



Growth Methods in Educational Technology: Insights from German EdTech Companies in the European Market

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Abstract

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Title: Growth Methods in Educational Technology: Insights from German EdTech Companies in the European Market

Key Words: Growth Methods, Educational Technology, EdTech

EdTech companies in Germany are growing in a highly fragmented market with institutional decision-making structures and high demands on trust and regulation. At the same time, it remains unclear how organic growth, inorganic growth (M&A) and alliances in the EdTech context differ in terms of reasons, challenges and effects on innovation and strategic evolution. This thesis examines these growth methods and answers three research questions regarding reasons, challenges and effects. The corporate growth strategies and the distinction between growth methods serve as the theoretical framework. This thesis uses eight expert interviews and a structuring qualitative content analysis according to Mayring (2023).

The results show that in Germany organic growth is primarily associated with control, stability and cultural coherence. Organic growth is limited by speed and resource constraints. Inorganic growth is primarily described as a lever for faster scaling, market entry and portfolio expansion. PMI, coordination efforts and cultural fit are framed as key challenges. Special characteristics of the German EdTech market, such as strong regulation and the federal structure of the education system, have a significant influence on growth in the EdTech sector.

In terms of innovation, organic growth is seen as feedback-driven and more qualitative in nature. Acquisitions can accelerate innovation through the purchase of features and skills, but they may create conflicts of priority. Alliances provide access, knowledge and reputation but require the management of dependencies. The analysis points to a phase-related sequencing in which organic growth often creates the basis for later collaborations or selective M&A.

Resumo

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Título: Métodos de crescimento na tecnologia educativa: perspectivas das empresas alemãs de EdTech no mercado europeu

Palavras-chave: Métodos de crescimento, Tecnologia educativa, EdTech

As empresas de EdTech na Alemanha operam num mercado altamente fragmentado, marcado por estruturas institucionais de tomada de decisões e elevadas exigências regulatórias. Ainda assim, permanece pouco claro como o crescimento orgânico, inorgânico (fusões e aquisições) e as alianças diferem em termos de razões, desafios e efeitos sobre a inovação e a evolução estratégica. Esta tese examina esses métodos de crescimento e responde a três questões de investigação. As estratégias de crescimento corporativo servem como estrutura teórica, com base em oito entrevistas com especialistas e uma análise qualitativa estruturada do conteúdo segundo Mayring (2023).

Os resultados mostram que o crescimento orgânico está principalmente associado ao controlo, estabilidade e coerência cultural, sendo limitado pela velocidade e por restrições de recursos. O crescimento inorgânico é descrito como alavanca para escalabilidade mais rápida, entrada no mercado e expansão do portfólio, tendo a integração pós-fusão, a coordenação e a adequação cultural como desafios centrais. As características do mercado alemão - forte regulamentação e estrutura federal do sistema educativo - exercem uma influência significativa sobre o crescimento do setor.

Em termos de inovação, o crescimento orgânico é orientado pelo feedback e de natureza qualitativa. As aquisições podem acelerar a inovação através da incorporação de novas funcionalidades e competências, mas geram conflitos de prioridades. As alianças proporcionam acesso, conhecimento e reputação, exigindo, porém, uma gestão cuidadosa de dependências. A análise sugere uma sequência relacionada com as fases de desenvolvimento: o crescimento orgânico cria frequentemente a base para colaborações posteriores ou fusões e aquisições seletivas.

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List of Abbreviations

| | |
|--------|---|
| AI | Artificial Intelligence |
| ALT | Association for Learning Technology |
| B2B | Business to Business |
| B2C | Business to Consumer |
| CAGR | Compound Annual Growth Rate |
| CEO | Chief Executive Officer |
| CTO | Chief Technical Officer |
| DACH | Germany, Austria, Switzerland |
| EdTech | Educational Technology |
| EEA | European EdTech Alliance |
| GDPR | General Data Protection Regulation |
| ICILS | International Computer and Information Literacy Studies |
| ITA | International Trade Administration |
| LMS | Learning Management Systems |
| M&A | Mergers and Acquisitions |
| MC | Main Category |
| PMI | Post Merger Integration |
| R&D | Research and Development |
| RQ | Research Question |
| SAAS | Software as a Service |
| SC | Subcategory |
| USP | Unique Selling Proposition |

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1 Introduction

1.1 Context and Background

Over the past two decades, educational technology (EdTech), also known as digital education, has grown and evolved rapidly, becoming one of the most dynamic sectors of the global economy (Shan & Wade, 2023). It has become an integral part of both formal and informal education systems, driven by advances in information and communication technologies, the emergence of cloud-based platforms, and the growing demand for flexible, scalable and accessible learning solutions (Grand View Research, 2024). Companies in the EdTech sector operate in a highly dynamic market environment, which is characterised by short innovation cycles, intense competition and a constant need for product differentiation (OECD, 2023). The global EdTech market was estimated at approximately 167.5 billion \$ in 2024 and is expected to grow at a compound annual growth rate (CAGR) of more than 13%, reaching 348.4 billion \$ by 2030 (Grand View Research, 2024). Other forecasts predict even higher figures, with IMARC estimating the size of the sector to reach 721 billion \$ by 2033 (IMARC Group, 2024). This growth is being driven by the digitisation of education, an increasing emphasis on lifelong learning and remote learning. Moreover, structural changes have been accelerated by the COVID-19 pandemic (Fortune Business Insights, 2026). These developments have intensified competition between companies and forced them to implement a strategic growth model that enables them to scale, attract users and maintain innovation (Deans et al., 2013).

In this rapidly growing market, companies must position themselves strategically. Business growth refers to the long-term expansion of an organisation's activities, resources and capabilities (Barney, 1991). Growth does not occur by chance but rather through the productive use of internal resources and learning processes that generate new opportunities for expansion (Penrose, 1959). Hence, companies should develop a growth strategy. Choosing the right growth method is crucial in order to exploit the company's potential and prevent it from being squeezed out of the market by competitors.

1.2 Actors in Educational Technology

The EdTech sector is characterised by a complex interplay between various groups of stakeholders who, collectively, shape the innovation ecosystem of digital education. Broadly speaking, these actors fall into three main groups: public educational institutions, private-sector

providers and intermediary networks and associations that coordinate research, standardisation and policy frameworks (Caves & Oswald-Egg, 2024; OECD, 2023).

Public educational institutions, such as schools and universities, are the primary users of digital education technologies, as well as their development partners (Zawacki-Richter et al., 2019). They serve as testing grounds for new learning technologies, conduct their own research projects and play an active role in shaping the digital transformation of the education system (Zawacki-Richter et al., 2019). The Open University UK and the University of Helsinki are considered forerunners in integrating Learning Management Systems (LMS) and artificial intelligence (AI)-based learning environments (Ferguson & Buckingham Shum, 2012; Niu & Loisa, 2021). At the political level, governments and supranational institutions are driving this development forward by providing targeted support programmes (European Commission, 2025). For instance, The European Commission's Digital Education Action Plan 2021–2027 establishes strategic guidelines for the digitalisation of educational institutions. The goals are to promote the development of a robust digital education ecosystem and expand digital skills (European Commission, 2025).

This thesis focuses on private sector players in the German market. This group includes start-ups, scale-ups and established technology companies that develop, distribute and scale digital learning solutions internationally (Decuyper et al., 2025). They develop platforms, software solutions and individual learning content that are increasingly based on AI, gamification and adaptive learning systems (Holon IQ, 2023).

Private-sector EdTech companies are more and more viewed as players in a global education economy characterised by venture capital financing, economies of scale and platform logic (Williamson & Komljenovic, 2023). Investors and funds that specialise in venture capital and corporate finance play a vital role in this area, as they provide the financial support that enables innovation and encourages the formation of strategic alliances (Komljenovic et al., 2023).

In addition to government and private sector actors, networks and associations play a connecting role between business and politics. Organizations such as the European EdTech Alliance (EEA) and the Association for Learning Technology (ALT) promote knowledge exchange, define quality standards and represent the interests of the industry at the European level (ALT, 2024; EEA, 2025).

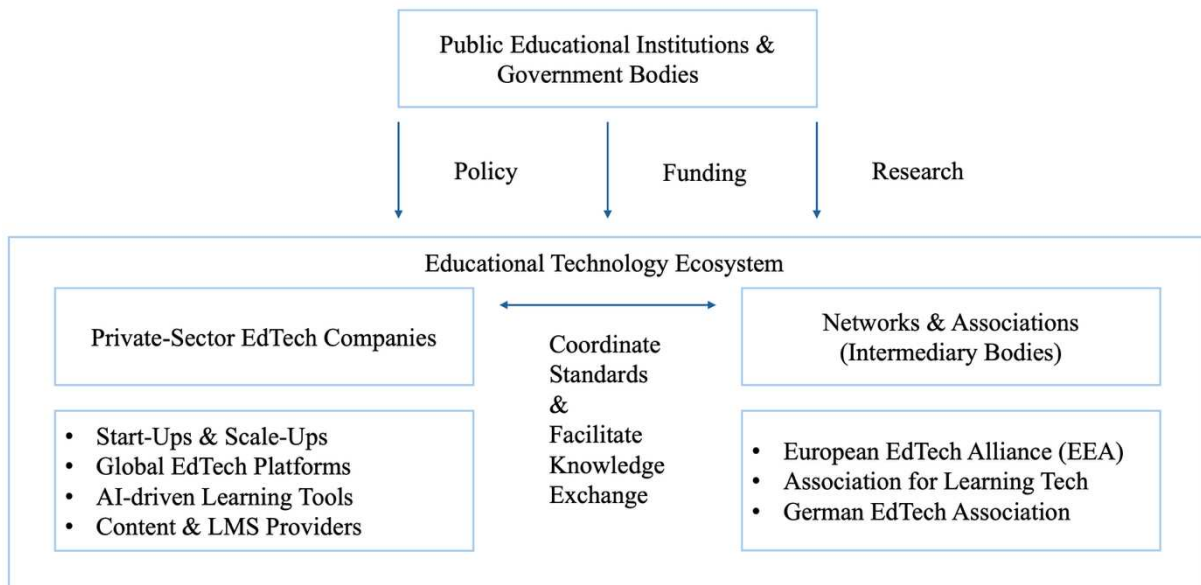


Figure 1: Actors in the EdTech Sector (Source: Own Illustration)

The following table provides a systematic overview of key EdTech players in the German market and classifies them into five groups.

Table 1: Key EdTech Players (Source: Own Illustration)

| Name | Privat Actor Label | Country | Founded | Employees | Revenue p.a. |
|----------------|------------------------------------|---------|---------|-----------|--------------|
| Duolingo | Language Learning | USA | 2011 | 830 | \$531M |
| Babbel | Language Learning | Germany | 2007 | 1000 | €330M |
| Lingoda | Language Learning | Germany | 2013 | 1100 | €100M |
| GoStudent | Online Tutoring & Learning Support | Austria | 2016 | 2000 | €100M+ |
| Brainly | Online Tutoring & Learning Support | Poland | 2009 | 860 | \$28M |
| bettermarks.de | Online Tutoring & Learning Support | Germany | 2008 | 35 | €10,5M |
| StudySmarter | Study Tools & Platforms | Germany | 2018 | 130 | €47M |
| Knowunity | Study Tools & Platforms | Germany | 2019 | 130 | €17M |
| Simpleclub | Study Tools & Platforms | Germany | 2015 | 100 | n.a. |
| Lectorio | Specialized Professional Education | Germany | 2008 | 120 | €18M |
| AMBOSS | Specialized Professional Education | Germany | 2012 | 500 | n.a. |

| | | | | | |
|----------|----------------------------------|---------|------|------|--------|
| Sdui | Institutional School Platforms | Germany | 2018 | 230 | €15M |
| Coursera | Gamification & Adaptive Learning | USA | 2012 | 1290 | \$636M |
| Kahoot! | Gamification & Adaptive Learning | Norway | 2012 | 600 | \$146M |

1.3 Research Problem and Research Questions

Given the growing importance and increasing demand in the EdTech sector, the question arises as to how the growth of EdTech companies can be strategically shaped. In this area, all three established growth paths are used: organic growth, inorganic growth through partnerships or alliances, and inorganic growth through mergers and acquisitions (M&A). While these approaches open up a wide range of opportunities in terms of scaling, market expansion, and innovation capability, they also pose considerable challenges, particularly with regard to securing innovation.

Although there is a large amount of scientific literature on growth strategies in traditional industries such as finance, pharmaceuticals and telecommunications, our understanding of the underlying dynamics of organic and inorganic growth in education technology remains limited (Binckebanck, 2016). This research aims to address this gap by examining the reasons for and challenges of organic and inorganic growth methods within the German EdTech sector. Particular attention will be paid to how these growth approaches shape the innovation-intensive market of digital education. This thesis focuses on growth methods, as these are the main drivers of growth, since they determine how a particular growth strategy is to be implemented. These considerations lead to the following central research questions:

RQ1: What are the reasons of organic growth compared to inorganic growth from the perspective of EdTech companies in Germany?

RQ2: What are the challenges of organic growth compared to inorganic growth from the perspective of EdTech companies in Germany?

RQ3: How do the effects of organic and inorganic growth differ in terms of the strategic evolution and innovative capacity of EdTech companies in Germany?

1.4 Structure of the Thesis

In order to achieve the research objectives, the thesis is divided into six chapters. Following the introduction, Chapter 2 presents a detailed literature review summarising the existing literature on the term Educational Technology, growth strategies and growth methods. Growth strategies are examined here, as they form the basis on which the growth method is decided. Organic growth, inorganic growth via M&A and strategic alliances are described as different implementation methods and are classified for the EdTech context. The third chapter of this thesis presents the methodological approach. The thesis uses semi-structured expert interviews and a qualitative content analysis according to Mayring to systematically capture practical perspectives without simplifying them through standardisation (Mayring, 2023). The fourth chapter presents the empirical results. Special characteristics of EdTech and the reasons and challenges of organic and inorganic growth are presented. Innovation capability and strategic evolution are evaluated in the context of growth methods. Chapter 5 discusses the findings in relation to extant theory and formulates implications. Finally, Chapter 6 concludes the thesis with a summary of the key findings, limitations and recommendations for future research.

2 Literature review

2.1 Educational Technology

2.1.1 The Term Educational Technology

EdTech is a complex, integrated system involving people, processes, ideas, devices and organisations to analyse learning problems and develop, implement, evaluate and manage solutions (Ritzhaupt & Heggart, 2023). The ultimate objective is to systematically enhance learning, teaching and performance (AECT, 1977). Thus, EdTech is understood as a theory, a scientific field and a profession characterised by an interdisciplinary approach based on empirical research, learning psychology, communication and information theory (Januszewski & Molenda, 2008).

Within EdTech, two sub-areas can be distinguished: Technology in Education and Instructional Technology. Technology in Education refers to the use of technology to support administrative and organisational processes in education, such as grade management, scheduling and school management. Instructional technology, on the other hand, focuses on teaching and learning processes and systems that promote learning progress directly (Januszewski & Molenda, 2008).

EdTech thus encompasses the overarching concept that integrates both dimensions, including pedagogical-didactic and institutional-administrative uses of technology in an educational context (Januszewski & Molenda, 2008). As educational processes become increasingly digitised, comprehensive digital ecosystems are emerging that integrate LMS, adaptive learning platforms, mobile learning applications and AI (Ifenthaler et al., 2024). The EdTech sector can be divided into three main categories: hardware, software, and content (International Trade Administration, 2020). Hardware includes devices such as tablets or virtual reality headsets, while software includes LMS and AI-powered learning applications. Content includes digital courses, educational videos and gamified content (International Trade Administration, 2020). As an interdisciplinary field of research and practice, EdTech is based on theories of learning, psychology, instructional design, communication science and systems theory (Reiser & Dempsey, 2018).

2.1.2 Special Characteristics of Educational Technology

The German EdTech market is characterised by a unique combination of regulatory, ethical and social conditions that have a significant influence on company growth. In addition to technological innovation, legal requirements, data protection and digital inclusion issues determine providers development and scaling opportunities in the EdTech sector (Guinea & Sharma, 2025).

EdTech in Germany operates under a dense regulatory regime. The General Data Protection Regulation (GDPR) protects the fundamental rights of natural persons while ensuring the free movement of data within the EU (Art. 4 GDPR, 2025). It obliges providers to server locations (often EU hosting requirement), minimise data, ensure transparency and handle personal data in accordance with the law (European Commission Regulation (EU), 2016). This is particularly relevant in the EdTech sector, as minors are often affected (Carmel, 2016). The EU AI Act supplements this framework with a risk-based approach (European Commission, 2024). AI systems used in education are considered 'high-risk' if they make decisions about access to learning, performance assessments or exam supervision (Saarela et al., 2025). In future, providers and educational institutions will be required to implement thorough processes for risk assessment, documentation and human oversight (Saarela et al., 2025).

The use of data-based systems such as learning analytics raises key ethical challenges in terms of data ownership and transparency. A lack of institutional ethical guidelines can significantly undermine trust in EdTech solutions and thus their growth (Ifenthaler & Schumacher, 2016).

Binding codes of practice that clearly define responsibilities are therefore recommended (Ifenthaler & Schumacher, 2016). Intelligent tutoring systems in particular carry the risk of black box decisions, in which non-transparent algorithms undermine pedagogical autonomy and accountability (Bearman & Ajjawi, 2023).

In addition to legal and ethical aspects, the social dimension also has a significant impact on the EdTech market in Europe (Ackeren et al., 2020). Access to digital educational resources and technologies is unevenly distributed, which means that issues of equal opportunities and participation are increasingly coming to the fore (Ackeren et al., 2020). European comparative studies point to a consistent digital divide. Young people from socioeconomically disadvantaged households have lower digital skills and poorer technical equipment. The International Computer and Information Literacy Studies (ICILS) have documented this correlation since 2013 and emphasise the need for targeted support programmes and infrastructure investments (Bos et al., 2015).

Building trust is a key obstacle that is deeply rooted in the stakeholder structures of the education system. Parents, teachers and education officials are generally sceptical of technology, which is why EdTech companies must provide substantial evidence-based proof of educational added value through case studies, pilot programs and research (AL-Takhayneh et al., 2022). Another critical issue is user retention and engagement. Retention rates in the EdTech industry are alarmingly low, with rates falling below 10% after initial registration in some cases (Kiguchi et al., 2022) and user retention rates of only 4% reported in educational software industry segments (Alchemer, 2021). This high turnover is driven by users leaving after the initial phase due to a lack of personalisation and ineffective engagement strategies (Lassesen et al., 2019). User loyalty and long-term acceptance of EdTech products will only arise if they can demonstrably improve learning progress and are compatible with institutions (Schmohl et al., 2022).

