

Find a mentor. Go to college.

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Executive Summary	1
Organization Summary	_3
Market Analysis	.8
Strategy and Implementation	12
Management Summary	16
Financial Plan	_20
Appendices	_24



## **EXECUTIVE SUMMARY**

#### **Problem**

Every year, 440,000 low-income high school seniors who are qualified to go to college do not enroll; 85% of them never even fill out a college application (Hahn and Price, 2008). This is in large part because low-income students face a college application information gap: they have limited access to information about which colleges to apply to, how to complete a college application, what a good application essay looks like, and how to navigate the complicated financial aid process. Low-income high schools are drastically understaffed: one college counselor may serve as many as 740 students. Moreover, less than half of low-income high school students report receiving help from an adult in preparing for college (Ad Council 2006).

Attending college is one of the best ways to advance economically; without the information and guidance necessary to apply to college, many low-income students are deprived of the opportunity to escape poverty.

## Concept

AppSuccess bridges this information and knowledge gap so that low-income students who want to apply to college have the same opportunities as their high-income peers.

AppSuccess is a web-based platform where low-income high school seniors ("Applicants") are matched with undergraduate students at top universities ("Mentors") who serve as volunteer college counselors throughout the course of the student's application process. Using an in-depth curriculum, Mentors will work one-on-one with Applicants on the website to navigate the college application process: where and when to apply, how to write a compelling admissions statement, how to fill out FAFSA—providing the same services for free that currently only privileged students can afford. The entire guidance relationship takes place online, allowing us to overcome geographic and logistical barriers that have impeded the effectiveness of other volunteer guidance organizations (see Figure 1).





#### Mission

AppSuccess provides low-income students who are qualified to go to a four-year college with the means to get there. We eliminate the college application information gap by matching our Applicants with students from top colleges who guide them through the college application and financial aid process via our interactive online platform.

## **Theory of Change**

If we provide low-income students with personalized college application assistance, then they will get into better colleges and have improved life options and opportunities.

## **Management Team**

AppSuccess has five founding members, whose backgrounds span education, computer development, finance, consulting, and nonprofits:

- The CEO was a Teach For America teacher, worked at D.C. Public Schools, and founded a small education organization;
- The CTO is a computer science student and has extensive experience in web development;
- The COO worked at Boston Consulting Group where he advised urban school districts;
- The CAO was a Teach For America teacher and works extensively with the YMCA to develop leadership programs for college students;
- The CFO served for over 20 years as a portfolio manager at Fidelity and Wellington Management Company.

We will hire web developers to help build the website, and will grow our staff commensurate with the growth of our organization. By our sixth year, we plan to have a total of eleven people on staff.

## **Market Analysis**

AppSuccess plans to target the 440,000 low-income students who are qualified to go to college but do not enroll. We will recruit students at Title I schools, which have the largest concentration of low-income students, by reaching out to teachers and staff at those schools. In our first year, we will serve 90 Applicants, and grow to serve over 6,000 by our sixth year.

While there are many organizations that offer college counseling, AppSuccess will be the first to provide *free*, *personalized* college assistance to *low-income* students *anywhere in the country*. This gives us a first-mover advantage, establishing AppSuccess as the main source for college counseling to low-income students.

#### **Financial Plan**

Our model projects that we will be cash-flow positive by our third year of operation. Our expenses will be driven mainly by web-development and personnel costs, and will gradually grow from \$325,000 in year one to \$650,000 in year six as we double our headcount to accommodate increased web traffic and recruitment efforts. We will be financed mainly by grants and individual donations, and will slowly introduce additional revenue streams including advertising and corporate partnership.



## **Operations**

In our first year, we will draw Mentors from three universities, and expand to work with the schools on the U.S. News Top 100 Colleges list by our fifth year. In each university that we work with, we will recruit a Campus Leader—a student leader who will serve to recruit Mentors and serve as a liaison between Mentors and AppSuccess.

AppSuccess headquarters will be based in Cambridge, Massachusetts. Employees will be based out of AppSuccess headquarters, though employees will have the option of working remotely.

## **Incorporation**

AppSuccess will be incorporated as a 501(c)(3) in Massachusetts.

## ORGANIZATION SUMMARY

## **Key Elements for Success**

There are four key elements that AppSuccess needs in order to be successful: qualified Applicants, dedicated Mentors, effective Campus Leaders, and a user-friendly and functional web-based platform (see Figure 2).

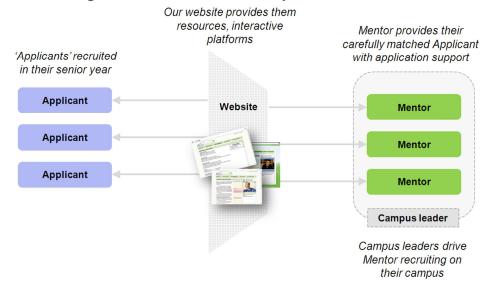


Figure 2 - Interaction between Key Elements of Success

## Qualified Applicants

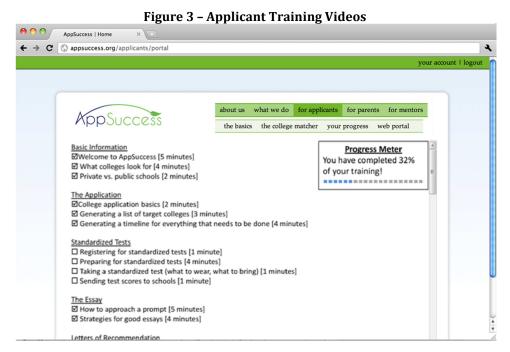
For a high school student to be eligible for AppSuccess, they must meet two criteria: 1) they must be enrolled at a Title I school<sup>1</sup> and 2) they must be college qualified.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Title I schools are those with at least 40% low-income students. Students at Title I schools are twice as likely not to enroll in college as students at non-Title I schools that have taken the same classes (ISAC 2003). Students at Title I schools are not only more likely to come from a low-income family, but are also less likely to have access to a guidance counselor. They are also less likely to see their peers enroll in college, and more likely to decide that going to college "isn't for me."

<sup>&</sup>lt;sup>2</sup> In order to be college qualified, students must 1) have a 2.5 GPA or higher; 2) take the SAT or ACT by November of their senior year (if an Applicant is signing up before having taken the SAT or ACT, they must have already



Applicants sign up for an AppSuccess Mentor during September of their senior year. They will supply basic information about their academics, interests, and career goals, so they can be matched with a Mentor with a similar profile. Before being matched with a Mentor, Applicants will have to watch a series of video tutorials about the basics of applying to and attending college (see Figure 3). This is both to give the Applicant some foundational information as well as to ensure that they are willing to put in the necessary effort to persist throughout the application process. There will be information on the website specifically for parents, so that they can be involved and understand the process that their child will be guided through with AppSuccess.



#### **Dedicated Mentors**

Each Applicant will be matched with a Mentor who has recently gone through the college application process and has successfully gained admission to a top-tier school.<sup>3</sup> Unlike the Applicants, who automatically qualify to be an AppSuccess participant as long as they meet the eligibility requirements, the Mentors will be subject to a rigorous application process. Specifically, we are looking for Mentors who exemplify our three criteria: *responsible* for their work, *respectful* of others, and *relentless* in their commitment to help others.

Mentors will fill out a questionnaire which will gauge their interests and background, similar to the questionnaire that the Applicants complete, in order to facilitate the matching process. They will also go through a series of training videos to ensure that they learn 1) how to navigate the website, 2) the timeline and their responsibilities as Mentors, and 3) the process for helping the Applicants. Mentors will also be trained on the ethics behind helping Applicants, including the difference between helping the Applicant and doing the work for them.

