



BUSINESS PLAN

EIT DIGITAL SUMMER SCHOOL I&E PROJECT REPORT
HEALTH AND WELLBEING, LONDON, AUGUST 1 – 12, 2016

Hookie

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1 Executive Summary

According to a research by the City of London Corporation, poor health in the workplace is estimated to cost the British economy over £100 billion annually through sickness absence and worklessness¹. And in more than half of these cases, the sickness is a direct result of sedentary working hours. This translates to the fact that people don't take enough breaks that include some physical movement. Even though various mobile and desktop applications to remind the workers to take breaks have been around for a long time, they are not capable of motivating the workers.

Our survey has revealed that employees are more likely to take breaks and engage in physical activities when they do it together with their colleagues. This implies that people find motivation from others to practice a healthy lifestyle.

Hookie provides a platform for the employees to create and join short events of various physical activities during breaks. This way, the few motivated individuals can drive the motivation of a group and the group as a whole finds its inspiration to use the time during the breaks to engage in their health.

By using Hookie, the employer can benefit in promoting a healthy lifestyle at the workplace and reducing the loss due to absenteeism. In addition to this, usage of Hookie also promotes team building. The combined activity data over a period of time could also be used by HR to incentivise the process of taking active breaks and for including in the employee health and wellbeing program.

Unlike social media or messaging apps, Hookie doesn't require any personal information except the name. Hookie is an exclusive platform for sharing moments with colleagues in a physically active way. The target market for Hookie consists of small and medium-sized organization based in London and we generate our revenue on a subscription-based model.

A group of five EIT Digital students from five different nationalities has founded Hookie. The members of Hookie team have profound backgrounds in technology, mathematics and economics. The diversity and the experience of the team will enable the company to grow significantly fast in the development phase.

¹<https://www.destatis.de/EN/FactsFigures/SocietyState/EducationResearchCulture/EducationalCulturalFinance/Tables/ExpenditurePublicBudgetsEducation.html>

2 Problem and Solution

2.1 Case

The case provided to our team for the summer school project was ‘CHOOSE: Healthy lifestyle and wellbeing through coaching and continuous blood pressure sensing’. CHOOSE is a project by EIT Digital, London and it aims to accelerate the creation of a validated blood pressure self-management tool based on non-cuff based, unobtrusive sensing devices and motivational techniques to enhance a healthy lifestyle behavior in shift workers and beyond.

The main context of the case was that due to unhealthy lifestyle most of the people suffer from Non-Communicable Diseases (NCDs) such as hypertension, cardiovascular disease, cancer, dementia, etc. which could be avoided if behavioral change is brought about among the mass.

Even though, the original use case provided to us was to explore, identify and analyze an attractive business market for monetizing app-based personalized coaching services like CHOOSE, we had enough freedom from the case provider to diverge from the exact CHOOSE platform as long as the main context remained the same. That’s why our approach was to first understand the needs of the market and what people really need to change their lifestyle behavior.

2.2 Problems and Market Needs

Our idea is inspired by the observation of people around us at the summer school. On the first day of this summer school, after the welcome dinner in Sushi Restaurant, our coach Akos suggested going for a walk to the hotel instead of taking public transport. But the suggestion was only noticed by the people standing near him and those who noticed joined him. Although they wanted to call the other guys who had been walking to the bus stop, it seemed to be difficult to make it happen in the noisy street, considering the fact that all were not familiar with each other and didn’t have each other’s social media contacts or phone numbers. The result was that most of us missed that walk which could have been a healthy activity after dinner.

Another similar case also happened during our ideation for the summer school project. After two long lectures in the second day, everyone expected to have a short break to relax. One of our fellow students Sebastian, advised having a 2-3 minutes dance in the hall to wake

up our brains and muscles. It was an excellent suggestion. Some of us did join the dance. But since, usually these breaks were spent eating, drinking or just chatting with each other in small groups, this suggestion wasn't reached to all the people and most of us missed the refreshing activity.

Just like these two cases, we find there are two main problems which lead the healthy activities and the workout to be canceled because it lacks of motivation and the useful information to make it. Although everyone knows it is a right thing to keep a healthy lifestyle and there are lots of ICT companies trying to deal with it, the lack of exercise is still the main killer of people's exercise plan. A typical example is that most fitness mobile apps can provide notification to remind proper exercise, but people's common responses are just glimpsing or skipping it. Except the people who have strong motivation or excellent self-management, most of us are easy to give up healthy habits in exercise when they are not supervised. For daily workout, what those people need are not only an effective and convenient channel to catch the suitable, even the personalized information of exercise for them within a short time, but also a way to motivate themselves to keep working out and against their laziness.

Thus, our solution pays more attention in finding the way to motivate people more effectively. Making the exercise more easier to do and adding other people's direct or indirect encouragement are the two directions we want to explore after our research of people's healthy habits and our brainstorming. One conclusion is: the lower exercises threshold is, the more participants join in. We do hope our solution can help people find those exercises or other healthy activities which fit for them to do at that moment and that place. It may be better if they do not need many equipment or much preparations. What's more, comparing to a complete exercise plan or timely reminder from machine, other participants' reminder and encouragement are more useful to motivate people to do exercise. Communication and interaction with other participants can add not only more interest in exercise, but also an invisible supervision and restraint for those who are easy to be lazy. Therefore, looking for the right partners to do right exercise becomes the main purpose of our solution.

Based on the inspiration of the second case, the break time becomes an important occasion we think about. Chatting, eating and drinking are the general impression of the break time. But in fact, 5 to 10 minutes break time is an ideal time to do some simple exercises to relax ourselves. Also, it is an easy occasion to find partners for people always have break time together.

Although those problems in daily exercise are general, but when we think about our possible

solution and its potential market, we would like to find a user group who has the strongest demand and easiest acceptance of our solution firstly. Comparing to other groups, office workers group who are sedentary and have to face high pressure every day is the one which is easily falling into the sub-health. So they need more exercise during working time, not only to have a rest for their body and mind, but also to improve their effectiveness in their next working period. What's more, their busy life and fragmented rest time also lead them to have stronger demand to find easy exercises and right partners for break time as quickly as possible. In addition, the people, who come from the same company but different departments or the same building but different companies, may be "the most familiar stranger". They may see each other every day, but they have less chance to talk with each other. Obviously it is an attractive market. Thus, we choose them as our first target users. Their employers are our potential customers who also have strong demand to reduce and prevent employee's health risks. Especially the SMEs (Small and medium-sized enterprises) don't have strong power in deal with these risks and pay attention in company or team culture building at everywhere and every time, they are also treated as our first users who would like pay for our solution.

2.3 Proposed Solution

Our proposed solution for office workers to help them keep on daily exercise is our product-Hookie. It is a mobile app to encourage them to enjoy break time together with healthy exercises and activities. All company staffs will belong to a closed circle in our app, and everyone can post their exercise plan or event of the next break time with basic information such as time, duration, place, etc... When other people in the same circle see some interesting activities, they can join in it while our app will give all participants a reminder before it happens. A regular anonymous statistics of employees' participation in the break activities can also be provided as an extra service for HR of the company.

