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TITLE: ASQUALA ONLINE ELEMENTARY TUTORING  
PLATFORM

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# **1. Executive summary**

"Asqala" is an innovative online tutoring platform targeting elementary school students, providing personalised and interactive tutoring sessions in core subjects. Our mission is to empower students to excel academically and foster a love for learning. This business plan outlines our strategy, market analysis, operational framework, and financial plan for the successful launch and growth of Asqala.

## **1.1 Objectives:**

- Provide comprehensive and engaging online tutoring experiences for elementary students.
- Improve students' academic performance in core subjects.
- Promote personalised learning and individualised attention through small-group sessions.
- Expand the user base and become a leading online tutoring platform in the elementary education market.
- Establish partnerships with schools and educational institutions to enhance reach.

## **1.2 Vision:**

To revolutionise elementary students' learning by leveraging technology and qualified tutors to create an interactive and enjoyable tutoring experience.

## **1.3 Market Analysis**

### **1.3.1 Target Market:**

Our primary target market consists of elementary school students (grades 1-5) and their parents. Initially, we will focus on urban and suburban areas in the domestic market with a high concentration of schools and internet connectivity.

### **1.3.2 Market Size and Potential:**

According to UNICEF (<https://www.unicef.org/ethiopia/learning-and-development>), the net enrollment rate of primary school children in Ethiopia almost tripled between 2000 and 2016. The increasing number of primary school enrolling students and emphasis on academic performance and the rise of remote learning have significantly increased the demand for online tutoring services.

### 1.3.3 Competitive Analysis:

While online tutoring platforms exist for various student levels, the market for elementary students remains relatively untapped. Existing platforms lack specialised content and interactive features designed specifically for young learners. However, potential competitors may emerge, necessitating a continuous focus on innovation and quality.

## **2. The business**

### 2.1 History of the business

Asqala was founded in 2023 by a team of education and technology enthusiasts who recognized the need for high-quality online tutoring services tailored specifically for elementary students. The founders that live in Addis Ababa, Ethiopia have noticed the great and growing demand that parents of mostly primary school students have shown in hiring a personal tutor for their children so that they can excel their education.

The reason the founders were able to come up with this project idea was because they were at the time undertaking their bachelors education at AAU and had noticed that several of their peers were working as part time tutors to earn a little extra pocket cash and this method worked for a lot of their peers meaning there is a lot of demand for tutors. Further exploring this avenue, they have come to find out that the reason for this is that parents, for the most part, have not had either the time or the academic competence to look after the academic performance of their children. This gave birth to the brewing of the idea for this project.

### 2.2 Form of Business:

Asqala will be registered as a Limited Liability Company (LLC). which is a form of partnership among the initial five members. This way we can provide liability protection for the founders and enable future growth and funding opportunities.

### **3. Funding requirement**

#### **3.1 Fixed Capital Requirement:**

The fixed capital requirement includes technology infrastructure, curriculum development, platform development, and initial marketing expenses. Given the volatile nature of the market and lack of the exact needs and availability of the fixed capital for this business in Ethiopia, giving the exact amount needed is a near impossible task. Nevertheless the ballpark estimate is a total of 1,300,000. The details of the prices is listed below.

- **Software development:** taking into account the tools and additional softwares needed to finish making the software and finally deploy it, it would take in the range of around ETB 600,000 to ETB 850,000. (725,000 on average)
- **Hardware:** having considered a comfortable working area for the developers in regard to devices, such as wifi router, computers and the like, around ETB 500,000 is needed.

#### **3.2 Working Capital Requirement**

The working capital requirement covers ongoing operational expenses such as tutor salaries, marketing costs, platform maintenance, and administrative overheads. The estimated working capital requirement is ETB 1,160,000.

- **Staffing:** The staff has mainly two categories. The experts that are building the product and the management team managing them. The experts are the software developers and the curriculum designers which should need about ETB 240,000 per month.
- **Marketing and advertising:** There will be direct advertising of the product by going to schools and demonstrating to the school and the parents, by using multiple types of media outlets such as social media or mainstream media. This should take about ETB 1.2 million.
- **Office space:** A suitable area of working at the centre of the city is needed. A rental cost for a small office of around ETB 60,000 per month, which is ETB 720,000 annually.
- **Legal fees and other costs:** There may be other costs associated with starting an online tutoring platform, such as legal fees, accounting fees, and insurance. Businesses should budget for these costs when estimating their fixed capital requirement. This would take up to ETB 200,000 a year.

### **3.3 Debt vs. Equity Requirement**

Asqala plans to fund the business through a combination of equity and debt financing. The specific allocation between debt and equity will depend on investor interest and funding opportunities. The estimated debt and equity requirements will be determined during the fundraising process.

