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First Ed – Plano de negócios

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Master in Business Administration

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and Operations

September, 2023



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Abstrato

O objetivo principal desta tese é criar um plano de negócios para uma empresa que oferece serviços de explições para estudantes do ensino superior em Portugal. O processo de desenvolvimento do projeto começou com a análise e pesquisa de artigos científicos, assim como uma investigação acerca dos modelos de negócios dos concorrentes já existentes no mercado.

Para complementar o estudo, o passo seguinte foi aplicar análises e tópicos abordados durante o curso, para melhorar a compreensão do contexto circundante - a análise PESTEL, a análise das seis forças de Porter e a análise SWOT. Esta análise sobre a concorrência foi complementada por uma descrição das principais forças e fraquezas de cada concorrente direto. Além disso, para entender qual a perspectiva do usuário sobre o negócio de explicações e possivelmente validar a ideia, foi conduzida uma pesquisa através de um questionário.

Com base nos resultados da pesquisa, foram conduzidas análises quantitativas e qualitativas. Foi desenvolvido um plano de marketing - especialmente em termos de estratégia de mix de marketing - bem como uma projeção financeira para entender para onde ir, em termos de capital, e para aplicar alguns dos conceitos de finanças corporativas também lecionados durante o curso. Esta fase foi igualmente crucial para desenvolver a visão, missão e proposta de valor da empresa. Durante esta análise financeira final, a viabilidade da empresa é avaliada, ao abrigo de três possíveis cenários face à reação do mercado esperada - um cenário realista, um pessimista e um otimista.

Palavras-chave: Plano de negócios, Empreendedorismo, Modelos de negócio digitais, Ensino superior, Tutoria

Sistema de classificação JEL:

I23: Higher Education; Research Institutions

M13 – New Firms; Startups

L26 – Entrepreneurship

Abstract

The main purpose of this thesis is to create a business plan for a company which provides tutoring services for higher education students in Portugal. The development process of the project began with the analysis and research of scientific papers, articles and business models from existing competitors on the market.

To complement the study, the following step was to apply analyses and topics approached during the course, to improve the comprehension of the surrounding context - the PEST analysis, Porter's six forces analysis and the SWOT analysis. This analysis on competition was complemented by a discretion of each direct competitors' key strengths and weaknesses. Further to that, to understand what the user's perspective on the tutoring business was and possibly validate the idea, a survey was conducted.

Based on the survey's results, both quantitative and qualitative analyses were conducted. A marketing plan is developed – especially in terms of the marketing mix strategy – as well as a financial projection to understand where to go, capital wise, and to apply some of the concepts of corporate finance also learnt during the course. This phase was crucial to develop the vision, mission a value proposition of the company. During this final financial analysis, the viability of the company is assessed, as well as three possible outcomes facing the expected market reaction – a realistic, pessimistic and an optimistic scenario.

Keywords: Business Plan, Entrepreneurship, Digital business models, Higher Education, Tutoring

JEL Classification system:

I23: Higher Education; Research Institutions

M13 – New Firms; Startups

L26 – Entrepreneurship

1. Introduction

To achieve the master's degree in Business Administration at ISCTE Business School, the students are required to write a thesis or develop a project, assessing topics they consider distinguishably important and relevant to reflect on. In contemplation of finding the answers to many questions that may arise during the different development phases concerning a project like this, as well as to structure it correctly, there's an approach on five essential elements regarding the final project: Literature review, methodology, communications plan and financial evaluation.

The human species' path faces a technological fast-growing universe daily, and as a form of adaptation, digitization of solutions occurs. As the human brain develops and gets stimulated by technology, this causes an impact on the majority of people's lives, whether in terms of habits or interactions. There's a growing need for faster, easier, and cheaper answers/solutions to problems.

The pandemic situation the world recently went through is a great example of humanity's capability of adapting to social environment changes. People had to reinvent themselves to survive, socially and economically speaking, and so did businesses. Some companies found ways to maintain business going, others even optimized its operation. The education industry was no exception to that. Many universities and schools started to use remote learning software as an alternative, so students could keep learning and minimize damage to their academic journey. This event opened a critical window for the e-learning industry, which has grown and developed to assist more than one billion students around the world. (Munoz-Najar, 2022)

As this development is an ongoing process, the existent offer on the market for these services is low and significantly disperse, while lacking guidance and correspondence to users' real needs. There is, in Portugal, and at the moment, no structured platform capable of gathering concise information, working materials, and tutors from the same specific learning environment, all in one place. It can be highly frustrating and confusing to try to find a tutor that fits specific necessities and learning rhythms of each individual since every university environment and programme structure is different. In addition to that, prices per hour of tutoring sessions for higher education students can go as high as 40 € /h, making it undeniably difficult to sustain this expense, especially in a student's regular lifestyle context. Many students also come from abroad, and having to cover accommodation and quotidian expenses, demands a financial stretch that disables the majority of the student population to afford this price level.

The main objective is to write an innovative business plan for a tutoring platform, dedicated to higher education in Portugal. The reason for approaching this matter originates from a problem identified in the user's experience when having tutoring sessions or seeking help for a *niche* subject.

