Platzi Inc.
www.platzi.com

Introduction

Platzi's vision is to become the largest online education in the world, where anyone can learn anything and everything.

The two founders Freddy Vega and Christian Van Der Henst started Platzi as a local on-site training focusing on learning skills for the tech industry throughout LATAM (Latin America) and Spain. Impressively Platzi bootstrapped its way into revenues of USD $2.7M prior to its first investor (YC).

Platzi's initial market fit was LATAM, which proved to be successful. Platzi is aiming to become a global brand and has rebranded with "English" content expanding into EU as well and other emerging markets (i.e. India/Sri Lanka) tackling the USD +$135B global education market. Currently Platzi has a user base of 350K+ (mostly from LATAM), at an AGR of 250% Y/Y, and a 70% completion rate.

Competition

There are several direct, potential in EdTech (educational technology) and indirect competitors which are:
- <u>Direct</u>: Pluralsight, Treehouse, Codecademy, Thinkster.io, egghead.io, Oja.la, FaziNOVA
- <u>Indirect - Code Schools</u>: General Assembly, Bloc, Fullstack Academy, Hack Reactor
- <u>MOOC (massive online open courses)</u>: Coursera, Udemy, Udacity, LinkedIn (Lynda.com), OpenLearning
- <u>Non-profit</u>: Code.org, Khan Academy, edX, OpenCourseWare
- <u>Indirect/Other</u>: AltSchool, Master Class, Skillsoft, Skillshare, Outschool, RocketLit, Knewton, Duolingo, McGraw-Hill Education, FaziNOVA
- <u>Traditional Education</u>: For-profit education (DeVry, University of Phoenix), 2-4 year colleges (community colleges, state and private universities)

Platzi develops content that focuses on learning technical, design and business skills from the ground up and has been proven to be one of the most effective methods for alternative learning for the LATAM market currently. Many of the other competitors are not necessarily focused on learning core skills nor do they use industry veterans for advanced courses which give Platzi it's edge and even continued use (after learning core skills). Nevertheless, Platzi will need to develop out its advanced content and focus on expanding its English offerings to grow and be competitive.

Expansion Plan

As Platzi looks to grow into an international company, I believe that Platzi will face several challenges entering the US, EMEA and APAC market. In the US, Platzi will face extremely high competition with already established players such as Pluralsight, Codecademy, Treehouse and other indirect companies such as Coursera, Udemy, Khan Academy.

I believe that Platzi's advantage would be:

1

1. The Platzi teaching & learning method (of "0-1")
2. Developing learning through a robust and global community

Key Risks

Content

I believe that Platzi has one of the best content designed for someone to go from absolute zero knowledge (no coding) to getting to a point, where they can build small scale projects. This is also possible with Platzi's emphasis on community rather then self-learning which many other competitors follow. However, when Platzi fully expands to the US, it will be important for Platzi to fully develop its English content and advanced courses with veterans of various industry and technology. Advanced contents will give the students the chance to learn from someone in the industry which will be a compelling add as opposed to the competitors which do not do that currently and I believe that this will prove to be a reason for the continued subscription.

1. I believe having a strong US operations will make recruiting veteran technical instructors easier (particularly from Silicon Valley), however the challenge in recruiting fluent in Spanish speakers might present a challenge.
2. Will having more English speakers increase it's paid users (in LATAM and NA/EMEA), view time, completion, etc.?

Revenue model

Platzi has a clear revenue opportunity and based on initial revenue numbers published for 2015 shows great potential. However a price point of USD $29/$299, I believe it is still a high price point for users particularly in emerging markets (where a monthly salary in LATAM is USD $400-900), effectively still out of reach, despite this Platzi has been growing fast and has a large user base.

1. Will Platzi use a different model to focus on B2B so that they can bring down the price for B2C strategy, allowing greater access?
2. Will Platzi dedicate in developing it's English content to compete with existing competitors?
3. What will Platzi's B2B model be? Will Platzi focus on educational institutions or companies initially?

Expansion

Currently, Platzi has a small team in SF and needs to expand and establish a permanent base in the US. If the expansion is successful, they will become one of the first LATAM companies to fully expand into the US and EMEA from LATAM. However, being a YC company and the Spanish speaking population in the US at 41MM+ native speakers, I believe this will help Platzi.

1. What is Platzi's EM strategy?
2. Will Platzi expand into the US and EMEA?
3. When will Platzi expand into Brazil?
4. For English content, will Platzi focus the content on general startups or also develop content that teaches "core skills" competing with Treehouse, Codecademy?
   a. Or follow models such as altMBA or Harrison Metal (classes i.e. General Management)? Or FazINOVA focusing on business and entrepreneurship
   b. Will Platzi expand into other verticals such as STEM or even tutoring? When?

Users

Platzi's completion rate shows the method's efficacy, however, we will need to test this assumption carefully over the next 6-12 months to get an accurate handle on the actual completion rate. If Platzi has a method that is proven to have 70% completion (or better) then we can develop and standardize this across all new content (courses) and regions/markets. The risk is that as Platzi expands into US and EU competition and even user growth patterns may closely follow that of "typical MOOC".

1. What is the actual duration of paid students? Long-time subscribers vs new ratio?
2. Do students who used the platform they come back?
3. Out of the students who complete a career, how many drops?

Leadership & Management

Even though I believe Freddy and Christian are phenomenal entrepreneurs, one of the challenges is not having someone on the leadership team who is experienced, particularly expanding globally (in the US and EU) along with institutional/enterprise sales. Currently the most experienced person (who's only experience is from Platzi) is Sergio. I also believe that Platzi will need to recruit senior engineering and product folks as they scale the team globally.

1. As Platzi grows to become a global brand, particularly with a US and EU expansion, I believe this will present a major problem for the team and leadership as there is not enough guidance or possibly a robust network that will allow this to expand.

