

PADHOMITRON



Business Plan

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CONTACT INFORMATION (S2-S3)

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EXECUTIVE SUMMARY

1) OPPORTUNITY

Problem Summary

With the advent of online learning, the online education industry has seen a rapid growth. This has led to creation of number of Massive Online Open Courses (MOOCs). This surge leads to number of substandard MOOCs which don't provide proper guidance and learning required by the students. Also due to huge number of MOOCs the student is confused about what MOOCs to follow to achieve his/her learning goals.

Solution Summary

We provide out student with quality education content from reputed academic institutions. These courses are quality tested so that students can have a quality learning experience. These courses are recommended students according to their preferences. There is a discussion forum where students can help each other in their respective field of study. Mentor ship is provided to the one who need it at an affordable cost, where the mentors help the students along MOOCs and future goals. Learning paths are provided in various fields of study so that the students can study in a focused manner. These paths are made in consultation with industry experts.

Market Analysis

The majority of MOOCs available today are university courses that have been put online, or courses which were created by corporations and target specific career skills. However, in 2015, MOOC providers have started targeting high schoolers with the intentions of closing the college readiness gap, helping students to get a taste of different majors through introductory courses, and providing exam preparation (like AP) courses.

Competition

While technology has enabled MOCs to gain massive audiences, it has also allowed schools to develop more executive education programs that can be taught through distance learning. New technology is energizing a revival which has seen demand for courses become insatiable in emerging market regions including Asia and Africa. Which have potentially opened a new market segment, resulting companies investing to grow their Market into these regions. Two specific MOOC providers are leading the charge: edX and Coursera.

Why Us?

We are all students so we are aware of the problems as we have faced them our self's. We have a strong background in technology to make this platform a reality and in finance to make the business run profitably.

2) EXPECTATIONS

Forecast:

Keeping in mind of all the key assumptions discussed in Finance Plan section, we are expecting to generate a net income, without incurring any losses. Our future goal would be to introduce more services and to monetize them to generate revenue. Also, since bootstrapping is used, risk of loan repayments is not present.

Next year, we are planning for a total sale of \$4.58 million, which is \$0.32 million greater than the current year's sale prediction. Thus, if implemented as planned, it would be of good success of the plan.

Financial Highlights by Year:

Below is the chart of key financial metrics.

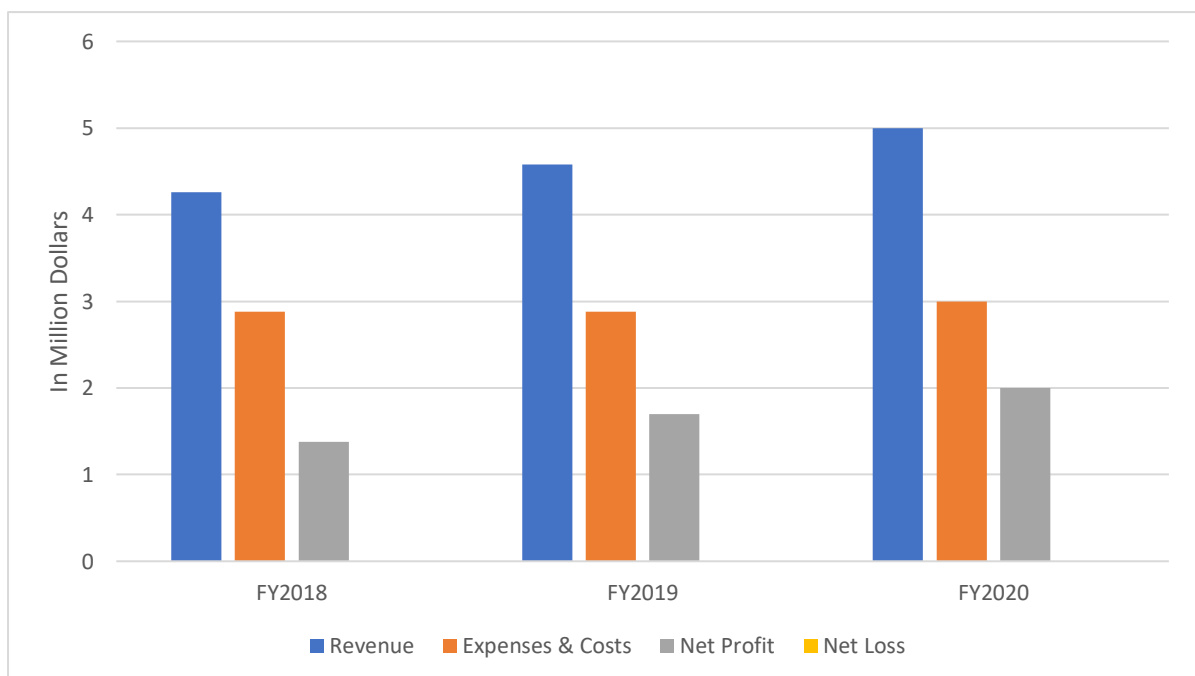


FIG1: KEY FINANCIAL METRICS GRAPH

OPPORTUNITY

1) PROBLEM & SOLUTION

In recent years MOOCs have revolutionized the area of online learning and learning as a whole. With the advent of MOOCs education has become more and more accessible to everyone, not only limited to academic institutions. They provide opportunities to every aspiring learner with a computer and Internet connection in any corner of the world to learn. Many platforms have been built to provide quality higher education from reputed academic institutions as MOOCs to learners from around the world, at affordable cost. But this huge influx of MOOCs has some drawbacks. Firstly, the quality is not always up to the mark. This can have attributed to poor structuring of the course work, poor video quality etc. Secondly, with this much content the student is overloaded with choices and is left confused with what MOOCs to pursue for his/her goals. This can hinder growth of students as well as the platform itself, as the platform can be viewed as confusing. This also hinders the main motivation behind MOOCs, as this makes education less accessible.

