

FEATURED CASE STUDY

RETHINK CAPITAL PARTNERS

INVESTMENT:

ALLHERE EDUCATION

Woman-founded education technology company providing personalized mobile messaging solutions to improve student outcomes across 34 US states.

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INVESTMENT STRATEGY	RETHINK EDUCATION SEED; RETHINK EDUCATION III	INVESTMENT TYPE	PRE-SEED, SEED, SERIES A
SECTOR	EDUCATION TECHNOLOGY	OWNERSHIP STAKE	MINORITY
INVESTMENT DATE	AUGUST 2017	IMPACT VALUE CREATION MODALITY	GROWTH
GEOGRAPHY	UNITED STATES		

INVESTOR & COMPANY OVERVIEW

RETHINK EDUCATION invests in impactful education technology companies that unlock the full human potential of marginalized or underserved people. Rethink brings extensive experience in nonprofit and public sector education, enabling a deep understanding of the intricacies of education policy and school system needs, as well the ability to identify unique needs of diverse stakeholders, including school administrators and educators.

ALLHERE EDUCATION is an early-stage US EdTech company addressing chronic absenteeism and improving family engagement in American education. AllHere has achieved noteworthy success in improving student outcomes, including improved student attendance, GPAs, and college attendance. Employing real-time, personalized mobile messaging between families and school districts, powered by AI technology, AllHere supported 3.5 million students in 2022, with a special focus on 2.1 million low-income students.

INVESTMENT THESIS

Chronic absenteeism affects [nearly 16 million children in the US](#), impairing student outcomes and significantly contributing to achievement gaps given its disproportionate toll on vulnerable children. AllHere decreases chronic absenteeism by facilitating real-time, two-way personalized messaging between families and school districts to increase family engagement, improve student outcomes, and reduce the burden on school administrators and educators.


At the time of investment, AllHere sought capital and technical support to increase the reach and quality of its service offerings, including through technological enhancements. The company's value creation needs evolved when COVID-19 compelled AllHere to undergo a strategic transition from in-person absenteeism intervention to a full EdTech platform in order to address the evolving needs of the education system amidst the pandemic.

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FINANCIAL MATERIALITY OF IMPACT

Rethink invests in businesses where the social impact is “hardwired” into the business model, with value creation strategies primarily anchored in the GROWTH modality:

IMPACT VALUE CREATION MODALITY	VALUE CREATION ACTIVITY	FINANCIAL VALUE DRIVER	VISIBILITY OF FMI
 <p>GROWTH</p>	<p>Mission-aligned growth and customer acquisition through Board nominations and market expansion, leveraging impact expertise and networks</p>	<ul style="list-style-type: none"> • Revenue growth via new market entry and greater market share through additional contracts with school districts 	<p>AllHere's potential to scale impact with additional customer acquisition was readily apparent, but required sector and thematic capabilities to effectively expand the platform to other markets.</p>
	<p>Technological evolution and innovation of the business model guided by sectoral expertise in the practice of “nudging” and supported by key talent acquisition</p>	<ul style="list-style-type: none"> • Revenue growth and capital efficiency enhancements thorough product development and business model evolution 	<p>The opportunity to leverage technology during the pandemic was readily identifiable, but Rethink's ability to identify and manage risks related to AI was unique.</p>

VALUE CREATION

MISSION-ALIGNED MARKET GROWTH

Rethink played a pivotal role supporting AllHere's growth by strategically appointing two mission-oriented Board members: Janice Jackson and Jeff Livingston. Janice, the former Chief Executive Officer of Chicago Public Schools, and Jeff, a seasoned education executive, entrepreneur, and consultant, both bring direct experience in education business and policy. These Board members have been instrumental in securing deals with major school districts and in developing a customer acquisition playbook to expand the company's nationwide presence. Notably, Janice, Jeff, Rethink Education Partner Ebony Brown, and founder Joanna Smith-Griffin—four of the five board members—are Black, a rarity in high-growth SaaS start-ups.

Additionally, Rethink's thematic expertise in impactful education helped to shape a growth strategy focused on large urban districts with significant vulnerable populations, including helping position AllHere's strong

impact outcomes in reducing absenteeism as a crucial selling point for school districts whose budgets were affected by attendance rates. Rethink's understanding of the education sector's broader needs, such as in early child engagement and out-of-school activities, enabled identification of the opportunity to extend AllHere's case management platform to support other systems for vulnerable children and their families. This developed new markets for AllHere which included community organizations such as after school care, pre-school education, and foster care systems.

VALUE CREATION

BUSINESS MODEL EVOLUTION WITH INTEGRITY

Rethink Education's strategic guidance also played a crucial role in AllHere's adaptation during COVID. In 2020, Rethink proposed the company's pivot towards an AI chatbot, enabling AllHere to sustain its programs when physical school attendance was disrupted. This chatbot supported AI-driven monitoring of student engagement in online classes, safeguarding AllHere's

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customer base and driving positive impact during the pandemic. As a result, the number of schools using AllHere grew over 700% in 2020 to over 8,000 schools.

Rethink was uniquely positioned to help AllHere explore AI-driven “nudging” due to two prior investments using such behavioral science, helping increase impact efficacy. Rethink’s suggestion to de-

velop strong ethical guidelines, along with the firm’s reputation for impact integrity, was critical to building trust with AllHere’s stakeholders around the use of conversational AI in child education settings.

LESSONS LEARNED

- **Alignment and trust are vital:** Being a minority owner with limited control underscores the importance of establishing values alignment and trust with the entrepreneur, which facilitated collaborative strategic decision-making. Furthermore, Rethink’s integrity as an impact investor helped them earn trust with diverse stakeholders that was pivotal in enabling a bold strategic pivot in AllHere’s business model.
- **Thematic expertise and stakeholder engagement:** Rethink’s knowledge in the education space was a distinctive asset when evaluating market expansion, pricing dynamics, and product development. Stakeholder expertise, specifically in the needs of vulnerable youth, has enabled Rethink to identify additional applications of AllHere’s case management platform to coordinate a broader range of services for underserved families and their children.

