Key learnings from VocTech market activity

Q2 2026

Nick Kind with Daniel Brennan

A Tyton Partners report commissioned by Ufi Ventures.

Introduction

Ufi Ventures and Tyton Partners are collaborating on an ongoing exploration of the opportunities for investors in the Future of Workforce Development.

We are working together to both refine Ufi Ventures' focus over time and catalyse the broader field of vocational technology (VocTech) investing across the UK, drawing lessons and insights from continental Europe and North America.

In this report, Ufi Ventures and Tyton Partners offer their quarterly review of select current market developments and dynamics.

This quarter has seen a very high volume of substantial developments with complex inter-relationships. Consequently, this report has a slightly different structure to its predecessors.

For more information about the methodology we use in compiling this briefing, please get in touch.

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Key takeaways from Q2 2026

- **Apprenticeship and apprenticeship. The capital letter matters, and both are important**: formal schemes mostly for young people, and informal mentor-driven learning on any job, notably white-collar entry-level posts. In the US, the word has attracted $450m into a new fund. In the UK, we may see more radical moves on both types from a Burnham government. Nuanced choices need to be made about the balance between national and local control, and about designing funding incentives that deliver the right outcomes. The need is urgent: these decisions move markets as well as people's careers.
- The debate about the effects of AI on work has reached new intensity. It offers a heady mix of hype, masked agendas including vast IPOs and existential risks to businesses, major philanthropic giving, and little evidence. Hype may to some extent be self-fulfilling. But beyond the storytelling, successful implementation of new initiatives remains highly context-specific. It requires attention to detail, including sensitivity to human needs and organisational cultures. This complexity offers commercial opportunity as well as disruptive threat.

Key takeaways from Q2 2026

- On the provider side of the VocTech market, battle is joined between incumbent providers, hyperscalers and niche-focussed challengers, accelerated by the **apparent promise of agentic AI**.

  The question is not who will win, but **who will win, where, and why?** Again, this depends on careful assessment of context.

Policy (UK): the prospects for Burnham

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- Clearly, the UK policy landscape is now overshadowed by the prospect of a new Prime Minister, very likely Andy Burnham.
- Burnham put vocational training at the heart of his first outline policy announcements. He said there is a need for a "complete rethink", called out the initial findings of Alan Milburn's interim report into NEET* young people, and advocated greater devolution and parity between vocational and technical education.

* Those who are Not in Employment, Education or Training

- The interim Milburn report is a powerful call to action, not least as NEET numbers are now close to 1 million people. However, this first stage of his work is diagnosis rather than policy recommendations or solutions, which will follow.

> ***"I talked to young people and heard them say the same story in different ways: a system that sees them but does not help them, that assesses them but does not support them, that refers them but does not follow them."***
>
> Milburn report, Introduction

Policy (UK): the prospects for Burnham

- Milburn's findings are matched by a report from the Independent Inquiry into White Working Class Educational Outcomes, which further identifies major challenges for this subset of society. It **does** contain recommendations – for the purposes of this report, the most significant are "Empowering FE colleges to be high-quality, local engines of progression" and "Massively expanding apprenticeship opportunities in white working class communities".

Policy (UK): some business as usual

- Despite the backdrop of leadership changes, there were a series of significant policy announcements during the quarter.
- An AI adoption task force was announced, with £200m of funding. Measures included support on skills, a new prize "to recognise and promote UK organisations that help workers adapt to AI" and an AI Economics Institute chaired by Nobel Laureate Simon Johnson. The FT has a thoughtful interview with him (paywall).
- £80m was awarded to 24 universities and colleges across England to fund student places to land key jobs in defence. This includes £30m for projects to build new teaching facilities.
- The Fair Work Agency was launched.
- The DfE published its plan for implementing the new pathways approved earlier in the year, including "V" levels – a parallel vocational track to academic "A" levels. It also launched cutting-edge research into online tutoring with a range of providers from Google and Pearson to smaller players.

Policy (UK): some business as usual

Ufi Ventures

- Skills England published its annual report, and released the first version of the UK Standard Skills Classification.

  The report asserts "*demand for key occupations in industrial strategy priority sectors is expected to increase by nearly a quarter over the next decade. […] The scale of projected demand suggests the education pipeline alone will be insufficient to meet employers' needs. Therefore, significant reskilling of the existing workforce will be essential.*"

- It identifies five key challenges: addressing skills shortages, how to maximise employer investment in skills, how to respond to the accelerated adoption of AI, how to support young people's employability skills, and how to build a more responsive and locally integrated skills system.

