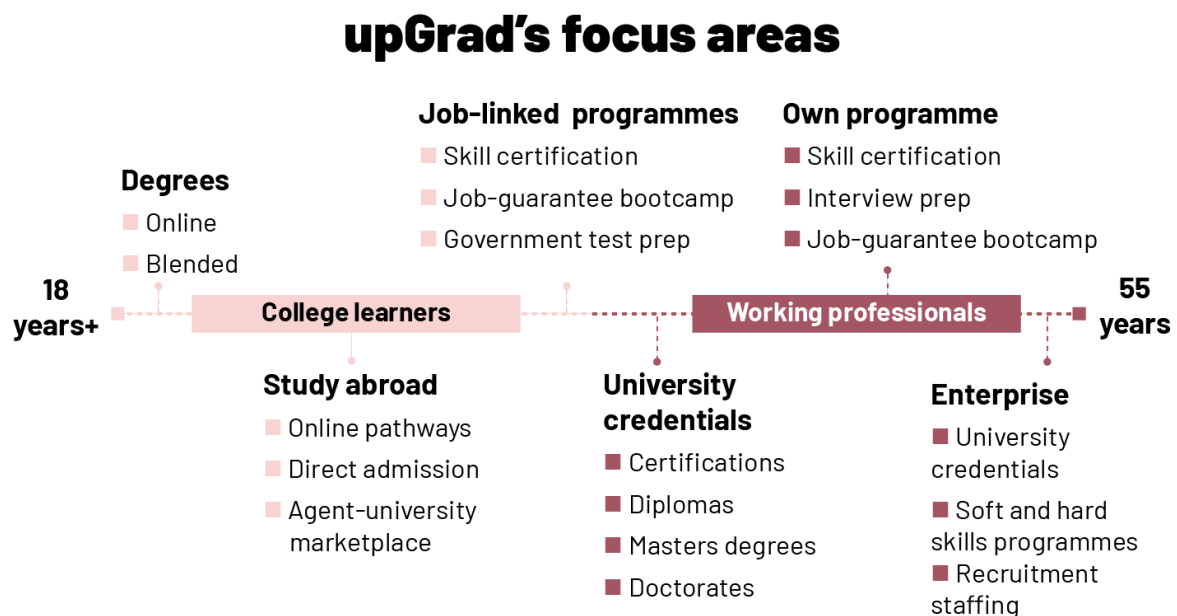
programme. By itself, that marked out its different strategy, because some of the highest-funded ed-tech companies of the time and their VCs were focusing on either K-12 or on test preparation. However, its journey has seen multi-hued shades of growth since then. How did the startup carve out its niche, continue to grow steadily, and stay the course in spite of the challenges posed by the pandemic?

### Strategic focus

UpGrad’s focus has deepened from offering learning solutions for working professionals to lifelong learning. While in terms of age group, that can span 18 years to around 55, the solutions can range from the first degree to study abroad to job-based learning.

The learning itself can cover a vast landscape that includes certificate programmes, diplomas, doctorate programmes, and branded certifications.

Apart from direct-to-customer programmes, the company also has enterprise programmes now. Revenues could come from individuals paying fees or companies sponsoring their employees, and also from partnerships with educational institutions.



Source: upGrad

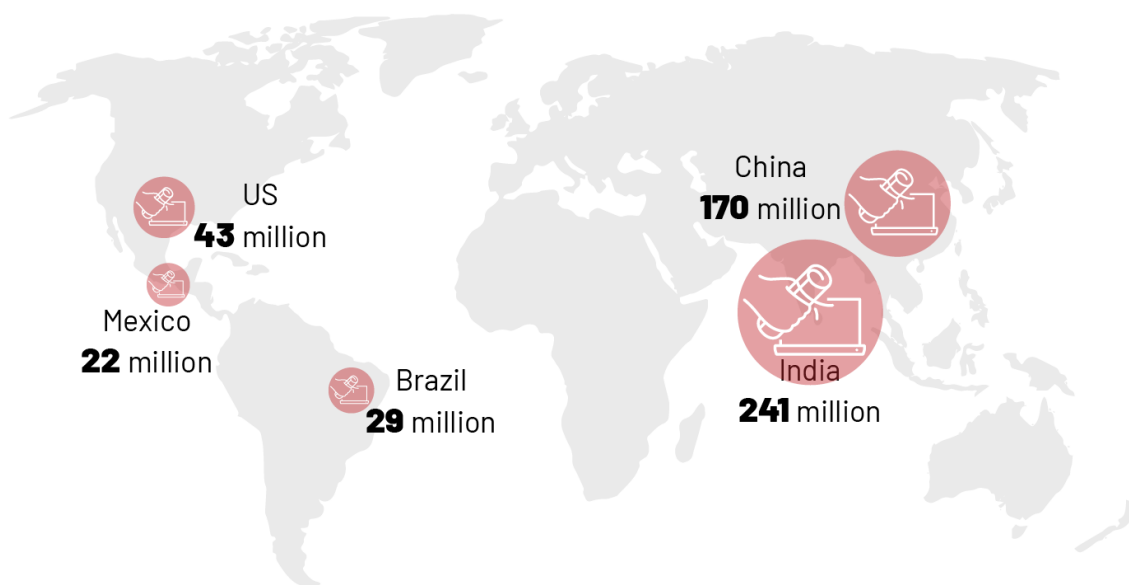
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So why did the company make this shift and what are its growth pathways now? To understand that, it is necessary to have an overview of the market it operates in.

