

ENZ International Education Product Innovation Fund Project Final Report

Project Title	Banqer High and Banqer Beyond
Project Entity	Banqer
Project Sponsor	Kendall Flutey, Simon Brown
Project Manager(s)	Kendall Flutey, Simon Brown
ENZ Kaitautoko	Tim Brown
Date of Report	June 2nd 2023

Executive Summary

Please describe the project succinctly (2-4 paragraphs). You may like to include:

- *The focus of the project*
- *What took place*
- *Any high-level results or outcomes*
- *1-2 key learnings.*

The focus of the project was to prove Banqer's ability to successfully export Banqer High throughout Australia, in a scalable, replicable way that evidences the value of EdTech as an economic engine for international education for not just Banqer, but Aotearoa. Additionally, throughout this project Banqer assessed how we could leverage our existing Banqer High IP (code, knowledge, relationships) to validate the need for an innovative financial education solution that will serve adult learners globally, through a future product - Banqer Beyond.

Project activity was varied, and ranged from stakeholder engagement to product planning, and from idea validation to sales activity. Material project outcomes include generating over \$130,000 in export revenue, product development and first feature launch, launching a Banqer Beyond pilot with the Duke of Edinburgh Awards, and building a Banqer Beyond pipeline with the likes of Ngāi Tahu, and Waikato Tainui.

Through this project we have unearthed a number of learnings and insights. Of note, through these learnings we built confidence in our approach to EdTech exporting, proved the ability to deliver internationally while building and maintaining a local workforce, and unearthed high demand for financial education in the Māori economy (served through Banqer Beyond). One specific learning has been the high-demand for multi-modal EdTech solutions, that blend irregular traditional learning techniques (face-to-face/webinar style), with scalable regular/continuous technology-based learning methods (platform, self-service, simulation).



Deliverables/Milestones

Please detail completion of all funding deliverables in the table below.

Phase 1 Deliverables/Milestones	Success Measures	Completion Status	Commentary
Engagement with ENZ around pilot objectives and deliverables and opportunities for ENZ to add value	Engagement meetings held.	Completed	
Development of Hypotheses and Success Measures.	Hypotheses and Success Measures finalised.	Completed	
Define support needs.	Support needs defined.	Completed	
Establishment of operational pilot plan and budget, reporting mechanisms, and partnership cadence	Operational plan and budget provided to ENZ. Monthly reporting process established, and regular partnership meetings scheduled.	Completed	
Formalising external partnerships	n/a	n/a	The proposal was not a joint proposal
Conducting and analysing early-stage learner research and completion of market research / competitive analysis	n/a	n/a	This was not part of Phase 1 for this project

Phase 2 Deliverables/Milestones	Success Measures	Completion Status	Commentary
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Banqer High Australia sales plan	Appropriate sales targets, sales activity types, and expected sales activity levels	Fully complete	
Banqer High Australia marketing plan	Marketing activity identified, budget set, marketing calendar created, deadlines set	Fully complete	
Product roadmap to further develop Banqer High to capture multiple year levels	EPIC brief created, feature briefs created, resources planned, product roadmap integration	Fully complete	Completed later than anticipated due to slower than anticipated hiring/onboarding of Product Owner
Banqer High next export market researched and confirmed	Desk-based research	Fully complete	Market determined (influenced through research, and relationships), however the more immediate opportunity has been determined as Banqer Beyond
Product changes to Banqer High multi-year level complete	Deployment of school-level management Deployment of student-led learning capability	Fully complete	Core functionality to allow us to sell to multiple year levels
10,000 Banqer High Australia students	10,000 paying students during the life of the project	Fully complete	
Banqer High Australia gross retention of 80% and net retention of 85%	Minimum of 80% gross retention and 85% net retention of Australian Banqer High schools, and students	Fully complete	
Banqer Beyond market validation	Validate market and market sector demand	Fully complete	High demand from community groups, workplaces, industry bodies, and the Māori economy

Banqer Beyond MVP piloted	Initiate at least one paid pilot	Fully complete	Live pilot with paid Duke of Edinburgh students
Banqer Beyond product roadmap	Product roadmap documented outlining EPIC, and feature areas	Partially completed	This is taking shape, but given the timing of pilots and insights, we want to be able to further iterate before committing to finalising the roadmap
Banqer Beyond go to market strategy documented		Partially completed	Same as above

Phase 3 Deliverables/Milestones	Success Measures	Completion Status	Commentary
Product review and iteration based on live performance data and customer feedback.	Engagement with over 100 stakeholders, including educators, students, partners, and government.	Completed	
Pilot evaluation and reporting.	Completion of this report.	Completed	
Close pilot (if applicable)	N/A	N/A	Pilot continuing post project cessation

Deviations

Were there any significant deviations from your original proposal (lean canvas)? If so, why? How were these decisions made? In the case of significant deviations, did you seek approval? Please provide details in the table below (if applicable).

