Transcript of David Hurwitt

Hall T. Martin: [00:00:00] Hello, this is Paul Martin with Investor Connect. Today I'm here with David Hewitt of Troove. Troove is a software company designed to forever change how we get into and successfully through higher education by harnessing the predictive power of experience.

David, thank you for joining us. Thanks for having me. Hall. Well, great. Well, tell us more about your background. What brought you to this point?

David Hurwitt: Sure. I've, built my career, in commercial roles and product development roles, creating a, a range of new products and services for everything from B2B to B2C companies.

, and really started focusing on the higher ed space a couple of years ago. it's really crying out for some change, lemme tell you.

Hall T. Martin: Well, great. And so what were you doing before you started Troove?

David Hurwitt: True. I was running the commercial side of a renewable energy, uh, manufacturing business. So I'd spent about a dozen years in renewable energy, mostly in wind and solar related, fields.

And, you know, really enjoyed it. But to the company that I had helped to build up, uh, was sold to a, larger company and running a small division of a big company wasn't exactly, uh, my idea of a [00:01:00] good time. And this idea about how we might be able to disrupt higher ed had been percolating in my mind for a while.

And my wife sort of said, Our youngest daughter is a senior in college, and now is the time to either do this or stop talking about it. Well, great. So tell us more

Hall T. Martin: about the problem you're solving and, uh, how you came to that.

David Hurwitt: Yeah. You know, at first glance, I think most people think the problem with college admissions in America is getting into a great college.

And there's no doubt that for a select few that is a big deal and that will always be a big deal. It's hard just based on the laws of supply and demand to get a lot

of kids into the very top selective schools in the country. but that really is not where this market is. And If you look at the data nationally, there's only about 5% of schools that are classified as highly selective, which in, in other words, they admit fewer than 25% of their applicants.

So at the national average that there are over 4,000 colleges in universities in the United States, and their acceptance rate is about 70 to 75%. So the problem really [00:02:00] isn't getting into college in America. The problem is on the other end, when you look at the success rates, The average graduation rate after six years of trying is about 65%, and about half of those people, or about 50% of the total end up graduating from the first school that they enrolled in.

So if you think about the admissions implications there, it's essentially of a flip of the coin as to whether you're going to a school that you're gonna stay and succeed in, or whether you're gonna end up dropping out or transf. So the success factor is really what we're focused on. How can we not necessarily get people into college, but how can we get them out of college?

Because that takes care of your enrollment problem if you're focused on the real goal, which is attaining your degree.

Hall T. Martin: And what's the real challenge in completing the, uh, college education these days?

David Hurwitt: Well, we look at at FIT as really three elements. there is, social fit, academic fit, and financial fit.

And our hypothesis is that if you find your right fit, [00:03:00] you are much more likely to deal with the challenges and overcome the challenges that inevitably are gonna come your way during college. If you look at the market in general, , you see that the, the students who go to those really high end schools, Are much more persistent, right?

They are going to have a success rate north of 90% on average, but the average persistence rates drops for considerably as you get into less and less selective schools, which is where most students live. And so the. What really got me interested in, helping to solve this problem was the disparity in those outcomes based on how much money you have, how much education your family has, what you know, racial background, ethnic background you bring to this.

Those are directly related to outcomes today in the current system. And when I look at the lack of technology to help support a more equal, I see a real

opportunity to level the playing field and disproportionately add advantage to students that aren't today advantaged in our system. Great.

Hall T. Martin: And [00:04:00] so how do you analyze, fit, social and otherwise? What tools do you use for that?

David Hurwitt: Yeah. So, it comes down to, really an academic and a social metric. So today, if you look at the average admissions file, , the piece of information that's most useful and used most frequently, by admissions officers. Is GPA is and in your transcript in support of your gpa.