Our Solution

We address these problem by our platform, PadhoMitronn.com. Our platform recommends students high quality educational content from reputed academic institutions. These recommendations are personalized and in accordance to the student's goals. These MOOCs are quality tested to provide the best learning experience to the students with high quality videos and assignments. Also, these MOOCs are assured to be challenging to the student in accordance with their prior knowledge so as to stimulate them mentally. To discuss problems encountered during these MOOCs we provide a discussion forum for students where they can ask and answer questions regarding their MOOCs. This gives a sense of comradery to the students, as they can see other see how other are approaching the problems and also give their insights. Our platform provides mentors who provide guidance to students along these MOOCs and resolve their doubts. These mentors are highly qualified in their respective fields and provide nurturing guidance to the students. The mentor ship is a paid subscription service with an affordable cost.

Our platform provides students with learning paths for specific fields from science to social sciences. These learning paths are constructed by consulting with industry experts in that field. The learning paths are adaptive as they gauge the student's previous knowledge on the subject and recommends the MOOCs suitable to them. This helps the students to stay focused on their aim, and deals away with all the confusion, caused due to too many options. Option of custom learning paths is also available which is charged. The custom paths are tailored to the individual and his/her aspirations. Our platform also provides training to corporates to skill up their employees in particular technologies and trends. This helps the companies to stay up to date on latest technological trends to stay highly productive.

2) TARGET MARKET

MARKET SIZE & SEGMENTS

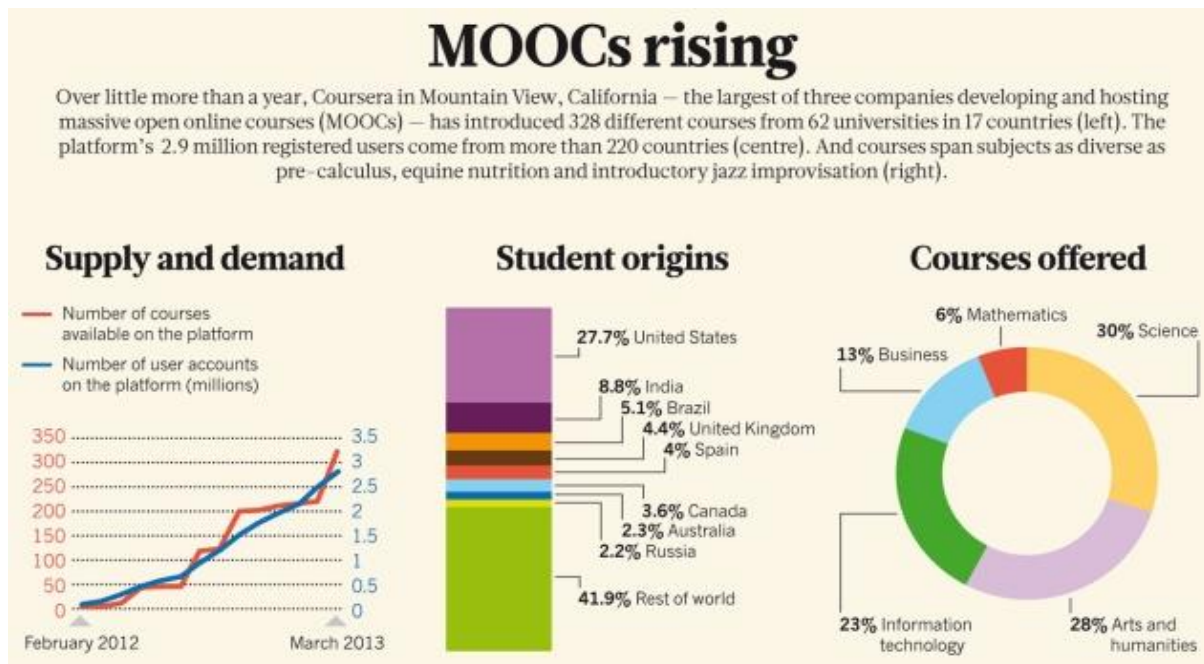


FIG2: MARKET SIZE AND SEGMENTS

Source- <http://donaldclarkplanb.blogspot.in/2013/04/moocs-whos-using-moocs-10-different.html>

Fascinating graphic, a sit shows that nearly 42% of the target audience for MOOCs are not the developed world. It also raises an interesting question. Who is it for?’ are four words that tease out a MOOC strategy or lack of strategy. For most it is a marketing exercise in terms of the brand, a way of reducing internal costs on high volume courses, a way of recruiting potential students (directly or through their parents). Yet others see it as a way of flushing out funding from Alumni or presenting an ‘accessible’ face to Government.