Original intent (as per proposal)	Deviation	Rationale	Decision-making process
N/A	N/A	N/A	N/A

Results / Outcomes

Please provide any further details about results and outcomes from this project you would like to include, such as data on learning outcomes, commercial outcomes or other. This can be attached as an appendix or supporting material if easier.

Export outcomes

- Export ARR (annual recurring revenue) rose to \$130,000
- AUS sales pipeline grew in excess of \$1m
- 10k+ AUS students on platform
- Secured deals with highly influential AUS schools (Xavier College, Brisbane Girls Grammar School)

Product outcomes

- Deployed the architecture required to enable existing Banqer High platform to be used across multiple year levels at one school (vs just one year level)
- Introduced specific features for Duke of Edinburgh students to allow single student access (direct to consumer)
- Leveraged Banqer High technology, and applied further innovative features (student-led learning/student-pacing) to support the pathway to an independent Banqer Beyond platform

New market outcomes

- Launched paid pilot with Duke of Edinburgh to prove the direct-to-consumer potential of Banqer
- Signed pilot agreement with Waikato Tainui (\$50k) with pilot to complete by 2023 year-end
- In hui/preparing proposals for Ngāi Tahu, Ngāti Whatua Orakei, and Tauhara to pilot with their iwi/hapu/whānau members by 2023 year end. Proposal value in excess of \$500k
- Signed \$50k deal with Partners Life to deliver a national Banqer Beyond campaign during August of 2023

Business outcomes

- Grown local economy through 100% Ōtautahi-based hiring
- Enhanced relationships with the Minister of Education
- Increased investability of business significantly through export revenue growth, but most materially through Banqer Beyond innovation and new market validation (and subsequent confirmed revenues)

Finances

Please provide details on your spend, indicating variance, and where variance was significant (greater than 10%) any commentary on this.

INCOME	BUDGET	ACTUAL	VARIANCE (%)	COMMENTARY
ENZ Funding	\$300,000.00	\$300,000.00	0.00	
TOTAL INCOME	\$300,000.00	\$300,000.00	0.00	
EXPENSES				
Salaries	\$96,583.00	\$171,364.95	77.24	<ul style="list-style-type: none"> External development was internalised Research was internalised through the Product Owner function with support from the co-CEO (Product)
Marketing	\$72,000.00	\$78,319.09	92.2%	<ul style="list-style-type: none"> Underspend on SDRs due to hiring delays was reallocated to marketing spend Marketing support spend was cheaper and more effective than anticipated, allowing us to reallocate funds to marketing activity
Product (external)	\$100,000.00	\$24,194.40	75.81	<ul style="list-style-type: none"> External development was internalised Underspend on design due to timing delays (reallocated to marketing/internal product)
Travel	\$20,000.00	\$17,329.65	13.35	N/A
Advisory services	\$6,500.00	\$7,273.70	11.90	N/A

Research	\$5,000.00	\$122.33	97.55	<ul style="list-style-type: none"> Research was internalised through the Product Owner function with support from the co-CEO (Product)
TOTAL EXPENSES	\$300,083.33	\$300,100.12	0.005	

Insights and Learnings

The following learnings and insights were captured during our kōrero / interviews with you. In this section, please review and amend any that you feel need editing.

