Business plan

CoCo team, TECO Application

Owners:

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I. Executive Summary

The environment and its preservation have been of worldwide concern since the dawn of humanity's modern evolution. With global changes and human factors evidently altering the course of the earth's long-term sustainability, it's vital to focus on making conscious decisions towards the solution to those issues. However, how often do we observe others to really act?

There are many different reasons why people still don't live eco-friendly lifestyles. Some of them are simply unaware of the environmental issues we face today, whereas others do not believe it to be a human's fault. These kind of people are merely lacking information and are not shown the real truth, so they can not convert to sustainable practice. But the most common type in our society are those who are fully aware of the ecological state of Earth and are environmentally conscious, yet they take no reparative action. Those people can have a different motivation for their behavior, such as not being bothered by problems, disbelieving an individual effort to become a gamechanger or to patiently wait for all the issues to come up with the solution in the future themselves. Apart from this, the majority of people still defines the ecological catastrophe to be far away from today, despite the fact that we already advertently respond to the negative changes around us.

Lack of awareness is still a problem, but the bigger issue is the lack of action. Those people who desire to help, but can't accomplish their ambitions need to be introduced specific ways to act, and those who are not willing to do it yet have to be engaged and motivated to take their own part in a challenge.

1.1 Market

Any community with a smartphone and access to the global network has the potential to benefit from TECO. Currently our team CoCo is focusing on high school students and middle-aged people since they have the largest belonging to modern technologies and applications. However, in the near future, we plan to expand the target audience to other groups of people. Responsibility of being an environmental consciousness lies on everybody, despite the age or gender.

1.2 Product

TECO is the interactive 3D mobile game that calls people for behavioral change. It offers real-scale issues and gives the gamer a challenge to solve them with the use of different tools and provides useful information in the process. Apart from that, it tracks the users' activity using step tracker and sets a new goal to accomplish. Finally, TECO application provides a strong incentive to recycle more, which is based on the special hardware and augmented reality. The main principle of the game is to emerge both educational and entertainment tools in one app, by having a real impact on one's decisions.

1.3 Competitive Edge

TECO represents more appealing benefits to increase awareness in people, rather than "Recycling Truck or" "WWF Free River". First of all, the game contains interactive augmented reality, that is both visually and psychologically effective. Second, does not it only educate and entertain at the same time, but also actually helps to induce users into recycling more. Finally, our game is completely free and is affordable for everybody with access to the global net, whether they own an Android or IoS smartphone.

1.4 Mission

Our goal is to create a latent powerful message, that could have a significant influence on the gamer's mind and habits. We want to create a product, that will eventually make a change.

1.5 Keys To Success

TECO represents great perspectives and is a viable way to reach out to people, especially the younger generation. First of all, the game aims to emerge both entertainment and educational tools in one application. Second, it creates a powerful message to emerge users into environmental consciousness. Third, it is a long - term application, which is about to captivate gamers and is done a user - friendly way.

1.6 Objectives

We look forward achieving the following goals in development of the project:

- Conduct a survey to make a customer research and get a feedback
- Expand to other communities
- Launch TECO on Google Play Store and App Store

II. Company description

The team CoCo was founded in Almaty, Kazakhstan by a group of four girls: Dilnaz Kamalova, Dana Yerlanova, Lyubov Dudchenko, and Malika Buribayeva, students of Nazarbayev Intellectual School in Almaty, Kazakhstan. The syllable "co" represents keywords to teamwork success, such as collaboration, cooperation, and coding.

2.1 Start-up Summary

Every member of the team carries various responsibilities, such as technological development, design creation, market analysis, and sales. For instance, Lyubov and Dana focus on the software and hardware development, whereas Malika is a designer and Dilnaz works on writing the business plan and the pitch script. "CoCo" received assistance in developing the company by a mentor - Moldir Khussainova, who has a large experience in promoting a company and making the finance plan, being a founder of the progressive startup project "FoxOut" in Almaty.