The three-way partnership between academia, industry and practice is known as the 'golden triangle'. In this model, researchers, industry experts and teachers participate equally in product development and evaluation. In practice, EdTech companies enter into (R&D) partnerships with universities. Researchers contribute technical support and learning science concepts, while companies provide product access and data. Schools and Universities provide classroom access and educational feedback (Cukurova et al., 2019). EdTech companies are increasingly forming partnerships with governments and NGOs to scale up pilot projects and strengthen institutional

trust. These alliances promote long-term viability and legitimacy because they are based on formal agreements and measurable impact targets, as well as a shared education agenda (EduTech Global, 2025).

The EdTech sector is not only growing rapidly, but is also undergoing rapid change due to digitalisation (Shan & Wade, 2023). The EdTech ecosystem focuses on collaborative innovation involving multiple actors such as companies, research institutes, start-ups and government agencies (Marchese et al., 2025; Barreto, 2010). At the same time, digitalisation is changing innovation processes within companies. The promotion of dynamic capabilities is necessary for the successful management of this ecosystem with changing environments in order to achieve competitive advantages (Marchese et al., 2025; Barreto, 2010). 'Dynamic' here refers to changes in the EdTech sector that require strategic responses from companies (Teece & Pisano, 1994). Due to the high pace of innovation in the EdTech market, the development of the market and competition is difficult to predict. The term 'capabilities' refers to the key role of strategic management and encompasses the adaptation of organisational capabilities and resources to the changing market (Teece & Pisano, 1994).

The dynamic capabilities consists of four independent but interrelated dimensions (propensities): recognising opportunities and threats (1), making timely (2) and market-oriented (3) decisions, and changing the company's resource base (4) (Barreto, 2010). The sensing dimension focuses on the ability to recognise and classify relevant environmental developments, while the two decision-making dimensions illustrate that resource renewal requires both speed (timeliness) and a focus on the market and customer benefits (market orientation). Finally, the fourth dimension describes the ability to create and expand resources (Barreto, 2010). Dynamic capability only exists when all four dimensions work together. Simply adapting resources does not constitute dynamic capability if the decision came too late or was made without considering the market (Barreto, 2010). Overall, barriers to market entry and expansion in the EdTech sector stem less from technical limitations than from regulatory, ethical and social requirements (Atabey et al., 2024).

2.2 Growth Strategies

Growth strategies are measures that companies use to expand their market position in the long term (Ego, 2022). The literature describes a large number of strategy types, of which Ansoff's (1957) product-market strategies are fundamental growth strategies that aim to achieve growth with varying degrees of independent activity as discussed below (Bea & Haas, 2009).

2.2.1 Product-Market Growth

The Ansoff Growth Matrix, developed by Igor Ansoff (1957), is widely regarded as a fundamental strategic tool for analysing and planning corporate growth. Ansoff defined growth as a conscious expansion along two dimensions: products and markets. This results in a 2x2 matrix that distinguishes between four strategic growth options: market penetration, market development, product development and diversification. Each strategy is associated with a different level of risk (Ansoff, 1957).

Market penetration involves expanding the sales of existing products in existing markets. It is considered the lowest-risk option as it builds on existing strengths and market knowledge (Ansoff, 1965; Grant, 2016). Competitive actions as marketing offensives, price adjustments and product modifications have been shown to strengthen market positions and support the expansion of market share (Ferrier et al., 1999).

Market development aims to establish existing products in new markets through geographical expansion, targeting new customer segments or utilising additional distribution channels (Ansoff, 1957). Companies can leverage their existing product advantages to access new sources of demand by localising marketing messages or collaborating with new distribution partners (Whittington et al., 2023).

Product development aims to introduce new products into existing markets (Brown & Eisenhardt, 1995). This strategy leverages the existing customer base and brand reputation to place innovative offerings that respond to changing customer needs or trends (Henard & Szymanski, 2001). Successful product development requires targeted research and development, close collaboration with suppliers and a compelling value proposition and communication strategy (Brown & Eisenhardt, 1995; Grant, 2016).

Diversification is the riskiest form of growth because it requires the simultaneous development of new products and markets (Ansoff, 1965). There are two types of diversification: related, which involves synergies with existing activities and unrelated, which encompasses developing new business areas independently of the core business (Dawes, 2018).



Figure 2: Product-Market Matrix, based on Ansoff (1957) (Source: Own Illustration)

From a theoretical perspective, the matrix links growth strategies with the extent of strategic change and uncertainty (Johnson et al., 2017). However, it does not specify how the goals are to be achieved. The Ansoff Matrix ignores competitor activities and counter-reactions, thereby underestimating strategic interdependencies (Hortega et al., 2025). In addition, the concepts of novelty in relation to product and market remain conceptually unclear, which makes valid classification difficult (Dawes, 2018). The approach does not sufficiently take into account changes in the business environment and relevant risk dimensions (Clarissia, 2020).

Each of the four Ansoff options can be implemented using one or a combination of three growth methods organically using internal resources and research and development (R&D), inorganically through acquisitions or cooperatively through strategic alliances (Grant, 2016; Hitt et al., 2005; Penrose, 1959).

2.2.2 Autonomy, Cooperation and Integration

In the autonomy strategy, growth is achieved by activating the company's own potential. This strategy is also referred to as organic growth (Bea & Haas, 2009). Technology strategies can thus be developed from the company's own research (Bea & Haas, 2009).

Cooperation involves the voluntary collaboration of legally independent companies that only relinquish part of their economic sovereignty (Wöhe et al., 2016). Cooperation strategies aim to achieve synergy effects among the companies involved (Bea & Haas, 2009). A distinction is made between horizontal and vertical cooperation. In horizontal cooperation, collaboration

takes place at the same stage of the value chain, while in vertical cooperation it relates to upstream or downstream stages of the value chain (Bea & Haas, 2009). Cooperation strategies have the advantage of overcoming market entry barriers and enabling strategies to be implemented in a targeted manner. Time savings are also seen as a significant advantage of cooperation strategies (Bea & Haas, 2009). Cooperation and acquisitions can quickly achieve economies of scale and economies of scope (Bea & Haas, 2009).

Integration strategies aim to achieve growth through M&A that is inorganic growth (section 2.3.3). Integration has the disadvantage over cooperation that such decisions are difficult to reverse and require a high capital investment. It has also been shown that integration problems due to different cultures pose a challenge for the companies involved (Bea & Haas, 2009; Hitt et al., 2005). When choosing a growth strategy, companies are faced with the strategic decision to 'build, buy, or partner' (Ego, 2022).

2.3 Growth Methods

Growth methods refer to the implementation mode and describe the specific mechanisms of expansion, such as internal development, alliances or M&A (Chatterjee & Singh, 1999).

2.3.1 Organic Growth

Organic growth refers to a company's expansion through the targeted use and development of its own resources, skills and knowledge (Penrose, 1959). Growth occurs endogenously when unused resources are put to productive use and new competencies are created through organisational learning (Kor et al., 2016). Entrepreneurial growth is a cumulative, experience-based process that depends on management's ability to integrate knowledge and optimise resource utilisation (Penrose, 1959).

Organic growth can also be understood as a form of expansion that takes place without the acquisition of external companies and arises entirely from a company's existing structures and capabilities (Hess & Kazanjian, 2006). It essentially results from an increase in sales of existing products or services and from the progressive expansion of personnel and organisational capacities (Hess & Kazanjian, 2006). This growth is based on the targeted utilisation of previously untapped resource potential within the organisation. These unused capacities are the productive services of existing resources (Penrose, 1995). Companies often have what is known as 'resource slack', which refers to internal reserves of knowledge, skills or financial resources that can serve as a basis for internal growth (Lockett et al., 2011). The ability of management

to identify and strategically mobilise these resources for new market or product opportunities is therefore decisive (Lockett et al., 2011).

Compared to inorganic growth methods, organic growth tends to be more stable, less risky and easier to control (Collins & Porras, 2005). Studies show that organic growth allows companies to develop in a more stable and predictable way because it builds on existing routines, organisational knowledge and established customer relationships (Ahuja et al., 2017). Internal growth enables firms to avoid the uncertainties and integration challenges typically associated with acquisitions, while allowing them to align their expansion with their managerial capacity (McKelvie & Wiklund, 2010). Companies that experience organic growth tend to have a more consistent organisational culture, making them less vulnerable to disruptions in communication and coordination processes (Delmar et al., 2003). Reversibility, full revenue recognition and better control of intellectual property are also seen as advantages of organic growth (Kreutzer, 2012). Furthermore, organic growth encourages the gradual development of company-specific competencies, as skills are acquired through learning and experience rather than abrupt structural changes (Penrose, 1995).

On the other hand, organic growth requires high investment in both human and tangible resources, has full risk exposure, and is relatively slower (Kreutzer, 2012). It also carries the risk of resource homogeneity if companies develop similar competencies exclusively, thereby losing their ability to innovate (Ahuja et al., 2017). Therefore organic growth is not a random process but rather a continuous learning and adaptation mechanism based on integrating new insights into existing structures (Penrose, 1995).

2.3.2 Inorganic Growth through M&A

In a broader business context, M&A is an umbrella term for all transactions involving the purchase, sale or merger of companies or parts of companies (Lucks & Meckl, 2015). M&A refer to the combining of companies that were previously legally and economically independent (Wöhe et al., 2016). M&A may result in the loss of legal independence and economic autonomy, but this is not necessarily the case (Wöhe et al., 2016). A key feature of these transactions is the resulting change to the ownership and control structures of the companies involved. While the buyer gains control and influence by acquiring equity shares or assets, the seller loses an equivalent proportion of ownership (Lucks & Meckl, 2015).

In the narrower sense, a distinction is made between company mergers and company acquisitions. The distinguishing criterion here is the legal independence of the organizations involved after the transaction has been completed. In an acquisition, the buyer acquires an entire company or parts of it, usually by purchasing shares in the company or buying assets, including the associated liabilities (Dufey & Hommel, 1998). The legal independence of the acquired company usually remains unchanged at the beginning (Dufey & Hommel, 1998). In contrast, a merger refers to the combination of two companies into one modified economic entity (Dufey & Hommel, 1998). There are two basic forms of the merger process. In one form, a new company is formed in which both partners give up their previous legal personality to form a new legal entity (Lucks & Meckl, 2015). Alternatively, an absorption merger can take place, whereby only one company loses its legal independence and is fully integrated into the acquiring company. Either way, there is a merger of assets, competencies and structures (Lucks & Meckl, 2015).

In the context of this thesis, the term M&A refers to both mergers and acquisitions in which the companies involved relinquish their economic and in some cases, their legal independence in order to form a joint strategic, operational or structural entity (Wirtz, 2017). The decision by companies to pursue inorganic growth methods in the form of M&A can theoretically be justified by transaction cost economics. Companies tend to seek acquisitions when the costs and risks of market-based transactions outweigh the costs of internal coordination to integrate the activity within the company (Williamson, 1985).

From a strategic perspective, M&A are seen as instruments for strengthening a company's competitive position in the long term (Maizi, 2014). Companies can overcome market entry barriers through M&A by gaining direct access to new markets, distribution channels and customer segments (Hagedoorn, 1996). In addition, acquisitions enable the realisation of economies of scale and synergies, particularly through the pooling of production capacities, research expertise and management resources (Porter, 1985). At the same time, M&A can serve to change the market structure in favor of the acquiring company by eliminating competitors or reducing their influence (Porter, 1980). In this sense, acquisitions represent a strategic measure to consolidate market share, control competitive forces and strengthen one's own strategic position within the industry (Porter, 1980). In the academic literature, M&A are also understood as a tool for expanding the knowledge and resource base. By acquiring complementary skills and technologies, companies can boost their innovative capabilities and enhance their long-

term competitiveness (Hagedoorn, 1996). In addition to the advantages mentioned above, the speed with which growth can be achieved is another advantage of M&A (Kreutzer, 2012).

Despite their strategic potential, M&A transactions face limitations. The process of Post-Merger-Integration (PMI) is often challenging, especially when firms have different cultures or working methods, which increases the risk of post-merger conflict and coordination issues (Larsson & Finkelstein, 1999). PMI refers to the integration process that takes place after a merger, once the transaction has been completed. Through the restructuring, addition, or disposal of resources, product lines, or entire business areas, a new organization is created in order to achieve synergy effects (Bodner & Capron, 2018). Cultural misalignment and organisational disruption can reduce employee commitment and hinder operational continuity (Graebner et al., 2017). Furthermore, high acquisition premiums can result in increased financial risk and potentially reduce long-term performance if the anticipated synergies do not align with expectations (Laamanen, 2007). Empirical evidence also shows that many acquisitions underperform or fail to create sustainable value, highlighting the inherent uncertainty of inorganic growth (Brown & Lucero, 2020). Errors in the integration process can occur on both sides. One danger is that, out of fear of disrupting the existing organization, the integration of the target company is carried out too slowly or too cautiously. This can result in resources that were paid for during the takeover remaining unused. On the other hand, an overly rough or rapid approach to restructuring and integration can destroy skills and resources in the target company (Bodner & Capron, 2018).

2.3.3 Inorganic Growth through Strategic Alliances

Strategic alliances represent an important form of inorganic, cooperative growth. They refer to the voluntary cooperation of two or more legally and economically independent companies with the aim of pursuing common strategic interests, sharing resources and exchanging knowledge without completely transferring ownership (Backhaus & Piltz, 1990).

Unlike M&A, the organisations involved remain legally independent, and cooperation typically focuses on a specific project or strategic objective (Das & Teng, 1998). The scope of inorganic growth through alliances can range from informal, loosely coordinated collaborations to highly structured partnerships governed by detailed contracts (Contractor & Reuer, 2014). Therefore, the degree of formalisation varies substantially across alliance types, depending on factors such as strategic importance, resource commitment and risk exposure (Lewis & Huber, 1991).

The term 'strategic alliance' refers to mechanisms that are used to maintain and achieve competitive advantages (Porter, 1985). According to this theory, companies join forces in order to combine their respective strengths and improve their strategic market position (Porter, 1985). Strategic alliances can also be understood as “coalitions of two or more independent companies formed with the aim of combining individual strengths in specific business areas” (Backhaus & Piltz, 1990). Earlier definitions emphasised a strategic alliance only exists if the legal independence of the partners is preserved and the cooperation takes place in an identical or overlapping business area (Backhaus & Piltz, 1990; Porter, 1985). More recent research takes a significantly broader view of strategic alliances. According to contemporary management theory, these encompass a wide range of inter-organisational relationships, including technology partnerships, co-development agreements, joint R&D activities, supply-chain collaborations and cross-industry innovation networks (Gulati, 1998). Beyond these formal categories, the literature on alliances distinguishes more broadly between equity alliances, in which partners hold minority ownership stakes in each other, and non-equity alliances, such as contractual R&D collaborations or distribution partnerships (Gulati & Singh, 1998).

The literature distinguishes between the various legal and organisational forms of strategic alliances. Strategic alliances include joint ventures, research networks and operational cooperation such as associations and consortia (Jansen, 2016). Joint ventures involve the founding of a new, legally independent company by two or more companies that wish to achieve a shared goal. This new company is managed jointly by the participating companies. A significant reason for establishing a joint venture is to improve profitability (Jansen, 2016). Joint ventures can be established to involve foreign companies, particularly for investments abroad (Wöhe et al., 2016). Licence agreements facilitate the exchange of technological or intellectual property rights and partnerships in the areas of sales, research and development (Hagedoorn, 1993). Such cooperative arrangements allow for the efficient use of resources and the pooling of complementary skills, providing companies with access to new technologies, markets and innovation potential (Das & Teng, 2000).

The central objectives of strategic alliances are to build sustainable competitive advantages, share the risks of capital-intensive projects and speed up the innovation process (Culpan, 2008). By comparison with organic growth, where the company has only its own resources at its disposal, strategic alliances can enable cost savings, shorten development times and realise market opportunities much more efficiently by sharing resources and pooling expertise (Dyer & Singh, 1998). The success of such collaborations largely depends on the partners ability to

build trust, institutionalise learning processes and leverage shared efficiency potential (Hagedoorn, 1996). In business theory, therefore, strategic alliances are considered to be a mechanism that enables companies to increase their competitiveness without bearing the risks and integration costs of traditional acquisitions (Hagedoorn, 1993).

Despite their advantages, strategic alliances have significant limitations. In particular, coordination efforts are required because partner companies have different goals, cultures and decision-making processes, which makes operational cooperation challenging (White & Siu-Yun Lui, 2005). Alliances also carry risks of opportunistic behaviour, such as the misuse of expertise or the disclosure of confidential information (Becerra et al., 2008). Dependence on the alliance partner can reduce stability and strategic flexibility and lead to implementation delays (Parkhe, 1993).

2.4 Growth in Educational Technology

Research shows that companies in the EdTech sector grow organically, especially in the early stages of development. Innovation and user acquisition are the main focus in these phases. In later stages of development, inorganic growth through M&A and strategic alliances is preferred (HolonIQ, 2024). In 2024, approximately 300 M&A transactions were carried out in the EdTech sector, clearly demonstrating the consolidation in the market (HolonIQ, 2024). Partnerships with governments and universities are also expected to contribute to growth by strengthening reach and legitimacy. Precise data on the distribution of growth methods within the EdTech sector is not yet available (HolonIQ, 2024; Chaaban & Jahani, 2024).

Companies in the EdTech sector grow in different ways to those in traditional industries, as scaling up educational innovations is always caught between conflicting priorities: educational added value, technological progress and social trust (OECD, 2023a; Williamson & Komljenovic, 2023). EdTech companies must justify their growth not only economically but also ethically and in terms of education policy (AL-Takhayneh et al., 2022).

The ability to create stable business models that transcend volatile venture capital growth phases, e.g long-term orientation, is also becoming a key requirement (Howard et al., 2021). The adoption of EdTech on a global scale is shifting from consumer-driven models to government-led, institutional approaches. This means that governments and educational institutions are demanding more evidence of measurable results, compliance and responsible scaling (Howard et al., 2021).

