

Business Plan
for
COLLEGE COACH, Inc,



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1. Executive Summary

1.1. Overview

College Coach, Inc. is an emerging enterprise that is developing the first truly comprehensive, integrated and personalized web-based college admissions planning tool that gives high school students a single easy-to-use portal for managing and completing all the tasks necessary to ensure their successful acceptance into a college that is right for them.

1.2. Company Description

College Coach, Inc. will be formed as a Delaware corporation in the first quarter of 2008. Headquarters will be in the Dallas, Texas area. Our vision is to become the premier website for education research and planning for students who wish to continue on with some form of higher education after high school. We will do so by providing an affordable, easy-to-use whole product solution that not only provides functionality equivalent to the currently available products, but goes beyond that to address significant gaps that the marketplace perceives in the current offerings.

1.3. Business Model

College Coach, Inc. will develop content partnerships with selected existing providers of information necessary to make informed choices about college education and implement them successfully. A key feature of our business model is integrating access to these currently fragmented providers through one portal. Beyond that, the second key feature of our business model will be the “College Coach” software engine that forms the core of our proprietary “3L” technology: Listening to the student, Leading them toward a solution that suits their needs, and Launching them toward a successful college experience by making it easy to execute the process of successfully applying to colleges that are right for their situation.

Currently available tools only partially support the analysis, decision-making, and planning performed by the student and their advisors. If the student is fortunate, their family may be able to afford to enlist the personalized assistance of a college counselor through a private school or by hiring them directly. More often, the student and their parents must learn how to navigate through the system as they go, largely on their own, incurring yet another demand on their time.

The College Coach software will be developed by combining the domain expertise of a leading college counselor with the expertise of a leading software architect to encode more of the analysis, decision-making, and planning than has been done with any of the currently available solutions. The resultant software will make it possible to offer to all those who plan to attend college a cost-effective means of tapping into the expertise of the individual college consultant.

1.4. Target Market

The primary target market for this product is the approximately 8.1 million US high school freshmen, sophomores, juniors and seniors who are engaged in the process of planning for college at any given time, and who are unable or unwilling to enlist the highly customized services available from private college counselors or counselors at some private high schools.

Key influencers of this market are the students' parents and their high school guidance counselors, both of whom serve as payers, gatekeepers and distribution channels for reaching the primary target market. The overall estimated size of the market is \$500M - \$1B.

Our primary competition will come from companies with existing web-based offerings that generally address the college planning needs of the same target market. There are a multitude of offerings that are already in place, but do not provide a whole product. Often this stems from a biased standpoint. For instance, College Board's web site does not include information about the ACT, which competes with College Board's own SAT. The Common Application, which is comprised of member colleges, does not offer any information about non-member colleges. Often it is simply because of the limited scope of the company or website; for instance, www.finaid.org is a recognized leader in providing financial planning and aid resources, but makes no effort to address any of the other needs of the target market. At this time, it appears that the players that offer the most comprehensive services are College Board and Naviance, but our contention is that neither offers the whole product solution that the target market desires.

1.5. Team

(Optional for this plan)

1.6. Economics

The core revenue stream for College Coach, Inc. will come from month-to-month low cost subscriptions to our service. Secondary revenue will be generated from the delivery of optional "premium" services, which will comprise extensions to our core offering, such as personality testing or 24/7 ad hoc consultation with a live college counselor. On staff counselors will provide the latter service, while the former will be provided by partnering with a third party provider. It is also anticipated that incremental revenue may eventually be derived by packaging aggregated information derived from our database, but this is not currently factored into our financial models. Advertising was considered and ruled out, as our market survey showed an overwhelmingly negative reaction to it.

Based on this model, we project revenues from the first year of operation to be \$332,500 with second and third year revenues of approximately \$1.5 million, and \$2.4 million respectively. A loss of \$330,000 is projected for the first year, with net income of \$500,000 and 1,390,000 in the following two years.

It is anticipated that within 3-5 years sufficient value will have been built through the development of the College Coach software engine and consistent growth of our subscriber base to warrant an interest in buying the company from one of the established major players in the industry. At Year 3, the expected net worth of the company is estimated conservatively at \$1.6 million.

2. The Company and the Opportunity

2.1. The Company

College Coach, Inc. will develop an innovative web-based interactive tool that integrates all the resources and information necessary to enable the student to develop and execute a customized strategy for meeting their goals for higher education at the collegiate or related level.

- Our purpose is to provide customized solutions to aid students, parents, and counselors in planning for and researching higher education opportunities.
- Our vision is to become the premier website for education research and planning for students who wish to continue on with some form of higher education after high school.
- Our mission is to develop and maintain a unique product that takes a comprehensive, integrated approach to education research and planning in which we have captured the three “L”s:
 - Listening – Our site “listens” to the data input to help clarify preferences and needs and narrow down college options
 - Leading – Based on data input, our website leads the user in the most relevant direction and helps focus time and energy on appropriate tasks, whether the task is identifying specific colleges and majors, reminders to register for standardized tests, or complete application components before they are due.
 - Launching – Once the site has led the user through the process of identifying goals that are appropriate for them, it launches them on their way to achieving those goals by providing the specific organizational tools needed to apply successfully to the colleges selected.

2.2. Opportunity Overview (The Problem)

There will always be students that desire education beyond high school and they will always ask the questions “Where should I go to college?” and “How do I get there?” As long as students are asking these questions there will be a need for our service. The need for an integrated solution that is accessible for all college students is largely unmet and just as students will change, so will the need, thus any solution will have to be flexible and highly adaptable. The need for information is clearly defined and it will be up to the student and their support group around them to use that information to make a decision. Our solution will help them cut through some of the irrelevant information and show them how to focus on the information that is right for them.

- Approximately two million students enter college annually and while parents, high school counselors, and friends can be a source of information, most students need more than just the occasional piece of advice to make a well-informed decision.
- The college application process gets more complicated every year:
 - Endless research, analysis, planning, and organizing
 - Broad range of schools, majors, and factors to consider about college

- Time commitment is over several years to do a thorough college search
- Current environment often lacks:
 - Consistent assistance from school counselors
 - Integrated information for a more complete decision-making process
 - A cost effective option(s) for getting the same type of personalized attention from private counselors that cost multiple thousands of dollars
- Managing the college search process is left to people who don't really have the time or experience or who are not accessible for all students
 - Students/parents - a student has never been to college and the parent either went to college a long time ago or may have never gone themselves. Both students and parents aren't involved in the process enough to know all the ins and outs of college planning and how to optimize time in the process
 - Independent counselors – these counselors offer expert personalized advice and they can reduce the time needed for a student to make a college choice, but they can be unaffordable for many students.

2.3. Overview of the Solution

- Web based – our solution is web based so that collaboration among student, parents, and counselors can take place anytime and anywhere
- Multi-user – student, counselors, and parents can interact with this solution and contribute to the research and planning for the student aspiring on to higher education
- Personalized smart “coach” – the “coach” listens to the student, leads the student, and launches the student towards a higher education experience that is right for them based on the information that the student provides. The “coach” also takes into consideration that parents and counselors can add to a student’s profile, further refining the right choice for the student.
- Low-cost – our solution is meant to be accessible for everyone. Premium content and services will be offered, but at the core of the solution, every student can benefit from the research and planning tools offered.
- Customization – our solution gives the students, parents, and counselors the ability to customize the tool for each student including inputs and outputs such as;
- Inputs to the tool include – personal interests, college selection criteria, financial information, academic information, research notes, parents wish list, counselors focused recommendation for the student, work experience, career goals, academic interests, social interests
- Outputs from the tool include – college recommendations, major/minor recommendations, parent to do lists, student to do lists, counselor to do lists, reminders (email and MS Outlook Calendar), resume, application checklists, application tracking/status, tools for college essay development

- Comprehensive – some tools offer the research, and some tools make recommendations but we have not found any tools that have anything like our proprietary 3L software solution; listen, lead, and launch.

2.4. Business Model

2.4.1. Core Business Strategy

- Develop and maintain a unique product that takes a comprehensive, integrated approach to education research and planning to allow as many students as possible to make educated decisions about their higher education options using our proprietary 3L software.
- The education research and planning website will achieve full functionality through partnerships with content providers, as well as through the development of the methodology “engine” that integrates third party content with user-specific input to produce customized, step-by-step guidance and outputs.
- Product will be distributed to the target market (high school students) through schools, school districts and/or existing special programs geared at encouraging college attendance among various at-risk populations.

2.4.2. Basis for differentiation

- CollegeCoach.com provides all the tools and research information that students need to plan for college on one website
- The website will be linked with 3rd party tools, so that all information created on a vendor’s website (through CollegeCoach.com) will be stored on the user’s personal CollegeCoach.com profile. (removes the need to have multiple accounts and passwords to complete the planning and research)
- Proprietary software is unique due to the methodology “engine” created to enable the 3L approach to planning for and researching higher education, making it difficult to duplicate.
- Online and phone counseling/Q&A will allow 24/7 access for users to ask and receive answers/advice to questions or concerns they have about the planning process and/or their profiles.

2.4.3. Strategic Resources

- The 3L methodology provides CollegeCoach.com with a core competency in software development, as the 3L approach to research and planning is unique, it leads the end-users down a path of success, it is proprietary code, and it is a philosophy that can be transferred to future opportunities.
- CollegeCoach.com also has competencies in data gathering, partnerships, and knowledge of the higher education planning and researching arena. This allows CollegeCoach.com to provide up-to-date advice, reminders, and schedules to aid students, parents, and counselors with the research and planning tasks.
- The following strategic assets will aid CollegeCoach.com to achieve its mission
 - Call Center and office location

- Creation of the CollegeCoach.com brand
- Proprietary software and 3L methodology
- Experienced counseling staff and web designers/programmers
- Distinctive partnerships with 3rd party vendors

2.4.4. Partnership Network

- CollegeCoach.com will pursue strategic alliances with the following 3rd party vendors
 - **FinAid.org** – to integrate the financial aid information
 - **Collegeboard.org** – to integrate information about the SAT college admissions test
 - **ACT.org** – to integrate information about the ACT college admissions test
 - **CareerLeader.com** – to access the career development tool to provide career planning for business career specific students
 - **DiscoverYourPersonality.com** – to include the online testing resources of Myers-Briggs® and Strong Interest Inventory® Tests.
- Other key relationships – during the development process CollegeCoach.com may chose to link to other knowledge providers that add value to the overall 3 L methodology solution that CollegeCoach.com provides.