For MOOCs, several target audiences have emerged -

- Internal students on course – cost savings on volume courses
- Internal students not on course – expanding student experience
- Potential students national –major source of income
- Potential students international – major source of income
- Potential students High school – reputation and preparation
- Parents – significant in student choice
- Alumni – potential income and influencers
- Lifelong learners – late and lifelong adult learners
- Professionals – related to professions and work
- Government – part of access strategy

There are more-efficient ways to target professional learners than trying to sign them up one at a time. Coursera and other providers can sign students up in bulk by reaching them through corporations who generally have huge training budgets for employee. Skillsoft, an e-learning provider that exclusively sells to businesses, claims to have 400 million learners including 65 percent of Fortune 500 companies. The market size for corporate learning is easily in the tens of billions of dollars annually—and maybe even bigger than the direct-to-consumer market that MOOC providers started out in. It still early days, but Coursera claims to have more than 50 enterprises using its Coursera for Business product.

But at the center of all this is still the traditional university. Though MOOC providers have started partnering with companies to create their courses, those are usually limited to teaching learners how to use the company's own products or simply a branding exercise. Both Levin and Simon Nelson, CEO of another MOOC platform called FutureLearn, reiterated at EMOOCs how MOOC providers are not an alternative to traditional colleges, but a strategic partner.

To better serve this audience, every MOOC provider has launched products that range from tens of dollars to tens of thousands of dollars. As a professional learner, I feel a certain amount of comfort knowing that high-quality educational material exists for skills that I would want to learn in the future. But if you are true lifelong learner—the ones that helped start all the hype in the first place—the MOOC experience has largely been reduced to basically a YouTube playlist with a cumbersome user interface.

3) COMPETITION

Current Alternatives

Our Product provides a bridge between online courses available(MOOC's) and the Learner. To guide the learner through different courses and pick the best one for the aim they want to achieve. In this scenario the MOOC industry can be our partner or if we would develop our own content these industries will be our competition. Our report reveals the technologies and companies which hold the greatest potential. In particular, exploring and analysing the activities of these companies: See where the expected gains will be. Our work explains that potential, helping us stay ahead. Gain a thorough understanding of the competitive landscape with profiles of 12 leading MOOCS companies examining their positioning, capabilities, product portfolios, R&D activity, services, focus, strategies, M&A activity, and future outlook.

The major players in global market include

1. EdX
2. Coursera
3. Udacity
4. Udemy
5. Duolingo

6. Englishtown
7. Google Primer
8. Lynda.com
9. CodeAcademy
10. FutureLearn
11. Esri
12. IER

Geographically, this report split global into several key Regions, with, revenue (million USD), market share and growth rate of MOOCs for these regions, from 2012 to 2022 (forecast):

- United States
- EU
- Japan
- China
- India
- Southeast Asia

On the basis of product, the MOOCs market is primarily split into:

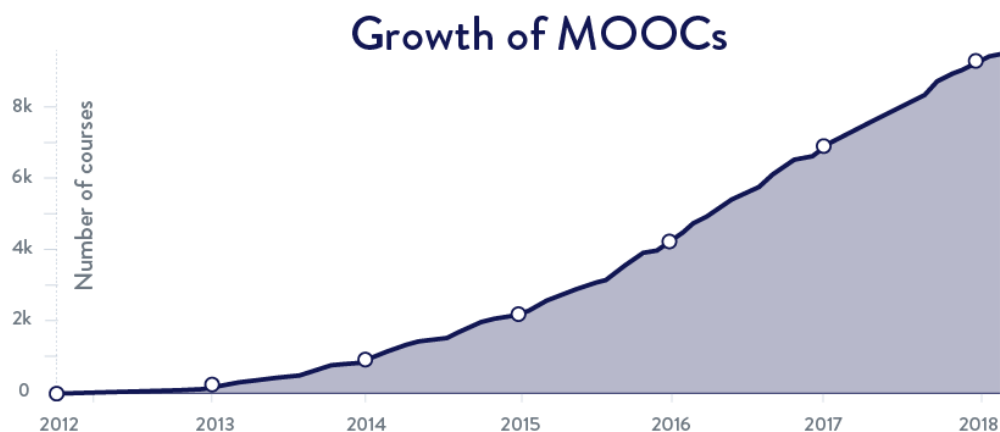
- XMOOCs
- CMOOCs

On the basis on the end users/Application, this report covers:

- Education sector
- Corporate sector

Our Advantages

CLASS CENTRAL



By the Numbers: MOOCs in 2017

FIG3: GROWTH OF MOOCS

Source: <https://www.class-central.com/report/mooc-stats-2017/>

Number of MOOC's available has been on rise exponentially which results in lot of unstructured data that is available in the industry which confuses a potential learner to choose the most effective course according to his or her requirements.

In the current MOOC Industry there is no current solution to deal with the problem. No Learning paths are available to help students to actually get an efficient Learning experience.