Along with developing a solid leadership team that is well equipped for a global expansion, I also believe that it would be crucial for Platzi to recruit veteran advisors. At this point, the only known advisor is Sebastian Delmot (co-founder and former CTO of StreetEasy, acquired by Zillow).

1. Is Sebastian the only advisor? What is his commitment?
2. Why hasn't Platzi recruited any advisors to its Board?
3. What are their plans for the Board expansion?

Recruiting & Retention

With one of the challenges for startup founders being recruiting, this will be crucial for Platzi to partner with an investor that will be able to help Platzi recruit not only leadership but also senior roles within the company. I believe that a wide range of experiences and backgrounds would help build phenomenal products that would serve many types of learners (i.e. following Khan Academy's strength from its diversity of employees ranging experiences from Google, Apple, startups to individuals coming straight out of coding academies).

1. A large majority of the core team members do not have industry experience other than Platzi being the first company they worked for - this likely will pose a challenge?

Exit

It is hard to point to comparable exits at this point, however, examples such as Chegg Inc. which went public on 2013 and the acquisition of Lynda.com by LinkedIn for USD $1.5B on 2015 which points to the success EdTech industry as a potential investment. Recently Coursera appointed a new CEO Jeff Maggioncalda (who helped Financial Engine IPO in 2010) and raised USD $64M Series D, to fuel growth and head towards a possible IPO. These show possible exit routes for Platzi.

I believe that Platzi can become a unicorn[1] with a valuation of over USD +$1B valuation because of the need and the level of impact its core products and services can bring globally. In terms of comparable companies in valuation examples are: Pluralsight (valued at USD +$1.1B), Coursera (valued at USD +$800M), and Udacity (valued at USD $1.1B)[2].

I believe that with the right partners, Platzi would be able to grow into a large and successful company that will dominate multiple fronts with the ability to being both a B2C and B2B, not just in education but also recruiting and continued education. It is likely that Platzi will follow the footsteps of Pluralsight and Lynda.com and might potentially acquire Platzi as a strategy to expand into LATAM.

Thoughts

I first heard of Platzi from friend (who went through YC) and just signed up, to learn web dev skills while improving my Spanish and quickly found out it's benefits. After using the product for a few weeks I reached out to Freddy Vega via "cold email" and first visited Platzi May 2016. I eventually met Freddy June 2016 and quickly became friends with Platzi, as well as the various team members. I would frequently work out of the Platzi office and saw first hand how various student of Platzi interacted with Platzi's team along with how they are building a community of engineerings in LATAM.

I recommend any investor interested in a fast growing social business in an emerging market to participate in their "upcoming" series B financing sometime mid to late next year. I believe Platzi is in the best position to teach various topics beyond computer science topics throughout the Spanish speaking world, but also has the ability to become a key player in edtech in emerging markets worldwide.

Contents

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[1] https://techcrunch.com/2013/11/02/welcome-to-the-unicorn-club/
[2] http://pitchbook.com/news/articles/the-12-highest-valued-edtech-companies

Summary

Founded by 2 founders one from Colombia and Guatemala with incredible hustle. Team of +50 employees based in Colombia, Mexico, and US. Series B investment opportunity. Estimated user base of 350K+ and revenue of +$3M.

Business
1. Platzi's mission is to be the agent of change that allows us through the internet to offer high quality, easy to access education no matter where in the world you are.
2. Platzi focuses on gaining and developing skills in programming, design, marketing, startup.
3. Platzi organizes live-stream classes and conferences designed to enhance and build communities around the students.

Market
1. The global edtech market is USD $135B growing at a CAGR of +17% and is expected to reach $250B by 2020, with online e-learning at $27B in 2016[3].
2. Platzi has the ability to reach globally, where English is used (470MM to 1B+) in addition to its Spanish speakers which globally is 420MM+.
3. There are also interesting vertical market opportunities: job placement, career development, recruiting, professional development, etc.

Users
1. 2016 was 350K+
2. 2017 estimate is 350K-1.22MM+ with AGR of 250% Y/Y
3. Estimates for paid users are in the 15-20% range of total users

Content
1. Mainly Spanish content with some English
2. Rapidly developing English content along with rebranding to be non LATAM centric
3. 70% competition rate vs. 10-20% industry standard (i.e. Coursera)

Financials
1. 2015 revenue was USD $2.7M
2. 2016 revenue is estimated between USD $3M-6M

Competition
1. Big players: Pluralsight, LinkedIn, General Assembly, Coursera
2. Small players: Treehouse, Codecademy, Thinkster.io, Flatiron School, FaziNOVA (Brazil)

Team (management)
1. Freddy Vega (Co-founder & CEO)
2. Christian Van Der Henst (Co-founder & COO)
3. Sergio Zafra (CFO & VP Operations)

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[3] Docebo E-Learning Market Trends & Forecast 2014 - 2016 Report