2.4.5. Customer Interface

- CollegeCoach.com will reach to support users over the internet as well as through “a la carte” phone counseling services.
- Primary interface with the customer will occur on CollegeCoach.com through a secure login and user profile.
- Users can log in under three formats:
 - Student login – access to student specific information and scheduling
 - Parent login – access to parent specific information and scheduling as well as overview access to the student’s profile and information. Parents will be allowed to make suggestions to the student’s information and preferences.
 - Counselor login – access to counselor specific information and scheduling as well as the ability to view and make suggestions to both students and parents.
- Pricing structure
 - No advertising
 - Subscription based per individual
 - Cancelable at anytime

- Premium content and services provided on an “a la carte” basis

3. Products, Technology and/or Services, Competitive Comparisons

3.1. Detailed Product Description

A functional description of our product, including inputs, outputs, and how it interacts with third parties, is represented in Figure 1.

- User (student) establishes an account.
 - Student may be introduced to tool through school/counselor or may sign up as an individual
 - Tentative plan is to offer 1 month free, no obligation subscription to individual users, with subsequent nominal monthly fee of approximately \$7.99, cancelable at any time.
 - Ideally, student would establish account near beginning of high school, to allow time to research and weigh career and college options, as well as to take advantage of guidance for developing and documenting resume inputs, class selection, timing of standardized tests, etc.
- Over high school career, student accesses website at various times as they focus on various parts of the overall process. Previous progress is saved and accessible, and results integrated into next step. Tool allows them to identify and focus on the task immediately at hand, while easily keeping it in the context of the overall college application process.
- Parents and counselors may be given access to the student’s account to allow them to view and comment on student’s progress, as well as to perform and save research and tasks that may be more of interest to them, such as financial aspects, safety, etc.
- Outputs are derived using third party inputs (e.g., college summary statistics and information, career matching, student interests, etc.) as appropriate, but outputs are automatically integrated into the overall planning process.
- Product has multiple views based on the person’s log in and password account and works on a “dashboard” concept:

Student Login – the student login and dashboard by default is an unstructured look and feel with the option to customize basic aspect of the page such as color, font, adding pictures and small icons or images. The main focus of the student dashboard is to allow them to express their personality. The student dashboard assimilates the data input by the student, parent, and counselor into the dashboard structure that the student has set up.

- Parent Login – the parent login and dashboard by default is very organized and everything is clearly labeled. The parent has the option to change things such as color, font, and other visual aspects as well. The parent dashboard assimilates the data input by the student, parent, and counselor into the dashboard structure that the parent has set up. The parent dashboard also included more information about topics that are

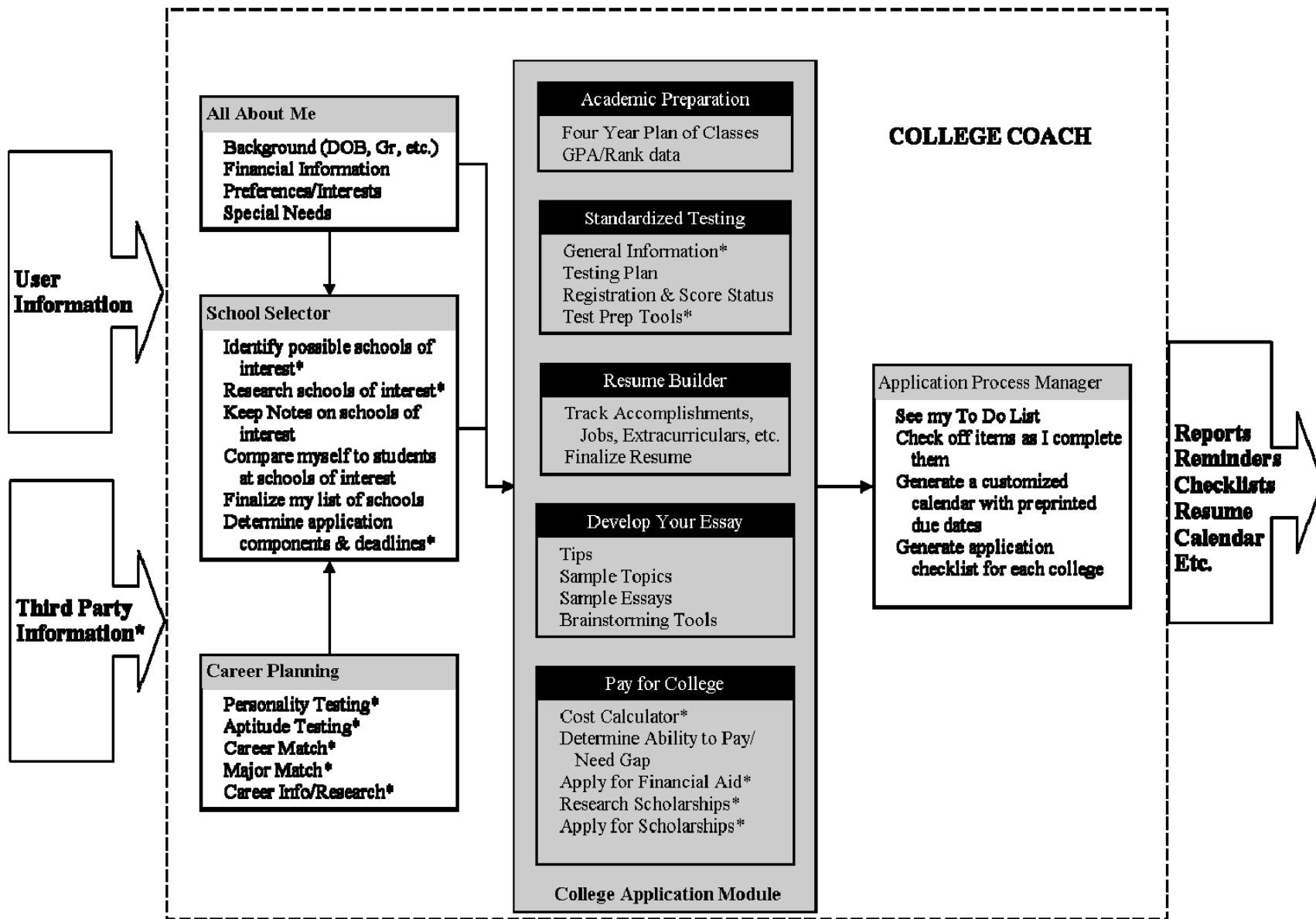


Figure 1. College Coach Functional Overview

important to parents with students going to college such as; paying for college and dealing with “empty nest” syndrome.

Counselor – the counselor login and dashboard by default is very organized and everything is clearly labeled. The counselor has the option to change things such as color, font, and other visual aspects as well. The counselor dashboard assimilates the data input by the student, parent, and counselor into the dashboard structure that the parent has set up. The counselor dashboard also allows the counselor to add specific information to the parents and students site that he/she believes is beneficial for the student or parent in the college planning and application process.

3.2. Features and Benefits of Our Solution

- Comprehensive, integrated and web-based, so it saves time and optimizes selections such as school or major
- Easy-to-use web-based user interface facilitates focus on task at hand, while providing overall context, simplifying an otherwise overwhelming process
- Step-by-step guidance empowers the user
 - Stores progress, preferences, permitting customized guidance and reporting and saving time and frustration
- Low cost, easily cancelable subscription means its affordable to all including underserved populations and low risk
- Built in methodology (3L) provides a structure for researching and planning higher education. reinforces the relationship between student, parent, and counselor in making the right higher education choice for the student and leads students down a path of success and gives them confidence in their higher education choices
- Careful selection of partners providing information for the solution therefore benefiting the user by getting the “best of the best” pieces of information without being overwhelmed by too much information.
- Solution is built to draw the users (students, parents, and counselors) together therefore fostering a collaborative effort in planning and applying for college instead of the student trying to do it by him/herself or the parent getting frustrated that the student won’t participate in the process.
- Solution gives overworked high school counselors the ability to reach more students when they have the time through the 24/7 availability of the solution and the built in tools giving the counselor the ability to provide guidance to students and the school system to realize the full benefit of their counseling resources

3.3. Value Proposition

Through the use of primary and secondary consumer research including surveys of high school and college students, their parents, and counselors, our solution will prove the following specific value to our customers:

- Product value – high quality solution with the features that students, parents, and counselors need to collaborate together
- Price value – price that provides access to the resources that our customers need in the most cost effective manner possible to reach the largest amount of consumers
- Access value – our solution is available 24x7 and is available when the customer needs it and because of the power of internet search engines it can be found in a matter of seconds and the user can set up his or her account in the same amount of time it would take to set up an internet email account.
- Service value – because of our proprietary software the customer is part of an iterative process that is constantly refining itself as more information is added. The customer has customized recommendations, reminders, and resolutions delivered consistently that are based on their input.
- Experience value – the experience with our solution and methodology conveys the importance of the decision and provides an environment where questions are encouraged and fosters a sense of trust between student, parent, and counselor.

CollegeCoach.com provides multiple levels of value to our customers through a completely integrated web-based solution that is personalized to the needs of our customers.

3.4. Obtaining and Sustaining Competitive Advantage

- Proprietary methodology (3L) for guiding students through the process
- Proprietary software implementing the 3L methodology
- High switching costs to the consumer, once they've invested time in using the tool to build their customized plan
- Strategic relationships with third-party information providers and tool providers
- Customized recommendations, reminders, and resolutions
- Focus of a holistic approach for the customer
- Supporting products such as books, recommended seminars, customized calendar are possible
- Database of valuable intellectual property through relationships with solution integrators

4. The Market

4.1. Target Customer

- Primary target customer for our product is a US high school student that desires to engage in research and is planning to take the next step on to higher education. This student is typically a middle class male or female, 15 – 18 years of age, who attends public schools.
- Secondary customer/Influencers/Payers
 - Parents of the student
 - Counselors, school officials, and other organizations promoting college attendance

4.2. Market Size

Attempts to estimate the market size for this type of business proved difficult due to the lack of availability of public records for the various companies involved in one aspect or another of the business. Eventually three approaches were identified to approximate the market size for our type of business, based on the use of two proxies (the private counselor market and the market for high school test preparation for college) and demographic information obtained through the US Department of Education as well as our own survey. The resultant estimate is \$0.5-1.0 B.