Observation/data	Learning/Insight
1. Banqer has successfully acquired 69 school customers, and over 10,000 learners enrolled in Australia, and while there's more work to be done, this has validated Banqer's ability to scale into a secondary market.	Australia can function as a growth market for NZ edtech products.
2. A major learning for Banqer has been around who to engage with (in schools) and how to engage with them – started too broad, and didn't quite know who the target audience was. Now Banqer knows more about the most efficient route to the target decision maker.	Understanding how to reach procurement decision-makers in the Australian school sector has been a critical key to growth.
3. The Australian edtech market is far more competitive than the NZ market, and requires a much tighter sales approach.	Australia is a useful market for edtechs to test and learn in a different environment from NZ.
4. Feedback from the market indicates that local social proof is necessary for Australian edtech products – especially those that are linked to the curriculum. The more localised social proof, the better – and because of the state system, it's ideal for proof to be localised within states, or within segments of schools (e.g. independent schools). This has been a real learning for Banqer.	Localised social proof is a key component to market entry into Australia, in particular for a curriculum-aligned product.

<p>5. Privacy and security regulations in Australia are more demanding than in NZ, and the variation between states can add complexity. For example, some schools don't allow website tracking of their students. Since every NZ supplier has to work through this complexity, there's an opportunity to streamline this through collaboration. For Banqer it could easily be a full-time resource tackling regulations.</p>	<p>The complexity of regulations in Australia for NZ EdTechs presents an opportunity for collective action to streamline our approach and make this more efficient.</p>
<p>6. The lack of regulation in NZ can be an advantage to get up and running, and NZ is a fantastic innovation hub for quickly spinning up new ideas, but it places NZ edtechs at a disadvantage in Australia, and by extension, in other global markets. Players coming out of the EU would be a completely different story.</p>	<p>NZ can be a good testing ground for new edtech ideas, but globalisation and scaleup needs to be baked in at any early stage of development and in particular addressing privacy and security requirements.</p>
<p>7. Edtech labour market is very tight. Recruitment of sales and marketing staff challenges are exacerbated by the seasonal sales cycle with schools. This was something Banqer hadn't prepared for, and in hindsight would prepare better, or use an "always on" approach to recruitment. Lack of sales staff in place at the right time has been an obstacle to growth for Banqer.</p>	<p>Labour market constraints in edtech are impacted by sales cycles in the school sector, where budget windows mean everybody is competing for the same talent at the same time.</p>
<p>8. The Tech4Good brand did not measurably impact sales and growth. Anecdotally there was a positive response, but Banqer didn't observe or find evidence that their status as Tech4Good company influenced purchasing decisions or behaviour.</p>	<p>Tech4Good brand does not measurable influence purchasing behaviour in the Australian schools edtech market.</p>
<p>9. Overall, the NZ brand is relatively neutral in Australia, however NZ identity gets strong cut-through with indigenous communities, as evidenced by the large interest from indigenous organisations interested in partnerships to serve their communities (i.e. MIHHQ). The mere fact of being from NZ can work to our advantage in such a space provides opportunities for growth within those communities.</p>	<p>A NZ brand can provide a significant advantage with indigenous communities and networks in Australia even with products that are not necessarily designed for or targeted at indigenous communities.</p>
<p>10. Explicit use of SDG alignment as a sales point didn't resonate strongly with Banqer's target audience according to...? – awareness and understanding may not be as high as anticipated.</p>	<p>Awareness and understanding of SDG's may not be uniformly high in global markets</p>

<p>11. Government support has been of significant benefit for Banqer entering Australia, through credibility, especially in the absence of a formal accreditation system for edtech providers. It can help open doors, although not necessarily helpful in terms of day-to-day sales. Government support is likely to be most valuable in markets where the govt has a strong influence over the education sector, the curriculum, and procurement.</p>	<p>Govt support increases credibility in the Australian market and is likely to add the most value in markets where government has a strong role in regulating/managing education system, curriculum and/or procurement.</p>
<p>12. A government relationship/contact between NZ education agencies and State Departments of Education in Australia would have been of value, and may have accelerated market entry.</p>	<p>Specialist education relationships between NZ government education agencies and Australian state education departments would help NZ edtech exporters by accelerating market entry..</p>
<p>13. NZTE support in market was helpful from a credibility and general insights point of view, but NZTE does not necessarily have education-sector-specific relationships, and these can take time to develop.</p>	<p>There is potential benefit in NZTE and ENZ collaborating to provide aligned complimentary support services for NZ edtechs in Australia.</p>
<p>14. It has been challenging for Banqer to identify the in-market specialist experts that they have needed, in areas such as retention, remote education, regulations, sales etc. NZTE can provide access to good general export expertise (e.g. beachhead advisors), but edtech is a specialist area, and there is no single source of connections to specialist expertise offshore.</p>	<p>NZ Edtechs struggle to access specialist edtech in-market expertise because there is no centralised source or joined up ecosystem.</p>
<p>15. Going market by market (regionally) is costly, and Banqer is curious to leverage global school associations or networks.</p>	<p>Global school networks or associations present an opportunity for global scaling, and may prove more cost-effective than a geographic/regional approach.</p>
<p>16. The nature of Banqer High, as a curriculum-aligned product, has required costly adaptation to meet new regulatory requirements with each new territory.</p>	<p>Curriculum-aligned products may be more challenging to scale globally, because of the need to adapt and meet new sets of regulations with each new market. Non-curriculum-aligned products may scale more quickly offshore.</p>