Competition

Platzi immediate competitors are PluralSight, Treehouse, Codecademy.
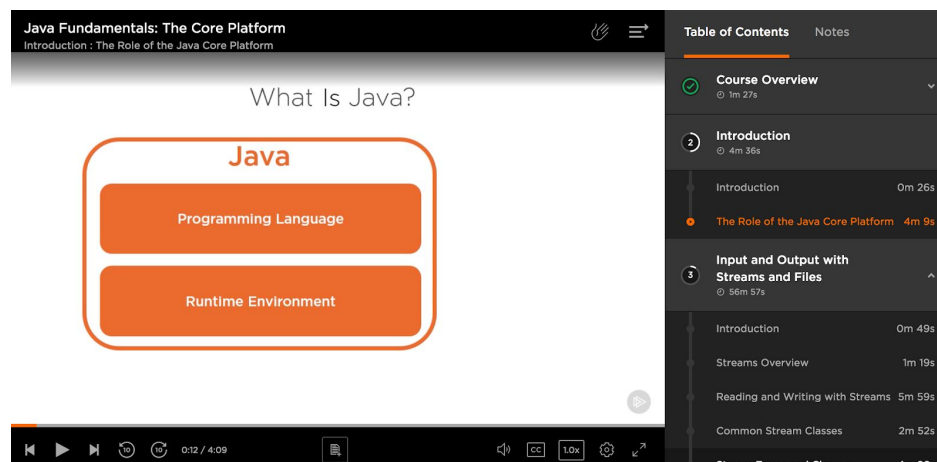
1. **Pluralsight** (www.pluralsight.com)
   Pluralsight is an online learning platform founded in 2004 by Aaron Skonnard, Keith Sparkjoy, and Fritz Onion, with the mission to change the world through online professional training. Pluralsight uses a B2B strategy and its revenue mainly comes from clients such as Microsoft, Dell, Intel, Disney and Bank of America.

   Pluralsight has raised USD $192.5M to date and acquired 8 companies including Code School for USD $36M. Pluralsight revenues are:
   - 2016 estimated to be between USD $100-$200M[4].
   - 2013 was USD $38M in 2013[5]
   - 2012 was USD $16M
   - 2011 was USD $5M

   Pricing: USD $29 a month or $299 annually for individual
   USD $42 a month or $499 annually for professional (basic reporting and user analytics)
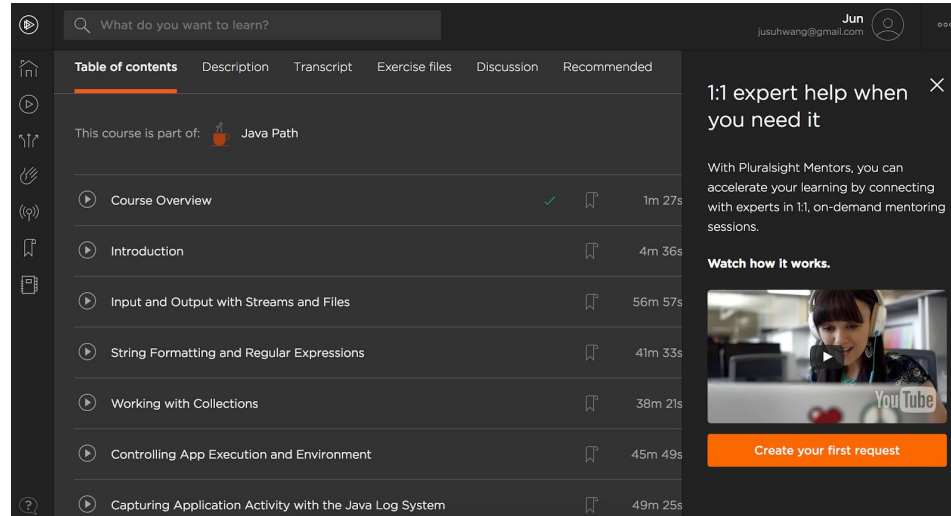   USD $59 a month or $699 annually for enterprise

Corporate and institutional partnerships is a monetization strategy that Platzi is somewhat engaging in and is something to focus on in the future. An example for educational partnership opportunity is CESA (Colegio de Estudios Superiores de Administración), an elite business university in Colombia which strongly encourages students entrepreneurialism, however does not teach any technical skills (which presents a problem for those looking to go into tech or start a tech related business), CESA can integrate Platzi to allow students to learn programming skills, as part of the entrepreneur curriculum.

Screenshot of an actual JAVA course - shows mainly video and very little interaction or projects

[4] https://www.edsurge.com/news/2016-12-13-on-way-to-ipo-pluralsight-raises-additional-30-million
[5] http://www.businessinsider.com/pluralsight-is-worth-almost-a-billion-dollars-2014-8

Screenshot of JAVA course with the option to request 1:1 mentor if needed

Platzi vs. Pluralsight strategy

Pluralsight is more of an enterprise SaaS company for technology professionals, as opposed to B2C where the model is to develop (individual) coders who don't have any skills yet. The vast content library is meant for further developing and retaining internal talents within a company, the value that Pluralsight brings is the ability to benchmark ones skill in an organization.

Having used Puralsight as an actual student, I see many elements that are similar (including pricing structure which is almost the same); however, it feels like a library of knowledge one can access and refresh or enhance skills for an intermediate and advanced level students. It provides more depth as opposed to getting started and also has limited courses to none in Spanish.

Pluralsight's growth pattern is similar to Platzi in that they were also bootstrapped for 10 years before raising the first USD $16M in venture capital.

2. **Treehouse** (www.teamtreehouse.com)

Treehouse is an online education platform founded in November of 2011 by Ryan Carson with the aim to bring affordable technology education to people everywhere in order to help them achieve their dreams and change the world. Treehouse was started from USD $150K bootstrapped from technology conference business that Ryan was running at the time. Treehouse is designed to teach students how to build websites, create mobile apps, or start a business. The aim was to help people gain "real skills" to get jobs. In a 2014 interview, revenue was USD +$8M and is "growing fast"[6], it is estimated that Treehouse's revenue is $24-48M with 250K+ users.