Policy (UK): apprenticeships detail

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2025-26 apprenticeships data was released.
Two quotes summarise the **likely unintended consequences of current policy**.

"Much of the growth in apprenticeship starts in the last year has come at Level 7 and is a likely reaction to the announcement that from January 2026, Level 7 apprenticeships will only be government-funded for young people aged 16 to 21, and for care leavers or those with an Education, Health and Care Plan (EHCP) who are under 25 at the start of their apprenticeship. Starts at Level 7 have increased by 40.7% to 33,560, making up nearly one in ten of all starts in 2024/25."*

UK Government Education Statistics website
(our highlights)

"Given that Level 7 standards typically take two to three years to complete, this surge will lock in a large cohort of learners and account for a higher share of government funding for several years. This is counter to the intent behind recent policy changes and will, in the short-term, impede the reallocation of funding to new initiatives such as foundation apprenticeships and apprenticeship units. It is also likely to accelerate decision-making on areas such as apprenticeship streamlining as the government looks to reduce apprenticeship spending to free up funds for its new initiatives."

UK consultancy Cairneagle's blog, "Calm before the storm"
(our highlights)

Baroness Wolf of Dulwich, who has a long history in skills and post-16 education policy, has incisive analysis of the challenges that need to be addressed in an FT article here (paywall). She recommends major changes in the Apprenticeship Levy design and devolution of funding.

*Level 7 is equivalent to a Master's Degree.

Policy (UK): Higher Education

- UK universities continue to struggle financially and rhetorically. The Office for Students' latest assessment of financial pressures and sustainability is salutary; the return on investment for a degree continues to be challenged by data and by popular perceptions.

- The announced merger between King's College London and Cranfield University is likely driven by this difficult environment.

- The government continues to put pressure on those Higher Education providers that it judges to be performing poorly, especially those using franchising arrangements. This is framed against more support for apprenticeships and references the Milburn report.

- The government has responded to pressure about the cost of student loans, and capped interest rates for some.

- 130 providers were announced as eligible to deliver courses accessing the Lifelong Learning Entitlement, the key measure which extends student loans into shorter, more vocationally oriented courses. The majority are traditional colleges and universities, rather than private providers. More detail was released about how the LLE will work.

Policy (UK): analysis

Ufi Ventures

Implications and analysis

Andy Burnham and his team have yet to make detailed, specific commitments around the VocTech sector. They are consulting widely and appear not yet to have made firm plans. However, they clearly want to engage with the key issues of youth unemployment and skills.

There are solid arguments for further devolution of resources and decision-making to local areas. However, there are tensions which the new administration will need to navigate. National Industrial Strategy priorities will need to be balanced against local possibilities, and equipping young people for jobs close to home should not stifle potential which can only be fulfilled elsewhere.

Whilst there is clear inertia in the system given the number of Level 7 starts, it seems very likely that there will be further changes to the Apprenticeship regime, with funding even more tightly devoted to the young and priority sectors. This will have knock-on effects for commercial providers.

Policy (UK): analysis continued

Ventures

Implications and analysis

The data also raises a harder question: even where public funding is redirected towards younger learners, will employers create enough high-quality entry routes to absorb them, and how quickly can the system react? Funding reform alone may not solve employer reluctance, particularly where young people require more support, supervision and workplace readiness. There is likely opportunity for technology-enabled services which reduce friction in delivery: assessment, matching, employer engagement and evidence capture.

It is also worth pointing out that the Starmer government has already created considerable momentum, and many of its measures (e.g. Skills England, "V" Levels) are likely to stay. The Lifelong Learning Entitlement holds promise for public and private providers, if they muster sufficient ambition.

Policy and key developments (Europe)

- Two major developments stand out across the European landscape this quarter.
- EU legislative bodies delayed key provisions to the AI Act. The most significant for the VocTech sector were the extension of compliance deadlines for high-risk AI systems (HRAIS) and looser rules for companies with below €150m in revenue. "Education and vocational training" and "Employment, workers management and access to self-employment" are specifically defined as high-risk.
- The travails of the European automotive industry continue. Volkswagen (VW) is reportedly planning up to 100,000 job cuts. According to Reuters, this would be the largest restructuring in automotive industry history. Mercedes is expecting its employees to work extra hours without pay. *The Guardian* reports the blunt head of the German Association of the Automotive Industry (VDA):

> ***"The options for action have become fewer, but all the more necessary. Germany and Europe are in a situation that demands bold decisions. This will also involve significant changes for people, the end of habits and entitlements that our country, regrettably, can no longer afford in some respects."***

Policy and key developments (US)

- The most significant policy development in the US was the Federal government's decision to ban Anthropic's latest Fable AI model from use by foreign nationals – which forced Anthropic to withdraw it altogether. Fable access was restored for users across the world some days later.
- Fable is a "safe" version of Mythos, a model which remains heavily restricted to specific actors (such as governments and banks). Restriction is based on Mythos' stated capacity for offensive cybersecurity operations (given the response of governments across the world, this claim seems very credible).

