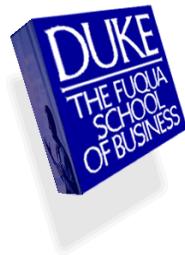




Kosh: Universalizing access to educational content

Business Plan for Duke Startup Challenge

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Executive Summary

Business Model and Value Proposition: *Kosh*¹ is a social venture that aims to improve performance at primary schools in rural India, by providing access to high quality and engaging educational content in various electronic media formats for more effective learning and retention. The core product is an online knowledge repository that will aggregate and distribute educational content. *This virtual library will make educational media accessible at an affordable price and in regional Indian languages, to over 175,000 schools² in rural India.*

Despite an abundance of educational content available (such as multimedia games and audio and video presentations), access to such material is restricted by several factors including availability, cost and language barriers. Kosh addresses all three key challenges faced by educators:

- **Access:** Educational content in India is controlled by a number of entities (Government institutions, NGOs and nonprofits, and private companies), and therefore extremely fragmented and hard to access. We will identify content and aggregate access through a single web-based portal. The content will be distributed to NGOs and primary schools in rural India using technology and on-the-ground partnerships.
- **Cost:** All content on Kosh will be made available at an affordable price, after covering operating costs.
- **Language:** There is a lack of relevant educational content in regional languages in the non-Hindi-speaking states³. We will also provide translation services for educational material into dominant Indian languages.

Kosh allows end users to choose content that uniquely fits their needs. The use of technology and the internet will help us achieve low cost and easy accessibility – this is core to our value proposition. Drivers for a technology-based solution include a strong growth in both government education spending (90% of which is on K-12) and the increasing availability of IT infrastructure in schools.

Proof of concept: We have confirmation from two major NGOs in India for a pilot implementation in up to 50 schools (Sikshana Foundation and Association for India's Development, AID, with additional access to around 1500 rural schools).

Management team and Advisory Board: The management team comprises individuals with experience in technology, international development, and management consulting, as well as a strong passion to create social impact through business. The team will be guided by a strong advisory board comprising Dr. Balaji Sampath (Ashoka Fellow, Founder of Eureka Schools, India), Mr. Karl Rectanus (NC STEM Collaborative) and Mr. Clint Cleetus (Founder/CEO, Bogex Software Solution). Together, they bring expertise in education, entrepreneurship, technology, and a demonstrated track record of improving education in rural India.

Operations and Financial Projections: The technology platform is a critical aspect of our business model and comprises a significant part of our initial investment and effort.. We have identified key requirements for this task and an implementation plan expected to take 6-9 months. This allows us to make our first product sales before the end of Year 1. Sales are predicted to grow from \$7,200 in Year 1 to nearly \$145,000 in Year 5 (61% CAGR), penetrating 0.5% of the market. The sales growth will be driven by a strong word-of-mouth effect and relationships with NGOs. Kosh requires equity financing of \$140,000 over the first two years, and we have two investors who have expressed strong interest in financing this venture. This investment would be used for developing the technology platform, content aggregation and distribution, and to acquire, market and sell the products to schools in rural India. Consistent sales growth will allow the profitability to significantly improve each year, finally leading to operating profitability in Year 6 and breakeven on investment in Year 8.

¹ "Kosh" (pronounced koh-sh) is a Sanskrit word which means treasure, collection, repository or source of knowledge

² The Times of India. "Computers in classrooms: Delhi schools show the way". October 2008. Available at: <http://schoolreportcards.in/Media/m76.html>

³ Khubchandani, L. "Language Policy and Education in the Indian Subcontinent". The Encyclopedia of Language and Education. 2007



I. Our Mission

Goal: Improve the quality of primary education in rural India.

How: Improve student performance at primary schools in rural India, by providing access to high quality and engaging educational content in digital formats for more effective learning and retention.

Metrics for success:

Social:

• Short Term:

- Improved student performance in grade assessment tests across Math, Science and Language Reading courses.
- Improved student engagement – Attendance improvements, higher percentage of student involvement in activities⁴.

• Long term: Higher retention rates and performance across grades in high school. (Research shows that higher quality of learning in elementary school also reflects on high school performance and grades⁵ and eventually on the economic growth of the country⁶).

Business:

Operational sustainability from earnings within 5 years, achievement of targeted sales goals and break-even within 8 years as projected

II. The Opportunity

Educators in rural India are constantly faced with the challenge of teaching in environments where distance, language, and funds limit primary (/elementary) school students' access to both traditional and nontraditional channels of education. The problem we aim to solve is threefold:

- **Access:** There is an abundance of educational material available as multimedia games, audio and video presentations, text, pictures and charts, but the access to such material is restricted by several factors including availability, language barriers, technology infrastructure, and cost. High quality educational content and pedagogy in India are fragmented and typically controlled by Universities, Government institutions such as the National Council of Educational Research and Training (NCERT), the State Government Board for Education and the CISCE (Council for the Indian School Certificate Examinations), and private companies such as Educomp Solutions, Pearson, Tata McGraw Hill, and Genee Solutions.
- **Cost:** Innovative educational content for technology aided learning and learning aids are outside of syllabus based curriculum – activity books, games, story books etc., and usually prohibitively expensive.
- **Language:** Majority of the content (multimedia and text) is available in English and catered towards an urban population. With the dominant regional language schools accounting for nearly 88% of schools in rural India, there is a lack of relevant educational content in Hindi and other regional languages in the non-Hindi-speaking states⁷.

III. Proposed Solution

Our product, *Kosh* is an online knowledge repository of engaging and high quality educational content for primary schools – similar in concept to iTunes U⁸. This virtual library will identify, license, and aggregate content from around the world, and make it accessible at a nominal price and in regional Indian languages,

⁴ Schacter, K. "Impact of Education Technology on Student Achievement". 1994. Available at http://www.waynecountyschools.org/150820127152538360/lib/150820127152538360/impact_on_student_achievement.pdf

⁵ The Bill & Melinda Gates Foundation. "Primary Sources: America's Teachers on America's Schools". 2010. Available at: http://www.scholastic.com/primarysources/pdfs/100646_ScholasticGates.pdf

⁶ S. Self and R. Grabowski, "Does education at all levels cause growth? India, a case study, Economics of Education Review". 2004, pp. 47–55

⁷ Khubchandani, L. "Language Policy and Education in the Indian Subcontinent". The Encyclopedia of Language and Education. 2007

⁸ <http://www.apple.com/education/itunes-u/>



over an internet based technology platform, to over 175,000 schools⁹ (there are 700,000 schools in rural but only 25% of them have access to computers), 50,000 educators¹⁰, and school administrators, and through them to young primary schools students in rural India. Kosh is aimed at rural primary schools, run by education focused NGOs, private school boards and the Government, and the purpose is to improve the effectiveness of education, by complementing the existing curriculum, and in effect, to improve the performance of the students at their assessment exams.