2.4 Nature of the Innovation

Our solution has three main unique characteristics: First, it focuses on a common occasion-break time - which has few competitors in ICT wellbeing area. As it happens frequently and regularly every day, to some extent, it is a more important time for office workers' healthy habit rather than their extra fitness after working in gym or stadium. Second, the spirit we want to share with our users is "break together", which wants to add social factors in break exercise or healthy activities to attract more participants and improve their motivation. Third, different with other social network or message app, it does not need user's detailed profile or requires them to spend too much time in online search or chat. It is an app with

concentrated functions in discovering the suitable activities for users. Thus, there is no risk of addicting and decreasing working efficiency. To the contrary, if HR or other managers can use our product very well, it would be a window to show company's culture and team building, even an ice break among different departments.

2.5 Role and Impact of ICT in the Proposed Solution

As a mobile app, ICT technology is the foundation of our solution. It reduces the distance and time cost for people to find right partners in break exercise. It makes participants' initiatives in break time activities spread to others immediately, which is very useful among a circle where most of them are not familiar with each other like our experiences. From the valuable and useful user data recorded, we can show our customers the result and the feedback of new break time with our app.

3 Business Modeling and Planning

3.1 Business Modeling

3.1.1 Business Model

Followings are the different sections of the Business Model Canvas(BMC) for our business proposal.

Value Proposition

The key values that Hookie provides to its customers(SMEs) are:

- Promotes healthy lifestyle at workplace: By providing a tool for the employees to motivate each others to take healthy breaks, the company can build up a healthy working environment for its employees.
- Promotes team building and company culture: Hookie necessitates that a group of employees come together to do some refreshing activities instead of doing it alone. This, in turn, helps the employee get to know each other well and build a rapport among themselves.
- Reduces the loss due to absenteeism: By building up the over-all health of the employees, the company can reduce the loss incurring from sickness absenteeism among employees.

Customer Segments

Hookie targets the SMEs with employee size more than 50 as its customers. More than half of the private sector employees in UK are employed by SMEs². And the decision making process in SMEs are less complex as compared to large organizations. Hence it will be easier and more beneficial for us to target the SMEs.

Customer Channels

Followings are the channels through which we aim to reach the customers:

- Content Marketing in social media (preferably LinkedIn)
- Promotion in relevant conferences, meets and events
- Participating in Health and Wellbeing hackathons

²(https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/467443/bpe_2015_statistical_release.pdf)

Customer Relationships

Since Hookie is a corporate health and well-being application, HRs and managers in SMEs are going to be our customer representatives in decision making positions. Therefore, we have decided to have a direct (one-to-one) relationship with the HRs and the managers for initial installation and after deployment support. This will help us provide more customized support to each customer and understand further requirements of customers to improve the application and the overall service.

Key Activities

The two main activities for our business are mobile application development and customer acquisition.

Key Resources

Key resources for our business are development and maintenance team, sales and marketing person and the required IT infrastructure for the software application.

Key Partners

During the first phase of our business, we have decided to partner with various events, workshop or conference organizers so as to promote our product and to acquire some potential customers. We will provide the application for free to the organizers. Then, the organizers can have it circulated among their participants. Organizers will benefit by making it easier for the participants to have refreshing breaks during the event and have good time among themselves.

Cost Structure

Significant costs to the company will be the development cost, maintenance cost, marketing and sales cost and the cost for IT infrastructure. Among these the development cost will be a fixed cost occurring only once during the start of the business.

Revenue Streams

Hookie has a subscription based B2B model. The customer SME is charged per user(employee) per month basis. We have decided to keep the subscription charge as £10 per user per month. The first two months of the usage will be a trial period and the customer will be charged from third month onwards.

3.1.2 Industry Value Chain

The Value chain of an idea is a strategy tool to demonstrate internal firm activities of potential Business. The main aim is to recognize which activities are the most valuable to the firm and which ones have the potential of revision for producing a competitive advantage. Most important and popular Value chain model, M. Porter, introduced in 1985. It represents all the internal activities that are engaged in producing the final product or services.

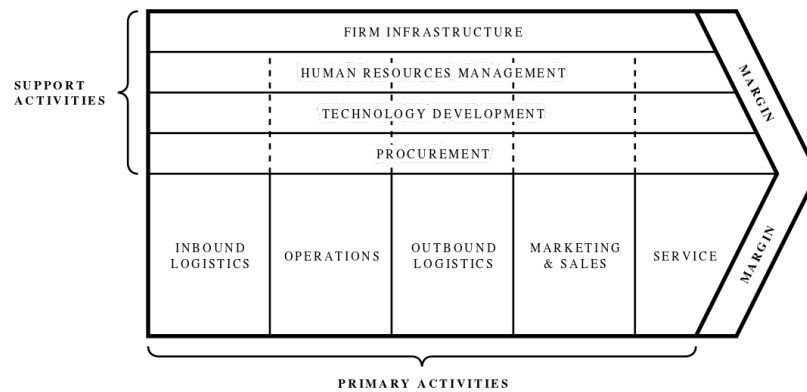


Figure 1: Porter Value Chain

Primary Activities

- **Inbound Logistics**

1. Purchasing raw materials like: several computers, Office Software for computers, renting VPS and Cloud storage, development software

- **Operations**

1. Designing Database Management System Architecture (DBMSA), Information Systems Architectures (ISA), Use Cases and Activity Diagram (UCAD), Contact Form Application (CFA), Contract Form Application (CoFA), Rights and Privilege Terms definition
2. Resource management, data warehousing, quality Management and project management
3. Research on the aimed SME, according to the granted privileges and given facts
4. Presentation and feedback procedures
5. Revisions and finalizing development

- **Outbound Logistics**
 1. Product delivery
 2. Maintenance and support
- **Marketing and Sales**
 1. Partnership
 2. Advertisement
- **Services**
 1. Training
 2. Repairing and debugging
 3. Implementation and Installation

Supportive Activities

- **Firm Infrastructure:** Product technology development, providing accountability for later expansion, general management, online support.
- **Human Resource Management:** Customized training for further development
- **Technology Development:** Continuous improvement and development
- **Procurement:** Fixed assets