And that's really because it's hard data. They can reasonably equivalize it over different, you know, different schools and they can look at what you've, done in different courses and see what type of student you are from an aptitude standpoint. Unfortunately that's become a proxy for are you the right student for us?

and it's re

David Hurwitt: aptitude is certainly an important element, but it's not everyth. How you learn and how a school teaches, you know, the pedagogy of a school, their culture around how they impart knowledge and how you receive knowledge that's best for you, I think has to be as aligned as aptitude. So what we try to do is to create some new metrics that show both [00:05:00] show academic aptitude in relation to g.

And then also introduce on the social side, a measure of data-driven, social fit, to every school. So we really focus on those two areas of your fit in and outside the classroom. And we do that through a survey instrument, a, a quiz, and we administer that quiz to students, to prospective new students.

And it takes about 10 minutes to complete. And we're asking questions around what are the set of conditions where you feel. Like the best version of yourself. What is the environment or the culture where you are most likely to thrive? And students, as you might ex expect when they're, especially in high school, you know, 17, they're not terribly articulate about the answers to those questions.

So we've had to really wrap, uh, I think an intelligent quiz instrument around this. And we worked very closely with industrial psychologists to find the right set of questions that really wrap around those two central thesis of, of academic and social fit. and the ambition is to create what I refer to as the [00:06:00] GPA of social fit.

David Hurwitt: If you think about how much time we all spend in college, outside the classroom, mathematically works out to about three quarters of the college experience. For most students, if you're taking a full credit load and doing a couple hours of homework for each class, you're still spending the majority of your time outside, unrelated to the.

And so finding a way to be able to say to both students and their families and to schools, this is a young person who can come here and really thrive in the kind of community that we foster. That I think would be a brand new addition to this industry and, and a real value add.

Hall T. Martin: And so when did you start the company?

David Hurwitt: you know, technically the first day that I was working full-time on this was February 10th, 2020, so I don't know if you remember what happened on February 11th, 2020. they, they named this thing Covid 19, officially on February 19 or February 11th.

So, I obviously didn't know the morning before. you know, there were a few cases here and there, but, um, it ultimately has taken, you know, for the last three years has been, we've turned it to our [00:07:00] advantage, in terms of the ability to sit down and get access to people and have them. Zoom, you know, we've introduced that verb to our vocabulary that really didn't exist before, and people I think, have been very open.

And certainly there has been a crisis of enrollment in higher education that has accelerated through the the pandemic and a lot of realization on the part of both students and schools. We cannot go back to business as usual and expect a better outcome, that the trends that we're starting to emerge in terms of enrollment decline and graduation struggles were only gonna get worse and have been made worse, , by the pandemic and by this sort of disassociation that a lot of students feel with their academic lives.

Hall T. Martin: So what were some of the challenges you faced in, uh, the early days kicking this off?

David Hurwitt: Yeah, you know, I, come at this as a non-technical founder. , I come at this as a non-industry founder. and so as if that wasn't enough, um, I also live in Burlington, Vermont, so I'm not in Silicon Valley. the streets are not crawling with people that have built SaaS companies and recently exited and looking for their next challenge.[00:08:00]

Um, so I had to proactively go find all those things and I, I knew that going in, and I asked a ton of questions and I really spent those early days trying to find, ideally a technical co-founder, and someone with SAS experience specifically. and then just immersing myself in meeting and interviewing as many, college admissions officers.

Guidance counselors, students, parents, everyone in this space has a perspective that has been valuable, um, to my understanding. And so really starting to dig into that was, job number one. And like I said, building out my team and building out those who have been essential, to our technical and market development as well.

Hall T. Martin: Great. So how's your product different than what came before?

David Hurwitt: I would say there are, four main differences. the first is that we focus on graduation and not enrollment. I said before that, there hasn't been a appreciable amount of change in this industry for a long time.

, and the change that has occurred driven by technology is really focused on how can I drive my application [00:09:00] rate? and that, that myopic metric has become, I think, too prevalent in the thinking of most enrollment offices around the country. and I really firmly believe that the goal needs to be graduation, not enrollment, , you know, restaurants.