- **Access:** We will identify high quality educational content in digital formats for primary education from open-source/ public domain content creators, private companies in India, US and other countries, from government institutions in India, and NGOs; acquire licensing rights to either provide as-is or repackage (bundle/unbundle) if needed for primary schools in rural India. This content will be aggregated and distributed to NGOs and primary schools in rural India using technology and on-the-ground partnerships.
- **Cost:** With a clear understanding of the end users and the potential social impact, all content on *Kosh* will be made available at an affordable price point defined later in this document. For those few schools that are still not able to afford Kosh, we would provide value-added services such as grant proposal consulting and matching with foundations and funding organizations, both government and external, to enable the schools to make use of the service.
- **Language:** As needed, we will also provide translation services for educational material into dominant Indian languages like Hindi, Kannada, Tamil, Telugu, Bengali, and Marathi, and provide contextual adaptation to make the content relevant, usable and kid friendly.

In addition to providing the content itself, we also plan to facilitate a social network of NGOs, schools and educational organizations around the use and sharing of content.

Process Workflow: A high level business process workflow in Appendix F describes who the key players are and how the solution will work.

IV. Kosh Value Proposition and Competitive Advantage

Strategic Partnerships with Content Creators: As aggregators of content, our partnerships with the content creators are a key aspect of our business model. We have confirmation from two major NGOs, Sikshana Foundation and Association for India's Development (AID) for sharing their proprietary educational material with other NGOs. We are also in talks with other NGOs to reach such an agreement.

In addition, we are in the process of identifying freely available content in U.S and other countries that can be contextualized and distributed in India. We are also aggregating the State, NCERT and CISCE content to make it accessible more reliably and available at lower costs in rural locations. We are designing a licensing and distribution model for the private content creators in this industry as well.

Technical Platform: Technology and the Internet would be primary drivers of Kosh, by facilitating the low cost and easy accessibility that are at the core of our value proposition. The content will be aggregated and made available through a Cloud based infrastructure, and presented on a platform that is easily downloadable (light executable file) or available as a CD/DVD that will be shipped to the end users upon request. By leveraging the latest, low cost and easily scalable technologies available today, Kosh would make easy and affordable access to high quality educational content the main focus of our business and marketing strategy.

We also plan to leverage social networking (both technology and word-of-mouth) as a key marketing and educational tool to promote adoption and use of Kosh. Digital Rights Management (DRM) technology and

⁹ The Times of India. "Computers in classrooms: Delhi schools show the way". October 2008. Available at: <http://schoolreportcards.in/Media/m76.html>

¹⁰ UNICEF. "Global Campaign for Education – more teachers needed". Available at: http://www.unicef.org/india/resources_1551.htm



easy payment gateways are other technological innovations we plan to leverage to facilitate the content acquisition and distribution. Details of technical specifications have been included in the Appendix E.

First mover in content aggregation and access: Currently, the educational content available to primary schools in India comes from four main sources – (1) Government (NCERT – National Council of Educational Research and Training, state government education boards, and the CISCE – Council for the Indian School Certificate Examinations), (2) Private education and publishing companies such as Educomp, Everron and McGrawHill, (3) Education focused NGOs and nonprofits such as AID, Pratham and Digantar Siksha Evam Khelkud), and (4) Open source/ public domain. Availability of this content in rural India is extremely fragmented and therefore severely limits the availability and effectiveness of education, especially in primary education. We feel that a lack of any aggregation presents a strong first mover advantage for us.

We do not plan to compete with the existing content developers, but to provide an easier means of distribution for them as well as provide access to content from other sources such as the open educational content in the U.S (previously unavailable in India) and other countries, and make it accessible to the schools through translations and contextualization. Another source of value is in connecting the NGO content creators and cross-licensing content by becoming a channel for them to make it more widely available.

V. Market Potential

Our target market is primary schools in rural India since this is a grossly underserved segment for technology based products in education (*commonly referred to as ICT*). The quality of education in this market is low, as indicated by a recent study which correlates academic achievement by to the absence of quality educational resources¹¹. We believe that by improving the quality of education in primary schools in rural India, there will be significant improvement in student learning which could potentially reduce the dropout rates in middle-school and high-school¹². Technology based educational content that is currently available in India is primarily targeted towards urban school children¹³. Therefore there is an opportunity to provide educational material in vernacular languages that is culturally relevant to children in this segment.

Market size: Of the nearly 700,000 primary schools in rural India, only 25% of the schools have computers for student use¹⁴. While this statistic is sure to increase in the future with higher focus on ICT based educational delivery, for estimation purposes we have held this number to be constant. We realize that this is a conservative approach. Based on the data published Department of Education in India the number of new schools through various government and private initiatives is expected to grow by an average of 2% annually. This figure is based on a 10% increase in total number of government schools between 2003 - 2008¹⁵. For keeping the model simple, we have assumed this would be the rate of growth in all segments of rural schools.

Market Segmentation: The target market discussed above can be divided into four segments based on the institution of management¹⁵ - Government, Local Bodies - includes NGOs, missionaries, non-profits etc., Private Aided and Private Unaided. The rationale for dividing the market based on the management is because Kosh will be selling to schools and the most important aspect to make the sale is to be able to identify decision makers and people who have access to funds. This varies based on the management type rather than geographies, demographics etc.

¹¹ Shah, H. and Agrawal, S. "Educating India". June 5, 2008.

¹² Reuters. "World Bank approves record \$1.05 billion for schools in India". March 19, 2010

¹³ Primary research with AID India. Reference: Balaji Sampath.

¹⁴ The Times of India. "Computers in classrooms: Delhi schools show the way". October 2008. Available at: <http://schoolreportcards.in/Media/m76.html>

¹⁵ Government of India, Ministry of Human Resource Development, Department of Education, Planning, Monitoring and Statistics Division, New Delhi, Publication Date 2008



The biggest segment within the rural primary school segment is the Local Body (i.e. NGO, Missionaries) run schools. They comprise 47% of the market. Kosh would target this segment as the initial market. Kosh already has acceptance from AID in the state of Tamil Nadu and the

Market Analysis							
		Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
Potential Customers	Growth						
Government	2%	74,614	76,106	77,628	79,181	80,765	2.00%
Local Bodies (NGOs, Missionaries etc.)	2%	80,847	82,464	84,113	85,795	87,511	2.00%
Aided Private	2%	5,352	5,459	5,568	5,679	5,793	2.00%
Unaided Private	2%	12,835	13,092	13,354	13,621	13,893	2.00%
Total	2.00%	173,648	177,121	180,663	184,276	187,962	2.00%

Sikhshana Foundation in Karnataka that they would partner with us in the pilot initiative. Another advantage of targeting this segment is that one NGO is associated with multiple schools and hence it's easier to reach out to more schools. NGOs also tend to be more dedicated towards improving the quality of education, and are in fact a trusted partner for many schools. Word-of-mouth and trust has a significant impact in this segment. The second largest segment, Government-managed schools comprise 43% of the total schools, and are difficult to penetrate in Year 1. This is because the decision making rests with the District Educational Officer and the State Educational Officer. To enter this segment would require proven success as well connections within the bureaucracy. The decision making itself takes time. For these reasons, Kosh plans to target government-managed schools in Year 2 or Year 3.

VI. Industry Analysis

Industry Landscape

- Supply:** The triad of Educomp, NIIT and Everonn collectively enjoy an oligopoly as private players in the high-quality primary education content market in India. In the ICT implementation space, the primary buyer (the government) has significant power. The government selects private partners through a competitive bidding process. From the end user's standpoint, the lack of other players in this market severely limits customer choice in content and price. In the rural market, the primary buyers are government schools and NGOs. NGOs working in education do not exhibit much buying power because they lack the ability to pay, given their own subsistence on grants.