Implications and analysis

The significance of these events is twofold:

- the ability and (more importantly) willingness of the US government to cut off access to the latest AI models without notice to users across the globe
- The unprecedented capabilities of new models (Chat GPT's latest model is apparently similar).

Both of these present multiple and profound challenges to how we can and should use generative AI models. Specific concerns for our sector include:

- Whether or not to use locally available, open-source models in teaching, learning and product and service development
- Ensuring ICT infrastructure and tools are appropriately hardened against cyberattacks (see https://zerodayclock.com for how serious the threat has become, and later in this document for major breaches in our sector this quarter).

Policy and key developments (US, cont'd)

- Workforce Pell, a new funding stream for vocationally- focussed short courses, started on July 1, 2026. Jobs for the Future has crisp explanation and analysis:

  ”Workforce Pell requires states to assume a new, rigorous role in measuring and assessing nondegree programs for Workforce Pell eligibility. This is an inherently complex undertaking, requiring states to establish new layers of assessment and accountability for programs that have typically been siloed from traditional higher education. These demands are compounded by the expectations placed on institutions and programs—specifically, the need to demonstrate to the state that programs meet defined parameters and outcome thresholds for a full year before they can even be considered for approval.”

- ETS, Khan Academy and TED brought together their three brands into a Higher Education collaboration named the KhanTED Institute. They claim to be “Reimagining the Degree” at low cost (under $10,000), highlighting its features as “Applied AI, built-in”, ”Competency-based”, “Designed with employer input” and “Global reach”.

Implications and analysis

These developments are emblematic of the continuing innovation and disruption in the US Higher Education Landscape (we hear of more radical business models to come). The KhanTED Institute's global reach should be a warning to UK providers who cannot differentiate themselves.

Context: labour markets, employment & work

- **Employment statistics show little change***. The UK CIPD's Labour Market Outlook sees employer confidence as "subdued" and ADP in the US sees an overall "slowdown in job creation". The on-off war in the Middle East is a particular drag on optimism.

- **Independent assessments of the current effect of AI on jobs continue to assert the difficulty of measuring the current situation, and show little present disruption.** (We most value https://www.jobsdata.ai/ from the CEO of the GitLab Foundation and Stanford's excellent new AI Economic Indicators).

- One paper suggests the decline in early-career hiring may be linked to post-pandemic working from home, not AI.

- **Job cuts continue in the technology and professional services sectors**, notably at Microsoft, Amazon and in UK "Big 4" accountancy firms.

- At the time of writing, Accenture's share price is down 50% year-on-year, given a bookings decline and fears about AIs.

- Financial services firms continue to reduce staff, with the CEO of Standard Chartered notoriously describing employees vulnerable to AI as "lower value human capital".

*This report monitors statistics from the UK ONS, Eurostat and the US Department of Labor amongst others.

Context: labour markets, employment & work

- **Workers themselves hold mixed views. These often contrast with the perspectives and actions of employers.**

- A study from King's College London asserts:
 "Seven in 10 workers (69%) are worried about the economic impact of AI job losses – and this concern is just as strong among employers (64%). A fifth of employers (22%) have already made roles redundant or reduced hiring because of AI – rising to 29% among large organisations."

- A Randstad report offers:
 "While employers are gearing up for widespread AI implementation, one in five workers (21%) believes their tasks are immune to AI efficiencies and nearly half (47%) fear AI benefits the company more than themselves. This is a sharp contrast with the plans of employers, as throughout 2025 job postings requiring 'AI Agent' skills have skyrocketed by 1,587% and demand for 'AI Trainers' has surged 247% throughout 2025, confirming a future of humans teaching machines."

- **Employee engagement is also low**, according to reports from Workday and Gallup. Workday claim:
 "While AI is reducing burnout and boosting confidence at work, it may also be contributing to a growing "connection deficit" in the workplace", with Gen Z particularly affected. A Gallup headline: "In 2025, global employee engagement declined for a second year to its lowest level since 2020."