4.2.1. Private Counselor Market

One financial report was obtained for *IvyWise*.¹ According to this report, sales for the 2006-07 fiscal year were \$300,000. According to the Independent Educational Consultants Association there are now approximately 4,000 independent counselors nationwide.² However, one cannot simply assume that their sales are all similar. If we assume that approximately 10% of the total number of private counselors have sales similar to *IvyWise*, that gives an estimated market size of **\$120 M for 2006**. This figure would represent a highly conservative estimate of the market size for our industry because the relatively high fees charged by private counselors and the limited number of students they can take on any given year severely limits their annual revenues. However, we can regard this figure as a lower limit for the market size of a business like ours.

4.2.2. Market for High School Test Preparation for College

This market provides more solid figures. The size of this market was \$510 M in the 2005-06 academic year.³ This figure would indicate a higher limit on the potential market size for our business type. We would have to make adjustments for the fact that some of those students will not use ours or similar products, some will use private counselors, and some will use only high school counselors. If we trim this figure down to account for these factors, we could perhaps arrive at a conservative **\$200-300 M range** as the market size for our part of the industry.

¹ Global Duns Market Identifiers. October 10, 2007. Copyright 2007 Dun & Bradstreet, Inc.

² <http://iecaonline.com/>

³ Phillips, Steven. *Interview with Michele Hernandez*. The Times Higher Education Supplement. August 18, 2006.

It should also be kept in mind that according to many articles and reports (see for example footnote 3), the college admissions counseling market is “exploding” due to a number of factors. Among them are the growing number of applications to elite schools, the decreasing rate of admissions at these schools, the growing complexity of the college admission application process, and in general the increased competition to get into highly rated colleges and universities. **The market size of our industry can thus undergo substantial changes from one year to another.**

4.2.3. College Admissions Market Overall

The third approach is based on multiplying the number of U.S. high school students who enter college each year (1,757,140 for 2005-2006)⁴ by weighted amount spent on the college application process overall as reported in our survey. This results in an estimate of the overall market size of just over \$1 billion annually. The complete calculation can be found in Appendix A.

4.3. Market Survey Results

4.3.1. Background

During October and early November 2007, two market surveys were conducted using an online tool called Survey Monkey. The first survey was directed at high school students and their parents and a total of 112 responses were received. The second survey was directed at both high school and private college admissions counselors, and received 167 responses. The questionnaires used and complete results of both surveys are available in Appendix B. Some key results are highlighted below.

4.3.2. Key Findings

- Approximately 42% of both private and public school counselors do not currently use software tools other than standard office productivity software, indicating there is still plenty of room for growth in serving this segment.
- Both groups generally indicated that the features we plan to include in the product are Very Important or Essential. Further, when the counselors were asked how well the currently available solutions fulfill various needs, they were judged lacking with regard to several of College Coach’s key features (application checklist with due dates and essay tools).
- Only 35% of parents/students agreed that they felt confident about the college application process, and only 26% said that they had confidence their school would provide adequate resources and assistance.
- Over 70% of parents and students agreed or strongly agreed that “there is so much college planning information available that it is hard to digest it all” and 80% agreed or

⁴ U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "State Nonfiscal Survey of Public Elementary/Secondary Education," 2005–06, Version 1a.

strongly agreed that it would be nice to have one tool that could be used for all college planning needs.

- Over 70% of parents deemed generating an application checklist and monitoring progress toward completion to be very important or essential, and yet this is a key area where the existing offerings fall short.
- Both groups overwhelmingly said the proposed product was very or somewhat attractive (over 90%).
- 58% of the parents and students and 66% of the counselors provided e-mail addresses so they could be notified when the product was launched. (Some of the remaining parents were already done with college planning.)
- Both groups strongly preferred a monthly subscription model to both a one-time fee and to an advertising-based model, leading to our selection of a subscription based business model.

4.3.3. Target Customer Characteristics

4.3.3.1. Students

- High school students in their Junior or Senior years (67% of respondents)
- Attends a public school (78% of respondents)
- Feels reasonably confident that he/she can either find the resources needed to go through the college application process (CAP), or that the school will provide such resources (62% of respondents)
- Typically seeks information about the CAP through one or more of the following:
 - College websites
 - College visits and information sessions
 - College counselors
- Feels somewhat overwhelmed by the amount of information and work to do and welcomes a tool that could help ease these concerns.

4.3.3.2. Parents

- Is, or believes is important to be, involved in the child's CAP.
- Is willing to spend between \$200 and \$1000 on the CAP (59% of respondents)
- Spent between 25 and 100 hours researching and completing the CAP (54% of respondents)

4.3.3.3. Counselors

- He/she is a guidance counselor (62% of respondents)
- Is employed in a public school (58% of respondents)
- Does not have access to software tools to assist them in helping students with the CAP (60% of respondents)

- Is interested in the availability of such a tool and believes it would be very attractive to students and parents (at least 75% of respondents)

4.3.4. Target Customer Needs

The following were identified as either very important or essential features of a CAP software tool by at least 50% of respondents. Although students, parents, and counselors agreed on the nature of the features, counselors were much more emphatic in their assessment of their importance.

- Career exploration based on interests and aptitudes
- Helps students assess post high school options other than college
- Help in identifying college majors based on career interests
- Provides information on specific colleges
- Identifies and compares colleges meeting specified criteria
- Users can add and store notes in addition to information provided by the tool
- Identifies specific application requirements
- Generates an application checklist with due dates for colleges of interest, monitors progress, and provides reminders of due dates, including e-mail notifications
- Provides a means to generate a resume and to collect and maintain related information
- Helps brainstorming essay topics
- Facilitates communication between students, counselors, and parents

4.4. General Trends of the Current Market

- As shown in Appendix C-1, approximately 85 percent of the nation's young adults graduate from high school by age 24, and approximately 65 percent of seniors in high school go on to college the next year.⁵
- Projections indicate that the number of public high school graduates will increase by 10 percent between 2001-02 and 2017-18.
- Among 2 and 4 year public and private institutions in 2004 - 2005
- Number of applicants = 5.77 million
- Number of acceptances = 3.51 million (61%)
- A record 17.6 million students were expected to enroll in college for the Fall 2006 semester⁶
- Enrollment is expected to increase by an additional 13% between 2006 and 2015.⁷

⁵ Snyder, T.D., Dillow, S.A., and Hoffman, C.M. (2007). *Digest of Education Statistics 2006* (NCES 2007-017). U.S. Department of Education. Washington, DC: National Center for Education Statistics.

⁶ Ibid

- In general, students considered “non-traditional” were more likely to enroll in either public two-year or private for-profit institutions. Part-time students and students who work full time were more likely to enroll in community colleges. “Non-traditional” typically means students who are part-time, are financially independent, work full time, are a single parent or have other dependents, are older, have delayed enrollment, or hold a GED or do not have a high school diploma.
- Colleges are increasingly using financial aid as a means to attract students with high SAT scores and GPAs that will improve the institution’s position in US News and World Report rankings.
- As shown in Figure C-2 in the appendix, Over 90% of students seeking entrance into college during the 2006-2007 season applied to 3 or more institutions.⁸
- Public school student to counselor ratio 315:1, 25% of time on postsecondary counseling⁹

4.5. Trends in Racial Makeup of the Target Market

- More than 40% of the graduating seniors will represent a racial or ethnic minority by 2014.¹⁰
- Over the ten-year period spanning 1991 through 2001, Hispanic enrollment grew by 82 % at public two-year institutions, and by 68 % at four-year colleges.¹¹ Between 1995 and 2015, the number of undergraduate students will increase by 19 %; 80 % of the new students will be African American, Hispanic, or Asian/Pacific Islander, and by 2015, students of color will represent 37 % of all enrollments.
- As shown in Table C-4 in the appendix, most students and parents overestimate the cost of college, leading to the perception that it is unaffordable to them. Several studies have found that the complex and cumbersome process of applying for aid through the Free Application for Federal Student Aid (FAFSA), combined with a lack of information, is a real barrier to college access for low-income students.

4.6. Possible Benefits of Above Trends

Our higher education system will need to improve its methods of recruiting, retaining, and graduating a larger share of low-income students and students of color because they will make up a growing share of tomorrow’s college students.

⁷ Ibid

⁸ College Confidential.com

⁹ “State of College Admission 2006 Executive Summary”, by the National Association of College Admission Counselors

¹⁰ CONVERGENCE: Trends Threatening to Narrow College Opportunity in America. A Project of the Institute for Higher Education Policy. April 2006.

¹¹ Ibid

4.7. Trends in the Use of Private Counselors

- Depending on the source of information and the type of the service, estimates for the cost of hiring private counselors range from about \$150 to several thousand dollars.^{12, 13}
- Independent counselors typically offer “packages,” ranging from essay-writing workshops to several hundred hours of one-on-one counseling.
- For example, the Platinum Package at Ivy Wise can run in the \$30,000 range, and initial fees range from \$150 to \$1000. On average, clients spend less than \$10,000 per family.
- Some private counselors provide service on a pro bono basis to students who demonstrate financial need, with number of such customers typically set as percentage of clientele.

4.8. Competition

An overview of the competitive landscape is provided in Appendix G, about which the following observations can be made:

- College Coach provides full service across the spectrum of customer needs, matched only by Independent School Counselors and, to a lesser extent, Private High School Counselors, both of which cost significantly more, and are not as conveniently available.
- The Public High School Counselors available to most students provide a wealth of information, but little real guidance, due to the number of students for whom they are responsible, as well as the overall scope of their responsibilities.
- There have recently been an increasing number of non-profit organizations, such as AVID, that provide classes or other targeted assistance to students, but they are generally targeted to at-risk populations, and therefore are of little use to most of the target population.
- There are many other free or low cost resources available to all students, but none is comprehensive, and few provide customized guidance, so it still falls on the student/parent to figure out and stitch together the overall solution.
- Primary online competitors include US News, College Bound, eCampus Tours, Quest Bridge, College Board, and Naviance summarized as follows:
 - Strengths
 - Established partnership agreements, and brand recognition (primarily US News)
 - Established clients
 - Many are non-profit, which conveys a sense of trustworthiness
 - Established infrastructure

¹² Reis, Ron. *A Career to Consider: Independent College Counselors*. Working World Magazine 312, April 2, 2007 — April 23, 2007.