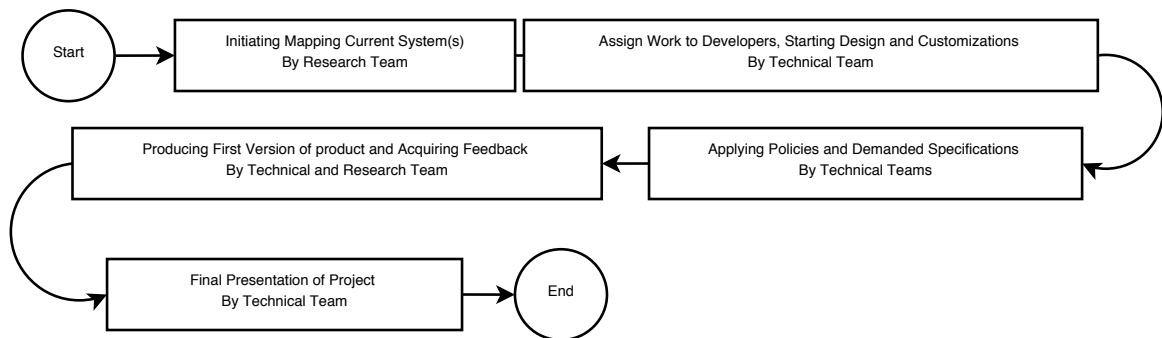


Figure 2: Internal Process

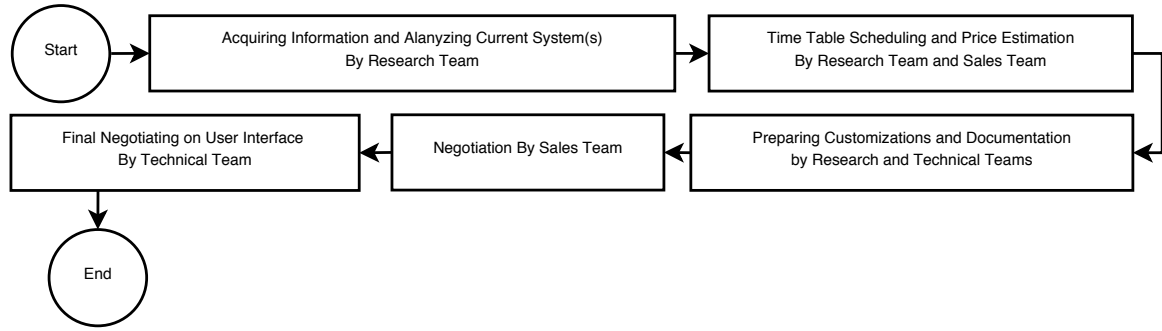


Figure 3: External Process

3.1.3 Market Segments and Market Potential

According to a statistical release ³ by UK Department of Business Innovation & Skills, total employment in SMEs in UK was around 15.6 million in 2015. This is 60% of all private sector employment. And according to a study⁴ by British Heart Foundation, around half of the employees in UK spend their time in stationary positions (standing or sitting) for more than 5 hours each day. Considering these two figures and considering that we have subscription-based revenue model that charges customers per user (employee) basis, we have potential number of users equaling to 7.8 million only in UK.

3.1.4 Competition

There are two groups of competitors for Hookie:

1. Messaging and social networking applications
2. Coaching and reminder apps for smart phone or desktop

Messaging and Social Networking Applications

These group includes Facebook Messenger, WhatsApp, Viber, Skype and Telegram. These messaging services are popular among the users around the world. The main difference between Hookie and these applications is that in order to communicate with necessary people you have to have their phone numbers in your phone or in the case of Facebook Messenger and Skype you have to have them added to your list of friends. This necessary stage cannot be skipped. Therefore the people who are not in your private contacts are inaccessible for an invitation to share a healthy energizing break.

³ (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/467443/bpe_2015_statistical_release.pdf)

⁴ (https://www.bhf.org.uk/-/media/files/.../bhf_physical-activity-statistics-2015feb.pdf)

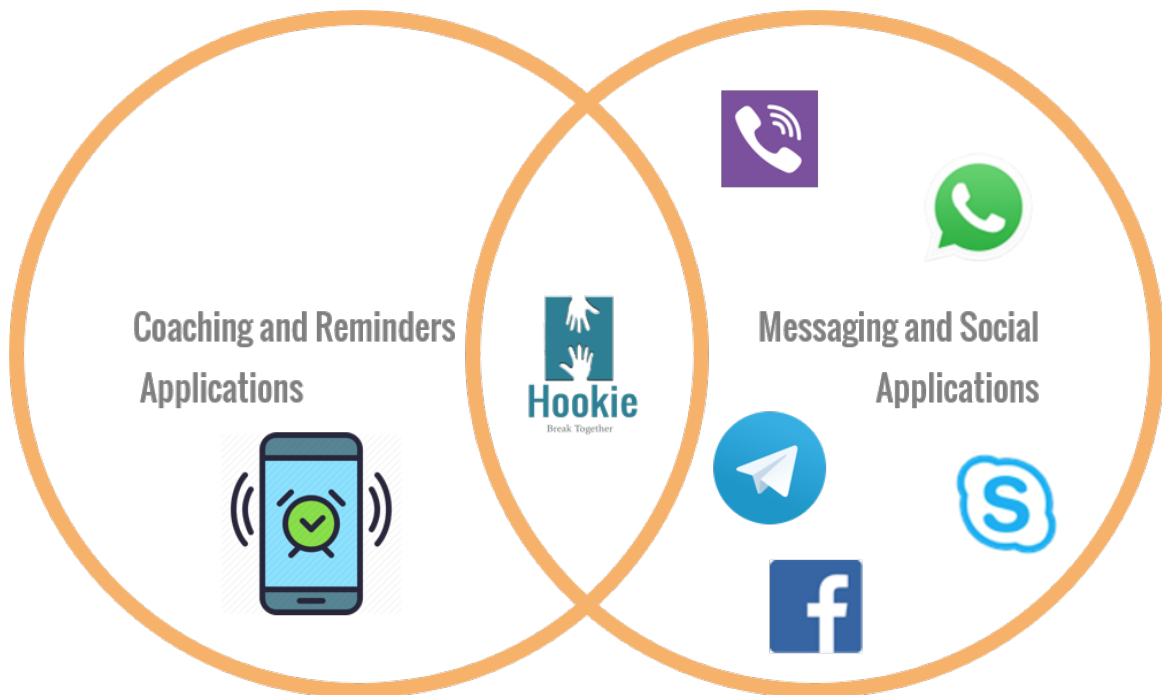


Figure 4: Competitors and Hookie

Social networks such as Facebook provide platform to initiate such healthy activities in a group. However they lack the instant notification. As a result, it may take a long time for the users to join the event. The pop-up notifications in the browser are available but not every person allows them to appear on the screen. The time gap is essential and may lead to the situation when the others miss the instantly organized event.

In overall, this group of competitors is characterized by the private side of life of an employee. Not necessarily, an employee would share his personal details of social network profile or personal contacts to his colleagues. In addition to this, these applications are designed for communication and messaging and not specifically for health and wellbeing purposes. None of these offers any reminders and provide instant buttons to accept participation in healthy breaks.

Advantages:

- provide efficient messaging service

Disadvantages:

- are not related to health and wellbeing directly
- depend on contact book (of phone numbers, e-mails etc. that usually covers personal contacts of people, not necessarily related to work)
- notifications are not always instant and depend on the platform
- messages in big groups on online messengers can bounce and not be received on time

Coaching and Reminder Applications

Mobile (iOS): StandApp, Move-Daily Activity to Stay Healthy, Stand Up! The Work Break Timer

Mobile (Android): Randomly RemindMe, Stretching & Eye Exercises, Office Exercise & Stretch

Desktop (Windows): Awareness, Big Stretch Reminder, Workrave, PC Work Break

Desktop (Mac): Awareness, Timeout, Healthier Break Reminder.

There are many mobile and desktop apps which provide reminder service for a user to take a break and do some simple short exercise. These apps have following features:

1. Setting reminder time.
2. reminder and recommendations of various training exercises offered by the app

Majority of these apps require the user to set up the reminder time himself. Some of the apps also provide random time for reminders.

Advantages:

- provide reminding service
- provide pre-designed tasks and recommend activities. The user should not think what to do during the break.