Context: labour markets, employment & work

- **Young people and entry-level jobs continue to be a focus of attention globally**, as well as in the UK. The OECD Employment Outlook 2026 asserts:
  "Young university graduates are also at an increasingly high risk of unemployment compared to other workers, a rising trend that began well before the spread of generative AI models, suggesting more complex root causes."

- The World Economic Forum explores the challenge of entry-level jobs in a new report, which also offers a four-stage framework for safeguarding and reinventing early career pathways.

- The European Training Foundation explores a key associated issue:

  "Many routine cognitive tasks traditionally assigned to junior staff are now automated or assisted by AI systems. This weakens career ladders and raises longer term concerns for skills development and professional progression. […] Highly educated and digitally skilled workers tend to benefit most, often using AI as a productivity enhancing tool that supports learning and autonomy. On the flip-side, for others, AI is experienced less as an assistant and more as a source of pressure."

- The Brookings Institution published a notable report about the threat to key "Gateway" occupations for **non**-graduates, stating *"AI is poised to erode the pathways workers use to transition from low- to higher-wage work."*

*This report monitors statistics from the UK ONS, Eurostat and the US Department of Labor amongst others.

Predictions and responses from major players

- Against this backdrop, there was **no shortage of predictions for the future** in Q2 2026, nor assertions of what needs to be done. The new Metaculus Labor Automation Forecasting Hub provides a good aggregation of forecasts for the US in particular.

- **"Hyperscaler" AI companies and management consultancies were particularly active in their storytelling and recommendations.** Offerings include manifestos from Dario Amodei and Open AI, Satya Nadella's blog, Anthropic's "Cadences" report and Economic Index Survey, Open AI's Economic Research Exchange and Policy on the AI Exponential, Microsoft's Work Trend Index Annual Report, and two reports from Amazon: "Unlocking the UK's potential" and (with Pearson) AI Readiness: Building the Bridge from Higher Education to Work in the United States.

Additional predictions and commentary came from BCG, PWC and McKinsey.

Predictions and responses from major players

- Anthropic committed $200m to its Economic Futures Research Fund and a further $150m to Claude Corps, a $150 million national fellowship program designed to help early-career people extend the benefits of AI to communities across America.

- OpenAI made an "initial" $250m commitment to "grants, partnerships, and direct work aimed at building secure and abundant economic futures".

- Meta allocated $115m to America's Workforce Academy, "a cost-free program that supports all participants while they learn and then guarantees a job for all graduates". The trades targeted are all related to the construction of data centres: fibre technicians, welders, plumbers, electricians and other skilled trade workers.

Philanthropic and impact-focussed responses

- The Rockefeller Foundation made a £100m "Big Bet on Good Jobs for America" which will "focus on places where too many people are out of work — or at risk of falling out of the labor market — including communities vulnerable to disruption from artificial intelligence and other structural shifts in the economy".

- Rockefeller is also one of the many backers of RAISE US, a "Nonpartisan, national organization partnering with governors, employers, training partners, and workers to help Americans make a successful transition to an AI economy." It will "leverage private and philanthropic capital to scale what's most effective and measure success by whether workers land and keep good jobs"

- Next Ladder Ventures announced its priority focus areas for its $1bn fund: "financial health, career navigation, and benefits and social services access, with further exploration underway around housing, legal aid, justice and re-entry, and mental and physical health." The organisation will similarly " blend philanthropic and market capital".

Philanthropic and impact-focussed responses

- Amazon made its microcredentials free

- UK retailer Marks and Spencer (“M&S”) will provide ”1,000 graduate-style training places for under 18-24 year-olds to help more young people build skills and confidence through retail - with no degree requirement.”
  The press release quotes the Milburn report.

Implications and analysis

It is hard not to compare the level and scale of interventions in the US with those on this side of the Atlantic – and the US ecosystem’s readiness to blend private and philanthropic investment. Might such ambition be possible in the UK?

Analysis: AI and Future of Work predictions

Implications and analysis

Until relatively recently, rhetoric from Big Tech companies has been about the transformational nature of their technologies and the risk of a "jobs apocalypse" (Sam Altman). Now, the tone is changing: Altman is rowing back, and others are choosing their words carefully.

Consultancies and other research organisations seems to agree on mixed overall AI adoption and contrasting depths of useage, highly uncertain return on investment, and a significant differences between how different roles are affected.

However, all are bullish about the potential of AI technologies and often present limited adoption as a challenge that needs to be overcome. For example, a PwC headline reads:

"Three-quarters of AI's economic gains are being captured by just 20% of companies – with the leading companies focused on growth, not just productivity."

