



Case Study – WORLDUCATION

Worlducation is a social startup that manufactures tablet computers for primary school students. They not only focus on the hardware, but they also have a competitive team creating software, content and activities to better engage and educate the students.

Worlducation aims to change the way children learn at school by implementing artificial intelligence technology that can follow up on each child's progress and adjust to their needs as they learn, creating the optimal path learning experience.

So far, Worlducation only sells their tablet computers business to business (B2B) as they realised that their content and hardware proved most effective when a whole classroom was using it, and a teacher was coordinating the activities. Also, this helped the sales team focus on larger sales, and minimised the potential number of problems that could arise from individual customers. However, the long-term plan is to also tackle a business to consumer strategy (B2C).

What makes Worlducation completely different from their competition is that they envision a world in which every child learns how to read and write – a world without illiteracy. Given this vision, for every classroom that buys their products, they donate and train a classroom somewhere around the world that can't afford the same technology. Furthermore, they connect the two classrooms (those who bought the products and services and those who received the donation) so that they can grow together and collaborate throughout their learning cycle.

Worlducation was founded in 2016, and by the end of 2019 they had sold over 35,000 tablets to over 550 schools in 23 countries, generating revenue in hardware sales and software subscriptions.

Worlducation headquarters are in Sydney's CBD but they have a development team in Bulgaria, a manufacturing team in Hong Kong, and operation and marketing staff in Colombia, Egypt, Iceland, Russia and the Philippines.

Worlducation started 2020 with a huge sale to a school in Portugal. Although it was a great start, the context for the rest of the quarter was highly uncertain due to COVID-19. Surprisingly the pandemic brought hundreds of new leads and that led to an unprecedented growth that brought alongside dozens of operation and production problems.

The factory in Hong Kong closed down for 1 month due to government restrictions limiting supply, the sales team was overwhelmed with sale meetings over ZOOM, the tech-support team had to re-adapt the software to remote learning for many of the schools, and the founders had to start thinking on how education was going to change after this worldwide event.

Specific information needed for this assessment

Worldcation has a complex supply chain that begins when a sale is made usually via a sales representative or through an online enquiry that is handled by the sales team. Sales are recorded in an internal Enterprise Resource Planning System (ERP System) which notifies the operations team that an order needs to be delivered. The operations team verify the sales order and authorise the delivery of a manufacturing request to the factory in Hong Kong. Manufacturing team in Hong Kong notes the order specifications and delivery details and incorporates this within its production schedule. The order is manufactured and the operations team arrange freight and shipping directly to the customer.

Since COVID-19 and the closure of the factory due to government restrictions, of the 2000 tablets due to be shipped by April, only 500 were completed on schedule. Furthermore, the rising tension between mainland China and Hong Kong has added to the uncertainty.

In 2019, Worldcation generated a revenue of \$35 million, a net profit of \$7 million and net cashflow of \$4 million. They budgeted revenue of \$45 million for 2020, net profit of \$9 million and net cashflow of \$5 million. However, following the unprecedented growth in demand and disruptions to the supply chain, management now projects 2020 revenue will amount to \$55 million, net profit of \$5 million and net cashflow of negative \$3 million. The decrease in profit was a result of the disruption to the manufacturing process and the associated solutions implemented by Management.

The projected growth in revenue is expected to require a significant investment in working capital (both inventory and debtors) and this combined with an expected decline in profit margin is projected to result in significant cash flow pressure in the latter half of 2020. Management is considering its options to fund this investment.

In the past, senior executives met to brainstorm and provide cost estimates for future business models. Options included establishing a second manufacturing facility (estimated cost \$5 million), outsourcing manufacturing to a third party (lost margin of \$200 per unit sold or \$2 million per year assuming 10 000 units are sold), developing a cloud based solution where customers can access the software remotely on their own devices (estimated cost of \$2 million), purchasing off the shelf tablets (lost margin of \$300 per unit sold or \$3 million per year) or repurposing used tablets (\$100 per unit sold or \$1 million).



