Names of Team Members: Irakli Svanidze;

Tea Gamrekelashvili;

Business Plan for: Edu Care

(Please use this template in conjunction with the guide Prepare a business plan, where you will find information about how to use your business plan as well as instructions on how to use this template)

Document Version:	1.0
Date:	10/08/2019
Completed by:	Irakli Svanidze Tea Gamrekelashvili

INNOCENS
INNOVATION &
ENTREPRENEURSHIP

Co-funded by the
Erasmus+ Programme
of the European Union

Business plan contents

1 Executive summary

The problem of environmental pollution is threat for the whole world. In Georgia, awareness of the population about this topic is significantly low, while the country is qute rich in terms of nature. No sanctions can solve this problem until the self-consciousness of a human being is promoted. I have already written a prototype and as a programmer, I can imagine how I will develop this product. This is a quite prospective idea, which will extend the life of earth and the life of all humanity.

My product is designed for children between 3-7 years old. This is the age when the children's cognitive skills are being actively developed. My product will be purchased by parents, kindergartens, schools, babysitters, different types of educational/social institutions and psychologists. Everyone, who is willing to support the child's mental and intellectual development and thus the environment, are considered to be my customers.

My idea will make money by sales, the application will be pay-to-use. Instead of playing meaningless and silly games, the users will pay money for the game, which helps their children to raise cognitive skills, improve discipline, strengthen the love of the environment and facilitate adaption to it. Educators and parents pay money for children's books so that children learn colors, animals, figures, shapes, etc. All mentioned and even more will be illustrated with different and various stories in my game, which will be created for PCs, as well as an Android/iOS smartphones. Basic level cognitive scenarios will be included while more advanced features will be available for additional charge. Special promotions will be offered to monthly subscribers.

Besides that, add-ons with interesting content for kids (useful sweets, toys, cognitive events, etc.) and other in-app purchases will be available to create additional income.

Of course, there are a lots of different games already, which teach kids shapes, figures, animals, colors, how to sort the garbage, but it will all be together in the game created by me. In addition to garbage sorting, my product will present such scenarios that will illustrate what may be caused by a human-contaminated environment. For instance, a pigeon considers a chewing gum thrown into the street as food and dies. With psychologists I have worked, and I am still working on a lot of stories and scenarios that can compete with other similar games.

Additionally, in my application, there will be scenarios that contain not only environmental issues, as well as various socially active topics and events. For example, for crippled children illustrated animals and birds will be crippled as well, for visually impired children objects and labels will be illustrated with larger letters and pictures, visual prompts will be displayed for children with autism to engage them in making a choices. This type of scenarios will help children with SEND for adaptation to the environment.

I have enough experience, knowledge and relevant qualifications to deal with such an immense problems.

2 Business details

Company name:

Edu Care

Address:

Kekelidze str. 17

Telephone number:

+995 555 23 23 67

Legal status:

Start Up

The business will:

Help educators to take care of the development of children since their childhood to become rightful members of society. The business will promote the evolution of accurate self-consciousness for children at the age of 3-7, when the child's cognitive skills are actively developed.

3 Key personnel

Details of owner(s):

Name: **Irakli Svanidze**

Position/main responsibilities:

Owner/Building and nurturing a strong team by selecting appropriate and competent members. Developing a business plan. Managing resources.

Experience and knowledge of our industry:

- IT Project Manager of international team of developers
- Web developer in three different companies
- The leader of the volunteers in Special Olympics Georgia
- Freelancer Java developer

Previous employment:

- IT Project Manager

Key skills brought to the business:

- Creativity, good communication and negotiation skills, strategic planning and time management.

Business experience and any training undertaken:

- Have been managing my own company Caucasus IT Service Group for one and a half years. The business covered computer hardware insurance and software support for up to 100 companies.
- "Introduction to Project Management" online courses

Academic/professional qualifications:

- Bachelor's and Master's Degrees of Informatics and System Engineering

- Experienced IT and Web Project Manager

- Junior Content Manager

Most recent salary €: 500

Other key personnel (including shareholders):

Name(s): Tea Gamrekelashvili

Position/main responsibilities:

- Programmer / Developing mobile and desktop application. Creating stories based on real-life events

Experience and knowledge of our industry:

European Voluntary Service, Erasmus +

Previous employment:

- N/A

Key skills brought to the business:

Excellent communication and organizational/managerial skills (organizational, prioritization and leadership skills).

Business experience and any training undertaken: Erasmus + Exchange Training for ex-EVS volunteers.