There is much similarly positive, action-focussed discussion of the role and promise of Agentic AI. Microsoft asserts "as agents take on more of the execution, humans increasingly have more agency—more room to direct the work, make the calls, and own the outcomes. For every firm, the imperative now is to turn that agency into unprecedented value." See later slides for a detailed examination of its role in HR Tech.

Our view: AI and Future of Work predictions

Our view

The picture is, of course, highly complex. The effects of AI on jobs are **almost impossible to predict with accuracy**. We particularly like storied analyst Ben Evans' commentary comparing the present with the dot-com boom*:

"The internet didn't really change what it took to be a good journalist or a good A&R scout, but the job of journalism was paid for by a light manufacturing and trucking operation with (in the USA) a local monopoly on classified ads, and the record executive's salary was paid by manufacturing and shipping small pieces of plastic and aluminium foil. That was a whole other thing that would not be captured in any analysis you tried to do of what it is to be a copy editor or a sound engineer. The internet decoupled a class of business where the product and the job were not affected by the internet but the business was."

Whilst some research initiatives aim to be independent and empirical, there are sizeable vested interests at play.

AI forecasts and *pro bono* interventions increasingly need to be interpreted in the context of the incentives facing those producing them (such as growth ambitions, valuation, regulatory influence, infrastructure development and commercial adoption).

This does not mean the forecasts are wrong, but it does mean investors should distinguish carefully between evidence, advocacy and market-making.

*Explanatory link provided for readers not old enough to remember 27 years ago (unlike this report's author…).

Our view: AI and Future of Work predictions

Ufi Ventures

Our view (continued)

Both OpenAI and Anthropic are preparing for IPOs of unprecedented scale in the face of fears about job disruption (notably for young people) and pushback on the building of data centres. Meta is under pressure related to safety. Consultancies and IT solutions providers - including Microsoft – want to sell their services in a tight market.

Amidst forceful rhetoric, companies, their shareholders, governments and other stakeholders must therefore tread a fine line between necessary transformation and damaging disruption (both to their operations and their people). There are risks that predictions become self-fulfilling prophecies before sufficient evidence emerges; and (contrary-wise) evidence may never be able to keep up with the pace of developments . Some are acting rapidly and dramatically. Charting a course requires due consideration and care.

Agentic AI and HR Tech: A review

Summary	Detail
Incumbents reposition themselves around agents	• SAP launched its "Autonomous Enterprise" strategy • Workday launched new tools for developers to build and verify agents • Cornerstone announced the launch of Cornerstone Workforce AI • ServiceNow launched "new data capabilities" to enable and control agents • Cegid announced the launch of Cegid Retail One and raised €1.1bn of debt for acquisition financing (Pitchbook) • Microsoft released its WorkIQ "shared intelligence layer" and (glowingly) describes its own internal deployment
Niche and challenger providers attract major funding. **Hiring and "frontline" workers are particular areas of focus.**	• Barcelona-based HR Tech scaleup Factorial announced its $150m Series D led by General Catalyst at a $2.5bn valuation, alongside $540m of potential debt. It says it is "transitioning from a traditional software as a service model into an AI Workforce Operations Platform where people and agents work as one." • UK-based Sona raised a $45m Series B to accelerate the building of "the leading, end-to-end AI-native product for workforce management". It is focussed on frontline-heavy sectors such as hospitality, care and retail • US-based Centrical raised $39m "to transform Frontline Performance for the AI Era Workforce" • Orbio, also from Spain, similarly raised a $21m Series A to run frontline workforces autonomously • California's Straiker raised a $64m Series A "to secure the agentic workforce" backed by Bain Capital Ventures and Lightspeed. • Personio acquired Aurio, as it "brings agentic experience across core recruiting workflows". It also became profitable. • Silicon Valley VC giant Andreesen Horowitz's Speedrun fund invested $3.1m in UK agentic talent matching company Dex. • Also developing agents for recruiting: London's Inploi raised £3m and TraqCheck raised $8m (Series A); Saarbrücken's Mona raised a €3.8m "seed extension"; Paris' HRFlow raised $7m ("Pre-Series A") • European specialist investor Brighteye invested in Sherpa, "the first agentic-native external workforce platform". • Jan Matern, partner in peer fund Emerge, outlined why he thinks "AI-native professional services for SMBs is one of the most compelling investment categories of the next decade"

Agentic AI and HR Tech: A review

Ufi Ventures

Implications and analysis

Most of these players are competing around a vision in which "AI Agents will have comprehensive data about all our [organisation's] employees." (Josh Bersin) – and where work processes and decisions are increasingly surfaced by, or even delegated to, those agents.

