

Eruditus's next big challenge

Internal management is the primary task before the founders of the edtech company as it witnesses rapid growth

ANJULI BHARGAVA
New Delhi, 25 January

An entrepreneur's life never gets easier. First, you come up with an idea that sets you apart from the rest of the pack. Then, you refine it and try to convince others to buy into your idea so you can build a team. Raising funds to execute is the next big challenge. And once that's done, things get even tougher. Not only do you have to deploy the funds correctly, but you also have to manage a growing organisation as you rapidly scale up your operations.

This last stage is where the two founders of Eruditus, Ashwin Damera and Chaitanya Kalipatnapu, find themselves. In August 2021, the company raised a mammoth round of \$650 million of funding, taking its valuation up to \$3.2 billion. At some level, this is perhaps the most critical stage: Ensuring that management remains steady even as loads increase manifold.

So, the two founders have divided their job responsibilities to begin with. Damera wears the CEO cap looking at key strategic initiatives, board management, fund-raising, enterprise business and regions of India and China, and Kalipatnapu is responsible for the high-growth business lines of senior executive programmes, Latin America (Latam) and two new lines — online degrees and healthcare. The two work together on team engagement, company culture and university relationships.

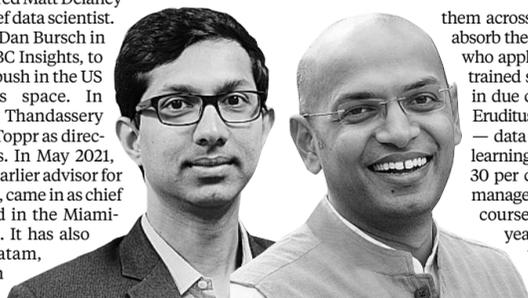
To begin with, the company has been actively engaged in the "great talent search". Usually, many Indian professionals leave to join foreign companies where they spot better opportunities but Eruditus has attracted talent from foreign firms. In April 2020, the company hired Matt Delaney from Google as its chief data scientist. This was followed by Dan Bursch in August 2020, from ABC Insights, to head the company's push in the US degree programmes space. In January 2021, Manoj Thandassery was brought in from Toppr as director and head of sales. In May 2021, Jamie Nacht Farrell, earlier advisor for Osmosis and On Deck, came in as chief revenue officer based in the Miami-Fort Lauderdale area. It has also hired a CEO for Latam, based in Sao Paulo. In



October 2021, Emeritus hired Jakii Chu as chief marketing officer, based in San Francisco. Chu has been with Instacart, Fanatics and eBay in similar roles.

More recently, this month, the company's sub-brand Emeritus has hired Ganesh S, ex-HSBC and Citi, who will lead the hiring. In the next six months, Eruditus aims to increase its headcount by around 1,000 people, a sharp rise from the present 2,000.

Some not-so-happy trends are evident, too. Junior-level employees tend to jump ship for a marginal increment. Now that's happening even at the top manager levels. Moreover, the burnout rates for companies which push their



Founders Ashwin Damera (left) and Chaitanya Kalipatnapu say their focus is on how to grow their impact from 250,000 learners to one million globally, while maintaining the quality of their programmes. Both have seen too many cases of quality being compromised once numbers become the primary goal

employees to achieve bizarre sales targets are so high that the whole exercise becomes counterproductive. Attrition levels month-on-month in some firms can be as high as 30 per cent and every four months, the team one works or steers changes almost completely.

Second, while there is a general talent crunch, it is accentuated in the digital sphere: in marketing, coding, analytics, data science, artificial intelligence and machine learning. Segments such as course creation are areas where almost all the players are seeing a severe shortage. Eruditus has recently launched an instructional design academy, a programme that takes freshers on a six-month stipend and then places

them across companies. Eruditus will absorb the first 25 (out of the 250-odd who applied) but the idea is to offer trained staffers to other companies in due course. Seventy per cent of Eruditus' offerings are in future skills — data science, Python, machine learning, cryptocurrency and so on; 30 per cent is leadership, finance, management and more traditional courses. This fiscal (FY 2021-22, year-end June) the company will touch annual revenues of \$450 million, up from

\$180 million last year.

But the rush for hiring has silver linings. One, as a consequence of the pandemic, companies are starting to alter their HR policies to make them more employee-friendly. Moreover, companies like his and other start-ups have ESOPs, something many traditional companies lack. "This currency is suddenly very valuable as employees see that they can create wealth far more quickly than a traditional job would allow," Damera pointed out.

But even as the founders keep their eye firmly on the talent ball, they are looking to fill gaps they see in their business. Damera said these gaps are to be filled by the right acquisitions. Languages are a gap: 15 per cent of their students are learning in languages other than English (Spanish, Portuguese, Mandarin). "We are looking at an acquisition that allows us to launch even more such language courses in both breadth (German, French and so on) and depth. A partner that enhances our language capabilities," Damera explained. Some months ago, Eruditus acquired US-based iD Tech for \$200 million, which allows them to add to what they believe is its core competency: "skills for the future".

It is also looking to strengthen its enterprise-focused business. Eruditus and Emeritus are primarily B2C companies but they are keen to enter the unexplored B2B segment market, too. But Damera and Kalipatnapu are keen on the "right fit" first. In a sector flush with funds, there has been a tendency to "have money, will spend" in the search for inorganic growth.

"For Eruditus, the main challenges have now become internal as they try to grow inorganically (the right buys) and manage a rapidly expanding ship without straying off the path," said an edtech private equity investor on condition of anonymity, adding that history is replete with companies flush with funds making the wrong buys and hiring the wrong talent, making this the most crucial stage in some ways.