Academic /professional qualifications: Pursuing B.S. in Electrical Engineering, prize-winning places in USAYPT (young physics tournament), tournament of Explory in Poland, millennium innovations award and chain reaction.

Most recent salary/salaries €: N/A

4 The business idea

Sum up your business idea:

Our company, Edu Care, is developing an educative and cognitive game to prevent as many children as possible from wasting their time by playing meaningless games. Instead of that, they will develop their cognitive skills with joy and subconsciously learn taking care of the environment as well as facilitate adoption to it.

We are offering all-in-one solution to educators and parents, who pay money for different types of books so that children learn colours, animals, figures, shapes, etc. All above mentioned and even more will be illustrated with different and various stories in our game, which will be created for both desktop computers and Android/iOS smartphones. And, in addition, our product helps educators to reduce the effort made for helping children learn taking care of the environment.

We have already worked on a lot of different scenarios and stories with psychologists, that are based on real life events and help children for adaption to the environment.

4 The business idea

5 Business goals

What do you want to achieve in your first year of business?

- 20% of Georgian psychologists, 30% of Georgian kindergartens and educational institutions, 20% of Georgian babysitters and educators are using our product

- To reach the BEP

- Having at least 5 senior developers, 2 senior graphic designers and 2 professional psychologists

- Coverage of Tbilisi and the biggest cities of Georgia: Batumi, Kutaisi, Zugdidi, Telavi

- 16 K + Downloads & Followers in Social Media

- 40 000 Euro Turnover

- 50 launched scenarios

Where do you see your business in 3-5 years' time?

3-5 years from now, we see our business as the most favourite game for children, which will still be steadily helping them improving their cognitive skills, becoming more and more aware of the importance of environmental pollution and growing into rightful members of society.

35% of Georgian psychologists, 50% of Georgian kindergartens and educational institutions, 40% of Georgian babysitters and educators will be using my product for the development of their children. The business will go beyond Georgia and will have additional 150 000 users from neighbour and European countries. The total number of users will be up to 180 000.

Will have a cooperation with Georgia Ministry of Education and Science, Ministry of Culture and other international organizations.

- 180 K + Downloads

- 150 K + Followers in Social Media

- 450 000 Euro Turnover

- Coverage of Georgia as well as some of neighbour and European countries

- 100 + launched scenarios and new features

6 What the business does

Product/service	Features	Benefits
• Garbage Sorting	• Sort garbage with four different types	• Learn garbage sorting. Learn taking care of the environment
• Cognitive development	• Colours, shapes, figures, letters, categorisation of different objects, identifying different noises	• Learn colours, noises, calculation and counting, alphabet, improve smart thinking
• Figures learning	• Counted figures, numbers, points	• Learn counting, numbers, improve math. skills
• Flora/Fauna	• Animals/Plants illustration	• Strengthen the love of Flora & Fauna
• Scenarios based on real life events	• Backgrounds of house, street, school, kindergarten, yard, etc.	• Easy adaption to the environment
• Gender/social/religion equality	• Illustrate different characters of different origin, gender and religion	• Become tolerant and liberal
• Social behaviour	• Illustrate daily actions such as crossing the street, preventing from touching dirty objects, etc. Play with everyday items	• Increase self-awareness
• Geography	• Guess games about countries and capitals	• Learn geography
• Identify noises	• Bird singing, a car horn, running water sound, etc.	• Understand how sounds relate to objects in everyday environment

7 What makes the business different

Your product/service is unique or different compared with the competition because:

- Unique and competitive scenarios

- Special scenarios for kids with SEND

- Combined topics (Taking care of the environment & cognitive development, social behaviour, tolerance, social equality, adoption to the environment)

- Children friendly objects and characters

- Georgian interface

- Sending prizes to winner children by international delivery services

- Promoting educators to award their children with candies or chocolate for reaching certain points

- Children learn Geography by learning Countries and capitals

- All educators, parents, psychologists, educational institutions, babysitters, kindergartens, elementary schools are our online partners

- School directors and all stakeholders who promote our product will get special discounts and benefits

8 Legal requirements

The legal and insurance requirements that apply in your business are:

1. Comply with GDPR (General Data Protection Regulation) and COPPA (Children's Online Privacy Protection Act)

2. Comply with Google Play policies

3. Comply with App Store review guidelines

4. Proper rights for used images

5. Comply restricted content policy

6. Copyright

You will meet your legal and insurance requirements by:

1. Company registration

2. Assignment of Intellectual Property

3. Copyright registration

4. All the used elements including sounds, characters, graphics and special effects will be created by our designers and other team members and will comply with the copyright protection

5. Meeting Google Play & App Store privacy and policy

6. Protect trademarks (Game titles & logos)

7. Comply with Zero-Data Environments (No personal data will be collected)

8. Using In-App Parental Gating (To avoid the legal risks of children attempting to submit unauthorized personal information or make in-app purchases)

9 Market research

Trends in your chosen market are:

1. Apple & Android smartphones/tablets

2. Alphabet games

3. Sorting & Category games

4. The guess games

5. Hide-and-seek games

6. Puzzle games

7. Memory games

How you know this:

1. Statistics from Google Play

2. Statistics from App Store

3. With the number of subscriptions

4. According to Ratings & Reviews

5. According to questionnaires and surveys

10 Profiling customers

The customer groups you will be selling to are:

1. Parents
2. Kindergartens
3. Elementary Schools
4. Babysitters
5. Psychologists
6. Educational/Social institutions
7. Paediatricians
8. Children's Hospitals and Polyclinics

Your customer research has shown what your customers want is:

1. Their children to become more sociable
2. Active kids, who love spending joyful and fruitful time in Kindergartens
3. Educated children with improved self-awareness in different essential issues
4. Children spent joyful and fruitful time with gadgets, while parents or babysitters are completing different home tasks
5. Pediatricians want children to stay calm while making analysis and injections
6. Improve fast learning and smart thinking of their children
7. Application with Georgian interface

How you know this:

1. Online questionnaire and surveys
2. Face to face interviews with parents, educators & psychologists
3. Research in kindergartens, schools & social institutions
4. Phone call research
5. Data analyses and research

Number of customers you expect to win in each group and what they might pay:

Group	Number of customers	Price they might pay per unit
Parents	175 400	2.5€
Babysitters	2 200	2.5€
Psychologists	1 000	2.5€
Elementary schools	500	2.5€
Kindergartens	500	2.5€
Children's Hospitals	200	2.5€
Paediatricians	200	2.5€

11 Profiling competitors

Competitor name	Strengths	Weaknesses
• Learning Games 4 Kids Toddlers (App Store: 22.4 K Downloads)	• Simple to Use, child friendly animations & animals, verity of levels	• Not using family sharing, Purchase needed for all levels
• Preschool & Kindergarten Learning Games (App Store: 21.1 K Downloads)	• High quality animations, great challenges, good puzzle & alphabet, cute graphics and sound effects	• Repetitive scenarios, only two basic levels for free
• Preschool games for toddler 2+ (App Store: 16.9 K Downloads)	• High quality shapes and colours, very scenarios, good puzzles, no adds	• Annoying music, not enough challenges
• Toddler games for 2+ years olds (App Store: 12.7 K Downloads)	• Easy to figure out, soft sounds, correctly chosen answers are said, funny scenarios	• High price, too few scenarios
• 123 learning games for kids 2+ (App Store: 13.2 K Downloads)	• Easy tips for learning how to write numbers, good alphabet learning	• High price
• Kids Sorting Games – Learning for Kids (Google Play: 10 K + Downloads)	• Child friendly objects, colourful scenarios, various levels	• Few scenarios

• My City Cleaning – waste recycle management (Google Play: 10 K + Downloads)	• Good effects, different cleaning activities	• Too many ads, only 7 levels

How you can improve on their offer and/or price(s):

1. Our team members have relevant competences and there is no need for hiring too many workers

2. Variety of scenarios

3. Different levels of challenges

4. Soft sound effects

5. Child friendly shapes

6. Simple instructions for learning

7. Family sharing for application

8. Special scenarios for children with SEND

9. Unique benefits and features, such as awarding children for their high scores by international delivery services

12 Managing market risks

Write down the risks you have identified:

1. Not well defined marketing strategy

2. Political instability

3. New competitor products in gaming market

4. Curency risks

5. Economic sanctions

How will you manage these risks so that they become less of a threat:

1. Completing enthusiastic, proactive and qualified marketing team

2. Conduct consultations with Innovations Center University

3. Viral campaigns, B2B and B2C meetings

4. Bringing media attention to the stage

5. Continuous development of scenarios

13 Pricing

How you can calculate your prices:

- Cross-platform application
- Salaries for the development team
- Advertising
- Software licenses
- Equipment
- Utilities cost
- Administration cost

How your prices compare with the competition:

Product/service	Your price(s)	Range of competitor prices (per unit)
Cognitive game	€ 2.5	€ 2.7 – € 3.5

Reasons for the difference between your price(s) and your competitors' price(s):

- Our team members have relative competences

- Workers in Georgia are cheap

- Own facilities/equipment (For the first two years this project as a start-up will incubated at the Business Incubator of GTU Innovation Centre; Additional information can be found in Start-up Costing Template)

14 Promotion and advertising

How and where will you promote your product/service?

