Lead Left Interview – John Katzman (Part Two)

THE LEAD | May 13, 2015

This week we continue our conversation with John Katzman, founder and CEO of Noodle. Noodle is a NYC-based company providing on-line tools to help students find resources to find the right schools, services, and learning materials.

Second of two parts – View part one

The Lead Left: But can you really scale individualism?

John Katzman: We do it in many sectors of the economy; Chipotle competes with In-N-Out Burger and thousands of local delis; we don't decide that everyone in a city or state must eat the same lunch. How many stocks can you buy? How many toilets? We need to allow schools to differentiate, and allow parents to choose the right curriculum for their kids.

TLL: Could you give us an example?

JK: In higher ed, there are lots of choices. The Minerva School is a new one, and its partnership with KGI [Keck Graduate Institute] is a truly differentiated model. Features like an interdisciplinary curriculum, focus on cognitive learning, cultural immersion. It's really about advancing the science of learning. It's easy to say, here's a five year plan. It's harder to create and maintain robust marketplaces. That's what I spend my time thinking about, and that's what The Noodle Companies are all about.

TLL: What should the goal of education be then?

JK: From K through 12 we should expect to produce students who are employed in jobs they like over the next forty years, who are good citizens, who are happy and healthy with low suicide, obesity and diabetes rates. If we can turn out graduates like that, it's a pretty good educational system. And all of those are measurable goals.

TLL: But we don't always have the ability to measure them.

JK: Well, it would not be that hard to track Brown University graduates for certain characteristics in the two decades after college, but we generally haven't tried. And we certainly don't try to measure outcomes for PS 47. We're measuring things like test scores, with very little evidence that those scores correlate to the outcomes we care about.

TLL: But aren't test scores important in making educators accountable?

JK: Closing down a school or university based on metrics is almost impossible—the public just doesn't believe the scores tell the whole story, and they're largely right. But marketplaces are brutal engines of accountability—Blockbuster and Nokia did nothing wrong except change too slowly, and they're *gone*.

TLL: Tell us about Noodle.

JK: Noodle is an umbrella organization; right now, we house three companies sharing a brand like the Virgin companies. Our shared mission is to create transparency and efficiency in the education market, and our first company, Noodle.com, is trying to be TripAdvisor for education. We help find you the right tutor, school, college, lacrosse coach, negotiating seminar, or wine tasting course.

TLL: Sounds pretty straight-forward.

JK: It's harder than it sounds – coalescing a lot of incomplete data sets, and wrapping it in your community as well as opinions from outside experts about a $1.3 trillion (US) industry. Worse, most students don't really know what they're looking for—how many high school students really understand how a large suburban college will be different from a small rural one. When we do it right, Noodle asks about *you*–that's something you should know something about!

TLL: It must be hard to quantify this stuff.

JK: You're right, but our operating metrics are steadily improving, and we think we're on our way to being useful in the same way Facebook and Google are useful.

TLL: What's the second Noodle business?

JK: Noodle Partners uses technology to help make universities less expensive, more compelling, and more scalable. Our first services are "affinity tutoring" programs from NYU and USC. Coming soon are less expensive graduate and certificate programs.

TLL: What do you see as the biggest challenges for education in the next 10 years?

JK: Money. With the growth of charters, districts will have a harder time paying their unfunded pension obligations. And in higher ed, I expect 30-50% of colleges and universities to merge or disappear as others use tech to control costs, improve instruction, and scale up.

TLL: What would you tell your younger (just starting out) entrepreneurial self?

JK: I was always on top of my operating metrics, but not thoughtful about my financial ones. I would tell my younger self to hire a good CFO and fully immerse in his financial metrics.

TLL: John, we always close our conversations asking what's been the biggest surprise about your journey in the business?

JK: (long pause) The biggest positive surprise is how committed and passionate educators are in the tech sector and in non-profit education. It's a compelling space, not just about 1's and 0's. I suppose the biggest negative surprise is how many otherwise very smart people are utterly thoughtless about how education works, what we want education to look like, and how for-profits can be part of that change.

Contact:

John Katzman
jkatzman@noodle.com