In order to startup CoCo, the following assets and services will need to be provided.

- Legal services for company formation
- Five computer workstations. Three will be used for business planning, market strategies, and app design, while the remaining two will be used for app programming.
- $100 for promotional materials like stickers, T-shirts, posters, etc.
- $99/year for an Apple developer license
- $25 for a Google play developer license

III. Service and product

" This is the year 2069. The Earth is on the brink of extinction. An astronaut decides to leave his home and to look at the planet from the above:
Tons of garbage is seen from that sight.
Water is no longer so purely bright and clear, the air is nothing but an enormous smog.
Trees are in the fire.
<u>*What actions will he take?*</u> *"*

TECO is the interactive mobile game, that aims to call people for the behavioral change in their everyday life.

3.1 Components and features

The first component of the game offers a visual representation of 5 different environmental issues and suggests various ways to act in order to eradicate them in a large scale, such as air and water pollution, garbage problem and forest fires. User has many tools, such as different filters and devices, usage of which can solve ecological problems. In order to get rid of oil spills, the user needs to choose that tool, which can effectively help in this situation. In case if the tool was chosen in the right way, it will work for a particular amount of time and then reduce the problem. However, the benefit and efficiency of the work depend on the selected device configurations. At more complex levels, when many catastrophes will appear very often, the user will have to figure out what device he needs to put in order to save the planet. Regardless of what action will the user take, it will develop in the real-time and show up with consequences, whether they're positive or negative. Depending on the efficiency of decisions taken, the user gains more EcoCoins.

The second component of "TECO" is step - tracking. The application requires a gamer to accomplish different goals in terms of activity. Performing the following actions, the user receives EcoCoins to level up the hero and the configurations.

The third component of the game is the map of different places to hand over various types of garbage for recycling. Each of these points has special trash cans kitted out with a "TECO" hardware system. When the user points the camera at the can, the Earth in augmented reality will appear. As the garbage is thrown into a can (sensor detection), the user can see how the planet changes right in his cellphone and earn more EcoCoins to benefit his virtual character.

3.2 Potential Impact

The game makes the user think of his potential influence on Earth and provides a portion of quality food for thought. Besides, it requires different actions and challenges the gamer in a positive way. Accomplishment in the app may easily translate into real - life activities and help someone maintain healthy and useful habits.

IV. Potential Market Size

4.1 The Problem

The problem of sorting and recycling garbage in Kazakhstan is acute. Some facts and statistics about recycling domestic waste in our country:

- 300-320 kg of solid waste are produced each year by a Kazakhstani person, 1.4 tons of MSW is formed as a result of the life activity of one family;
- 5.6 million tons of household waste accumulates over the year in Kazakhstan, which is 33 million garbage containers;
- In 2018, only 10% of waste was recycled, the rest was sent to landfills.

Solid waste management (MSW) is one of the main points in the concept of transition to a "green" economy, declared by the First President of Kazakhstan Nursultan Nazarbayev in 2013. In particular, the government was tasked to bring the share of recycling of solid waste to 40 percent by 2030. From 2019, the authorities banned the dumping of plastic, paper and glass in landfills without prior sorting. With this measure, the Ministry of Energy is trying to increase the level of waste recycling and introduce separate garbage collection among the population. Also, according to its data, there are 130 enterprises in the country sorting and recycling waste. They produce about 20 types of products. Sorting complexes are located in 18 settlements. Therefore, our application will be very important for all Kazakhstanis, recycling becomes mandatory. Our program has education moments and it will help you keep track of your level of "correctly" discarded garbage.
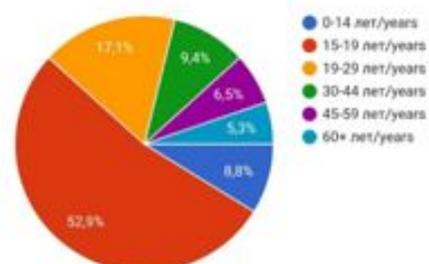
4.2 Potential Market Size

To understand the needs of our consumers we've made a survey. It contained relatable questions for us to discover answers to.