<p>17. Banqer falls into a category between core curriculum and non-curriculum as “curriculum aligned” and this presents challenges in scaling globally. Products that have clear curriculum alignment (Education Perfect) have a cleaner value proposition and departmental budget alignment. Therefore EdTech’s with this can invest in product with higher confidence of lead generation conversion. Products that are categorised as non-curriculum can take a fully global approach, not needing to invest in curriculum for their product (i.e. lesson plans, product/curriculum mapping. In hindsight it would be more straightforward to use either curriculum or non-curriculum resources.</p>	<p>Edtech products or resources that are either core curriculum or non-curriculum may be simpler and faster to scale globally.</p>
<p>18. Microcredentials did not resonate with learners according to early-stage learner research, which indicated that the learning is more valued than the credential, unless there’s a specific need or requirement.</p>	<p>Microcredentials need a clear value proposition or incentive to warrant learner investment/interest.</p>
<p>19. Banqer has been able to grow their global market relying solely on expanding their domestic workforce. And while there may be some advantages to having “boots on the ground”, Banqer’s experience has validated that it’s not the only way. It may be because in this case, the product is relatively straight forward from an implementation point of view (doesn’t require hand holding), versus, for example, a student management system.</p>	<p>Digitally delivered, low implementation complexity edtech products and services may enable global growth without requiring a global workforce.</p>
<p>20. Banqer has taken value from the IE innovation cohort, by stretching and expanding thinking from those who work in adjacent spaces – for example in the area of blended learning.</p>	<p>Value in cohort-based IE innovation comes from exposure to new thinking and best practice in areas that providers wouldn’t normally be exposed to – areas adjacent to core business.</p>
<p>21. Banqer would have committed to the PIF cohort in a more structured way, had the opportunity presented itself, since edtech start up activity can lead to a narrowing of thinking from focus. For example, through regular WIPs, check-ins, and sharing.</p>	<p>The benefits from cohort can not necessarily be predicted, and may only become apparent once the cohort is convened. There is appetite amongst the IE innovation community for more collaboration opportunities.</p>

<p>22. Banqer would benefit from additional “neutral” support and advice, and especially from people with successful experience doing what Banqer is trying to do in terms of global growth. These people would be, in theory, transparent with their advice, and be direct. And potentially based offshore, with a global perspective that isn’t easy to access through the current ecosystem.</p>	<p>Early-stage edtechs find it challenging to access the right type of experienced, unbiased advice – especially from global experts.</p>
<p>Please detail any additional observations and/or learnings that have emerged since the kōrero. You may like to address learnings that relate to</p> <ul style="list-style-type: none"> ● Blockers or obstacles ● Capabilities/resources ● Learner or customer insights <p>Example:</p>	
<p><i>Observation/data</i></p>	<p><i>Learning</i></p>
<p>1. The Tech4Good brand did materially resonate with Banqer Beyond audiences, and this narrative has been effectively woven into prospecting and sales communications. This was evidenced by the audiences we attracted through our proposition (organisations who value CSR outcomes i.e. Duke of Ed, Partners Life), and community based organisations (Iwi, Debtfix). We now have a clear understand of how to communicate the USP with a ‘Tech4Good’ narrative.</p>	<p>Those outside of the K-12 space demonstrate purchasing considerations broader than financial cost of financial education solutions, and actively look to engage with edtech companies who are “for good”.</p>
<p>2. The Banqer Beyond market has proven itself to be a far more scalable and high-growth edtech proposition for Banqer (vs Banqer High export). In the lifespan of our project together we have secured almost as much revenue as Banqer High is deriving (in advance of Banqer Beyond being live), and have a clear pipeline of deals with 10x ARPU (revenue per user) vs Banqer High’s average deal size.</p> <p>This is understood to be due to the challenges of needing to sell to schools on a school-by-school basis (no centralised procurement), and the general budgetary constraints that exist within the K-12 system.</p>	<p>Outside of K-12 edtech offers greater opportunities (scale, revenue, impact) than within K-12 edtech in markets where there isn’t centralised K-12 procurement.</p>
<p>3. Funding has enabled Banqer to leap-frog a critical developmental hurdle, identifying unanticipated barriers to growth, and uncovering a scalable product and model more quickly than otherwise may have been possible – or maybe one that wouldn’t have been uncovered at all.</p>	<p>Targeted funding support at critical stages in product and market development may unlock scalability that early stage edtechs may otherwise struggle to identify.</p>