Further aspects of this imagined future appear to be business models based on consumption and AI-enabled implementation. Workday Ventures' investment in Auctor appears to reinforce a commitment to allowing AI to accelerate customisations and deployments previously undertaken by systems integrators and consultants.

Key issues include data privacy, how agents' behaviour is controlled, and to what extent companies' pre-existing proprietary workflows, rules and data can be understood and acted on by generic technologies.

Companies serving frontline workers remain a key site of innovation, likely as they were underserved by incumbents.

Agentic AI and HR Tech: A review

Implications and analysis

A three-way battle is joined between **incumbents** (who have client inertia, data and industry expertise), lots of specialist challenger **AI natives** (who can move fast without legacy) and **generic hyperscalers** (whose models may reach levels of capability which commoditize the others).

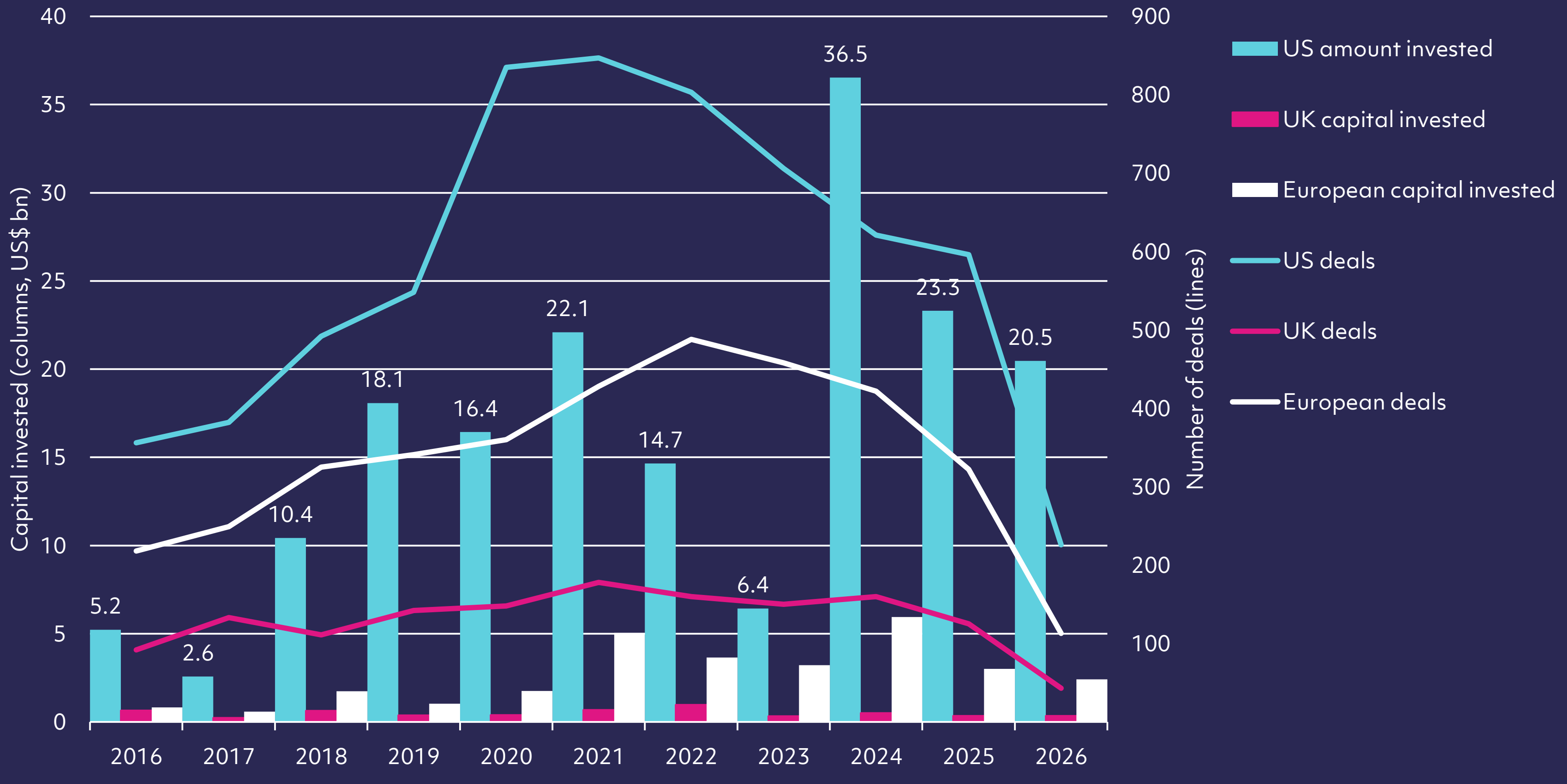
The relative costs of AI and real people – which are starting to be more closely examined – may play a part. The FT claims human recruiters are making a comeback (paywall). We watch with interest.