To overcome barriers to growth in the EdTech sector, a growing number of companies are adopting hybrid forms of cooperation that combine elements of organic and inorganic methods. Such partnerships allow companies to build trust, trial innovations and scale up quickly (Kucirkova, 2025). Collaborations with schools and universities are particularly common, as these institutions act as key development and testing partners. Learning platforms and digital tools are designed and optimised in collaboration with teachers to ensure pedagogical effectiveness and user relevance (Kucirkova, 2025).

3 Methodology

3.1 Research Design

3.1.1 Semi-Structured Expert Interviews

A guided expert interview is a qualitative, semi-structured interview in which the conversation is structured by pre-formulated open-ended questions so that it resembles a natural conversation (Gläser & Laudel, 2010; Schnell et al., 2018). Expert interviews are a systematic and theory-driven method of data collection in which people with exclusive knowledge on specific topics are interviewed (Kaiser, 2014). An interview aims to elicit thoughts, knowledge, opinions, attitudes or feelings that cannot be observed (Perkhofer et al., 2016). This method is particularly suitable for exploratory research questions that involve investigating complex and previously little-researched phenomena (Lamnek & Krell, 2010). The aim of this qualitative methodology is to gain an in-depth understanding of how EdTech companies design different growth methods and what strategic implications this has for their innovative capacity and long-term development.

Semi-structured interviews enable a balance between structure and openness. On the one hand, guidelines ensure clear thematic orientation and comparability. On the other hand, the format offers sufficient flexibility to address individual experiences and spontaneous elaborations (Kruse & Schmieder, 2015). This flexibility is particularly important when researching growth methods in technology-driven, dynamic markets such as the EdTech sector, as it allows for a more nuanced understanding of organisation-specific differences and industry-specific challenges. They allow the subjective assessments, experiences and decision-making logic of the interviewed experts to be understood and classified within their respective corporate contexts (Mayring, 2020).

3.1.2 Interview Partners

The interviewees were selected according to the principle of theoretical sampling in order to include individuals with high expertise and practical experience in growth processes in the German EdTech industry (Gläser & Laudel, 2010). The aim was to represent a broad spectrum of perspectives and to include representatives of different EdTech areas. The experts come from a diverse range of companies, from young, fast-growing start-ups to well-established EdTech providers.

A total of eight experts holding senior or strategically relevant positions in their respective companies were interviewed. Four of these experts work in EdTech companies that have grown organically and primarily drive their growth through internal resources and product development. The other four come from companies with an inorganic growth method that rely on alliances, or M&A.

Table 2: EdTech Experts (Source: Own Illustration)

| No. | Company | Position | Country | EdTech Area |
|-----|----------------------------------|---|---------------|------------------------------------|
| B1 | SDUI | Market Intelligence & Strategy Analyst | Europe | Institutional School Platform |
| B2 | Wryte | Co Founder / CEO | Germany | Online Tutoring & Learning Support |
| B3 | Matherezepte.de | Founder / CEO | Germany | Online Tutoring & Learning Support |
| B4 | Cell Education | CEO | Germany | Specialized Professional Education |
| B5 | Bettermarks | Founder / CEO | Germany | Online Tutoring & Learning Support |
| B6 | GoStudent / SdUI / Fox Education | CEO / COO | Europe | Institutional School Platform |
| B7 | GoStudent | CGO | International | Institutional School Platform |
| B8 | Blackboat | Vice President Commercial Strategy & Growth | Germany | Specialized Professional Education |

3.1.3 Interview Design

The aim of this thesis is to analyse the reasons of organic and inorganic growth in EdTech in a cross-sectional study. When developing the guide, care was taken to use concrete and clear wording so that the questions would be understandable for all interview partners (Schnell et al., 2018). The questions were formulated in an open manner to give interviewees the opportunity to contribute their own perspectives, experiences and examples. At the same time, the guide

ensured that all the relevant aspects of the research questions were covered (Lamnek & Krell, 2010). The structure of the guide should also be comprehensible for the experts. Therefore, general aspects are addressed first before specific questions are addressed (Kaiser, 2014). To ensure that the interviews are comparable, a guide was developed that is used in all interviews (appendix 1). If an interviewee is unable to answer a question due to their professional background, the interviewer adapts the question to the conversation (Bogner et al., 2014). The questions are preceded by a brief explanation of the topic. This is to ensure that all respondents have the same understanding of the terms used. The reason for the introductory question about professional position is to motivate the interviewees to answer the further questions (Bogner et al., 2014; Schnell et al., 2018).

Question 1 serves as an introductory anchor to clearly classify the dominant growth method. At the same time, it identifies the strategic motives to make growth both descriptive and explainable. Question 2 builds on this by systematically recording which core competencies and organisational components were developed internally or acquired externally. The concrete examples required break down answers into observable decisions and make them comparable between companies. Sub-questions 3a to 3d provide an analytical comparison of the reasons for and the challenges of the two growth methods. Questions 3a and 3b examine the typical effects of organic growth, such as continuity and gradual competence building, as well as its limitations. Questions 3c and 3d address the logic of inorganic growth as a means of accessing new competencies and strategic development, as well as the challenges of integration and coordination. Questions 4 to 7 shift the focus to outcome dimensions that are particularly critical for EdTech companies, such as speed of innovation, product quality and culture. They conclude with retrospective decision question 7, which is designed to consistently identify the trade-offs, learning processes and strategic priorities of the experts.

3.2 Data Collection

3.2.1 Implementation of Interviews

The interviews were conducted between November 2025 and January 2026. All interviews were conducted via the Microsoft Teams video conferencing platform to enable location-independent participation and ensure flexible scheduling. The interviewees received a written invitation in advance, which contained information about the research objective, data confidentiality and the approximate duration of the interview. The average interview duration was 25–35 minutes. All

interviews were conducted in German or English and full recordings were made to enable accurate transcription and subsequent qualitative content analysis.

3.2.2 Transcription

To ensure a complete and traceable data basis, all interviews were recorded and then transcribed in full. At the beginning of each interview, the interviewees gave their consent to the conduct and transcription of the interviews on condition that all data and statements would be treated confidentially. The transcription process served to accurately record the content of the interviews and to avoid the loss of relevant information. The transcription was carried out using Microsoft Teams software and was completed in full and in verbatim form to ensure a detailed basis for the subsequent qualitative content analysis.

3.3 Data analysis

3.3.1 Qualitative Content Analysis

The interviews were evaluated using Mayring's qualitative content analysis method. This method is widely used in qualitative social research and is considered a systematic, rule-based approach to converting qualitative data into categories that can be used for further analysis (Mayring, 2023). In this thesis, the method was used to systematically evaluate the statements of experts regarding opportunities, challenges and innovation processes of their growth methods (Mayring, 1991).

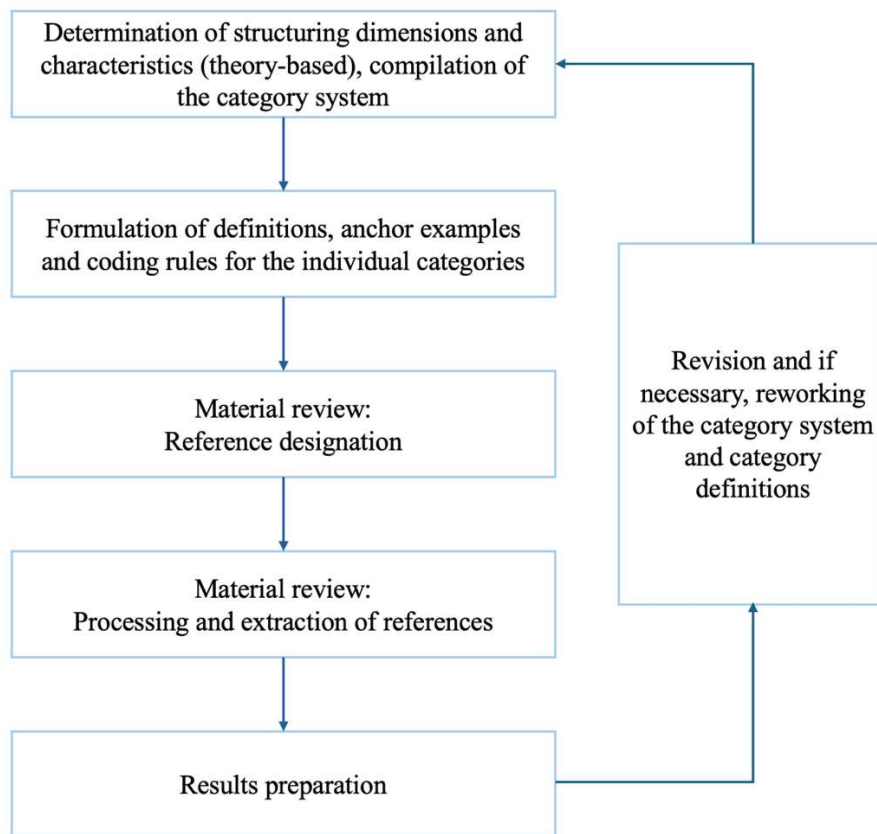


Figure 3: Flowchart for Structured Qualitative Content Analysis, based on Mayring (2023) (Source: Own Illustration)

First, theory-based central structuring dimensions are defined and transferred into a preliminary category system. Definitions, anchor examples and coding rules are specified for each category in a coding table. The material is then systematically reviewed, relevant text passages are marked as references, extracted and assigned to categories in a rule-based manner and new subcategories are derived inductively. The results are then condensed and prepared for results presentation. Throughout the entire process, the category system and category definitions are iteratively reviewed and refined as necessary (Mayring, 2023).

3.3.2 Category Formation

The categories were formed using a mixed-method approach. According to Mayring, qualitative content analyses can be theory-driven (deductive) or data-driven (inductive) to connect existing theoretical concepts with new empirical findings (Mayring, 2023). In this thesis, deductive main categories were first defined based on the theoretical literature on growth methods and the research questions. These six categories were then inductively expanded when reviewing the material by the new main category MC0 'special characteristics of EdTech'

(Gläser & Laudel, 2010). This seemed reasonable, as experts believe that the EdTech industry is characterised by significant features that influence its growth method. The subcategories (SC) were also formed inductively while reviewing the material (category system with subcategories, appendix 2).

Table 3: Category System (Source: Own Illustration)

| Category | Label | Category Definition | Anchor Example |
|----------|--|---|---|
| MC0 | Special Characteristics of EdTech | All statements that address specific characteristics of the EdTech sector. | “A lot of it is controlled by larger decision-makers such as the federal government, the federal states, perhaps the municipalities.” (B2; 11:58) |
| MC1 | Reasons for Organic Growth | All statements that address reasons for pursuing organic growth. | “(…) Organic growth often aims to create and establish a high-quality product or company (…)” (B2; 25:49) |
| MC2 | Reasons for Inorganic Growth | All statements that address reasons for pursuing inorganic growth. | “(…) inorganic growth was to quickly enter other complementary business areas, (…) which ultimately led to speed and expertise in complementary fields.” (B7; B 0:44) |
| MC3 | Challenges of Organic Growth | All statements that address challenges of organic growth. | “(…) competitive disadvantage, speed. How quickly will the competition catch up with me?” (B2; 17:41) |
| MC4 | Challenges of Inorganic Growth | All statements that address challenges of inorganic growth. | “(…) the biggest challenge is PMI, post-merger integration.” (B1; 11:22) |
| MC5 | Innovation Capability | All statements that address innovation capability in the context of growth methods. | “(…) speed of innovation was (…) high in the sense that we acquired new features that we didn’t have before.” (B1; 14:16) |
| MC6 | Strategic Evolution / Long-Term Strategy | All statements that address strategic evolution or long term strategy. | “(…) before I do M&A., I have to be ready to scale as a company (…) that’s certainly one of the lessons learned.” (B6; 17:55) |

3.3.3 Coding

The subsequent coding of the data involved systematically assigning the identified text passages to the developed categories. The coding was structured according to content, based on the previously defined main and subcategories, with each relevant text section being assigned to one or more categories (Mayring, 2014). Open text passages that did not fit into any existing category were re-categorized or led to the adjustment of existing categories to reflect empirical

reality as precisely as possible. This iterative approach ensured that theoretically expected and empirically emerging aspects were given equal consideration. To ensure transparency and traceability, the coding process was thoroughly documented (Gläser & Laudel, 2010). Brief comments explaining the reasoning behind each assignment were provided to enable systematic review of the interpretation decisions at a later stage. Manual coding was used as software-supported coding was unnecessary due to the limited number of interviews and the complex nature of the content (appendix 3).

4 Results of the Thesis

4.1 Special Characteristics of Educational Technology

One special characteristic of the German EdTech industry is the extensive control exercised by decision-makers at federal, state and local level (B2,B6). Another special characteristic that companies in the EdTech industry have to contend with is the different requirements and regulations of the individual federal states (B3). Product development takes place not only in collaboration with teachers in the federal states, but also with the involvement of the Ministry of Education. Intensive dialogue with stakeholders is therefore of great importance (B5). It should be noted that decision-makers are sticking to the existing systems and that change is difficult to achieve. One expert describes the „mental switching costs as very high“ (B6).

Another special characteristic of this industry is the difficulty in reaching users (B3). This is because the users of EdTech offerings are often students, while the purchasers of the products are schools or governmental bodies (B3,B2). The situation is complicated by the fact that ideas about the functions of the products offered are very different and specific (B3) Technology and learning requirements are described as changing at maximum speed in the EdTech context. (B8). B7 points out an interesting observation. During the Covid pandemic, online tutoring was a promising business model. However, now that the pandemic is over, two-thirds of users prefer physical tutoring again (B7). This poses a major challenge for companies in the EdTech industry in Germany and Europe. There is currently no pan-European provider whose offering goes beyond school administration and school communication solutions (B6).

4.2 Reasons for Organic Growth

Two main reasons for organic growth are sustainability and stability. Several experts emphasise that organic growth is slower but more predictable, enabling long-term strategies and steady

development over time (B2,B3,B6). Organic growth is described as particularly suitable for early or moderate growth phases, where stable user acquisition, consistent demand patterns and a long-term focus take precedence over rapid scaling, while continuously learning from the market (B2,B3,B7,B8).

Organic growth is generally understood to mean the creation and development of a high-quality product or company, as opposed to inorganic approaches that primarily seek economic efficiency through rapid expansion (B2,B8). Organic growth becomes necessary when companies are truly introducing new solutions (B5,B8) and is consistently associated with the development of high-quality products through close market observation, iteration and continuous development (B2,B3,B4,B8). Organic growth enables teams to observe the market's response to new offerings and adapt features based on direct user feedback, resulting in more targeted innovation processes (B2,B4). Two experts also state that products that spread organically signal maturity and relevance, thereby reinforcing the perception of quality (B3,B5).

Organic growth is a process based on frequent interaction with users such as teachers, students, parents or experts, enabling companies to add features incrementally based on observed needs (B2,B3,B8). This iterative, customer-centric development logic is described as a crucial mechanism through which organic growth supports the alignment of product functionality with user expectations (B2,B4,B5).

Building internal capabilities is seen as essential for tailoring products precisely to user requirements and industry-specific constraints (B2,B3). Over time, organic growth promotes a deeper understanding of the business and the capabilities needed for future decisions, including technological or geographical expansion (B7,B8). Companies are enabled to retain full control over product development, growth pace and strategic direction (B3,B4,B8). This control goes hand in hand with clearer coordination within teams, better monitoring of product reliability and direct control of priorities (B4,B6).

Organic growth is more associated with gaining users through recommendations, platform visibility and content awareness than with acquisitions or aggressive paid channels (B2,B3,B4). Monetisation within organic growth is described as sequential, with user base building preceding revenue generation and more complex monetisation mechanisms being introduced later (B3,B5). Finally, experts link organic growth to culture, alignment and trust, noting that

practical development, transparency and direct user relationships support cultural coherence and a trust-based brand perception, which can reduce friction in execution (B3,B5,B8).

4.3 Reasons for Inorganic Growth

Inorganic growth in Germany is presented as a way to quickly add capabilities, functions or entire business areas that would take too long to develop internally (B1,B2,B6,B7). This applies above all to acquisitions. These are described as a way to enter complementary areas more quickly and access expertise faster. Alliances, on the other hand, are seen as alternative mechanisms for increasing reach or functionality when ownership is not required (B1,B7,B8).

Another reason for inorganic growth is to enter new customer groups, countries or regions, particularly in the EdTech sector, which is characterised by strong national and local specificities (B1,B2,B3,B6,B7). Two experts explicitly link acquisitions to gaining market share and achieving relevance more quickly than would be possible with organic approaches (B1,B3). Alliances are presented as a means of supporting structured entry into institutional or regionally fragmented markets (B2,B6).

Experts consistently describe inorganic growth as a way to add complementary functions or build more comprehensive product ranges (B1,B4,B6,B7). Acquisitions are presented as a mechanism for integrating missing functions or related products, while alliances are described as an opportunity for joint developments or joint offerings without full integration (B4,B5,B8). This expansion logic is considered particularly relevant when customers demand integrated or end-to-end solutions instead of isolated products (B6,B7). Acquisitions offer immediate access to existing users, institutions or large traffic volumes, thereby reducing dependence on costly or saturated marketing channels (B1,B2,B7). Alliances are similarly described as a way to leverage partner communities, reputations or institutional relationships to gain visibility and acquire customers more efficiently (B4,B6,B8).

Three experts repeatedly emphasise that acquisitions enable companies to gain skilled teams, technical know-how and leadership experience that would be difficult or time-consuming to build internally (B1,B6,B7). Alliances are described as a way to gain access to specialised knowledge or niche competencies (B4,B5,B8).

Interviewees highlight ongoing market consolidation and competitive pressure as drivers for acquisitions, particularly to avoid being overtaken or marginalised by larger, financially stronger players (B2,B6). Inorganic growth is thus presented as both a defensive and offensive

strategy, including the explicit removal of competitors from certain markets (B6). Credibility and reputation effects are also cited as reasons for inorganic growth, particularly in the context of alliances, where partnerships with well-known institutions or experts are described as increasing visibility and legitimacy, thereby indirectly supporting growth targets (B4,B8).

4.4 Challenges of Organic Growth

Limited speed is identified as a core challenge of organic growth, as competitive dynamics intensify over time, one expert explicitly frames this as a risk of falling behind (B2). Organic growth is often depicted as gradual, particularly in instances where companies adopt long-term strategies or introduce new product categories. This approach can potentially result in competitive disadvantages if competitors undergo faster growth or technological advancement (B2,B3). It is important to note that the market response in the education sector is slow (B3,B5).