## **4. Product and Service Offering**

### **4.1 Tutoring Sessions**

Asqala will provide personalised, live tutoring sessions in core subjects such as Mathematics, English Language Arts, Science, and Social Studies. These sessions will be conducted in small groups, enabling tutors to provide individualised attention.

### **4.2 Tutoring Staff:**

Asqala will recruit experienced and qualified tutors with expertise in elementary education. Tutors will undergo a rigorous selection process, including background checks, and receive continuous professional development to enhance their teaching skills.

### **4.3 Technology Platform:**

Our online tutoring platform will incorporate user-friendly features such as video conferencing, a virtual whiteboard, screen sharing, chat functionality, and a centralised content management system. This platform will provide a seamless and interactive learning experience for students and tutors.

### **4.4 Study resources**

Study resources that address particular subjects in a manner that is preferable in light of studies and research. These resources put a lot of emphasis on ensuring that students fully understand and comprehend the foundations so that anything that follows or expands on those ideas will be simple for them to handle.

### **4.5 Knowledge evaluation checks**

There will be interactive questions in addition to the delivery of these materials that will be utilised to assess the performance of the students. These inquiries will be designed in such a way as to cover every subject entirely and ensure that the target (student) has a firm understanding of the essential ideas. Offering students ready-made flashcards on the topics

they need to know about is one technique to help them assimilate what they have learned and commit it to their long-term memory.

#### **4.6 Mock exams**

There will also be mock tests, which will be designed to make the real exams they take in school seem simple to complete while yet resembling the ones that are given in schools. These tests will be timed and designed to reduce the possibility of students cheating. Additionally, we will put in place a system whereby students submit their actual school exams to our company from all over the country. This system helps to ensure that the mock exams are as similar to the real exams as possible in terms of the format of the questions and the focus areas.

#### **4.7 Study groups and socialising sessions**

There will also be group sessions for students in the same grade. They fall into two categories. One is a group that the administrators set up for specific students at a set time and interval during the day. The other option is for students to ask another student to join them in a video conversation over the internet to clarify concepts and subjects that they are having trouble understanding. If our team determines that a student is deserving of an xp (experience points), we will award it to encourage them to assist a fellow student. By fostering an atmosphere where students are willing to lend a hand to one another, we can later transform these experience points into some kind of real-world reward.

#### **4.8 Question post by students**

Students can post questions on their feeds, where they will be seen by other students and those who can and want to respond will have the chance to do so.

#### **4.9 Real world applicable courses**

A detailed analysis of the current educational system also demonstrates that it does not actually give students skills that are highly needed in the real world, such as financial literacy, time management, communication skills, and so forth. Because of this, “elementary tutor” will also offer these kinds of expertly designed courses and be available to children who are thought to be mature enough to understand them.

## **5. The plan**

### **5.1. Marketing plan**

Market analysis: Based on our surf on the Web, we have analysed other companies that offer tutoring services in Ethiopia. like Ethio IQ, apprentus.com, teacherOn and other freelancers on linkedIn. While most are centred abroad and have little focus on Ethiopian market others offer a wider range of service mainly to above high school customers. We have not encountered comprehensive Elementary student based platforms which we project will give pioneer advantages.

#### **5.1.1. Product and packaging plan**

Our services[mentioned in part 4] will all be packaged under a single software which will have versions to support android, iOS, windows, mac and popular linux system distributions. It will be deployed on paid international server service providers in the initial phase for security and performance issues(The company may in time invest on local servers in latter times based on business profitability and investigation of the technological environment). Asqala students will require internet access to attend live tutoring and discussion sessions and offline access to access curriculum resources and practice exams.

#### **5.1.2. Pricing plan**

We plan on using a lower range of cost -profit pricing strategy. The cost – profit pricing guarantees us and our investors there wouldn't be any cash loss in operation after the fixed costs(projected constant cash inflow), which will enable us to focus less on immediate financial issues and focus more on product quality, and business longevity.

Having lower pricing (still within the cost -price pricing strategy)will help us build a large customer base, which will help the large student population(more customers), via customer advertisement,and large audiences on fund – raising and gathering events.Our tutoring sessions' will be typically priced at ETB 300 an hour where the customer will choose the tutoring frequency(in days and hours per day), preferred tutor and the time. With regard to the variety of services we provide, The provided price may vary based on the subject, grade level ,and teacher expertise and rating.

#### **5.1.3. Promotion plan**

Promotion will be done 3 in ways targeting both parents and students.

1. **Direct (In person promotion):** Our agents will hold short promotion, and demonstration sessions at target schools with the consent of the school administration break times and at school events with discount coupons for

2. **Advertisement:** paid promotion through TV and social media channels.
3. **In-app promotion:** our applications will have free resources for all visitors and Our main services as a premium account.