Strategic Plan 2020 – 2022

Welcome

Welcome to the Strategic Plan for Worldducation.

This document sets out our vision for the next two years and how we hope to achieve it.

We hope you enjoy reading this document.

Lucas Lopez

CEO

Worldducation

Executive Summary

Founded in 2016, Worldducation is a social startup that manufactures tablet computers for primary school students. Our focus is not only on the hardware, but also creating software, content and activities to better engage and educate primary school students.

Worldducation aims to change the way children learn at school by implementing artificial intelligence technology that can follow up on each child's progress and adjust to their needs as they learn, creating the optimal path learning experience. Worldducation envisions a world in which every child learns how to read and write – a world without illiteracy. This is why, for each classroom that buys our product, we donate and train a classroom somewhere around the world that can't afford the same technology. We then connect the classrooms together so that they can grow and collaborate throughout their learning cycle.

Vision Statement

To see a world without illiteracy.

Mission Statement

To be the change and facilitate a world without illiteracy by changing the way children learn at school and the number of schools that have access to technology.

Our values are:

Core values underpinning our activities are:

- Ethical principles
- Innovation

- Collaboration.

Strategic Priorities

To be well led, high performing, profitable and accountable.

- Ensure that all financial operations, performance indicators and results support the strategic policies
- Identify new and expand existing sources of revenue and ways to help more classrooms in need.
- Achieve profits of at least 10% per annum.

Increase our reach

- Increase range of products and services offered to reach a larger target market
- Increase sales to increase donations to needy classrooms.

Continue building deeper customer relationships

- Customer-centred practice, with a focus on meeting their total needs for high-quality technology
- Strengthen the skills of our people, to better support customers
- Drive innovation to better meet customer demands

Attract, engage and develop the best staff

- Continuing the drive to a customer centred, high performance workforce and culture
- Strengthening the skills of our people, to better support customer needs
- Empowering innovation and responsiveness to change
- Continuing to enhance the diversity of our workforce
- Exploring the use of technology in human resources.

The Market

The technology market is a growing and ever-changing industry due to the rapid rate that technology is being updated. Emerging technologies include artificial intelligence and the Internet of Things (IOT). There is an increasing focus on cyber security.

Due to the global pandemic, the issues with the manufacturing industry have impacted on the supply of hardware components.

The trend for consumer spending during the pandemic has taken a downturn but this has not affected the ICT industry as due to more people working from home, consumer appetite for tablets has increased.

Situation Analysis

Strengths	Weaknesses
<ul style="list-style-type: none">• Value and quality• Strong management• Customer loyalty• Friendly organisational culture• Level of available finance for investment	<ul style="list-style-type: none">• Brand name not developed as well it could be• Growing organisation
Opportunities	Threats
<ul style="list-style-type: none">• Schools needing to upgrade technology• Opportunities to offer a range of services• Opportunities for synergies across all services and products	<ul style="list-style-type: none">• High level of competition• Economic downturn meaning less spent generally• Failing to satisfy clients demands

Marketing Strategies

Our marketing strategies aim to:

- Build our brand
- Generate leads now
- Convert those leads quickly
- Have every part of the business supporting each other

We plan to develop our market share by:

- Improving our marketing and advertising
- Continually improving the quality of service given to clients
- Maintaining effective communication channels with all stakeholders to ascertain industry requirements and then develop products and manage services accordingly
- Continually improving communication channels with all our stakeholders, ensuring a flow of timely and accurate information to facilitate effective planning and decision making
- Targeting identified growth markets with planned, market appropriate campaigns employing a variety of promotional strategies and advertising mediums
- Offering attractive fee structures to our clients

- Continually improving the skills, knowledge and effectiveness of our team through our commitment to training and development
- Regularly reviewing the effectiveness of all our operations and making improvements when and where necessary

Key projects

The following key projects will commence in 2020:

Due to global economic conditions, a wait and watch attitude is being adopted while we brainstorm and provide cost estimates for future business models. Options include establishing a second manufacturing facility (estimated cost \$5 million), outsourcing manufacturing to a third party (lost margin of \$200 per unit sold or \$2 million per year assuming 10 000 units are sold), developing a cloud based solution where customers can access the software remotely on their own devices (estimated cost of \$2 million), purchasing off the shelf tablets (lost margin of \$300 per unit sold or \$3 million per year) or repurposing used tablets (\$100 per unit sold or \$1 million).



