

Bonding, LLC

Bonding

Business Plan for an Innovative Educational Platform

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Executive Summary

In order to meet the needs from college students, our company develops innovative high-tech application, named Bonding. It aims to inspire students in the same course section to form long-term collaborative groups, and students with matching adjacent geo-locations to organize temporary study groups. This studying platform would have a considerable effect on connecting with others and improving students' GPA. It also helps students have a beneficial relationship for future career.

At present, numerous college students face obstacles of achieving academic success and experiencing college life. Most of students could hardly get acquainted with their classmates throughout the whole semester. Therefore, it is difficult for them to form study groups in which they can share the resources, discuss homework and review for exams. In addition, asking help from professors or teaching assistants is inflexible. In this case, a new market emerges according to students' demands - communicate with classmates and study in groups online.

So far, the majority of market shares are held by our competitors. One of them, StudyRoom, is an online student-led study platform that let students seek for help from classmates. However, StudyRoom centralizes users from all sections into one pool that students cannot solve the problems in a productive and collaborative way. Another competitor, BlackBoard, is an educational site approved by universities' administrators. It assists professors and students to interact with each other online. However, students are less enthusiastic about participating the academic activities on it, due to the involvement of professors. In order to meet the additional needs from customers, Bonding is created to enhance the efficiency of academic discussion, and students' motivation to cooperate in study. After simply filling out the basic class information, students could easily find or initiate a highly collaborated small-size study group.

Our company, Bonding, will be formed as a limited-liability company in 17th December 2015, which is composed of four co-founders - Yanxi Liu, Mingzhe Du, Yazhi Peng and Shulin Chen. Four main responsibilities are included in our company: marketing and public relations, accounting and financing, operation and innovation, and business consulting. These

responsibilities will be employed by Yanxi Liu, Yazhi Peng, Mingzhe Du and Shulin Chen in such order.

Our company will seek for revenues generated from local businesses' subscription. These vendors can take advantages of in-app ads to post discounts and deals. Once our company successfully run trials of our product in USC, we would start to expand our market to more universities across the country. The goals of our company are to increase market share, earn more findings from various vendors, and create brand awareness.

Industry Analysis

Market Overview

Although in such a modern society with highly developed social media, it is asserted that college students are seldom able to maintain the connection with their classmates, even met every day in class. This industry, named education platform, aims to make the people engage by creating study groups, and thus make the students get together for studying or organizing group activities proactively. So far, this market is still immature and small-scale, because there are not many competitors. The majority portion of this market is occupied by StudyRoom and Blackboard. In addition, the functions of these two successful applications are not perfect and practicable as the increasing demand from students. Thus, it is a good opportunity for our team to produce an innovative application that provides platform help students to build a positive relationship with classmates.

Market Size & Segments

Our business focuses on three segments of customers. The first, and primary, targets are students who are desired to group study. According to our research, there are approximately 34.32% of our survey participants who are more likely to study as a group. This type of students regard GPA as a significant concern, and are always willing to meet people who would like to discuss problems and share resources to reach academic goals. The second segment of our customers is the students who usually study alone but prefer to study in-group before exam. This segment takes 18.75% of the survey takers. The third segments of our target are students who would like to study alone. These students are expected to become our future users.

Competitive Analysis

Direct Competitors

Since the technology in education market for college students is underdeveloped, our company will become a pioneer of this industry. One of competitors is a startup company, StudyRoom, launched in 2013 and has 3 million student users so far. StudyRoom divides the students by courses they took, and provides a platform for them to raise their problems, and share information so that they would have more academic resources available. However, only a few students are actively using StudyRoom because it cannot provide users with an opportunity to interactive with each other in face-to-face discussion.

Another direct competitor, Blackboard, has been certified by majority schools across the country as a bridge for professors and students to communicate with each other on daily academic activities, thus it has the most market shares in educational technology market. Professors can publish announcements, academic materials and assignments on the Blackboard. Students are required to turn in their homework on it. As the result of any behaviors on the Blackboard are monitored by professors and faculty, students utilize blackboard as a platform to post and check the school updated information. In this case, Blackboard cannot meet the users' needs for more interactive communications.