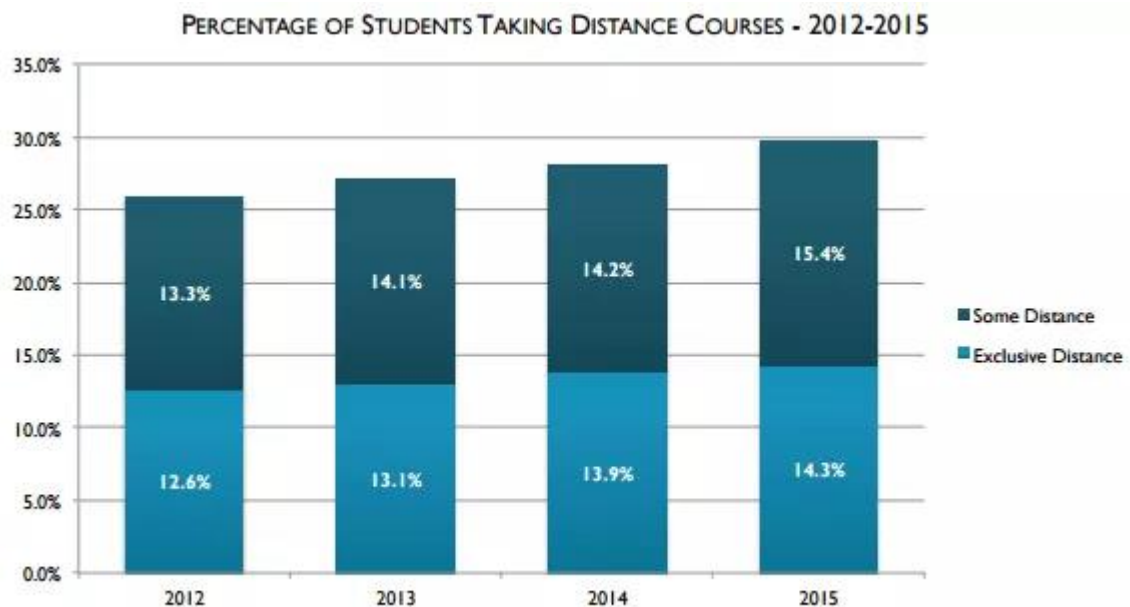


FIG4: ANALYSIS OF DISTANCE EDUCATION

Source: Digital Learning Compass: Distance education enrolment report 2017

The report shows that, during the same 4-year time frame, that is, between January 2012 and December 2015, the annual growth rate for enrollments in distance education courses or degree programs was +3.9%. In fact, overall enrollment in distance education courses increased for both graduate and undergraduate courses from 5.5 million distance learners in 2012 to over 6 million distance learners in 2015. Although this growth is much less explosive than it was in the decade between 2002 and 2012, a time when it was not uncommon for distance education enrollments to grow at double digit rates, its consistency is notable for having bucked the trend of declining enrollments everywhere else.

This could, and very likely does mean, that online education is becoming an increasingly popular alternative to and supplement for some forms higher education, but especially the private for-profit university. For indeed, except at for-profits, the proportion of the college student population that is enrolled in at least one form of distance education is also up.

EXECUTION

1) MARKETING & SALES

Mission

To connect the learners to the best available resources available for the subject they wish to learn and to make the process of self-learning easy, convenient and goal oriented.

Marketing Objectives

- Develop brand awareness through a steady, month to month increase of new customers.
- Develop an increase in sales while achieving a status quo state or decrease in marketing expenses.
- Reach the target market through different communication channels like digital media and print media to promote the brand.
- To retain the existing customers and increase their frequency of usage of our services.

Financial Objectives

- A double-digit growth rate for each future year.
- Reduce the variable costs through efficiency gains.
- Reach profitability within the first year.

Marketing Strategy

The product PadhoMitron.com being an online platform, the marketing strategy will vary greatly from the traditional methods of marketing and sales used to reach the target market and to achieve the target goals. Now-a-days, there are various methods of digital marketing like through email, social media marketing, advertising and through website and mobile application. We would be using different techniques depending on the target customers that we want to reach. Our customer base ranges from students to teachers and right up to working professionals and all the groups make use of mobile and internet in a whole different manner. So, through social media marketing like Facebook pages and ads, we would be reaching the students and would promote our product so as to help them learn their favourite subjects at their own pace and from the best resources available for that subject. Besides, promotion through email also needs to be done as majority of the population uses email as a primary method of communication and it is the best way to reach out to working professionals. Promotional emails based on a monthly or weekly basis would be sent to the users in order to update them about the new content posted on our platform and the additional resources available for the subject they are learning. Print media can also be one great medium to spread the word and for that advertisements in the newspapers would be given to make people aware about our product and schemes provided to them in order for them to try out our product.

Marketing Research

The main goals of marketing will be, first to reach to as much people as possible in various regions through internet and digital media. Second, to attract the existing users to increase our product more frequently by providing them various schemes and concessions. Besides, another important goal of marketing is to reach out to various content providers to collaborate with our platform and share their content with our users on a partnership basis. Generating revenue through sponsorships is also one of the goals that needs to be achieved through marketing. In order to develop marketing communications, strategic partnerships with similar companies whose products are used widely and has a huge customer base, is important and would be done so as to attract the users from their platform to our platform. Schools and colleges often need their students to develop extra-curricular skills and so partnering with schools and colleges to act as a communication channel for our product will also be done for marketing of our product. The budget for marketing will be divided based on the source of promotion being used mostly and which is more effective as compared to other sources or marketing. A major percentage of the budget would be dedicated for giving advertisements in newspapers and magazines. An almost equal percentage of budget would be dedicated towards social media marketing and a less percentage of budget would be dedicated towards email marketing. Overall, the aim to reach the target market would be achieved by word of mouth and through social media. So, the process of marketing communication can be made seamless and highly effective in terms of getting new users.