- Sending the game to several publishers
- Advertising on social media platforms (Facebook, Instagram, Twitter)
- Google Ads Universal App Campaigns (UAC)
- Cross-promotion with other games
- Coupon codes
- Leaflets and hackathons
- Promotions for Kindergartens, Elementary Schools and Educational Institutions
- App Store Optimisation (ASO)
- Presentations on Public and Private events (International Earth Day, World Environment Day, Children's day, etc.)
- Promotional events in the streets, public gathering areas with the permission of City hall
- Online promo videos
- Writing a Blog
- Alternative App Stores (Amazon Appstore, Aptoide, ApkMirror, etc.)

Running the business

15 Staff

Role	Total cost	Necessary experience	Specialist skills and/or qualifications
•Programmer	500 €	•Creating mobile and web game applications	• Swift, Java, Objective C, Android/iOS SDK, modern techniques for Android/iOS
•Designer	500 €	•Creating designs for mobile and desktop applications	•Illustrator, Photoshop, Adobe XD, Sketchup, UI/UX
•Psychologist	500 €	•Bachelor's/Master's degree in psychology. experience with human cognition and performance studies	• Knowledgeable of different therapeutic methods. the ability to communicate with children of different ages and from different cultural and socio-economic backgrounds
•Sales & Marketing	500 €	•Experience in planning effective marketing strategies and campaigns. Experience in creating advertising campaigns in digital/social and traditional/offline mediums	• Knowledge of Brand or User Acquisition marketing and advertising, strategic prospecting and demo skills
•Business Analyst	500 €	•Experience in reating a detailed business analysis, outlining problems, opportunities and solutions for a business; Budgeting and forecasting	• Comunnication, problem-solving, critical thinking and presentation skills, good knowledge of analysis techniques
•Product Manager	500 €	•Experience in assessesing market competition by comparing the company's product to competitors' products; Developing product lines and appraising new ideas	• Solid understanding of "street statistics", managing time, how to delegate, public spearking and collaboration skills

16 Premises

	Cost
Premises required at start-up: Hubs, power, equipment	Covered by GTU
Premises required in the future (if different): Office, utilities	15 000 € (Annual Cost)
Equipment and other facilities	50 000 € (One-time cost)
Legal cost: Company registration, Copyright	1 000 € (One-time cost)
Domain and social network activity costs	15 000 € (Annual Cost)

17 Suppliers

Your key suppliers and their credit terms:

Supplier	What you'll buy from them	Number of days' credit
• GTU	• Working Space, facilities	• 2 Year
• GITA	• Spaces and facilities	• 1 Year
• App Store	• Application publishing interface	• Annual
• Google Play market	• Application publishing interface	• Annual
• Tbilisi City Innovation Hub - Spark	• Facilities and trainings	• Annual

18 Equipment

Resource	When	How funded	Cost € per unit
• Apple Mac	• At the start	• My own & GTU	0 €
• Apple Developer year subscription	• From beginning	• Start-up budget	100 € (Annually)
• X code	• From beginning	• Start-up budget	0 €
• Photoshop/ Illustrator	• At the start	• Start-up budget	560 € (Annually)
• Office at GTU innovation incubator	• Before launch	• GTU	0 €

19 Managing operational risks

Risk	Solution
Staff • Conflict between staff members • Head hunting • Healthy problem • Inability of team members	• Good team leadership/membership. Developing a Codex of charter, which will have the equal value/rights for staff and management • Motivation, high quality environment • Corporate social responsibility • Health insurance • Trainings/Masterclasses
Suppliers • GTU rejection • Non-reliable third party services • Conventional accidents/events	• Good results • Contracts • Property and Business Inventory Insurance

Finance

The finance section of this template is intended for business planning purposes only. If financial tables are to be used for any purpose other than internal financial management, we strongly recommend you consult an accountant or tax advisor.

Click on the links below to access a range of Microsoft Excel work sheets to input your figures, Microsoft Excel will automatically update the totals for you. (If you do not have access to Microsoft Excel you can save the files on to your PC. You can then use Open Source Software such as Google Docs or OpenOffice to access the information by uploading the files into this software. We have provided Open Document Format versions of the tables in this section as well.)