¹³ Kohen, Katherine. “Why Colleges Should Thank Private Admissions Counselors.” *Chronicle of Higher Education*, 52(44), July 7, 2006, p. B20

- Weaknesses
 - Provides information, but not an integrated solution
 - No online support counselors
- As shown in Appendix G, all the competitors provide similar services except the integrated solution. This difference is an important service that will give CollegeCoach.com a significant market share over its primary online competitors.
- With the market for college services being heavily concentrated, the barriers to entry are simple, but the integrated solution services have higher barriers to create. Therefore, this feature will give CollegeCoach.com a competitive advantage over its primary competitors.
- CollegeCoach.com predicts that the integrated solution will create a brand name that will make it superior over its primary competition.

4.9. Sales Projections and Estimated Market Share

Based on the detailed marketing plan presented in Section 4, and the assumptions detailed below, sales projections for three years were estimated as shown in Appendix E and summarized below.

Sales Projections (\$Million)

| | Year 1* | Year 2 | Year 3 |
|--|----------------|---------------|---------------|
| Avg. No. Individual Students | 3312 | 14,093 | 22,338 |
| Avg. No. Schools/School Districts | 0 | 5 | 8 |
| Total Sales | \$332,552 | \$1,520,000 | \$2,410,000 |

**Site launches in June of Year 1*

Assumptions used to derive sales projections:

- Launch site just before beginning of school year, to capitalize on natural cycle of interest in college planning.
- 3000 subscribers first month (less than 5% of actual Jan. 2007 keyword searches for “college application”, “college admission”, “college search” and “college guide”)¹⁴
- 5% growth in subscription month over month from August through March; 0.5% April through July
- Average monthly retention rate of 85% from August through March
- 30% retention rate in April, as seniors finalize college plans and no longer need our services
- Average revenues per usage of premium content: \$20
- Average usage rate of premium content: 5%

¹⁴ Compilation of search results run Nov. 13, 2007 on <http://inventory.overture.com/d/searchinventory/suggestion>

- No sales through schools for first year
- 10 schools/school districts from the 201 districts in DFW metroplex in second year; 5 @ 100 student level; 5 at 500 student level
- 70% school client retention rate; 10% growth in number of new schools/districts added each year

5. Marketing Plan

5.1. General Marketing Strategy

- Two-pronged marketing approach
 - Directly to high school students and parents, particularly during sophomore and junior years
 - Build general brand awareness through sponsorships, etc
 - Drive purchase decision at college-related events
 - Offer district-wide and school-wide licenses at a discount, with schools to promote to students
- Initial Target Markets
 - Public High Schools in the DFW Metroplex with >75% of their graduates going on to college
 - Individual US Parents and Students that can be reached on-line through promotion/advertising detailed below.

5.2. Pricing Strategy

5.2.1. Pricing to individuals

- Basic pricing based on monthly subscription (auto-renewable until cancellation by user)
 - First month free with sign-up; cancelable at any time
 - \$7.99 per month thereafter for all basic services
 - \$4.99 per month for additional students living in same household
- Pricing for premium content in general to be developed based on our incremental cost of providing services as they are specifically identified
- Pricing for “a la carte college admissions counseling” as needed offered in quarter-hour increments for \$20.

5.2.2. Pricing to schools/school districts

Schools and school districts will be offered licenses for a given number of individual accounts according to the following discount schedule:

| Number of Accounts | Discount | Annual Fee |
|--------------------|----------|------------|
|--------------------|----------|------------|

| | | |
|------|-----|---------|
| 100 | 25% | \$7200 |
| 500 | 40% | 28, 764 |
| 1000 | 50% | 47,940 |

5.3. Sales and Distribution Strategy

- In keeping with two-pronged overall strategy, sales will comprise a two-pronged approach
 - Direct sales force working with school, school districts, and other organizations promoting college attendance. Initial efforts will be focused in the DFW metroplex (Texas Regions 10 and 11) which together comprise:
 - 203 school districts
 - ~ 59,000 high school graduates per year on average
 - Direct sales to counselors that attend conventions for counselor organizations such as the National Association for College Admission Counseling
- Sales to individual students and their parents will be on-line through our website.
- Distribution will be entirely internet-based
 - Schools/districts purchasing licenses will receive a number of passcodes tied to their license, along with tools to distribute and manage them among their students. Passcodes will allow for use with one student's account only, and will expire after a given amount of time.

5.4. Service and Support

5.4.1. Support

- Primarily web-based. Goal will be 24/7, although this might not be achievable initially.
 - FAQ page
 - Toll-free number
 - On-line “chat” regarding technical or sales questions.
 - Ad hoc college counseling available for an additional fee.
- Limited support to local school customers initially to ensure customer satisfaction and full understanding of customer's real needs and use of the product. Lessons learned can be used to improve product offering.

5.4.2. Service

- Web site and core “college coach” software will be upgraded and improved over time, with upgrades available to all users as they are rolled out online.

5.5. Advertising and Promotion

- Outsource initial organic search engine optimization techniques for our site, as well as ongoing monitoring and maintenance

- Establish a budget for pay-per-click advertising using keyword optimization techniques to optimize ROI. The budget will increase over time as resulting site visits and sales conversions warrant.
- Selectively attend conventions for counselor organizations such as the National Association for College Admission Counseling as well as seek their formal “Seal of Approval” to establish brand awareness
- Establish a small budget for local sponsorships and advertising to reach students and parents in our initial target market of the DFW metroplex.
- Limited printed sales collateral, such as brochures, posters, flyers and direct mailers will be used in our target market.
- Obtain selected student names and addresses from high school/school district (public info) for limited direct mail campaign, with results closely monitored
- Establish and promote college scholarships to promote brand awareness and support college attendance
- Establish and promote program that allows schools to identify a limited number of students for a free subscription to the site, based on academic and economic situation.

5.6. Overall Marketing Budget

The overall marketing budget is summarized in the table below.

Marketing Budget

| Item | Estimated Cost |
|--|--|
| National Marketing-Web Based | |
| Company web-site, Facebook and My Space accounts | Included in Section 5 |
| Search Engine Optimization (outsourced) | \$1200 first 2 months followed by \$200 per month thereafter |
| Pay Per Click Advertising (Google Adwords, etc.) | \$1000 per month for first year, increasing to \$1500 per month thereafter |
| National Marketing-Counselor Targeted | |
| Booth at national school counselor conventions, memberships, advertising, etc. (NACAC, IECA) | \$5000 per year |
| National-Public Relations Based | |
| Scholarships | \$5000 per year |
| Free subscriptions for economically disadvantaged | No cost; just forgone revenue |
| Local Promotion and Advertising - DFW | |
| Sponsorships and advertising | \$5000 per year |
| General | |

| | |
|---|-------------------|
| Marketing Collateral (print, promotional items) | \$10,000 per year |
|---|-------------------|

6. Design and Development Plan (This Section Optional for this Plan)

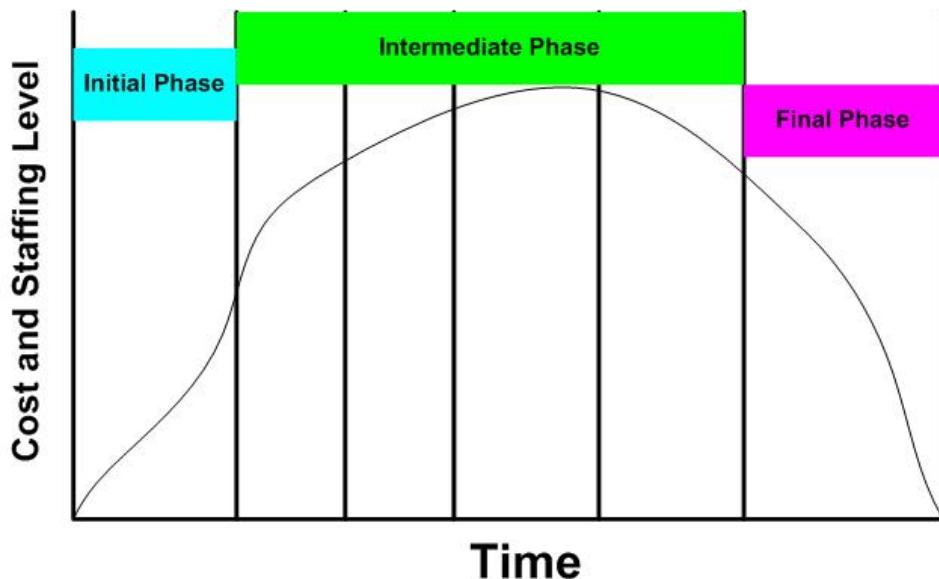
6.1. Current development status

CollegeCoach.com is currently in the concept stage. CollegeCoach.com will be constructed using the Waterfall approach in the Software Development Life Cycle (SDLC). The Project Management will be done according to the Project Management Institute's – Project Management Book of Knowledge (PMBOK).

6.2. Source Design and Development Partner/Resource

CollegeCoach.com will look to contract directly with a Software Application Architect, Sr. Web Software Developer, Web Software Developer, Sr. Graphic Design Specialist, Graphic Design Specialist, and Database Administrator to complete the design and development of CollegeCoach.com. We will not be outsourcing the design and development to a consulting company because we would like to be able to retain more control of the process.

