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**Description of Service**

**What is Eureka?**

Eureka is a Spanish language Academy offering both traditional and online learning for secondary school and undergraduate university students. The academy will be located in Hastings, Christ Church, where language classes and cultural activities are held. Our services include a variety of plans of study divided into learning packages which the student may subscribe to according to his/her needs and preferences. Secondary school children can specially benefit from Eureka’s private and classroom tutoring at the academy which focuses on improving the oral and written skills of students whilst following the CSEC and CAPE syllabi. Learning packages may also include e-learning components which undergraduate students may find particularly appealing, such as online conversation classes with a native speaker via skype. All students will have free access to Eureka’s online database of notes, e-books, videos, audio recordings and other learning resources once subscribed to a learning package of their choice.

**Why is it an opportunity as oppose to an idea?**

Eureka has emerged from an attractive, timely, durable and service anchored opportunity. It is the perfect environment that teenagers and young adults need to, not only excel in their exams, but also enable them to speak the language fluently. The best time to start this venture is now, since there are no language and culture centres in the island and the number of direct competitors in Barbados is low. The durability of Eureka Spanish Academy is inexcusable. There will always be a need for teenagers and young adults to learn a foreign language. In addition, the firm is expandable. Different language packages can be introduced, other foreign languages courses may be started (French, German, etc.), and an educational app can be developed and introduced in the market. This opportunity is anchored to the language education service.

The opportunity of starting a Spanish language academy was identified by observing economic and social trends, solving a problem and finding a gap in the market place. The current weak economy that families in Barbados face does not allow them to suffice all their children’s educational needs. The foreign language immersion programs offered by schools are almost unaffordable for parents, but there is not an alternative solution for their children to be immersed in the language. Eureka provides this opportunity to them, at a more affordable price, and with greater benefits. Social factors were also observed in the process of identifying the need for a new language centre. There is an increase in competition the world of work. As a result, only the most outstanding employees are chosen for a job, and young people, who lack experience, are required to possess more assets and skills as ever before. Understanding, writing and speaking a foreign language fluently is one of the assets that employers are looking for in young people. Eureka can prepare them for that and much more.

Eureka language school also solves a common problem found in the education system: Young people pass their foreign language exams with good grades, but they are unable to speak the language. By providing a language and cultural immersion experience, students will be motivated to learn and to speak the language, producing more competent and prepared young people. Finally, it was observed that the language education industry in Barbados is very limited, and often fails to provide students with the opportunity to interact with a native speaker, whether face to face or online. Eureka has taken advantage of this gap in the market place and will have native speakers as experienced teachers to interact with the students.

Feasibility Analysis

**Strength of Business Idea**

1. Strong – Addresses an unfilled gap in the market.

2. Very timely - the service is unique and has never been explored in the market.

3. High – This product allows users to expand the horizons. Those who successfully completed the course will be able to apply for jobs in spanish speaking countries, most of which are close to Barbados.

4. Not very satisfied

5. Moderate – Requires users to set aside time to work on the course. However, since the program is flexible the impact will not be that severe.

**Industry-Related Issues**

1. Many – there are several indirect competitors such as the university and colleges on island.

2. Emergence phase – There are no similar firms based in Barbados that are in the electronic learning industry.

3. Strong growth – Based on statistics from European markets the industry has strong growth potential.

4. Must-Have – The ability to speak a foreign language is essential when looking for a job in Latin America.

5. Moderate – The cost of both the native speakers and cultural consultant will be a substantial expense. In order to keep prices low only a moderate pricing strategy will be used.

**Part 3: Target Market and Customer Related**

1. Identified – The target market will be university and secondary school students.

2. Can create – Eureka will have the first mover advantage.

3. Moderate

4. High – By forming a strategic partnership with the university and using social media the firm can be easily found.

5. High – Since this is a unique and necessary service the potential for growth is large.

**Part 4: Founder-(or Founders) Related Issues**

1. No Experience

2. Skilled

3. Extensive

4. Strong

5. Very Likely

**Part 5: Financial issues**

1. Moderate – The founders personal funds will be used to fund the firm.

2. Two to three – Revenue will be obtained through subscriptions, one time users and sale of additional learning materials.

3. One to two years – Since the initial cost of founding the business will be substantial Eureka is not expected to break even within the first year.