Disadvantages:

- do not provide enough motivation
- user should program reminders by himself which is too much work and input
- with predefined tasks, the user can be bored doing the same activities over and over again
- no social element of moment sharing

3.1.5 Competitive Advantages of Hookie

Hookie has a number of advantages comparing to the competitors mentioned in the previous chapter. It combines the advantages of messaging services, reminder apps and social networks. Healthy breaks are created by the end users which they share with their colleagues. Hookie incorporates social and sharing element that are very important for healthy physically active breaks. This is a healthy social experience that will help the employees form healthy habits and enjoy energizing breaks with peers.

Hookie has a simple set up.

A user downloads Hookie on his/her mobile phone, goes to the link provided by the employer and is automatically added to the group related to employer.

Hookie reminds the user.

An HR or a user himself can program at what time he/she would like to go on a break, or he/she may not specify the time at all (in this case the time of breaks is suggested randomly according the time of the working day).

Hookie motivates a group.

Users can create healthy break activities by themselves using the app. When the healthy break is created all the colleagues receive notification on the smartphone screens about the time, place and activity of an event. Each event's length should be between 5 and 10 minutes. There can be limitations of participants for one particular event (This should be decided by the employer according to its break time allowance.) and the quantity of already registered participants will be shown in real time. If a user wants to participate he just pushes 'accept' button. If he decides to skip this break, he/she pushes a 'reject' button. During the day, a user will be notified to take at least one healthy break if he/she has not taken any break yet.

To summarize, Hookie has the following main advantages over its competitors.

- does not depend on phone number or contacts in the contact book
- the user has a choice: to create customized healthy breaks or use predefined tasks for activities
- with predefined tasks, the user can be bored doing the same activities over and over again

- easy access to all employees: notification will reach everyone who is working in the organization
- reminder can be set by the HR/user or be random (limited by working day hours)
- moment sharing makes the healthy habit stronger and more enjoyable
- HR can measure the activity of employees (data provided anonymously for a group or department) and correlate it with productivity and results

3.1.6 Social Impacts of the Business

Physical activity in the workplace: situation in the UK

Employees typically spend the majority of their time on the job, mainly keeping sedentary behavior. In 2012, in England, 59% of men and 54% of women reported spending five hours or more per work day sitting or standing. The Health Survey for England (HSE⁵) reports four types of workplace physical activity: sitting down or standing up; walking around; climbing stairs or ladders and lifting, moving or carrying heavy loads. In 2012, 59% of men and 54% of women reported spending five hours or more per work day sitting or standing. Similar proportions of men (43%) and women (46%) spent no time at work walking around. More than half of men and more than two-thirds of women did not spend any time climbing stairs or ladders (men = 57%, women = 65%) or lifting, carrying or moving heavy loads (men = 53%, women = 69%) (British Heart Foundation, 2015)⁶.

Because of low energy expenditure, sedentary behavior is strongly associated with poor health, independent of overall physical activity levels. Therefore many employers recognize their obligation to take care of employees' health and wellbeing. Investing in the health of employees can also be beneficial for business: it reduces sickness absence, (by 23,5%), increase loyalty and better staff retention. More active and healthy workplace makes the workforce happier and increases productivity.

There are certain guidelines and recommendations provided by The National Institute for Health and Care Excellence (NICE guidelines, 2008)⁷ in the UK aim to help employers and workplace health professionals prevent the diseases associated with a lack of physical

⁵ Health Surveys Unit (2004) Health survey for England 2004 – updating of trend tables to include 2004 data. London: The Stationery Office.

⁶ British Heart Foundation (2015) Physical Activity Statistics

⁷ National Institute for Health and Care Institute - NICE guidelines (2008). Physical Activity in the workplace. London.

activity. For instance, the employer should help employees to be physically active during the working day by:

- where possible, encouraging them to move around more at work (for example, by walking to external meetings)
- putting up signs at strategic points and distributing written information to encourage them to use the stairs rather than lifts if they can
- providing information about walking and cycling routes and encouraging them to take short walks during the work break
- encouraging them to set goals on how far they walk and cycle and to monitor the distances they cover

Common practice for employers is to cover employees' expenses for a local gym. But it affects the level of physical activity of employees outside the workplace. However, the problem of inactivity during working hours still remain.

Importance of moment sharing

The existing body of research about physical activity and motivation shows a strong positive relationship between peer and friend encouragement and participant's physical activity. When peers encouraged the participant, the peers also increased their own exercise levels. Further, engaging with peers was a promoting factor for physical activity (Maturo, 2013)⁸. The importance of sharing impressions and experiences is crucial. It binds people closer to each other and increases emotional satisfaction from the experience (The British Psychological Society, 2013)⁹. In terms of physical activity, having a workout buddy is beneficial for the overall level of motivation, commitment, and reaching of goals. Recent research showed that sharing physical activity experience with a partner increases motivation by 80%.

Hookie application will help employers to take of their employee's health and lifestyle in the workplace and makes easier to follow the recommendations of NICE applying the results of psychological research and making healthy habits more appealing and attractive for employees to follow.

⁸Maturo, Claire C., MPH, and Solveig A. Cunningham, PhD. (2013). Influence of friends on physical activity: A review. *American Journal of Public Health* 103.7 (2013): E23-38. ProQuest. Web.

⁹The British Psychological Society (2013), Shared experiences are the most powerful. [Accessed 04.08.2016 on <http://www.bps.org.uk/news/shared-first-impressions-are-most-powerful>]

3.2 Business Planning

3.2.1 Global Market Trends

There are two main trends of the global market. After a crazy increase during the last 3-5 years, health and welling-being (involving ICT) market come into a stable increasing period. But with smartphone and tablet's exponential growth in developing countries, mobile market increases dramatically in almost every area. The percentage of mHealth solutions increase with the same trend and similar crazy speed as well. The global mHealth solutions market is poised to reach USD 59.15 Billion by 2020, growing at a CAGR of 33.4% during the forecast period.¹⁰ This trend will not be changed during the new three to five years and mHealth solutions will play a more important role.

Among all mHealth solution apps released in Apple App Store, Google Play, BlackBerry Appworld and Windows Phone Store, fitness, which is a category more focus on fitness trackers or exercise guide is the biggest group of mHealth apps, with more than 30% and the highest percentage.¹¹ As the following two categories medical reference and wellness has specific and stable user group, fitness facing to all public is predicted as the first category for 3 years.

3.2.2 Go-to-Market Strategy

For the initial user group, our marketing channel mainly includes the following aspects:

- Door-to-door marketing for SME. During our survey before developing our business plan, we have talked with some HRs or CEOs about our idea. And those who show interests about our idea will be the beginning of our product's marketing promotion. We hope to get feedbacks in a small user range so that we can make some fast iteration to improve our product's user experience. Then we could expand by following their relationship network, which means they will recommend our product to their friends or fellows.
- Target advertising on LinkedIn. We would like to buy target advertising for UK's SME HR in LinkedIn to propaganda us to them. If we can let more HR or CEO know us, have an impression, even remember our product's name, it will become very helpful in future marking promotion.

¹⁰<http://www.marketsandmarkets.com/PressReleases/mhealth-apps-and-solutions.asp>

¹¹<http://research2guidance.com/r2g/research2guidance-mHealth-App-Developer-Economics-2014.pdf>

- Collaborating with business events/conference organizers and providing our product to them for free in the beginning. Just like case 1's situation, if Akos would use our product, it would be easy for all of us in his circle join to our product. Even though the organizers may not our product's target users, the market can also start from here.
- We are going to use content marketing: write/blog about health related issues in the corporate culture in different media and promote our product.
- Participating in hackathons and start-up conferences to introduce ourselves to public

3.2.3 IPR Aspects

For our product, we mainly discuss IPR from two aspects: content and IP protection.