In the capital-intensive EdTech context, organic growth is described as financially costly over long periods of time, with delayed break-even points and high upfront investments required for platform development and content creation (B3,B5). It is important to understand the close relationship between this phenomenon and resource and capacity constraints. Interviewees have noted that organic growth often places a strain on teams, as companies are required to develop products, drive sales and manage operations with limited personnel (B2,B4,B5). Delays in the development of monetisable or advanced features are described as a limiting factor on growth potential (B3,B5,B8). Experts have highlighted the complexity of determining which features to develop organically, given the potential for isolated user requests to insufficiently justify the necessary investment and the risk of incorrect prioritisation leading to diminished product appeal (B2,B3,B5).

4.5 Challenges of Inorganic Growth

The experts have shown inorganic growth as being associated with a series of recurring organisational, operational and strategic challenges that arise primarily in M&A and to a lower extent, in alliances. In the context of acquisitions, many experts have reported significant cultural friction, including communication gaps, incompatible working styles and the loss of key personnel (B1,B2,B6,B7,B8). Cultural challenges are also described in cross-border contexts, where language, national norms and decision-making styles render collaboration and the establishment of a common culture difficult (B6,B7). One expert cautions that overly rigid

cultural assimilation risks eroding core elements of the acquired organisation, noting that this might otherwise result in the loss of "the magic that made this company successful" (B7).

Acquisitions have been identified as a contributing factor to redundancies, primarily due to the presence of duplicated development, financial and support functions, which has been demonstrated to have a detrimental effect on employee motivation and retention (B1,B6). In a broader sense, inorganic growth is associated with higher turnover and sustained pressure for change on employees (B6). In the context of alliances, the necessity of ensuring mutual benefit and maintaining focus is described as a time-consuming and distracting activity for smaller teams (B4).

It is widely accepted that the most challenging aspect of M&A is PMI. Three experts emphasise that technical and organisational integration requires significant developer capacity, sustained focus and long-term commitment, which often competes with ongoing product development (B1,B6,B7). In practice, integration is often postponed or only partially implemented because resources are limited and complexity increases with each additional unit (B1).

In the context of alliances, the reliance on partners is identified as a potential risk factor. This is due to the possibility of delays or conflicting priorities, which have the capacity to impede the progression of product development and compromise the quality of outcomes (B4,B8). Alliances also pose coordination challenges, especially when multiple stakeholders at the management and operational levels need to be aligned, including the need for coordinated processes and clean partner ecosystems (B6,B8).

Finally, legal and regulatory restrictions are cited as particular challenges in Germany, especially when inorganic growth intersects with the public sector. Experts describe strict limits on marketing, data use and customer access for products embedded in public systems, which restricts commercial flexibility after an acquisition or alliance (B1,B7).

4.6 Innovation Capacity

The creation of innovations through organic growth is consistently described as an iterative and feedback-driven process (B8). It is vital to emphasise that experts in this field place significant importance on incremental development, continuous evaluation and real-time validation through user interaction as key mechanisms for generating innovation (B2,B8). This approach is explicitly linked to innovation quality, with one expert noting that organic growth „leads to higher-quality innovations“ (B2) and emphasising that innovations arise through repeated

refinement rather than upfront design (B2). In addition, three experts underscore the pivotal role of internal development in fostering innovation, emphasising that it facilitates a more profound technological comprehension and enables precise adaptation to user requirements, particularly in intricate domains such as adaptive learning, algorithmic systems and AI-based solutions (B3,B5,B7,B8).

Conversely, innovation acquisition through inorganic growth is characterised as a strategy for accelerating innovation by integrating functions, add-ons or competencies that are not yet available internally but which exist already on the market (B1). Acquisitions are also regarded as opportunities for learning, with the experience and knowledge of the acquired teams being able to be utilised to enhance subsequent product iterations and to circumvent previous errors (B6).

Experts characterise research alliances as a direction for the collaborative development of novel products, content or technical solutions, thereby extending innovation beyond the confines of internal resources (B4,B8). Alliances are also presented as a means of gaining access to specialised technologies or niche expertise that can be integrated without a full acquisition of the company (B5,B8).

Innovation conflicts are underscored as a trade-off between disparate growth methods. The concept of organic innovation is predicated on market acceptance, with the phenomenon of innovation only materialising when it is accepted and utilised by customers (B2). In the context of inorganic materials, innovation is frequently hindered by integration requirements, which divert attention and resources from new developments to the coordination and alignment of existing structures (B1,B6,B7). Alliances have been described as a source of friction due to the dependence on partners and parallel product roadmaps that makes the processes of prioritisation and implementation difficult (B4,B6,B8).

4.7 Long-Term Strategy in EdTech

Strategic development is primarily described as a sequential growth logic in which methods change over time (B5,B1). Organic growth is particularly suitable as a starting point when introducing a new product (B4). Inorganic growth should be pursued in later stages of development. This sequence is described as organic first, then inorganic, and in some cases is accompanied by targeted collaborations as companies enter subsequent growth phases. In partnership-oriented strategies, alliances are presented as a deliberate phase and occasionally

as a current growth approach (B2,B3,B4). Experts formulate a long-term strategy in partnership with the company, with the aim of positioning the company as a strategic enhancer and innovator (B8). This is particularly the case when they support market access, credibility or joint development. Alliances are expected to become an even stronger lever in the future (B4,B5).

A secondary recurring strategic theme concerns realignment and the acquisition of knowledge from past experience. Experts describe a shift in the criteria for evaluating potential M&A opportunities, emphasising the search for complementarity over duplication. They stress that companies must be prepared for expansion before undertaking acquisition activities. In addition, they stress the need for a clearly defined post-acquisition strategy that encompasses products, customers and employees, as well as consistent implementation and effective communication (B1,B6).

5 Discussion

The German EdTech sector has specific characteristics that influence the choice of growth methods. The main characteristic is the framework condition involving the federal government, states, and municipalities. There is a structural separation between users (students and teachers) and buyers or decision-makers (federal government, states, municipalities). These multi-level decision-making processes influence growth, as product benefits alone do not automatically lead to purchasing decisions. This relationship is described as a key contextual factor that significantly influences scaling. Organizational integration into the existing school landscape is a major bottleneck in the EdTech sector. The German business environment is strongly influenced by regulation and slow decision-making processes. These risks show how important it is to take these conditions into account when choosing a business model and growth strategy. Ansoff's product-market matrix (1957) does not take these factors into account and is therefore insufficient as a basis for decision-making.

This is further exacerbated by the fact that schools and authorities prefer existing, already legitimized infrastructure. As a result, institutional decisions in Germany may favor established tools, even if alternative solutions would offer greater added value. This shows that success in EdTech in Germany depends not only on the product offered, but is also significantly influenced by approvals, existing systems, and institutional inertia. This is also a reason for long payback periods. This development is promoted by high initial investment costs of EdTech models due to their platform logic, in addition to development costs for software, didactic content, feedback

logic, and validation mechanisms. Long development phases and a delayed break-even point characterize the EdTech industry compared to many other SaaS markets. This makes capital availability a relevant factor that severely limits the pace of organic growth. One way to scale up in the German market could be state licenses, for example, which make it possible to anchor a product in educational institutions without having to convince each individual school separately.

The EdTech industry has undergone significant changes in recent years. The pace of change has accelerated considerably. This makes communication with stakeholders even more important in order to integrate user needs into product development. This is confirmed by the three-way partnership model, which describes the collaboration between researchers, industry experts and teachers (Cukurova et al., 2019).

Growth in the EdTech sector is particularly strongly influenced by phase logic. It therefore makes sense to first develop a viable product using internal expertise and then selectively enter into alliances at a later stage of development. Scaling can be achieved later through M&A if necessary. This can be justified by the special EdTech framework conditions, which make early 'speed-only' strategies risky.

In terms of M&A, there are similarities to other industries. In the German EdTech sector, too, PMI represents the strategic bottleneck that determines long-term success. This results in a conflict of objectives between rapid expansion and operational feasibility for inorganic growth through M&A. In particular, coordination with the acquired company regarding teams and systems is described as a permanent burden. In terms of phase logic, alliances represent a strategic intermediate stage between organic capability building and scalable expansion in order to gain reach and additional expertise without having to engage in M&A directly.

The thesis yielded a wide range of results in response to the research questions. The first research question shows that stability is one of the main reasons for organic growth because it proceeds at a "healthy pace" (B2) and challenges that arise during the process can be selectively counteracted. Control over the company's growth remains in place and is not transferred to partners. Compared to a M&A strategy, this makes it easier to coordinate teams and employees. This is typical of the technology industry and not specific to EdTech and confirms the statements made by Collins & Porras (2005) in theory. Control over development is particularly important for the development of high-quality products, as is the case in EdTech. Innovations in the EdTech sector are developed in-house, and companies grow organically in the early

stages of product development. Since EdTech often involves inventing products that did not previously exist on the market, i.e. product development in the product-market matrix (see section 2.2), organic growth is the only possible method for growth. Especially when developing specific features or complex products, it makes sense to develop expertise internally. Organic growth promotes the development of internal capabilities and enables the product to be tailored precisely to user requirements, which is particularly in demand in the EdTech industry.

Organically growing companies have a stronger corporate culture that is not influenced by external factors. This is consistent with findings in other industries. The competitive pressure between the departments involved is therefore significantly lower than in the case of M&A, where departments from other companies have to be integrated. As in other industries, the main advantage of inorganic growth is speed. Inorganic growth can quickly increase the number of users and greatly accelerate entry into new markets, if there is already a company in those markets that is good enough and worthwhile to acquire. The growth strategies of market penetration and market development according to Ansoff (1957) can therefore be implemented more quickly with inorganic growth. New features can also be acquired inorganically. This should not obscure the fact that the development of genuine innovations in the form of new technologies or products takes place in-house with organic growth.

Since the EdTech sector in Germany is very local or national in nature, inorganic growth is more suitable for geographical market development. If the aim is to achieve a strong position as a market leader abroad, this can be better achieved through inorganic growth. Inorganic growth also enables access to new business areas and the expansion of the product portfolio (Ansoff, 1957).

M&A in the EdTech sector also enables vertical integration with the long-term goal of creating an all-in-one platform that covers the entire value chain. For example, game and content production could initially be integrated through backward integration instead of cooperation with external providers. This allows for better quality control and reduced costs. The development of AI algorithms as an upstream stage can also achieve economies of scale in software development. Forward integration can be achieved through direct sales to end customers. A business-to-business (B2B) approach, in which platforms are sold to schools, can become a business-to-consumer (B2C) approach with offerings to end users. The main

advantages here are control over the customer journey and access to user data, which is particularly important for educational offers.

Inorganic growth makes it possible to weaken competition in new markets and take advantage of the ongoing consolidation in the market. This supports Porter's (1985) statement that economies of scale are achieved through M&A and that market position is strengthened (see section 2.3.2). Alliances are understood as strategic partnerships to reach new customers and improve product reputation. Alliances with academies and content creators enable broader access to new communities and niche target groups. This confirms the findings in the literature and is not unique to the Edtech industry (see section 2.3.3).

If the company's goals are to expand its market share, drive competitors out of the market and thus increase the value of the company, inorganic growth is a sensible method. In the EdTech sector organic growth tends to lead to a break-even, as profit is usually the primary goal here. Among the experts surveyed, organic growth is the predominant growth method. Inorganic growth is mainly used by companies that are financed by institutional investors. Another interesting finding is that companies in the 'institutional school platform' sector grow inorganically, while 'online tutoring' and 'specialised professional education' grow organically. This may be because the 'institutional school platform' sector in Germany, Austria and Switzerland (DACH) is dominated by two large companies that pursue an aggressive acquisition strategy. The companies in this sector have been established on the market for several years and have matured to such an extent that their reputation and success give them access to investors who can facilitate acquisitions.

The second research question on the challenges of organic and inorganic growth is answered in MC3 and MC4. The biggest challenge with organic growth is its limited speed. This is primarily a problem in terms of competition, as competitors could secure strategic advantages through inorganic growth. The limited resources and skills of employees also pose a challenge for organic growth. With existing resources, it can be difficult to develop specific features or platforms, so prioritising existing products is preferred. Due to the generally smaller capital base, organic growth often leads to a less risk-taking approach, which slows down growth. This is exacerbated by the peculiarity of EdTech, namely that there is a fear of AI in education and thus market regulation can reduce the speed (section 2.4).

When expanding into other countries through organic growth, there is the additional challenge that local requirements are more difficult to adapt to than with inorganic growth. Alliances are

one possibility here. However, if the focus is too much on winning new alliances, this can lead to product development being neglected. Dependence on partnerships should therefore be avoided. This supports Parkhe's (1993) statement that dependence on partners can reduce stability and strategic flexibility (see section 2.3.3). This shows that, in addition to numerous special characteristics, the German EdTech industry also has many similarities with other industries.

If there are several competitors in the EdTech market that are growing inorganically, there is pressure on companies to grow quickly through acquisitions in order not to lose market share and exploit synergies. Realisation of these effects is not guaranteed. This represents a financial risk for the acquiring company. This result supports Laamanen's (2007) general statement that high acquisition premiums represent a financial risk and therefore also applies to the EdTech industry (section 2.3.2).

The biggest challenge in inorganic growth through M&A is the PMI. The interviews confirm the findings of the literature on this point (section 2.3.2). In this respect, EdTech companies are no different from companies in other industries. The PMI of companies is seen as the most important part of inorganic growth, although the complete integration of companies is a major undertaking. Integration ties up a lot of resources, so a balance must be found between prioritising integration and product development. If product development is put on hold in favour of integration, this can reduce product quality, slow down product development and thus lead to customer dissatisfaction. This is particularly important in EdTech, as the development of innovative products represents the unique selling proposition (USP) of companies. Probably the biggest challenge in PMI is the integration of cultures, as different corporate cultures and cultural differences often have to be considered. A shared culture must be developed that builds on both cultures. This is to prevent the strict adoption of one company's culture from completely losing the other culture that made the other company successful. The challenges are closely linked to the specific characteristics of the technology industry and therefore also for the EdTech sector. For example, the strong regulation of the sector and its dependence on public decision-makers are slowing down the process.

Research question 3 is answered with MC5 and MC6. The interviews have shown that the innovative strength is greater with organic growth, so that the quality of the innovations is higher. The greater control and stability associated with organic growth lead to a greater pooling of expertise and thus to better controllability of processes. Organic growth has a positive impact

on the innovative strength of the company, especially in the early stages of product development. This is particularly important for the German EdTech sector, as new products and product categories are being developed that are not yet established in the market and iterative changes are being adapted. These results support the assumption that control and stability, as well as the internal development of skills, are key success factors when developing new and as yet unestablished solutions.

Inorganic growth through alliances with academies, schools and niche groups opens up new perspectives on a company's own product development and marketing, thereby promoting innovation without exposing the company to the risks of an acquisition. Especially in a phase when the company's own product is successful on the market through organic growth, alliances are a step towards generating external expertise. Inorganic growth in the form of M&A can greatly promote the speed of development when new features are purchased from outside. This seems particularly useful in later phases of product development. Organic and inorganic growth are not opposites, but should be understood as complementary approaches in a sequential model.

The phase logic is particularly important in the EdTech industry. The development phase of the company and its products thus determines the appropriate growth method. A combination of organic growth at the beginning and inorganic growth in later growth phases appears to be a suitable approach in a knowledge-based, technological industry such as the EdTech sector. Hybrid forms of growth that combine organic and inorganic growth are also being implemented. If product development and internal growth are continued during the implementation of M&A transactions, care should be taken to ensure that the focus on the core business is not overshadowed by the integration of the new company.

6 Conclusion

6.1 Summary

The aim of the thesis was to examine the growth methods of EdTech companies in Germany and to highlight the differences between organic growth and inorganic growth. The thesis sought to compare the reasons and challenges of both growth methods and to examine their impact on innovation and strategic development. The thesis is based on semi-structured expert interviews with EdTech companies and a qualitative content analysis according to Mayring. The scientific significance of this thesis lies in expanding the previously limited evidence on

growth methods in the EdTech context through an empirically based comparison of organic growth, alliances and M&A. This complements the theoretical framework of the work with a practice-orientated process perspective. Since the EdTech sector is a young industry, it is important to examine the EdTech-specific differences and similarities with other industries.

The results show that the EdTech market in Germany is dominated by institutional decision-makers. In addition, the market is highly fragmented and characterised by regulatory frameworks, which slows down scaling and growth development. The industry is characterized by slow decision-making processes, as government institutions such as ministries are involved in purchasing decisions. In this market, buyers are usually not the users, which makes it difficult to generate users and accurately identify their needs. In the German EdTech sector, slow decision-making processes are encountering a rapidly developing market.

The reasons for organic growth lie primarily in control and stability as in other industries. It enables internal product development and the building of expertise. This is particularly relevant in the context of EdTech, as there is often demand for the development of products and innovative solutions that are new to the EdTech market. Learning processes are seen as central to ensuring the quality and acceptance of products. At the same time, the limits are clearly defined. Organic growth is often slower, partly due to the heavy regulation of this industry. The need to take local and national characteristics into account also slows down the process. In addition, capital and resources limit the speed. Under competitive pressure, this can lead to a strategic disadvantage. Competitors can expand more quickly, while internal capacities must first be built up.

In contrast, M&A is seen as a lever for speed, can accelerate reach, market entry and portfolio expansion. Product development can be accelerated by purchasing features or competencies, which are already existing in the market. The primary disadvantage is the dependence on the integration of the companies. PMI ties up management capacity and resources. Integration complexity, cultural adjustments and coordination create friction. Conflicts of focus may arise, which can hinder product development and innovation. Since product development is a top priority in a dynamic market such as the German EdTech industry, inorganic growth carries the risk that important tenders cannot be won due to weakened product development.

Alliances play an intermediary role. They can provide access to knowledge, reputation and joint product development without forcing complete integration. At the same time, they require clear governance structures and prioritisation mechanisms to counteract dependencies. In the EdTech

sector, the conscious selection and sequencing of growth methods along strategic phases and innovation requirements is crucial. A combination of organic growth in early phases and inorganic growth in later development phases appears to make sense. In addition, hybrid forms of growth can emerge when organic growth is complemented by alliances.