Analysis of survey answers:

1. Most of our audience were teenagers, but we actually tried to take into account different age groups. This

Каков Ваш возраст?/What is your age?

170 ответов

- 0-14 лет/years
- 15-19 лет/years
- 19-29 лет/years
- 30-44 лет/years
- 45-59 лет/years
- 60+ лет/years

17,1%
9,4%
6,5%
5,3%
8,8%
52,9%

thing maybe will affect the results of the survey;

2. Kazakhstani society seem very responsible because a very small part of respondents answered that environmental issues are not important and waste recycling is not useful for the ecological situation in Kazakhstan;

Считаете ли Вы экологическую проблему важной в Казахстане и в мире в целом?/Do you think that ecological problem is important in Kazakhstan and in the world at all?

170 ответов
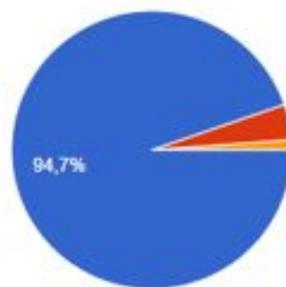
- Да, это одна из актуальнейших проблем в настоящее время/Yes, it is one of he most urgent problems nowadays
- Это проблема, но не самая важная для меня и для общества в целом/It is a problem but it's not the most important for me and society at all
- Эта проблема сейчас не имеет никакого значения/This problem doesn't matter now

Считаете ли Вы переработку мусора полезным для экологии решением Казахстана?/Do you think that waste recycling is beneficial solution for ecology of Kazakhstan?
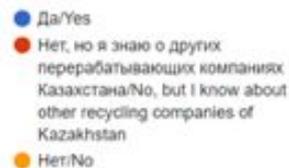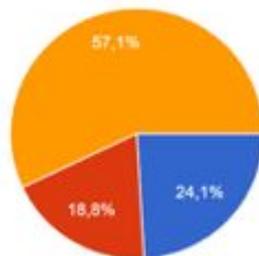
170 ответов

- Да/Yes
- Нет/No
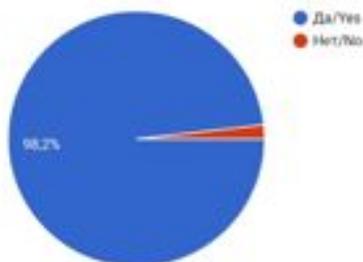
3. According to the answers, a lot of our respondents try to utilize the garbage in special containers if there is a possibility to do that. The problem is that not all of them have this opportunity. For example, there are not so many special containers of "Tazalyk", they are located in very few places (mostly in a couple of universities). On different stations you can't find all the necessary boxes, there might be no metal and paper boxes staying together. That's why we have a lot of respondents who seldom utilize their garbage correctly or had never done it. Also, the survey has shown that elders do it more often than teens and children, the problem is in awareness among the young generation, so our app will be beneficial for them to understand the problem;

4. One interesting thing in our project is that not so many people know a lot about Kazakhstani recycling companies and applications connected with them, even if there lots of special containers and garbage collecting points in different cities, especially in Almaty. That's why our project can be useful to popularize the idea of recycling in our society. Also, we think that in case of a merger with recycling companies we can promote them so more population of our country will be aware of the problem and possibility to utilize the garbage "correctly";

Слышали ли Вы когда-нибудь о таких компаниях, как Tazalyk или Kagazy Recycling?/Have you ever heard of companies like Tazalyk or Kagazy Recycling?
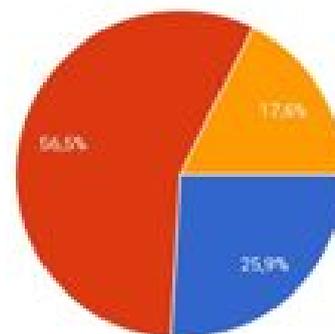
170 ответов

- Да/Yes
- Нет, но я знаю о других перерабатывающих компаниях Казахстана/No, but I know about other recycling companies of Kazakhstan
- Нет/No

57,1%
24,1%
18,8%

5. In fact, most teens and children like to play mobile games (0-14 years old). them, and also there are educational moments in the game, the young generation will be informed about different ecological problems and ways of their solutions;

6. Most of our respondents feel that they have a good enough impact on the environment; it includes not only waste recycling but also saving water, electricity, etc. That is why we think that consumers will accept the app, they will support our idea.