Once recruited and trained, Mentors will be responsible for several tasks, including:

registered to take the November test); and 3) complete a college preparatory curriculum (4 years English, 3 years Math, 3 years Science, 3 years Social Studies, 2 years Foreign Language)

<sup>&</sup>lt;sup>3</sup> During our first five years, we will for the most part accept Mentors from US News' Top 100 schools.



- Helping their Applicant think through which colleges to apply to;
- Advising their Applicant on who to seek out for recommendations;
- Reviewing application essays;
- Navigating the financial aid process;
- Ensuring that their Applicant completes requirements, meets AppSuccess milestones, and submits applications on time; and
- Answering questions, offering general advice, and providing strong encouragement throughout the process.

In total, Mentors will devote 30-40 hours to working with their Applicant during the course of the year.

## Effective Campus Leaders

Campus Leaders are college students that we will select to run the AppSuccess chapter at each university in which we operate. Rather than AppSuccess directly recruiting large numbers of Mentors in each college, we will recruit one or two Campus Leaders, and the Campus Leaders will be responsible for recruiting Mentors at their respective universities.

The ability to recruit effective Campus Leaders will be a top priority for AppSuccess, as the strength of Campus Leaders will drive our supply of Mentors. We will look for four criteria in Campus Leaders: *drive*, *responsibility*, *ability to motivate others*, and *dedication to our mission*. Potential leaders will be required to go through a rigorous selection process, which will include a written application (see Appendix A) and a phone interview.

In addition to recruitment of Mentors, Campus Leaders will also be in charge of communicating regularly with Mentors to ensure that they are on track, communicating with AppSuccess staff members to ensure alignment with AppSuccess curricula, and maintaining a community of Mentors at their university through social events and meet-ups.

#### Web-Based Platform

The interactions between the Applicant and Mentor will take place through AppSuccess's web-based platform. The website will have several important features:

- Applications for both Applicants and Mentor, and a matching algorithm which will pair up the Mentors and Applicants based on their background, interests and hobbies, and career goals;
- Foundational videos for Applicants and their parents;
- Tutorial and training videos for Mentors, which will prepare Mentors to guide their Applicants through the application process, as well as a series of assessments to ensure that Mentors have learned the training materials;
- An interactive platform where Applicants and Mentors can edit simultaneously, chat, and video chat (see Figure 4).

## **Value Proposition**

Our product creates value both to the Applicant and to society.

#### *Value for Applicant*

AppSuccess's primary value proposition is to reduce the cost of achieving education to the Applicant. We do this in three ways:



AppSuccess | Home ← → C ( appsuccess.org/applicants/portal about us what we do for applicants for parents for mentors AppSuccess the basics the college matcher your progress web portal Dave is viewing Duke Essay 1. Maria is viewing Duke Essay 1. ave taken, or ethical dilemma y ou have faced and its Surrounded by thousands of stars, complete illence, and spectacular mountains, I stood atop Nev ampshire's Presidential Range awestruck by nature's eauty, Immediately, I realized that I must dedicate m life to understanding the causes of the universe's beauty In addition, the hike taught me several valuable lessons in adulation, the nike talget me several galaxies lesson hat will allow me to increase my understanding throu cientific research.

Although the first few miles of the hike up Mt. Madison did not offer fantastic views, the vistas became spectacular once I climbed above tree line. Immediately, sensed that understanding the natural world parallels climbing a mountain. To reach my goal of total comprehension of natural phenomena, I realized that I Maria: I made edits to the first Duke Dave: Great, let's take a look! must begin with knowledge that may be uninteresting tself. However, this knowledge will form the foundati of an accurate view of the universe.

Figure 4 - Interactive Platform, Sample Essay Editing

- (1) <u>Reducing information costs</u>: By making information that is relevant for college applications free and accessible for all high school students, AppSuccess allows both students and their parents to learn about the details of applying to, attending, and paying for college;
- (2) <u>Reducing application support costs</u>: By providing low-income students with free college counseling services, AppSuccess gives them an opportunity to compete with their high-income peers who often have adult support and assistance with their applications; and
- (3) <u>Reducing dollar costs</u>: By assisting Applicants to identify and apply for college fee waivers, scholarships, and grants, AppSuccess works to save each Applicant hundreds, if not thousands, of dollars to make college affordable.

In addition, because the end goal of AppSuccess is to get its Applicants into college, we offer our "customers" the added value that comes with a post-secondary education. Studies over the last decade have confirmed that college graduates reap significant benefits over those that stop at high school (College Board). Compared to high school graduates, college graduates:

- Earn nearly \$1 million more over a lifetime;
- Have half the unemployment rate;
- Have one-third the incarceration rate;
- Require \$800-\$2,700 less in social programs each year; and
- Have more educated children.

#### Value for Society

The financial return to society for a program like AppSuccess is substantial. Not only does it provide intangible benefits to the Applicant in the form of increased exposure to diversity of ideas and cultures, but also to society in the form of economic benefit. A first-pass analysis suggests that the net present return on investment in an AppSuccess Applicant is over \$45,000, the bulk of which is derived from the increased income open to college graduates and graduates of higher tier institutions (see Figure 5). We expect this sort of return to attract strong foundation investment, especially after proof-of-concept.



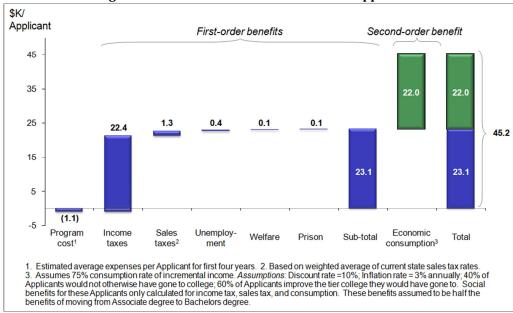


Figure 5 - Social Return of Investment for AppSuccess

## **Measuring Performance**

To ensure high-quality, high-efficiency delivery of AppSuccess services, we expect to track our progress in four critical target areas of performance (see Appendix B):

## **Driving Operational Success for Our Applicants**

Getting students accepted into colleges that match their qualifications is the fundamental goal of our organization. Leading indicators that will allow us to measure this success include the percentage of Applicants "on-track" with curriculum and the portion of available Mentor capacity being used in a given reporting period. Lagging indicators include the percentage of Applicants accepted to at least one college, the percentage of applications that result in acceptances, the number of dollars saved (e.g., via scholarship or application waivers) per Applicant, and the Applicant attrition rate. In addition, we will track growth indicators such as year-on-year growth in number of applications. With time, we will build the capacity to track Applicants post-application, measuring enrollment and matriculation rates, as well as conducting fit surveys to measure the effectiveness of our Mentors to help match Applicants with good fit schools.

## Providing High-Performing Platform Functionality

To provide Mentor services, we must have an operational platform that can handle high levels of Applicant/Mentor traffic. Metrics include the number of unique site hits by our Applicants, results of Quality Control audits, and feedback from Applicants and Mentors.

#### Ensuring High Levels of Customer Service

Our services are only effective if all of our stakeholders are satisfied with how our processes work. To this end, we will regularly survey Applicants, Mentors, and Campus Leaders to gauge satisfaction and solicit their suggestions for continuous improvement.

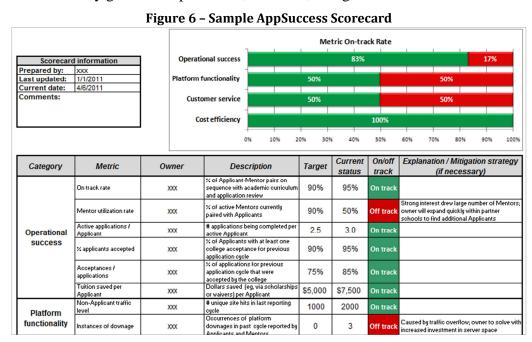
## Sustaining Success While Maintaining Cost-Efficiency

We believe we can deliver superior service at lower costs than private counselors by leveraging volunteers and consolidating the disparate information available on the college process into a concise and navigable framework. To ensure this cost-efficiency, we will measure the number of



dollars spent per Applicant (expecting huge scale advantages over time) and our fundraising ratio.