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[6]https://www.youtube.com/watch?v=UVIA-V-utCU
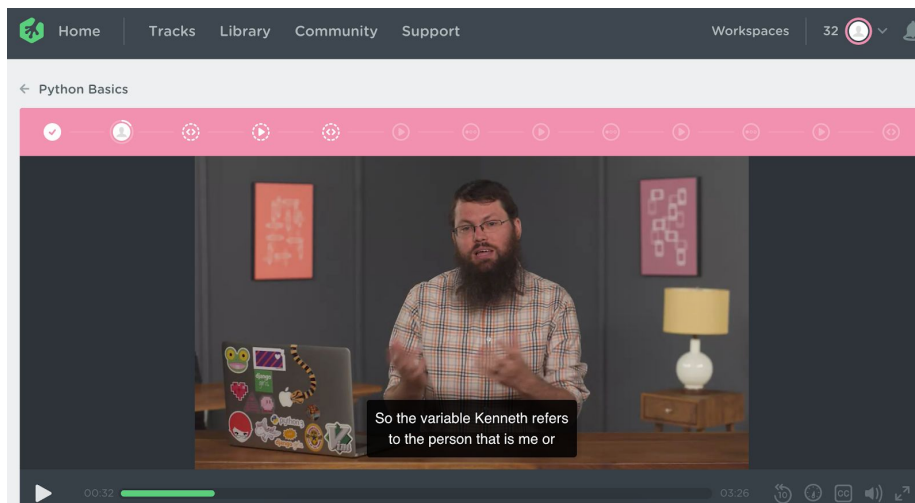
Lessons are taught via videos much like Platzi and Pluralsight
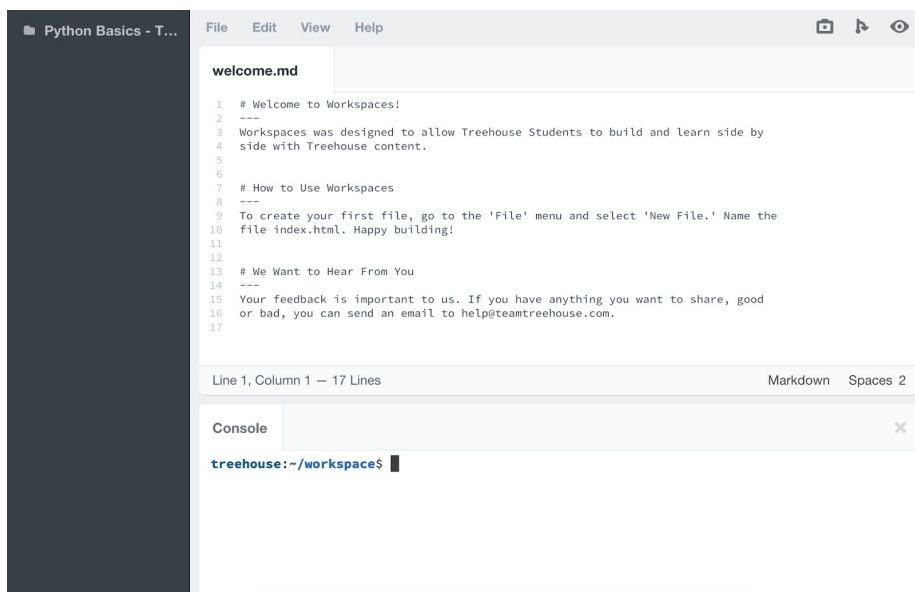
Workspaces where students can start coding without setting up a dev environment

Platzi vs. Treehouse

Treehouse focuses on learning how to build websites, create mobile apps or start a business, the topics are organized into careers i.e. iOS, web development. Treehouse uses videos to teach lessons but utilizes an in-browser IDE (workspaces) that allows users to get started in coding right away instead of having to set up a dev environment.

Pricing is: Basic is USD $25 a month or $250 for a year
Pro is USD $49 a month or $490 for a year

Treehouse revenue strategy is both a B2C and B2B, where some of the clients are Automattic, Vox Media, MailChimp, InVision, however it seems that Treehouse is focusing on B2C at the moment.

8

One strategy is that Treehouse (is potentially still) using a program that is transitioning students from the platform to an actual job. Treehouse Career Program was initially launched in Portland, following a successful beta it was scheduled to launch in SF Bay Area, Los Angeles, Portland and Seattle early 2015 - little is known about the progress of this program[7] and it's current status not known nor was it found on Treehouse. Platzi does offers job recommendations and does maintain a job board for its members, but is not an integrated system where it's a process.
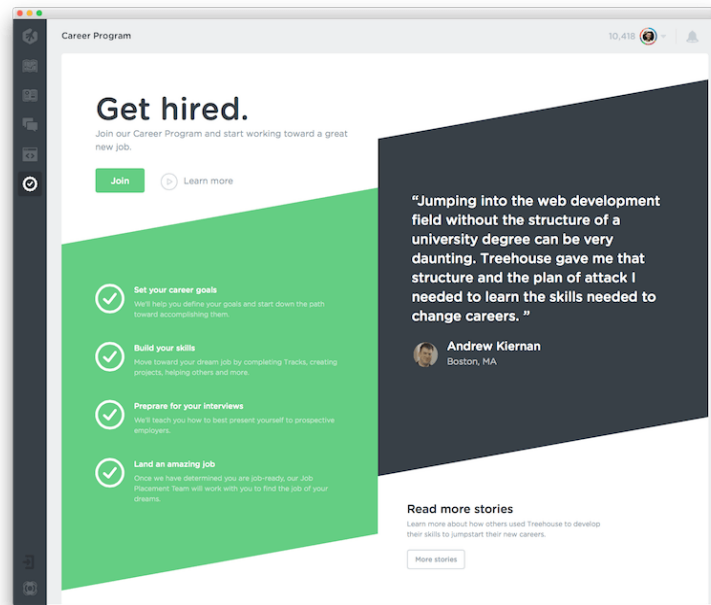
Early screenshots of the program using the old UI/UX (side menu)

3. **Codecademy** (www.codecademy.com)
Codecademy is an online platform (in same segment) that teaches only programming skills for free. The company is very similar to Treehouse and Platzi's strategy in that they focus primarily on the beginner and the original idea was designed to give "computer science newbies" a crash course in the basics of coding. Codecademy has raised USD $42.5M in funding to date and has over 25MM+ users worldwide.

