



EXECUTIVE SUMMARY

Presented By: Lynn University

It's Your Time.



Homework
Made Easy.



We Teach.

The Client

As stated on its website, "ecree gives students immediate feedback on their writing." However, this high-quality writing tool/app has two very unique **differentiators**: 1. ecree has the ability to be more customizable and personalized in terms of the assessment provided; and 2. (and perhaps most importantly) ecree is not simply "a fixing app" that corrects papers (such as Grammarly), but instead is more of "a teaching app," which develops students and their writing along the way.

The Target Audience

For the purposes of this campaign, **Millennial Moms** and **Generation Z** will serve as the primary and secondary target audiences, respectively.

Millennial Moms: Currently, there are more than 13 million Millennial Moms (age 20-37), spending \$750 billion annually. Eighty-six percent use social media to be an influencer with an average of 3.4 social media accounts. They are early adopters, digital story tellers, obsessed with Instagram, take recommendations from other parents, and believe customization is king. Forty-three percent of Millennial Moms have an average of kids two kids. Additionally, 89% Millennials have active online subscriptions.

Generation Z: There are 65 million Gen Zers, and by 2020 Gen Z will account for 40% of the U.S. population. Gen Zers contribute \$44 billion to the American economy annually. Forty-five percent use Instagram for brand discovery, and 25% have said they spend seven hours a day on their Smartphones.



Opportunities:

When conducting a SWOT Analysis, several trends in the marketplace were revealed:

- Technology being in the classroom
- Growing up with technology—Gen Z
- Distance learning on the rise
- Upward trends in the number of: homeschoolers; those with learning differences; after care attendees; as well as the growing number of underprepared-students

The Mission

The mission is to position ecree for future growth, by changing the business model from B2B to B2C. In order to do this, many factors were taken into consideration, including: market and economic conditions, as well as finances, the industry and competitors.

The Facts

- **Industry:** The EdTech industry is booming, netting more than \$9 billion in 2017 (up 30% from the prior year).
- **Competitors:** The EdTech market is highly-fragmented with market share divided between larger, first-mover players (such as Grammarly) to smaller plug-ins (such as Writer's Workbench). The good news is ecree's perfectly positioned to expand its user base to compete in this marketplace based on the differentiators mentioned above.



Objective 1:

To develop a B2C business strategy

Objective 2:

To create a fully-integrated marketing communications plan to increase brand awareness and recognition, as well as entice trial to increase user base of ecree

Objective 3:

To develop a pricing structure and forecast for future growth

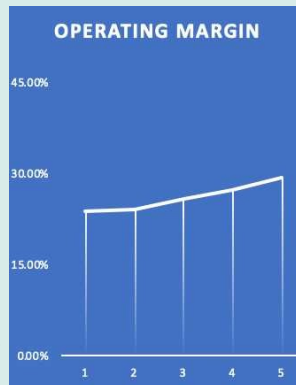
Financial Summary

ecree is in EdTech product category, belonging to the tech and services subdivision of the industry. It includes service-based learning applications, which makes up of 60% of the EdTech market. In 2017, \$9 billion dollars were invested in companies in this industry. The total valuation of more than \$1.4 billion is growing at a CAGR of 9% in the U.S. Five trillion dollars were spent globally in EdTech in 2017. With interest rates at historic lows, there are no signs of a slowdown in investments in this industry. The macro-environment signals are positive for continued growth for ecree.

Within 5 years of operations, ecree will have the possibility of capturing more than 2% of this \$1.4 billion market. With the platform for the business already built and functioning, it allows for a low working capital requirement. ecree has a sale-to-capital ratio of 4.0, \$4 of sales are being generated for every dollar spent. A discount rate of 12% was used, accounting for risk of the business. With the new direct to consumer business model, a monthly price of \$9.99, is competitive. ecree currently has 200,000 enrolled users and accounted for in the financial model. The incoming high school student number is more than 15 million (Statista) in the U.S., the financial model assumes a capture rate of 0.25% year over year for 5 years, while maintaining its current user based with a constant attrition rate of 10%. By the year 2023, the annual revenue for ecree will be \$49 million. The free cash flow would be \$12.5 million under our assumptions, which is a growth rate of 21%.



The financial model is built off of spending assumptions from percentages of revenue provided by the ecree executive team. Fifteen percent of revenues will be spent on maintenance of the platform. Thirty percent of revenues will create infrastructure through sales & business development. Marketing will use 20% of revenues to create brand awareness. For office and administration, continued spending of 10% of revenues will allow ecree to grow.



As the revenue base continues to grow, some of the expense areas will plateau, and others may continue linearly. Sales and business development will remain linear because a growing user base will need increased infrastructure. Marketing and business administration will begin to plateau because increased spending is not necessary. Once a brand name has been established, a smaller percentage of revenue can be applied for continued marketing efforts.

The intrinsic valuation breaks down the margins, as well as affected tax rate. Through the five years of the financial model, the operating margin increases from 23% to 29%. The tax rate used for the model, is the current corporate tax rate of 21% (as an assumption). By 2023, ecree will have the possibility of having an operating income of \$10.5 million.

The Marketing Plan