The content in our product: Firstly, we should define the type of our app's content. In fact, all information of break activities and exercise will be posted by users, which means all of them are UGC (User-generated content). Therefore, there is no risk in IPR of the content inside our app. Like social network, owners of each post are responsible for the contents they have written.

The IP of our product: The mobile app Hookie belongs to us. As there is less barrier to implementing such a platform which can send posts inside a circle, it seems easy to be copied and be difficult in IP protection. What we could do are two things: one is strengthening our customer relationships to make our expanding speed faster among potential customers and improve the existing users' product loyalty; the other one is the improvement of our product's user experience, such as utilizing data-mining to provide a smart personalized order for coming events list, which is fit for user's interest more accurately.

3.2.4 Financial Forecast

According to our financial analysis, Hookie considers a total expense of 216,300£ for the first two years which includes both fixed and variable costs. Fixed Cost contains employee salaries, IT infrastructure, legal & administrative expense. We are focusing more on marketing, networking and social media advertising, which are the variable costs, to promote our product.

Hookie is a subscription-based revenue model and the customer can subscribe to the service on a Monthly basis. Initially, there will be no subscription fee for first two months. We will

then charge companies 10£/month for each employee. With a growth of 2 new companies in each month, Hookie is targeting 44 companies in first two years.

3.2.5 Financial Returns

With an average of 50 employees in each company, Hookie will get the revenue around 253,000£ after the second year. And based on this calculation, Hookie will break-even in 22 months.

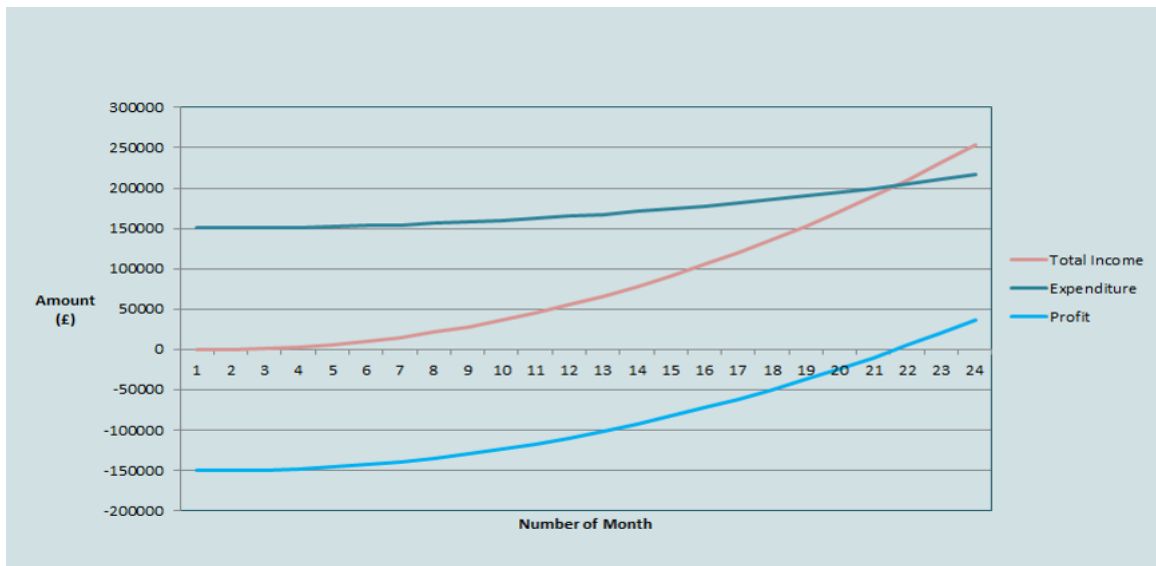


Figure 5: Competitors and Hookie

Cash flow and break-even point of Hookie is demonstrated in the above Figure. As it can be seen, the y-axis represents the amount in pounds, while the x-axis represents the months. The bars demonstrate total income, Expenditure & profit respectively.

3.2.6 Strategy for Funding

We need around 120,000£ of seed money to start the business in the first year. With this amount, Hookie will develop final software version, bear all expenses and start getting revenue. We will participate in different ICT & health and wellbeing conferences to find out the investors who can be either venture capital or Business angel. The rest will also be collected from them where the amount will depend on the actual financial figure after the first year.

3.2.7 Risk Assessment and Contingency Planning

Risks cannot be ignored. There are always some risks that any business can face anytime. It can be for financial, team, market, product, execution etc. We have analyzed all sections and prepared the contingency plan accordingly. One risk that we might face is if companies, those are having 100 or more employees, don't want to spend a big amount of money each month. In that case, we will minimize the subscription fee and facilitate them a special offer. Simultaneously we will also target to increase the number of clients. About team resource risk, we will recruit experts through outsourcing instantly if we face any difficulties. To remain strong in the market & compete with the competitors, we did SWOT analysis and our marketing team is always aware of it. Hookie also has a strong cash flow plan so that the business will not run out of money.

3.2.8 Financial Impact of the Business

According to a statistical release¹² by UK Department of Business Innovation and Skills, 60% of total number of employees in SMEs in the UK is 15.6 million.

Our target customer section consists of small and medium enterprises(SMEs). This number accounts for 60% of the 60% of all private sector employment in the UK. According to the sources the cost of the employers connected to staff absenteeism and employees health costs are 1000 pounds per employee per year and was 3,8 million pounds in total in 2012 (HR magazine, 2012)¹³.

¹²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/467443/bpe_2015_statistical_release.pdf

¹³HR departments are increasingly prioritizing employee health and wellbeing <http://www.hrmagazine.co.uk/article-details/hr-departments-are-increasingly-prioritising-employee-wellbeing>

4 Business Development Process

4.1 Decision Making Process and Business Development Approach

The whole business development process of our group has gone through four phases:

1. Diverge
2. Concentrate
3. Define
4. Correct

As health and well-being is an emerging topic and the case provider of CHOOSE also gave us less limitation regarding ideas, we spent more time in the phase of diverging. Every member had a different experience and understanding of the topic and the case, so when we collected everyone's ideas in the first round, every idea needed to be discussed for a long time to be understood. Then analysis of the scenarios, problems and implementation difficulties of it were carried out. After spending a lot of time on ideation, we realized that we started the analysis too early which lead us into the details without actually fixing on one particular idea. So we summarized each idea's key point and voted within the group to choose one idea to be continued. Celine's idea about match trainer and coach become the one we chose as the result of this phase.

In the second phase, everyone focused on the idea. After a simple brainstorming and six-hat discussion, we agreed the key point of this idea is to motivate potential users and we decided to develop the solution with our own understanding and each member prepared a pitch for other group members. This phase was very interesting because we could catch some inspiration from others' pitch, which paid attention to different points and provided different kinds of competitors based on the same idea. As a result of this activity, we came upon three ways to motivate people to engage in their health viz. gamification in interaction, sharing break moment with surrounded people and adding LBS coupon to attract people. The second one was the most appealing for us, because, we saw it happening in real scenarios around us during the summer school. The power of social factor in motivating people to do some healthy activity were accepted by everyone. Thus, as the result of this phase, we pivoted the coach and trainer idea towards an application that focuses on the social interaction to motivate people for a healthy lifestyle.

