

CONFIDENTIAL

Kiddo Social Media

WHERE KIDS COME FIRST

Business plan

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Executive Summary

Opportunity

Problem

Present day social media causes extensive harm to children and teens. Advertisements, data mining, body image issues and lack of focus are common problems for children using social media. Parents are pressured into allowing their children to use addictive and extractive technologies. Children deserve a safe, developmentally appropriate social media application which allows them to connect with other children and the world around them.

Solution

Kiddo is a social media application designed with input from childhood development experts that allows children a safe space to explore the world around them. Kiddo's technological features were designed to encourage children to connect while reducing bullying, peer pressure and addiction. Some of the positive features include: screen time outs, boards for social interests, messaging for kids.

Parents can rest safe knowing that Kiddo was designed to incorporate the positive impacts of social media while eliminating the social ills. Parents have a login to access their child's account and can review activity (until a certain age). Parents can control how long the child has access to the account and various safety features.

Market

According to market research undertaken by Kiddo Social Media team, most children have access to a cell phone by age 11. Kids are now one of the fastest-growing online audiences, and are spending more time online. As of June 2020, 62 percent of parents to U.S. teens aged 14-17 said their kids were spending more than four hours per day on electronic devices since the start of the COVID-19 pandemic in 2019, our research showed.

Our primary market is to parents of children ages 8-15, as this is the developmentally appropriate age for the children to be using the app. This target market also includes children who would not be able to use Facebook/Instagram/Twitter whose market begins at 13. Our target parent would likely be progressive, middle-class, and care about privacy and childhood development.

Another target market is places where children congregate. This could include: schools, after-school programs, and camps. Our target organization is a organization hoping to increase connections between children and the application could be used as a way to augment lesson plans. Progressive schools, such as Montessori schools, are ideal candidates for taking on large groups of users. Organizations are key to a B2B model--allowing us to grow with larger numbers quickly.

According to our research, the market for a technology that can allow children to collaborate in this way is estimated at \$972 million dollars.

Pricing

Kiddo will be provided for a monthly subscription of \$3.99, an amount correlated with market research conclusions about users willingness to pay for the application. This is also consistent with other subscription-based applications on the market.

Competition

Kiddo is a unique offering because all social media platforms available utilize advertising and data mining. There are also relatively few social media applications where children are allowed to access the networks.

The number of kids below 15-years old using social media is increasing. Because of this, more companies are looking into developing child friendly social networks.

We differentiate ourselves by offering a expert driven social media application that does not seek to make profit off of children, but to aid in childhood development. Many parents are skeptical that Big Tech can adequately care for children. There was explicit resistance to Instagram Kids.

<https://saveourkidsnow.com/instagram-for-kids-receives-resistance/>.

Why Us?

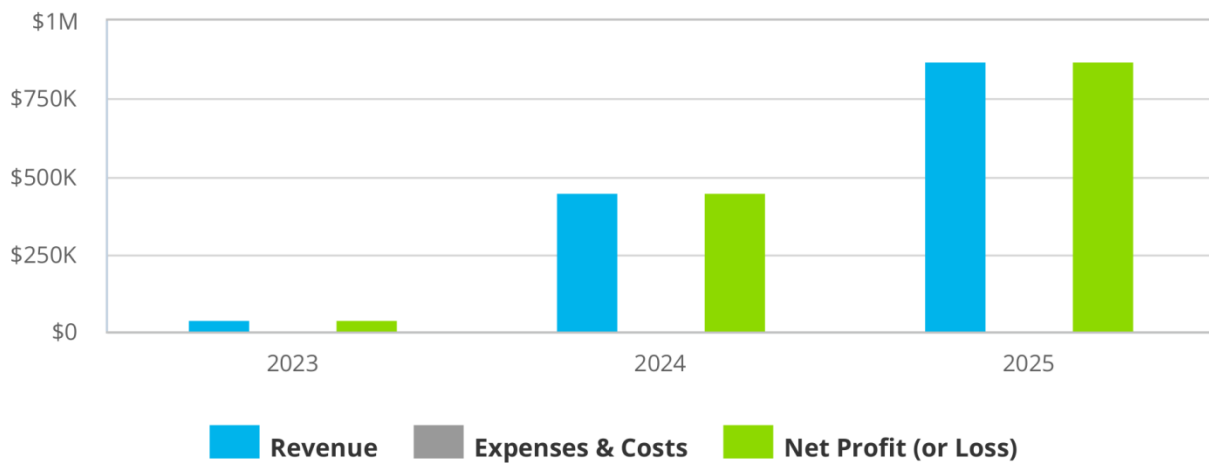
Our team includes leading technologists and childhood development experts. Our skills as technologists allow us to create a secure, private and engaging space for children. The technology is on par with anything that is put out by Big Tech.