For practitioners, the results suggest that decision-makers in the German EdTech sector should view growth methods as a portfolio of options that can be adapted to product novelty, resource base and organisational resilience. For organic-first logic, it follows that internal capability development and adaptability should be systematically structured, as these mechanisms support innovation capability and strategic alignment. For alliances, it follows that the selection of partners, clarification of roles and prioritisation must be designed in such a way that collaboration promotes growth without undermining product development. For M&A, it follows that the strategy of speed and portfolio expansion can only be realised if PMI is managed as a core strategic task with a clear target architecture for products, culture, customers and employees.

A key conclusion is that EdTech growth should not be viewed as an either/or choice between organic and inorganic growth, but rather as a deliberately sequenced development. The chosen growth method has different strengths depending on the phase. It is crucial that the chosen growth method continues to demonstrate innovation capability and that long-term strategic orientation is ensured through control, learning ability and integration discipline. In order to avoid regulatory challenges in the domestic market and test products in other areas, expansion through acquisitions in less regulated countries can be a useful strategy.

Another result of this thesis is that companies in Germany in the 'institutional school platform' sector grow mainly inorganically, while 'online tutoring' and 'specialised professional education' grow organically. The reason for this is that the 'institutional school platform' sector in Germany, Austria and Switzerland (DACH) is dominated by two large companies that pursue an aggressive acquisition strategy. The EdTech solutions in 'online tutoring' and 'specialized professional education' are so specific and unique because the product must lead to optimal customer satisfaction. Such innovations arise through organic growth.

6.2 Limitations

Despite the insights and implications gained, some limitations may affect the validity and scope of this thesis in the EdTech context. As this is a qualitative study, it is not possible to generalise

the results obtained due to a lack of representativeness. One limitation of this thesis is the limited number of eight interviews. Although the experts were able to provide extensive insights into organic and inorganic growth methods in the German EdTech sector, other points of view and perspectives, including those from other market segments may not have been taken into account. Another limitation of the study is its focus on the EdTech sector, as this sector has some specific characteristics, such as the involvement of government institutions and strong regulation. This creates dependencies that limit the transferability to other industries. With some restrictions, the results of this study can probably be transferred to sectors for which technologies and digital transformation are similarly important. Since Germany's federal structure has a strong influence on the EdTech sector, the results are only transferable to other countries to a limited extent.

6.3 Future Research

Further research should examine how the dynamics of the EdTech sector influence the business environment and affect growth methods. Comparisons with other industries could provide helpful insights. Future studies could contribute to the validation of the results through more extensive expert surveys and international comparative studies. Building on this thesis, it would be useful for future studies to systematically analyse the sequencing of growth methods in EdTech systems. It would be interesting to examine the conditions under which an organic-first approach can later be supplemented by alliances or M&A and the triggers that characterise the change in growth method. The significance of regulation in the EdTech industry for the choice of growth method should also be analysed in more detail in a larger sample.

Since the results of this qualitative study cannot be generalized, future quantitative research should examine growth methods in EdTech. To this end, survey-based studies and longitudinal analyses can be conducted to analyze more precisely the correlations between the chosen growth method and the success of the companies.

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Appendix

Appendix 1: Interview Guide

INTERVIEW

Purpose

A collection of qualitative insights from EdTech executives, founders, and analysts on how organic and inorganic growth (alliances and acquisitions) shape strategic reasons, innovation capacity, and long-term strategic development.

Section A: Participant information

Interview-ID: _____

Date: _____

Role of the participant: _____

Type of organisation: _____

Years of experience in EdTech: _____

Interview-Mode: (Personal Online Mail)

Opening statement

“Thank you for agreeing to participate in this study. The aim of this interview is to gain an understanding of how EdTech companies grow and innovate using various methods. Your answers will be anonymised and used for academic purposes only. You are free to decline to answer any questions.”

Questions:

Introduction

Could you briefly describe your role within the company and the experience you have gained in the EdTech sector so far?

1. How has your company primarily developed over the last three years: organically, through alliances or through acquisitions?

What were the strategic motivations behind this?

2. Which internal resources or capabilities did you deliberately develop organically, or which ones did you acquire through alliances or acquisitions?

Why were these chosen? Please give one concrete example each.

3. From your perspective, what were the main strategic advantages of organic growth or inorganic growth for your company? E.g.

3a. (Organic) In what ways has organic growth contributed to stability, continuity or the gradual development of capabilities within your organisation?

3b. (Organic) What risks or limitations did you encounter with organic growth? For example, in terms of speed, resource constraints or innovation capacity?

3c. (Inorganic) In what ways have (inorganic growth) alliances or acquisitions helped you to access new capabilities, reduce uncertainty and accelerate strategic development?

3d. (Inorganic) What were the main challenges relating to coordination after inorganic growth and how did these affect operations?

4. How did your chosen growth method influence innovation speed and your organisation's ability to develop new features or technologies?

What were the biggest challenges, and how did they impact innovation speed and the ability to develop new features?

5. What impact did the growth method have on product quality or overall product reliability?

Which factors had a positive or negative impact on product quality?

6. How did the chosen growth method affect your organisational culture and collaboration between teams?

7. Looking back, which strategic decisions would you make differently regarding organic vs. inorganic growth to better preserve innovation and long-term strategic development?

Appendix 2: Category System with Subcategories

| Category | Label | Category Definition | Anchor Example |
|----------|---|---|---|
| MC0 | Special Characteristics of EdTech | All statements that addresses specific characteristics of the EdTech sector. | “A lot of it is controlled by larger decision-makers such as the federal government, the federal states, perhaps the municipalities.” (B2; 11:58) |
| MC1 | Reasons for Organic Growth | | |
| SC1.1 | Sustainability and Stability | All statements that see organic growth as sustainable or predictable. | “Organic growth is extremely sustainable (...)” (B3; 7:14) |
| SC1.2 | Quality and Product Excellence | All statements that link organic growth to product quality or excellence. | “Organic growth has led to higher-quality growth and a higher-quality product.” (B2; 25:26) |
| SC1.3 | Customer Orientation | All statements that link organic growth to customer orientation. | “(…) organic growth, because we evaluated a lot, we talked to teachers, we talked to pupils, we talked to parents, and step by step we added the function that was necessary.” (B2; 9:50) |
| SC1.4 | Building Internal Capabilities and Know How | All statements that describe organic growth as building internal capabilities, know how, or learning. | “(…) Whenever you do something for the first time and others haven't done it yet, I think you have no choice but to do it yourself.” (B5; 5:45) |
| SC1.5 | Control, Governance, Manageability | All statements that describe organic growth as enabling control, governance, or manageability. | “(…) organically, when you focus on organic growth, you have 100% control. So you can decide how you grow and you can control it directly.” (B4; 10:26) |
| SC1.6 | User Growth and Organic Acquisition | All statements that describe user growth through organic acquisition channels. | “But the courses themselves have only grown organically through networking and recommendations (...)” (B3; 2:43) |
| SC1.7 | Institutional Access and Distribution | All statements that address institutional access or distribution channels in organic growth. | “(…) need to establish new distribution channels, in our case state licenses. The Ministry of Education. Sign up for flat rates with us so that all schools can use it.” (B5; 11:36) |
| SC1.8 | Monetisation and Revenue Logic | All statements that link organic growth to monetisation or revenue logic. | “And then try to monetise the app through this user base that we generate by providing a free premium app.” (B3; 3:37) |
| SC1.9 | Culture, Alignment, Brand Trust | All statements that address culture or trust in | “(…) we enjoyed and continue to enjoy a great deal of trust.” (B5; 19:53) |

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| | | the context of organic growth. | |
| MC2 | Reasons for Inorganic Growth | | |
| SC2.1 | Speed and Scaling Acceleration | All statements that describe inorganic growth as increasing speed or scaling. | “(…) inorganic growth naturally brings speed, and speed can always occur in various dimensions.” (B7; B 0:44) |
| SC2.2 | Market Expansion and Geographic Entry | All statements that describe inorganic growth as enabling market expansion or geographic entry. | “One cornerstone is to add an additional country where you are not yet strong, because the EdTech sector is so locally or nationally driven (…)” (B6; 1:25) |
| SC2.3 | Product and Portfolio Expansion | All statements that describe inorganic growth as expanding the product or portfolio. | “(…) the strategy here is also very much an expansion of the product portfolio, yes, in order to be able to offer a very complete product suite (…)” (B6; 1:25) |
| SC2.4 | Access to Customer Base and Distribution | All statements that describe inorganic growth as gaining access to customers or distribution. | “Actually, we also bought you, just for your customers.” (B1; 19:06) |
| SC2.5 | Capability, Talent, Resources and Knowledge Acquisition | All statements that describe inorganic growth as acquiring capabilities, talent, resources or knowledge. | “So, the main resource was employees (…)” (B1; 6:10) |
| SC2.6 | Synergies and Integrated Platform Logic | All statements that describe inorganic growth as creating synergies or integrated platform logic. | “Customers usually want an integrated solution, meaning that just because we have now purchased three complementary products, customers don't want to have three logins and three platforms (…)” (B7; B 5:05) |
| SC2.7 | Competitive Dynamics | All statements that describe inorganic growth as driven by competitive dynamics or consolidation. | “(…) is simply to weaken the competition in another country” (B6; 1:25) |
| SC2.8 | Strategic Positioning | All statements that describe inorganic growth as strategic positioning. | “Today, we call this hybrid (online & offline), meaning that interested parties come to us and we can serve both.” (B7; A 6:00) |
| SC2.9 | Financial Outcomes and Revenue growth | All statements that link inorganic growth to revenue growth or financial outcomes. | “Turnover. That's it. We have only grown inorganically in the last three years. Through the new companies we have acquired.” (B1; 8:05) |
| SC2.10 | Credibility and Reputation | All statements that link inorganic growth to credibility or reputation. | “(…) we work with top sports institutions or athletes, it has a direct impact (…)” (B4; 1:16) |

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| MC3 | Challenges of Organic Growth | | |
| SC3.1 | Limited Speed | All statements that describe limited speed as a challenge of organic growth. | “Of course, competitive disadvantage, speed. How quickly will the competition catch up with me?” (B2; 17:41) |
| SC3.2 | Capital Restrictions | All statements that describe capital restrictions as a challenge of organic growth. | “So, in the market we are in, the education market, the limitation is that the typical SAS investment volume is required, but the market reacts much, much more slowly. So it took us 12 years to break even.” (B5; 7:15) |
| SC3.3 | Resource and Capacity Constraints | All statements that describe resource or capacity constraints as a challenge of organic growth. | “The quality itself is the availability of resources, i.e., enthusiastic people with a high level of expertise and money to pay them.” (B5; 15:37) |
| SC3.4 | Go-to-Market Complexity | All statements that describe go to market complexity as a challenge of organic growth. | “(…) it's extremely difficult to reach users (…)” (B3; 6:17) |
| SC3.5 | Product and Technology Limitations | All statements that describe product or technology limitations as a challenge of organic growth. | “Constructing probability trees, having these interaction tools, then being able to validate student input and then being able to give didactically meaningful feedback. This is technically very complex and also very time-consuming” (B5; 11:36) |
| SC3.6 | Feature and Product Prioritisation | All statements that describe prioritisation challenges in organic growth. | “Are we doing things in the right order of priority, or are we taking on too much?” (B5; 16:38) |
| SC3.7 | Regulatory | All statements that describe regulatory constraints as a challenge of organic growth. | “It is also highly complex to enable use in compliance with data protection regulations, and the final complexity is the rollout.” (B5; 11:36) |
| MC4 | Challenges of Inorganic Growth | | |
| SC4.1 | Culture | All statements that describe culture as a challenge in inorganic growth. | “(…) you don't want to roll over and say, adapt our culture completely, you might lose some of the magic that made this company successful in the first place.” (B7; B 14:28) |
| SC4.2 | Reliability and product quality | All statements that describe reliability or product quality risks in inorganic growth. | “(…) that with an acquisition, the happiness and quality of product development initially declines.” (B2; 30:36) |

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| SC4.3 | Integration | All statements that describe PMI, integration, or post merger execution challenges. | “(…) the biggest challenge is PMI, post-merger integration.” (B1; 11:22) |
| SC4.4 | Financial Risks and Valuation Uncertainty | All statements that describe financial risks or valuation uncertainty in inorganic growth. | “(…) we probably paid much more than we could have paid because there are two or three other players who want to grow inorganically in the same way.” (B1; 11:22) |
| SC4.5 | Personnel Risks | All statements that describe personnel risks in inorganic growth. | “All the acquisitions then led to redundancies at some point. long since led to layoffs, because you had a lot of developers from their side, now a lot of developers from the other side, and then people had to be laid off. That hurt the company a bit, especially the Um. Yes, the motivation of the employees.” (B1; 9:38) |
| SC4.6 | Complexity and Coordination Costs | All statements that describe complexity or coordination costs in inorganic growth. | “(…) problem with the strategy is that if you have 3-4 players in the market pursuing this strategy, you just have to step on the gas. Because otherwise they'll just buy up the other companies and buy up their market share accordingly and grow, grow, grow and squeeze you out.” (B1; 24:50) |
| SC4.7 | Legal and Regulatory | All statements that describe legal or regulatory constraints in inorganic growth. | “(…) there are certain boundaries between the public sector and the private sector (….) you can't just market to users of a tool that is integrated into the public sector. It's just not possible.” (B7; B 5:05) |
| MC5 | Innovation Capability | | |
| SC5.1 | Innovation Creation (Organic) | All statements that describe innovation creation through organic growth. | “(…) organic growth leads to higher-quality innovations” (B2; 26:53) |
| SC5.2 | Innovation Acquisition (Inorganic M&A) | All statements that describe innovation acquisition through M&A. | “The speed of innovation was (….) high in the sense that we acquired new features that we didn't have before.” (B1; 14:16) |
| SC5.3 | Innovation Collaboration (Alliance) | All statements that describe innovation collaboration through alliances. | “We will be able to integrate technical solutions (….) much more strongly in alliances in the future.” (B5; 7:15) |
| SC5.4 | Innovation Friction (Trade-offs) | All statements that describe innovation | “By buying that company (….) you have to focus on integrating it (….) |

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| | | friction or trade offs linked to growth methods. | and you can't focus on building new features." (B1; 17:43) |
| MC6 | Strategic Evolution / Long-Term Strategy | | |
| SC6.1 | Phase Logic and Sequencing | All statements that describe phase logic or sequencing of growth methods. | "Step by step, buyer, product, growth, first organically and then, in the growth stage, perhaps targeted collaborations." (B2; 31:15) |
| SC6.2 | Portfolio / Platform Strategy and Positioning | All statements that describe portfolio, platform strategy, or positioning. | "(...) a very clear M&A strategy is being pursued (...) an expansion of the product portfolio (...) to offer a very complete product suite." (B6; 1:25) |
| SC6.3 | Strategic Realignment and Lessons Learned | All statements that describe strategic realignment or lessons learned over time. | "(...) before I do M. and A., I have to be ready to scale as a company (...) that's certainly one of the lessons learned." (B6; 17:55) |

Appendix 3: Coding

| Category | Description | Text Passage |
|----------|-----------------------------------|--|
| MC0 | Special characteristics of EdTech | <p>“A lot of it is controlled by larger decision-makers such as the federal government, the federal states, perhaps the municipalities.” (B2, 11:58)</p> <p>“It's common knowledge in the edtech scene that it's extremely difficult to reach users (...)” (B3; 6:01)</p> <p>“Users have very specific ideas, especially in the ED Tech sector, about how the product should work.” (B3; 8:38)</p> <p>“(...) think about the legal framework around it, so that it really complies with all the authorities and meets all the requirements, which are different in each individual federal state.” (B3; 22:06)</p> <p>“(...) from a strategic point of view, we simply don't have the opportunity to take over other providers. or buy them in order to grow faster, because our offering is already very unique. The alternative for growth is through these partnerships, through strategic partnerships (...)” (B4; 5:38)</p> <p>“(...) The biggest influence on market acceptance is the problem of declining performance in the school system, and the biggest influence on(...)” (B5; 15:37)</p> <p>“This is an iterative, customer-centered development, such a product. And not only with teachers, but also with the Ministry of Education and science. So this. Exchange with stakeholders is important.” (B5; 15:37)</p> <p>“(...) the market is very fragmented with a large number of local and national solutions.” (B6; 1:25)</p> <p>“(...) What doesn't exist is what I would call a pan-European player that covers more than just school administration or school communication” (B6; 1:25)</p> <p>“(...) in our industry, we have the situation where customer stickiness is very, very high. That means the journey is very low because, of course, the mental switching costs are very high.” (B6; 10:18)</p> <p>“We come from online tutoring. Of course, that was a great business during Covid. (...) What do you actually want? More than two-thirds still say offline, i.e. physical tutoring.” (B7: A 6:00)</p> <p>“(...) you build things that are supposed to educate, that are supposed to educate individuals or groups or whatever. But in the field of education, these individuals or groups are often not the ones who ultimately pay for it (...)” (B2; 21:10)</p> <p>“(...) that is the cultural asset every company needs. (...) absolute critical competitive factor when we talk about the EdTex context.” (B8; 05:36)</p> <p>“(...) technology and learning requirements are naturally changing at maximum speed” (B8; 07:17)</p> |
| MC1 | Reasons for Organic Growth | |
| SC 1.1 | Sustainability and stability | <p>“(...) organic was very important because we developed something new that wasn't really on the market yet, (...) But when you launch</p> |