SALES PLAN

Since, PadhoMitron connects learners to the best available resources available for a subject, a dedicated sales team is required to reach out to various segments of customers and get them to be our paying customers and use our platform for learning. The sales plan will include identifying students from different fields and who are looking to enhance their skills in different domains like technology, art and design, finance, commerce, etc. Next, it is important to reach each group of learners with the appropriate material relevant to his field of study. So, the sales team would be working in groups to reach out to different groups of students and working professionals from various backgrounds. Providing specific features of the product free for a limited period of time to try is also one of the important sales strategy that we are going to follow. It is also important that once a new user signs up, we keep following up the user so that he uses our services more frequently. So, a part of the sales team would be focusing on that part to retain the existing users by letting them know about the various schemes and career path ahead in the field of study they are currently pursuing. Besides, getting contracts from various social media companies to market our brand and maintaining partnerships with content providers and other key partners. In this way, first to get people to try out the product for free and eventually converting them into paying customers is the most important goal and primary target that the sales team needs to achieve.

The primary sales objective of the company is to connect more and more learners to the right learning material. Also, to connect the best content providers like e-learning portals, online education technology companies to the market suitable for their services and products. This objective needs to be achieved with the help of traditional as well as modern sales strategies. Traditional strategies like print media in order to make the product popular among people from all age groups and from all backgrounds and modern means of sales like social media, digital marketing and internet. The single objective is to position PadhoMitron as the premier place for learners to get the best resources available for the subject they want to learn. The marketing strategy will seek to first create customer awareness regarding the services offered, develop that customer base, and work toward building customer loyalty and referrals. The message PadhoMitron will seek to communicate is that PadhoMitron is THE place to meet all your needs with regards to self-learning. This message will be communicated through a variety of methods. The first method will be advertisements. The bulk of the advertisements will be in the knowledge Magazines, a weekly information guide that has impressive readership numbers for the desired target population. Another method will be through establishing strategic relationships with companies that have similar demographics. Establishing a mutually beneficial relationship will allow both organizations to develop visibility for each other. The other form of advertising will be using "grassroots" methods where customers will be given coupons for their friends to try PadhoMitron for the first time. The coupon will be an economic incentive for the newcomer to try PadhoMitron. The coupon also has the added force of a referral from a friend.

2) OPERATIONS

Locations & Facilities

PadhoMitron would be Neemrana-based Start-up company which would be located in Japanese Zone in Neemrana, Rajasthan. The company's location is very favourable, providing high visibility, high traffic, and a high flow of employees wishing to join our company. Accordingly, the rent that was accounted for in this plan is higher than in other areas of the city. The PadhoMitron would be located just minutes away from the highway in the Japanese Zone. Other advantages of the chosen location include:

- Plenty of parking, garages, and additional storage area available
- Excellent central location with easy access to major destinations, freeways and other transportation means
- Short commute to major employers in Local Bay
- High flow of pedestrians
- Industrial Zone which will attract large number of employees
- Strategically located on one of the busiest streets in downtown
- High profile area with easy access from all parts of town
- All utilities required for operating a company are available

All these characteristics of the location are consistent with PadhoMitron goal of providing excellent online education and become one of the best MOOC provider.

The company will utilize 1250 square feet. The infrastructure rent in this high-profile area would cost more. We have estimated Rs 50,000 monthly rent expense. As the company gains community recognition, and we have planned for the further expansion of the company infrastructure which will be considered as a possible second stage capital investment option.

Technology

Software such as cloud solution, database, payment gateway and google services would be required for the development of the product and hardware such as the servers, computers would be mandatory.

Equipment & Tools

Tools and equipment such as the IDE to develop the product would be required. In order to avail good internet connection, the routers would be required which will tend to increase the efficiency and will lead to fast processing.

3) MILESTONES & METRICS

TIMELINE	KEY MILESTONES
March 2018 –April 2018	Prepare full Business Plan at the ideation stage of the product
April 2018	Office Setup with various hardware tools and hiring people to start the development process
April 2018 - September 2018	Start product development and complete the prototype for beta testing
October - December 2018	Customer validation/feedback
January – March 2019	Beta users feedback and product development
April – June 2019	Prepare schedule for funding/investment
July – August 2019	Pitch for funding/investment from VC or angel investors
September – December 2019	Begin operations and product marketing

KEY METRICS

- PadhoMitron.com is an online platform, so the most important thing is to keep the platform up and running all the time in order to run the entire business successfully. This can be achieved by upgrading to better quality of servers and storage providers.
- It is very important that the resources the learners get access to through this platform are updated from time to time depending on the new resources available in the market.

- The number of new users that sign up to the platform and the number of existing users that use our platform again and again on a frequent basis is also very important.
- Understanding the needs of existing users based on the feedback received from the users and implementing the changes in the product is also very important to understand how the business is running.
- The actual cash inflow and projected cash inflow should be in balance. The estimated time for break-even point should tally with the actual progress made by the company.
- Growth in the number of key partners in the form of content providers and growth in the number of subjects been included on the platform depending on user preference is also important to understand the progress done by the business.

Meaning of Success for PadhoMitron

During the last decade, online degrees and courses have become popular alternative for a wide range of nontraditional students, include those who want to continue working full-time or raising families. Most of the time, online degree programs and courses are offered via the host school's online learning platform, although some are delivered using alternative technologies. Although there are subtle dissimilarities, the main difference between online and traditional learning is the fact that online education liberates the student from the usual trappings of on-campus degree programs — including driving to school, planning their schedule around classes, and being physically present for each sequence of their coursework. If this sounds drastic, it really isn't. The truth is, the education methods and materials provided in online degree programs are often the same as those provided for on-campus programs.

