

Business Plan for NewDirection

Course Title: Technology Entrepreneurship

Course Number: EMGT 561 / 661

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Term: Fall

Year: 2009

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Report No.:

Type: Student Project

Note:

Company description

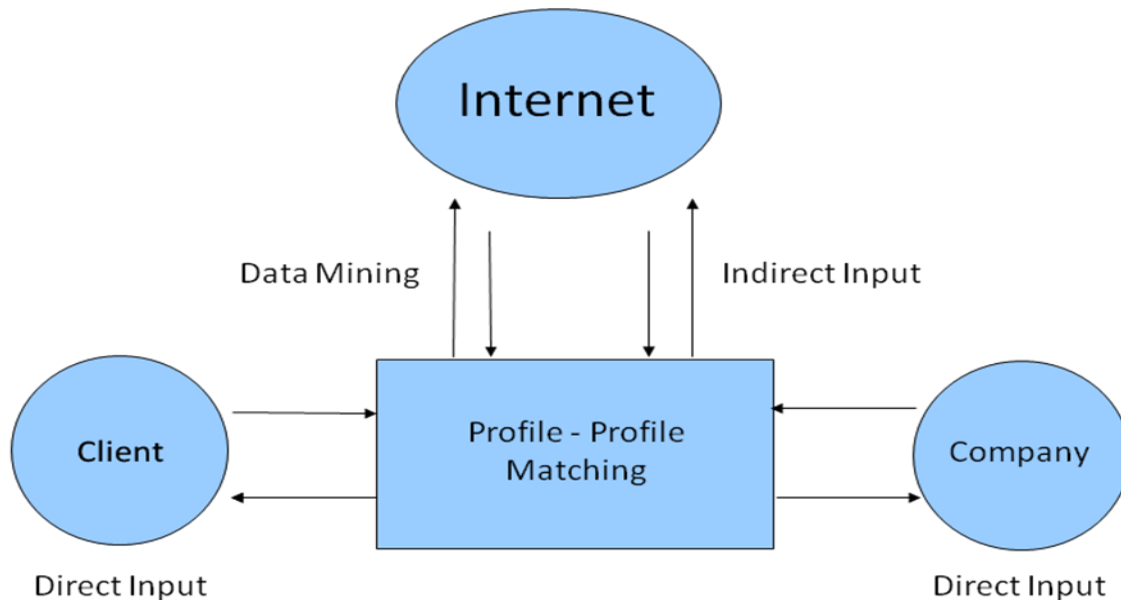
Every year more than 2 million students graduate from universities. However, due to the intense competition in the job market, about 10 percent graduates are unsuccessful in acquiring a job offer within six months of graduation. There are often more inherent constraints and challenges for international students. This is a high waste for both national labor resource and students' personal values. Besides the economic situation, the major reasons for graduate unemployment are they don't know which position fits their ability and they cannot pass either the general interview or the technical interviews. The international students have more difficulty due to language barriers and their lack of knowledge about American company cultures.

NewDirection is the solution. NewDirection offers job matching and interview training services to both local and international students in universities. The company will be founded in January, 2010 in the state of Oregon. NewDirection currently is focusing on helping grads target their best matching positions and equip them with competitive skills in their job hunting. Our vision is to become the market leader in the field of delivering the best start to a graduates future. We all know the line, "it's not what you know, it's who you know." NewDirection is bringing the knowledge back to the job search.

Service description

The service for each client includes two steps: optimal job identification and customized coaching for interview success.

For the first step, what we do is to profile both sides, the positions and our clients, and connect the dots. When students come to NewDirection, we will first use our special job matching system to target their best matching positions according to their background and abilities. This special job matching system has been developed with the HDM model, in which ETM faculty and students show an expertise and we can have sufficient knowledge support. The system also contains a job pool database, which identifies, categorizes, and lists all open positions in the job market. Based on the extensive information we gather from our clients, the system will generate a list of positions which match their abilities and background, so that our client can apply to the right target. The figure below shows how our job matching system works.