The users of online communities (via Slant) shows that most choose Codecademy because it is great for providing a hands-on approach (via in-browser compiler where one doesn't have to set up a dev environment), however there is a lack of context regarding how to start a project in real life which Platzi provides or a community. While users may learn how to code using Codecademy's interface, students may not have any idea how to code independently." However, it is most likely that prospective students do not use Platzi because of the fact that majority of the content is still in Spanish.

Platzi vs. Codecademy
Codecademy aims to develop coding skills for those who don't have any. The teaching method for Codecademy is different that it starts the user with HTML and CSS. Codecademy's method

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[7] I actually reached out to Ryan to inquire on the program and no word

uses static instructions much like mini-lecture notes and the student practice coding in an in-browser compiler. Codecademy, unlike Pluralsight or Platzi did not have a clear plan for revenue and was mostly free until releasing the "Pro Plan" at USD $19/month which is designed to be more of a personalized plan where the student also has access to live advisors.
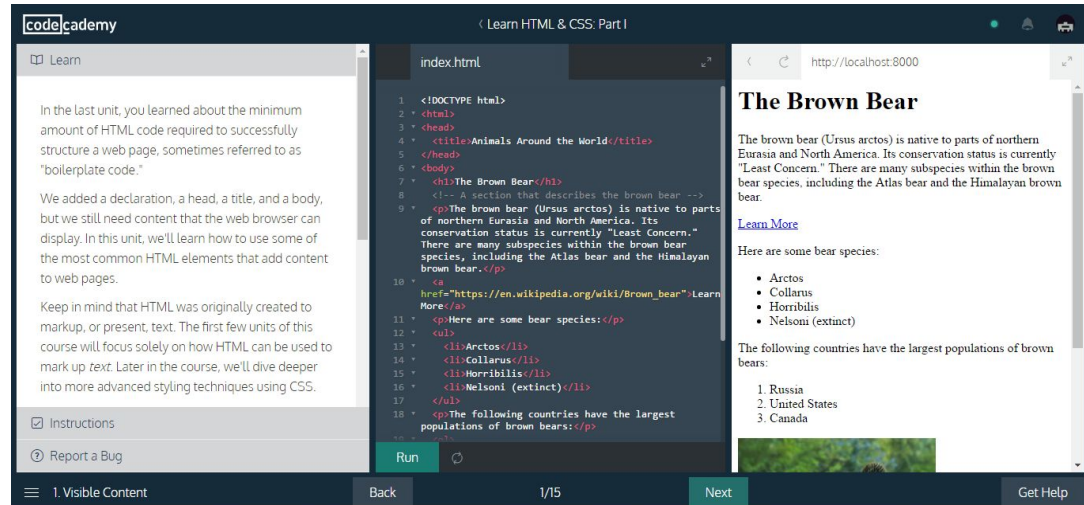
Screenshot of Codecademy that shows it more of an interactive textbook

I believe that as Platzi continues to grow into a global brand, they will be strong competitors to Khan Academy, Coursera, edX, lydia.com (LinkedIn), SkillShare. Out of the current "top online education startups and organizations," Khan Academy, Coursera, Udacity, and Lynda.com have limited number of courses in Spanish which aren't designed to start and grow skills at the level of Platzi.

Market, Industry & Trends

Edtech Sector

The EdTech market is a global phenomenon with distribution and platforms scaling internationally, it is currently it is a USD $135B global market that is growing at +17% Y/Y to $250B by 2020. For the past 150 years, the online e-learning industry as a market is expected to grow 11% and is estimated to be USD $27B in 2016[8]. Because a majority of the learning models around the world have barely changed, they are great models for innovation. The model is usually a lecturer (of some sort) stands at the front of the classroom explaining ideas or introducing facts while students sit and listen with the learning materials being mostly physical textbooks and/or printouts.

Alternatives to Traditional Education

With the rising costs of higher education specifically college tuition increasing +500%[9] over the last 28 years and growing skepticism that the price may not be worth it, the idea of a traditional college education is experiencing somewhat of a backlash and is opening the opportunity for online to alternative education.

I believe that Universities as centers of research and academic development most likely will not disappear as a whole through these disruptions. This is particularly interesting because of nearly 50-60% of all college attendees drop out of college due to high costs in LATAM[10]. Options such as Platzi will allow people to be effectively trained to have a place in the digital economy without having to go to college.

Startups in LATAM

Investing in a LATAM startup presents an interesting opportunity since the startup ecosystem throughout LATAM has evolved, making the flow and ease of doing early-stage deals improved significantly. LATAM PE and VC investors remained active in 2015 despite macroeconomic headwinds, with USD $6.5B[11] deployed through 310 deals. Furthermore, 2015 generated a total of USD $3B from 46 partial or full exits (prior investments).

1. With the conversion rate between most LATAM currencies favoring USD (in the case of Colombian Pesos to USD 3:1), this makes investing in LATAM startups highly attractive.
2. Internet penetration in 2016 was 386MM+ or +63.0% of LATAM[12] population.
3. Smartphone penetration in 2016 was +55%[13] and expected to grow with a CAGR of +70% by 2020.

Impressively, Platzi was the first startup from Colombia to be part of YC (W15). Furthermore, they are following current startups in LATAM such as Rappi (which raised +$50M from a16z, Sequoia Capital), NuBank (valuation of USD +$500M), Movile, Easy Taxi (USD +$1B), PSafe, Navent, iFood and VivaReal (USD +$550M).

Colombian Tech Sector

Colombia is well positioned to become one of LATAM's most promising tech hubs[14], with successful examples such as Rappi (which raised USD +$10M to date, mainly from US VC firms such as a16z), FLUVIP, Hogaru, OFI.com.co and Torre (formerly Bunny Inc.).