The digital world changes very rapidly and in order to survive in the ever-changing world, one needs to develop and master the skill of self-learning and it is possible only through digital platforms because the world is shifting from traditional means of education to modern and digital means of education. So, the problem that the people having the desire to learn new things is not able to find the best resources to learn the things they want from scratch and become expert in it. But, with internet reaching to each and every corner of the world at a lightning speed, the process of learning has become fluid and convenient than ever. Now, getting everything, you need at one place from such a huge pool of information is very difficult and fairly impossible. So, in order to save the efforts to dive into the world of internet and waste time in searching the best resources available for your learning, PadhoMirto.com has solved this problem by providing the users with the best-known resources on a particular subject so that they can learn on their own by referring to our resources and plan their learning process accordingly.

The mission of PadhoMitron.com is to become a one stop solution to provide best education on a subject at minimum cost. Being able to become achieve this goal will be considered as success for this platform. Along with this, the aim is to help the people learn new things in a self-paced manner and at minimum cost. To motivate the people to learn on their own without the need to pay high tuition fees in colleges and universities. Our platform also promotes the mission self-learning and develops the skill of self-learning in our users. Self-learning is an art and is necessary to become successful in any career or any field. If our platform is able to make people learn the things they always wanted to right from scratch to an expert level then we can know that we have been successful in our mission.

COMPANY

1) OVERVIEW

Our company, PadhoMitron provides a platform with complete guidance of what all paths can be followed when a person, of any age, is going to start his/her career in any field. Our Platform empowers any individual desirous to learn any subject, by providing a customized inventory of resources (MOOCs, books, websites, blogs, projects, etc.) recommended on the basis of the user's choice of a subject. He/she will also be provided with help from professionals (will be a paid service) and links to potential recruiters at each and every step to ensure full mentorship and thus making our platform a complete package and also saving their time and energy from browsing the internet in search for guidance.

Location:

PadhoMitron is a **Neemrana, Rajasthan** based start-up.

Company's Legal Structure:

PadhoMitron is structured as C-Type Corporation because

- our company needs venture capital for financing
- we want flexible profit-sharing among owners
- we want company earnings to stay in your business so that it can grow
- we would want flexibility to spread the business earnings between the corporation and shareholders for tax-planning purposes
- we would want flexibility to set salaries for employees/owners to minimize Social Security and Medicare taxes
- we would want flexibility to provide (through the corporation) substantial health and medical benefits and other fringe benefit programs for things like education, life insurance, and transportation costs
- we would want to be able to easily sell our business
- Want to be able to offer stock options to employees

Brief History:

PadhoMitron was conceptualized by a group of 6 B-Tech pre-final year students during one of the brain-storming sessions of finalizing the idea for Entrepreneurship Course's project work in the mid of February, 2018.

To test the demand of the product in our targeted market space we prepared a survey form to study the responses and analyses the real-time market demand of our product.

Link to the survey form : <https://goo.gl/forms/DjLs3O4apOPqw9lm2>

To formalize our idea and get reviews over the service we intend to offer with our venture, we prepared a Concept Statement.

Then, to study the overall feasibility of our venture, we prepared the Feasibility Analysis Report and thus after examining various factors be it financial, industrial, etc. we came to conclusion that our product is feasible to be launched.

Since all the founding members of the company are inexperienced, we resorted to the case study of an established firm/company “Coursera Inc.” that offers similar lines of services. Through the case study, we were enlightened to the challenges that Coursera faced during its initial formative years and how they tackled it, their business model, revenue model, and so forth.

TARGET MARKET

A Self-Motivated individual desirous to learn any subject on his own, is our perfect customer!

To be more specific,

❖ Students:

Our platform is perfectly designed to cope up with the problems that a student has to face while studying an entirely new subject.

❖ Parents / Non-Working People

We also tend to fulfil the desire of learning for those people who are either unemployed or involved in household activities.

❖ Alumni / Faculty

A faculty or an Alumni sometimes wants to improve their skills but are unable to do so, because of lack of guidance or no mentorship. Our platform solves the problem of such people by making them Self-Sustained to learn any topic at any time.

❖ Working Professionals

Working Professionals looking for opportunities to enhance their exiting skills to take a big leap ahead in their job are also our potential customers.

❖ Government Officials

With the digital revolution happening rapidly, old employees find it quite difficult to adapt to the ever-changing digital world. Our platform helps to provide a complete road-map for such people.

2) TEAM

Management Team

PadhoMitron is led by its Co-Founders Kumari Renuka, Yash Vaidya, Tushar Sharma, Shailesh Mohta, Rishabh Kumar Kandoi and Abhimanyu Kishor Sangitrao who are a group of aspiring Computer Science Engineers at NIIT University.

Kumari Renuka	:	‘The Dreamer’ Chief Executing Officer(CEO)
Yash Vaidya	:	‘The Doer’ Chief Technical Officer (CTO)
Tushar Sharma	:	‘The Architect’ Chief Marketing Officer (CMO)
Shailesh Mohta	:	‘The Visionary’ Chief Product Officer (CPO)
Rishabh Kumar Kandoi	:	‘The Baniya’ Chief Financial Officer (CFO)
Abhimanyu Kishor Sangitrao:		‘The Hustler’ Chief Sales Officer (CSO)

Advisors

As of now the company is in its nascent stage, and has only one member, Prof. Raj K. Kovid of NIIT University in its advisory committee.

