EXECUTIVE SUMMARY

Company: Voyager U. - Education for Explorers

Team: *Interdisciplinary Space Project Executives*

INTERDISCIPLINARY SPACE PROJECT
part of SEDS CANADA

Duncan Brain

Completed a Business Degree and currently working on a Physics Degree at the University of Guelph. Involved in childhood education and volunteering, currently working in post-secondary physics education research and president of campus space club.

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Working on a Microbiology Degree at the University of Guelph with a minor in Biotechnology. Involved in on campus first response team and executive of internal communication in campus space club.

Product Summary
Management Structure

Our company would have a flat corporate structure much like other internet and mobile application start-ups. This flat structure would decrease management costs and foster a climate of communication that is necessary for technical and non-technical staff to work together efficiently. Popular project completion styles like agile and scrum work well under these conditions. Start-ups have a small number of employees and high employee turnover, keeping management roles less distinct and communication open allows for flexibility and adaptation.

Product Description

Our company proposes to create an online learning management system (LMS). This platform would be shared between four education segments: Post-Secondary, Pre-Secondary, Workplace Training, and Entrepreneurship. This suite of educational markets would be branded separately in order to create a clean user experience and to allow success in individual markets. The idea is to create an online learning atmosphere that is mobile, collaborative, experiential and has the largest resource base in the marketplace. We also hope to push the boundaries of online degree credibility by investigating novel invigilation and testing methods.

Motivation

For a space entrepreneurship competition, online education may not seem relevant. We would argue that every space company will attest to the importance of employee vision, hard work and passion as the drivers of space exploration. By improving education systems globally, we can help increase the amount of talented, passionate, individuals in the space industry. Other motivation is the sheer opportunity and expected growth of the both the education and e-learning markets. Since the year 2000, the amount of users on the internet has grown from 738 million to

3.2 billion. Today, companies like *OneWeb* and *SpaceX* are attempting to make global internet constellations available by 2019-2020, internet users and entrepreneurs should be preparing for at least another 2 billion online within the next 8 years. Education and workplace training are each multi-billion dollar industries and e-learning is changing the face of it.

Challenges

Two challenges we expect to face are marketing and accreditation. Our plan takes on several distinct markets, and while this shouldn't affect development it will require specialized marketing and knowledgeable persons. The second issue is accreditation. In order to make money we will need to follow a set of existing standards and be capable of offering certification, credits, and diplomas. Our short term strategy for this will mimic the techniques of existing companies. But this challenge also presents an opportunity to grow the invigilation and online assessment monitoring technologies.

Value Proposition

The consumer in all segments will see a main value set. We intend to have the largest collection of course specific educational resources. We will offer user-imposed "learning deposits" to encourage completion or timely completion of courses. We intend to find and leverage scholarships for learning, this includes government tax credits, grants, and corporate sponsorships. We will employ teachers to develop programs versus the upload-your-own style of many competitors. We will offer the structure of a classroom with the autonomy of open courseware. We will have fixed, low prices. And we will continue to strive for the legitimacy and credibility of online education through novel invigilation and testing resources.

Marketing analysis
Size of market

A report compiled by *docebo* in 2014 showed the e-learning market had reached $35.6 billion in 2011 and is expected to reach $51.5 billion by 2016. The table here shows some of the top sites and the amount of users each has.

Online Education Site:	Users(million):
Udemy	10
Coursera	17.3
Alison	6
EdX	5
Futurelearn	3
Lynda	4
Udacity	1.6
Edureka	0.3
E-learningforkids.org	6

Target Customers

The <u>post-secondary segment</u> would initially focus on first year university courses, then expand to full degrees. First year courses that are common to many degrees and host large amounts of students (such as Introductory Chemistry, Physics, Accounting, Psychology etc.) offer low in-classroom value. Often they are taught in the traditional textbook and lecture style, something that can easily be translated into online content.

The <u>pre-secondary segment</u> is an under-served market. The main competitors are educational games and instructional resources for educators. We believe this presents a huge opportunity to capitalize on children's education certification. Remote students who need access to high quality education, as well as home-schooling are some such markets. Currently in the US about 3-4% of students are home-schooled and in Canada the amount has increased 29% over 6 years (*Fraser Institute*). A defining factor of this segment is gamification and mobile capabilities.

The <u>workplace training segment</u> we would initially target high tech and high research institutions in order to gain credibility in workplace learning. The global aerospace sector, according to *Deloitte*, will see a growth of 3% in 2016 and Canada's growth in the aerospace sector has mirrored this prediction over the past 10 years (*Aerospace Industry Association of*

Canada). These expectations coupled with lower space costs will result in more aerospace sector jobs. Initial courses might be similar to those offered by *Microcosm* in Space Mission Engineering and Low Cost Mission Design.

The entrepreneurial segment would offer specific industry advice. For example, an internet entrepreneur may need to learn to code mobile applications or a space tech entrepreneur may learn about financing strategies and companies like *OMX* that offer guidance.

Competitive differentiation
Comparison to existing products or services

Coursera, Udemy, MIT open courseware and *Khan academy* are the largest competitors in the post secondary market. They are a combination of for-profit and not-for profit companies that boast the most users. Their business models rely upon institutions or entrepreneurial teachers to upload content. *E-learningforkids.org* is the only major online course offering for kids and they are not-for profit. Workplace online training often occur through internal systems and use software like *Oracle* to keep track but companies like *OpenSesame* are gaining ground. *Alison* and *Udacity* both work with *Google* to create "nano-degree" programs for job-specific training, these would compete with our entrepreneur courses. *Udacity* has also just begun to offer a "tuition refund", whereupon completion within 12 months the student receives a portion of their tuition back. What differentiates us from many competitors are that we are content creators. Much like a university we employ teachers to build curriculum. In Ontario there is a surplus of teachers and our company would be able to offer employment and experience to those who are unemployed. Another differentiator is our focus, many of these competitors offer too much variety which can be disorienting to users.

Financial highlights
Revenue model

Our revenue model is centred around course enrolment. Courses will have some fixed price depending on the course and target segment. Interest can be made off of the learning deposits; where members can force themselves to learn by having money on the line. To encourage course completion, we could also offer a "bet" on time of completion.

Investment

We are seeking a $500,000 investment and a line of credit. This number was made by doubling the estimated cost of creating a web application provided by *Otreva app calculator* (we are waiting on response from a local web development company). The projection shown is based off revenue from ~4000 courses at $100/course by the end of year two. Yearly employee cost and market presence is increased. With just a 50% increase in revenue per demographic per year (~9000 courses in year four--a fragment of the existing market), should allow us to exceed a 5% yearly return on a five-year investment.

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Interest		5%	5%	5%	5%
Investment	500,000	525000	446250	258562	271490
Revenue		400,000	600,000	900,000	1,350,000
Employees		300,000	400,000	500,000	600,000
Net		425,000	246,250	-141,438	-478,509

Exit strategy

This business is designed such that many parts of the company could be liquidated. The benefit of marketing the target segments separately is that they can be sold separately with low brand diminishment. The course development environment and the user interface could be dismantled and sold as intellectual property. Acquisitions are also quite regular in the education business. Just two years ago, *Macmillan* bought out *Late Nite Labs*, a company focused on virtual labs.