The private players work with the government (the largest payer), and differentiate themselves by providing turn-key solutions for primary schools. The companies provide not just software and hardware infrastructure, but also training for existing teachers or outside facilitators at schools. The large size of the market has allowed players to coexist by diversifying into new services and by differentiating their existing product lines. For instance, Educomp's major source of revenue is their SmartClass program for schools, while NIIT earns a bulk of its revenue through technology training solutions for professionals. To remedy the effect of poor quality education, children in India go to private tuition centers after school hours. The growth of these "tuition centers" has been explosive in recent years, and provides the next best (albeit expensive and largely urban) alternative to a quality in-school educational experience.

- Demand:** Historically, the reliance on external inputs and/or suppliers in the educational content industry has been limited. Educators in rural India typically rely on content provided by the government due to two main factors – (1) schools strictly adhere to government material fearing adverse impacts on the school's pass-percentage, (2) there is severe dearth of educational content in regional languages. Both NGOs and large private education companies have large teams of in-house content developers, so very few rely on licensing agreements. For instance, Eureka Schools in Tamil Nadu create their own content in Tamil to address the shortage of quality material in this language. Reliance on open source/public domain content and using in-house teams of content developers/volunteers is also high.

Competitive Landscape



Competition is anticipated mostly from private firms who provide educational content and would likely see Kosh as a low priced alternative to their own products. They may choose to not partner with us or offer discounts. In recent year, the government has been increasingly open to working with private firms towards improving the quality of education, as evidenced by public-private partnerships in the Sarva Shiksha Abhiyaan (SSA)¹⁶. The government is therefore more likely to be a partner more than a competitor. Although, as discussed previously, the government can be a difficult player to convince. Other NGOs and nonprofit content providers are also more likely to be partners.

Competitor	Primary School Focus?	Rural/Semi-Urban Focus?	Expected Growth rate	Market Size	Regional Language Competence	Core Strengths	Differentiating Offerings
NIT	Yes	Yes	17.5%	3,828 Government schools	Medium	Acquired Element-K, a US/Canada learning solutions company ILS – IT Training offerings, CLS – Corporate training services	SLS – School learning systems
Everonn	Yes	Yes	28%	3,164 Government schools	Medium	Strong content development team, and a acquisition capabilities	Institutional Education and IT Infrastructure Services (IEIS) business (government schools) and ViTELS, Everonn's VSAT-based short and medium-duration courses
Educomp	Yes	Yes	67%	6000 government schools	High	Strong content development team and strong sales team	Smart Class, ICT Business

VII. Go-to Market Strategy

Our target market is primary schools in rural India. Therefore we are taking a unique approach with respect to price, product positioning, and taking Kosh to market. Product positioning as a 'low cost' offering will be creative so that the customer has no concerns about the quality. The two potential issues are addressed as follows: Some schools might not be able to afford Kosh products even if they genuinely want to improve the education imparted. To overcome this we are offering a service to our customers where we would help identify matching grants, funds or charitable organizations. Some examples of this would be grants offered by the Gates Foundation, Dell Foundation etc. In addition we would also provide assistance in grant writing on a need basis. This is an area of expertise and competitive advantage we would develop as we grow. Our approach is to make the product affordable to our customers without compromising on our revenue stream which is necessary for long term sustainability. We anticipate there being one-off cases identified where there is an absolute need for the product, but no source of funding. We would be willing to sell our product at marginal cost in such cases since want to prioritize the social cause of imparting quality education to children in rural India.

Another potential issue in penetrating the market would be gaining credibility early. To achieve this, we plan to take a two-pronged approach:

- Get buy-in from NGOs and other non-profits who would recommend our product – we would actively involve NGOs in the pilot and development phase such that their feedback and inputs are given due consideration. Word of mouth among end users such as teachers, administrators and NGOs would help the product gain credibility
- Another focus area would be to identify a celebrity champion for Kosh. This could be a celebrity in the entertainment industry who is passionate about rural education (e.g. Nandita Das) or a famous person involved with rural development (example: Arundhati Roy). This would help us get faster visibility.

¹⁶ Shah, H. and Agrawal, S. "Educating India". June 5, 2008



Sales Strategy: Key to generating sales is the development of relationships with potential end-users for the content. Most of the sales efforts will be geared towards creating awareness of the Kosh portal Targeted towards NGO run schools, using the Eureka schools as a pilot effort. The success of the pilot effort is expected to lead to a combination of word-of-mouth endorsement among NGOs supported by an active sales effort, driven mainly by direct contact with NGOs involved in the education sector in India. The founding team and the advisory board already has existing relationships with NGOs involved in primary education efforts in India (Association for India's Development, Pratham, Cecoedecon). These will be used to generate initial adoption by schools run by these NGOs.

The target of the pilot phase (Eureka Model Schools) is part of the AID network, and success here is expected to favorably help adoption by other organizations funded by AID (e.g. Society for Economic and Education Development, Tamil Nadu state). In order to keep SG&A expense to a minimum, we will rely significantly on relationships and word of mouth referral to achieve sales. Given the strong variability in the size and budgets of schools, pricing will be negotiated on a case-by-case basis. Also, considering the social mission of this venture, it is important to price each case based on the ability to pay. For NGOs and schools whose ability to pay is below the listed price of the product, we will work with funding organizations (such as AID, ASHA, CRY, Pratham Bill and Melinda Gates Foundation, government programs etc.) to help secure financing through grants and other avenues to enable affordability of the content. This model has been successfully applied in other industries.

VIII. Sales Forecast

We present the sales forecast for the first five years of the business. The forecast assumes that the adoption of the internet-based content model follows a similar pattern as other technological breakthroughs such as televisions, cable television, personal computers, and cellular phones¹⁷. To this end, we use the Bass Diffusion Model on the adoption and diffusion of new products and technologies by Frank M. Bass¹⁸. The Bass model has been successfully applied to assess the initial feasibility of the investment via the modeling of adoption scenarios and the analysis of actual adoption rates post the investment being made.

Bass Model for Sales Forecast: The bass model estimates how the cumulative adoption fraction of the market, $F(t)$, changes with time. This is calculated using the formula:

$$F(t) = \frac{1 - e^{-(p+q)t}}{1 + \left(\frac{q}{p}\right) e^{-(p+q)t}}$$

where $F(t)$ is the cumulative fraction of adopters at time t , p is coefficient of innovation (external influence) and represents the likelihood that somebody who is not yet using the product will start using it because of mass media coverage or other external factors, and q is coefficient of imitation (internal influence), representing the likelihood that somebody who is not yet using the product will start using it because of "word-of-mouth" or other influence from those already using the product.

For our model, parameters were chosen as follows: $p = 0.0003$ and $q = 0.3515$. These are selected based on estimates for India by Huang and Chen¹⁹. These values have been determined for the penetration of information and communication technology (ICT) and are therefore considered very strongly applicable to our present setup. Also, the relative values of p and q are consistent with the documented pattern of computer and internet penetration in India. The adoption of these technologies is largely based on imitation (following initial followers and through word of mouth), rather than because of advertising. This explains the reason why q is much larger than p .