FINANCIAL PLAN

1) FORECAST

Key Assumptions:

Using the survey for our platform and doing industry & market analysis, we are going to forecast the financial plan as well as propose budgeting for the same. Industry analysis includes differentiating our idea with the other key players of the industry, studying financial data of the competitors and flow of services in the market. Market analysis involves doing customer intensive research, studying demand and supply of services provided by competitors and satisfaction level of customers.

For our platform, we are expecting a steady growth since the usage of our services would highly depend upon popularity, which requires time. Currently we are aiming to get a customer base of more than 1Lakh due to free services being provided. Although there is subscription based mentoring available on the platform, but initially earning money through those subscriptions in apt number would not be possible. But we can expect a conversion rate of around 60% initially, as our survey gave result of conversion rate of around 60% when it comes to purchase of one-to-one mentorship subscription purchase. Since our major expense would just be to pay for the mentors, so keeping that number less in the beginning can solve our problem. But still making profit in the beginning is generally not possible in such industry, and thus we are looking forward for a long-term effect to achieve success.

Revenue by month:

Below are the projected revenues on monthly basis for a year.

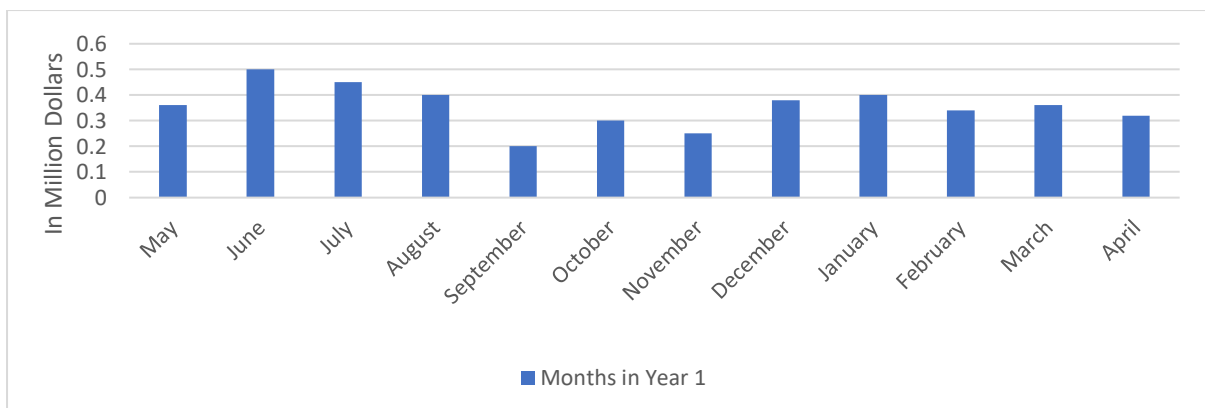


FIG5: REVENUE PROJECTION ON MONTHLY BASIS

Expenses by month:

Below are the projected expenses on monthly basis for a year.

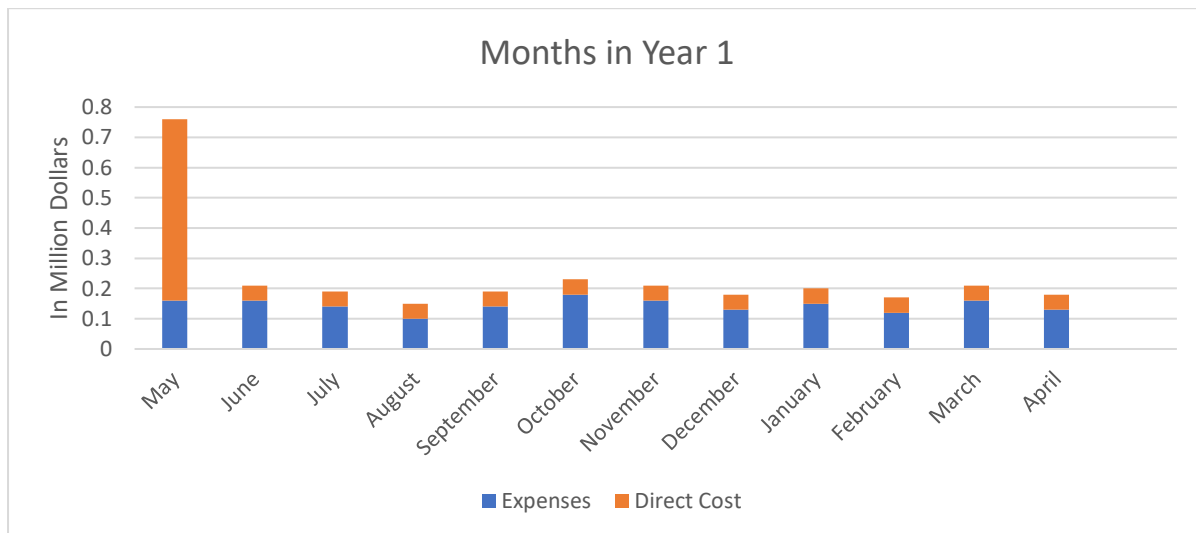


FIG6: PROJECTION OF EXPENSES ON MONTHLY BASIS

Net Profit (or loss) by year:

Below are the projected expenses on monthly basis for a year.