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| | | <p>a new product that not many people know about yet, organic slow growth is very important (...)" (B2; 15:04)</p> <p>"And more sustainable." (B2; 18:27)</p> <p>"Yeah. Organic. Definitely, because It was a healthy pace." (B2; 24:48)</p> <p>"(...) the whole thing grew organically. Every year, without any advertising measures, new people came and that kept it alive." (B3; 0:43)</p> <p>"(...) company was that the strategy was very, very long term." (B3; 3:37)</p> <p>"Organic growth is extremely sustainable (...)" (B3; 7:14)</p> <p>"(...) very, very similar number of downloads per day (...)" (B3; 15:24)</p> <p>"But if you're in moderate growth and you have a well-established product team, the organic side is, of course, quite simple, I would say, because there's more predictability involved." (B6; 17:55)</p> <p>"(...) you learn this more naturally and sustainably when you do something yourself." (B7; B 0:44)</p> <p>"(...) naturally try to expand the business with little external capital, so we look at how we can expand the business efficiently with the given capacities." (B4; 4:14)</p> <p>"It may be that organic growth is fundamentally slower (...) it is definitely more sustainable." (B8; 04:07)</p> <p>"organic growth as a capability-building logic is slower, but for us more sustainable and currently profitable." (B8; 07:01)</p> <p>"(...) organic growth supports control and cultural coherence and stabilises quality across teams and projects." (B8; 09:50)</p> <p>"organic growth definitely supports long-term stability and capabilities within the company." (B8; 20:13)</p> <p>"Organic growth is stable, right (...) it supports readiness and execution." (B8; 19:33)</p> |
| SC 1.2 | Quality and product excellence | <p>"(...) organic and inorganic growth have two different goals. Organic growth often aims to create and establish a high-quality product or company (...) for example through huge investments and M&As. are there to achieve and promote economic efficiency." (B2; 25:49)</p> <p>"(...) you have to actually have to monitor the market very closely to see how it reacts and whether the product I'm building is the right one. That means I believe that when launching a truly new product, organic growth is very good and it's much better to work with this market response." (B2; 15:04)</p> <p>"Can you make this innovation much more targeted and precise." (B2; 20:13)</p> <p>"Users have very specific ideas, especially in the ED Tech sector, about how the product should work." (B3; 8:38)</p> <p>"I know I have a good product if it can be marketed organically," (B3; 25:40)</p> <p>"(...) we constantly iterate and optimize." (B4; 12:10)</p> <p>"(...) adjusted and changed immediately, based on the feedback and the data we collect and have on our platform." (B4; 12:10)</p> |

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| | | <p>“And as a result, I think we've developed a better product in a very targeted way, a better training product, as I said at the beginning.” (B4; 12:10)</p> <p>“(…) we were actually lucky that they didn't do it for us. Because if you look at Klett with Studily or Cornelsen with Diagnose und Fördern. The smaller players have not achieved comparable distribution with their digital products as we have organically. (…), that's just the role of the pioneer, once distribution channels are established, once the topic of adaptive educational media has been scientifically established” (B5; 13:58)</p> <p>“You usually already have a mature market with a mature product,” (B6; 17:55)</p> <p>“Organic growth has led to higher-quality growth and a higher-quality product.” (B2; 25:26)</p> <p>“(…) the product quality, yes, the individual training is of a higher quality than it is now” (B4; 16:41)</p> <p>“(…) very high success rate, because (…) an expert in the field.” (B4; 4:14)</p> <p>“(…) Innovation is only innovation if it reaches the market, if it is taken up by the market. You can invent a lot, but if no one uses it, then the innovation is of no use to you. That's why innovation with organic growth is more qualitative.” (B2; 17:49)</p> <p>“(…) we received significantly more user feedback from organic users, I would say that the product has improved as a result of this organic growth, more than it would have improved through non-organic growth (…)” (B3; 19:32)</p> <p>“(…) huge difference in usability, in usability that we, as EdTech founders, don't know about, but that only the students themselves notice.” (B3; 19:32)</p> <p>“(…) product quality has steadily improved, and reliability is of course an issue.” (B4; 15:34)</p> <p>“(…) Yes, exactly, so we can at least maintain the quality that is relevant in a training program.” (B4; 5:38)</p> <p>“organic growth leads to higher product quality” (B8; 03:34)</p> <p>“organic growth (…) leads to higher product quality through more consistent standards and stable processes.” (B8; 12:38)</p> <p>“this naturally stabilises the quality of our collaboration, but also ensures our excellence in delivery.” (B8; 15:21)</p> |
| SC 1.3 | Customer orientation and product market fit | <p>“(…) organic slow growth is very important because you have to actually have to monitor the market very closely to see how it reacts and whether the product (…)” (B2; 15:04)</p> <p>“(…) organic growth, because we evaluated a lot, we talked to teachers, we talked to pupils, we talked to parents, and step by step we added the function that was necessary.” (B2; 9:50)</p> <p>“(…) through this strong collaboration and evaluation through active use of the app. Can you make this innovation much more targeted and precise? Because they are validated in real time, so to speak. You see how the app works, how people work in the app, and you talk to them and get real-time feedback (…) And then you go in there and create the innovation.” (B2; 20:13)</p> |

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| | | <p>“(…) it really addresses their problem (….) user will ultimately stay on the platform much longer (….)” (B3; 7:14)</p> <p>“(…) users who came to us organically via the website, their own research and recommendations are much, much more proactive in contacting us with feature requests and feedback.” (B3; 15:24)</p> <p>“(…) organically growing users are more understanding of the platform.” (B3; 17:06)</p> <p>“(…) adjusted and changed immediately, based on the feedback and the data we collect and have on our platform. And as a result, I think we've developed a better product in a very targeted way, a better training product (….)” (B4; 12:10)</p> <p>“Tuning and optimizing educational offerings for customers and doing so very quickly with direct feedback. Yes, and that's a big advantage.” (B4; 12:10)</p> <p>“This is an iterative, customer-centered development (….)” (B5; 15:37)</p> <p>“(…) Exchange with stakeholders is important.” (B5; 15:37)</p> <p>“(…) naturally further deepened our long-term customer relationships.” (B8; 01:48)</p> <p>“(…) we can naturally set up the whole thing better through direct feedback loops.” (B8; 03:34)</p> <p>“We can iteratively validate and continuously improve accordingly.” (B8; 11:02)</p> <p>“This refinement of the solution also enables us to provide fast, targeted, customer-specific access.” (B8; 11:02)</p> |
| SC 1.4 | Building internal capabilities and know how | <p>“(…) Whenever you do something for the first time and others haven't done it yet, I think you have no choice but to do it yourself.” (B5; 5:45)</p> <p>“(…) we actually built everything organically using the Lean Startup module.” (B2; 13:53)</p> <p>“(…) the features (….) were so complex from a technological standpoint that they could only be made available after entering the market.” (B3; 3:37)</p> <p>“(…) we developed the features in-house (….)” (B3; 8:38)</p> <p>“(…) four key areas. One is cloud operation, which is not required in our environment, Souverän Cloud, but is advantageous. The second is software development itself, i.e., the platform and functionality. The third is the development of mathematical content, where we also have math educators and collaborations with universities, and the fourth is sales and support, i.e., the customer interface. (….) We have grown organically in all areas (….)” (B5; 4:11)</p> <p>“(…) we have considerable advantages in terms of know-how and experience, whether in data protection-compliant use, rollout, or distribution.” (B5; 6:34)</p> <p>“The thing about organic growth is that (….) over time, you naturally understand the business better and, because you talked about skills earlier, you understand what skills you need and can also make informed decisions about the business, regardless of</p> |

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| | | <p>whether it's an international market where a different offering might work better.” (B7; 0:44)</p> <p>“(…) one of our conscious decisions right now is to continue to strengthen our offline segment. We are currently opening new locations at a relatively rapid pace, especially in Italy and Spain. And that requires specific skills.” (B7; 10:13)</p> <p>“Accordingly, the question is, of course, do we have We have internal developers who are very well versed in the whole world of AI, where things change every day.” (B7; 10:13)</p> <p>“(…) where you then consciously ask yourself the first question: do we have these skills internally? Or do we need them?” (B7; 10:13)</p> <p>“It had an extremely positive impact on our company that we developed the features in-house, because if we had used product components from external developers, development partners or external service providers, we would not have been able to adapt them perfectly to the needs of our user base.” (B3; 8:38)</p> <p>“And so we had to cover all four of the aforementioned value creation levels ourselves.” (B5; 5:59)</p> <p>“(…) we have considerable advantages in terms of know-how and experience, whether in data protection-compliant use, rollout, or distribution. So, in terms of support and the development of adaptive educational media, wherever we have done this ourselves, we are further ahead than other competitors.” (B5; 6:34)</p> <p>“(…) wherever we have done this ourselves, we are further ahead than other competitors.” (B5; 6:34)</p> <p>“(…) we have expanded (…) our AI programmes, our learning architectures and our enablement frameworks.” (B8; 0:49)</p> <p>“We often develop skills internally through our experts, who then become part of our cultural and methodological DNA.” (B8; 04:31)</p> <p>“Organic growth also helps to retain future-relevant skills internally.” (B8; 07:17)</p> |
| SC 1.5 | Control, governance, manageability | <p>“(…) you can customise it yourself and have an in-house development team.” (B3; 8:38)</p> <p>“(…) organically, when you focus on organic growth, you have 100% control. So you can decide how you grow and you can control it directly.” (B4; 10:26)</p> <p>“(…) what problems does the market have, where are the budgets and distribution channels (…)” (B5; 1:31)</p> <p>“That means you can still coordinate your teams quite well and set the direction quite well.” (B6; 17:55)</p> <p>“Yes, and you also have good control over your product reliability.” (B6; 17:55)</p> <p>“With alliances, the problem is always that, organically, when you focus on organic growth, you have 100% control. So you can decide how you grow and you can control it directly.” (B4; 10:26)</p> <p>“(…) Whenever you do something for the first time and others haven't done it yet, I think you have no choice but to do it yourself.” (B5; 5:45)</p> <p>“(…) you know 100% what your product can and should do.” (B3; 17:06)</p> |

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| | | <p>“(…) organically, when you focus on organic growth, you have 100% control.” (B4; 10:26)</p> <p>“(…) organic growth supports control and cultural coherence” (B8; 09:50)</p> <p>“We build where it makes sense organically, where cultural and methodological control is crucial.” (B8; 06:07)</p> <p>“(…) we draw a fairly clear line between what is built up organically and what we supplement through alliances.” (B8; 04:31)</p> |
| SC 1.6 | User growth | <p>“(…) through these App Store ads, we gained more and more individual users, thereby increasing our user base and customer base, so to speak.” (B2; 9:50)</p> <p>“(…) we didn't just try to grow the resulting company organically, we also tried out different channels with the resources we had available, and the organic approach was the most promising.” (B3; 2:25)</p> <p>“But the courses themselves have only grown organically through networking and recommendations (…)” (B3; 2:43)</p> <p>“(…) the whole strategy was designed to say that we would grow organically through recommendations as a premium note-taking app, with students telling each other that they had found a super useful app (…)” (B3; 3:37)</p> <p>“(…) focused on winning over the pupils and convincing the parents, rather than winning over the schools (…)” (B3; 11:21)</p> <p>“Awareness through, let's say, social media campaigns and ads in certain areas, which then attracts webinar participants.” (B4; 8:43)</p> <p>“(…) and from those who then participate, we really gain the course participants. That's kind of our Organic acquisition funnel that we have now developed, yes.” (B4; 8:43)</p> <p>“First, we need to generate awareness in the market. Here comes a solution that really improves teaching and learning.” (B5; 11:36)</p> |
| SC 1.7 | Institutional access and distribution | <p>“(…) A lot of it is controlled by larger decision-makers (…). Hey, look at what we have here, and then they evaluate it and talk to their schools. So, that's clearer. Then it's clearer. That would be organic.” (B2; 11:58)</p> <p>“(…) it makes sense to approach the umbrella organisations (…)” (B2; 11:58)</p> <p>“(…) need to establish new distribution channels, in our case state licenses. The Ministry of Education. Sign up for flat rates with us so that all schools can use it.” (B5; 11:36)</p> <p>“(…) these state licenses are so important as a sales concept (…)” (B5; 11:36)</p> |
| SC 1.8 | Monetisation and revenue logic | <p>“(…) and then try to monetise the app through this user base that we generate by providing a free premium app.” (B3; 3:37)</p> <p>“(…) take out a subscription privately as they wish.” (B3; 12:32)</p> <p>“(…) acquire users for our actual monetisation strategies.” (B3; 9:53)</p> <p>“(…) try to monetise the app through this user base (… the features we wanted to monetise were so complex from a technological</p> |

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| | | <p>standpoint that they could only be made available after entering the market.” (B3; 3:37)</p> <p>“As a commercial enterprise, our motive is to make a profit and increase company valuations.” (B5; 3:30)</p> <p>“(…) naturally try to expand the business with little external capital, so we look at how we can expand the business efficiently with the given capacities.” (B4; 4:14)</p> <p>“(…) organic growth as a capability-building logic is slower, but for us more sustainable and currently profitable.” (B8; 07:01)</p> |
| SC 1.9 | Culture, alignment, brand trust | <p>“(…) corporate culture wasn't significantly affected (…)” (B3; 24:24)</p> <p>“(…) So there is. There's less departmental jealousy. It's more a question of: Are we doing things in the right order of priority, or are we taking on too much?” (B5; 16:38)</p> <p>“(…) it is very hands-on, driven by impact orientation.” (B5; 16:38)</p> <p>“(…) the app available free of charge and no app is error-free, there were very few complaints about errors. It was actually always communicated with us in a very friendly and grateful manner. (…)</p> <p>to grow organically through the simplicity of the product, meaning that you know 100% what your product can and should do. And organically growing users are more understanding of the platform. (B3; 17:06)</p> <p>“I prefer organic users, of course.” (B3; 15:24)</p> <p>“When we work with top sports institutions or athletes, it has a direct impact (…)” (B4; 1:16)</p> <p>“(…) it will be easier for others if there is a platform available, such as Bettermarks, into which solutions can be integrated. So for EdTech companies and publishers coming after us, the issue is alliances and collaborations.” (B5; 7:15)</p> <p>“(…) we enjoyed and continue to enjoy a great deal of trust.” (B5; 19:53)</p> <p>“we want cultural coherence.” (B8; 02:45)</p> <p>“(…) the biggest advantage is cultural coherence, which has a direct impact on consulting quality.” (B8; 07:17)</p> <p>“customers placing even more trust in us.” (B8; 0:49)</p> <p>“organic growth has strengthened our culture, which is central to our way of working” (B8; 14:45)</p> <p>“We use the metaphor of a crew. Yes, just like on a boat, like on a speedboat, you need clear responsibilities, clear rules, but also a high degree of personal responsibility and corresponding cooperation in terms of quality.” (B8; 15:21)</p> <p>“(…) internal culture, or a strong internal culture, improves execution. We have less friction, so to speak, compared to more complex or inorganic setups.” (B8; 16:04)</p> |
| MC 2 | Reasons for Inorganic Growth | |
| SC 2.1 | Speed and scaling acceleration | <p>“(…) we also have the goal of acquiring one or two companies every year.” (B1; 11:22)</p> <p>“It accelerates the speed of innovation “(B1; 17:43)</p> <p>“(…) but the speed of innovation was high in the sense that we acquired new features that we didn't have before.” (B1; 14:16)</p> |

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| | | <p>“(…) are smart ways to increase customer numbers quickly and easily.” (B2; 16:17)</p> <p>“(…) let's launch a start-up that isn't necessarily building a super new innovation, but is a new company that wants to grow quickly, then I think it's also important to use smart acquisitions (…)” (B2; 15:04)</p> <p>“That was the goal: can you acquire users quickly and then get speed into the scaling.” (B3; 25:11)</p> <p>“(…) faster market entry. (...), that means speed is really important here.” (B6; 6:30)</p> <p>“(…) but by the time I've built it myself, so much time has passed and I've simply lost out to the legacy players. That means speed is really important here.” (B6; 6:30)</p> <p>“I try to continue to incorporate them or their growth into my group.” (B6; 1:25)</p> <p>“(…) we were confident enough in our core business that we could do it relatively quickly (...)” (B7; A 6:00)</p> <p>“(…) inorganic growth naturally brings speed, and speed can always occur in various dimensions.” (B7; B 0:44)</p> <p>“In our world, the advantage of inorganic growth was to quickly enter other complementary business areas, (...) which ultimately led to speed and expertise in complementary fields. (B7; B 0:44)</p> <p>“Alliances can increase speed and market access.” (B8; 09:50)</p> <p>“The alliances naturally give us the necessary reach to increase the pace if necessary” (B8; 04:07)</p> <p>“innovation is all about speed.” (B8; 11:46)</p> |
| SC 2.2 | Market expansion and geographic entry | <p>“(…) to take over market share, so to speak.” (B1; 3:35)</p> <p>“If you then look at (company 2), which was also market entry, because we weren't in Spain (...)” (B1; 3:35)</p> <p>“(…) faster market entry. (...), that means speed is really important here.” (B6; 6:30)</p> <p>“(…) that wasn't product extension, that was simply market expansion.” (B1; 19:06)</p> <p>“To quickly gain market penetration and quickly become a significant player in the market that people know, which then organically gains more and more customers.” (B2; 16:17)</p> <p>“(…) can you acquire users quickly and then get speed into the scaling. Meaning you gain market share. Or can you open up channels, because you can gain market share in different ways.” (B3; 25:40)</p> <p>“a new market is being tapped into, clearly in Switzerland on the one hand, but also with the topic of school administration.” (B6; 4:10)</p> <p>“One cornerstone is to add an additional country where you are not yet strong, because the EdTech sector is so locally or nationally driven (...)” (B6; 1:25)</p> <p>“(…) add an additional country where you are not yet strong” (B6; 1:25)</p> <p>“(…) that's what's exciting when you gain new countries, because you also gain new cultural approaches.” (B6; 4:10)</p> |

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| | | <p>“(…) conscious decisions right now is to continue to strengthen our offline segment. We are currently opening new locations at a relatively rapid pace, especially in Italy and Spain.” (B7; A 10:13)</p> <p>“If you were to take on an inorganic target, so to speak, which is in the same domain but creates international advantages”. (B7; B 0:44)</p> <p>“More than two-thirds still say offline, i.e. physical tutoring. Accordingly, we said we would expand our foothold to offline. Today, we call this hybrid, meaning that interested parties come to us and we can serve both.” (B7; A 6:00)</p> <p>“(alliance) create access to new markets and user groups.” (B8; 08:50)</p> |
| SC 2.3 | Product and portfolio expansion | <p>“(…) if you look at the first purchase (…) it was market entry and product expansion, because they also offered many features that (…) doesn't offer. “(B1; 3:35)</p> <p>“Partially complementary products or features, (…)” (B1; 3:35)</p> <p>“The first two, for example, with (companies 1-2), because that was more product expansion.” (B1; 19:06)</p> <p>“(…) Together with them, we are developing exclusive products based on training and this bionic cell therapy protocol.” (B4; 5:38)</p> <p>“(…) alliances on a non-economic level in the sense of cooperation with science and education ministries, either to make the product effective or to roll out the product in the school system. make the product effective or to roll out the product in the school system.” (B5; 2:56)</p> <p>“(…) the strategy here is also very much an expansion of the product portfolio, yes, in order to be able to offer a very complete product suite (…)” (B6; 1:25)</p> <p>“(…) through various acquisitions, it expanded its product portfolio with additional areas. Well, be it through school administration.” (B6; 1:25)</p> <p>“(…) we naturally want to buy players who can add something to our product portfolio.” (B6; 1:25)</p> <p>“(…) the different product focus, (…) when not two teams are working on the same topic, for example school communication (…)” (B6; 4:10)</p> <p>“(…) created a completely different product. Yes, they make a very comprehensive administrative suite (…)” (B6; 4:10)</p> <p>“We bought complementary business because (…) we were confident enough in our core business (…)” (B7; A 6:00)</p> <p>“(…) with the permission of our users, we transcribe our tutoring sessions and send them to our intelligent question bank, which we purchased with Seneca” (B7; A 6:00)</p> <p>“(…) we transcribe our tutoring sessions and send them to our intelligent question bank (…)” (B7; A 6:00)</p> <p>“Do we simply need it now, or are we better positioned if we can offer both?” (B7; B 3:58)</p> <p>“(…) it has definitely improved product quality significantly. Because, ultimately, acquisitions also have certain core</p> |