Don't succeed by driving lots of reservations and then having half the people leave before dessert, right? You have to finish your meal, love it, and tell your friends and come back for more. And so we need to bring that model to higher ed by saying, let's focus on graduation. So that's, that's number one.

I would say the number two is we turn generic. Contact information into proprietary information about fit and longevity. And, and when I say that, if you think about how most college admissions offices works and for virtually all of them outside of that top tier, that, that have a huge demand built into them.

Most schools buy list of students, um, by the hundreds of thousands, and then they spam them relentlessly in order to create as many applications as they need to historically fill their seats.[00:10:00] That model. Is antiquated, it's expensive, it's inefficient. Nobody likes it on either side. , and yet nobody has found a way to do anything else about it.

And part of the problem is that all these schools are all buying the same kids' names and just relentlessly spamming them. And so what we're saying is, look,

if you are a, college in Pennsylvania and there are 300 colleges in Pennsylvania, The names that you buy senior class graduating at this time, this geography, those are gonna be the same names in all of your competitors' CR M systems.

And you're all gonna be doing the same thing. And what you know about them is equal to what everyone else knows about them. And so we can do is we can empower you with specific information about which of those prospects are uniquely well suited to success in your culture. And so that, I think, is a real advantage to schools.

and then the third major innovation here that I think is, is a business process innovation is, again, thinking about the way most schools operate [00:11:00] today, is the first thing they do is they buy that a hundred thousand names. And stock their, their c r M system and then go to work marketing to those a hundred thousand kids trying to enroll about 500.

From a ratio standpoint, it's about 200 to one, in terms of, raw prospects to enroll students and that inefficiency. Is really terrible because if you're buying a hundred thousand names out of a total market size of first time enrolled students in the US it's probably the total prospect pool. It's probably about 5 million students.

So a hundred thousand out of 5 million is 2%. So in other words, the first step for most colleges is to eliminate consideration of 98% of the available market. That's bad business. And so what we're saying is, Don't focus on creating first a prospect pool. You want an applicant pool at the end, and you want as big a pool as you can get.

But if you focus on a prospect ocean instead, and if you can network together with other schools on a platform like Tru, [00:12:00] that gives you 24 7, 365 access. To the entire, theoretically the entire market. You are vastly better off in terms of driving, both your raw numbers as well as the diversity, and the, success of your new class.

And so that's what we've done from a business model perspective, is to open up the potential for schools to not just do one time buys of generic leads in their local geographies, but rather say, We can figure out your success factors academically and socially, and then plug them into our network.

Give you a license to use our quiz technology in your digital marketing all year long. And every time you push our technology, our quiz to one of your prospects. They take the quiz and then we return to you a good match. Then,

you're figuring out which one of your prospects are worth further investment and which ones are not, and you also are allowing us to expose that same culture code to every student who comes to the true platform.

[00:13:00] 24 7, 365. So you are finding students that, you never would've found otherwise and then never would've found you because they're being alerted to their fit, to your unique culture, uh, through our platformed approach. So it's, it's think, you know, ocean, not pool, is what I say to admissions officers.

Right. So what kind of success are

Hall T. Martin: universities seeing out there? Any success stories you can.

David Hurwitt: Well, you know, we're really just getting started Hall and we, we did a beta test last year in last enrollment cycle, , and we're really successful drawing, , students. We focused on Western New York initially with three schools with RIT, which is a large private.

, and then St. Bonaventure, which is a small private school, , in Western New York. And then also one of the Sunni Sunni Genio, which is a smaller, public. University. And so building around those three schools doing a beta test, we drove social media marketing. On our end and not leveraging the platform effect that we have now with, allowing schools the license to use our quiz technology and push through theirs, you know, billions of dollars of combined marketing.[00:14:00]

So we leveraged their marketing quite a bit in our current model, but in the test we actually saw registrations from students from 183 different countries looking for their fit in an American university. And this was, you know, just a few months with a relatively, small marketing budget. But there's such demand out there for, this piece of America, this unique jewel that we have in our higher education system that we are really, really bullish about, uh, the prospects

Hall T. Martin: Great. Uh, and so , you know, you had, selling a good beta launch there. When does the final version roll out?