¹⁷ <http://andorraweb.com/bass/>

¹⁸ (A New Product Growth Model for Consumer Durables, 1969, Management Science, 15, 215-227)

¹⁹ Huang, C.Y and Chen, H.N. "Global Digital Divide: A Dynamic Analysis Based on the Bass Model", J. Pub. Policy and Marketing, 2010 (Forthcoming)

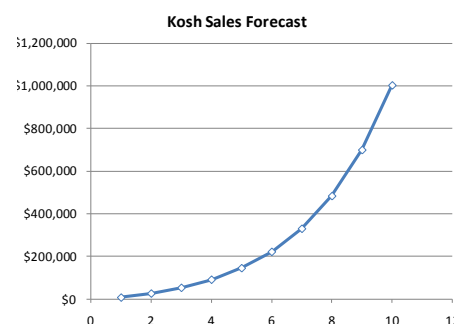


Based on market research, we estimate that our total target market (rural schools with at least one computer) is assumed to be around 175,000 today²⁰. This estimate is conservative considering the strong growth in computer penetration in Indian schools expected over the next few years. Specifically, the market for information and communication technology (ICT) in government schools is expected to grow from US \$90 million in 2008 to US \$752 million in 2012 (70% CAGR). This growth will be driven by strong growth in government education spending (nearly 15% in India's 2010 government budget to almost 4.5% of GDP²¹). Over 90% of this is spent on K-12 education and will serve as a key driver for market growth.

Products and Pricing: We will price the products based on the number of students in each school (assumed to be 100 on average). The pricing is estimated using a weighted average of the cost of goods sold by Educomp and Everron, the dominant players in multimedia-based education content in India. We assume that we can source educational content at the same price or lower. This is a reasonable assumption since our primary source of content is content developed by NGOs, openly distributed content and that developed by communities online such as Currikki and the George Lucas Educational Foundation. Cost of translational services will be included as needed. A cost-plus pricing scheme is used (40% overhead and 5% margin) to arrive at an average price of Rs. 104 per student per year (compared with Rs. 300 per student per year for Educomp products), or Rs. 10,400 per school (average of 100 students). The price is the average over five years (and includes a 7% increase in COGS for inflation).

	Year 1	Year 2	Year 3	Year 4	Year 5
Unit Sales					
Total Unit Sales	29	104	210	361	576
Unit Prices					
	Year 1	Year 2	Year 3	Year 4	Year 5
	\$252.00	\$252.00	\$252.00	\$252.00	\$252.00
Total Sales	\$7,308	\$26,208	\$52,920	\$90,972	\$145,152
Direct Unit Costs					
	Year 1	Year 2	Year 3	Year 4	Year 5
	\$171.36	\$171.36	\$171.36	\$171.36	\$171.36
Direct Cost of Sales	\$4,969	\$17,821	\$35,986	\$61,861	\$98,703

Table 10.1. Sales Forecast



IX. Key Milestones

The milestones that are listed provide an overview of what we hope to accomplish by August 2011. We plan to launch Kosh as an LLC and first day of operations would be 1st August 2010. This would give the Kosh founding team enough time to present this idea to investors and other industry experts and get their feedback before the official start. The focus in the first 6 months would be on two tasks - implementing and evaluating the pilot and developing the web portal. Once these two are completed and effectiveness of the product proved, we hope to take the product to market and close our first sale in month 10. The person assigned to each task would be responsible to ensure that the task is completed on time and within budget. The tasks for which \$0 is allocated would be executed by the founding team that will not draw any salary. However expenses like travel would be booked to the company.

²⁰ UNICEF (http://www.unicef.org/india/children_166.htm) and interview with Eureka Schools' Gomathi Damodaran.

²¹ <http://online.wsj.com/article/SB126716985909752099.html>



Milestones					
Milestone	Start Date	End Date	Budget	Manager	Department
Complete advisory board	3/22/2010	4/30/2010	\$0	Aparna Prasad	Not Applicable
Secure seed funding of \$10,000	5/1/2010	5/31/2010	\$0	Remya Narayanaswami	Not Applicable
Meet potential investors	5/1/2010	7/31/2010	\$0	Remya Narayanaswami	Not Applicable
Develop corporate website	6/1/2010	7/15/2010	\$500	Nitya Pillai	Not Applicable
Identify content and technology partners	6/1/2010	7/31/2010	\$0	Fareen Azeez	Not Applicable
Develop pilot product	7/1/2010	8/31/2010	\$3,000	Fareen Azeez	Not Applicable
Register Kosh LLC	7/15/2010	7/31/2010	\$500	Aditya Bedekar	Not Applicable
Develop technology platform	8/1/2010	4/30/2011	\$64,000	Remya Narayanaswami	Not Applicable
Meet with foundations and other grant providers	8/1/2010	7/31/2011	\$0	Nitya Pillai	Not Applicable
Implement Pilot	9/1/2010	9/30/2010	\$1,000	Aparna Prasad	Not Applicable
Sales and Marketing Plan for Local Body segment	10/1/2010	12/31/2010	\$1,000	Aditya Bedekar	Not Applicable
Measure effectiveness of pilot	10/1/2010	4/30/2011	\$300	Nitya Pillai	Not Applicable
Launch Kosh for widespread distribution and sales	2/1/2011	2/15/2011	\$0	Aparna Prasad	Not Applicable
Continue enhancing product	2/1/2011	7/31/2011	\$16,000	Fareen Azeez	Not Applicable
Sales and Marketing for other segments	5/1/2011	7/31/2011	\$500	Aditya Bedekar	Not Applicable
Plan establishment of office in India	6/1/2011	7/31/2011	\$250	Nitya Pillai	Not Applicable
Totals			\$87,050		

X. Pilot Implementation Plan (for Proof-of-Concept Demonstration) – Duration 6-9 months

- NGO groups identified for pilot:
 - AID (Association for India’s Development)²², through 2 schools with the Eureka Schools and Learning Centers, Location: *Tamil Nadu*, with a projected impact on 200 students.
 - Sikshana Foundation²³ : Starting with 5 schools , scaled up to 50 schools within the pilot. Location: *Karnataka* with a projected impact on up to 1000 students.
- NGO Content Partnerships for the pilot:
 - Pratham Books²⁴ (Available content with Creative Commons licensing)
 - NGO created content sharing from Sikshana and Eureka Schools
 - Open source content from online and other educational sources, such as Open Educational Resources Commons²⁵, Currikki²⁶ etc.
- Pilot Success Indicators
 - Better performance in the schools’ assessment tests across different grades.
 - Higher interest from NGOs in expansion plans.
 - Buy-in from teachers/educators to use content and assessments of additional needs.

XI. Company Ownership

Kosh will be set up as a limited liability company (LLC) in the United States, with a wholly owned subsidiary in India. The ownership of the company will reside with the five co-founders in equal proportion. We plan to work with Legalzoom to incorporate Kosh as a legal entity (LLC) in the state of Delaware. A trusted Tax and Accounting services will be identified in the Raleigh/Durham area.

