

URL: <https://stvp.stanford.edu/clips/impacting-education-through-entrepreneurship>

Jennifer Carolan, co-founder and managing director of the NewSchools Seed Fund, recounts how she came to invest in early-stage technology companies as a way to affect broad, positive change in K-12 education. In conversation with serial entrepreneur and Stanford course instructor Steve Blank, Carolan explains how innovation is needed throughout the education system.



## Transcript

A lot of people ask how does a teacher end up running a venture philanthropy fund.. And I had taught for seven years, loved teaching but felt I had plateaued and really wasn't meeting the needs of my students very well.. What were you teaching? I was teaching U.S.. history and in my last year I actually taught teachers differentiated instruction.. And for what age groups? Middle school and high school.. Okay.. So I felt like I had plateaued a bit, decided to go to grad school, came to Stanford, got my masters in curriculum and teacher development and I started hanging out a little bit at the business school and I saw Kim Smith speak and she was the founder of NewSchools Venture Fund and she talked about this idea of hybrid teams bringing educators together with MBAs and entrepreneurial people and people that had more of a business and technical background.. And I was really taken with her vision of - there is a place for me in this world of entrepreneurship, so begged her for a job.. She hired me on as a part-time research assistant and I worked there for - I have been there, this is my ninth year actually.. And so after my - so I really kind of learned how to do this job by shadowing -- basically apprenticeship shadowing the partners at the time, I had great mentors and then three years - three years ago, my friend and I, we actually launched this seed fund to formalize the structure of ed-tech investing at new schools..

So let's back up, you've raised some really interesting questions.. One is this idea of Kim Smith had, what, 9, 10 years ago or even further, that was something unique.. I mean what was the unique insight and what were people doing before and what changed after NewSchools Venture Fund.. Sure.. She had this - so she founded NewSchools with Brook Byers venture capitalist and John Doerr, another venture capitalist, and they came together and they thought can we bring the venture model into education and can we bring the kind of rigor and discipline of investing in early stage entrepreneurs and support them.. But the difference between our model and a traditional venture fund is that we prioritize impact.. So we are looking for sustainable, scalable, strong businesses, companies but we are, above all else, prioritizing impact.. So that was the first difference.. So what does impact mean? Are you doing charter schools or software or teacher training? Yeah.. So we had this belief that there is sort of no silver bullet for education..

So the answer is not charters or ed-tech or teacher development, that it's really a complex system that requires entrepreneurial energy across all of these different sectors.. So we do invest - grant money to non-profit charter schools.. We have close to 400 charter schools in our portfolio.. Wow.. Yeah.. And we invest in teacher training programs and then I focus on education technology investing through the seed fund..