The market is large, and there is a global need for higher education.

## Market for global higher education



1.3 billion people projected to reach working age in the next 10 years

Source: Coursera investor report

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However, formal education systems, in most cases, are unable to cater to the existing demand. In India for example, the higher-education enrolment rate is around 28%. Moreover, with increasing automation, jobs at various skill levels are getting digitised fast, resulting in the need for upskilling and reskilling.

In India and globally, upGrad is competing with several listed and private players trying to address this challenge. If **Coursera** has taken a platform approach, **MasterClass** has focused on celebrity-led learning.

## Competition landscape

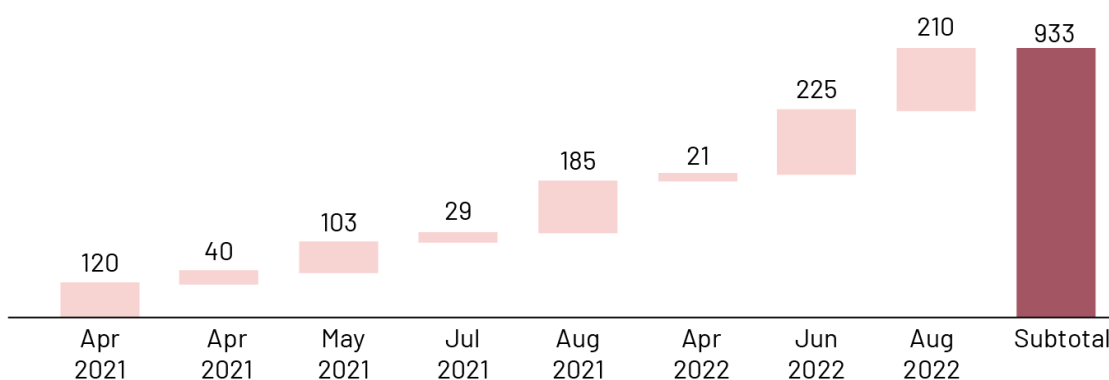
### upGrad

**8**  
Funding rounds  
8 late-stage

**USD933million**  
Total funding  
USD225 million  
largest round

**17**  
Investors  
17 institutions

**USD2.3billion**  
valuation  
As of June 15, 2022



### Competitors

Company	Funding (USD million)	Founded (Year)	Stage	Company	Funding (USD million)	Founded (Year)	Stage
Simplilearn	36	2010	Acquired	MasterClass	461	2014	Series F
Coursera	443	2012	Public	Platzi	78.5	2014	Series B
Udemy	373	2010	Public	Degreed	367	2012	Series D