XII. Management Team and Advisory Board

Kosh will be managed by the start-up team during the pilot phase, with additional expertise hired as consultants on a need basis. The start-up team from Duke expects to put between 30% - 70% of our time as

²² <http://www.aidindia.org/main/>

²³ <http://www.sikshana.org:91/Sikshana/>

²⁴ <http://prathambooks.org/>

²⁵ <http://www.oercommons.org/>

²⁶ <http://www.currikki.org/>



required during the pilot phase and fill the gap with hired managers and experts during our phase-I roll out. The additional consultants we expect to need during the initial phases are

- Licensing and IP legal experts
- Experts in Primary Education(especially in India and other emerging economies)
- NGO funding and fund-raising consultant
- Technology Implementation experts

We expect to outsource the development of the technology platform as well as the translation and contextualization of the content during the pilot phase. In the later phases, we expect to build the capability for high quality translation and contextualization, and explore opportunities in content development.

Duke founding team:

- **Adi Bedekar** (Co-founder):Fuqua MBA 2010, Summer Associate at McKinsey & Company, Group Leader at CFD Research Corporation in Biomedical Technology with 7 years of experience in medical device R&D, grant writing, and new product development.
- **Aparna Prasad** (Co-founder): Fuqua MBA 2010, Extreme Blue intern at IBM, Senior Consultant at Deloitte Consulting, with 6 years of experience in corporate strategy, outsourcing, and healthcare.
- **Fareen Azeez** (Co-founder): Fuqua MBA 2010, Intern at Learning Objects, Software Developer with Infosys, with 6 years of experience in telecommunications, educational and collaborative learning technology solutions, and learning management systems.
- **Nitya Pillai** (Co-founder): Fuqua MBA 2010, Summer intern at World Resources Institute, Software developer with Infosys, with 4 years of experience in banking; Experienced in socially entrepreneurial ventures in education and clean technology.
- **Remya Narayanaswami** (Co-founder): Fuqua MBA 2010, Entrepreneurial consultant at Small Business & Technology development center, Software developer with Infosys, with 5 years of experience in Data Warehousing and Business Intelligence.

Advisory Board:

Clint Mario Cleetus: Founder, CEO of Bogex Software Solutions

Clint has several years of experience in working for startups as well as multinationals in USA and India. He is now heading a software firm named Bogex (<http://www.bogex.com>), with registered offices in USA and India. During the past year, Bogex has been instrumental in bootstrapping and enabling web startups like Wiggio.com, OptionIt.com, Seussi.com and StepMS.com. His sites have been featured on Forbes, Wall Street Journal, CNBC and TechCrunch. Bogex also has domain expertise in Educational software and created a Web Information System for Steppingstones that enables them to lead prospective tutors and mentors through a four-step application process to get certified. Clint has an undergraduate degree in Computer Science & Engineering from the prestigious Indian Institute of Technology and a graduate degree in Computer Science from Yale University.

Karl Rectanus: NC STEM Community Collaborative Leader at MCNC, Founder at TechExecutives

Karl leads the effort at MCNC bringing policy, business, education, and community leaders together creating an innovative, sustainable State-wide platform addressing the education needs of NC & supporting the regional economic realities of the State & its citizens. He also is the Founder of Tech Executives, a management consulting firm which provides strategic consulting for Consulting for High-Growth Technology companies, State Agencies, Non-Profits & Trade Associations. Previously, Karl has been the Vice President of eCivis (www.eCivis.com), which is the premier online provider of federal, state, and foundation grant information and grants management tools for government and not-for-profit organizations. He has also been the CFO of Orange County Charter School. Karl holds a BA in History and Education from the University of North Carolina and a Certificate Negotiation & Conflict Resolution from the Institute of International Mediation & Conflict Resolution.



Dr. Balaji Sampath, Ashoka Fellow, AID Jeevansathi, Founder of Eureka Schools and Learning Centers and winner of Lemelson Inventor Fellowship.

Dr. Balaji Sampath, one of the early members of Association for India’s Development (AID), was instrumental in expanding AID's chapter base to many cities across the US and is currently a “Jeevansathi” with AID. Based in Chennai, Dr. Sampath works with the Tamil Nadu Science Forum, particularly in the areas of community health, education initiatives and women's savings groups. He, as part of AID Chennai, was instrumental in organizing the national-level workshop of the People's Health Assembly in Nov-Dec 2000, and is a key coordinator of the block-level developmental initiatives of the All India Peoples Science Network (The Hundred Block Plan). He is also the founder of the Eureka Schools and Learning centers, which has now also branched out into Eureka books and learning materials. Dr. Sampath's AID-team has established Ganini Computer and Information Centres, which are low cost computer education and information centers serving 30-60 villages and the Arroya Iyakkam project that addressing the health needs of about 30,000 families as part of the Hundred Block Plan (HBP). Dr. Sampath's team has developed a mathematical model for malnutrition studies from data gathered as part of the Arroya Iyyakam project was adjudged one of the ten best projects in the world by UNICEF. Dr. Sampath's team has also developed the use of a digital data card for use in Self Help Groups and other development related areas. The impact of their work has been seen in several villages, where technology is actively used, and which are now able to generate their own funds and are able to sustain their own community development programs.

XIII. Financial Summary

Summary: Kosh requires equity financing of \$140,000 over the first two years. This would be used primary to create the technology platform for content aggregation and distribution, as well as to acquire content, market and sell the products to schools in rural India. These include an initial startup investment of \$10,000 followed by \$70,000 in Year 1 and \$60,000 in Year 2. The high initial cost will mean that the firm will not be able to generate an operating profit in its early years, but consistent sales growth will allow the profitability to significantly improve each year, finally leading to operating profitability in Year 6 and breakeven on investment in Year 8.

Startup Funding: We expect to receive \$25,000 in prize money by winning the Duke Startup Challenge and plan to invest the entire amount into this venture. Our idea has also been selected for the semi-final round of the 2010 Dell Social Innovation competition, with \$50,000 for the winning idea. If we are unable to raise sufficient funds through these competitions, we are confident of raising \$10,000 in startup funding from our personal savings, and friends and family networks. We do not plan to raise debt to finance the business. Expenses include costs related to incorporation of the business (government fees, legal expenses, etc.), stationery (business cards, logo development, letterheads etc.), Insurance, computer, website development and hosting.

Start-up Expenses	
Legal	\$1,000
Stationery etc.	\$250
Insurance	\$1,000
Computer	\$1,000
Website development and hosting	\$500
Other	\$0
Total Start-up Expenses	\$3,750
Start-up Assets	
Cash Required	\$1,000
Other Current Assets	\$0
Long-term Assets	\$0
Total Assets	\$1,000
Total Requirements	\$4,750

Key Assumptions:

- No short term or long term debt is anticipated. All financing will be through equity investments only.
- We do not expect to rent any office space during the first year. The only employees during this period will be the co-founders, who will not draw any compensation. They will however be reimbursed for business expenses incurred during this period (such as travel).

Breakeven calculations: In order to breakeven on the investment, we anticipate a 1.1% penetration of the target market. We expect to achieve this in Year 8.