Together, these four categories of performance will comprise our executive scorecard (see Figure 6) that will holistically guide our operational, financial, and growth decisions.



MARKET ANALYSIS

## **Market for Applicants**

AppSuccess targets low-income students who qualify to attend a four-year college. The students we target are on track to become high school graduates who, without our intervention, either would not apply to college at all or would apply to less selective colleges in which they would not be able to maximize their potential.

The National Center for Education Statistics estimates that 2.9 million students graduated from public high schools in the 2008-09 school year, and 1.2 million of those students did not enroll in a four-year college upon graduation, even though many were college qualified. A Congressional Advisory Panel estimated that 440,000 of those students are college qualified students from low-income backgrounds. (Advisory Committee on Student Financial Assistance, 2002).

In a recent survey of college-qualified non-college-goers, only 15% had even applied to college (Hahn and Price, 2008). This means that of the 440,000 low-income college-qualified high school grads who do not go to college every year, 374,000 never apply to college (see Figure 7).

AppSuccess will reach our target population by focusing on Title I schools, where most of the 440,000 low-income college-qualified non-college-goers go to school. Rather than trying to reach 440,000 individual students spread throughout the country, which would be costly and inefficient, we will instead target the nearly 4,600 high schools that receive Title I funds for educating high proportions of low-income students (National Center for Education Statistics, 2010).



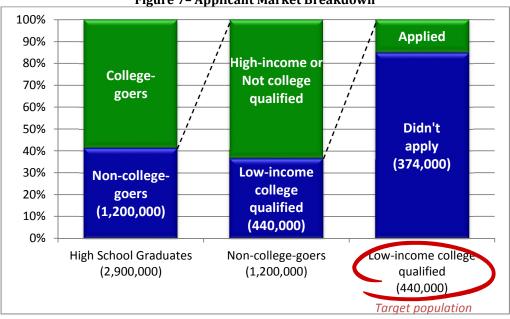


Figure 7- Applicant Market Breakdown

#### **Market for Mentors**

Approximately 3.3 million college students volunteer each year, and the median college student volunteers for more than 50 hours per year. Nearly 32% of students who volunteer work either directly with an organization in education or in youth services, and over 50% of all college volunteers have tutored or mentored youth through some type of organization (Corporation for National and Community Service, 2006).

Logistics, including transportation, is ranked as one of the highest barriers that is keeping college students from volunteering. AppSuccess takes something that college students have already shown interest in—volunteering with children—and lets them do it from the comfort of their own home.

## **Industry Analysis**

The proportion of high school graduates who subsequently enroll in college has risen from 61.5% in 1995 to 70.1% in 2009, and the rate at which that figure grows is increasing quickly (Bureau of Labor Statistics). Additionally, the college admissions process has grown more competitive, prompting an increase in the demand for college counseling services across all student demographics. There are two professions that assist students with their college applications: guidance counselors and college advisors.

#### Guidance Counselors

Guidance counselors work in high schools, and on average spend just 28% of their time on college advising (National Association for College Admission Counseling). In most cases, they cannot meet the growing demand of students who need access to information and mentorship: although the American School Counselor Association recommends a ratio of 100 students to 1 guidance counselor, the guidance counselor to student ratio can be as high as 740 students per counselor in low-income schools (McDonough) (see Figure 8).



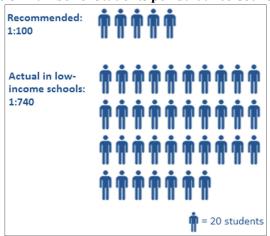


Figure 8 - Number of Students per Guidance Counselors

#### College Advisors

There are over 20,000 college advisors and admission professionals nationwide. Most of these individuals run small, local operations, though some national companies like Kaplan have recently started offering college counseling services for fees. The rapid growth of the private college advising industry is due in large part to the industry's low barriers to entry and a rapidly increasing demand from students (and their parents) seeking to gain an edge in the college admissions process. Within the industry, there is a great deal of diversification in services (standardized test prep, essay writing, etc.) and costs, with fees reaching as high as \$40,000.

The trend of increasing demand for independent college advising will likely continue into the future, as the primary drivers of demand—a growing population of college-aspiring high school graduates and a dearth of overworked in-school college counselors—will remain relevant and pervasive. Importantly, profit incentives steer competitors toward higher-income students, leaving fewer firms to address the needs of low-income students, who are already in greater need of these services. This creates the perfect niche in which AppSuccess can thrive by providing students at Title I schools across the nation with quality college advising at no charge.

The future of the industry will also be affected by a new focus on college admissions for all students on the part of the current presidential administration. At the start of his term, President Obama established a goal that by 2020 the U.S. would lead the world in the proportion of its population made up of college graduates. In support of this goal, the bipartisan Pathways to College Act was proposed, which aims to improve the college-going rates of low-income students. Should this Act become a law, the federal government will disburse funds to organizations that provide information for all students and their families on the college application process, paying for colleges, and preparing for college.

## Competition

Existing competition falls into three categories:

For-profit application coaches (e.g., Ivy Coach, My College Vision, IvyWise, College Bound Mentor). These organizations, while high-quality and highly recognized, offer services primarily for middle- and high-income families. In fact, some top college admissions coaches are known to charge upwards of \$40,000 for their services.



Online application information sites (e.g., MyCollegeCalendar, College Board). These organizations serve a more passive role in application assistance. While offered for free, they are essentially a repository for application information, not an interactive facilitator for application assistance and do little if anything to tailor such assistance to students.

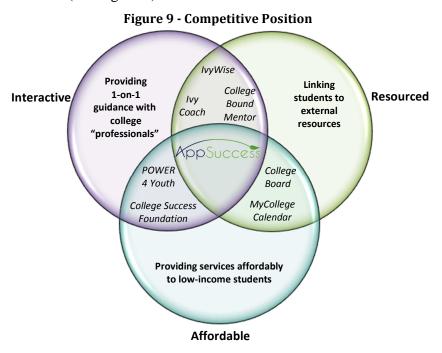
Non-profit local mentoring (e.g., College Success Foundation in DC and Tacoma, POWER 4 Youth in Long Beach, university volunteer programming). General high school mentoring is a highly fragmented industry, including both non-profit and university-run volunteer programming that may differ greatly from city to city. Broadly, these organizations provide holistic one-on-one mentoring services to local low-income students. They are rarely located in rural areas, concentrating heavily on urban public school districts within their immediate vicinity, and tend to be confined to the limited local resources. In addition, they face the logistical difficulties of organizing face-to-face mentoring even locally.

## **Competitive Edge**

AppSuccess offers *free*, *personalized* college assistance to *low-income* students *anywhere in the country*. This places us in a uniquely unoccupied space of college application assistance:

- (1) *Unlike for-profit substitutes*, we are open to and targeted toward low-income students who most need the guidance but cannot afford it;
- (2) *Unlike online information services*, we include a dimension of one-on-one interaction and guidance with college application "professionals" who have recently gone through the process;
- (3) *Unlike non-profit mentoring organizations*, our Mentors will not only focus on college applications, but will be uniquely matched with Applicants based on mutual characteristics of their profiles. In addition, use of the web-based platform will eliminate geographical constraints, making it easier to link the Applicant need with the Mentor supply in both rural and urban areas.

As a result, we will appeal to the target markets of many of our competitors, while offering services superior to each (see Figure 9).