By working with childhood development experts and planning for testing with children, we will ensure that the technology is appropriate for children. Children and experts will be consulted with throughout the process, ensuring that our technology is created with children's best interests in mind.

Expectations

Forecast

Financial Highlights by Year



Financing Needed

We plan to bootstrap the application until we have a Beta product. Once a Beta has been created (or if there is serious investment interest before) we are seeking investment in Kiddo in exchange for equity in the company. We would like to seek between \$500,000 and \$2 million in seed money to be able to hire personnel, get initial users on-boarded, and acquire server space.

Opportunity

Problem & Solution

Problem Worth Solving

There are numerous problems associated with traditional social media for children. Social media has increased suicidality in young girls, increased bullying, decreased body image, caused a lack of focus and a distraction from family life. Social media has been so threatening to teens that most Tech leaders refuse to allow their children to use the very technology they created. Unfortunately, it would be nearly impossible to get all children off of social media. Social media is in high demand for adults since it's creation. Recently, children and teens have become excited to utilize the technology as well. Children and teens need a place to connect with each other and the larger world that is safe and private. Children and teens deserve access to social media that is designed to increase their development. Currently, there is only one social media application for children on the market. This application utilizes data mining and advertisement in a way that is harmful to children and teens.

Parents also are in a bind. Their children desire to be on social media and pressure parents to allow them to consume social media. Parents want to know that their children have access to a safe space which encourages creativity and play in a secure environment. There are no social media applications on the market which encourage childhood development.

SWOT Analysis

Our solution

Our solution to the ills of social media is to take the profit motive out of the creation of the social media network. Because we are a worker's co-op, the goal is not to create profit for shareholders, but to create a product that lives up to the values that kids come first.

Our solution for parents to feel safe in allowing their children access to social media is for parents to have an account where they can monitor the interactions of their children. Parents will be able to access all of their children's actions and conversations.

Children will have a safe space to explore interests in the form of boards. For example: if a child is interested in snowmen, they can post to the snowmen board. They would be able then to see all other posts about snowmen and participate in the conversations. They could even upload pictures from a library that are safe for use.

Children would also be able to message their friends and create plan IRL with helpful features that encourage the child to get off the application and into the real world.

Target Market

Taking into account the kids' app category in the app stores, a share of the education and entertainment markets, plus kids' digital advertising, the market was estimated at \$80 billion globally in 2019.

Common customers include: middle-income parents who are concerned about privacy, school and organizations such as churches or summer schools. Our target market is B2B which will allow us to gain many users at one time.

Competition

Current alternatives

The Kidzworld app is a child-friendly, private and fully moderated kids social network where kids can meet new friends in the forums, use the childsafe messenger for private messages, find the latest kids safe news about their favourite teen celebs, play cool games and more.

GROM social media allows children to post videos and interact with other kids messages. GROM would be considered our main competitor.

Finally, Facebook is considering releasing a childsafe application, but has been stalled due to market pressure.

The main difference between our competitors and ourselves is the way the application creates revenue. The other applications on the market create revenue using advertisements and data mining. Kiddo uses no advertisements and therefore significantly reduces harm to children. This gives us a distinct advantage of being a site that parents feel excited for their children to use.