Projected Profit and Loss: The aggregation of educational content is critical to generate sales for the company. To this end, a significant portion of our efforts will be focused on the development of the website portal. We have already identified some of the key requirements for this task and expect it to be completed in 6-9 months, allowing us to make our first product sales before the end of Year 1. We also believe that a strong performance of the aggregated content during the pilot phase will allow us to successfully get the buy-in from school administrators associated with the NGOs Association for India's Development (AID) and Pratham, allowing us to quickly gain a penetration into the marketplace of rural Indian schools. Effectively, we will rely on a strong word-of-mouth as the primary source of adoption by NGOs and school administrators.

The cost of website development will be kept low due to the use of consultants and outsourcing software development to firms based in India. We have already received initial cost estimates from vendors such as Bogex (<http://www.bogex.com/>). Additionally, the development process will be carried out in a modular fashion with well-defined milestones and payments spread over the entire first year to allow efficient capital use. No payroll costs are anticipated in the first year since the only employees will be the cofounders who will work without any remuneration. Also, by establishing the Indian operations in a Tier-2 city (such as Coimbatore), we will be able to keep general and administration costs to a minimum. The pro forma income statement shows an operating loss in the first four years and a near operating break-even in Year 5. Based on the forecasted earnings for subsequent years, we expect the firm to generate an operating profit starting in Year 6, and a breakeven on invested capital in Year 8.

Pro Forma Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	\$7,308	\$26,208	\$52,920	\$90,972	\$145,152
Direct Cost of Sales	\$4,969	\$17,821	\$35,986	\$61,861	\$98,703
Production-Content Acquisition Payroll	\$0	\$0	\$0	\$0	\$0
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$4,969	\$17,821	\$35,986	\$61,861	\$98,703
Gross Margin	\$2,339	\$8,387	\$16,934	\$29,111	\$46,449
Gross Margin %	32.00%	32.00%	32.00%	32.00%	32.00%
Operating Expenses					
Sales and Marketing Expenses					
Sales and Marketing Payroll	\$0	\$5,000	\$10,000	\$15,000	\$25,000
Advertising/Promotion	\$0	\$0	\$1,000	\$1,500	\$2,000
Other Expenses (including translation expenses, as needed)	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Total Sales and Marketing Expenses	\$4,000	\$9,000	\$15,000	\$20,500	\$31,000
Sales and Marketing %	54.73%	34.34%	28.34%	22.53%	21.36%
General and Administrative Expenses					
General and Administrative Payroll	\$0	\$0	\$0	\$0	\$0
Marketing/Promotion	\$1,800	\$2,000	\$2,000	\$2,000	\$2,000
Depreciation	\$0	\$0	\$0	\$0	\$0
Rent	\$0	\$3,000	\$6,000	\$6,000	\$6,000
Utilities	\$0	\$500	\$600	\$600	\$600
Insurance	\$0	\$1,000	\$1,000	\$1,000	\$1,000
Payroll Taxes	\$0	\$50	\$100	\$150	\$250
Other General and Administrative Expenses	\$600	\$600	\$600	\$600	\$600
Total G&A Expenses	\$2,400	\$7,150	\$10,300	\$10,350	\$10,450
General and Administrative %	32.84%	27.28%	19.46%	11.38%	7.20%
Website Development Expenses:					
Website Development Payroll	\$0	\$0	\$0	\$0	\$0
Consultants	\$4,000	\$1,000	\$1,000	\$1,000	\$1,000
Website Development Expenses	\$80,000	\$16,000	\$8,000	\$4,000	\$4,000
Total Website Development Expenses	\$84,000	\$17,000	\$9,000	\$5,000	\$5,000
Website Development %	1149.43%	64.87%	17.01%	5.50%	3.44%
Total Operating Expenses	\$90,400	\$33,150	\$34,300	\$35,850	\$46,450
Profit Before Interest and Taxes	(\$88,061)	(\$24,763)	(\$17,366)	(\$6,739)	(\$1)
EBITDA	(\$88,061)	(\$24,763)	(\$17,366)	(\$6,739)	(\$1)
Interest Expense	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
Taxes Incurred	\$0	\$0	\$0	\$0	\$0
Other Income					
Net Other Income	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$88,061)	(\$24,763)	(\$17,366)	(\$6,739)	(\$1)
Net Profit/Sales	-1205.00%	-94.49%	-32.81%	-7.41%	0.00%



Pro Forma Profit and Loss												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$0	\$0	\$0	\$0	\$0	\$1,260	\$0	\$0	\$756	\$1,008	\$2,016	\$2,268
Direct Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$857	\$0	\$0	\$514	\$685	\$1,371	\$1,542
Production-Content Acquisition Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$0	\$0	\$0	\$0	\$0	\$857	\$0	\$0	\$514	\$685	\$1,371	\$1,542
Gross Margin	\$0	\$0	\$0	\$0	\$0	\$403	\$0	\$0	\$242	\$323	\$645	\$726
Gross Margin %	0.00%	0.00%	0.00%	0.00%	0.00%	32.00%	0.00%	0.00%	32.00%	32.00%	32.00%	32.00%
Operating Expenses												
Sales and Marketing Expenses												
Sales and Marketing Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advertising/Promotion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expenses (including translation expenses, as needed)	\$0	\$0	\$1,000	\$0	\$0	\$1,000	\$0	\$0	\$1,000	\$0	\$0	\$1,000
Total Sales and Marketing Expenses	\$0	\$0	\$1,000	\$0	\$0	\$1,000	\$0	\$0	\$1,000	\$0	\$0	\$1,000
Sales and Marketing %	0.00%	0.00%	0.00%	0.00%	0.00%	79.37%	0.00%	0.00%	132.28%	0.00%	0.00%	44.09%
G&A Expenses												
General and Administrative Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing/Promotion	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	15%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other General and Administrative Expenses	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Total General and Administrative Expenses	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
General and Administrative %	0.00%	0.00%	0.00%	0.00%	0.00%	15.87%	0.00%	0.00%	26.46%	19.84%	9.92%	8.82%
Website Dev Expenses:												
Website Development Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consultants	\$0	\$0	\$2,000	\$0	\$0	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0
Website Development Expenses	\$0	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$30,000
Total Website Development Expenses	\$0	\$0	\$2,000	\$0	\$0	\$27,000	\$0	\$0	\$25,000	\$0	\$0	\$30,000
Website Development %	0.00%	0.00%	0.00%	0.00%	0.00%	2142.86%	0.00%	0.00%	3306.88%	0.00%	0.00%	1322.75%
Total Operating Expenses	\$200	\$200	\$3,200	\$200	\$200	\$28,200	\$200	\$200	\$26,200	\$200	\$200	\$31,200
Profit Before Interest and Taxes	(\$200)	(\$200)	(\$3,200)	(\$200)	(\$200)	(\$27,937)	(\$200)	(\$200)	(\$25,958)	\$123	\$445	(\$30,474)
EBITDA	(\$200)	(\$200)	(\$3,200)	(\$200)	(\$200)	(\$27,937)	(\$200)	(\$200)	(\$25,958)	\$123	\$445	(\$30,474)
Interest Expense	\$0	\$0	\$0	\$0	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income												
Other Expense												
Net Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$200)	(\$200)	(\$3,200)	(\$200)	(\$200)	(\$27,797)	(\$200)	(\$200)	(\$25,958)	\$123	\$445	(\$30,474)
Net Profit/Sales	0.00%	0.00%	0.00%	0.00%	0.00%	-2206.10%	0.00%	0.00%	-3433.61%	12.16%	22.08%	-1343.66%

Projected Cash Flows: Project success requires development of the web-based aggregation platform during the first year, resulting in a need for high capital costs during the first year. We propose to meet these costs through multiple fundraising efforts from angel investors interested in the social impact that the venture is expected to generate. We have already received a strong interest from two such investors (Mr. Jayant Khadilkar, Tigerrisk Partners and Mr. Harshavardhan Agadi, former CEO, Church's Chicken). We anticipate a total investment of \$70,000 during year 1 and \$60,000 during year 2 (all equity financed). By managing payment schedules for the software development, we expect to manage the cash flow to ensure that there is sufficient cash balance to run the business.