CollegeCoach.com will be following a typical project cost and staffing life cycle as illustrated below:



Within the project cost and staffing life cycle, CollegeCoach.com will use the following project phases and phase activities:

6.2.1. Initiating the Project

The first phase of the development project of CollegeCoach.com is the initiation phase. During the initiation phase the following activities that will take place include but are not limited to:

1. Confirmation of project fit with Organization Strategic Plan
2. Develop project Statement of Work/Contract

3. Document Project Assumptions
4. Document Project Constraints
5. Document Project Charter
6. Document Major Deliverables
7. Establish Project Boundaries
8. Develop Project Acceptance Criteria
9. Develop Preliminary Project Scope Statement
10. Develop Project Budget Estimate
11. Develop Project Kick-off Plan

6.2.2. Planning the Project

Once the project initiation is complete the planning phase will begin. During the planning phase the following activities that will take place include but are not limited to:

1. Developing a Project Scope Management Plan
2. Detailing out the Project Scope Statement
3. Developing a Work Breakdown Structure (WBS)
4. Confirmation of Cost Estimates and Budgeting
5. Developing a Staffing Management Plan
6. Developing a Change Control Plan
7. Developing a quality management plan
8. Developing a communication plan
9. Define Team Roles and Responsibilities
10. Define Team Reporting Structure
11. Execution of Project Kick-off Plan

6.2.3. Executing the Project

Once the project planning is complete the execution phase will begin. During the execution phase the following activities that will take place include but are not limited to:

1. Acquisition of project team members
2. Selecting vendors to support development process
3. Executing the project plan
4. Performing Quality Assurance

6.2.4. Monitoring and Controlling the Project

Throughout the project the monitoring and controlling activities will take place. During the monitoring and controlling process the following activities that will take place include but are not limited to:

1. Project Performance reporting to project stakeholders
2. Team Performance reporting to project stakeholders
3. Continuous Project Scope Verification
4. Management of Team and Stakeholders expectations

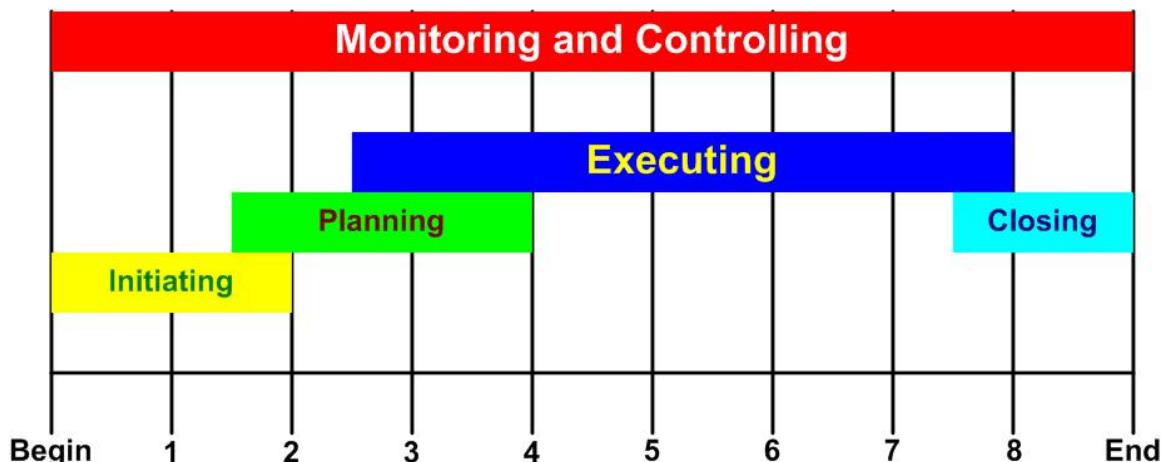
6.2.5. Closing the Project

Once the project execution phase is complete the project closing phase will begin. During the project closing phase the following activities that will take place include but are not limited to:

1. Project Close
 - a. Administrative closing procedures
 - b. Contract closure procedures
 - c. Lessons Learned
2. Contract Closure
 - a. Resolution of any open items
 - b. Procurement audits
 - c. Closed contracts

6.3. Development Timeline

The overall development timeline will be 8 months. The following is a breakdown for the timeline by project phase.



6.4. Projected Salaries Budget

- Software Application Architect – \$100,000
- Sr. Web Software Developer – \$85,000
- Web Software Developer - \$70,000
- Sr. Graphic Design Specialist – \$60,000

- Graphic Design Specialist - \$45,000
- Database Administrator - \$90,000
- Counselor – Higher Education - \$60,000

Total: \$510,000/ year in salaries

7. Resources/Operations (Including 3rd Party Providers)

CollegeCoach.com will need the following non-financial resources to be successful:

- Human Capital – CollegeCoach.com will rely on human capital in the area of technical design and development, project management, academic counseling, and owning and managing a business.
- Technical design – resources will be required to design the CollegeCoach.com solution to process information in an efficient and accurate information that is easy for the customer to interact with.
- Technical development – resource will be required to develop the design into an interface and solution that is easy for the customer to interact with and enables the visual reinforcement of the proprietary 3L methodology
- Graphic development – resource will be required to develop the look and feel of CollegeCoach.com that will visually reinforce the proprietary 3L methodology.
- Sales – resources will be important to get the word out regarding the services that CollegeCoach.com offers their customers
- Advertising – resources will be critical to work hand and hand with the sales resources to make sure that a very aggressive advertising campaign is in place to promote the product
- Administration – CollegeCoach.com will partner with *Administaff* for outsourcing administrative and other back office functions for CollegeCoach.com. *Administaff* will be a key partner to help provide employee benefits for the employees of CollegeCoach.com
- FinAid.org – CollegeCoach.com has requested to link to/integrate the financial aid information that FinAid.org provides for access by users of CollegeCoach.com
- Collegeboard.org – CollegeCoach.com will link to the information that Collegeboard.org provides about the SAT college admissions test
- ACT.org - CollegeCoach.com will link to the information that ACT.org provides about the ACT college admissions test
- CareerLeader.com – CollegeCoach.com will integrate CareerLeader.com, the most comprehensive and respected business career development tool on the internet for providing career planning for business career specific students
- DiscoverYourPersonality.com – CollegeCoach.com will seek a partnership to include the online testing resources of Myers-Briggs® and Strong Interest Inventory® Tests.

- Other knowledge resources – during the development process CollegeCoach.com may chose to link to other knowledge providers that adds value to the overall 3 L methodology solution that CollegeCoach.com provides.

CollegeCoach.com believes that as needed the management team will both be able to provide the knowledge in the above listed areas themselves or go out and acquire the knowledge through other resources.

7.1. Facilities

- CollegeCoach.com has targeted the following office location because of its close proximity to a major interstate and the “telecom corridor” of the DFW Metroplex. The location is not currently under contract with CollegeCoach.com yet, but this location or a similar would meet the needs of the organization.

400 Chisholm Place

Suite 105

Plano, TX 75075

Estimated Cost: \$ 1,483.13/mo

- CollegeCoach.com does not have any special office requirement like a manufacturing business would, since the nature of the work is on the internet, only an internet connection and space to work will be needed. Internet and phone access for CollegeCoach.com will be provided by Cbeyond Communication in the form of the following services:

- 1.5mbps Internet access

- 6 local phone lines w/up to 1,500 long distance minutes per month

Estimated cost: \$495/month (plus a \$500 one-time installation)

- CollegeCoach.com will grow as needed but at this time the above mentioned facilities and communication requirements should be adequate for up to 2 years, possibly 3 year.

7.2. Equipment

- CollegeCoach.com estimates following requirements for hardware and office equipment:

Hardware

- Dell Vostro 400 Mini Tower (see Appendix for configuration – 6 total needed)

- Estimated Cost \$3,500 per computer

Total Estimated Cost : \$21,000

Software Development Licenses:

- Microsoft SQL Server (3)

- Microsoft SQL Developer Edition (2)

- Microsoft Visual Studio Architect Edition (1)

- Microsoft Visual Studio Developer Edition (2)

Approximate Cost: \$24,000/year (source www.microsoft.com)

Graphic Development Licenses:

- Adobe Acrobat (2) - \$499/year/license
- Adobe Photoshop CS3 Extended (2) - \$999/year/license

Approximate Cost: \$3,000/year (source www.adobe.com)

Other Technical Expenses

- Domain name (www.collegecoach.com) registration: \$9.99/year
- Hosting services provided by Websolutions-Texas: (Variable cost depending on space requirements – estimated: \$500 - \$1000/month)
 - Websolutions-Texas will also be a resource for internet based advertising should we chose to use them as well as search engine optimization.

7.3. Expansion Plan

CollegeCoach.com is in a unique position to be able to expand very easily as the subscriber base grows. The first three years plans for expansion at a high level are as follows:

- Year 1: Establishment of solution in the market base and obtain a subscriber base that equals the needed subscribers for break even. Storage capacity should be increased as needed and enhancements to site will be rolled out on a regular software build schedule.
- Year 2: Gain and maintain subscriber base to become profitable. There should be no need for any new facilities, but equipment upgrades may be needed. Storage capacity should be increased as needed and enhancements to site will be rolled out on a regular software build schedule.
- Year 3: Improve profitability and continue growth of subscriber base. There should be no need for any new facilities, but equipment upgrades may be needed. Storage capacity should be increased as needed and enhancements to site will be rolled out on a regular software build schedule.

8. Management and Organizational Structure (This Section Optional for this plan)

8.1. Company Managers

Chief Executive Officer –

Chief Financial Officer/Controller –

Executive VP of Operations –

VP of Technology –

VP of Sales and Marketing –

8.2. Advisory Board Members

The advisory board for CollegeCoach.com will be made up of five members. Two of the seats on the advisory board will be occupied by company management team members, one seat will be occupied by a representative from the Venture Capital firm, one seat will be occupied by a representative from the education community, and the final seat will be occupied by a relevant industry professional that have specific knowledge deemed beneficial to CollegeCoach.com

8.3. Key Consultants/Advisors

- CollegeCoach.com will engage the law offices of Jones Day for legal services
- CollegeCoach.com will engage Websolutions-Texas for internet advertising and marketing consulting
- Knowledge Partners
 - FinAid.org
 - Collegeboard.org
 - ACT.org
 - CareerLeader.com
 - DiscoverYourPersonality.com
 - Administaff

8.4. Organization Chart/Key Personnel (This section Optional for this plan)

The organization chart and reporting structure will be constructed as depicted below, however this organization chart is not representative of the equity position that each of the management team will have in CollegeCoach.com:

9. Timeline of Events and Milestones

CollegeCoach.com will strive to meet the milestones by following the basic timeline below. The timeline for CollegeCoach.com is developed with major and interim milestones. Establishing milestones will allow for accurate assessment of progress to be done on a regular basis at any phase of the timeline. Upon decision to go forward further detail around the timeline and work break down will need to be established specifically the product design and development. The timeline developed maps to the above mentioned project cost and staffing lifecycle. The detailed timeline of events is available in Appendix D.

9.1. Abbreviated Timeline of Events: (This should be in Gantt Chart form)

Phase I: Business Formation – 112 days beginning 8/21/2007 and ending 1/29/2008.