Как часто Вы играете в мобильные игры (любого формата)?/How often do you play mobile games (of any format)?

170 ответов

- Часто/Often
- Редко/Rarely
- Никогда не играл(-а)/I've never played

56,5%
25,9%
17,6%

Оцените свое влияние на окружающую среду от 1 до 10 (1 - исключительно отрицательное, 10 - исключительно положительное)?/Estimate your environmental impact from 1 to 10 (1 - extremely negative, 10 - extremely positive)?

170 ответов
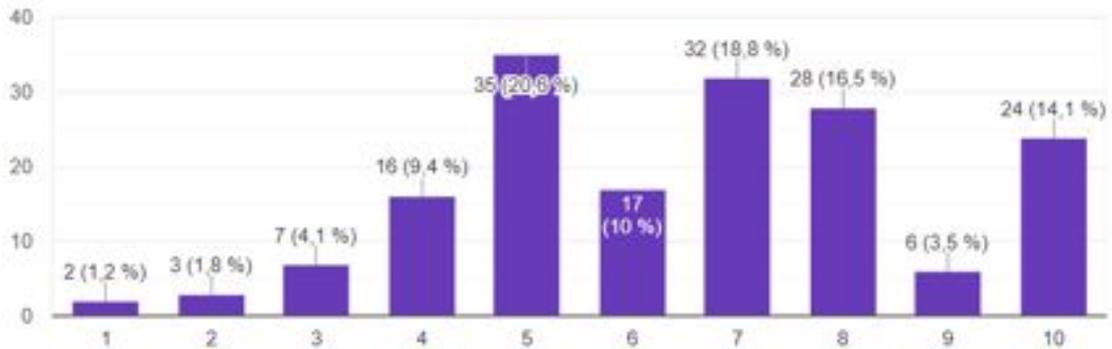
4.3 Target Market

Any community with a smartphone and access to the global network has the potential to benefit from TECO. Currently our team CoCo is focusing on high school students and middle-aged people since they have the largest belonging to modern technologies and applications. However, in the near future, we plan to expand the target audience to other groups of people. Responsibility of being an environmental consciousness lies on everybody, despite the age or gender.

V. Competitive analysis

5.1 Competitive Edge

"TECO" project has big chances to differentiate from all of the competitors, in terms of its efficiency, quality, and durability. It is a viable way to reach out to people, especially the younger generation. First of all, the game aims to emerge both entertainment and educational tools in one application. Second, it creates a powerful message to emerge users into environmental consciousness. Third, it is a long - term application, which is about to captivate gamers and is done in a user - friendly way.

5.2 Competition Analysis

There are currently apps on Google play and AppStore that also raise the ecological awareness in people, such as "Recycling truck" or "WWF Free Rivers". They are both collinear with what we've aimed to create:

1. Provide a string educational content;
2. Deliver ideas in a unique way;
3. Influence on the user and his lifestyle concepts.

By digging into the details of those mobile applications, TECO represents more appealing benefits to satisfy all those goals. First of all, the game contains interactive augmented reality, that is both visually and psychologically effective. Second, does not it only educate and entertain at the same time, but also actually helps to induce users into recycling more. Finally, our game is completely free and is affordable for everybody with access to the global network, whether they own an Android or IoS smartphone.