During the third phase, we tried to define the target user groups, problem, detail functions

of our solution, the vision of this idea more clearly based on the output of the last phase. When defining the problem, we narrowed the target user group. Some of us were of the opinion that, less motivation and difficulties in finding suitable exercise are general problems for many different groups of people, such as office worker, students, teacher, etc. So during our discussion we used a quadrant similar with Eisenhower quadrant¹⁴ to find the group which has strongest needs. During our analysis, we found office worker as our final target user group. We defined the problem with more characteristics and details, such as high pressure, sedentary and social need. And that made the foundation of the main function of Hookie: to provide an easy way to motivate the office workers to do some exercise during the break with surrounding colleagues. And our vision is to help them build a healthy lifestyle at the workplace. Based on that above agreement, we started building our business model by filling Business Model Canvas.

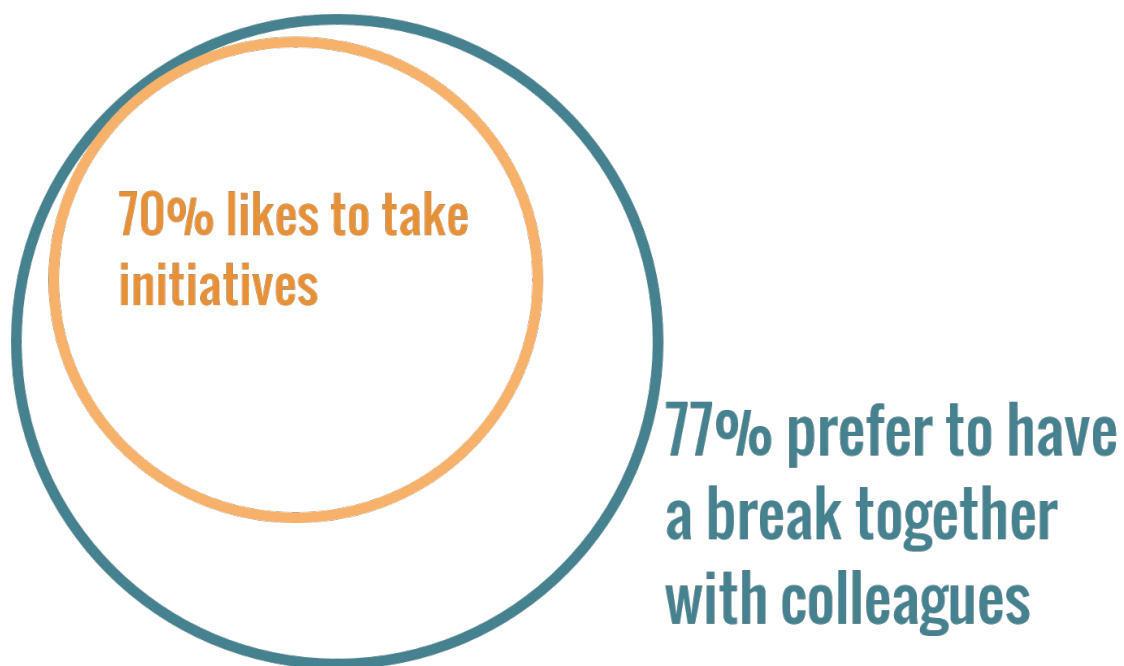


Figure 6: Survey Result

In the next phase, we tried to validate our idea and business model by an online survey, contextual inquiries and interviews. From the 60 response of online questionnaire, more than 77% agreed to enjoy taking breaks with co-workers. As this summer school is a suitable

¹⁴https://en.wikipedia.org/wiki/Time_management/The_Eisenhower_Method

context of this problem, we observed people's behavior during the short breaks and asked some of them questions about what they usually wanted to do in the break and what they really did. We found that few people did physical exercises and the reasons for it were always no one does it together or he/she didn't want to be the strange one among people. When we introduced our idea, most of them showed interest in it. Those results supported our idea about the need of end users. Talking to them also provided us valuable inputs to improve our solution. The customers of our product, who will pay for it, are not the end users but their employer. We discussed, what are our selling points attracting them and did some interviews with them. During this phase, we understood that employers were more interested in its value in company culture and team building, especially the cross-departments communication and we also understood that providing the employer with the statistics of activity data of employees should not be our main focus. Also, some of them show worries about our initial high subscription monthly price. So based on some research and talking to users, we did some corrections in the details of our key value proposition, business model, and planning.

4.2 Project Challenges and Solutions Found

Healthy Together

During the ideation stage, we struggled with the fact that numerous health and wellbeing applications are already around but only a few are downloaded frequently or used for a prolonged period of time. No matter how good an app itself is, people easily give up on this virtual lifestyle coaching program. The user self-motivation is not high enough to keep him using the application. Even though the app is made to help the user with good tips and guidance, there is only the mental strength that will do the difference at the end. And let's face it: this is not a small icon on the home phone screen that will give all the force needed to change bad habits and start a new lifestyle, even if we all know that it would be for the better.

The types of users described above obviously need a strong incentive to adopt new good habits on the long run. Using only the technology such as an application or a tracking device does not seem to be powerful enough. But instead of looking the glass half empty, we opened our eyes and we realized that the motivation does actually exist just right the corner, among us. There are people who do have good habits, who already know how to treat themselves good, who need to be active, who need to live healthily.

We thought what if we make use of this potential instead of starting from scratch? What if

we connect people who already have the motivation and who already have a healthy lifestyle with the ones who need a little kick? What if the secret ingredient for a working health and wellbeing app was actual to hide the main purpose (i.e being active and healthy) behind a much stronger value, that is sharing? The social interaction solves the issue of lacking self-motivation. Because together we are stronger.

During his presentation on Monday 1st of August, Nick Guldemonnd emphasized the importance of the collaboration of the community when it comes to health and wellbeing. He talked about the interconnectedness in social and medical care. He pinpointed that in order to shift the paradigm, it was absolutely essential that people get hand in hand and start to help each other. This fundamental value resonated in our head and we've incorporated it as being the main value of Hookie.

Human Resources Management

Since we want to address the issue of sedentary hours at work, we looked closer at HR management. One of the great-yet-abstract goals of the HR managers is to have happy, motivated and engaged employees. There are tons of techniques to achieve this challenging aim. At Hookie, we focus on the engagement. We believe that if we manage to have engaged employees, then happiness and motivation will necessarily follow. It is fundamental that all employees feel involved in their company. They should have confidence while exhibiting their ideas, creativity, and enthusiasm. This generates great outcomes, both in term of business goals and intra-company culture.

“Organizations with a positive and friendly corporate culture are the employers with the low levels of turnover, high loyalty of employees, and they have no issues with the productivity and performance. They can reach their strategic goals without significant issues, and they can plan the business development in the long run.” ¹⁵

It is important that each employee can grow as individuals as well as part of the organization's network, and that they feel comfortable in suggesting ideas and taking initiatives. The employees should be given the chance to express their opinions and ideas, which will link to a nice working environment and strong company culture.