But the founders are the first to acknowledge this and say their focus is on how to grow their impact from 250,000 learners to one million globally, while maintaining the quality of their programmes. Both have seen too many cases of quality being compromised once numbers become the primary goal. This is something Eruditus is determined to avoid even as they build a global company born and managed out of India. It's a journey few have undertaken successfully.

Omicron displaced Delta as dominant variant in 28 days

Other countries with high daily cases have seen similar surge

SACHIN P MAMPATTA
Mumbai, 25 January

It took only 28 days for Omicron cases to surge from under two per cent to over 75 per cent in the Covid-19 samples analysed in India from mid-December 2021 to early January 2022.

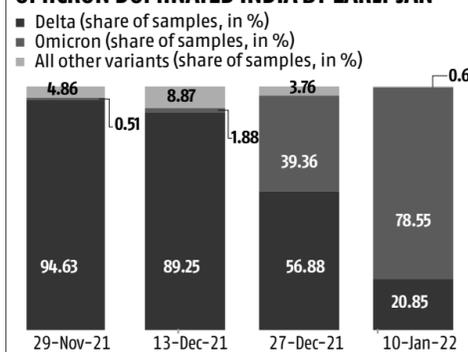
Omicron accounted for 1.88 per cent of samples analysed in mid-December, shows data collated from Our World in Data, which sourced the numbers from genomic data collection initiative GISAID. This rose to 78.55 per cent by early January. The share of the Delta variant dropped from 89.25 per cent to 0.51 per cent for Omicron (see chart 1).

The top five countries that Omicron most affected accounted for 1 million cases a day on a seven-day moving average basis as of the week ending Sunday, January 23. India alone accounted for over 300,000 daily cases. The number of rolling seven-day moving average of daily cases went up from under 8,000 on December 13 to over 130,000 on January 10, the last day for which the sequencing data is available on the website.

GISAID also provides data on the share of variants in other countries. Omicron is the dominant strain in all five of the countries that have the highest number of daily cases. These include the United States of America, Brazil, India, France and Italy. Each country has found 70-95 per cent of samples analysed positive for the Omicron variant (see chart 2).

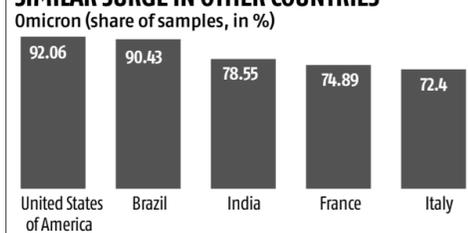
The proportion may well have gone up since. Other

OMICRON DOMINATED INDIA BY EARLY JAN



Note: Based on samples analysed Source: Our World in Data (GISAID)

SIMILAR SURGE IN OTHER COUNTRIES



Note: Data as of January 10, 2022, based on samples analysed Source: Our World in Data (GISAID)

countries have reported higher shares of Omicron. France and Italy both have in excess of 90 per cent Omicron share. It is 91.91 per cent for France and 90.82 per cent for Italy. These two were the only countries in the top five which had a lower Omicron share than India (until January 10). The highest is in the United States, at over 98.21 per cent.

The data shows the share of analysed sequences in the preceding two weeks. It may not be exactly representative since only a small number of cases undergo this kind of sequencing.

The Indian SARS-CoV-2

Genomics Consortium (INSACOG), a government-led consortium of labs analysing Covid-19 cases, reportedly released the January 10 data only on Sunday, January 23.

"Omicron is now in community transmission in India and has become dominant in multiple metros, where new cases have been rising exponentially... While most Omicron cases so far have been asymptomatic or mild, hospitalisations and ICU cases have been increasing in the current wave. The threat level remains unchanged," it said in its weekly bulletin.

Pidilite Industries Limited



Extract of Unaudited Financial Results for the Quarter and Nine Months Ended 31.12.2021

(₹ In crores)

Sl. No.	Particulars	Standalone					Consolidated				
		Quarter ended		Nine months ended		Year ended	Quarter ended		Nine months ended		Year ended
		31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Total income from operations	2416.31	1956.70	6255.77	4359.32	6216.33	2850.72	2299.02	7413.86	5057.19	7292.71
2	Net Profit for the period (before tax and Exceptional items)	433.50	548.86	1230.73	1081.21	1457.08	486.72	601.23	1267.91	1111.30	1526.11
3	Net Profit for the period before tax (after Exceptional items)	433.50	548.86	1230.73	1080.76	1456.63	486.72	601.23	1267.91	1111.30	1522.49
4	Net Profit for the period after tax (after Exceptional items)	322.52	409.44	950.46	804.94	1081.46	359.24	446.43	952.41	818.69	1126.13
5	Total Comprehensive Income for the period (Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax))	320.71	410.38	945.04	807.74	1080.75	357.49	449.29	948.95	815.26	1115.27
6	Equity Share Capital	50.82	50.81	50.82	50.81	50.82	50.82	50.81	50.82	50.81	50.82
7	Reserves excluding Revaluation Reserve as at Balance Sheet date					5510.40					5542.14
8	Earnings Per Share (of ₹ 1/- each)										
	Basic:	@6.35	@8.06	@18.70	@15.84	21.28	@7.05	@8.70	@18.76	@16.24	22.26
	Diluted:	@6.34	@8.05	@18.69	@15.83	21.27	@7.05	@8.69	@18.74	@16.22	22.24

@ For the period only and not annualised.

Note:

The above is an extract of the detailed format of unaudited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 25th January, 2022. The full format of the Unaudited Financial Results are available on the Stock Exchange websites (www.nseindia.com and www.bseindia.com) and on Company's website www.pidilite.com

Place : Mumbai
Date : 25th January, 2022

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