Competitor analysis

Criteria / App name	Educational content	Interactive Augmented reality	Helps to recycle	Gamification	Digital plattform	Price to download
	+	+	+	+	Android Apple	Free
Recycling truck	+	-	-	+	Android Apple	0.99$
WWF Free Rivers	+	+	-	-	Android Apple	Free

VI. Branding and Promotion

6.1 Messaging

CoCo aims to attract users using the meaningful phrase: "Rethink your future". It looks forward to making a person have an inner discussion of what the world will look like in years.

6.2 Logo and Branding

Logo

teco

App Icon

teco

6.3 Actions to Launch

Once the application is ready, we will launch it on the Google Play Store first, and later on the App Store. In order to gain users' attention, we will acquire following actions:

1) Make a big announcement at the school meeting and call for support
2) Create encouraging posters and put them all over the educational building we belong to

6.4 Channels

Our team plans to create a marketing strategy based on the large scale advertising on every platform available for us. The main focus goes to social networking sites, since they attract a great number of potential customers of a young age. CoCo will advertise TECO on Facebook, Instagram, Twitter and VKontacte. These sites are very comfortable in terms of advertisement opportunities and services. CoCo is about to share promotional videos, interactive challenges, announcement updates along with an entertaining content, suitable for customers of given networks.

Besides from that, we will also promote TECO at different fairs, exhibitions and competitions held both in our city and internationally, such as Google Science Fair, Almaty Maker Faire or UNICEF hackathons. This way, we aim to find supporters to share our project and help TECO gain feedback.

VII. Financial Plan

7.1 Sales Strategy

      TECO will be completely free to download on the Google Play Store and App Store platforms, since we aim to reach all social and economic backgrounds, because the care for Earth belongs to everybody. CoCo team looks forward to receiving a funding or a sponsorship to develop the project at the first stages and promoting to potential partnership programs. Thus, we will earn money through advertisements, partnerships and sponsors.

      As long as our app obtains the big user base, we will be able to earn revenue off of advertisements from local businesses. Apart from that, TECO project has a big potential in a large-scale implementations in those type of businesses, which provide ecological awareness amongst the large corporative base. These collaborations might occur with educational institutions and many large offices. This way, companies or institutions can benefit from the use of TECO system in their walls. Advertisements will be put in the game and motivate users with free in-app purchases.

7.2 Potential Revenue

      Using the formula given below, we estimate the potential revenue that comes from our business:

Revenue = eCPM(effective cost per thousand impressions)*impressions

*Average CPM earning is $1 to $1.5 per 1,000 impressions
*The initial number of interested people is 82,5% of 150, which is 123 people
*If we assume that in-app purchases happen at least twice every day, then impressions equal to: 123*2 = 246

      Eventually, our calculated revenue is = 246 * $1 = **$246**

      With this revenue, we will be able to develop the project at the first stages and support its growth.

By the time our app obtains the user base by 100, we will increase the price for in-app purchases and provide advertisements. Supposedly, 5% of our market size will use the app (2,500,500 students):

Expected number of users = expected proportion*market size = 0,05 * 2,500,500 = 125,000

Expected revenue after price change = number of charged users - number of uncharged users = 125,000 - 1000 = 124,000

Expected revenue after price change = number of charged users*price = 124,000* $1.5 = **$186,000**

Eventually, CoCo team has a potential to earn $186,000 as the successful application on the Google Play Store and App Store

VII. Future Plans

8.1 Additional Features

TECO application still has a room for development and new implementations to increase its effectiveness and quality. That is why CoCo aims to develop following features in the near future:

- Add more tools for the gamer to use
- Create a dashboard to track the activity of users
- Partnership with television communicating companies to provide more incentives for users and give them profit

8.2 Milestones

Event	Date of Completion
Business Plan Completion	10/04/2019
App Source Code Draft Completion	05/04/2019
Official Announcement	12/04/2019
TECO Launch on the Google Play Store	May 2019
TECO Launch on the AppStore	May 2019
Profitability	May 2019 and onwards
Expansion to other Communities	September 2019 and onwards