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APPSUCCESS BUSINESS PLAN

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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.

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.

ORGANIZATION SUMMARY

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.

MARKET ANALYSIS

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).

STRATEGY AND IMPLEMENTATION

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 Mentors⁴ 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.

MANAGEMENT SUMMARY

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.

FINANCIAL PLAN

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.⁵ 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 tools 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.