4. Strong -

5. High – By using vendor credit, crowd funding and bootstrapping the firm will be able to entrepreneurial team will be able to fund the venture.

**Overall Potential**

Part 1: +4

Part 2: +1

Part 3: +5

Part 4: +3

Part 5: +3

Business Model

**Core Strategy**

Business Mission – Expanding our students’ horizons by providing a unique learning and cultural experience.

Basis of differentiation – Eureka seeks to differentiate itself from our competitors by providing culture and language immersion at an affordable price and without the need to travel overseas.

Target Market – Eureka plans to target students, both high school students and undergraduate students.

Product/Market scope – Initially Eureka will provide Spanish language and culture immersion.

**Resources**

Key Assets

|  |  |  |
| --- | --- | --- |
| Human assets | Physical Assets | Intellectual Assets |
| Native Speakers | Building to hold classes | Course curricula |
| Cultural Consultant | Server |  |
|  | Course Materials |  |
|  | Projectors |  |
|  | Audio Equipment |  |

Core Competencies

The core competencies of Eureka includes:

* Eureka allows customers to learn on their time. This is important as students’ schedules tend to be influenced by extracurriculars and assignments.
* Eureka provides a complete culture and language immersion.

**Financials**

Revenue Stream

Revenue will be derived from three main sources:

* Subscriptions paid by customers who attend Eureka’s full language and immersion course.
* One time payments from students who attend the spanish crash course in preparation for exams.
* Sale of expanded course material, the essential course materials are available to all users of service.

Cost Structure

The major costs for Eureka includes:

* Payment of wages. The core business of Eureka is providing a complete language and cultural immersion. Therefore the wages of the native speakers and cultural consultants make up a core part of the business’ cost.
* Upkeep of website. The website will be the main hub where students can learn about spanish culture as well as sign up for the companies services.
* Equipment costs. Language lessons will be offered both in class and online. Class presentations will be filmed and uploaded to the site. Therefore a camera and audio recording equipment is essential to the business.

Financing/Funding

The firm will primarily be funded by the resources of the entrepreneurial team. Bootstrapping will be used in order to use the initial funds to their full potential. Additional funding will also be raised via crowd-funding. Vendor credit will also be used to purchase any equipment that can not be purchased from the raised funds. Also, initially the native speakers will be hired as interns and over time will be transitioned to full time workers.

**Operations**

Channels

Spanish lessons will be done either in person or through recordings that will be archived online. Conversations with native speakers will be done over skype calls.

Key Partners

A strategic alliance will be formed with the University of the West Indies. This will be mutually beneficial since it will help to build the prestige of Eureka and provide the expertise of Eureka to the university.

Industry Description

This industry analysis regarding to the language industry in Barbados will assist Eureka with research to determine how the company will compete in the industry.

Definition

Research through the internet defines the language industry as the range of activities dedicated to facilitating multilingual communication, oral, written and signing. The activities include translation, interpretation, subtitling and dubbing, software and website globalization, language technology tools development, international conference organization, language teaching and linguistic consultancy. In Barbados, the language industry has not been defined and excluded from the sectors comprising the Gross Development Product (GDP) of the country to a large extent this omission relates to the problems associated with the scope of the industry and the valuation of outputs from the industry.

The language industry is affected by several external factorssuch as economic, cultural, political and technological changes.

Economic Trends

The language industry is impacted by such economic factors such as growth, trade and unemployment. As an economy such as Barbados grows, the demand for the range of services within the language industry increases. For example, the need for workers with foreign language skills within the tourism, entertainment, government and manufacturing sectors will increase as the economy develops. The tourism industry in Barbados and the Caribbean has been expanding beyond the traditional markets in Europe and North America to the Latin American and Asian countries, thus requiring skills to coup with the languages of these regions.

The development of small economies like Barbados depend heavily on trade for their development. The need to import raw materials, food and technologies in order to manufacture products for export is critical in the development process. Having workers with language skills to facilitate this trade would be central to its success.

Cultural Trends

The Governments within CARICOM have placed a major premium on the growth and development of the cultural industries towards the development of the individual economies. The exploitation of culture in development would however require entering markets where foreign languages dominate. The need to adapt songs, plays, books and other cultural activities to such markets would require the appropriate language skills.