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| | | <p>competencies. A prime example for us is our virtual classroom.” (B7; B 10:38)</p> <p>“Why do you buy a company and there is a certain amount of aggression, which you do explicitly and consciously, even if you want to improve product quality. (B7; 10:38)</p> |
| SC 2.4 | Access to customer base and distribution | <p>“(…) the alliances then more strategically oriented, in that we create content with content creators or other academies, which we then make available?</p> <p>This draws attention to us and allows us to acquire a larger target group.” (B4; 23:32)</p> <p>“Actually, we also bought you, just for your customers.” (B1; 19:06)</p> <p>“You still have these customers from (Company 3), Austrian clients such as the City of Vienna (…)” (B1; 15:19)</p> <p>“And of course, when you buy an institute, you have your 50 students or 30 students or whatever in it at once…” (B2; 16:17)</p> <p>“We get more doctors from (…) customer portfolio. For our academy (…)” (B4; 5:38)</p> <p>“(…) when it comes to how I can get more attention for the platform, we also work with other online academy providers who have a huge following of people (…)” (B4; 18:41)</p> <p>“(…) through this alliance, we were able to think things through a little more broadly and also figure out, OK, how can we position such an offering (…)” (B4; 18:41)</p> <p>“(…) when you have these communities through the alliances, you can then place certain offers.” (B4; 18:41)</p> <p>“(…) the original administration product can then also be offered to a German school or German school chain at some point.” (B6; 4:10)</p> <p>“(…) the acquisition (…) Group is huge, has huge traffic, so to speak. (…) We're talking about hundreds of thousands of visitors to the platform who are looking for tutoring. (…) that means it's a more targeted and cheaper acquisition channel for us, instead of reaching our limits at some point in performance marketing (B7; A 6:00)</p> <p>“The offline business marketplace for the purpose of lead acquisition (…)” (B7; B 0:44)</p> <p>“(…) about a fourth acquisition (…) absolutely fantastic product, is ultimately a communication tool/bulletin board for teachers and parents. (…) this communication tool would bring us closer to schools and parents. (B7; 5:05)</p> <p>“(…) that means it's a more targeted and cheaper acquisition channel for us, instead of reaching our limits at some point in performance marketing(…)” (B7; A 6:00)</p> <p>“(alliance) create access to new markets and user groups.” (B8; 08:50)</p> |
| SC 2.5 | Capability, talent, resources, and | <p>“(…) they also offered many features that (Company 1) doesn't offer.” (B1; 3:35)</p> <p>“So, the main resource was employees (…)” (B1; 6:10)</p> <p>“(…) mainly resources, skills, more employees.” (B1; 6:10)</p> |

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| knowledge acquisition | <p>“(…) main resource was employees (….) That's why it's mainly resources, skills, more employees. And, of course, new features.” (B1; 6:10)</p> <p>“(…) you buy a company that offers you the messenger function.” (B1; 17:43)</p> <p>“(…) this allows us to find out what this niche target group, who are not doctors, is currently concerned with.” (B4; 18:41)</p> <p>“(…) that we will be able to integrate technical solutions, such as handwriting recognition of student handwriting, (….) Student language or integrating a chemistry lab into a virtual environment we will be able to contribute and utilize such things much more strongly in alliances in the future.” (B5; B 7:15)</p> <p>“I am a firm believer that through different skills, not just hard skills and soft skills, you can make your teams even more effective.” (B6; 4:10)</p> <p>“(…) very exciting to bring in the different skills, in parallel (….)” (B6; 4:10)</p> <p>“(…) different product focus, because it's incredibly exciting when not two teams are working on the same topic, for example school communication, (…). Yes, (Company) has, of course, created a completely different product. (….) they make a very comprehensive administrative suite, (….) very exciting from an A. technical point of view.” (B6; 4:10)</p> <p>“(…) i.e. what programming skills are being brought to bear here.” (B6; 4:10)</p> <p>“(…) we can bring in the experience from these acquisitions: what mistakes did they make? We helped to correct these mistakes in the further iteration of the product.” (B6; 7:42)</p> <p>“It is certainly a very big advantage to take these uncertainties into account.” (B6; 7:42)</p> <p>“(…) from a leadership perspective, it's very, very exciting. You can build your teams to be even more diverse.” (B6; 4:10)</p> <p>“(…) the combination of these soft skills and the expansion of the leadership team, which I think is incredibly interesting.” (B6; 7:42)</p> <p>“the valuable experience and leadership were also continued to be used as an essential lever in the further development of the group of companies (….)” (B6; 7:42)</p> <p>“(…) our intelligent question bank, which we purchased with (Company) (….)” (B7; A 6:00)</p> <p>“(…) which ultimately led to speed and expertise in complementary fields.” (B7; B 0:44)</p> <p>“(…) we use partnerships where specialisation and technological breadth are required.” (B8; 04:31)</p> <p>“(…) alliances have complemented our technological expertise (….)” (B8; 06:07)</p> <p>“give us access to expert knowledge, content expertise and content gaps” (B8; 06:07)</p> <p>“this deliberate slowdown in integration definitely supports the technological expertise.” (B8; 06:07)</p> |
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| | | <p>“(…) alliances complement this by simply adding special expertise (…)” (B8; 07:01)</p> <p>“they also reduce uncertainty in phases of technological disruption.” (B8; 08:50)</p> |
| SC 2.6 | Synergies and integrated platform logic | <p>“(…) the goal you can just log in once and then switch over from there.” (B1; 12:26)</p> <p>“There's PowerPoint, everything, and then Office, for example, on 365, that's the goal, you can just log in once and then switch over from there.” (B1; 12:26)</p> <p>“(…) work on different products in order to ultimately achieve the big goal of bringing all these products under one roof and offering them to customers.” (B6; 4:10)</p> <p>“(…) And so it complements each other.” (B4; 5:38)</p> <p>“Of course, in the medium term, one can talk about synergies (…)” (B7; B 0:44)</p> <p>“Customers usually want an integrated solution, meaning that just because we have now purchased three complementary products, customers don't want to have three logins and three platforms (…)” (B7; B 5:05)</p> |
| SC 2.7 | Competitive dynamics | <p>“(…) otherwise, the market is already saturated with ours.” (B1; 9:15)</p> <p>“There's a huge ongoing consolidation in the market, and I feel like history repeats itself. (…) big companies like that get funded, and they just throw all that money into buying up everything, and I believe that you have to jump on the bandwagon in order to not have a disadvantage and be swallowed up. (B2; 28:04)</p> <p>“(…) is simply to weaken the competition in another country” (B6; 1:25)</p> <p>“(…) the strategic component: I take out a competitor.” (B6; 1:25)</p> |
| SC 2.8 | Strategic positioning | <p>“Buying market share in Austria so that we are a market leader, yes, market leader (…)” (B1; 3:35)</p> <p>“(…) we were then the biggest player in Spain.” (B1; 3:35)</p> <p>“(…) we'd rather focus on targets that complement our product and don't offer exactly the same thing.” (B1; 21:44)</p> <p>“(…) it's extremely important to grow cleanly and structure it in the best possible way.” (B4; 23:32)</p> <p>“(…) player that covers more than just school administration or school communication (…)” (B6; 1:25)</p> <p>“(…) offer a very complete product suite” (B6; 1:25)</p> <p>“Today, we call this hybrid (online & offline), meaning that interested parties come to us and we can serve both.” (B7; A 6:00)</p> <p>“Other acquisitions may not be made for product quality reasons, but for commercial reasons or for strategic reasons of internationalisation. (B7; B 10:38)</p> <p>“ (…) we don't want to be a direct ETech product company, but rather act as a strategic amplifier and enabler” (B8; 20:13)</p> <p>“this combination makes strategic sense for us” (B8; 01:48)</p> |
| SC 2.9 | Financial outcomes and | <p>“Turnover. That's it. We have only grown inorganically in the last three years. Through the new companies we have acquired.” (B1; 8:05)</p> |

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| | revenue growth | <p>“(…) Most of the growth in revenue has always been steady. Through the new companies we have acquired.” (B1; 8:05)</p> <p>“So, I would say that for the investors, it was of course positive because, as I said, we ended up multiplying our turnover.” (B1; 9:38)</p> <p>“(…) These are all, let's say, strategic partnerships at the product level and at the training and marketing/sales level.” (B4; 23:32)</p> <p>“(…) the topic of school administration can potentially generate five to ten times the revenue compared to just a school communication solution” (B6; 6:30)</p> <p>“(…) has innovative products that you can make available to your doctors, which of course increases sales and demand there (…)” (B4; 5:38)</p> <p>“(…) every acquisition ultimately has a purpose and, directly or indirectly, they should all contribute to sales criteria (…)” (B7; B 13:40)</p> |
| SC 2.10 | Credibility and reputation | <p>“(…) we work with top sports institutions or athletes, it has a direct impact (…)” (B4; 1:16)</p> <p>“(…) we also work with other online academy providers who have a huge following of people interested in health.” (B4; 18:41)</p> <p>“And we also have an alliance with him, where we. For example, we can position Dr. K. B. as an exclusive expert.” (B4; 18:41)</p> <p>“we work with with three major alliance partners. These are Microsoft (…) Google (…) and (…) OpenAI.” (B8; 01:48)</p> |
| MC 3 | Challenges of Organic Growth | |
| SC 3.1 | Limited speed | <p>“(…) strategy was very, very long term (…)” (B3; 3:37)</p> <p>“(…) little opportunity to scale organic growth (…)” (B3; 24:24)</p> <p>“Of course, competitive disadvantage, speed. How quickly will the competition catch up with me?” (B2; 17:41)</p> <p>“(…) the market reacts much, much more slowly.” (B5; 7:15)</p> <p>“(…) the basic assumption of how quickly you can be successful in the market with a working solution was really wrong (…)” (B5; 17:49)</p> <p>“organic growth is fundamentally slower” (B8; 04:07)</p> <p>“the trade-off, of course, is that organic growth means limited speed.” (B8; 09:50)</p> |
| SC 3.2 | Capital Restrictions | <p>“(…) Buying a product would have simply broken us financially.” (B3; 9:53)</p> <p>“We would have bought an app for a lot of money and then given it away for free to all users, on the assumption that these users would hopefully start buying our premium products.” (B3; 9:53)</p> <p>“(…) try to expand the business with little external capital (…)” (B4; 4:14)</p> <p>“So, in the market we are in, the education market, the limitation is that the typical SAS investment volume is required, but the market reacts much, much more slowly. So, it took us 12 years to break even.” (B5; 7:15)</p> <p>“We invested 40,000,000€ to build such a platform and mathematics content.” (B5; 10:37)</p> |

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| SC 3.3 | Resource and Capacity Constraints | <p>“(….) put a lot of effort into these huge deals, so when they fell through, we had to lay off a lot of employees.)” (B2; 8:00)</p> <p>“(….) but of course they've also received an excessive amount of money to go completely through the roof. (….) Of course, competitive disadvantage, speed. How quickly will the competition catch up with me?” (B2; 17:41)</p> <p>“(….) we simply don't have the opportunity to take over other providers. or buy them in order to grow faster (….)” (B4; 5:38)</p> <p>“We initially tried to enter into partnerships with publishers, where we would only do the software development and they would do the distribution. But they didn't want that because they didn't want to give up part of the value chain. (….) Oh, we don't need that solution, and it won't make it to market without us. And so we had to cover all four of the aforementioned value creation levels ourselves.” (B5; 5:59)</p> <p>“(….) more a question of the availability of capital. Of course, we could have developed products much more broadly and quickly if we had been able to hire more people.” (B5; 9:32)</p> <p>“The quality itself is the availability of resources, i.e., enthusiastic people with a high level of expertise and money to pay them.” (B5; 15:37)</p> |
| SC 3.4 | Go-to-Market Complexity | <p>“(….) both fell through very spontaneously at the very end (….)” (B2; 8:00)</p> <p>“(….) Then the next headmaster comes along and says, Hmm, yes, it's all well and good but (….) Therefore, I'm deciding against you.” (B2; 23:26)</p> <p>“(….) you know how to develop a good product, but then you have to jump on the bandwagon of inorganic growth to avoid being swallowed (….) up by the economically interested companies.” (B2; 28:49)</p> <p>“(….) it's extremely difficult to reach users (….)” (B3; 6:17)</p> <p>“(….) user is not an adult who makes their own purchasing decisions (….)” (B3; 6:17)</p> <p>“We tried to convince schools afterwards, but we had a hard time and it didn't work; not a single school was interested. (….) this actually led to an entire federal state considering introducing the app. And this was then brought to the attention of the IT administration for schools in this federal state, the Saarland” (B3; 12:32)</p> <p>“(….) We realised relatively quickly that no one wanted to work with us. On the one hand, the publishers (….) not technically equipped to work with us on a digital solution. On the other hand, the partners who would have been able to cooperate with us had already been working on their own solutions and were not interested in cannibalising their own business (….)” (B3; 5:04)</p> <p>“(….) process of introducing this software via the state's official IT company was so complex that the state decided that every student could download the app for free onto their own device (….)” (B3; 12:32)</p> |

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| | | <p>It was a shame and annoying, but that's just how it is in EdTech. (B3; 14:57)</p> <p>“(...) the time it takes to establish a new product category in a market controlled by the public sector are staggering.” (B5; 17:49)</p> |
| SC 3.5 | Product and technology limitations | <p>“(...) features we wanted to monetise were so complex” (B3; 3:37)</p> <p>“(...) correspond exactly to the format required at school, Then the product is immediately discarded, and users stop using it.” (B3; 8:38)</p> <p>“The product or even the course content suffers if it's not 100% right from the start.” (B4; 26:16)</p> <p>“This is technically very complex and also very time-consuming from a didactic point of view and therefore requires a lot of resources to build.” (B5; 11:36)</p> <p>“(...) major hurdle is integration into the school system's administrative systems, at least sixteen times over, with some using several such administrative systems.” (B5; 11:36)</p> <p>“It is also highly complex to enable use in compliance with data protection regulations, and the final complexity is the rollout.” (B5; 11:36)</p> <p>“(...) we hesitated because we said that in Germany, where our largest user base is, Internationally, there is so much fear of AI in education that we didn't want to scare people away by being the first users, the first movers, to incorporate an AI feature and then perhaps run the risk of children having uncensored access and possibly running into some kind of AI wall.” (B3; 20:43)</p> <p>“Constructing probability trees, having these interaction tools, then being able to validate student input and then being able to give didactically meaningful feedback. This is technically very complex and also very time-consuming” (B5; 11:36)</p> <p>“(...) scalability is limited somewhere” (B8; 08:28)</p> |
| SC 3.6 | Feature and product prioritisation | <p>“(Evaluating which features are really important to develop so that the product is attractive on the market was very challenging.)” (B2; 21:10)</p> <p>“(...) isolated requests for very special features (...) do not represent much added value for the general public” (B3; 17:06)</p> <p>“Are we doing things in the right order of priority, or are we taking on too much?” (B5; 16:38)</p> <p>“(...) major hurdle is integration into the school system's administrative systems, at least sixteen times over, with some using several such administrative systems. It is also highly complex to enable use in compliance with data protection regulations, and the final complexity is the rollout.” (B5; 11:36)</p> |
| SC 3.7 | Regulatory | <p>“(...) that unfavourable factors have come together, such as the approval of US tools through a new data protection pact with the US between the EU and the US, and because the tools were approved (...)” (B3; 14:18)</p> <p>“(...) No one knows, that's the problem. You can do anything, it's just a question of how conscientiously you do it, because nothing is 100% secure (...)” (B3; 21:42)</p> |

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| | | <p>“(…) but the servers are located abroad and there too we would have the risk that foreign companies could seize servers or data in some form. In my view, the risk is relatively fictitious, because you can encrypt the data that you generate with your users (…)” (B3; 22:06)</p> <p>“It is also highly complex to enable use in compliance with data protection regulations, and the final complexity is the rollout.” (B5; 11:36)</p> <p>“(…) There is acceptance for a new product category in the market. There is a distribution channel, there are budgets through Digital Pact 1 and 2, and the framework conditions are completely different from what we experienced as pioneers.” (B5; 13:58)</p> |
| MC 4 | Challenges of inorganic growth | |
| SC 4.1 | Culture | <p>“There was just a big communication gap.” (B1; 19:06)</p> <p>“(…) had to figure out which developers we would take from the team, which developers, which customer success managers we would take from the team, and so on and so forth, which unfortunately led to a toxic environment and collaboration (…)” (B1; 19:06)</p> <p>“(…) Everyone from (Company 3), in fact all employees, have now left. No one has stayed.” (B1; 19:06)</p> <p>“And that naturally hurts the organisation itself, because they think, well, (…) we put so much work into developing this product to. Now it's just not going to exist.” (B1; 19:06)</p> <p>“(…) Your own company culture disappears in a short space of time because you simply have to adapt step by step to that of the buyer.” (B2; 29:25)</p> <p>“(…) Integrating this into a culture is very difficult because it is a very different culture.” (B6; 21:42)</p> <p>“(…) cultural differences, simply language, for one thing. That's already an issue when you eventually reach the point where you switch from German to English as your company language.” (B6; 21:42)</p> <p>“Meeting culture is a very big issue for me, because, of course, very often you have to cross boundaries or simply move from company to company.” (B6; 21:42)</p> <p>“(…) the truth is that you first have to understand the respective other culture and then ultimately establish a shared culture.” (B7; B 14:28)</p> <p>“(…) you don't want to roll over and say, adapt our culture completely, you might lose some of the magic that made this company successful in the first place.” (B7; B 14:28)</p> <p>“(…) what is the decision-making culture, how does governance work, (…) but also national cultures.” (B7; B 14:28)</p> <p>“The different cultures all have their advantages, as long as you learn to understand them” (B7; B 16:16)</p> <p>“(…) alliance (…) we simply have to coordinate different work cultures” (B8; 08:50)</p> <p>“alliances require (…) intercultural competence when cooperating with technology or education partners.” (B8; 16:04)</p> |