Finance Authorisation Policy and Procedures

Purpose of the Policy

All finance transactions as noted in this policy are to be authorised by the noted authorised person prior to the transaction being undertaken.

This policy is to be read in conjunction with other specific finance policies where relevant.

Procedures

Prior to any finance transactions being undertaken, Anna Armstrong must authorise the transaction.

Use of Business Credit Card

Purpose of the Policy

This policy provides guidelines for the issue and use of business credit cards.

Procedures

An employee will only be issued a credit card once the Credit Card Authorisation Form has been completed.

The business credit card can only be used for travel, authorised entertainment and purchases of small value expenses or equipment up to the value of \$500.

No cash advances are to be taken using the business credit card unless authorised by Anna Armstrong.

Where a business credit card is lost or stolen, the owner of this card is to notify the Business Manager, who is responsible for notifying the issuing agency and ensuring the card is cancelled.

The business credit card is not to be used for personal expenses.

All holders of business credit cards are required to reconcile the monthly credit card statement to the expense form, attach all receipts for payments made on the credit card and have the expense statement authorised by Anna Armstrong.

Upon completion and authorisation of the monthly expense statement, these documents are to be forwarded to the Business Manager for payment of the credit card statement.

All business credit cards are to be returned to the business when the person is requested to by the Business Manager or where they are no longer an employee of the business.

New Supplier Policy

Purpose of the Policy

All new suppliers to the business must be reviewed and accepted in accordance with this policy to ensure that the supplier service is aligned with the business objectives.

Procedures

Choosing a New Supplier

A new supplier must provide our business with quality products, great service, competitive pricing and efficient delivery.

The following information table must be completed prior to agreeing to services

Supplier Selection Background Information

- Business Name of Supplier:
- Location of Supplier:
- Products/Services provided by supplier: (Attach a list if necessary)
- Name of business owner/ sales representative:
- For how many years has the supplier been trading?

Supplier Selection Review Checklist

For each new supplier being considered the following checklist must be completed:

- Is the supplier pricing competitive? Attach list to this checklist:
- What are the payment terms for this supplier?
- What is the return policy for this supplier?
- Does the supplier provide warranties, guarantees etc.?
- Are the suppliers' representatives knowledgeable of the products/ services and industry?
- Is there an alternative to this supplier, has the alternative supplier been considered?
- What are the delivery services of the supplier?
- Has a credit check been undertaken for the supplier? (attach to this checklist)
- Has the Personal Property Securities Register (PPSR). been reviewed?
- Has the supplier been trade checked? (attach this to this checklist)
- insert relevant additional information to assist in the decision of appointing a new supplier

Appointment of Supplier

The appointment of a new supplier will be authorised by the Business Manager.

The Business Manager will independently verify the bank account or other payment details of the supplier to ensure payments made are to the correct supplier

Supplier Payment Terms

All purchases from suppliers must be supported by a purchase order.

Payment terms for all suppliers must be reviewed by the Business Manager at least once a year.

All supplier payment terms must be a minimum of 30 days.

Any variation to the above must be authorised by the Business Manager.

All supplier payments are to be reviewed once a quarter to ensure that payment terms are adhered to. For payments made to any suppliers earlier or later than the agreed terms.



Privacy Policy and Procedures

Scope

This privacy policy outlines how Worlducation protects and handles personal information in accordance with its obligations under the National Privacy Principles (APPs) contained in the Privacy Act 1988 (Cth) (Privacy Act).

