

## After \$250K 'Shark Tank' investment, founder sees 'Netflix for test prep'

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[Shaan Patel](#)'s 2400 Expert SAT Prep has just raised \$250,000 from [Mark Cuban](#) on *Shark Tank*.

The startup will hand over 20 percent of its equity to Cuban in exchange for the capital. 2400 Expert SAT Prep has an office in King of Prussia, and according to Patel, it can [raise a high school student's SAT score 368 points](#) after a six-week course.

The Philadelphia Business Journal spoke with Patel, who said he'll use the cash to add more locations, hire more people and much more.

### **What will you do first with the \$250,000 infusion from [Mark Cuban](#)?**

We're going to extend to more locations, but also hiring, lowering our customer acquisition cost and getting our digital marketing more optimized. I also think there's a big opportunity online in addition to the in-person location.

### **Where are you looking to expand?**

Off the bat, we're in most of the places we want to be in this year, but on my list coming up is Houston, northern New Jersey, Fremont, Calif., and Phoenix, Arizona. We typically listen to customer feedback and we got a lot of interest from those geographic areas. There's clearly some demand.

### **How many hands do you want to add to the team?**

We're at three right now but hopefully by end of the year, double that. End of next year: 10.

### **What is [Mark Cuban](#) most able to offer?**

We've only closed three or four weeks ago. With Mark, it's a lot of strategic emails and marketing. He's got a whole tech team that made sure my website didn't crash during the airing. In terms of growing this company, we're looking at online as the big opportunity, but we don't want to take our eyes off the brick and mortar. I think a lot of people are leaving money on the table when they don't expand in person, because I think that's what a lot of parents want.

### **What was your strategy going into the pitch?**

I came in asking for \$250,000 at 10 percent, which was a valuation of \$2.5 million. I actually valued my company at about \$2 million, but I went a little bit higher because I knew the sharks were going to negotiate me down. I ended up settling at 20 percent for \$250,000 with [Mark Cuban](#), which was a little more than I'd have liked to give up. At the same time, I just look at it as overall value. What's more valuable? One hundred percent of a company by myself or 80 percent of a company with 20 percent of [Mark Cuban](#). I think it's the latter. I did have a threshold, and it was 20 percent. [Mark Cuban](#) was probably just astute enough to know what my threshold was.

**How do you specifically plan to expand your online business?**

It's a six week online class where students meet in a virtual classroom with an instructor at specific times and work with them directly. With on-demand, there is a pre-recorded video course taught by me. It's kind of Netflix for test prep but not nearly as entertaining. It adds flexibility because students don't need to show up at a certain time. They can watch at their convenience. Having the full suite of options is very appealing to a lot of people.

**Did your company get the full Shark Tank effect?**

The Shark Tank effect is very real. We had tens of thousands of hits. Our revenue completely spiked since the airing and it's still well above where it was pre-airing. We're doing five to 10 times more revenue than we did last year. The exposure from Shark Tank is just as valuable as the capital investment.