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PEARSON AFFORDABLE LEARNING FUND

An in-house venture capital fund for affordable private schools at the base of the pyramid established by Pearson, the world’s largest education company, PALF sought to invest in business models providing superior educational outcomes in emerging markets on a profitable and scalable basis. With Pearson’s overall strategy shifting from the developed to the developing world and from a supplier of books to a host of other learning products and services, the company thought PALF’s lessons might be applicable to Pearson’s core businesses. By 2014, Katelyn Donnelly, the Managing Director of PALF, and her team had made seven investments in Africa and Asia and were close to fully committing the $15 million earmarked for the initiative. The case will serve to analyze and discuss the concept of private, for-profit affordable schools in emerging markets, and some possible models, as well as to understand the challenges and opportunities in general of managing and implementing a venture capital fund seeking both commercial returns and social impact and, specifically, within the umbrella of a large public company.

He teaches courses in micro and macroeconomics and his interests are on the impact of entrepreneurship in social and economic development and on the strategic implications of changes in the economic environment, particularly those related to technological change, the development of new digital platforms and market design. Professor Ramirez-de-Alba received his MBA from Columbia Business School in New York City and has extensive experience in the financial services industry, having worked for the Central Bank of Mexico, Goldman Sachs and GE Capital before joining IPADE.