<p>4. Banqer has successfully attracted \$1.5m in investment subsequent to receiving PIF funding. The government funding and support added to Banqer’s credibility and boosted its attractiveness as an investment.</p>	<p>Targeted funding support may work to trigger significant external investment in early-stage edtechs.</p>
<p>5. Banqer’s plan for Banqer Beyond testing is to test/pilot a number of times, adjusting as few variables as possible at each step. So testing with young adults adjacent to schools via the Duke of Edinburgh programme, tests the ability for our current student age to self-fund. The next step is to move to an older audience, with a third party paying (Money Month experiment, and Iwi experiment), and then Banqer will move to adult self-funding.</p>	<p>Innovation benefits from explicit testing methodology.</p>

Impact

Please describe any impact from this project on your organisation or community (1 - 2 paragraphs). For example, has this project accelerated your business growth, highlighted capability/resourcing gaps, established new partnerships, or identified future opportunities?

The impact of our partnership through the Product Innovation fund has been far reaching, and resounding.

From a business sustainability and scalability perspective, this partnership has empowered a platform shift for our organisation. Prior to this partnership we had a material dependency on sponsorship revenue which was restricting business sustainability and scalability. Through increased export revenue (and a significant pipeline of future revenue), and the uncovering of a completely new market driven by product innovation (Banqer Beyond), we have materially increased both our ability to grow our business at a faster rate, and do so in a way that reinforces our mana motuhake and business sustainability.

In turn, this shift inherently increases our investability through general increased revenues, but also through diversified revenues, and more favourable SaaS metrics (such as increased average deal size going from \$3k for Banqer High, to ~\$50k for Banqer Beyond). This will increase our ability to further fund business growth, resource product innovation, access export markets, and reinvest our successes back into the local economy.

Banqer is an impact driven company in the sense that through financial education, we believe we are changing the financial future of our students. Through this partnership we have been able to impact the lives of more students at a faster rate (increasing financial literacy rate increases, financial capability development, financial confidence increases). In addition to this, through Banqer Beyond, we have been able to access new students who demonstrate a real need for financial education due to various circumstances. We’re extremely motivated by being able to serve a new cohort of global learners, and the impact this will have on our societies.

Lastly, we have established a number of new relationships and strengthened a number of new ones. Of note, our successful relationship with the Duke of Edinburgh awards in New Zealand has led to connections with their global counterparts, including a face-to-face meeting with the Awards office in Australia to discuss establishing a comparable pilot and commercial relationship.

Next Steps

Please detail any next steps for this project, including:

- *Where to from here for the project?*
- *Will it be extended, and if so, how?*
- *Will it be wound down, and if so, how?*
- *Did any further opportunities come about as a result of the project?*

Banquer High

We will continue to scale our export efforts in Australia, leveraging our learnings and insights gleaned through our partnership (increasing efficiencies and maximising effectiveness). Plans to export Banquer High into further markets have somewhat been put on hold (by the board) due to the material opportunity that Banquer Beyond has presented as. Should Banquer Beyond continue to perform as it has indicated it will, then growth resources will be prioritised towards this project.

Banquer Beyond

Strong validation of the project has led to the ability to further invest (at pace) into the product. From here we will continue product innovation, and product delivery to those currently in the pipeline. We anticipate that within the next 24 months, Banquer Beyond will be Banquer's largest revenue stream, dwarfing current revenues and global student reach. Banquer Beyond will underpin our investment thesis when we seek to raise capital in ~18 months' time.