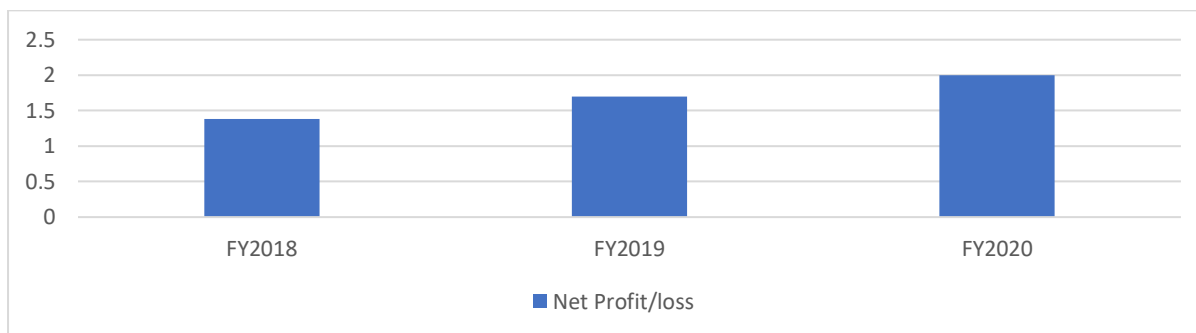


FIG7: PROJECTION OF EXPENSES PER YEAR

2) FINANCING

Use of funds:

The funds collected from sources are used to pay for area where the company would be established, interiors, equipment, advertisements, licensing, salary, taxes, electricity, R&D, cloud solution, internet connection, maintenance, etc.

Sources of funds:

Since the amount of investment is not huge, there is no need to raise funds through venture capitalists. Thus, the board of directors are investing their own money in the business, thus reducing market risk in case of loans or partnerships.

Other than that, revenue collected from one-to-one mentorship subscription (estimated \$60 per subscription) and web advertisements also adds on to the amount of funds collected. Note that all estimations are made on the basis on key assumptions discussed already.

3) STATEMENTS

Projected Profit & Loss:

	FY2018	FY2019	FY2020
Revenue	\$4.26 million	\$4.58 million	\$5.0 million
Direct Costs	\$1.15 million	\$0.6 million	\$0.6 million
Gross Margin			
Gross Margin %	73	86.8	88
Operating Expenses			
Salary	\$380	\$450	\$600
Employee Related Expenses	\$20	\$50	\$50
Legal, accounting, and professional services	\$600	\$700	\$800
Advertising and promotions	\$150	\$200	\$200
Deposits for utilities	\$150	\$150	\$200
Licenses and permits	\$180	\$200	\$200
Working Capital	\$770	\$800	\$850
Total Operating Expenses	\$2250	\$2550	\$2850
Operating Income	\$3.1 million	\$3.9 million	\$4.39
Interest Incurred	-	-	-
Depreciation and Amortization	-	-	-
GST	-	-	-
Total Expenses	\$1.73 million	\$2.28 million	\$2.4 million
Net Profit	\$1.38 million	\$1.7 million	\$2 million
Net Profit / Sales	0.32	0.37	0.4

Projected Profit & Loss:

	FY2018	FY2019	FY2020
Cash	-	-	-
Accounts Receivable	\$4.26 million	\$4.58 million	\$5 million
Inventory	-	-	-
Other Current Assets	-	-	-
Total Current Assets	\$4.26 million	\$4.58 million	\$5 million
Long-Term Assets	\$7700	\$7700	\$7700
Accumulated Depreciation	\$3800	\$3800	\$3800
Total Long-Term Assets	\$11500	\$11500	\$11500
Total Assets	\$4.27 million	\$4.56 million	\$5.01 million
Accounts Payable	-	-	-
GST Payable	-	-	-
Short-Term Debt	-	-	-
Prepaid Revenue	\$3.6 million	\$3.6 million	\$3.6 million
Total Current Liabilities	\$3.6 million	\$3.6 million	\$3.6 million
Long-Term Debt	-	-	-
Total Liabilities	\$3.6 million	\$3.6 million	\$3.6 million
Paid-in Capital	-	-	-
Retained Earnings	\$1.38 million	\$3.08 million	\$5.08 million
Earnings	\$1.38 million	\$1.7 million	\$2 million
Total Owner's Equity	\$0.67 million	\$0.96 million	\$1.41 million

Projected Cash flow statement:

	FY2018	FY2019	FY2020
Net Cash Flow from Operations			
Net Profit	\$1.38 million	\$1.7 million	\$2 million
Depreciation and Amortization	-	-	-
Change in Accounts Receivable	-	-	-
Change in Inventory	-	-	-
Change in Accounts Payable	-	-	-
Change in GST Payable	-	-	-
Change in Prepaid Revenue	-	-	-
Net Cash Flow from Operations	\$1.38 million	\$1.7 million	\$2 million
Investing & Financing			
Assets Purchased or Sold	\$7700	-	-
Investments Received	-	-	-
Change in Long-Term Debt	-	-	-
Change in Short-Term Debt	-	-	-
Dividends & Distributions	-	-	-
Net Cash Flow from Investing & Financing	\$7700	-	-
Cash at Beginning of Period	\$2.88 million	\$4.26 million	\$5.86 million
Net Change in Cash	-	-	-
Cash at End of Period	\$4.26 million	\$5.86 million	\$7.86 million