1. Despite falling oil prices (petroleum makes ~45% of its export) and consumer growth of 2% in 2017 and 2.6% in 2018[15], between 2007-2012, Colombia's tech industry grew with a CAGR of +177% to a total of USD +$6.8B[16].
2. Colombia is the third largest provider of IT in LATAM (after Brazil and Mexico) and generates roughly USD $2.5B[17] in revenue yearly.

Product

Platzi is an online platform specializing in tech learning[18] and currently offers courses in programming, design, and marketing. Platzi has over 250 courses in Spanish and over 30 courses in English. I believe that Platzi has the ability to develop into a broad online learning platforms beyond tech learning in the near future.

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[10] Independent study conducted by Colombian startup Escala Educacion in 2016
[11] Source: 2016 LAVCA Industry Data
[12] http://www.internetworldstats.com/stats2.htm
[13] https://www.gsmaintelligence.com/research/?file=9e927fd6896724e7b26f33f61db5b9d5&download
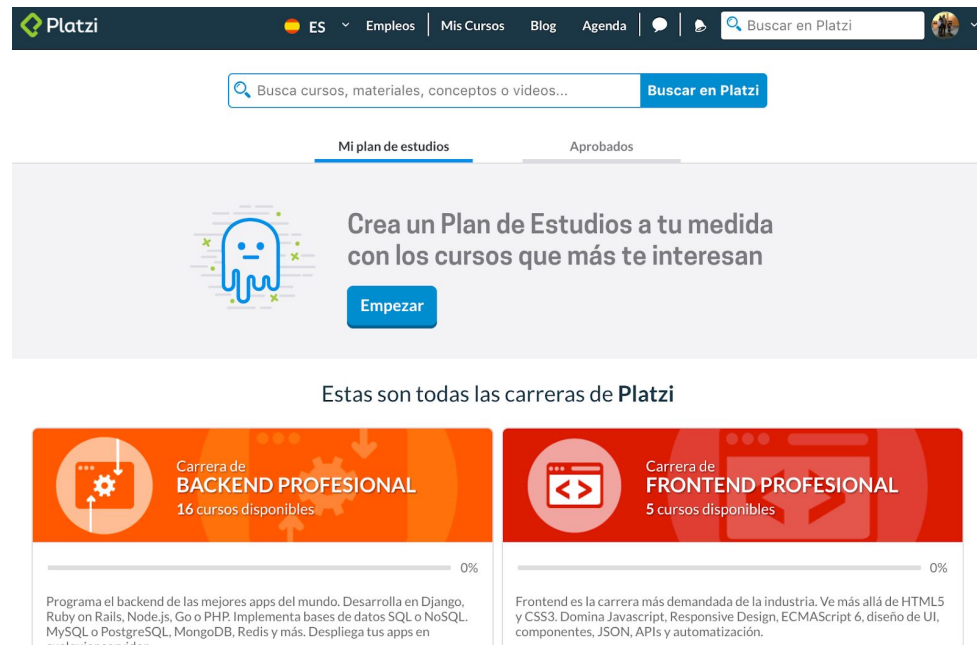[14] https://techcrunch.com/2014/11/22/an-overview-of-colombia-one-of-latin-americas-most-promising-new-tech-hubs
[15] BBVA Research: Colombia Outlook Q2 2017
[16] http://money.cnn.com/2015/03/13/investing/colombia-tech-silicon-valley
[17] https://www.forbes.com/sites/jeanbaptiste/2016/10/03/6-tech-companies-from-colombia-to-watch/#cd7e5096cec5
[18] https://www.cbinsights.com/blog/ed-tech-market-map-company-list

Homepage of platzi.com that shows available course (Spanish version)

The core focus of Platzi is to help students develop skills for the tech industry, in order for them to eventually be able to get a job. This starts with the free access of a full course known as programming basics.

Pricing is: USD $29 a month
             USD $27 a month (with a 12 month contract)
             USD $299 annually

The pricing tiers are similar to competitors such as Treehouse, Codecademy, and is a fraction compared to intensive coding courses such as General Assembly, which charges USD $13-14,950 (for a full-time) and $3,950 part-time course, significantly cheaper compared to a 1-year subscription.

Platzi offers certificates of completion for those who opt to receive one. The efficacy of these are currently unknown, however, I believe these will be useful in terms of corporate and even institutional partnerships.

12

An example of certificate (this can be expanded)

Platzi also broadcasts 2 hour live courses (lectures are no more than 40mins). The focus of a live course is a true interaction between the students and teachers, effectively digitally replicating a classroom experience. These live stream classes typically achieve 15K+ viewers at a time. The platform allows a stream of notes (which can be viewed real-time as well) from the students, which are also combined to provide an overview of each session. The platform allows interaction with other students, and one can share notes to collaborate on various projects. This helps the students build a portfolio for the real world.

Live and recorded classes
Real-time interaction with your teachers. Note sharing with other students
You can watch the classes again as many times as you wish.

Notes and shared projects
Share project files and notes with your classmates. Colaborate in our projects to enhance your portfolio.

Inmediate answers to all your questions
Ask anything to your teacher, vote for the best questions and be part of our discussions. Get answers and help while you study.

Guides, tutorials and videos
In addition to our videos, we have guides, tutorials and bonus live streaming classes to enhance your learning experience.