11



## STRATEGY AND IMPLEMENTATION

## **Growth Strategy**

AppSuccess will roll out in four Stages:

Stage 1 (estimated time: 1 year). We will launch the program with 90 Applicants and 90 Mentors. We will recruit Campus Leaders from three colleges—Harvard University, Washington University in St. Louis, and the University of California, Berkeley. The Campus Leaders will be in charge of finding 25-35 Mentors in their school. Mentors will be trained using a curriculum designed specifically to assist the Applicants in the application process. We will partner with a handful of high schools to recruit our first 90 Applicants. Applicants and Mentors will interact using the web-based platform, with a back-end that will allow us to monitor the progress of each Applicant. Throughout Stage 1, we will solicit feedback from all 90 Mentors and Applicants on a bi-weekly basis to make continual improvements to the program based on real-time feedback.

Stage 2 (estimated time: 1 year). We will expand the program to 440 Applicants and 430 Mentors<sup>4</sup> from ten universities. This Stage will require us to find new Campus Leaders, who will drive the increased requirement for Mentors. The website and curriculum will be adjusted and improved in response to feedback gathered in Stage 1.

Stage 3 (estimated time: 2-3 years). We will continue to grow, accepting many more Mentors and Applicants. This Stage will require significantly more resources to support nationwide recruiting. We will need to hire staff to manage the Campus Leaders and the Applicant/Mentor pairs, and ensure that each is fulfilling their obligations.

Stage 4 (estimated time: 2-3 years). We will scale further by creating compatible programs for high school juniors, sophomores, and freshmen, focusing more on college preparation (e.g., taking rigorous classes, participating in extracurricular activities, studying for the SAT and ACT). This will require significant curriculum development, with specific benchmarks and a different set of guidelines for each school year program.

## **Pricing Strategy**

The services that AppSuccess provides will be completely free to its Applicants. Rather than charging our Applicants to cover the costs of the services we provide, we will instead use a sponsorship model, where we will get individual donors to "sponsor" an Applicant to go through our program (see 'Financial Plan' section, page 21 for more detail).

## **Marketing Strategy**

AppSuccess will use two separate marketing campaigns—one targeted at Applicants and one targeted at Mentors. In each, we leverage meaningful relationships and the low costs of technology to reach our target audience.

#### Marketing Campaign for Applicants

During Stage 1 of our growth, we plan to select a handful of high schools nationwide, and foster personal relationships with teachers and staff in those schools, who will help us identify Applicants that would benefit from AppSuccess. Especially in the early phases of implementation, we will work to build relationships with staff members inside schools. These

<sup>&</sup>lt;sup>4</sup> Ten of our best Mentors from the previous year will be allowed to mentor two Applicants.



relationships are critical to ensuring that organizations will continue to promote AppSuccess because their leaders are personally invested in our success.

In Stages 2, 3 and 4, we will begin to recruit more Applicants by reaching out to teachers. Since most teachers belong to some sort of organization (e.g. teachers' unions, Teach for America), it is easy to reach large groups of teachers at low cost by advertising through the organization newsletters. Through Teach for America's 39 regions, for example, we can reach more than 8,000 teachers, most of whom teach in Title I schools. Aside from being relatively easy to reach en mass, teachers also have the most consistent contact with their students, so they are best suited to identify and refer students who can successfully be admitted to college through AppSuccess.

We also plan to reach Applicants through secondary channels beginning in Stage 2, by:

- Encouraging successful alumni to recruit their friends who are still in high school;
- Posting online advertisements on websites that students visit frequently (e.g., Facebook);
- Posting online advertisements on our partners' websites (e.g., College Board, Kaplan);
- Targeting parent, community, guidance counselor, and principal organizations.

## Marketing Campaign for Mentors

We plan to take advantage of college students' insider knowledge of their own campuses by recruiting Campus Leaders. We will train Campus Leaders to find Mentors, walk them through the training process that we have created, and monitor their progress.

As AppSuccess grows, we will leverage our network of local Campus Leaders and Mentors to encourage their friends at other colleges and universities to apply to become Campus Leaders at their own schools. We will also post advertisements on social networking sites like Facebook and send email announcements through campus community service offices.

In addition to training our Campus Leaders on recruitment techniques, we will train Campus Leaders to use other recruitment strategies to draw in Mentors. The list includes:

- Tabling
- Flyers
- Posters
- Table tents
- Teasers (for events)
- T-shirts
- Banners
- School Calendar

- Campus radio announcement
- Campus TV announcement
- Student Newspaper
- Small gifts (e.g., pens)
- Chalking
- Writing on classroom chalkboards
- Announcements at events, meetings, classes
- Facebook ads

## **Securing our Market**

There are three prongs in our strategy to secure our market:

## Establishing First Mover Advantage

By moving first to reach our target of college-qualified high school students who lack access to the college information that they need, we will embed AppSuccess in low-income communities and Title I schools.

## **Building Brand Equity**

By working closely with all Applicants and Mentors during our first two years to maximize our success rate, and by publicizing our ability to get results, we will create a positive reputation for AppSuccess in the communities where we work.



## **Innovating Continuously**

We believe that in order to work towards our mission, we must continually collect and adapt based on feedback from all stakeholders, so that more applicants are able to reach college successfully. By continually innovating, we will experience sustained success that will make our brand equity even stronger.

## **Risk Analysis**

The risks associated with AppSuccess are low, and the mitigation strategies will significantly reduce the likelihood of any of the main risks taking place.

## Risk: Low Mentor Turnout

Maintaining a low Applicant/Mentor ratio will require many Mentors to volunteer their time, especially if Mentor turnover is high. We will tap into existing university community service hubs, reaching out to them a year prior to when we expect to recruit Mentors from them. Other responses to supply shortages include expanding to additional universities and temporarily allowing high-quality Mentors to take on applicants that may not match their own profile.

## Risk: Low-Income Applicants Lack Access to Internet

While 78% of US households had home internet access in 2010, nearly 50% of low-income households reported not having internet access at home, according to a Nielson report. Without access to the internet, low-income students will not be able to use AppSuccess. To mitigate this risk, we intend to focus early recruiting efforts on internet-enabled students, both by advertising online and working through teacher networks to identify internet-enabled students. As we expand, we expect to take advantage of continued growth of internet access, as indicated by the nearly 7% compound annual growth rate in US internet users.

In addition, we will partner early on with internet-capable schools. In 2003, 93% of public schools reported having at least one internet-connected computer in an instructional room, up from 35% a decade earlier. Much of this growth is being experienced by low-income public schools.

#### Risk: Applicant Attrition

Sustaining Applicant attention and commitment over a 6+ month period will be critical. Firstly, as mentioned, we will have leading indicators to identify when these Applicants fall "off-track" of the application timeline before attrition. In addition, we will require all potential Applicants to seek a teacher "sponsor"—an in-school teacher who will vouch for student commitment and provide their own contact information for us to use if we need someone to encourage the Applicant locally.

#### Milestones

AppSuccess plans to pursue several key milestones in the first eight months of operation (see Figure 10).

## **Partner Organizations**

AppSuccess will establish mutually beneficial partnerships with six types of organizations.

#### Mission Partners

AppSuccess will partner with other direct-service college access organizations to share best practices and innovative ideas. For example, we will exchange curriculum ideas with organizations that match applicants and mentors in person, like College Summit and Let's Get



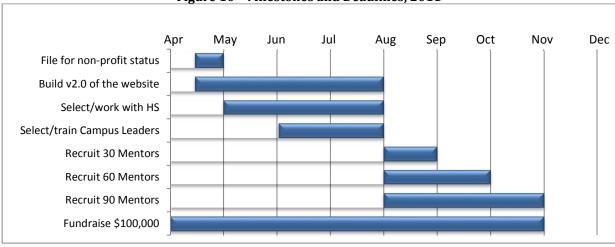


Figure 10 - Milestones and Deadlines, 2011

Ready. With other university-based organizations like Strive for College, we will share strategies for expanding and recruiting mentors. Other potential mission partners include College Bound, Reach for College, and the set of federally organized college access programs that fall within the scope of the TRIO program. We will also join the National College Access Network, an umbrella organization for programs that work to expand college access.