Indirect Competitors

There are two other applications called Meetup and Groupme. Meetup is an application formed in 2007. It serves students across 180 countries to find other users who are like-minded people, and help them form group activities. Nevertheless, Meetup cannot offer real-time group activities to its users. In other words, if users want to have an activity immediately when they come up with an idea, the organizer will have to make a plan, and organize a group in advance. By this token, organizer plays an indispensable role in application operation. On the contrary, the operating structure of our app is decentralized, which allows every single user to organize group activities at anytime, anywhere.

Groupme is a mobile messaging application founded in 2010. It is a free and simple application that it enables users to quickly message or call a specific group or individual. The target customers of Groupme include people who want to stay connected with their close

friends and colleagues. However, for students, Groupme does not meet their various needs since it lacks the function to share files with users, due to its single function.

Competitive Advantages

The competitive advantages of our application are that it will allow the users to share the geographic location, and then easily form groups in accordance to different courses or fields they would like. Moreover, it will let students in the same class share the resources, and discuss questions they have, which helps them study more efficiently. In addition, Bonding will not only be beneficial for students to improve their grades and to organize social activities, but also, in a long run, potentially creates bonds between college students, which might motivate them to support each other in the future career path. Especially for students in business school, how much they will succeed in their business field depends on both what they know and who they know. However, most students begin to recognize the importance of social networking only when they are preparing for graduation, or trying to seek for jobs. Thus, it is a good chance to promote our product. Since Bonding will be able to meet the additional needs from students, theoretically it will share the same customers with Blackboard, which has the largest user base.

Marketing Plan

Product & Services

Our product is a one-way service to improve student experience in campus. At the beginning of each semester, students are able to register for our app by using school-authorized emails, and then select course number to get into a specific class section. From here, our matching function enables users to form study groups by filtering user's interests and preferences so that students can find people with similar backgrounds. Additionally, the chatting function and deadline notification will support users in academic activities. Students can share relevant academic resources and information on our platform. Our services also provide students with convenient group formation that nearby students will be referred to users for academic discussion in the future. For example, when users are doing homework in library, they can quickly find a study peer by sharing their current location and searching other users around. When they find a suitable user, they can send out an invitation to him. Before responding to invitations, these users can view the senders' profiler to check their academic

background. Considering users' privacy, all users are required to make registration for Bonding by using their school-authorized emails. They can also switch on or off their current location sharing in accordance to personal preferences and different situations. In this case, the efficiency of study discussion should be improved because the group members are highly inter-connected.

Promotions Plan

Three promotion methods are considered in our planning:

1. We will hire campus evangelists to make the promotions to the students via classes, social media, and events. Then the concept of Bonding will be spread throughout the USC campus;
2. The popular social media among students will be used in promotion. We will create official accounts on Facebook, twitter and Instagram, etc. The introduction of our app as well as the user reviews will be posted on these official accounts. We believe that the current users are the most suitable person to bring in new users;
3. Advertising plays an important role in our promotion plan. We will seek for partnership with the local businesses such as restaurants, cafes and bookstores in Columbia. Our business partners will be benefited by advertising fees from us. For example, we may have advertising space in partners' stores, which would increase the customers' awareness of our brand. Additionally, partners' coupons will be posted in Bonding. In this case, the coupons will be incentives for users to download our application.

Goals & Milestones

Timeline	User Base	Notes
Dec. 1 st , 2016	USC, estimated 22,420 users	Market scale is 68% of USC
Aug. 1 st , 2017	100 colleges, estimated 2,100,000 users	Market scale is mainly in East Coast
Aug. 1 st , 2018	600 colleges, estimated 300,000,000 users	Market scale is expanded national wide

Milestones	Due Date	Executor
First round capital contributions	Dec. 17th, 2015	All co-founders
Legal entity established	Dec. 24th, 2015	All co-founders
Software Deployment	Dec. 25th, 2015	Mingzhe Du
USC launch	Aug. 1st, 2016	All co-founders
Second round capital contributions	Nov. 20th, 2016	All co-founders
National launch	Aug. 1th, 2017	All co-founders

Operations Plan

Operation plan is made according to the goals we have illustrated above. Bonding will collaborate with USC/Columbia Technology Incubator, which contributes in strategic and operational planning, business development and investor management. We will also use a set of service provided, include legal and financial consulting, technology development, and management training. The center theoretically helps us maintain the operation and service.