After knowing their perfect positions, we will suggest our clients take our trainings, which are designed for students to pass each step of the interview process. The training courses we offer include general interview tips, directed writing skills, and technical interviewing skills (target Top 8 hot career areas). For international students, we a special package including interview languages and U.S. company culture. For each course, there will be a three to four weeks intensive class focusing on transfer the knowledge and skills of successfully passing the each round of interviews. For example, in the technical interview training courses, our expert will analyze the interview questions for each area and coach students the starting points and our unique ways to solve the same types of questions. We will analyze the interview questions each year and create more similar questions for students to practice. The students will get lots of interviewing tips and the expertise of solving technical interview questions after they finish taking our interview training programs. The goal of NewDirection is helping students to find out the right target and equipping them with competitive skills to hit the target.

Market Opportunity Analysis

Customer Demand:

Due to the current economic recession many graduates are unable to find jobs. This is not simply because of the lack of jobs, but inability to find jobs that best match their skill set. So there is a huge gap between the jobs and the students who graduate. So in compiling our market analysis we formulated how the business will react to the market conditions and generate sales to ensure its success. Because of market and economic conditions, this is the best time to start the business.

Market Size:

According to the US census bureau, 2.5 million students graduate every year from United States. Out of these at least 10 to 15% of the students find it difficult to find jobs or unable to find jobs. From the small survey that we conducted we came to know that at least 40% of the people who found jobs were not satisfied with their jobs as the job description did not meet their exact background. This immediate need to find jobs for graduate students provides the market segment for New Direction and help them with job matching and interview training

Total Graduate students in Oregon	200,000
20% cannot find jobs	40,000
Students going to consultancy service (20% of students who cannot find jobs)	8,000
Our potential customers (45% of graduate students like to use our service)	90,000
Total Graduate students in US	2,500,000
20% cannot find jobs	500,000
Students going to consultancy service (20% of students who cannot find jobs)	100,000
Our potential customers (45% of graduate students like to use our service)	900,000

From this table we can see that there is a huge market for NewDirection. Our initial market will comprise of students from Oregon and we will target around 50% of the graduate students who are going to consultancy service now, which will total up to 4,000 students. Then we would like to extend our service throughout US and the market size will be even bigger.

Competitor Analysis:

After doing much of the market study, we have concluded that there are quite a good number of competitors we have to compete with. Our first competitors would be the career center in the universities itself. They provide the same services as us but they do not have efficient job matching software as our company the New Direction. Our next competitors would be the job search websites like Monster.com, Job.com, CareerBuilder etc. Our company would have edge over these websites as they do not provide any kind of technical training, all they do is providing you with list of jobs. But our main competitors would be the consulting companies which more or less fall into the same general category as us because of the services we provide, however there is not very close correlation to our marketing philosophy. These consultancy companies will have some tie ups with various companies and they would give some kind of project to students. The consultancy companies will only help the students to find the jobs whereas our company NewDirection will help students with job matching and give students with interview training skills and gear them up for interviews and

providing them with language and cultural training to get acquainted with American company culture. The other main thing that makes our company more unique than the consultancy companies is that we charge a nominal front pay and charge the students only if they get a job, but the consultancy companies charge a high front pay. Also if the consultancy finds a job for the student and if he/she wants leaves the job during the contract period then the students need to pay a heavy contract breakage fee. This is unlike our company where we do not have any contract period. So this makes our company stand up against all the other competitors.

So we will have a great opportunity to compete against these consulting companies if we provide the services they provide at lower price. Our initial market will be comprised of graduate students, both local and international, in Oregon which will offer a great initial market as there are 200,000 students graduating every year from Oregon.