Recommendations

What recommendations do you have for ENZ Manapou ki te Ao and/or Government? You may like to consider:

- *The Product Innovation Fund process (application, administration, delivery, reporting)*
- *Wider support for diversifying international education products and services*



Contextualised application process

The ENZ PIF application fund demonstrates an exemplary model of how to effectively and efficiently engage with the sector/industry. It was clear that ENZ understood the sector, the way in which we already work, and how to respectfully engage with us in a productive way. A clear example of that is the requirement of a lean canvas as a critical part of the application submission. The lean canvas is a tool that most suitable applicants would be familiar with, or it's a useful tool for people to learn and add value to their processes going forward. For Banqer, already using the lean canvas in various areas of our business, this was an exceedingly time-efficient application for us, which resulted in believing that ENZ wanted us to be able to focus on deriving meaningful outcomes from the very outset of the (potential) relationship.

Whakaaro: Reflecting innovation/innovative processes in innovation funds should be mandatory for government funding pools, as it demonstrates government have the capability to engage effectively with those they will be partnering with.

Trust-based partnerships

As the crown continues to evolve its role in a modern Aotearoa, one that honours the past, trust needs to lie at the heart of external relationships. ENZ's intentional and explicit framing of partnership set the expectation with us, and other fund participants. Whanaungatanga was prioritised, and trust quickly established between us and our Kaitautoko. We cannot emphasise enough what an enabler this was for us in the project. It allowed us to have a clear understanding of expectations, but confidence that we can lean on, and confide in ENZ when needed (without fear of consequences). While this should be the status quo for government agencies, the truth is it's not. What we experienced with our partnership with ENZ is rare, and should be role-modelled wider throughout Government, in particular when working with providers who (with reason) are already distrusting of the Government.

Whakaaro: Government agencies should explicitly extend trust from the outset to lay a foundation of empowerment, leading to overall more successful collective outcomes.

Expanding ENZ remit

While our Banqer High growth focused on an Australian context, through our project learnings it became clear to us that any market with K-12 non-centralised procurement represents a slower growth opportunity for NZ exports. That said, our domestic market presents this barrier as well. While we are very hesitant to suggest that the Ministry of Education has the mana or capability to effectively instantiate and administer such a system, we realised that ENZ would be uniquely positioned to play such a role in the education ecosystem. They clearly have the internal capability, and through the way in which they hold themselves within the education sector, providers, and the Māori economy, have the mana to be kaitiaki of such a process. Through administering such a process, they would also be best positioned to identify international education opportunities and support providers to support international learners, or rethink their proposition to be global in its delivery.

Consider the opportunity afforded if ENZ were to establish and become kaitiaki of a centralised K-12 procurement process.

Inter-agency collaboration

As we currently work with both ENZ and NZTE we have noticed both complimentary capability, and overlap in offerings. Through a more coordinated approach, with roles and expertise clearly mapped and delivered we feel synergies would create immediate extra value to any participant fortunate enough to have a relationship with both agencies. We are aware this has already begun, and are excited about what this could mean for edtech exports in the future. For us, this could look like



jointly funded projects, meaning tighter focus, increased advisory/engagement efficiencies, and less reporting requirements.

Continue collaborating with NZTE (or begin collaborating with other to relevant government agencies) to create synergies that unlock value not available when partnering in isolation.

Appendices

Please add here any supporting material that helps to illustrate your project – such as screenshots, URLs, testimonials, or transcripts.

Banger High

- AUS website: <https://banger.co/au/high>
- AUS Product taster video: https://www.youtube.com/watch?v=brP2_X17Gs8&ab_channel=Banger
- AUS case study: <https://banger.co/au/high/success-stories/banger-high-effortlessly-aligns-to-the-state-curriculums-financial-literacy-strands>

Banger Beyond

- Duke of Edinburgh pilot landing page <https://banger.co/nz/high/doe>
- Duke of Edinburgh student testimonial <https://www.facebook.com/100064810023619/posts/pfbid02Vvqhg3Qi9uz6uTVBVFkXDd7QqUtPu5mgjbmS8q8Z5a6Eq65CCyX6dacKQg9xvAQI/>