In terms of production process of Bonding, we use a series of MIT licensed open source toolkits to develop this platform. The whole Bonding platform includes two components, a website and a mobile app. The stack we chose to implement the website is MEAN stack which includes AngularJS, ExpressJS, MongoDB and NodeJS. This stack is extremely responsive and agile that it provides a fair amount of free services at the early stage of software developing and testing. It has been proved to be the best option for most the startups. The Ionic framework will be employed to help us generate the hybrid mobile app on top of the website. Github will be used to track the progress of software production. The whole software platform is based on the mature cloud services like Heroku, MongoLab and Amazon cloud services, which ensures us to provide our customers with a consistent, robust and efficient platform.

Company Description

Company Overview

The Bonding LLC will be registered as a limited-liability company. Our four founders, Yanxi Liu, Mingzhe Du, Yazhi Peng and Shulin Chen, are co-owners with equal shares. No outside investors are involved at this point, though there might be an opportunity for that as the business grows. The nature of our business is to create a new education platform, which is unique from the traditional ones. The traditional education platforms, Blackboard and StudyRoom, provide varieties of online activities but limit face-to-face activities. However, our app adds a new function of creating more opportunities for users to have free face-to-face activities within campus. Combining academic tasks within group activities on the same platform, it enriches their college experience.

Department Description

Our company is made up by four departments, which include marketing department, IT department, customer service, and finance department. The marketing department is to make sales strategies, promote company brand and expand market share. While the customers update their needs, this department should improve product quality and develop new products. The IT department is to maintain the application and provide updated systems. As new customer requirements are recognized, this department takes responsibilities to develop new functional modules. The responsibility of customer service department is to collect and to respond customers' feedbacks. Financial department is responsible for funding, financial planning and reporting.

Management Team Members

1. Mingzhe Du, PhD student in Computer Science, lead developer of NSF sponsored projects, provides technical solutions including evaluating the feasibility of software features, designing and implementing software.
2. Yanxi Liu, majoring in Economic and minoring in marketing, determines the needs of customers and communicates information about our products and services to prospective users. She also takes charge of setting up marketing strategies to meet consumers' needs, as well as serving and following up to ensure customer satisfaction.

3. Yazhi Peng, Accounting major, is responsible for all financial process including bookkeeping, financial reporting, budget planning and internal control.
4. Shulin Chen, international business major, performs risk management to minimize risks, ensures resource availability and allocation, develops new opportunities, and track project progress.

Financial Plan

Financial Highlights

At the beginning, our company will focus on driving users to sign up Bonding, which would use significant expenses in marketing and administration to maintain our user base. Once we have accumulated a certain amount of target users, we will be pitching to vendors to subscribe Bonding. These vendors would have the interests to both fill advertising space on Bonding and promote their product by giving out discounts and deals. In this case, our revenue structure will have two types of subscription. First type of subscription gives the vendors a fix amount of time (monthly, quarterly or annually) to promote their product. Second type of subscription gives vendors an advertising space on our webpage. Since Bonding is an online service provider, our assets will mostly include cash and account receivable while our liabilities will be account payable. Significant revenue will be generated from the vendors. We will have commission coming from our partners since we offer advertising space for coupon postings.

Funding Requirements/Use of Funds

For the first year, the budget will be approximately 195,000 dollars to run our company. The app will cost 100,000 dollars for our IT department to finish it in a half-year, and another 20,000 dollars for their salaries to run and update the software in one year. Advertisement will expense 15,000 dollars to promote our application in South Carolina. It takes 10,000 dollars to purchase the equipment and supplies. For other employees' salaries, we will be budgeting approximately 50,000 dollars for our employees to maintain the daily operation.

Appendix

Reference:

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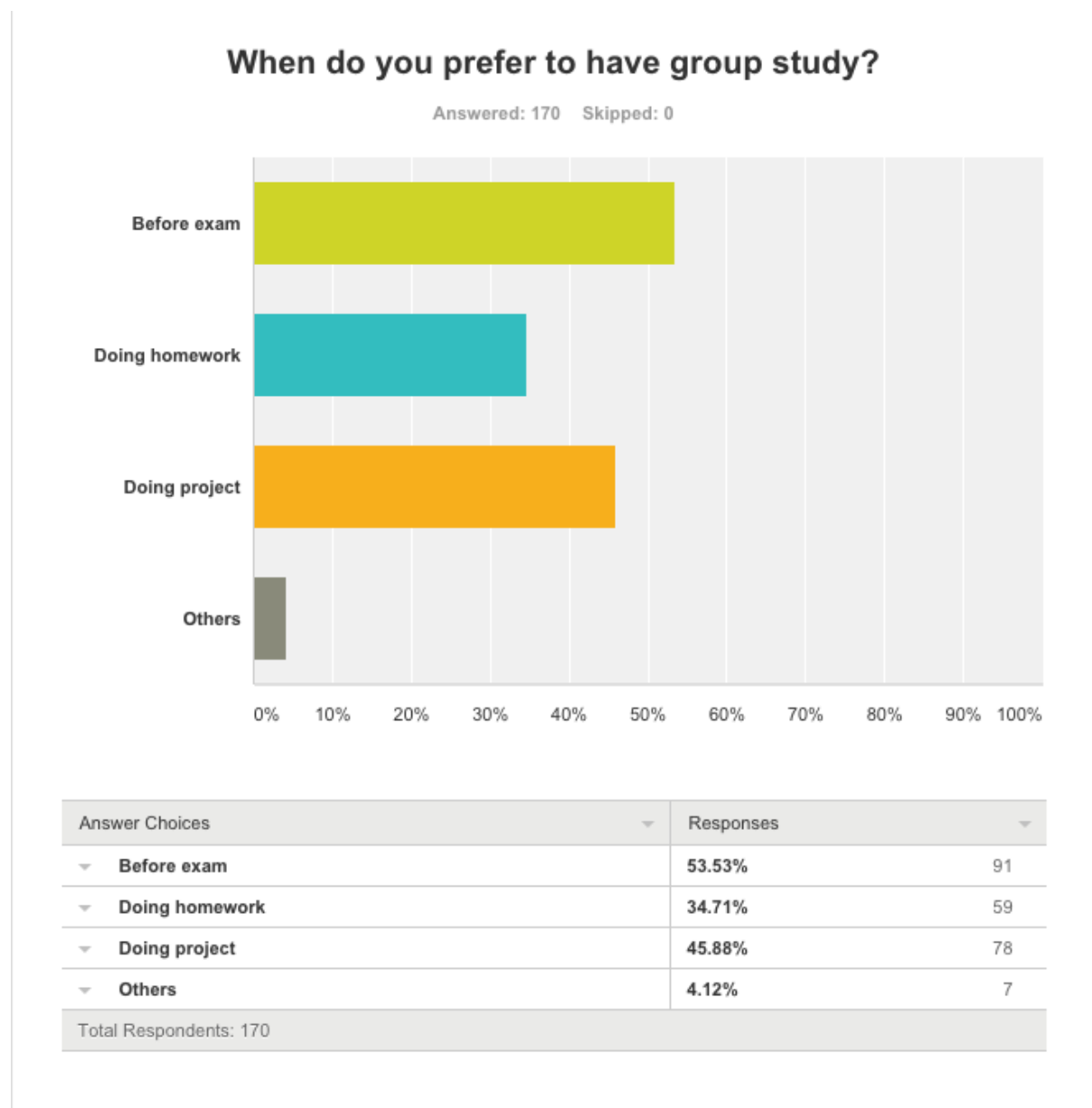
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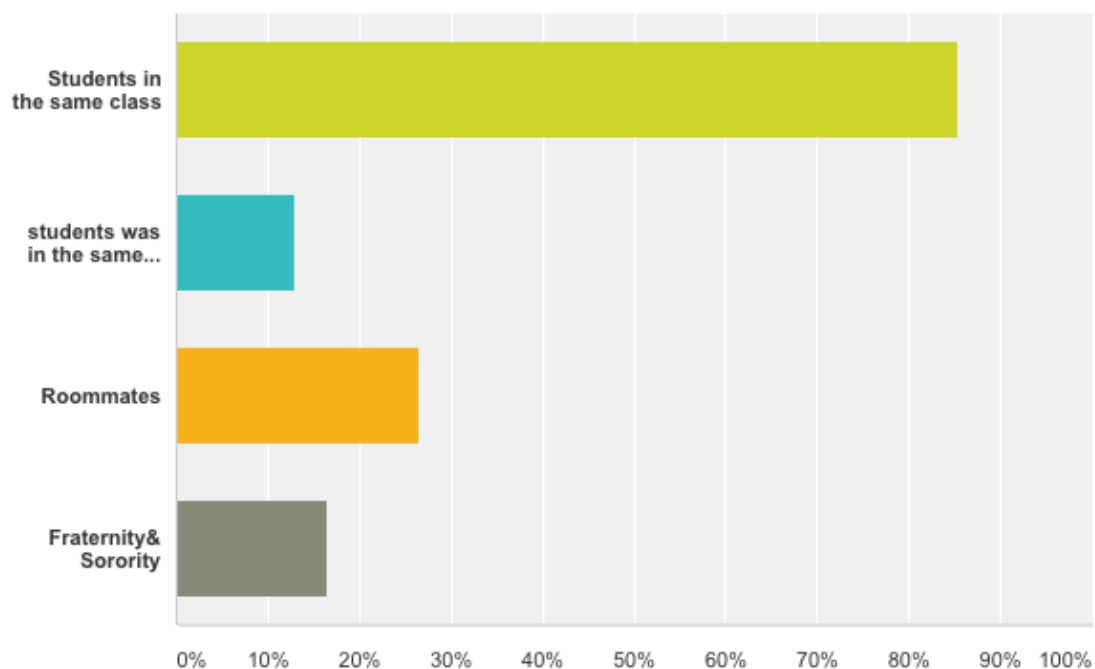
Supporting Documentation