David Hurwitt: So we're out now. So we, we launched, uh, in this admission cycle and we're out there actively selling. I just brought on, um, a new head of development, um, who's a fantastic woman who worked, spent 12 years on the admission side, , working in college admissions, and then eight years working on a, for a SaaS platform, helping to grow, their number of schools to over 300.

So, we're really excited about all the conversations we've got ongoing right now. and this is a great time from an a time of year's perspective. Most students have got their, their [00:15:00] offers, already, are going to be receiving them very soon, , and need to make a decision. , and so we are, you know, actively having conversation with dozens and dozens of schools and are really looking forward to, to the leverage that that's gonna bring.

Hall T. Martin: Great. So where are you expanding to next? Any particular geographies or are you going broad across the us?

David Hurwitt: Well, we are having conversations across the us. In fact, we've got having a fascinating conversation with an American university and accredited American University outside the US that's having trouble finding kids.

But the, cost of their education all in tuition is, is $15,000 tuition room and. it's a, a major European capital. It's, it's a fascinating play. And so there's, there's even opportunity for us, for American universities right now outside the us We are starting initially, building around our success in New York, and New England.

as I said, I'm based in, in Vermont and so we're focused on Vermont, initially. and then we've actually already, we're starting to get attention and interest from schools, from coast to coast.

Hall T. Martin: Getting any interest from, uh, corporations that want to hire [00:16:00] these students to look at the data and access the platform.

David Hurwitt: not yet, but you know that there are definitely, I think versions, you know, not necessarily 2.0, but there are later versions of this, that the core technology is a way of showing whether someone is a fit with the culture of an organization. Could be a school, could be a business. So I think there are a lot of directions to go, but we are very, very focused right now on undergraduate college admissions and we're start.

least from a consumer side focused on students coming directly from high school. Now, there is an, a massive market of adults who are, who need to finish college or return, and start college. So there's a, a huge opportunity there. And we also don't want to presuppose that college is the automatic answer for every student.

So really what we want to do is to be able to help people find, find success in higher education. that could be college trade, school certification programs, coding academies. There are lots of different ways where we can help people with this kind of core matching technology around helping you to [00:17:00] find your passion, your people, and therefore your place in higher education.

And that place being the, the place where you're most likely to find actual success, not just acceptance.

Hall T. Martin: Well, great. Well, Sally, you have a great solution there. In the last minutes that we have here, what else should we cover that we

David Hurwitt: you know, I, I think that covers it. the thing to do if you are a, an undergraduate or you know, someone who is an undergraduate or looking to, to enroll an undergraduate, go to tr and you can take this 10 minute quiz.

If you are a recent graduate of, of a school, you could also take it and share your data with us so we can help to, to match students with your school. You know, as that platform grows, it's all built on this, this very data hungry platform that, that says more is better. so we're always looking for more people to sign up with us.

And especially as students, like I said are, are looking to make a decision potentially between a few schools where they've been accepted. Troove is a great way to just figure out whether you're, the best fit with any one of those schools, and add that, to your consideration.

Hall T. Martin: Great. And how should listeners get back in touch with you specifically?

David Hurwitt: well if you, you can go through Tru, you [00:18:00] can get me@davidtru.me if you want to email me. Uh, that's David, t r o o v e.me. or, you know, I'm on LinkedIn. we're on all kinds of social channels and being a founder of a relatively young company, I've got my eyeballs and all that stuff, so if you want to reach me, you.

Hall T. Martin: Great. We'll put those contact details in the show notes. Wanna thank you for joining us today and we hope to have you back for a follow up soon.

David Hurwitt: Looking forward to it. Hall. Thank you so much.