Our advantages

Our main advantage is using a subscription model over an advertising model. A subscription model ensures that social media is treated as a product, as opposed to a for-profit gaming experience. We want our users to use the application for their benefit, not for the benefit of the application. For example, we want our users to engage with the real world and will include limits and prompts to encourage real-world engagement. Our competitors in contrast work toward increased screen time and revenue per user.

The application's UI is also a drastic improvement over our competitor. Because our users will be using pre-approved images, there is significantly less likelihood of harassment, body image issues or pornography. Using pre-approved imagery ensures that children are safe.

Finally, the creation of collaborative boards encourages children to share their interests with their peers in ways that connect children. Instead of social media being a place to brand oneself, shared boards allow for the creation of collective bonds.

Execution

Operations

Locations & Facilities

We are a remote-first company. For company wide meetings, we have secured a space at 12-22 North Street, Burlington Vermont. We can also use the office for co-working. The office is located in a working class neighborhood that is home to many families and can act as an incubator.

Technology

Our technology is our product. Kiddo is a social media application with a full stack, including a database of users. We also have created a website which will be used to track investor leads and provide an immersive experience for users to get a feel for the site.

Kiddo's UI will include various elements such as: collective boards for collaborating on interest, a library of pre-approved imagery and animations for posts onto the collective boards, "shouts" so that children can post voice messages, and parent and admin roles so that parents and admins can monitor children's posts.

Equipment & Tools

As we work toward scaling up Kiddo, we will likely be utilizing a server space capable of providing an adequate product experience to the user, such as Amazon Web Services (AWS).

Milestones & Metrics

Milestones Table

Milestone	Due Date	Who's Responsible	Details
Business Plan due	August 01, 2022	Emily Reynolds	Finalized Business plan
Launching alpha product	June 01, 2023	Lee Delarm	Releasing an alpha version of Kiddo
Releasing beta of Kiddo	September 01, 2023	Lee Delarm	Releasing beta of Kiddo



Key metrics

Success includes a few key metric: number of users that join Kiddo per month, number of users that leave Kiddo, profit ratio, ability to pay founders.

We would like to see 1,000 users join per month and less than 3% of users leave in any given month.

Company

Overview

Kiddo is a LLP. We are open to allowing investors to have equity in exchange for investment. We would like to cap the equity allowed to investors at less than 49% of the company so that the partners will control 51% of the company or greater.

Team

Management team

Emily Reynolds is the Project Manager for Kiddo. She has been working in the tech space for the last three years and has worked at both smaller scale companies and Estee Lauder. She brings training as a certified Scrum Master and has been developing Kiddo for the last two years.

Lee Delarm is the Chief Technology Officer.

"One of my passions is helping people realize their potential! Don't get me wrong, I love personally coding up the next web app, or that feeling when you find that bug that's mystifying you for hours. I've written full apps from scratch both solo and with great teams. Recently the tech industry moved into remote workplaces and I'm a little baffled why we're so separated," Delarm said. "There are still plenty of great opportunities to work together using Slack, sharing hobbies like Raspberry Pi hacking, or doing remote Lightning Talks. All this means a lot to me, as do a few causes I put my time towards like Special Olympics and searching for new opportunities to help the under-served youth of the country, such as mentoring them in programming. Like I said, mentoring means a lot to me, and I don't believe any of us are where we are without the help of others.

"Eventually I will have my own company doing exactly that, or find the perfect partnership with another leader in the volunteer tech field," he added. "Until then, I love helping people solve their tech issues, working with others, and writing the next great horror novel on the side."

Advisors

Matt Cropp is an advisor to Kiddo. Matt Cropp is experienced in the co-op world. Matt is the Executive Director at Vermont Employee Ownership Center.