Political Trends

Modern governments have expanded and maintained relationships with countries all across the world. Barbados has establish embassies with China and several Latin American countries. Fully staffing those embassies as well as negotiating and maintaining relationships with such countries require staff with foreign language skills. The need for interpreters would certainly be relevant as governments negotiate the various treaties and participate in meetings at the international level.

Technological changes

The introduction of the internet and other technological developments have made a significant impact on the language industry. Through the internet and social media a distinct language has emerged and several of the new words entering our daily communication are associated with this technology. In addition, entrepreneurs are developing and distributing language related tools with much success. It is possible to pursue online foreign language courses as well as undertake translation of documents in various languages.

Industry Size and Attractiveness

Information through the internet estimated the value of the language industry in Europe at 8.4 billion euros in 2008 with an annual growth rate of 10%. In Barbados and the Caribbean there are no available figures on the size and value of the language industry. There is certainly need for research to value this important industry in the region and to estimate its contribution to economic development. The Eureka business of teaching Spanish online falls within the teaching subsector of the industry. In valuing this subsector it is necessary to include teaching at the various stages including primary, secondary and tertiary levels.

In the absence of specific data on the industry (value and growth potential), the attractiveness of the business within the language industry is based on the growth and development of the tourism industry in Barbados and the Caribbean, the expanded trade with non-traditional markets and the increasing of government in international affairs. The demand for workers with the necessary language skills will expand given the above factors.

Profit Potential

The factors impacting the performance in the language industry include rivalry, substitutes, new entrants, quality of service and the potential of buyers.The following chart examine whether these factors are low or high.

Competitive Force Threat to Industry Profitability

Low High Medium

Threat of substitutes \*

Threat of new entrants \*

Rivalry among existing firms \*

Bargaining Power of suppliers \*

Bargaining power of buyers \*

Substitutes are a very low threat to the industry. As the tourism industry expands into the non-traditional markets and governments become more global in outlook, the demand for language training services would increase. The alternative of using workers from foreign countries to perform the various tasks would be expensive and viable in the longer term.

The level of threat of new entrants would vary according to the product and services being place on the market. In the case of the Eureka project, the threat of new entrants would tend to be high given the nature of training services. New entrants would widen the choice of potential trainees and therefore negatively impact the client base for the project.

The project’s rivals would include the range of businesses offering similar training in the class room setting and the internet. In Barbados, for example the training of Spanish by the University of the West Indies, Cave Hill, Barbados Community College, The Venezuela Institute and in-house business training would offer competition to the Eureka project. However, Eureka being an online service could offer the flexibility that many workers would require to undertake training. Rivalry among existing firms could therefore be considered a medium threat.

The Eureka project of online Spanish training does not carry a major supplier component. Barbados with a fairly reliable internet service would ensure the availability of this online service as required. Other products within the language industry would have major input suppliers that could impact the quality and delivery of such products. The power of suppliers could therefore be considered a low threat for the Eureka project.

The range of users of the services under the Eureka project include individuals, companies, and students. The ability of the buyers to pay for the service will depend upon their employment status and the importance of this training to career development. Companies engaging the services of Eureka can use pressure because of numbers to attract lower prices. The impact of the power of byers on the project would therefore depend on the type of cliental: while individual clients would have minimum impact, companies could be a strong threat to the project. The power of buyers could therefore be considered a medium threat.

After evaluating the five forces model on the Eureka project within the language industry it can be concluded that most of the forces are low to moderate with threats only marginally impacting profitably. With the economies in Barbados and the Caribbean returning to a growth path, the tourism industries exhibiting vibrant growth and the governments becoming more involved at the global level the demand for language services in particular Spanish training, will be significant.

Competitive Position within Target Market

The language industry is required to deal with direct, indirect and future competitors. Direct competitors are those offering identical or similar product such as BCC and the UWI that are already established. In additional there are existing a number of online training services that offer direct completion. Indirect competitors offer products that are close substitutes such as companies offering to recruit foreign workers with the requisite skills. Future competitors are those who are not yet direct or indirect competitors, but could be at any time. Other factors that would impact the target market would be the high unemployment in Barbados and the Caribbean, the profits of companies and the weak financial position of individuals.

Entering the market and staying competitive with other companies will require effective marketing, continuous improvement, high quality product and comparable prices. It would appear that the language training services have room for growth that is sure to attract new entrants into the market.