Please note that all tables can be customised and additional rows and categories can be added.

If you need to print out this business plan and the associated tables (once you have completed them) e.g. to show your accountant or your bank, place the tables behind the next pages in this template.

You can find information about Microsoft Excel and accessibility on the Microsoft website.

20 Start-up costs

Calculate how much money you need before you start trading (This helps you to calculate the costs of starting your new business.)

Download the start up costs table in Microsoft Excel format (XLS, 44 KB)

Download the start up costs table in Open Document format (ODS, 17 KB)

Personal survival budget:

Estimated annual personal expenditure (This helps you work out the minimum amount you need to earn from your business in the first year and how much money you might need to borrow to start the business.)

Download the personal survival budget table in Microsoft Excel format (XLS, 44 KB)

Download the personal survival budget table in Open Document format (ODS, 18 KB)

21 Profit and loss forecast (Use the tabs within the Microsoft Excel work sheet to view the second year and third year forecast templates. The profit and loss forecast is more detailed at the start because you should have a clearer idea of your profit and loss expectations.)

Please note:

- Where the business holds and sells stock this cost should be included in direct costs. It is calculated as: opening stock + purchases - closing stock.

- If you are VAT registered all sales and costs records should be entered excluding VAT. If you are not VAT registered then you will need to include VAT in your costs where it is charged. For information about VAT, VAT threshold, VAT schemes and turnover threshold, please visit the HMRC website: VAT rates, thresholds, fuel scale charges, exchange rates.

Download the profit and loss forecast table in Microsoft Excel format (XLS, 61 KB)

Download the profit and loss forecast table in Open Document format (ODS, 32 KB)

22 Sourcing finance

Total borrowing requirement for the business (This helps you to understand how much money you will need to find in order to close the gap between your start-up costs as well as the costs of operating before your business will make a profit, and the money that you have available to put into the business yourself.)

Download the sourcing finance table in Microsoft Excel format (XLS, 46 KB)

Download the sourcing finance table in Open Document format (ODS, 15 KB)

23 Managing financial risks

The risks that you have identified for your financial forecast are:

1. Not well defined price

2. Financial instability (Currency risks, inflation)

3. Decrease of GDP

4. Unexpected price changes

How you will minimise their impact:

1. Non-value added cost

2. Economic forecasts based on domestic surveys/researches

3. Economic forecasts of International Financial Institution

4. Long-term contracts

24 Cash flow forecast (Use the tabs within the Microsoft Excel work sheet to view the second 6 months and summary)

You only need to complete the VAT line in the cash flow forecast if you are VAT registered. For information about VAT, VAT threshold, VAT schemes and turnover threshold, please visit the HMRC website: VAT rates, thresholds, fuel scale charges, exchange rates

Please note that if you are VAT registered all sales and costs records should be entered excluding VAT. If you are not VAT registered then you will need to include VAT in your costs where it is charged.

Download the cash flow forecast table in Microsoft Excel format (XLS, 64 KB)

Download the cash flow forecast table in Open Document format (ODS, 34 KB)

Start-up Costing for Edu Care - First Year

START-UP COSTS	Cost (€)
Registrations	
Business name	€ 100.00
Licenses/Permits	€ 150.00
Domain names	€ 200.00
Trade marks/designs/patents	€ 150.00
Membership fees	€ 100.00
Accountant fees	€ 100.00
Solicitor fees	€ 320.00
Utility connections & bonds (Electricity, gas, water)	GTU
Phone connection	GTU
Internet connection	GTU
Computer software	€ 640.00
Training	GTU
Wages	€ 3,000.00
Insurance	
Building & contents	GTU
Public liability	€ 2,000.00
Product liability	€ 2,000.00
Business assets	€ 1,000.00
Business revenue (VAT)	€ 2,500.00
Printing	GTU
Stationery & office supplies	GTU
Marketing & advertising	€ 3,000.00
Plant & equipment	
Computer equipment	GTU
Fax machine	GTU
Security system	GTU
Office equipment	
Furniture	GTU
Consumable Cost	€ 1,000.00
Total start-up costs	**€ 15,260.00**

Notes:

1. Figures provided above are the finances essential for starting the startup and can't be funded by other additional sources.

2. The estimation fields, which indicate GTU, are assumed as funded by Innovation Center Business Incubator of Georgian Technical University, where a two-year incubation of this business project is planned.