## Information Partners

Several organizations have unique knowledge and resources about specific steps in the college application process. These organizations and AppSuccess can benefit from a mutually beneficial marketing relationship. We will encourage Applicants to use the resources that these organizations produce and in exchange they will guide students to our website. Potential information partners include:

- ACT Inc.
- College Board
- Common App
- Embark

- Fast Web
- Kaplan
- Number2.com
- Princeton Review

#### Advisory Partners

College admissions and financial aid officers are natural partners for AppSuccess because we make it easier for them to access a market that they traditionally struggle to reach. Therefore, we will partner with the American Association of College Registrars and Admissions Officers (AACRAO) and the National Association of Student Financial Aid Administrators (NASFAA). We envision a mutually beneficial partnership in which they encourage their members to market AppSuccess and we guide the Applicants that they send us through the college application process. Furthermore, by reviewing our curriculum these organizations can help us ensure that our Applicants are accepted into college.

#### Local Government Partners

Several states and municipalities have created agencies whose sole purpose is to raise the educational attainment of their jurisdiction (e.g. the City of Philadelphia started Philly Goes 2 College). By encouraging local applicants to use AppSuccess, these organizations can let us help them do their job.



#### **University Partners**

Every university at which AppSuccess establishes a chapter will be a university partner. In exchange for guiding Applicants through the college application process, we provide Mentors at all of our partner universities with the opportunity to learn about low-income populations and to give back to their communities.

## **Applicant Recruitment Partners**

AppSuccess will partner with teacher organizations whose members want to help their students navigate the college application process but do not have time. We will ask these organizations to market AppSuccess to their members. In exchange, we can ensure teachers that any of their college-qualified students who use AppSuccess will have all the help they need in navigating the college application process. Potential recruitment partners include:

- Charter School Networks (Achievement First, Green Dot, KIPP, Uncommon, etc.)
- Teach for America
- Teaching Fellows programs (DC Teaching Fellows, NYC Teaching Fellow, Teach NOLA, etc.)
- Teachers' Unions (American Federation of Teachers, National Education Association)

#### MANAGEMENT SUMMARY

## **Management Team**

AppSuccess's management team is comprised of educators, web developers, and business leaders.

## Miki Litmanovitz, Chief Executive Officer

Miki has worked in education in many capacities: as a Teach For America teacher at a Title I school, as a fundraiser for an education non-profit, as a human capital specialist at D.C. Public Schools, and as founder and director of a small education organization. She brings these experiences, and the skills she has gained with them, to AppSuccess.

Miki started her career in education as an undergrad, when she founded Science Access, a small organization that brought science and engineering majors to middle school classrooms, in order to inspire the students to pursue careers in science and technology. Running Science Access, Miki realized how important access to information is – many of the middle school students had never even seen a science experiment.

After college, Miki joined Teach For America and taught middle school math in San Jose, CA. As a teacher, Miki made teaching her students about college a priority when she heard another teacher tell a student that "they could never be a doctor, because to be a doctor you need to go to college." She partnered with over 50 colleges to develop a college-readiness curriculum for her students. She still worried, however, because she knew that once her students got to high school, they wouldn't have the resources they need to navigate the complicated college application process.

Miki has continued to stay in touch with her students and—thanks to the internet—was able to help some of them work through their college applications from across the country. It was that



experience that prompted the idea for AppSuccess, which would give the same kind of access to students anywhere in the country.

Miki received a B.S. in Aerospace Engineering from California Polytechnic University in San Luis Obispo, and is currently a joint degree student at Harvard Business School and the Harvard Kennedy School of Government.

## Dan Choi, Chief Technology Officer

Dan Choi is a senior at Harvard, where he concentrates in Computer Science and is pursuing a secondary concentration in Economics. These two areas of study complement his entrepreneurial aspirations, which have brought him to the finals of this year's Harvard College i3 Entrepreneurship competition and to the leadership of many other new ventures. In 2010, he founded Fullglass Design, a full service web design and internet consulting firm specializing in content management, search engine optimization, and customized web solutions. Other recent projects include a customizable, online application system in use by student groups on Harvard's campus and a team assignment algorithm utilizing preference-based heuristics and artificial intelligence concepts.

Throughout his high school and college career, Dan has served as a counselor to younger students from mid- to low-income backgrounds, and he recognizes both the pervasiveness of the college information gap and the incredible opportunity for improvement in this space. He is thrilled to be working with AppSuccess, where he will leverage innovative uses of technology to present both Applicants and Mentors with an exciting, intuitive, and worthwhile user experience.

## David Baron, Chief Operating Officer

As COO, David is responsible for day-to-day operations of AppSuccess, including achieving Applicant/Mentor recruiting targets, tracking and driving organizational performance, managing new hires, and overseeing fundraising as necessary.

While David enjoyed mentoring high school students as an undergrad, he first realized his passion for education while working as a consultant at the Boston Consulting Group's Chicago office where he spent a significant amount of time in the education practice group. In particular, David worked closely to advise a small, fledgling educational advocacy organization, Umoja, whose mission was in part to get students to college. While there he was able to see first-hand the social value a small organization can create, and met face-to-face students who wanted to go to college, but struggled to find out how—the very students that would have benefited from the existence of AppSuccess. To help Umoja grow, David worked closely with the CEO to create a performance scorecard and internal feedback system as well as develop a strategy to maximize effectiveness when expanding the program to new partner schools. The organization is now growing and expanding its offerings to additional schools in Chicago.

In addition to working at an organizational level, David has also worked extensively at the district level, having consulted for Cleveland Public Schools' senior leadership team. While there, he helped to design their Academic Transformation Plan as well as their facilities utilization strategy, neither of which had been attempted by the district before. He worked closely with the CEO of school and his team to build a set of decision tools and processes to assess the utility of 100+ public schools. In addition, he benchmarked, researched, and designed the preliminary district-wide education strategies for system-wide reform that are being implemented today. The experience gave him a bird's eye view of the struggles of public education and the shortage of public resources available to today's students.



David received a B.A. in astrophysics and physics from Harvard College, and is currently a joint degree student at Harvard Business School and the Harvard Kennedy School of Government. He will be further pursuing his passion for education this summer as a fellow for Education Pioneers in Washington, D.C.

## David Shepard, Chief Academic Officer

David is the Chief Academic Officer at AppSuccess. He is responsible for creating and maintaining the curriculum and training materials that guide Applicants and Mentors through the college application process and for overseeing AppSuccess' relationship with its university partners.

For two years David taught seventh and eighth grade math through Teach for America at a charter school in West Philadelphia. He became fully aware of the college application information gap when he chaperoned two of his students at a college readiness roundtable hosted by the Office of Mayor Nutter in Philadelphia. A handful of Philadelphia high schools sent their most qualified candidates, yet they knew almost nothing about the college application process. When David arrived in Boston, he struggled on his own to overcome the distance barrier and help his former students begin to prepare for college. He was drawn to the mission of AppSuccess because, for many of his former students, it will provide the only college application assistance that they will get.

David has extensive experience organizing and training college students to lead service programs. As an undergraduate he student-directed a campus branch of the YMCA of Greater St. Louis, where he also served on the board. As Director, David was responsible for implementing the campus YMCA mission "to develop ethical leaders of exemplary character," for an organization with close to 900 student volunteers participating in 25 community service programs led by more than 60 college student leaders. David has continued his work developing college student leaders in his work as a member of the YMCA's Young Adult Advisory Committee. He recently organized the first ever YMCA Leadership Experience, a new YMCA initiative that brings together young leaders from around the country for leadership training.

David received a B.A. in Economics and Urban Studies from Washington University in St. Louis, a M.S. in Urban Education from the University of Pennsylvania, and a certification as a secondary mathematics teacher in the Commonwealth of Pennsylvania. He is currently a student at the Harvard Kennedy School.