Marketing strategy

Pricing and profitability:

Pricing strategy for NewDirection is adopting a new payment model, which is charging our student customers only a small amount of front payment when they come to us. The front pay is around \$250. But they need to sign up a contract with us, which allows us to charge 6% to 8% of their first year salary when they find the job. In this way, the students will feel a smaller financial pressure when purchasing our service, which create a good reputation of us among the potential customers. Based on the average salary of people with bachelor degree and above, which is \$71,000 (<http://www.indeed.com/salary/q-Bachelor-Degree-I-United-States.html>), we can earn around \$4,000 per client. The prices are varies from local students and international students, according to the extra service they get. For the job matching subscription service, we will charge the customers \$125 as a half year service subscription; they can always stop the subscription whenever they want.

Selling tactics:

The brand value is our target selling point. The first two to three years, we will be focusing on creating our brand value. Once we capture most of the market around Portland, we will clone our business site in other cities, around which there are many universities.

Advertising and Promotion:

For the advertising and promotion, we have the following ideas.

- 1) Give free seminars within universities.

We will share some of our tips on refine resume; general things need to be aware in interviews; and the importance of looking for the jobs match their ability and backgrounds. On the one hand, we can minimize our cost of advertisement among our potential customers. On the other hand, by exploring some of the tips, which are the core strength of our competitors, we can capture more market from the existing competitors' hand.

- 2) Hire students in universities as marketing interns.

Let them be our contact and connections with each university. We hire them as non-pay interns and volunteers. But we give them working experiences and certificate states their working experiences in our company, which will enrich their resume and benefit them for their future job hunting. Having students intern in university will create mouth to mouth value of NewDirection. Moreover, the students know more about their school than us, they can help us with arranging events in their universities.

3) Old customers and student interns get paid by each customer they successfully refer to us. The reference fee is around \$50 to \$100 per customer. By giving the incentive, we believe our customers will grow fast.

Scaling and growing:

Our market grow plan is from Oregon to nationwide, from students to companies. NewDirection has three growing phase. Initially, Oregon schools are our pilot customers. We use spider network technology to do the data mining for positions and preliminary profiles. Once we attract sufficient graduates in Oregon, we will approach schools in surrounding regions. Also, the target customer will be expanded from merely students to companies, who are looking for new employees. We noticed that companies spent large amount of efforts on looking for new employee to fit their openings. If we can cooperate with those companies, we can benefit for both student side and company side, by supplying them proper positions and right employee. The final step is to take the model on the road: franchise our business in different states or even international countries.

Management Team

President: Michael Getman

Michael must maintain the overall view and direction of the company within the market. All directors will report to this position. This person requires foresight for deviations in the business model, market landscape, direction, and pillars by which the company is upheld.

Director – Marketing/Sales: Subasis Samal

Subasis will develop NewDirection's message & positioning to the customer through a strong understanding of their needs, the competition's position, and their core principles. This role will be the primary “face” of the company.

Director – Technology: Preetham D.S

The Director of Technology must customize the development of the decision modeling algorithm that we entrust in finding the best fit between each customer and career paths and job opportunities. Secondly, the DT will also maintain the method and success of the job finding and correlation to customer.

Director – Financing: Yulianto

The initial key role this person will play is to develop and maintain the policy of payments and guarantee for our customer. As the source of income is managed, to best serve the survival of our corporate stabilization and growth the DF will negotiate any and all operating

costs. The Director of Marketing/Sales will play an integral role in the development of the financing plan because of their knowledge of the customer.

Director – Operations: Jiting Yang

The day-to-day management of the company will land primarily on the Director of Operations. This role is paramount to the second arm of our service, the customer preparation for job acquisition. Finding the best personnel to coach our customers through the interview process will be the integral component to achieve our goal, helping every graduate find their unique career path.

Financial Plan

NewDirection is anticipating \$750,000 of seed funding for our corporate funding, prototype development of our software design (Jan 2010 – May 2010), and software development. From year 2013, we look to expand into other states as the Oregon pilot program grows as anticipated.

The company will reach its breakeven point in Year 2 (2011) as shown in the projected cash flow and income statement and breakeven graph. The revenues of NewDirection will be 14 Million approximately around at the end of year 5. The after tax net earnings after the end of year 5 (2014) will be 6.8 Million.