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| SC 4.2 | Reliability and product quality | <p>“We never really integrated the companies we acquired (...)” (B1; 5:31)</p> <p>“(...) did you have to log out in order to use the P.P. software? They weren't really integrated.” (B1; 5:31)</p> <p>“(...) we were unfortunately unable to develop many of the features we had promised our customers (...)” (B1; 16:55)</p> <p>“(...) that with an acquisition, the happiness and quality of product development initially declines.” (B2; 30:36)</p> <p>“With alliances, you are naturally dependent on your partners.” (B4; 10:26)</p> <p>“(...) you are too focused on organic growth and gaining new alliances (...) so that this product development, (...) course content, or even the training offerings did not develop as quickly (...)” (B4; 22:25)</p> <p>“(...) we all build our business on very strong customer satisfaction, and that's something you have to be aware of.” (B6; 10:18)</p> <p>“If you are VC-driven, you often don't have the time. Yes, you have to act much faster, you have to tell a lot more stories, and I say this again affectionately. Yes, you have to pick up your investors and explain something about the next 6 to 12 months.” (B6; 17:55)</p> <p>“The third issue, I would say, is simply a certain amount of uncertainty or risk, which is simply the case with any acquisition.” (B7; 5:05)</p> <p>“To what extent will this synergy case work out? Yes, and then, of course, you think about it, you do scenario analyses in advance and whatnot. But you only know when you know.” (B7; B 5:05)</p> <p>“Partnerships can, of course, lead to quality gaps.” (B8; 13:47)</p> <p>“alliances require common quality standards” (B8; 16:04)</p> |
| SC 4.3 | Integration | <p>“(...) we haven't managed to integrate the companies as an all-in-one platform yet.” (B1; 6:10)</p> <p>“We never really integrated the companies we acquired (...)” (B1; 5:31)</p> <p>“(...) the developers were of course quite busy with the features we had to develop and the tenders we had won, so that we could simply develop the software for the tender for the federal states (...) That's why we never really focused on integration (...)” (B1; 6:10)</p> <p>“(...) the biggest challenge is PMI, post-merger integration.” (B1; 11:22)</p> <p>“(...) all the companies we have already acquired are not integrated and we don't have the capacity to integrate them at the moment.” (B1; 11:22)</p> <p>“(...) you need quite a few developers to integrate everything into one system (...)” (B1; 15:19)</p> <p>“(...) you have to focus on integrating it and so on, and you can't focus on building new features (...)” (B1; 17:43)</p> <p>“I would make sure that there was at least one team of people. At least one team of I don't know, 15 developers working on integration all the time, (...)” (B1; 23:48)</p> <p>“(...) P.M.I., or post-merger integration, is the most important part of the whole process.” (B6; 10:18)</p> |

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| | | <p>“(…) communicate well with a relatively high degree of clarity (…) challenge in coordination is certainly to get the different stakeholders in leadership on board.” (B6; 10:18)</p> <p>“(…) complete integration is almost impossible and would mean a huge project.” (B6; 17:19)</p> <p>“(…) as you grow inorganically, the complexity certainly increases exponentially, obviously, because you bring more stakeholders on board, both in governance and in operations, obviously with your product and with your engineering teams.” (B6; 17:55)</p> <p>“(…) the disadvantage, (…) of any inorganic acquisition is that in most cases it requires some kind of integration. (…) it requires technical integration, it requires resource-related integration” (B7; B 0:44)</p> <p>“I believe speed. Inorganic growth and, in fact, incompetence and integrated into our product in our case, of course happens better organically.” (B7; B 0:44)</p> <p>“(…) Customers don't want to have three logins and three platforms, but ultimately want a solution where everything is nicely integrated” (B7; B 5:05)</p> <p>“(…) integration layer expertise that needs to be examined in the context of EdTech.” (B8; 18:55)</p> <p>“(…) why we are very selective, and alliances can work well if the governance is clear.” (B8; 16:04)</p> |
| SC 4.4 | Financial risks and valuation uncertainty | <p>“(…) that also pushed the price up quite a bit in the last deal, for example.” (B1; 11:22)</p> <p>“(…) we probably paid much more than we could have paid because there are two or three other players who want to grow inorganically in the same way.” (B1; 11:22)</p> <p>“(…) That means we actually used a factor of 2.5 (...), which isn't that high.” (B1; 23:04)</p> <p>“(…) we simply don't have the opportunity to take over other providers or buy them in order to grow faster (...)” (B4; 5:38)</p> <p>“(…) this then has to be refinanced, and at the same time, you have to maintain that organic growth.” (B4; 10:26)</p> <p>“(…) you are subject to certain expectations in an investor environment.” (B6; 24:55)</p> <p>“Before, I said three, now I say four. Why? We also sold one off again in the restructuring.” (B7; A 0:22)</p> <p>“(…) a certain amount of uncertainty or risk, which is simply the case with any acquisition. To what extent will this synergy case work out?” (B7; B 5:05)</p> |
| SC 4.5 | Personnel risks | <p>“All the acquisitions then led to redundancies at some point. long since led to layoffs, because you had a lot of developers from their side, now a lot of developers from the other side, and then people had to be laid off. That hurt the company a bit, especially the Um. Yes, the motivation of the employees.” (B1; 9:38)</p> <p>“There was also the CEO and the CTO of (...) (Company 3). They both left the company.” (B1; 19:06)</p> <p>“(…) you want to have highly motivated employees who have a vision of how things will continue.” (B6; 10:18)</p> |

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| | | <p>“(…) have finance positions, HR positions, legal positions yes, these are positions that often overlap, perhaps within the group (…)” (B6; 10:18)</p> <p>“(…) growing inorganically, (…) there are so many issues that come up along the way that you simply cannot find in the best roadmap (…) there are lots of things that are new and that you simply have to do, (..) that means there is a lot of change, a lot of fluctuation, and not everything is perfect. (B6: 21:42)</p> |
| SC 4.6 | Complexity and coordination costs | <p>“This can also lead to you losing customers because they don't want to switch (…)” (B1; 15:19)</p> <p>“(…) which feature is better, which feature is more in demand, what you do with their customers and so on. How do you transfer the customers to the Stream platform?” (B1; 15:19)</p> <p>“(…) we couldn't focus on developing features further with the synergies we gained through the acquisitions.” (B1; 14:16)</p> <p>“(…) problem with the strategy is that if you have 3-4 players in the market pursuing this strategy, you just have to step on the gas. Because otherwise they'll just buy up the other companies and buy up their market share accordingly and grow, grow, grow and squeeze you out.” (B1; 24:50)</p> <p>“(…) getting there takes time (…) and that can be very distracting for a team that may be small” (B4; 10:26)</p> <p>“You have to make sure that both sides benefit from it” (B4; 10:26)</p> <p>“(…) an essential lever in the further development of the group of companies, simply in order to A. to continue to have this local connection to the employees, and B. to retain this local expertise, which continues to be important because we are continuing to work on the core product” (B6; 7:42)</p> <p>“(…) clear plan really means breaking it down as far as possible into the individual areas. So, what happens next in sales? (…) marketing? What does that mean for the product? (…) next day? (…) central functions? Where are there duplications?” (B6; 10:18)</p> <p>“It's a balancing act.” (B6; 21:42)</p> <p>“(…) integration is always a question of resources and products (…)” (B7; B 5:05)</p> <p>“(…) alliances. (…) have to be well managed, we need consistent quality, we need clean partner ecosystems, and we simply have to coordinate (…)” (B8; 08:50)</p> <p>“(…) alliances require (…) coordinated processes” (B8; 16:04)</p> <p>“(…) not to compromise our market positioning.” (B8; 08:50)</p> <p>“We must ensure that we maintain our market positioning and do not dilute it” (B8; 09:50)</p> <p>“(…) alliances require common quality standards, coordinated processes and also intercultural competence (…)” (B8; 16:04)</p> |
| SC 4.7 | Strategic fit and prioritisation | <p>“We have only grown inorganically in the last three years. Organically, we actually have, well, we have most of the tenders. Lost actually (…)” (B1; 8:09)</p> <p>“(…) we'd rather focus on targets that complement our product and don't offer exactly the same thing.” (B1; 21:44)</p> |

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| | | <p>“(…) it was very challenging because when you enter into negotiations, it's a completely new topic, actually a completely new business case.” (B4; 10:26)</p> <p>“(…) if you want to do both things, you have to put the capacity into creating exclusive content or exclusive products for the partner with the alliances, and then, of course, the core product, namely the training, loses focus (…)” (B4; 23:32)</p> <p>“Either the partnership suffers (…) or the product suffers because you're only focusing on the partnership (…)” (B4; 26:16)</p> <p>“If you are VC-driven, you often don't have the time. Yes, you have to act much faster, you have to tell a lot more stories, and I say this again affectionately. Yes, you have to pick up your investors and explain something about the next 6 to 12 months.” (B6; 17:55)</p> <p>“You need a clear plan on what the acquisition is for and how you want to integrate it.” (B6; 24:55)</p> <p>“What to do with the one software that maybe isn't so good (…)” (B6; 24:55)</p> <p>“In terms of synergy, it didn't quite work out as we would have liked.” (B7; B 5:05)</p> <p>“It's about fundamental decisions regarding priorities. (…) do we have these skills internally? Or do we need them? And the second dimension that naturally comes into play is change that we may not have had on our radar.” (B7; A 10:13)</p> |
| SC 4.8 | Legal and regulatory | <p>“(…) the government could say, No, we're not interested in switching (…) now.” (B1; 15:19)</p> <p>“(…) there are certain boundaries between the public sector and the private sector (…) you can't just market to users of a tool that is integrated into the public sector. It's just not possible.” (B7; B 5:05)</p> |
| MC 5 | Innovation capability | |
| SC 5.1 | Innovation Creation (Organic) | <p>“So you just start, step by step. You build, you continue to build your product step by step and evaluate it again and again, step by step.” (B2; 9:50)</p> <p>“(…) organic was very important because we developed something new that wasn't really on the market yet” (B2; 15:04)</p> <p>“It happened quickly because we used this lean start-up concept. We evaluated what the next innovation should be.” (B2; 18:57)</p> <p>“You see how the app works, and you talk to them and get real-time feedback. And then you go in there and create the innovation.” (B2; 20:13)</p> <p>“(…) organic growth leads to higher-quality innovations” (B2; 26:53)</p> <p>“It had an extremely positive impact on our company that we developed the features in-house.” (B3; 8:38)</p> <p>“Users who came to us organically via the website (…) are much, much more proactive in contacting us with feature requests and feedback.” (B3; 15:24)</p> <p>“We constantly iterate and optimize (…) adjusted and changed immediately, based on the feedback and the data we collect.” (B4; 12:10)</p> |

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| | | <p>“We develop algorithmic AI ourselves and large language models, which we then fall back on.” (B5; 9:56)</p> <p>“How can you validate and provide micro-adaptive feedback (...) This is technically very complex and also very time-consuming.” (B5; 11:36)</p> <p>“We also build proprietary solutions, for example, and that takes time.” (B7; B 8:37)</p> <p>“ (...) have in-house experts who can build learning innovations with their AI skills, and we want to consciously evaluate EdTech markets for us (...)” (B8; 02:45)</p> <p>“organic development have naturally enabled us to refine the frameworks accordingly, which of course supports EdTech innovation in practice. (B8; 11:02)</p> <p>“we can build solutions step by step.” (B8; 11:02)</p> <p>“From my point of view, organic innovation is more qualitative” (B8; 11:02)</p> |
| SC 5.2 | Innovation Acquisition (Inorganic M&A) | <p>“The speed of innovation was (...) high in the sense that we acquired new features that we didn’t have before.” (B1; 14:16)</p> <p>“It accelerates the speed of innovation.” (B1; 17:43)</p> <p>“We can bring in the experience from these acquisitions (...) We helped to correct these mistakes in the further iteration of the product.” (B6; 7:42)</p> <p>“We would have had to position ourselves differently (...) and we said (...) it makes sense to make an acquisition here.” (B7; B 8:37)</p> <p>“I think it has definitely improved product quality significantly.” (B7; B 10:38)</p> |
| SC 5.3 | Innovation Collaboration (Alliance) | <p>“Together with them, we are developing exclusive products based on training and this bionic cell therapy protocol.” (B4; 5:38)</p> <p>“And so, through this alliance, we were able to think things through a little more broadly.” (B4; 18:41)</p> <p>“Let’s develop everything we develop in terms of new products (...) not just medical training.” (B4; 18:41)</p> <p>“We will be able to integrate technical solutions (...) much more strongly in alliances in the future.” (B5; 7:15)</p> <p>“We can accelerate innovation input through the alliance” (B8; 11:46)</p> <p>“ (...) enable us to quickly integrate new technologies and content domains” (B8; 08:50)</p> |
| SC 5.4 | Innovation Friction (Trade-offs) | <p>“Innovation is only innovation if it reaches the market, if it is taken up by the market.” (B2; 17:49)</p> <p>“We were unfortunately unable to develop many of the features we had promised our customers.” (B1; 16:55)</p> <p>“By buying that company (...) you have to focus on integrating it (...) and you can’t focus on building new features.” (B1; 17:43)</p> <p>“Evaluating which features are really important to develop (...) was very challenging.” (B2; 21:10)</p> <p>“The idea of incorporating it right away came up (...) But then we hesitated because (...) fear of AI in education.” (B3; 20:43)</p> <p>“With alliances, you are naturally dependent on your partners (...) and that can be very distracting.” (B4; 10:26)</p> |

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| | | <p>“You have to put the capacity into (...) the alliances (...) and then (...) the core product (...) loses focus.” (B4; 23:32)</p> <p>“It slows things down and speeds things up at the same time (...) the complexity of how the two product roadmaps fit together.” (B6; 13:32)</p> <p>“Complete integration is almost impossible (...) That takes a long time (...) and it often ties up a lot of capacity.” (B6; 17:19)</p> <p>“The disadvantage (...) is that (...) it requires some kind of integration (...) it doesn’t necessarily help in the short term.” (B7; B 0:44)</p> <p>“I think it’s good to grow organically first and then form selective alliances.” (B8; 19:33)</p> <p>“(…) we usually reflect on four decisions that could perhaps have been sequenced” (B8; 17:03)</p> |
| MC 6 | Strategic evolution / long-term strategy | |
| SC 6.1 | Phase logic and sequencing | <p>“(…) if your strategy is to buy 1 to 2 companies per year, you also have to make sure that you integrate this platform.” (B1; 23:48)</p> <p>“(…) when launching a truly new product, organic growth is very good (...) But (...) to grow quickly, then I think it’s also important to use smart acquisitions.” (B2; 15:04)</p> <p>“(…) organic growth is very important in the initial phase (...) but then you really need to start pursuing inorganic growth.” (B2; 26:53)</p> <p>“Step by step, buyer, product, growth, first organically and then, in the growth stage, perhaps targeted collaborations.” (B2; 31:15)</p> <p>“(…) the strategy was very, very long term (...) we offer students a free, high-quality note-taking app (...) And then try to monetise the app through this user base.” (B3; 3:37)</p> <p>“I would never (...) with capital if I haven’t first tried to market the product organically and been successful.” (B3; 25:40)</p> <p>“(…) in recent months, we have also increasingly formed alliances with important partners (...) and that is the current growth approach.” (B4; 1:16)</p> <p>“(…) we really focus organically (...) to build long-term partnerships.” (B4; 5:38)</p> <p>“(…) it will be the case in the future that we will be able to integrate technical solutions (...) much more strongly in alliances in the future.” (B5; 7:15)</p> <p>“First phase: lots of venture capital (...) growth is often inorganic.” (B7; A 0:22)</p> <p>“That was basically phase 2 (...) achieved profitability. Accordingly, we are now in phase 3.” (B7; A 0:22)</p> <p>“(…) starting (...) often in the form of a partnership that may possibly result in an acquisition.” (B7; A 0:22)</p> |
| SC 6.2 | Portfolio / Platform | <p>“(…) as soon as this user base was large enough, the idea was to provide this user base with additional functions.” (B3; 3:37)</p> |

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| | strategy and positioning | <p>“a very clear M&A strategy is being pursued (...) an expansion of the product portfolio (...) to offer a very complete product suite.” (B6; 1:25)</p> <p>“we don’t want to be a direct EdTech product company, but rather act as a strategic amplifier” (B8; 20:13)</p> <p>“If we had developed a dedicated EdTech portfolio earlier” (B8; 17:39)</p> |
| SC 6.3 | Strategic realignment and lessons learned | <p>“(…) we’d rather focus on targets that complement our product and don’t offer exactly the same thing.” (B1; 21:44)</p> <p>“I would first focus on the product development concept (...) And then I would increasingly focus on marketing alliances and product development alliances.” (B4; 26:00)</p> <p>“(…) the basic assumption of how quickly you can be successful in the market with a working solution was really wrong.” (B5; 17:49)</p> <p>“(…) before I do M. and A., I have to be ready to scale as a company (...) that’s certainly one of the lessons learned.” (B6; 17:55)</p> <p>“Having a clear plan for what happens with an acquisition (...) with the product, with the customers and also with the employees?” (B6; 24:55)</p> <p>“(…) be consistent in your actions (...) and be consistent in your communication.” (B6; 24:55)</p> <p>“(…) perhaps we could have slowed down the expansion a little, for example.” (B7; B 17:52)</p> <p>“(…) we were blessed to be able to make mistakes and learn from them quickly.” (B7; B 17:52)</p> <p>“Of course, you can argue about whether you should get involved earlier, invest earlier.” (B8; 18:55)</p> <p>“(…) we draw a fairly clear line between what is built up organically and what we supplement through alliances.” (B8; 04:31)</p> |