Pro Forma Cash Flow

Pro Forma Cash Flow	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Cash from Operations												
Cash Sales	\$0	\$0	\$0	\$0	\$0	\$1,260	\$0	\$0	\$756	\$1,008	\$2,016	\$2,268
Subtotal Cash from Operations	\$0	\$0	\$0	\$0	\$0	\$1,260	\$0	\$0	\$756	\$1,008	\$2,016	\$2,268
Additional Cash Received												
Non Operating (Other) Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0	\$0	\$0	\$50	\$0	\$0	\$30	\$40	\$81	\$91
New Current Borrowing	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$10,000	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0
Subtotal Cash Received	\$10,000	\$0	\$0	\$20,000	(\$0)	\$1,310	\$0	\$0	\$40,786	\$1,048	\$2,097	\$2,359
Expenditures from Operations												
Cash Spending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bill Payments	\$7	\$200	\$300	\$3,100	\$200	\$1,162	\$28,095	\$200	\$1,084	\$25,853	\$908	\$2,610
Subtotal Spent on Operations	\$7	\$200	\$300	\$3,100	\$200	\$1,162	\$28,095	\$200	\$1,084	\$25,853	\$908	\$2,610
Additional Cash Spent												
Non Operating (Other) Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$50	\$0	\$0	\$30	\$40	\$81	\$91
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$7	\$200	\$300	\$3,100	\$200	\$1,212	\$28,095	\$200	\$1,114	\$25,893	\$989	\$2,701
Net Cash Flow	\$9,993	(\$200)	(\$300)	\$16,900	(\$200)	\$98	(\$28,095)	(\$200)	\$39,672	(\$24,845)	\$1,108	(\$342)
Cash Balance	\$16,243	\$16,043	\$15,743	\$32,643	\$32,443	\$32,541	\$4,446	\$4,246	\$43,918	\$19,073	\$20,181	\$19,839

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Received					
Cash from Operations					
Cash Sales	\$7,308	\$26,208	\$52,920	\$90,972	\$145,152
Subtotal Cash from Operations	\$7,308	\$26,208	\$52,920	\$90,972	\$145,152
Additional Cash Received					
Non Operating (Other) Income	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$292	\$1,048	\$2,117	\$3,639	\$5,806
New Current Borrowing	(\$0)	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$70,000	\$60,000	\$0	\$0	\$0
Subtotal Cash Received	\$77,600	\$87,256	\$55,037	\$94,611	\$150,958
Expenditures					
Expenditures from Operations					
Cash Spending	\$0	\$5,000	\$10,000	\$15,000	\$25,000
Bill Payments	\$63,719	\$73,844	\$59,109	\$80,868	\$117,076
Subtotal Spent on Operations	\$63,719	\$78,844	\$69,109	\$95,868	\$142,076
Additional Cash Spent					
Non Operating (Other) Expense	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Paid Out	\$292	\$1,048	\$2,117	\$3,639	\$5,806
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$500	\$500	\$500	\$500
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$64,011	\$80,392	\$71,726	\$100,007	\$148,382
Net Cash Flow	\$13,589	\$6,864	(\$16,689)	(\$5,396)	\$2,576
Cash Balance	\$19,839	\$26,703	\$10,014	\$4,619	\$7,195



Pro Forma Balance Sheet

Pro Forma Balance Sheet													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Assets	Starting Balances												
Current Assets													
Cash	\$6,250	\$16,243	\$16,043	\$15,743	\$32,643	\$32,443	\$32,541	\$4,446	\$4,246	\$43,918	\$19,073	\$20,181	\$19,839
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$6,250	\$16,243	\$16,043	\$15,743	\$32,643	\$32,443	\$32,541	\$4,446	\$4,246	\$43,918	\$19,073	\$20,181	\$19,839
Long-term Assets													
Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assets	\$6,250	\$16,243	\$16,043	\$15,743	\$32,643	\$32,443	\$32,541	\$4,446	\$4,246	\$43,918	\$19,073	\$20,181	\$19,839
Liabilities and Capital													
Accounts Payable	\$0	\$193	\$193	\$3,093	\$193	\$193	\$28,088	\$193	\$193	\$25,824	\$856	\$1,519	\$31,651
Current Borrowing	\$0	\$0	\$0	\$0	\$0	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$193	\$193	\$3,093	\$193	\$193	\$28,088	\$193	\$193	\$25,823	\$856	\$1,518	\$31,651
Long-term Liabilities													
Total Liabilities	\$0	\$193	\$193	\$3,093	\$193	\$193	\$28,088	\$193	\$193	\$25,823	\$856	\$1,518	\$31,651
Capital													
Paid-in Capital	\$10,000	\$20,000	\$20,000	\$20,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$80,000	\$80,000	\$80,000	\$80,000
Retained Earnings	(\$3,750)	(\$3,750)	(\$3,750)	(\$3,750)	(\$3,750)	(\$3,750)	(\$3,750)	(\$3,750)	(\$3,750)	(\$3,750)	(\$3,750)	(\$3,750)	(\$3,750)
Earnings	\$0	(\$200)	(\$400)	(\$3,600)	(\$3,800)	(\$4,000)	(\$31,797)	(\$31,997)	(\$32,197)	(\$58,155)	(\$58,032)	(\$57,587)	(\$88,061)
Total Capital	\$6,250	\$16,050	\$15,850	\$12,650	\$32,450	\$32,250	\$4,453	\$4,253	\$4,053	\$18,095	\$18,218	\$18,663	(\$11,811)
Total Liabilities and Capital	\$6,250	\$16,243	\$16,043	\$15,743	\$32,643	\$32,443	\$32,541	\$4,446	\$4,246	\$43,918	\$19,073	\$20,181	\$19,839
Net Worth	\$6,250	\$16,050	\$15,850	\$12,650	\$32,450	\$32,250	\$4,453	\$4,253	\$4,053	\$18,095	\$18,218	\$18,663	(\$11,811)