## Andrew Offit, Chief Financial Officer

Andy comes to the Kennedy School in pursuit of an 'encore career' in the not-for-profit arena. He is excited to use his financial and business skills to both start and grow enterprises focused in the United States. Working with AppSuccess is the perfect next step in his journey.

Andy spent his entire professional career in the investment management industry. From 1987 through 1996, Andy was a research analyst and portfolio manager at Fidelity Investments in Boston. Duties included primary research and analysis both in health care and retail. Additionally Andy was a portfolio manager for several funds, including Fidelity Select Health Care, Fidelity Convertible Securities and Fidelity Asset Manager.

From 1997 to 2010, Andy was a portfolio manager at Wellington Management Company in Boston. His focus here was primarily in international investing opportunities, including all countries outside the US, both emerging and developed. At Wellington, Andy developed an



expertise in international growth investing, and started the company's first International Growth portfolio. Assets were seeded at \$5 million in 1998 and grew to over \$18 billion.

Through his experience at both Fidelity and Wellington, Andy has seen countless business models in every industry possible, including education and web-based operations. This can only add to the diversified knowledge of his other partners at AppSuccess.

Andy received a BBA in accounting from Emory University, an MBA from the Wharton School at the University of Pennsylvania and is currently pursuing a MPA from the Harvard Kennedy School. He is also a certified public accountant.

#### **Advisors**

The development of AppSuccess has been informed by leaders in the fields of education, web development, and business (see Figure 11). Thought the extensive personal networks of the founding members, AppSuccess has and will continue to rely on the expertise of experts to ensure we remain successful and sustainable.

Figure 11 - AppSuccess Advisors

	Advisor	Experience
	Dick Cayanagh	Professor, Harvard Kennedy School; former Chairman of
Education	Dick Cavanagh	the Educational Testing Service
	Josh Goodman	Education Professor, Harvard Kennedy School
	Brendan Lowe	College Preparation and Leadership Program Director,
Education	brendan Lowe	East Side Settlement House
	Jim McDonald	Assistant Director of Student Financial Services,
	Jiiii WicDonaid	Washington University in St. Louis
	Courtney Bragg	College Counselor, Piper High School
	Matt Haughy	CEO & Founder, MetaFilter
Web Development	Michael Preysman	CEO & Co-Founder, Everlane.com
web Development	Corey Reese	CEO & Co-Founder, Trumpet Technologies
	Joseph Walla	CEO & Co-Founder, HelloFax
	Jill Corcoran	Director of Social Impact, Boston Consulting Group
	Karen Leshner	Founder of Mt. Tam Capital Management; Head of
	Karen Lesiniei	Payne Education Foundation
Business	Tai Sunnanon	Founder, Social Innovator
	Elizabeth Rizza	Partner, Boston Consulting Group
	Deb Salls	Leadership Development Specialist, YMCA
	Todd Krasnow	Chief Marketing Officer of Staples, Inc; HBS 1983

## **Personnel Plan**

Prior to the pilot year, the staff of AppSuccess will consist of the five founding members. These five members will prepare for the launch of AppSuccess, which will involve, among other things, building the website, designing the curriculum, recruiting Campus Leaders and Applicants, and building a brand that is marketable.

Once AppSuccess is launched, we will hire web developers to build and maintain the website. In addition to the web developers, AppSuccess plans to grow by its staff size commensurate with the growth of the organization. Among those hires will be Recruitment Manager(s) to recruit the Campus Leaders and Applicants; Program Manager(s) to oversee the work of the Mentors and Campus Leaders; a Finance Associate who will assist with fundraising, grant writing, and



managing the overall finances; and a Data Analyst who will be dedicated to measuring the effectiveness of AppSuccess and finding ways to improve.

Figure 12 - Personnel Growth

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
New Hires	0.5	_	1.5	1.0	2.0	1.0
Total Staff	5.5	5.5	7.0	8.0	10.0	11.0
Total Payroll (\$)	250,000	250,000	320,000	360,000	440,000	480,000

## FINANCIAL PLAN

There are two key financial criteria to our mission: (1) that the application assistance always be provided free of charge to the Applicants, and (2) that we have a financially sustainable organization by year three of operation. Our projections achieve both of these goals (see Appendix D).

#### Revenues

Total revenues will grow from a base of approximately \$210,000 to over \$940,000 by year six of operation. These gains are a direct benefit of the continued support of our donors and partners, as well as advertising related to the growth of our business. Details by line item as follows:

Grants. Foundations provide a large source of funding to education-related nonprofits: four of the top 10 foundations in the US support education. Many other foundations, like the Citi Foundation and the Lumina Foundation, target funds specifically at activities that promote college access among disadvantaged populations. Grants will be a significant source of funding for AppSuccess in our early years, and as we grow we will rely on them increasingly less. In our first year we expect grants to make up 95% of our revenue. By our sixth year of operation we will have reduced our dependence on grants significantly, down to 30% of our revenue. As we continue to build a reputation and a corps of committed financial supporters we expect annual donations to make up an increasingly larger percentage of our revenue stream. Therefore we plan to apply initially for grants for seed funding from foundations like the Darden Foundation, whose Recipe for Success program offers seed funding to organizations that "impact the educational prospects of underserved youth, ages 14 to 18, by providing them with access to the information and tolls they need to pursue their dreams of higher education." (see Appendix E).

Partnership Revenue. AppSuccess will partner with organizations like CollegeBoard, ACT Inc., Princeton Review, Embark, CommonApp, FastWeb, and other organizations geared toward getting students into college. Our goal is to build relationships and eventually point our students toward their websites.

Donations. We will raise donations primarily through our "Sponsor an Applicant" program. The program enables donors to finance all of AppSuccess's costs associated with supporting an Applicant for \$100 per Applicant. To get long-term buy-in from donors, we will require Applicants to write letters of appreciation to their sponsors. Similar sponsorship programs have proven extremely effective for other organizations because it puts human faces to the donation.

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<sup>&</sup>lt;sup>5</sup> The Bill and Melinda Gates Foundation, the Ford Foundation, the Robert Bosch Foundation, and the Kellogg Foundation.



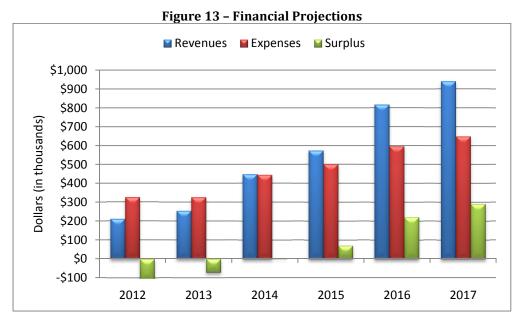
Advertising Revenue. Different from our partnerships, our advertisers will be consumer product companies and related companies that market to young adults. Revenue calculations are based on a standard 'click through' model. We assume our advertisers will pay us an average click through rate of \$0.65, and that our Applicants will click an average of 3 times per month.

## **Expenses**

Our largest expense is personnel, with salaries and benefits estimated to be around \$560,000 during the first two years alone. Note that throughout the six-year projection more than 80% of our expenses are related to personnel, as the hardware/storage, real estate, and miscellaneous costs are minimal.

## **Net Surplus**

Despite a minimal loss in years one and two (that could be financed by guaranteed loans), we will be fiscally sound and self-sustaining thereafter (see Figure 13).



Quarterly Statement of Income

AppSuccess exhibits seasonality in accordance with the college application process. College application deadlines range from mid-November to early February, thus highest activity levels on our site will be in the first and second fiscal quarters, with web design, advertising and promotion and travel expenses weighted toward the first half of the fiscal year (see Appendix D).

Revenues are budgeted to be spread evenly over the fiscal quarters, with the first quarter of 2012 getting a boost from the \$25,000 prize related to the HBS Business Plan Competition.