Mary Kelley is former childhood educator with nearly 30 years experience in the classroom. As an educator, she specialized in working with children with disabilities and has consulted with the State of Vermont on curriculum development and approval

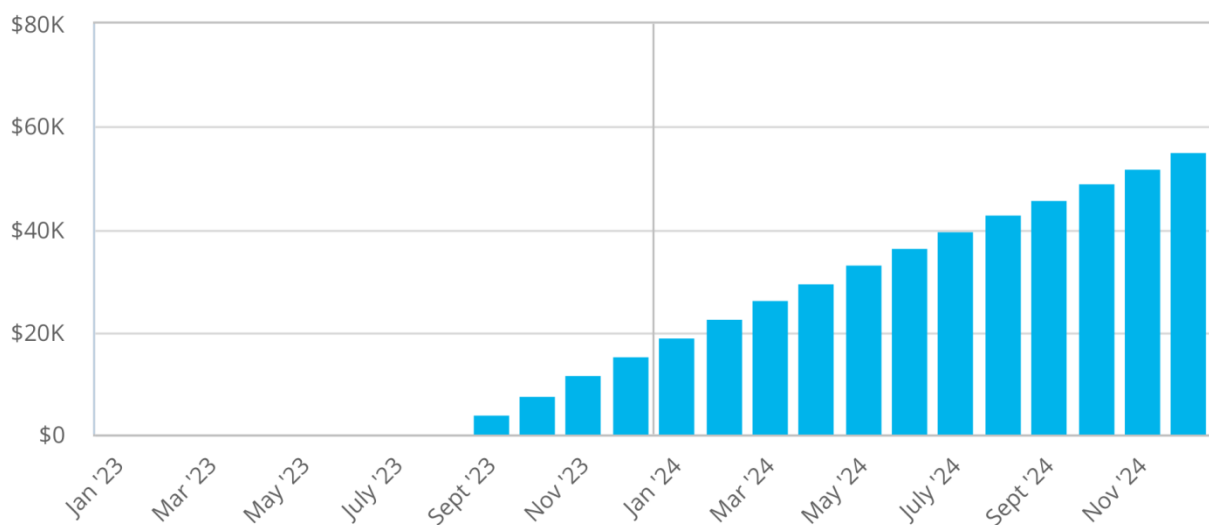
Financial Plan

Forecast

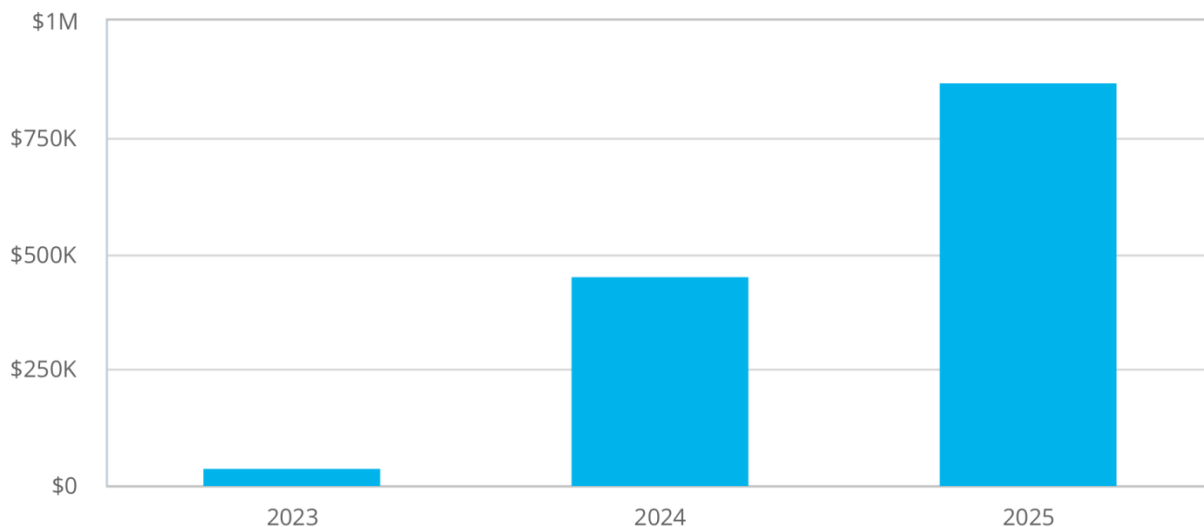
Key assumptions

These numbers were derived from potential scenarios. We aim to have an alpha version of the app ready by June 2023 and a beta version by September 2023. The first scenario is if 100 people join per month at \$3.99 a month. This will lead to a revenue of nearly \$2,000 per month by the end of 2023. Assuming we have less than 1,000 users on the app at any given time, our monthly costs should be less than \$100. Eventually, we would like to be able to pay ourselves market-rate wages for software development.