Four ways Platzi directly connects with the students that leads to successful completion (Source: Techcrunch)

A few things that immediately set Platzi apart from it's competitors is that Platzi emphasizes learning through a community of other students and teachers - this encourages people to work together and advance together as opposed to self-learning (which others mainly use). I used Platzi while living in Colombia (2016), as a way to learn Spanish and to gain new skills in programming. I took the professional frontend course since I didn't have prior knowledge. A majority of the course has the ability to get a student from 0-1.
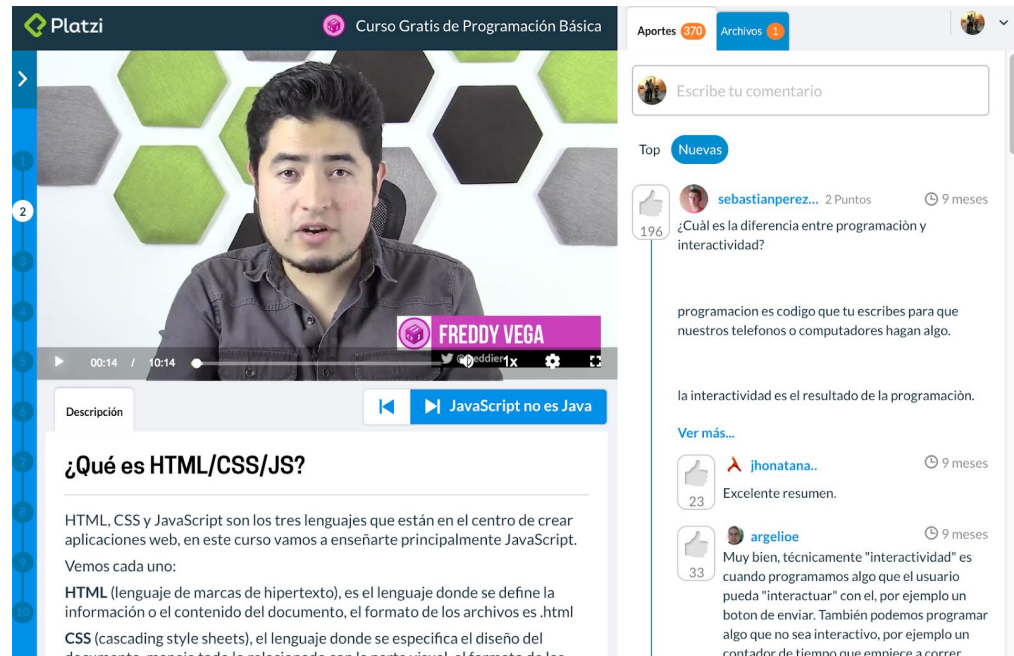
An Actual programming class featuring the CEO Freddy

Platzi plans to add courses in finance, product management and business development in 2017. Platzi has also introduced various advanced topics such as game development.

Platzi also aims to develop the community through conferences, including the annual conference in Mexico City, PlatziConf, which was started in 2015. The event generated 2K+ attendees and 150K+ online viewers worldwide. The conference is well known in the LATAM community and has brought speakers from the tech industry such as Sam Altman (YC), Kevin Hale (YC), Patrick Collison (Stripe), Mike McNeil (The Sails Company, YC W15), Jonah Greenberger (Bright, YC W15).

Platzi also has mini-courses (in English) following the format of Master Class which focuses on individual topics and cost USD $99 per course (separate from the subscription). These mini-courses are series of courses focusing on startups such as "Lessons from Silicon Valley VC", "Product Marketing", "Growth Marketing", which includes well-known veterans of Silicon Valley such as David McClure, Kevin Hale, Erik Torenberg, and Sam Altman teaching. I believe these classes should be included in a tier subscription that is above the normal monthly/ yearly rate. Since YC, Platzi has relaunched itself as a new brand with contents in English in an effort to have a global reach, as opposed to just only focusing on the LATAM market.

It is unknown if Platzi has filed any patents either in Colombia, Mexico or US, however, Platzi has been developing several technologies that improves its user's interaction example is a transcoding processor, interface, and player (2016) for on-demand and live content services, where previously Platzi used Vimeo Pro and Vazaar. This development allows users to watch videos without interruption if one can watch a YouTube video in 480p. This piece is primarily written in JavaScript and PHP which interacts with HTML elements and SQL databases. This crucial since Colombia has one of the most expensive broadband internet where for +15 Mbps

14

costs USD $170 - the average speed test results in Colombia is 2.17 Mbps download and 1.40 Mbps upload speeds across all devices[19].

Team

Freddy Vega (Co-founder & CEO) is from Colombia, who prior founded Cristalab, which became the biggest web design community for the Spanish speaking community, often known as Stack Overflow for LATAM. I particularly love the story of Freddy; he is someone who, despite hardship, overcame many obstacles. For instance, he "hustled" as a child, and would go to the internet cafe to look up Pokemon figures in order to hand draw Pokemon cards and sell them for COP $200 (USD $0.06). He attended National University of Colombia (Bogota) and dropped out due to the high cost of tuition, later returning as an instructor to teach programming.

Christian Van Der Henst (Co-founder & COO) is from Guatemala, who is well known in LATAM for his evangelism of web technologies (since 1997) through the maestrodelweb.com (a large repository of courses, news, tips, now part of Platzi) and forumsdeweb.com (a large community of web developers with a mission, which he created). Furthermore, Christian was one of the first webmasters in Guatemala and back then, he promoted the web development with conferences, events.

Sergio Zafra (recruited employee, #2 ranked) is from Colombia, who has extensive experience in finance. Prior to Platzi, Sergio worked for several financial institutions where he was a research analyst (equivalent to equity research). He currently serves as the de-facto CFO and is the 3rd most senior member at Platzi. He also acts as the Head of business development, HR, Colombia (country manager). He holds a degree in financial engineering from Universidad Piloto de Colombia and an MBA from Universidad Nacional de Colombia

As of Feb 2017, Platzi has 60+ employees and offices in Bogota, Colombia (where the majority of the team is based), a small office in Mexico City and a small office in San Francisco (where Christian and sometimes Freddy are based).