Our survey indicated that 25% of students choose to study together at the beginning of semester, but this proportion quickly increased to 53.53% when midterm exams approach.

Who is in your group study member?

Answered: 170 Skipped: 0

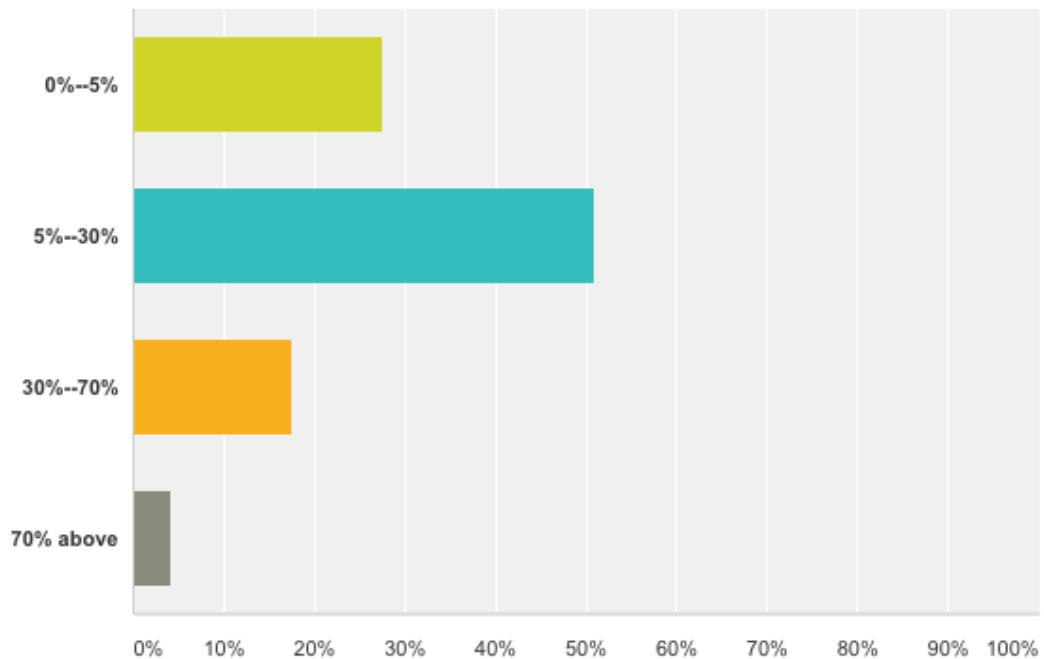


Answer Choices	Responses
Students in the same class	85.29% 145
students was in the same class	12.94% 22
Roommates	26.47% 45
Fraternity & Sorority	16.47% 28
Total Respondents: 170	

The survey indicates that the second biggest part of group members is roommate, which shows that some students might take location as a preferable factor to form study group.

How many classmates do you know by the end of the semester?

Answered: 171 Skipped: 0



Answer Choices	Responses
▼ 0%--5%	27.49% 47
▼ 5%--30%	50.88% 87
▼ 30%--70%	17.54% 30
▼ 70% above	4.09% 7
Total	171

A survey of 170 students in USC Columbia shows that 78.83% students know less than 30% classmates and thus we assume that they do not interact with students in same course section.