

Name: Chuku Daniel
Chizenum
Matric No : 19/ENG07/023
Department: Petroleum
Engineering



David Baron	david.baron@appsuccess.org
Daniel Choi	daniel.choi@appsuccess.org
Miki Litmanovitz	miki.litmanovitz@appsuccess.org
Andrew Offit	andrew.offit@appsuccess.org
David Shepard	david.shepard@appsuccess.org

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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).

Figure 1 - AppSuccess’s Web-Based Platform



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 school¹ and 2) they must be college qualified.²

¹ 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."

² 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.

Figure 3 – Applicant Training Videos



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.³ 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)

³ 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:

Figure 4 – Interactive Platform, Sample Essay Editing



(1) Reducing information costs: 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) Reducing application support costs: 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) Reducing dollar costs: 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.

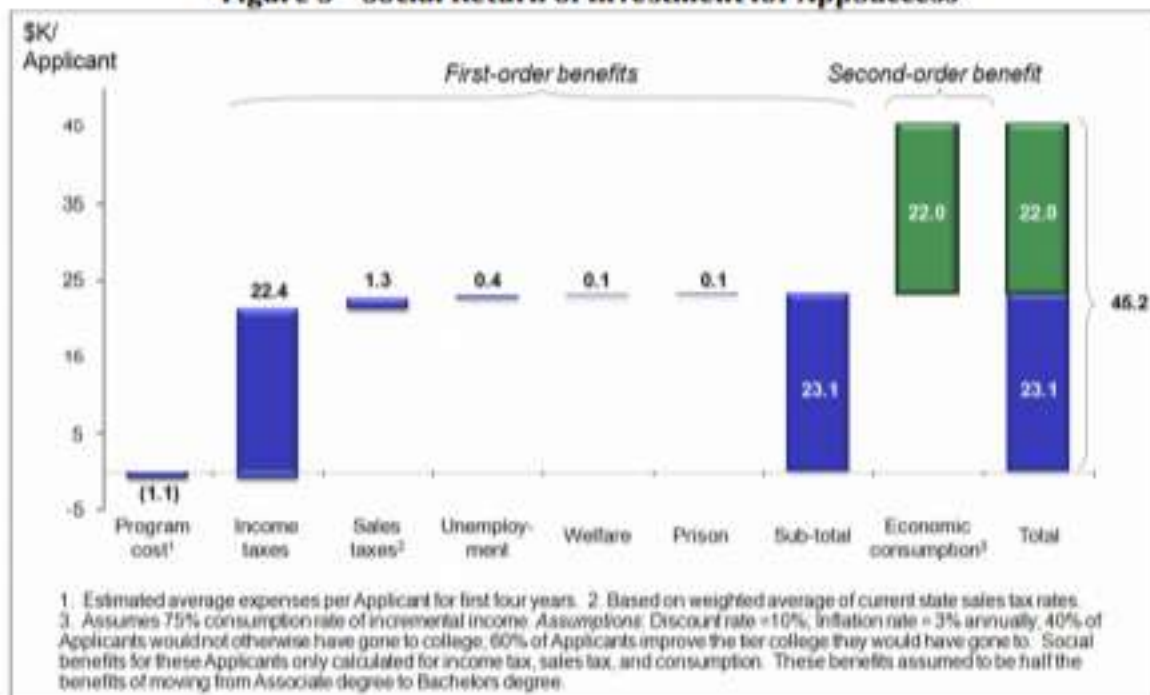
In addition, because the end goal of AppSuccess is to get its Applicants into college, we offer our “customers” the added value that comes with a post-secondary education. Studies over the last decade have confirmed that college graduates reap significant benefits over those that stop at high school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

Figure 6 - Sample AppSuccess Scorecard



MARKET ANALYSIS

Market for Applicants

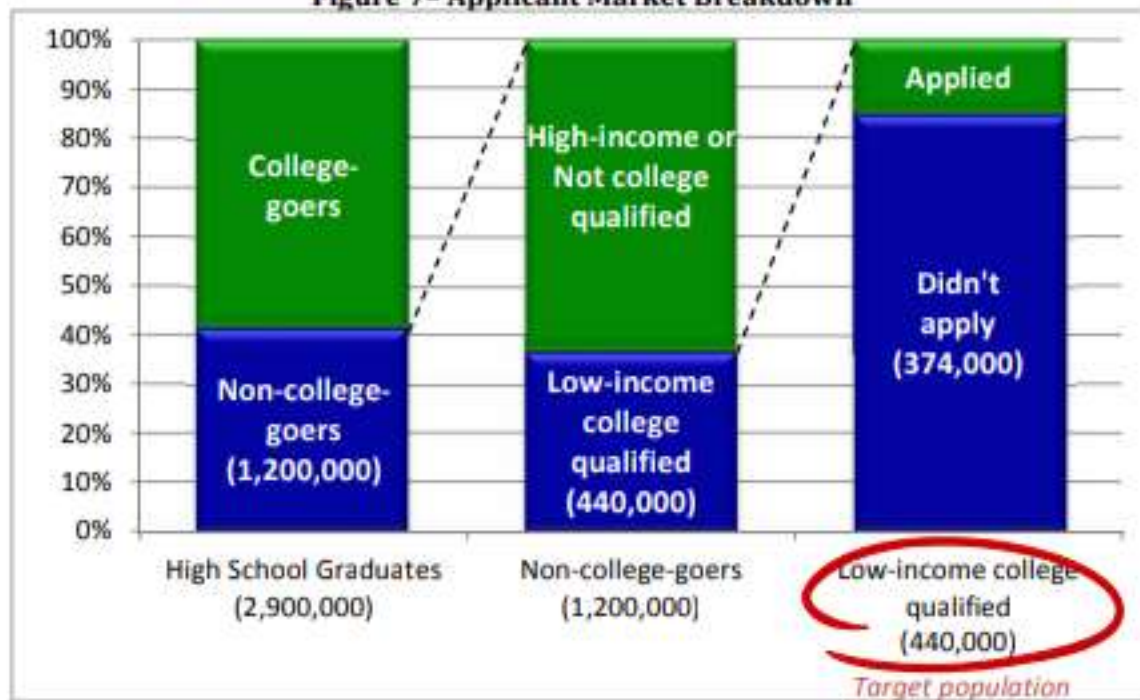
AppSuccess targets low-income students who qualify to attend a four-year college. The students we target are on track to become high school graduates who, without our intervention, either would not apply to college at all or would apply to less selective colleges in which they would not be able to maximize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

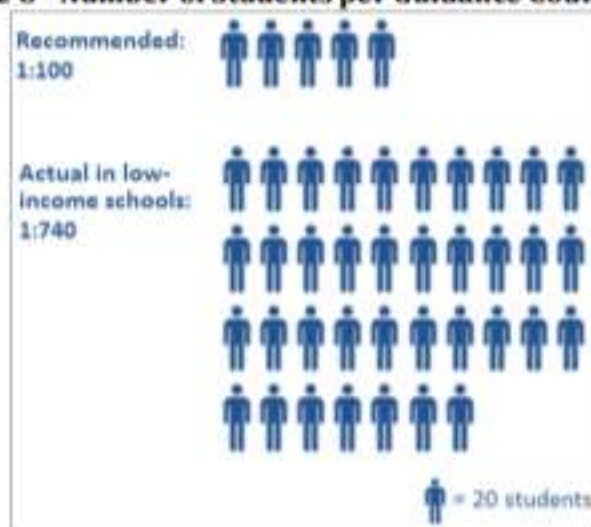
Industry Analysis

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.