Company Metrics (some company supplied)

Since 2015, Platzi's AGR of users is 250% Y/Y, in January of 2016 it started off with 100K+ users and was 350K+[20] users by December 2016, with a completion rate of 70%. This is considered very high compared to industry standard which is between 10-20%, according to TechCrunch[21] where Coursera and Udacity, only has 10% of students finishing the courses[22].
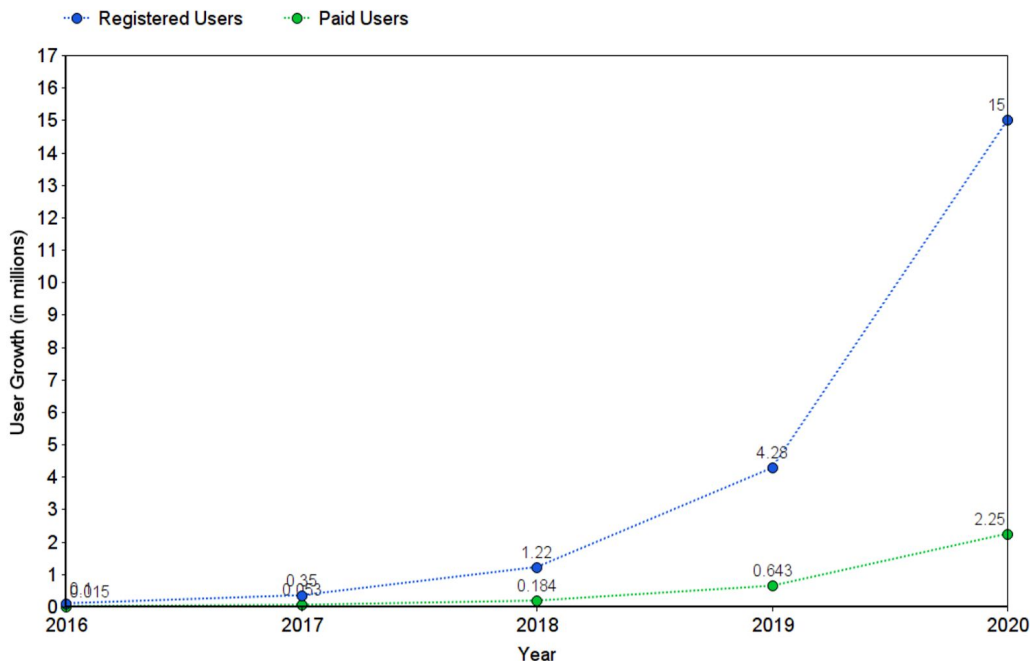
Below shows projections (at the beginning of the year), based on 250% Y/Y with registered vs. paid users. These numbers represent Spanish courses only since a majority of the English courses are still free and represents a conservative estimate.

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[19] http://www.bandwidthplace.com/location/colombia
[20] http://www.larepublica.co/platzi-triplic%C3%B3-el-n%C3%BAmero-de-estudiantes-virtuales_505281
[21] https://techcrunch.com/2015/03/20/platzi
[22] https://www.fastcompany.com/3044282/the-y-combinator-chronicles/california-dreamin

15

I believe Platzi will beat the above projected 1.22MM users by the beginning of 2018, achieving Freddy's dream to train 1MM programmers through Platzi. Because of Platzi's success, there has been a wide range of students with the youngest being Juan David Castro[23] of Bogota, who is only 13 years old.

As an early stage company, Platzi already reported USD $2.7M[24] total revenue to date (from 3 years of operating) prior to YC. Platzi reported 15K paid out of 100K registered users 1Q16 (which makes Q1 revenue estimates of USD $1.3M).

Roughly 15%[25] of its user base is paid at the beginning of 2016, the estimate for 2017 revenue:
52.5K paid users (15% paid of 350K users) x USD $29 per month = USD $1.52M per month at 6 months (minus 30% dropout) = USD $6.39M

The 6-month number is used for calculation because:
1. Most coding camps/academies are 3-4 months but at an average of USD $10K
2. It takes an average of 5 months to complete a career in order to become functionally competent
3. Most MOOC and related subscriptions drop after 6 months[26].

Estimated ARR (annual recurring revenue) at 150K paid users (based on 1MM users) is:
150,000 x USD $29 x 6 months - minus 30% dropping out (9.6) = USD $18.27M

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[23] https://twitter.com/platzi/status/746437007669338112
[24] https://thenextweb.com/insider/2015/03/23/how-platzi-bootstrapped-its-way-into-y-combinator-to-build-the-future-of-education/#.tnw_1c01jgs0
[25] The 15% number are based on published numbers - the actual paid user % may be higher, since you actually need to pay in order to progress
[26] http://www.irrodl.org/index.php/irrodl/article/view/2112/3340

16

Even at USD $29 a month, and the core students predominantly from Colombia and Mexico - where the average monthly salary is USD $692 (Colombia) and USD $843 (Mexico), this shows the willingness and the need for such product, along with the level of impact, Platzi is having a lot of success in LATAM. This is because +80% of Platzi's graduates, after passing a Platzi career (a group of 6-10 courses), obtain a better job (or at the very least a better salary) and lastly 10% start their own company, adding to Colombia's fast growing digital economy.

Platzi most recently raised USD $2.1M[27] in seed funding (announced January 2016) from Omidyar Network, 500 Startups, Nazca Ventures, Amasia Ventures and Y Combinator (YC) for a total of USD $2.2M in funding. For the seed deal, it is likely that Platzi raised USD $2.1M for 10-20% since they were already generating revenue. It is probable that Platzi received the USD $120K standard investment from YC for 7% as its first investor. Most startups in Colombia generally sell 25-50%[28] equity for the first USD $50K in investment.

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[27] https://www.crunchbase.com/organization/platzi#/entity
[28] This is based on 35+ startups from Colombia that I interviewed when working on the early stage VC project