Source: Tracxn

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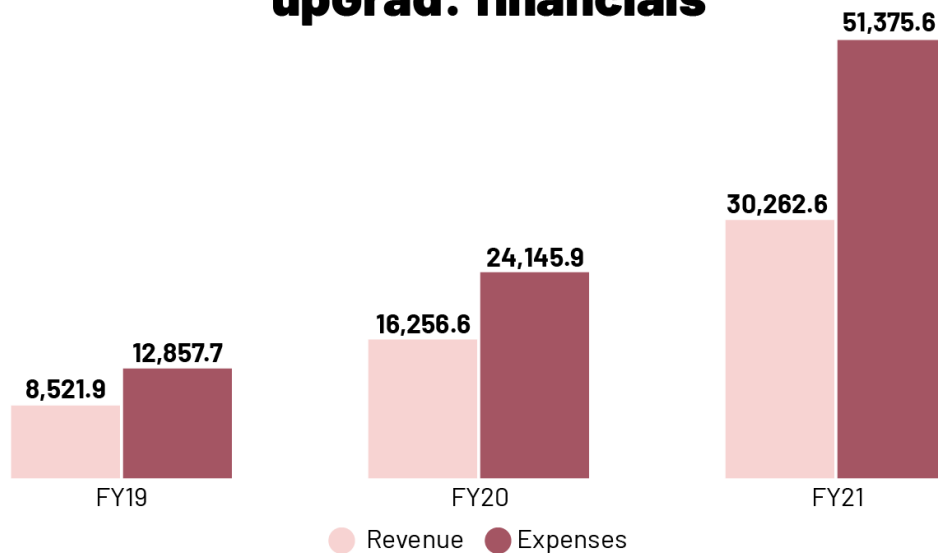
### Performance and growth

upGrad has been a relatively quiet ed-tech company in a sector that has been in the eye of a storm in the recent past with large investments on the one hand, and customer complaints and enormous marketing spends on the other. Started by IIT Delhi alumni Mayank Kumar and Phalgun Kompalli along with co-founders Ravjot Chugh and executive chairman **Ronnie Screwvala**, they had significant professional experience prior to setting up the firm. The early investment and involvement of Screwvala, a seasoned entrepreneur with experience in scaling businesses, put upGrad on a trajectory that was different from others.

“For the first five years, we never raised external funding. We understood early that funding is on the liability side, while cash is on the asset side. The DNA of the team was to be on the cautious side,” says Kumar, upGrad’s managing director, adding that ROCE was a key concept for them and building the team in the right way was a top priority.

While that approach has turned up good growth with scale, the startup has also incurred more costs, with spending on costs and advertising accounting for about 70% of expenses.

## upGrad: financials



Figures in INR lakh

Source: Tracxn

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To manage its growth journey, upGrad brought in senior leaders to add depth to its leadership team.

## Key recent hires



**Myleeta Aga Williams**  
*CEO international*  
 Internal operations and growth



**Saurabh Deep Singla**  
*CHRO*  
 Strategic talent and people focus



**Rajesh Raju**  
*Director, brand marketing*  
 High-impact marketing initiatives



**Ashish Sharma**  
*Vice-president, own-branded programme*

**Ankit Khirwal**  
*Head of marketing*





programmes  
Create structured content  
delivery pipeline and drive  
strategies for market creation

End-to-end  
marketing



Source: ET Prime research



Kumar also mentioned that Phalgun has shifted to the US to build out the company's US play.

Aarushi Jain, who heads the education, media, and intellectual-property practice at global law firm Nishith Desai Associates, and has tracked upGrad's journey closely, says that vision, purpose, and strategy are the important elements for any organisation to grow. "The founders [of upGrad] come with a wealth of experience, which has enabled them to have a focused vision, with the purpose of revolutionising the Indian education environment. Their growth pattern and M&As are strategic, adding a lot of stability to the business."

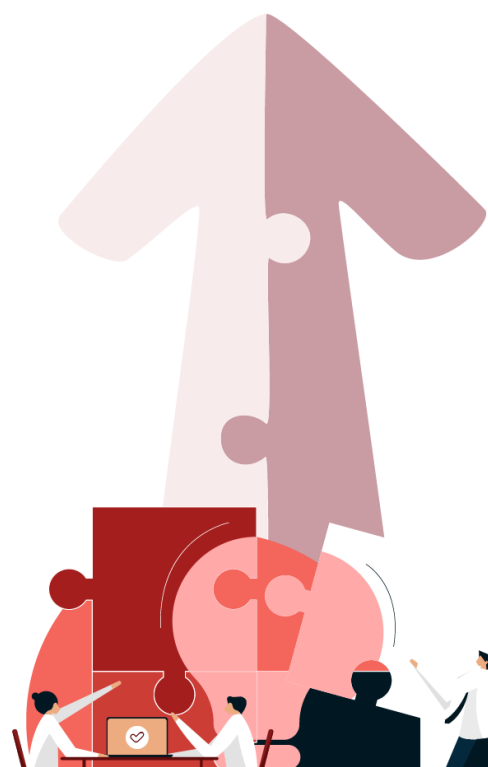
### From organic to inorganic

Expanding the focus on working professionals to lifelong learning also needed a strategic look at inorganic growth opportunities. Kumar says that upGrad already had deep strength in its programmes for working professionals and wanted to bolster the college learner, study abroad, and B2B programmes. But it would not have been able to do this on its own. So, it needed the right partners, and more important, the right M&A strategy.

upGrad looks upstream and downstream for find solutions that will help shape its lifelong learning strategy. It has made a string of acquisitions.