#### **Annual Statement of Cash Flows**

Our cash flow statement resembles our projected income statement. This is both due to our nonprofit status (we do not pay any taxes and therefore expense all our software development costs as incurred) and due to the web-based nature of our business, meaning that there are few fixed assets that need to be depreciated. On an annual basis, all our revenues and expenses are received and paid for in cash.



In the first two years of operation we are projected to lose approximately \$187,000. This will be financed by debt, raised in advance of incurring the losses and projected to cost approximately 4% on an annual basis (see Appendix F).

Note that we will begin to earn a surplus and generate cash in the third year of operation. Any excess cash generated will be used to repay debt.

#### **Balance Sheet**

Our balance sheet is conservatively positioned. Due to our web-based platform, we have few fixed assets and almost all of our assets are liquid. Debt will peak at \$190,000 by the end of year one, but will be repaid once we begin to earn a surplus. By year six, we are projected to have net cash of over \$400,000 on the balance sheet (see Appendix F).

## Sustainability

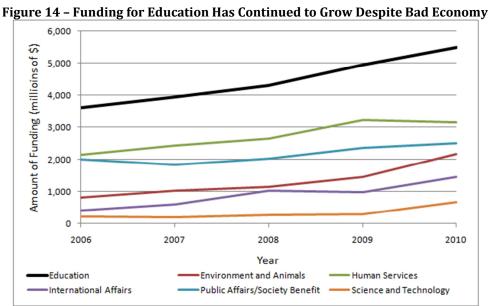
Sustainability is a serious concern for any enterprise, and especially for those in the not-for-profit realm. Through conservative planning, leveraging our partner relationships and exploiting revenue streams collateral to our core business, we hope to ensure this sustainability for AppSuccess. Our financial projections show that we will be cash flow positive by year three of operation. Yet we recognize that without charging for our services, we are dependent on the funding from individual donors and foundations to be sustainable. We plan to address this challenge in several ways.

#### Keeping Operating Costs Low

Aside from the handful of staff we need to run the business and develop the website, our operating costs are extremely low, which allows us to focus less of our time on fundraising and more of our time on creating a better product.

## Keeping Fundraising Goals Conservative

Our financial projections show that we only need to raise about \$200,000 in grants each year to be sustainable. We believe that this is a conservative estimate, since funding for education nonprofits exceed over \$5.5 billion annually in the US alone. Importantly, the economic hardships did not affect funding for education (see Figure 14).





## Developing Other Potential Sources of Revenue

The very nature of our web-based platform lends itself to two potential sources of revenue in the future:

- Data sales: By year six, we will have worked with over 16,500 Applicants and completed tens of thousands of college applications. Using the lessons learned and the data accumulated from these applications, we could compile this information into a workable format to make available to high schools for a fee. Schools, both Title 1 and others, could use this data to help them inform their college counseling, as well as distributing the material to students. Ours would be a classic razor-razor blade model. Due to our technology focus, data accumulation and customization costs would be modest. We could give away the initial data package for free and then charge increasing amounts per school per year for updates. Longer term, we hope to be working with hundreds of Title I high schools (not to mention the thousands of overall high schools in the US), and charging several thousands of dollars annually for updates this could be a dramatic addition to our revenue model.
- Source code sales: Our operational success will be closely tied to the robustness of our web-based platform. The source code that we will develop, which will allow for complex and multi-faceted interactions to take place remotely, could be sold to other non-competing companies. This could include any multi-person, multi-location operation, including SAT preparation, general tutoring, consulting, medical services, etc.

#### **Appendix A - Campus Leader Application**



#### **Campus Leader Application** 2011 - 2012

Applications due Thursday, 5/5 by 2 pm to campusleaders@appsuccess.org.

Name: Expected Year of Graduation: Address:	Major(s):
	State: Zip:
E-mail:	Cell Phone: ()
positions, but do not yet know if you have be	the 2011-2012 school year? (If you are applying for other en accepted, please list them anyway!
WⅢ you be going abroad during the 2011-20	12 school year? If so, which semester?
position, we ask that you submit th	nd why you're interested in the Campus Leader e following three items in addition to this inde your name on the top of all pages. ation page.
	h should be no longer than 1 page single spaced, please osition and how you feel you would do an exceptional ing are:
<ul> <li>Why do you want to become more in</li> <li>Why is AppSuccess personally important</li> </ul>	
<ul> <li>What would be missing if AppSucces</li> <li>How would you change and improve</li> </ul>	AppSuccess?
<ul> <li>How does your involvement in AppS</li> </ul>	occess relate to your life coals?

AppSuccess

Thank you for your interest in being a Campus Leader for AppSuccess!

This is a really unique position that allows for a blend of learning and leadership in a program you're passionate about. Because this is such a big commitment, please take time to read and reflect on the responsibilities as well as the rewards of the Campus Leader experience. You may also find it beneficial to speak with current Campus Leaders or the Chief Academic Officer

	Campus Leader Expectations and Benefits
	neral Program Time Commitments and Responsibilities
	Recruit Mentors
	Retain Mentors
	Mentor appreciation (thank you notes, small gifts, maybe a dinner every semester)
	Manage budget (recruitment, retention, appreciation)
	Transition to new Campus Leader Motivate Mentors and hold them accountable
	Communicate bi-weekly with each Mentor to check progress Set a good example: how to work with an Applicant
×	Set a good example: now to work with an Applicant Collect feedback from Mentors and relay it to CAO
	Troubleshoot with Mentors
	Be accessible to Mentors in case they have any questions
	Relay data between CAO and Mentors
	Fundraise for campus operations?
٠	
00000	Participate in monthly Campus Leader conference calls with AppSuccess. Check in with the Chief Academic Officer bi-weekly Attend AppSuccess awards weekend every spring Check your email regularly and respond to all AppSuccess emails within 48 hours Read the Campus Leader manual Collect and keep accurate statistics for your chapter Turn in statistics to AppSuccess at designated times Participation in general AppSuccess marketing campaigns
	submitting this application, I agree to fulfill all above stated AppSuccess commitments.  pature Date
	gree to let AppSuccess release my name in order for current Campus Leaders to fill out a PL commendation on my behalf (not necessary if you are starting the chapter at your school).

Please contact AppSuccess if you have any questions: campusleaders@appsuccess.org or 617.508.3244.

79 John F. Kennedy Street - Cambridge, MA 02139 - Tel 617-508-3244

3) A list of Activities/Involvement: Please submit a resume detailing past activities you have been involved with. This does not need to be a formal resume, it can be a list of activities that you have been involved with in the past, any leadership positions you held, and skills that you developed in the process that would assist you as a Campus Leader. This should be no longer

than 1 page.