- Key Milestones to achieve during this phase:
 - Select Business Idea – Interim Milestone – 9/04/2007
 - Feasibility Analysis Complete – Interim Milestone – 10/02/2007

- Final Business Plan Complete – Interim Milestone – 11/20/2007
- Decision Point: Viable Business Yes/No – Interim Milestone – 11/20/2007
- Phase I: Business Formation Complete (Major Milestone) – 1/29/2007

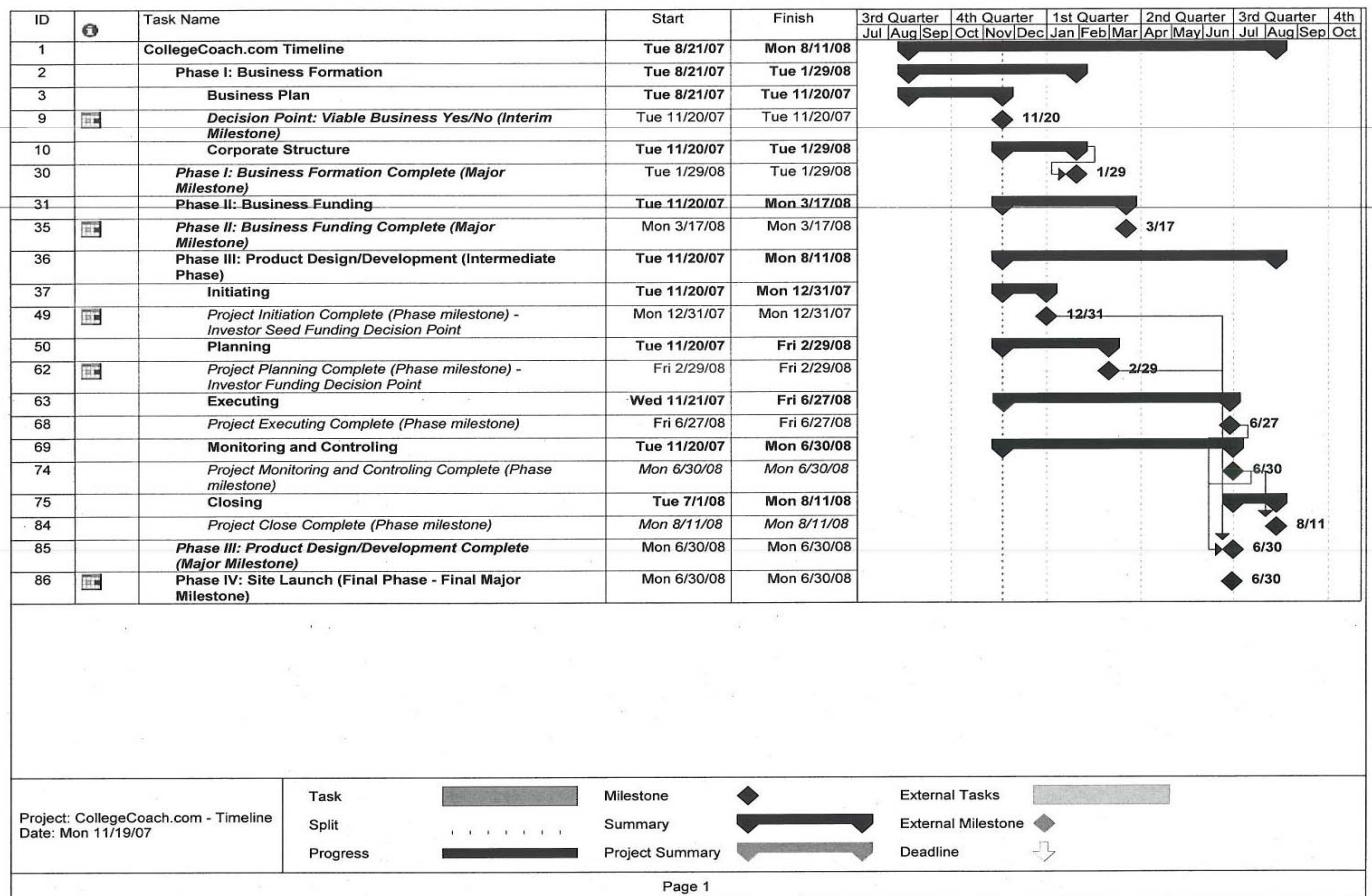
Phase II: Business Funding – 152 days beginning 11/20/2007 and ending 3/17/2008

- Key Milestones to achieve during this phase:
 - Owner's Equity (Founder's Funding) - Interim Milestone – 11/20/2007
 - Seed (Initial) Funding - Interim Milestone – 1/21/2008
 - Final (Third) VC Funding - Interim Milestone – 3/17/2008
 - Phase II: Business Funding Complete (Major Milestone) – 3/17/2008

Phase III: Product Design/Development – 186 days beginning 11/20/2007 and ending 8/11/2008

- Key Milestones to achieve during this phase:
 - Project Initiation Complete – Phase milestone – 12/31/2007
 - Project Planning Complete – Phase milestone – 2/29/2008
 - Project Executing Complete – Phase milestone – 6/27/08
 - Project Monitoring and Controlling Complete – Phase milestone – 6/30/2008
 - Project Close Complete – Phase milestone – 8/11/2008
 - Phase III: Product Design/Development Complete (Major Milestone) 6/30/2007 – project closing activities not part of this milestone.

Phase IV: Product Launch – 0 days beginning 6/30/2007 and ending 06/30/2007



9.2. Short Term Goals

- Establish corporate entity
- Seek initial seed funding for Planning phase and 2nd round funding for Execution phase
- Hire key personnel
- Develop promotional advertising campaign
- Begin conversations and demos with local school districts
- Identify relevant, cost effective sponsorship opportunities

9.3. Long Term Goals

- Revenue of \$417,000 per month = \$5,000,000 per year
- Position self as premier solution for higher education research and planning
- Sign long-term contracts with school districts nationwide

- Seek the endorsement from local, state, and national governments and non-profit organizations
- Establish a non-profit foundation and contribute a portion of revenues for college scholarships for underprivileged students
- Position the company for a strategic acquisition within 5 years.

10. Finance

10.1. Startup Budget

The estimated budget necessary to cover the **first year** of operations is shown below.

| First year Budget | Cost |
|---|------------------|
| Salaries including payroll taxes for non-owner employees (software architect, web designer, counselor) | 510,000 |
| Repairs & maintenance | 8,400 |
| Local Advertising | 5,000 |
| Marketing | 51,400 |
| Accounting and legal | 5,000 |
| Rent | 17,798 |
| Internet & Telephone | 5,940 |
| Equipment | 48,000 |
| Domain Name | 10 |
| Total | \$651,548 |

10.2. Proforma Financial Statements

Proforma Financial Statements, along with the revenue estimate calculations can be found in Appendix E. A summary is provided below: [THE FOLLOWING TABLE IS FOR SAMPLE PURPOSES ONLY –IT IS NOT CONNECTED TO THIS PLAN

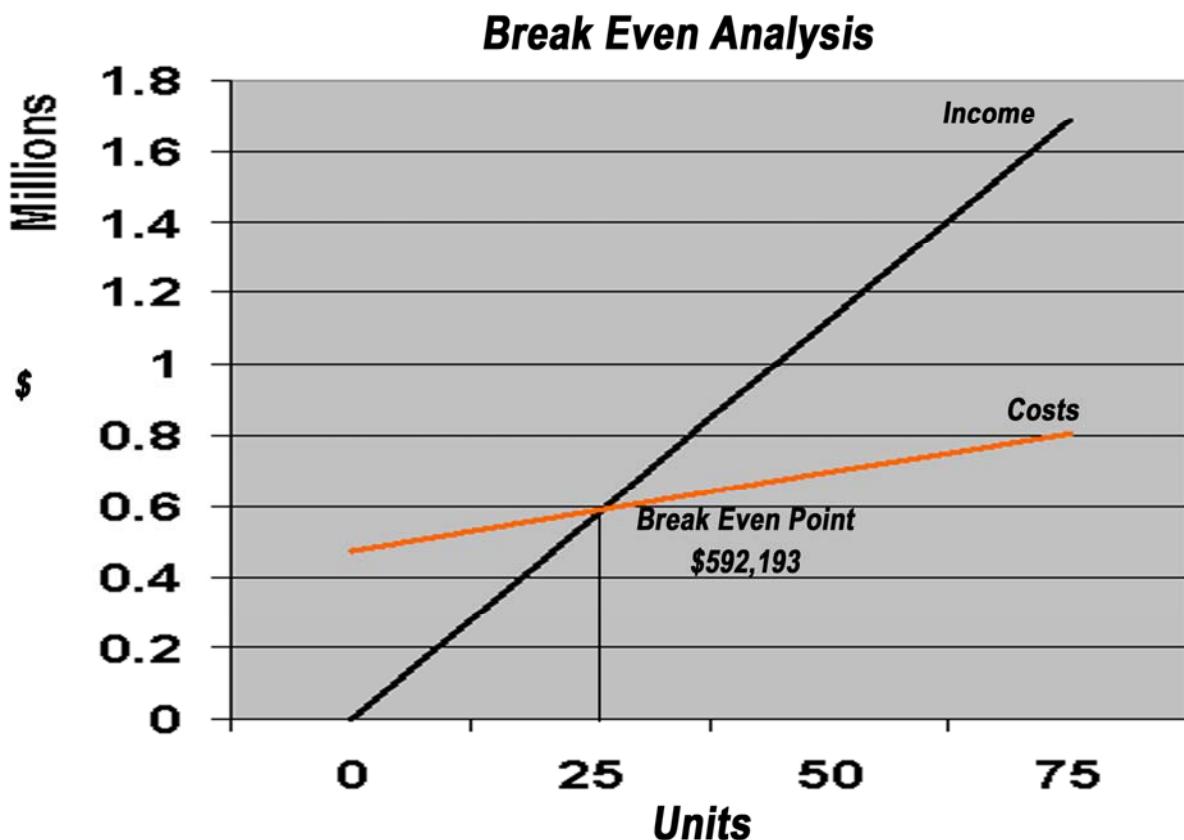
| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Revenue | 500 | 5,207 | 12,203 | 25,565 | 51,894 |
| COGS | 402 | 3,270 | 7,179 | 14,395 | 29,145 |
| Oper Exp | 4,318 | 3,572 | 4,229 | 8,165 | 16,445 |

| | | | | | |
|-------------------|---------|---------|-----|-------|-------|
| Net Income | (4,221) | (1,635) | 795 | 3,005 | 4,817 |
|-------------------|---------|---------|-----|-------|-------|

We expect a rather large jump in revenues from Year 1 to Year 2 due to the fact that we do not anticipate that we will obtain any paying subscribers until August of Year 1. We also anticipate very robust growth in net income, since we will have very low variable costs. Also, we do not expect that fixed costs in Years 2 and 3 will differ much from Year 1, with the exception of marketing and the additional salary costs as the founders begin to take a salary.