Other key developments

Summary	Detail	Commentary
Major data breaches	• Instructure, a leading US-based provider of learning management systems (LMS) to universities and other education institutions worldwide, suffered a major cyber-attack on its Canvas software. Lawyers Reed Smith have a summary of implications for Higher Education institutions, allege that a ransom was paid, and indicate that Instructure may be subject to litigation. • Mercor, a marketplace provider of experts to train AI systems which recently raised a $350m Series C at a $10bn valuation, was also attacked, with an LLM involved. However, it is likely that much less significant data was compromised, as Mercor arranges work that often happens on its clients' platforms rather than its own.	• Cyberattack risks in the VocTech sector could not be more clear and present. All stakeholders need to check their defences, particularly given the power of AI (see above). • Instructure's position as LMS market leader now looks fragile, not least as it has a number of serious competitors. Mercor, however, is allegedly in talks to raise a round at a $20bn valuation. This may reflect its stronger differentiated position.
Google enters the next-generation skills assessment space	• Google announced Vantage, "a novel approach to assess "future-ready" skills using GenAI. The results of our study with New York University found the AI scoring to be on par with human experts."	• This marks another significant move into education delivery by Google (alongside a number of others). Incumbent assessment providers are now potentially under threat; hiring companies may soon have a new, cheaper tool and lose differentiation (see Phenom's acquisition of Plum, below).

Investment trends

Capital invested in HR Tech (source: Pitchbook)



Implications and analysis

US and European capital invested amounts are nearly reaching 2025 levels already, but with much lower deal numbers. They are substantially boosted by billion-dollar debt and M&A transactions, notably for ServiceNow, Paycom and Udemy/Coursera.

Reach Capital has interesting commentary on early-stage VC in the US here. Unsurprisingly, they talk about agentic AI in their “Work” category.

Notable fund closes

Fund name	Amount	Commentary
Achieve Partners (Workforce II)	$450m	• Established late-stage US GP Achieve (previously University Ventures) now has a very specific focus: apprenticeships (small a). They have attracted major LPs to their strategy, and the size of this fund marks major confidence in Future of Work investing. The press release says: “Achieve will deploy capital from the fund in high-growth, talent-starved sectors including behavioral health, biotech, cloud migration, data centers, and energy, with the aim of building and scaling apprenticeship programs in each acquired company.”
Kalos	$78.8m	• Ashley Bittner, Managing Partner, has experience as investor (at Owl Ventures), government official, and teacher. Kalos’ first fund out of New York will build “a concentrated portfolio of early-stage technology companies addressing critical infrastructure needs across the workforce, care and education”. Ashley’s all-female management team has also attracted major LPs including a Melinda French Gates vehicle.
Verdane	€635m (continuation vehicle)	• Private Equity firms continue to “roll over” investments. This vehicle allows Verdane to maintain its interest in three companies, including Nordic HR software platform Talentech, which recently merged with a peer, Grade.

Selected transactions: skills assessment and hiring

<table>
<tr><th>Transactions</th><th>Commentary</th></tr>
<tr><td>US giant ETS acquired ACT (who deliver a key test of the same name in the US) to create an even bigger assessment player. Although both have significant interests in school-level and English Language tests, the press release focusses on workforce skills and job readiness.</td><td rowspan="5">Skills assessment remains another key site of competition and innovation, whether or not it is linked into wider employment workflows. It remains both much-needed and hard to deliver robustly. Those who create scalable, proven solutions will be winners.</td></tr>
<tr><td>UK unicorn Multiverse raised $70m at an increased valuation of $2.1bn and declared it was cash positive. It claimed to be “defining a new category” that would close the gap between companies’ skills gaps and needs by delivering diagnosis, recommendations and training. However, UK regulator OFSTED reported Multiverse’s Apprenticeships offer “needs attention”. The company responded.</td></tr>
<tr><td>HR software company Phenom acquired Plum for an undisclosed amount – doubling down on AI-based pre-hiring assessments. “Plum joins Be Applied (acquired in February) […] to unify candidate assessment and employee development on a single agentic platform.”</td></tr>
<tr><td>Handshake, a US hiring company focussed on graduates, acquired Uplimit to build a “skills studio”. Initially focussed on AI skills, this offers training, assessment and credentials to workers, employers and Higher Education institutions.</td></tr>
<tr><td>FutureFit AI took an investment from Achieve Partners for its “shared talent matching and career exploration system” which is often sold to US state governments.</td></tr>
<tr><td>Cosmico, based in Milan but also present in Spain and the US, closed €12m for expansion. Its focus is talent matching and hiring in the creative industries.</td><td rowspan="2">Thoughtful niche providers with sector knowledge remain attractive.</td></tr>
<tr><td>Brighteye invested €1.6m in Gyver, a dedicated hiring platform for electricians in Italy. WhatsApp is a focus, given this is where electricians already communicate and find work. Specialist investor Zanichelli also participated.</td></tr>
</table>