79 John F. Kennedy Street - Cambridge, MA 02139 - Tel 617-508-3244



## **Appendix B - Performance Metrics**

	Metric	Description	Leading/Lagging
	Applicant "on track" rate	% Applicants on or past timeline milestones	Lead
	Mentor utilization rate	% of Mentors with an assigned Applicant	Lead
Drive operational	Active applications / Applicant	Average number of applications / Applicant	Lead
success for our Applicants	% Applicants accepted	% Applicants accepted to at least one college	Lag
	Acceptances / application	% of applications accepted by the college	Lag
	Tuition saved per Applicant	Average \$ saved via financial aid assistance	Lag
Provide high- performing	Non-Applicant traffic level	# unique site hits in last reporting cycle	Lead
platform functionality	Instances of downage	Monthly count of reported websites downages	Lag
Ensure high levels of	Mentor approval rate	Satisfaction level of existing Mentors	Lag
customer service	Applicant approval rate	Satisfaction level of existing Applicants	Lag
	Dollars spent / Applicant	Average total expenditure per Applicant	Lag
Sustain success while maintaining cost-	Fundraising ratio	% of donations devoted to fundraising activity	Lag
efficiency	% non-donation	% of revenue from non- donation sources (e.g. advertising)	Lag



## **Appendix C - Operations Assumptions**

# AppSuccess Operational Metrics 2012-2017

GROWTH STRATEGY	2012	2013	2014	2015	2016	2017
MENTORS						
# Campuses	3	10	25	50	100	100
# Mentors	90	430	1200	2330	4890	6210
APPLICANTS						
Avg. applicants per mentor	1	1.02	1.05	1.08	1.08	1.12
# Applicants	90	440	1260	2520	5280	6960
STAFF (FTE)						
# Computer designers	1.5	1.5	2	2	2	2
# Other employees	4	4	5	6	8	9
Total headcount	5.5	5.5	7	8	10	11
SALARY EXPENSE						
Web designer		60,000				
Other employees		40,000				
ADVERTISING						
price per click through		0.65				
# click thru/member/month		3				



## **Appendix D - Income Statements**

## AppSuccess Projected Quarterly Income Statement Fiscal 2012-2014

		2012-	2013			2013-2	2014	
REVENUES	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Grants	68,750	43,750	43,750	43,750	50,000	50,000	50,000	50,000
Partnership	-	-	-	-	-	-	-	-
Donations	2,250	2,250	2,250	2,250	11,000	11,000	11,000	11,000
Advertising	530	700	530	350	2,570	3,430	2,570	1,720
TOTAL REVENUES	71,530	46,700	46,530	46,350	63,570	64,430	63,570	62,720
EVENICEC	04	03	03	04	04	00	00	0.4
EXPENSES	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Web Design	30,000	30,000	15,000	15,000	30,000	30,000	15,000	15,000
Salaries	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Benefits	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Real Estate	-	-	-	-	-	-	-	-
Travel Expenses	4,500	4,500	1,500	1,500	4,500	4,500	1,500	1,500
Advertising	6,500	6,500	2,000	2,000	6,500	6,500	2,000	2,000
Interest Expense	600	600	1,200	1,200	1,200	1,200	1,200	1,200
Other	3,000	3,000	2,500	2,500	3,000	3,000	2,500	2,500
TOTAL EXPENSES	92,600	92,600	70,200	70,200	93,200	93,200	70,200	70,200
NET SURPLUS	(21,100)	(45,900)	(23,700)	(23,900)	(29,600)	(28,800)	(6,600)	(7,500)

## AppSuccess Projected Annual Income Statement Fiscal 2012-2014

		Fiscal 201	12-2014			
REVEUNES	2012	2013	2014	2015	2016	2017
Grants	200,000	200,000	250,000	250,000	250,000	280,000
Partnership	-	-	55,000	75,000	100,000	150,000
Donations	9,000	44,000	113,400	189,000	343,200	348,000
Advertising	2,100	10,300	29,500	59,000	123,600	162,900
TOTAL REVENUES	211,100	254,300	447,900	573,000	816,800	940,900
EXPENSES	2012	2013	2014	2015	2016	2017
Web Design	90,000	90,000	120,000	120,000	120,000	120,000
Salaries	160,000	160,000	200,000	240,000	320,000	360,000
Benefits	32,000	32,000	40,000	48,000	64,000	72,000
Real Estate	-	-	40,000	40,000	40,000	40,000
Travel Expenses	12,000	12,000	12,000	15,000	15,000	15,000
Advertising	17,000	17,000	17,000	20,000	20,000	25,000
Interest Expense (inc)	3,600	4,800	4,800	3,600	2,000	(2,800)
Other	11,000	11,000	11,000	15,000	15,000	20,000
TOTAL EXPENSES	325,600	326,800	444,800	501,600	596,000	649,200
		<i>,</i>				
NET SURPLUS	(114,500)	(72,500)	3,100	71,400	220,800	291,700



**Appendix E - Potential Grants** 

Туре	Organization	Website
	Braitmeyer Foundation	http://www.braitmayerfoundation.org/
Seed Funding	Citi Foundation	http://www.citigroup.com/citi/foundation/grant_us.htm
	Darden Foundation	http://www.darden.com/commitment/commu nity/grants.asp
	1675 Foundation	www.1675foundation.org
Operational	Citi Foundation	http://www.citigroup.com/citi/foundation/grant_us.htm
Funding	US Bancorp Foundation	http://www.usbank.com/cgi_w/cfm/about/community_relations/grant_guidelines.cfm
Fellowships	Echoing Green	www.echoinggreen.org
renowships	Mind Trust	www.mindtrust.org
	3M Community Giving	http://solutions.3m.com/wps/portal/3M/en_U S/CommunityAffairs/CommunityGiving/
	Ambrose Monell Foundation	http://www.monellvetlesen.org/monell/default .htm
	AT&T Foundation	http://www.att.com/gen/corporate- citizenship?pid=17884
Non-Specific	Deloitte Future Fund	http://www.deloitte.com/view/en_US/us/Abou t/Community-Involvement/signature- issues/future-fund/index.htm
	Freddie Mac Foundation	http://www.freddiemacfoundation.org/grants/applprocess.html
	J.P. Morgan Chase	http://www.jpmorganchase.com/corporate/Corporate-Responsibility/corporate-philanthropy.htm
	Michael and Susan Dell Foundation	http://www.msdf.org/Grants/Grant_Applicatio n/Online_Grant_Proposal.aspx



## **Appendix F - Financial Projections**

## AppSuccess Balance Sheet

Projected at Year End 2011-2016

ASSETS	2011	2012	2013	2014	2015	2016	2017
Cash	20,000	25,500	(49,000)	(45,900)	2,500	163,300	415,000
Pledges receivable	175,000	200,000	200,000	250,000	250,000	250,000	280,000
<b>Current Assets</b>	195,000	225,500	151,000	204,100	252,500	413,300	695,000
Property	5,000	5,000	7,000	7,000	10,000	10,000	10,000
TOTAL ASSETS	200,000	230,500	158,000	211,100	262,500	423,300	705,000
LIABULTIEC	2011	2012	2012	2014	2015	2016	2017
LIABILITIES	2011	2012	2013	2014	2015	2016	2017
LIABILITIES Debt	2011	<b>2012</b> 120,000	<b>2013</b> 120,000	<b>2014</b> 120,000	<b>2015</b> 90,000	<b>2016</b> 50,000	2017
_	_	LL					<b>2017</b> - 25,000
Debt	-	120,000	120,000	120,000	90,000	50,000	-
Debt Contributions	- 25,000	120,000 25,000	120,000 25,000	120,000 25,000	90,000 25,000	50,000 25,000	- 25,000

# AppSuccess Cash Flow Projections Fiscal Years 2011-2017

2013

2014

2015

2016

2017

CASH INFLOW

2011

2012

Beginning Cash	-	20,000	25,500	(49,000)	(45,900)	2,500	163,300
HBS Award	25,000	-	-	-	-	-	-
Debt Incurred	-	120,000	-	-	-	-	-
Operating Surplus	-	-	-	3,100	71,400	220,800	291,700
TOTAL INFLOW	25,000	120,000	-	3,100	71,400	220,800	291,700
CASH OUTFLOW	2011	2012	2013	2014	2015	2016	2017
CASH OUTFLOW Operating Losses	2011	<b>2012</b> 114,500	<b>2013</b> 72,500	2014	2015	2016	2017
_	_	_		2014	<b>2015</b> - 3,000	<b>2016</b> -	2017
Operating Losses	-	114,500	72,500	-	-	<b>2016</b> 60,000	<b>2017</b> - 40,000
Operating Losses Investments	-	114,500 -	72,500	-	- 3,000	-	-
Operating Losses Investments Debt Repaid	- 5,000 -	114,500 - -	72,500 2,000 -	:	3,000 20,000	- - 60,000	- - 40,000



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