10.3.Breakeven Analysis

[The following is an example of a breakeven analysis –not connected to this Plan]



11.

12. Funding and the Offering

12.1. Amount of Funding Needed

The company will use an owner's capital contribution of \$50,000 to register and establish a formal corporate entity.

The company is seeking \$660,000 for its first year of operations for purposes of completing the development of CollegeCoach.com.

12.2. Likely Sources of Cash

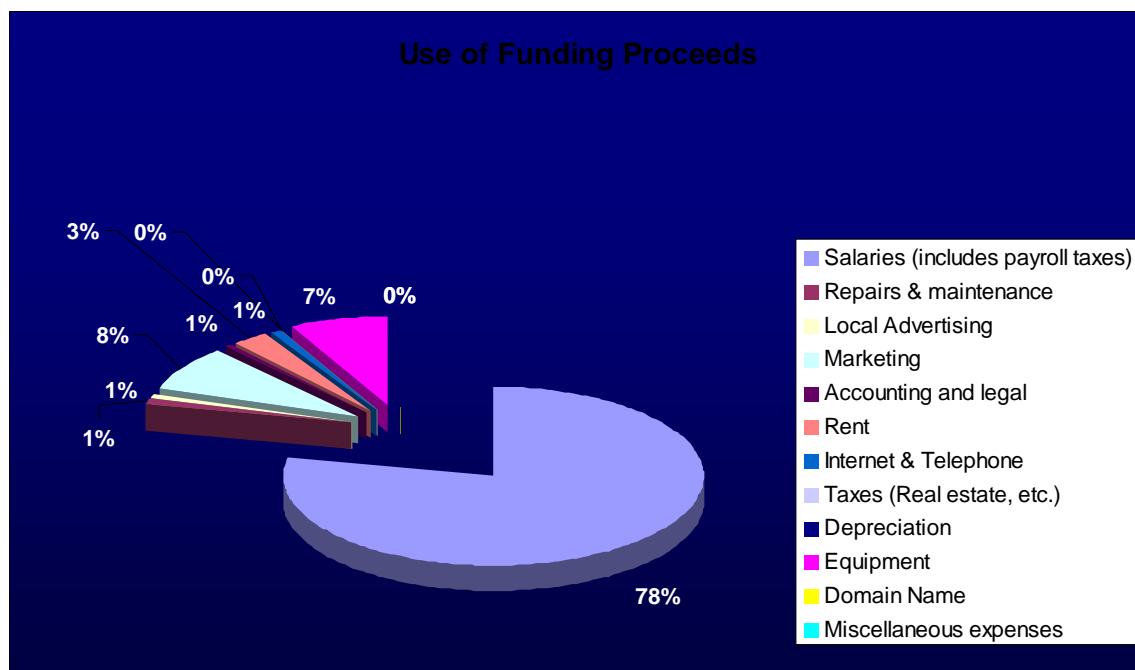
CollegeCoach.com expects to require relatively small investments and to have growth of about 40 percent per year. Therefore, it is anticipated that business angels will be a primary source of funding with the owners' capital contribution for its short term source of funding.

The owners' capital contribution would be used to cover the company during the time before the funding is received.

The funding received from the business angels will finish the funding of the company and provide the necessary funds to complete software and website development and expand the company in the market.

12.3. Use of Funding Proceeds [This section needs a table]

The use of funding proceed is shown below. The bulk of the funding is required to pay salaries for software and website development staff, as well as for our director of guidance counseling. The founders have agreed to draw no salary until breakeven is reached.



12.4. Equity Capitalization Table

The equity capitalization table is shown in Appendix F.

12.5. The Deal

The company will be positioned so that the owners' contribute initial capital and are each then given enough common shares to have equal control over the company and in total over 55% of the shares of voting stock.

The company will issue 6,600,000 shares of preferred stock, or 45% of the company's issued and outstanding shares, for a \$660,000 investment.

13. Critical Risks and Contingencies

13.1. Risk Factors

The following major risk factors have been identified:

- Successful development of the proprietary application used to implement our methodology
- Ability to acquire partnerships for harvesting the required third party information
- Successful integration of the different resources to make our tool user friendly and comprehensive for the customer
- Ability to attract users to the trial subscription, convert sufficient numbers to the paid subscription levels, and retain subscribers as estimated.
- Successfully erecting barriers to fend off imitative efforts by established competitors, or new startups

13.2. Contingency Planning

The following comprise the plan to mitigate the above risks.

- Careful selection of software architect/director of counseling team in concert with additional market research to more completely understand the needs and desires of the target customer.
- Identification of strong value propositions for identified partners to ensure their full support
- Careful monitoring and adjustment of on-line marketing efforts based on results achieved (click-throughs, trial subscriptions, conversion rates, retention rates, etc.)
- Every effort will be made to protect the intellectual property encapsulated in the proprietary 3L software, including the algorithmic methodology from which it is derived.

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Appendix A. Estimate of Market Size

| | % Spending in Range | No. of Applicants | Est. Lower Limit | Est. Upper Limit |
|---|---------------------|------------------------|--|------------------|
| Number of Applicants Overall | | 1,757,140 ¹ | | |
| % Spending \$0-200² | 21% | 361,971 | 0 | 72,394,148 |
| % Spending \$200-1000² | 59% | 1,033,198 | 206,639,606 | 1,033,198,030 |
| % Spending > \$1000² | 21% | 361,971 | 361,970,739 | 361,970,739 |
| | | | | |
| Est. Range of Spending | | | 568,610,345 | 1,467,562,917 |
| Est. Size of Market (Avg. of Est. Range) | | | 1,018,086,631 (Approximately \$1 Billion) | |

Sources: 1) U.S. Department of Education; 2) Survey conducted as part of project

Appendix B - See files submitted separately:

AppB-1StudentParentSurveySummary 11102007.pdf

AppB-2 CounselorSurveySummary 11102007

Appendix C - Market Trends

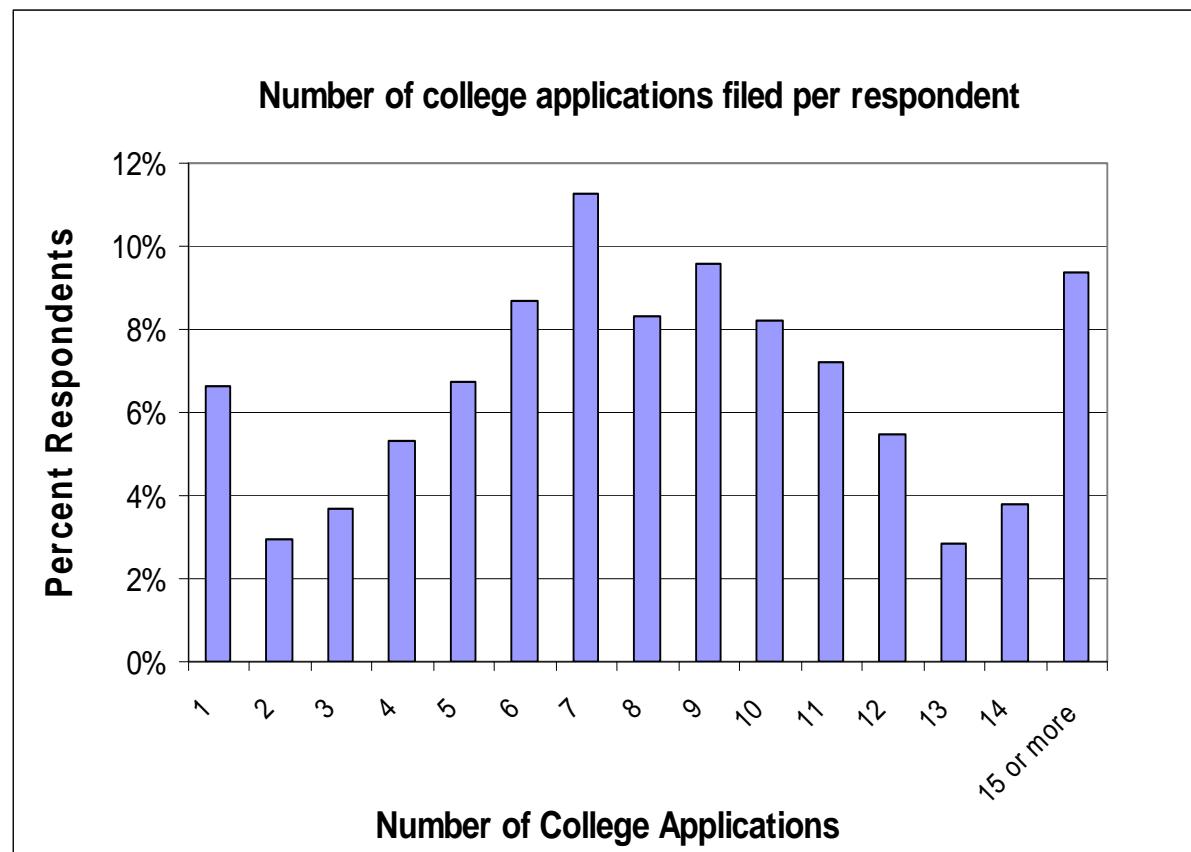
Table C-1 College Enrollment rates of High School Completers, 1995-2005 (thousands)

| Year | No. high school completers | No. enrolled in college | Percent enrolled in college |
|---------------|-------------------------------|-------------------------|--------------------------------|
| 1995 | 2500 | 1610 | 61.95% |
| 1996 | 2660 | 1720 | 65.00% |
| 1997 | 2760 | 1856 | 67.03% |
| 1998 | 2810 | 1844 | 65.62% |
| 1999 | 2807 | 1822 | 62.89% |
| 2000 | 2756 | 1745 | 63.32% |
| 2001 | 2540 | 1574 | 61.75% |
| 2002 | 2706 | 1824 | 65.24% |
| 2003 | 2677 | 1711 | 63.91% |
| 2004 | 2752 | 1835 | 66.68% |
| 2005 | 2675 | 1834 | 68.56% |
| Mean = | | | 65% |

SOURCE: Snyder, T.D., Dill, S.A., and Hoffman, C.M. (2007). *Digest of Education Statistics 2006* (NCES 2007-017). U.S. Department of Education. Washington, DC: National Center for Education Statistics.