1. Collection of information

- 1.1 Worlducation collects personal information relating to individual creators, publishers, licensees and IT professionals as part of the normal course of its business.
- 1.2 Where possible, Worlducation collects personal information directly from the individuals themselves.
- 1.3 Third party collection: Worlducation may also collect personal information from third parties in accordance with the requirements of the APPs, including:
 - From other rightsholders of a work, including the publisher. This is restricted to information which will assist in member recruitment or payment to rightsholders, such as contact and entitlement information. If Worlducation cannot collect that personal information from other rightsholders, its ability to efficiently recruit and pay rightsholders will be restricted;
 - Worlducation has agreements with similar organisations in other countries that enable the use of foreign text and images in Australia, and the collection of fees and royalties for the use of Australian works overseas and may collect information in this process;
 - From the public domain from third party sources such as social networking services, industry directories, industry guides, and the Internet; and
 - Through purchased mailing lists and business database lists which are used for sending Worlducation marketing material, where recipients have consented to receiving such communications or it would be reasonably expected of us to use or disclose the information for that purpose.
- 1.4 Websites and online services: a variety of information is collected by users of our Websites and online services.
- 1.5 Emails and electronic forms: our servers may record an email address if a message is sent online. An email address will only be used for the purpose for which it has been provided and it will not be added to a mailing list or used for any other purpose without consent.
- 1.6 Google Analytics: Worlducation uses Google Analytics to collect data about users' usage and behaviour on Websites. This information is used to improve the Websites and is not used by Worlducation to personally identify users of the site. All tracked data is anonymously collected in accordance with Google Analytics' privacy policy. Refer to Google's privacy policy for further information: <http://www.google.com.au/policies/privacy/>
- 1.7 Cookies: Worlducation uses session 'cookies' to help analyse how users use their Websites. The cookie-generated information generated about the use of the website (including IP address) will be transmitted to and stored by our service providers on servers hosted in

Australia. By using our website, users consent to the processing of data about them in the manner and for the purposes set out above.

2. Anonymity

- 2.1 We provide the option for individuals to not identify themselves, or of using a pseudonym when dealing with us. In some circumstances, if a choice is made not to provide the information requested we may not be able to provide certain services.
- 2.2 We do not provide this option in circumstances where it is impracticable to do so or where Worlducation is legally required to deal with identified individuals only.

3. Use and disclosure of personal information

- 3.1 Worlducation uses and discloses personal information for the primary business purposes for which it is collected (set out above) and related management purposes.
- 3.2 Worlducation uses and discloses personal information for any other purposes to which consent has been given.
- 3.3 Worlducation will not otherwise use or disclose personal information without consent being given unless otherwise required or authorised by law.
- 3.4 Subject to the requirements of the APPs, Worlducation may also use and disclose personal information for any other related purpose that one would reasonably expect the information to be used or disclosed.

4. Marketing material

- 4.1 Worlucation may use personal information, from time to time, to send to marketing material that we consider will be useful, or other material about our activities.
- 4.2 Worlucation will only do this if we collected the information and one would reasonably expect us to use or disclose the information for that purpose, or if consent has been given to receiving such communications.

5. Personal information storage and security

- 5.1 Worlducation takes reasonable steps to protect personal information from loss, unauthorised access, modification, disclosure, interference or other misuse. These steps include electronic access restrictions for electronic files that contain personal information, securing paper files containing personal information in locked cabinets and physical access restrictions.
- 5.2 Once collected, Worlducation holds personal information in a number of different formats, including on servers (located both onsite and offsite, including in the cloud), databases, filing systems and in offsite backup storage.
- 5.3 Worlducation only retains personal information for as long as it is required for its business purposes or for as long as required by law. Any information that we no longer require is destroyed securely. An exception to this may be retention of the information for data analysis. However, if this occurs, the information will be retained in a form that does not allow you to be identified from that information.
- 5.4 Worlducation undertakes not to disclose your personal information in any manner that would be considered direct marketing.