## upGrad: mergers and acquisitions

Company name	Founded year	Acquired date
Exampur	2018	Aug 2, 2022
Harappa	2018	Jul 15, 2022
Wolves	2014	Jul 14, 2022
Insofe	2011	May 2, 2022
Work Better Training & Development	2008	Jan 10, 2022
Talentedge	2012	Dec 6, 2021
Global Study Partners	2014	Nov 29, 2021
KnowledgeHut	2011	Aug 3, 2021
Impartus	2013	May 24, 2021
Rekrut	2020	Dec 15, 2020
GATE Academy	2009	Nov 24, 2020



AcadView 2015 Oct 29, 2018

Pyoopil 2013 Oct 17, 2016

Source: Tracxn



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It acquired Impartus to boost its blended-learning model for campuses. For study abroad, a key segment, it struck a deal with [GSP Australia](#) to help it connect with the universities. This segment is expanding, resulting in opportunities in career guidance, financing, and other related support.

Initially, upGrad had not entered the test-prep segment, but given the number of people who apply for government test-prep, upGrad felt it would not pass up the opportunity, and recently acquired Exampur to explore this segment.

The Talent Edge acquisition strengthens its learning programmes for working professionals and those seeking degrees in specific streams.

Insofe, which has patents in data science, was acquired to build more muscle in that area, where deep domain knowledge is highly valued.

The Knowledge Hut acquisition was aimed at sharpening short certification programmes in the tech domains.

Rekrut was a downstream acquisition that would help in providing placement solutions. Similarly, the Wolves deal will help with placement solutions for high-demand tech segments.

Going beyond technical areas, upGrad also focused on soft skills, taking over Workbetter and Harappa Education. The latter's Thrive Skills programmes and enterprise learning depth will provide upGrad with a cross-selling opportunity for enterprise clients. According to Kumar, the need for soft-skills programmes has become stronger in the wake of the pandemic.

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*— Mayank Kumar, managing director, upGrad*

Managing multiple acquisitions and bringing out their synergies is no easy task. Integration is a challenge, both from the people and systems points of view. For now, upGrad is letting founders run their respective companies independently, as it believes that the founders' energy is very valuable.



Jain cautions that acquisition for the sake of portfolio building may sometimes result in mismatch of expectations between organisations, especially if the integration is not seamless. Therefore, strategic expansion to fill a gap or to complement or supplement growth is the way to go, she says. “upGrad is doing just that — leveraging its acquisitions — as each of them brings something complementary or supplementary to the table.”

### **The areas of growth**

While upGrad’s first phase of growth centred around working professionals, the second broadened its focus to lifelong learning. In the third phase, the aim is to strengthen verticals on a full-stack basis.

According to Kumar, study abroad is seeing high traction. “Over 700,000 Indians go abroad every year. With the increasing flexibility in higher education, interesting models, such as one-year online courses with two-to three years’ study at location, are emerging,” he says. “These models can bring down the cost significantly. Places such as Canada, US, Australia, and certain countries in Europe are creating such online pathways.” The New Education Policy could push this trend further.

Job-linked programmes, especially those in technology, data, sales, and marketing, make up another area of growth. These courses are evergreen in terms of demand and everchanging in terms of skills needed.

In B2B enterprise learning, upGrad is developing programmes in the leadership, soft skills, data, and technology verticals.

The startup wants to keep strengthening its India business even as it expands globally. While competition in marketing and the bidding for keywords has subsided a bit compared to the frenzy during the pandemic, Kumar says upGrad cannot stay unaffected by what’s happening in the market. He believes that scale will attract scrutiny, but questions can be raised on valuation, not on the market. Staying focused and sharpness in execution will be critical, he adds.

While the education sector in the country has seen few IPOs, upGrad’s IPO could be a key milestone. Kumar currently wants to focus on predictable revenues in a timeline of 24 to 36 months. While a public listing by upGrad may not be ruled out, its timing will depend on several market dynamics, adds Jain.

For now, the road for upGrad is clear: Build a long-term strategy and an execution plan for lifelong learning.

*(Data support by Rochelle Britto; graphics by Sadhana Saxena)*

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