Number of College Applications filed per Student in the 2006 – 2007 college application season (Poll conducted by College Confidential)

| No. colleges | % respondents |
|--------------|---------------|
| 1 | 6.62% |
| 2 | 2.93% |
| 3 | 3.69% |
| 4 | 5.30% |
| 5 | 6.72% |
| 6 | 8.70% |
| 7 | 11.26% |
| 8 | 8.33% |
| 9 | 9.56% |
| 10 | 8.23% |
| 11 | 7.19% |
| 12 | 5.49% |
| 13 | 2.84% |
| 14 | 3.78% |
| 15 or more | 9.37% |



SOURCE: CollegeConfidential.com.

Results available at <http://talk.collegeconfidential.com/showthread.php?s=08ef69a402b14a08904fccaa99060d711&t=307481>

**Table C-3. Change in the Number of Public High School Graduates, by Race/Ethnicity,
2001-02 to 2013-14**

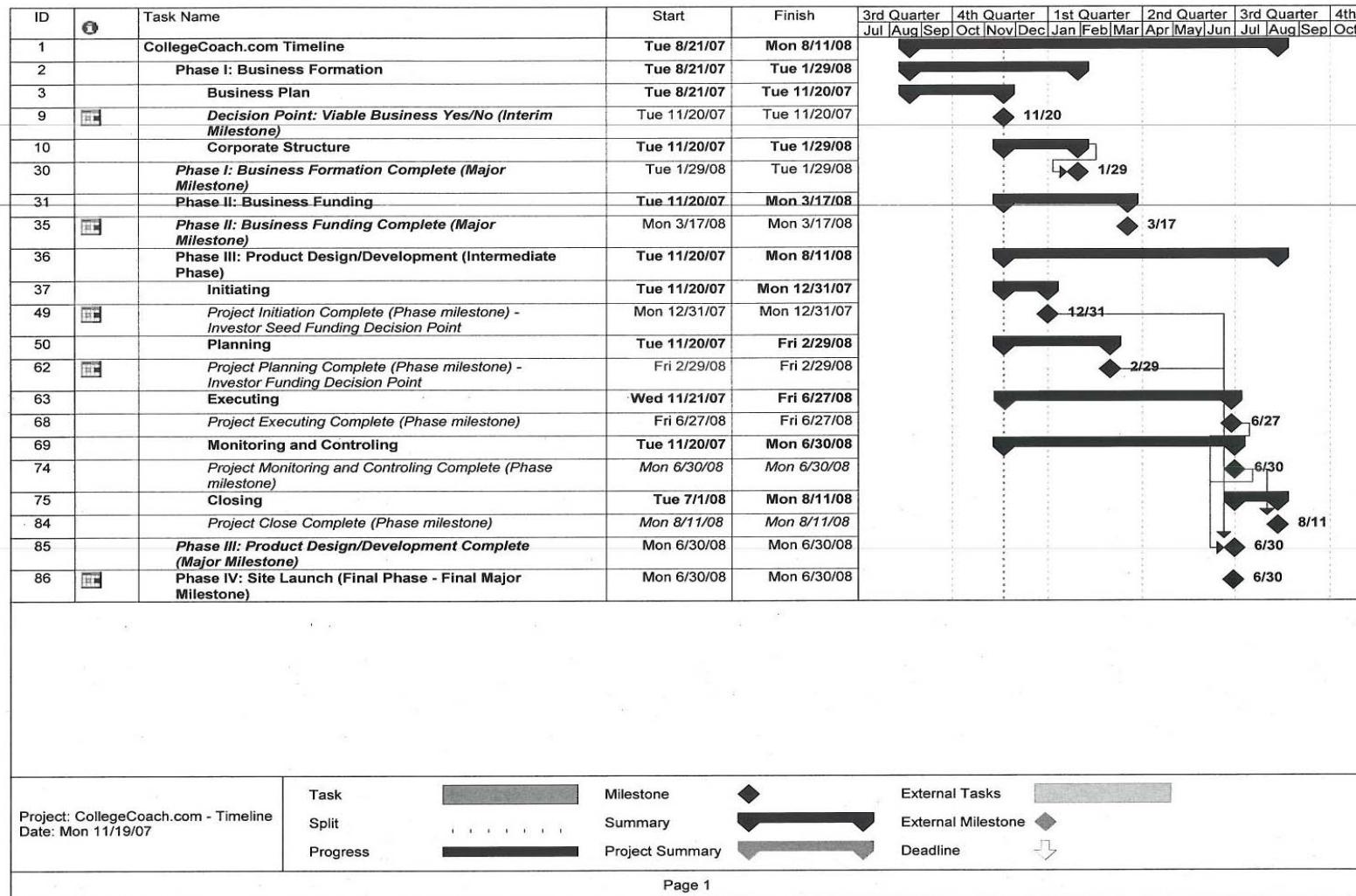
| | 2001-2002 (actual) | 2013-14 (projected) | Change in number of graduates | % change |
|-----------------------------|-----------------------|------------------------|----------------------------------|----------|
| American Indian | 26,729 | 31,092 | 4,363 | 16% |
| Asian / Pacific Islander | 131,351 | 189,318 | 57,967 | 44% |
| Black non- Hispanic | 344,156 | 364,841 | 20,685 | 6% |
| Hispanic | 312,315 | 541,228 | 228,913 | 73% |
| White non- Hispanic | 1,794,569 | 1,604,334 | -190,235 | -11% |
| United States total | 2,614,629 | 2,763,660 | 149,031 | 6% |

SOURCE: CONVERGENCE: Trends Threatening to Narrow College Opportunity in America. A Project of the Institute for Higher Education Policy. April 2006.

Table C-4. Survey Respondents' Estimates of Tuition Costs, 1997-98

| Institution Type | Estimated Avg. Tuition | Actual Avg. Tuition | % Difference Between Estimated and Actual |
|------------------------|---------------------------|---------------------|---|
| In-state 2-year public | \$4,206 | \$1,501 | +180% |
| In-state 4-year public | \$9,694 | \$3,111 | +212% |
| 4-year private | \$17,897 | \$13,664 | +31% |

Appendix D. Timeline –See also file submitted separately: CollegeCoach - Timeline.mpp



Appendix E - Please see file submitted separately: projected STMTFS-1.xls

Appendix F - College Coach.com Capitalization Table X

| | Share/Option Holder | Preferred | Invested | Common | Options | Warrants | Fully Diluted | Percent |
|------------------------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|----------------------|----------------|
| Founder Stock | | | | | | | | |
| \$50,000 @ \$0.01/share | | | | | | | | |
| | | | | | | | | |
| Founder/CEO | | 0 | \$10,000 | 1,000,000 | 990,000 | 0 | 1,990,000 | 11.14% |
| Founder/CFO/Controller | | 0 | \$10,000 | 1,000,000 | 990,000 | 0 | 1,990,000 | 11.14% |
| Founder/Executive VP of Operations | | 0 | \$10,000 | 1,000,000 | 990,000 | 0 | 1,990,000 | 11.14% |
| Founder/VP of Technology | | 0 | \$10,000 | 1,000,000 | 990,000 | 0 | 1,990,000 | 11.14% |
| Founder/VP of Sales and Marketing | | 0 | \$10,000 | 1,000,000 | 990,000 | 0 | 1,990,000 | 11.14% |
| Series A Preferred | | | | | | | | |
| \$610,000 @ \$0.10/share | | | | | | | | |
| | | | | | | | | |
| Angel Investors | TBD | 6,600,000 | \$660,000 | 0 | 0 | 1,320,000 | 7,920,000 | 44.32% |
| TOTALS | | 6,600,000 | \$710,000 | 5,000,000 | 4,950,000 | 1,320,000 | 17,870,000 | 100.00% |

Appendix G. Competitive Matrix

| | Price | Availability | Career Assessment | | | College Selection | Standardized Testing | | Essay Writing | Pay for College | Resume Development | | Applying to College | Q&A |
|--|---------|--------------|-------------------|------------------------------|---------------------------------|----------------------------------|----------------------|-----------|-------------------|---------------------|---------------------|---------------------|---------------------|--------------------------------|
| Key: | | | Career Research | Personality/Aptitude Testing | Matching with Potential Careers | Matching with Potential Colleges | College Research | Test Prep | Test Registration | Score Recordkeeping | General Tips & Info | Brainstorming Tools | Feedback/Assessment | |
| College Coach | \$ | 24/7 | ● | ● | ● | ● | ● | ○ | ○ | ● | ● | ● | ● | To Do List Generator & Tracker |
| Public High School Counselors | FREE | Occasional | ○ | ○ | ○ | ○ | | | | ○ | | | ● | ● |
| Private High School Counselors | \$\$\$ | Appointment | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Independent College Consultants | \$\$\$ | Appointment | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Standardized Test Agencies (College Board, Princeton Review, Kaplan, Powerscore and ACT) | FREE | Class/ book | | | | ○ | | ● | ● | ● | | | | |
| Test Prep Companies (Princeton Review, Kaplan, Karen Dillard, etc.) | \$\$ | Class/ book | | | | ○ | | ● | ○ | ○ | | | | |
| College Ranking Organizations (US News & World Report, etc.) | FREE/\$ | 24/7 | ○ | * * | ● | ● | | ○ | | | ● | ○ | ○ | ○ |
| Career Assessment Organizations | \$\$ | Varies | ● | ● | ● | ○ | | | | | | | | |
| Financial Aid Agencies (FAFSA, CSS/Profile) | FREE/\$ | 24/7 | | | | | | | | | ● | ● | | |
| Scholarship Identification organizations | FREE/\$ | Varies | | | | | | | | | | ● | | |
| Common Application, etc. | | 24/7 | | | | | | | | | | | ○ | |
| Books | \$-\$ | 24/7 | ● | ● | ● | | ● | ● | | ● | ● | ● | ● | ○ |
| Organizations for Developmental Programs (AVID, GoCollege, CollegeROver, Get Ready For College, etc.) | FREE/\$ | Class | ● | ● | ● | | ● | ● | | ● | ● | ● | ● | ● |
| Gen'l College Planning Websites (e.g., College Bound, Quest Bridge, eCampus Tours, College Board, Naviance) | FREE/\$ | 24/7 | ○ | | | ○ | | | ○ | | | | | |