#### **5.1.4. Place plan**

Our product can be accessed at any preferred location with Internet access.

### **5.2. Operating plan**

- A. **Inputs:**
  - a. Human Resources: Tutors, application administrators, software programmers and maintainers
  - b. Material Resources: Servers, laptops
- B. **Procedure:** The development and production of the new curriculum and software where the products and services lie.
- C. **Output:** live tutoring session where students can interact with their tutors

### **5.3. Organisational plan**

#### **5.3.1 Entities and roles**

- **Tutors:** Help students by supplying assistance in core concepts, grasping course basics, solving complex problems and exam preparation.
- **Managers:** Manage the companies finance, service quality, human and material resources.
- **Owners:** Oversee the overall operation, track the company vision and Goals , explore new ideas to manage the future business trajectory.
- **UX/ UI designers:** update and maintain vibrant user interface designs for our application.
- **Business analyst:** tracks the company's financial aspects like profit, cost, price evaluation e.t.c.
- **Software developers:** May be hired employees or a stand alone external company that programs software to efficiently and securely conduct our services across all intended platforms.
- **Software maintenance personnel:** maintenance the full functionality and security of the already made software. (preferable the initial application developers or else new employees)
- **System administrator:** makes sure every technological and environmental systems are well kept for the working team.

#### **5.4. Financial plan**

**Estimated Revenue:** approximately ETB 6.5 million live tutoring revenue, under the estimation of having 100 employees by end of the 1st year who work at an average of 5 hours a week for 11 months and also taking the time for business growth and early stages into account. From this revenue 65% is the tutor salary. In addition we estimate about ETB 2 million of revenue from pre-composed courses, mock exams and curriculum resources packages.

**Taxation:** Although the taxation varies when discussing the details of the business, In Online educational products that require active(live) tutor's interaction are taxed only for consumption tax(VAT in Ethiopia) which is 15%, that is with a projection of supplying at least 1 million ETB of tutoring service within a year.

Revenue = 8,500,000  
Tax = 1,275,000  
tutor salaries = 4,225,000  
Working expense = 1,160,000  
Expense = 1,160,000 + 4,225,000 = 5,385,000

**The Balance sheet:**

Gross profit = Revenue - Expense = 3,115,000  
Net profit = Gross profit - Tax = 1,275,000  
[all currencies in ETB]

### **6. Critical Risk**

1. Competition from existing and emerging online tutoring platforms. This is expected as current tutoring platforms may shift focus onto elementary level education and also new platforms may emerge as a competitor. To counter this we plan on ensuring quality oriented business venture, Rigorously examined tutors, service updates of the existing systems as well as new features in new subjects apart from typical school curriculums including programming, world history, practical skills online workshops e.t.c.
2. Technological challenges, such as platform downtime or technical issues may occur. Although this is inevitable at some point in operation we will ensure initial software build and competent system administrators and software maintenance teams for updating and debugging our system.
3. Maintaining a high level of tutor quality and availability may be a challenge assuming the projected increase in the number of tutors, ease of working from home and other advantages our venture provides. In order to avoid this constant comments and rating will be supplied to our management team, and these critics will be examined based

on recording of the tutor sessions, and by our curriculum experts regarding the other courses and resources service.

4. Ensuring consistent user engagement and customer satisfaction is also another hurdle we will have to focus on. We plan on having student socialising events, online conferences and alluring user interface designs and animation support on lessons for our students. This summed up with our constant customer communication we believe will keep our customers satisfied.
5. Inability in keeping up and adapting to evolving educational standards and curriculum changes is also another risk to consider. In order to combat this we will have hired a curriculum experts team (same ones who developed the curriculum) to constantly update the lessons and tutors screening procedure.
6. Financial risk of inability to return debt and minimal profit may occur through losing/not acquiring a customer base and staff members, which may be associated with all the above listed risks. We plan on raising our capital with a buffer capital from the required one to inject it in case of financial decline.

## **8. Exit Strategy**

Our company's exit strategy on decomposition will depend on the company's success, exit reason and existing market.

Nevertheless the possible options include:

- Acquisition by a larger education or technology company seeking to expand its online tutoring offerings.
- Initial Public Offering (IPO) if the company reaches a significant scale and demonstrates sustainable growth.
- Merger with a complementary company to create synergies and enhance market position.

In cases of leaving of partners however initial partners will be indebted to their share of liability if any, but they will not be upheld to any further profit or liability that comes after their leave. Later limited liability shareholders and investors will at most lose their investment and share but are not indebted to any liability in case of leave. They are also allowed to sell their share at the estimated price at their time of leave.