‘Employees feel involved when they have a chance to build communities for a direct communication between them. They do not need any approval, or they do not require a long

¹⁵<http://www.creativehrm.com/>

*approval process to build the internal distribution list. Emails are boring, but short motivating messages about new ideas are creative and inspiring. HR should be the advocate in the leadership team and find resources to build the internal social network that will be freely available to employees.’*¹⁶

Social but Productive

Hookie provides a platform which gives a lift to the internal social network within the company. At the same time, Hookie helps employees to get engaged in their health. It leverages the motivation within a sharing and social process. It makes use of the “power of the crowd” to push the co-workers to adopt good habits during their working hours. And this is all done without any additional work for the HR manager. Anyone in the office can suggest a healthy break and anyone can choose to join with respect to the current working task.

Hookie remains clean from all the other social media notifications that can be very disruptive at work. We don’t want to incorporate our peer-to-peer break suggestion into an existing messaging app such as WhatsApp or Facebook. We want to have a clear and clean app that highlights the suggestion of the break itself. We do not need any personal profile or accounts. We avoid the distractions such as likes, posts, images or messages.

Thus, our main difference with the existing social media application is that with Hookie, the social moment happens in real, during the break! As a consequence, the employees stay focused while working and have their discussion and social instant during the next short healthy break.

Selling an Experience

While reducing the cost and challenge of research and technical development, we have to be very strong on the value that we offer. We have to be clear on why our customers will pursue our service. We know that a simple application can raise skepticism when it comes to selling it. Our main challenge is that we are actually providing an experience rather than a product. The value proposition isn’t obvious just by seeing the different features of the application or by having someone explain it to you. It has to be experienced.

This is why we provide a two months free trial for our customers. We want the HR managers to actually see that the working environment will be changed; thanks to Hookie. We make

¹⁶<http://www.creativehrm.com/>

use of a simple technology to offer a complete service to companies. We help HR management to build the company's culture and create a healthy and collaborative environment.

The reciprocity is the key value. People like to give because they expect other to give back to them. They can suggest healthy breaks or join these moments for mutual benefit. We focus on the moment sharing. Both employees and managers can join, which creates an open setup for communication concentrated around a healthy break.

The marketing to sell such service needs some different approaches from those traditionally used in consumer electronics. Building a brand and selling an experience is a long term goal and the whole business model and the team has to go with the vision.

We don't provide any individual data mining to the HR because it goes against the main idea of the social and sharing aspect of Hookie. We'd rather aggregate the collective data in order to drive collaboration within each department. This can be seen as a "gamification process", where department and teams have to join forces and pool resources to come up with creative healthy breaks, as well as being productive and committed to their work.

4.3 Next Steps

As mentioned before, the marketing to sell such experience has to be inventive. It won't be enough to describe the features of the application to convince our customers. Hookie has to be experienced and tested.

This is why we want to offer our service during hackathons and conferences on ICT and health and wellbeing-related topics. We want to seduce the users to better convince our customers later on. It will also be a good way for us to validate our assumptions and improve the application itself.

As an example, there is the Health Hack Academy Hackathon¹⁷ in September in Stockholm. Taking part of this event as participants could not only give us the chance to improve the service but it would also be a good exercise to share our vision and promote our service in front of a jury and important people in the field of health and wellbeing. We could build our network while starting to build our brand.

We also want to offer the package during conferences such as STHLM TECH Meetup¹⁸

¹⁷<http://healthhackacademy.se/>

¹⁸<http://www.meetup.com/fr-FR/STHLM-Tech-Meetup/>

where creative people, entrepreneurs, hackers and investors are gathered under one roof to discuss great solutions for the future. We would like them to install Hookie for free on their phone. The event would have a tag such as #sthmltechoctober2016 and everyone in the audience could suggest a healthy break within this tagged bubble. In such event, people don't necessarily have the phone numbers of each other or they are not necessarily familiar with the area, so Hookie helps to create the network. It makes use of the peers to offer a suggestion such as *"walking back and return to T-Central after Daniel Ek's talk. Duration: 8 minutes"*.

Finally, our main goal is to create a good relationship with our customers and provide them with personal assistance. It is important for the Hookie team to go door-to-door and discuss directly with the HR managers to develop the best possible service for them. We would be ready to come up with special features according to the company's culture. We want to help them to foster healthy habits and team building within the company's walls.

5 Evaluation

Céline Dupuis, KTH Royal Institute of Technology

Team organization, roles and process

I remember the first time we were sitting together with the team. Without even knowing our names, we had to do the “six hats” exercise. We were all a little bit nervous but it was a good way to break the ice. It directly felt like everyone was calm and respectful to each other. We were all listening carefully to each other’s opinion and this is something that has followed us during the entire project. We always wanted to know what each of us was thinking, we argued in favor or against the new ideas and were ready to give up our own thoughts if it was for the better. Since we did split some tasks along the way, we had to present our own work to the team the day after and it was an excellent way to testify what we have worked on. We were transparent with each other, we iterated over the ideas and finally, we moved forward together.

Your own contribution to the project

During the ideation process, I prepared a template and some slide to talk about my idea to the team. After the table round, we decided to go with the coach-trainee idea. This is only after a few hours working on it, that we realized that it wasn’t maybe the good niche. I decided to leave the team for the afternoon, go out and visit some outdoor gyms to see if the idea was about to evolve when seeing what was happening outside. The day after, I came up with a new presentation for a shifted idea. This is when Hookie was born. I was happy to represent the team for the two pitches. While preparing the slides and the script, I had to discuss with each of us to summarize in the best possible way each aspect of the project.

Learning experience: what did you learn?

After the first pitch, we spent an entire day with the team to reconsider our weaknesses and strengths. We used the Business Model Canvas and completed the nine blocks together. It was important to take the time to do it well before splitting the tasks again. I realized how the team could give me energy and how we could be stronger together, because, after all, we were all struggling with the same doubts.

I also learned that it was important to validate the idea and share it with the coaches. It can give a new perspective and it is challenging to answer some unexpected questions. It also made me realize that sometimes we shouldn’t try to provide an answer too fast just to convince one particular person. We should always think about our main value, our main

vision, and not fall into the trap of quick and easy solution that actually does not fit our service. Innovation is not only the idea; it is the entire business model that goes with it and creativity and research should be considered at each step.

What did you miss with respect to your own competences?

I wasn't as resilient as I wanted to stay positive all the way. I was sick and it was difficult to rest and recharge the battery while being surrounded by people all day. I realized that I should work on my ability to let it go sometimes as well as accepting to doubt and fail. I have the right size for my green hat but I should go and buy the red one for next time!

Mehetab Alam Khan, Technical University of Berlin

Team organization, roles and process

If I have to choose three words that describe our team, they will be: intense, professional and respectful. We, as a team, had a very good professional chemistry between us. After a couple of days of working with each other, we came to realize and respect the strength of each member. This helped the team put its best foot forward depending upon the situations and needs.

Among our team, we had idea generators, researchers, number-junkies, designers, and analysts. And since we already knew who is good at what, it wasn't particularly necessary to assign individual roles to each team member. However, each team member worked on different requirements of the projects according to his best competencies and took help from others when needed. As there were no individual roles assigned during the project work, each member felt responsible for the whole project as a whole. This really helped us listen to each other's ideas with openness.