6. Digital security

- 6.1 Input devices such as thumb drives or other external memory devices should only be used if they come from a trustworthy source.
- 6.2 Before opening a thumb drive folder, ensure that a malware scan is run on it.
- 6.3 Files that are to be modified should first be saved to the computer's desktop and the thumb drive ejected before beginning work on the files.
- 6.4 All files should be saved to the relevant folder, and not left on the desktop.
- 6.5 Back up of data should be performed at the end of every week. The data should be backed up onto an external memory device, which will be stored in the security cupboard in the Administration office.

7. Internet security

- 7.1 A mailbox should be created for each email sender so they can be accessed efficiently.
- 7.2 Before logging off from your inbox, ensure that it is empty. All emails should be placed in their sender's mailbox.
- 7.3 Suspicious or potentially dangerous emails should be deleted immediately. Attachments should not be opened.
- 7.4 Personal emails should not be opened at work, or on King Edward VII College's computers. If an email of a personal nature is received on a King Edward VII College's email address, forward it immediately to a private email address, and open it outside work. Delete the original email from the inbox once it has been forwarded.
- 7.5 Returned email should be examined to ensure that the address is correct. If in doubt as to the correct address, contact the source of the address and ask for verification.
- 7.6 Email attachments should only be opened if they come from a trusted source. Attachments are to be stored and sent only as pdf, Word, PowerPoint or Excel files. If trustworthy emails are received in other formats, they should be converted before filing.
- 7.7 New staff must be assessed on their email competence by their manager before they are given access to their company email address and access to company files. This assessment is to be carried out on an external email account.



Performance Management Policy and Procedures

Purpose

To ensure that all employees and their supervisors are aware of the expectations and opportunities available for planning, managing, reviewing, recognising and improving individual employee performance.

Scope

This policy and procedure applies to all permanent employees.

Procedures

Performance review process

Each employee will participate in at least two reviews each year. This will consist of an annual review and an interim review, to be conducted six months after the completion of the formal review.

Reviews are designed to:

- assist employees to be fully aware of their responsibilities and duties and the effect these have on Worlducation's operations.
- provide feedback to employees on the performance of these responsibilities
- provide a basis for further professional development of employees
- identify employees whose continued high-quality performance should be recognised and rewarded
- identify employees where performance is of concern and may require remedial action

The performance review process is to be conducted in accordance with the principles of procedural fairness and transparency.

Employees may be assisted by a representative at any stage of the performance review process.

Managers will arrange a meeting time with the employee for the performance review.

Managers will meet with the employee who is the subject of the review and discuss past performance and future goal setting and development plans.

In rating the overall performance of an employee, Managers will assess the Employee against the following performance ratings:

- exceeds expectations
- meets expectations
- development encouraged
- improvement required; or

- unsatisfactory performance.

Managers may consult other employees whose judgements they believe may be helpful in completing the review.

Employees are encouraged to provide relevant information on their performance and take an active role in appraisal and planning.

The Manager and employee will complete the review using the performance review template.

Managers and employees will also identify required professional development for the year.

The employee must be given the opportunity to read, comment on and acknowledge the documented review.

Where an employee is not satisfied with the overall assessment recorded in the review they should initially discuss these concerns with their Manager.

Where the Manager and the Employee are unable to resolve the concerns, the Employee can request that the matter be referred to the Managing Director for a review of the overall assessment.

The Managing Director may seek further information from the Manager and employee and consider all documentation and make a final decision.

Once the Supervisor has completed the review, it will be stored confidentially in the staff members' files.

Rewarding employee performance

All employees receive an annual incremental increase in their salaries as per their employment contracts.

However, where an employee's performance consistently and significantly exceeds the agreed performance indicators a greater increase may be negotiated. This only applies to the annual performance review. Promotions may also be available.



Documentation Policy and Procedures

All employees are required to use Worlducation's templates for all workplace documentation.

Documents should be named [Department_Type_Detail_Version]

Documents are to be saved using Worlducation's cloud-based storage system.

In-built software review functionality should be used, and all comments recorded in a feedback register. Feedback register should contain the date, project number, name of reviewer, person receiving feedback, comments and action required.