Revenue by Month



Net Profit (or Loss) by Year



Financing

Use of funds

The funds will mainly be used to add marketing personnel. Our marketers will be paid a base rate plus commission--which will encourage marketers to add users. Funds will be used to create a world-class marketing program to attract greater numbers of users.

Additionally, funds will be used for server space and to scale the app. As the app grows, the server will be paid for by subscription. The original purchasing of server space will allow Kiddo to grow and scale effectively.

Sources of Funds

The primary mode of financing Kiddo at the beginning is bootstrapping. Reynolds and Delarm have put nearly 2,000 hours into the application's development. Additionally, we have hired interns through Burlington Code Academy who have dedicated nearly 800 hours to building a promotional website.

To launch the website, we are looking for investors. The funds will primarily be used to pay personnel, marketing and for servers. We would like to see a decent round of seed funding. Within 3 years, we should be turning a profit based on projections of nearly \$1 million.

Statements

Projected Profit and Loss

	2023	2024	2025
Revenue	\$39,110	\$452,875	\$870,766
Direct Costs			
Gross Margin	\$39,110	\$452,875	\$870,766
Gross Margin %	100%	100%	100%
Operating Expenses			
Total Operating Expenses			
Operating Income	\$39,110	\$452,875	\$870,766
Interest Incurred			
Depreciation and Amortization			
Gain or Loss from Sale of Assets			
Income Taxes	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0
Net Profit	\$39,110	\$452,875	\$870,766
Net Profit / Sales	100%	100%	100%

Projected Balance Sheet

	Starting Balances	2023	2024	2025
Cash		\$39,110	\$491,985	\$1,362,751
Accounts Receivable		\$0	\$0	\$0
Inventory				
Other Current Assets				
Total Current Assets		\$39,110	\$491,985	\$1,362,751
Long-Term Assets				
Accumulated Depreciation				
Total Long-Term Assets				
Total Assets		\$39,110	\$491,985	\$1,362,751
Accounts Payable				
Income Taxes Payable		\$0	\$0	\$0
Sales Taxes Payable		\$0	\$0	\$0
Short-Term Debt				
Prepaid Revenue	\$0	\$0	\$0	\$0
Total Current Liabilities	\$0	\$0	\$0	\$0
Long-Term Debt				
Total Liabilities	\$0	\$0	\$0	\$0
Paid-In Capital				
Retained Earnings	\$0	\$0	\$39,110	\$491,985
Earnings		\$39,110	\$452,875	\$870,766
Total Owner's Equity	\$0	\$39,110	\$491,985	\$1,362,751
Total Liabilities & Equity	\$0	\$39,110	\$491,985	\$1,362,751

Projected Cash Flow Statement

	2023	2024	2025
Net Cash Flow from Operations			
Net Profit	\$39,110	\$452,875	\$870,766
Depreciation & Amortization			
Change in Accounts Receivable	\$0	\$0	\$0
Change in Inventory			
Change in Accounts Payable			
Change in Income Tax Payable	\$0	\$0	\$0
Change in Sales Tax Payable	\$0	\$0	\$0
Change in Prepaid Revenue	\$0	\$0	\$0
Net Cash Flow from Operations	\$39,110	\$452,875	\$870,766
Investing & Financing			
Assets Purchased or Sold			
Net Cash from Investing			
Investments Received			
Dividends & Distributions			
Change in Short-Term Debt			
Change in Long-Term Debt			
Net Cash from Financing			
Cash at Beginning of Period	\$0	\$39,110	\$491,985
Net Change in Cash	\$39,110	\$452,875	\$870,766
Cash at End of Period	\$39,110	\$491,985	\$1,362,751