Your own contribution to the project

As there were no particular roles assigned for team members, it helped me contribute in multiple aspects of the project work. During the ideation process, I, along with other team members analyzed our business idea, its feasibility and ways to improve the business model. After we fixed on the idea, I did online research to find data to support or discard our assumptions. I used this data and the data from the cost structure to create a suitable revenue model i.e. subscription-based model and to come up with the pricing strategy for Hookie. I was also responsible for the user survey to understand the user requirements, and the analysis of the survey result.

Learning experience: what did you learn?

The main learning for me is, implementing an idea is as important as generating it. During an initial couple of days, we did a lot of brainstorming to come up with a great idea. However, we always found loopholes in the idea and were skeptical about the newness of it. But, only when the things started to get heated up and we didn't have any time for further ideation, we finally agreed on to the best idea that we had in hand and decided to go ahead with it. And this was by far the best decision we, as a team, made in these two weeks. Because what followed next was a continuous process of iteration and pivoting of our idea and the business model based on market research, user inputs, guidance from the coaches and our own team discussions. And this changed our whole view of the initial idea and how to make a business around it. So it was really important for us that we kept going, be it doing online surveys or filling up the blocks of Business Model Canvas. Because, at the end, an idea is only as great as it is implemented.

What did you miss with respect to your own competences?

The two most important things that I wish I would have improved in these two weeks are: be less critical to new ideas and to be more proactive towards pitching. I consider myself a usual black hat. Even though being critical to a new idea is constructive, I tend to overdo it which results in me killing my own new ideas in addition to being skeptic to other's ideas. My conviction that I should work on towards being less critical and just let loose once in a while has now become even stronger.

Omar Faruque, UPMC**Team organization, roles and process**

We had a team with great personalities, different cultures, and different educational backgrounds. At first, we took the time to generate ideas and then we came up with such a positive and great idea. We split tasks among us and discussed our thoughts as well as difficulties during team meetings. Team building process with cards on first Friday also helped us make the team stronger.

Your own contribution to the project

After we agreed on the idea, my main responsibility was to prepare financial analysis, product pricing, sales forecast, cash flow, P&L, break-even strategy. I tried my best to put accurate figures for those by doing research on UK market. Besides, I participated in preparing Business model canvas along with my teammates and attended all the team meetings.

Learning experience: what did you learn?

Being a part of this summer school has been beneficial in many different ways. I got the chance to learn about health and wellbeing, an area in which I did not have expert knowledge. Secondly, I had an opportunity to meet different people from different cultures as well as from different part of the world and we shared our experiences and made connections. Being a part of Hookie team was a real pleasure due to my team members who knew how to get the work done and at the same time to have respect for everyone's opinion. Besides, I am very grateful for all the help and support which our coaches gave us. In addition, Commando activity training on Friday afternoon was also a pleasure. All in all, this summer school was a great experience for me.

What did you miss with respect to your own competences?

Sometimes I am not quick to come up with new ideas, I need more time to think about it. I hope, I will improve it in the days to come.

Ziying Zhang, KTH Royal Institute of Technology**Team organization, roles and process**

Our team was organized with a respected and cooperated atmosphere. There is no a powerful or aggressive leader in our group, and we organized discussion randomly and separated duty actively. Everyone participated each task actively and respected other guy's opinion, and the final decision always followed the majority rule. We didn't do work together blindly, for we all believed for some tasks, preparing by each one separately before discussion are more effective.

Your own contribution to the project

In this project team, I joined each step actively, but the frequent role I played may be still the familiar one for me: idea contributor, user researcher, product and UX designer. The final target user group is same with my first idea as a healthy assistant for office workers. After deciding Celine's great idea, I contributed to concentrate in the direction to do break together. I also joined parts of competitor collection and analysis, idea validating by online surveys and the business model working with other guys together. I pay more attention in channels, value proposition and marketing analysis. The logo and slogan of our product are designed by me, as well as the prototype of app interface.

Learning experience: what did you learn?

For the project, I learned most from my group members. We were all from different culture background, the discussion about our topic was really a great chance for me to know more thinking styles about the same thing. Our final idea was difficult to come up with me, for our culture doesn't have so strong habit of break time. Thus, it was an interesting learning process for me to know all aspects of this topic in the UK or other countries. In the two weeks work, everyone showed his/her true potential and strengths, and I really enjoyed the process of learning from each other's inspiration. Our two presentation style, both in the slide and speaking, is also a great example for me to improve my presentation skills.

For the lectures, I really appreciate Jonny's lecture which gave me a deep impression. This the fifth year I do the web or app product design work. But this lecture suddenly made me realize that I fell into the specific work in interface design or product operation for a long time, and thought less about the initial vision why I came into this field. The rich meaning of well-being, the unpredicted result of the products we designed for improving the convenience of people's life, the evaluation standards of a successful product, all of these topics or questions are worth to rethink after everyday's life.

What did you miss with respect to your own competences?

As I am not very confident with my English in presentation, it is a pity not to show an active attitude to be the presenter during both lectures and pitching. And another pity is, I am easy to fall into the product manager's thought which considering the difficulty of implementation, that limited my thought sometimes. I hope, I can improve myself in these two areas next time.

Anastasiia Karpenko, University Of Trento

Team organization, roles and process

In our team, there were no formal roles allocated, but during the teamwork process, the participants took their roles naturally. Some of us took care of financial data, the others looked at statistics in health and wellbeing industry, made a research about competition. We had a presenter and main idea generator.

Idea generation process was quite hard. During the first week, we had one idea and we started to make research on that. But, we found a lot of competitors and struggled a lot to make our idea somewhat different and more innovative. Before the first pitch, one of us came up with the proposal to pivot the idea and it seemed better. We supported the new idea and started to work in the new direction. However, we did not have so much time as

at the beginning, and that was our challenge.

Your own contribution to the project

I participated in the idea development along with my teammates and after we agreed on the idea I was responsible for market research and competitor's analysis. In addition I made a research about sedentary lifestyle and its harm to human wellbeing as well as employers costs connected to employees' absenteeism. I research the recommendation of health authorities to the employers about health and wellbeing of staff at the workplace. All this information helped to validate the project idea.

Learning experience: what did you learn?

I learned a lot from my teammates. We all are different people with various backgrounds and skills, we are all different personalities. That is why it was interesting to see how each of us worked and engaged in the teamwork. I learned that people are different in terms of creativity. For some of us, it was very easy to get into creativity flow, other people needed some rest and fresh air to get to innovative mood.

I learned many things about persona and user experience from my colleagues who study human-computer interaction. Also, the team building practice with cards was an interesting experience. I learned how to be opened for a frank conversation and how refreshing an interaction with teammates can be when we discuss our thoughts about each other openly and frankly.

What did you miss with respect to your own competences?

Overall summer school was a good experience however sometimes with a lot of pressure. The hardest thing was to concentrate on the idea itself, on the teamwork when we did not have so much time during the morning and afternoons. Only in the evening after the working day finished we had some time to work on our project, however, we struggled a lot to get concentrated and energized at the end of the day.

Also, I think not all the cases are at the same level of freedom and creativity. The CHOOSE case, in my opinion, was limited to health and wellbeing application and it was hard to come up with the very innovative idea because of targeting to a mobile application linked to people's motivation to take care of their health. Since there are lots of such applications on the market already it was hard to set our minds free and think about something really innovative.