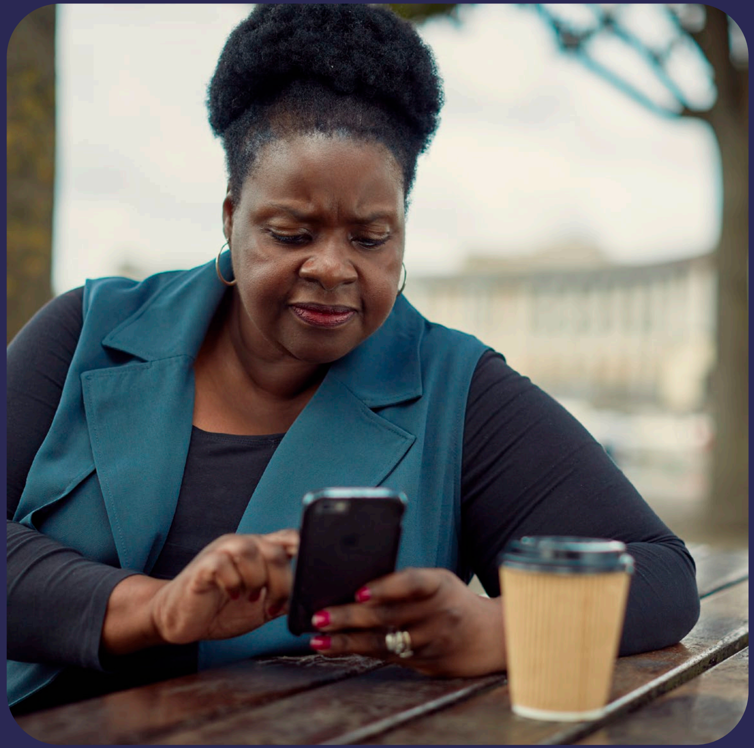
Further selected transactions

Theme	Examples and implications
Private university providers continue to expand	• International student pathway program provider Study Group was sold to Arete Education, which is part-backed by British private university player Global University Systems (GUS). This continues GUS' intense corporate development activity. • Scaled private university group Galileo Global Education bought Centro Andaluz, a private vocational training provider in Andalucia (Pitchbook). This follows Galileo's acquisition of Corndel in late 2024. Galileo is clearly continuing to diversify into vocational education. • Oakley Capital bought Sigmund Freud Private University in Vienna, with clear signals that this would be the start of a new "buy and build" named Skilled Education Global*. The PE firm has long had education as a key focus.
Sizeable niche round in employee sentiment analysis	• London-based Natter raised $23m for "AI-orchestrated video conversations that can gather structured insight from thousands of employees simultaneously."
Healthcare specialists remain attractive	• Stepful raised a $55m Series C for healthcare training in the US, offering "employer-sponsored, debt-free pathways". • UK company 32Co raised a $15m Series A for its solution which improves private dentists' workflow by combining AI with access to remote specialist diagnosis.
Hyperscalers continue to build capability in education and learning	• OpenAI quietly acquired Chalkie, a lesson-planning tool (Pitchbook). This follows extensive activity by OpenAI, Anthropic and Google in the education space (see previous reports).

*Not to be confused with UK company Skilled Education, which facilitates online courses for universities.

What's made us think this quarter

- Jasmine Sun's detailed investigation "Silicon Valley is bracing for a permanent underclass" in the New York Times, and her subsequent positive advice for graduates looking for a job.
- The Pope's Encyclical Letter *Magnifica Humanitas*, in particular the section on "The dignity of work at a time of digital transition".
- The Washington Post exploring why 1 in 3 American men were not working or looking for a job in April.
- The UK Edge Foundation's special supplement on Skills Shortages in Land-Based Industries - a stigmatised sector often ignored.



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