Assets	Year 1	Year 2	Year 3	Year 4	Year 5
Current Assets					
Cash	\$19,839	\$26,703	\$10,014	\$4,619	\$7,195
Other Current Assets	\$0	\$500	\$1,000	\$1,500	\$2,000
Total Current Assets	\$19,839	\$27,203	\$11,014	\$6,119	\$9,195
Long-term Assets					
Long-term Assets	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0	\$0	\$0
Total Assets	\$19,839	\$27,203	\$11,014	\$6,119	\$9,195
Liabilities and Capital					
Current Liabilities					
Accounts Payable	\$31,651	\$3,778	\$4,955	\$6,798	\$9,876
Current Borrowing	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$31,651	\$3,778	\$4,955	\$6,798	\$9,875
Long-term Liabilities					
Total Liabilities	\$31,651	\$3,778	\$4,955	\$6,798	\$9,875
Capital					
Paid-in Capital	\$80,000	\$140,000	\$140,000	\$140,000	\$140,000
Retained Earnings	(\$3,750)	(\$91,811)	(\$116,575)	(\$133,940)	(\$140,679)
Earnings	(\$88,061)	(\$24,763)	(\$17,366)	(\$6,739)	(\$1)
Total Capital	(\$11,811)	\$23,425	\$6,060	(\$679)	(\$681)
Total Liabilities and Capital	\$19,839	\$27,203	\$11,014	\$6,119	\$9,195
Net Worth	(\$11,811)	\$23,425	\$6,060	(\$679)	(\$681)

XIV. Key Risks and Mitigation Plan

Key Risks	Mitigation Plan
1. Inability to negotiate effective licensing agreements with content providers: Impacts cost and the breadth of content that can be made available.	<ul style="list-style-type: none"> Rely on publicly available and shareable content, and on NGO and educator created content which can be shared on a larger scale.
2. Teachers/Educators unwilling or unaware of how to use content : Impacts the effectiveness of value addition and impact	<ul style="list-style-type: none"> Start with content in formats that are familiar, such as text, audio and video and then expand the offerings once they buy into the impact. Work with schools to make sure that content is created, shared, translated and owned by the teachers Interact directly with the teachers for needs assessment and provide content that they express a need for.
3. Results/Impact of better content is difficult to quantify: Impacts measurability of the value to the customer.	<ul style="list-style-type: none"> Continually refine and expand impact assessment strategy through the pilot and implementation to create a meaningful metric assessment. Work with schools and educators to come up with qualitative feedback to fill the gap.
4. Customer’s ability to afford the content: Impacts the projected sales and expansion plans.	<ul style="list-style-type: none"> Provide the funding help and consultation on Foundations and NGOs, and build relationships with the Funding organizations to enhance ability to pay Revisit pricing strategy based on the market analysis and pilot results and ensure affordability for customers.

APPENDICES

Appendix A – SWOT Analysis



Appendix B: Balance sheet for startup (before opening for business)

Start-up Expenses to Fund	\$3,750
Start-up Assets to Fund	\$1,000
Total Funding Required	\$4,750
Assets	
Non-cash Assets from Start-up	\$0
Cash Requirements from Start-up	\$1,000
Additional Cash Raised	\$5,250
Cash Balance on Starting Date	\$6,250
Total Assets	\$6,250
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
Owner	\$10,000
Investor	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$10,000
Loss at Start-up (Start-up Expenses)	(\$3,750)
Total Capital	\$6,250
Total Capital and Liabilities	\$6,250
Total Funding	\$10,000

Appendix C – Industry analysis - Five forces Analysis

Force	Strength	Characteristics
Buyer Power	Moderate	<ul style="list-style-type: none"> • Reliance on external inputs is low as companies have in-house development teams • Few companies rely on licensing agreements

Force	Strength	Characteristics
Supplier Power	Moderate	<ul style="list-style-type: none"> Government wields significant power, NGOs wield low power End customer has limited choice in terms of content options/price. Lock-in contracts for duration of academic year
Threat of Substitutes	Moderate	<ul style="list-style-type: none"> Expensive private tuition centers have experienced explosive growth in recent years Other substitutes – traditional books and study guides
Degree of Rivalry	Moderate	<ul style="list-style-type: none"> Great competition between private players for ICT implementations at government schools, but companies also has diverse lines of business, mitigating some rivalry.
Barriers to Entry	Moderate-High	<ul style="list-style-type: none"> Existing players have in-house R&D and content development teams, steepening learning curve for new entrants. Capital intensive – development, marketing, sales very labor intensive

Appendix D – List of Interviews

Name	Designation	Organization	Organization Description
Karl Rectanus	Community Collaborative Leader	NC Stem	The North Carolina STEM Community Collaborative, enables community collaboration to ensure sustainable innovation in science, technology, engineering, and math (STEM) education.
Ikshwaku Sharma	Senior Research Associate	Aser-Pratham	ASER, India's largest independent survey of learning, is an annual survey of learning levels among children across India. It is facilitated by Pratham and conducted on the ground with the help of more than 500 local NGOs, colleges and universities.
Leona Christy	Program Director	Pratham USA	Pratham USA, a 501(c)(3) non-profit organization, was established in 1999 to support Pratham's critical work in India. Our mission is to make significant contributions to Pratham's goal of "Every Child in School and Learning Well" by raising awareness about the problem of illiteracy in India and by raising funds to support Pratham's projects
Amit Jain	Co-founder	SchoolCountry.com	School Country is a web-based portal that consolidates information about reputed schools from all over India, helping parents decide on the best school for their child by removing ambiguity from the entire process
Balaji Sampath	CEO	AID India	Association for India's Development is a volunteer movement promoting sustainable, equitable and just development. AID supports grassroots organizations in India and initiates efforts in various interconnected spheres.
Gomathi Dhamodharan	Project head	AID India (Eureka Child Tamilnadu)	Eureka Child is an initiative to bring about measurable improvement in learning quality in 600 out of 13,000 rural government schools in the state of Tamil Nadu, India over a period of 3 years. The Eureka project is currently being led by the AID organization at the grassroots level in India. Asha and AID India are working together to raise funds for this project.
Chaula Gupta	Director, Social Entrepreneurship Initiative at Teach for America	Teach for America	Teach For America is the national corps of outstanding recent college graduates of all academic majors and career interests who commit two years to teach in urban and rural public schools and become leaders in the effort to expand educational opportunity.
Prasanna Sikshana	Director	Sikshana Foundation	Is an organization that improves learning levels in the Public education system, with quantitative targets and time schedules. The organization also works in collaboration with the Government and from within the system.
Clint Mario Cleetus	CEO	Bogex.com	Bogex provides world-class solutions in the IT, Wireless, Healthcare & Education arenas.

APPENDIX E: High level phased requirements for technical platform

Phase 0	Phase I	Phase II
<ul style="list-style-type: none"> Website Login/Registration Online ordering capability Content support for Text/images Basic upload capability Basic Search and browse capability 	<ul style="list-style-type: none"> Online Platform with downloadable player (light executable) Database capability for online aggregation of content Capability to tag, define attributes and categorize Online order management and payment gateways Content support for Text/images/audio Upload and Download capability Advanced Search and browse capability based on tags and attributes Discussion Board 	<ul style="list-style-type: none"> Digital Rights Management Capability Multiple user access privileges for content aggregation, translation and repackaging. Different access privileges for User type (Individual, Small school admin, Large School admin users and non-admin end user) Social networking, rating and comments aggregation capability on content Additional Content support for Video, Multimedia and games Expanded search and automatic bundling on request.

Appendix F – Business Process Flow