On the course of this project, the reader is presented with research, problem-solution discussions facing a survey conducted within academic environments, a communications (or marketing) plan and last but by no means least, a financial projection of the project, which can be a compass for the future of the company.

2. Literature review

In the topics below, a review of the literature used for this project will be exposed, and the correlation between different subjects will be explained. This explanation comes as a way of making it easier for the reader to understand the incisive points of this project, as well as its purpose, business and socially-wise.

2.1 The correlation between innovation and entrepreneurship and how it emerges

In this topic, the relationship between entrepreneurship and innovation will be discussed, as well as the impact caused in the business environment in which it is inserted.

As Veeraraghavan (2009) mentions, the theoretical concept of entrepreneurship relies on the application of both knowledge and skills to produce something or bring an idea to reality, with or without monetization. Nonetheless, Innovation is perceived as something new, whether it's a product, practice, or idea. If a company's growth process were to be conceptualized, it would most certainly include the correlation between these concepts. From a systemic point of view, entrepreneurship wouldn't be possible without innovation.

As mentioned in Naude (2021), Entrepreneurship holds significant sway in advancing economic growth and development, serving as an indispensable catalyst in the refinement and progression of economic landscapes. Its inherent innovative and risk-taking pursuits herald fresh perspectives and methodologies, essential for economic diversification and growth. Reflecting on the remarkable resurgence of entrepreneurship in nations like China underscores its potential reciprocal relationship with societal welfare and poverty reduction, illuminating how a thriving entrepreneurial ecosystem can elevate living standards and economic prosperity.

Even though this concerns a wide range of industries, there are certain contexts that can be more prone to this happening than others.

Some industries currently offer greater opportunities for innovation and entrepreneurship compared to others in the existing market landscape.

For example, a bakery will not, presumably, have the same room for innovation as a fintech company emerging on the market. The classification of these two scenarios might be measured by the longevity of each industry. Globally speaking, an older industry will not, supposedly, have as much capacity to innovate as a much more recent one. It is expected that this last emerging case still has a lot to grow and offer, whereas the older one tends to find it more difficult to innovate in a much more congested environment.

It's certain that innovation and entrepreneurship are critical to keeping up with the market's constant needs and demands. Although, the pace of this process varies according to the scope and context of each business. With that being said, adaptation is key. This adaption can be conceived in two types of entrepreneurship contexts, referred to in Veeraraghavan (2009): Opportunity-based entrepreneurship, which indicates that the entrepreneur relies on a business opportunity and pursues it as a career, in order to provide a service or create an innovative product;

Necessity-based entrepreneurship, when the only way for someone to maintain a business healthy or to thrive career-wise, is to start working on his/her/their own.

Based on this study, one might conclude that there's another possible perspective which is when both types merge, originating what is defined as *Synchronized Entrepreneurship*. This happens when someone finds the perfect timing and lifestyle context to build a business. For example, if an individual unexpectedly loses their job, they are forced to look for a new source of income, as a necessity. On top of that, this person happens to love arts and crafts. This leads them to think about taking that passion more seriously and turning it into an entrepreneurship opportunity. This situation results from the current career circumstances someone is going through, combined with envisioning business potential in something that was ordinary in their lives.

2.2 Enhancing E-Learning Platforms in Higher Education: A Multifaceted Approach to User-Centric Design, Service Quality, and Educational Outcomes

In this section, the surge and significance of e-learning and e-tutoring in higher education are discussed, focusing on their evolving role as essential complements to traditional learning methodologies. The intricate relationship between users and digital learning platforms is explored, delving into the principles of user-centric design, service quality, and the adaptation and personalization of educational content.

E-learning and e-tutoring have gained substantial traction in recent years, both in interest and market-wise, serving as a complementary solution to traditional learning methods. This surge can be attributed to its practical aspects and its indispensable role during health crises like the COVID-19 pandemic, which emphasized the importance of alternative educational methods.

The growth and dependency on digital educational platforms are evident in the increasing number of people seeking higher education. For instance, Portugal experienced a rise in college-registered students by approximately 19.69% over the last five years (PORDATA, 2022), and the EU countries saw a 4.62% increase from 2015 to 2020 (PORDATA, 2022), indicating a significant uptrend in the pursuit of higher education enabled by the advancement in technology and increased accessibility to information.

However, the creation of e-learning platforms is not merely a process of translating the regular classroom model into a digital format, but it requires considerable adaptation and personalization of content, visuals, and pedagogical approaches, as iterated by (Safari et al., 2018). A well-personalized service is crucial to fostering trust and bonding between the service and the user, which leads to higher customer satisfaction and loyalty to the platforms, enhancing the learning experience.

The relationship between e-learning platforms and users should be founded on five critical aspects: Reliability, Tangibles, Responsiveness, Assurance, and Empathy, as mentioned by Parasuraman (1988), and in Zouari and Abdelhedi (2021). These aspects are integral to ensuring the platforms' integrity, user-friendliness, availability, and adaptability to individual user needs and environments.

Furthermore, the effectiveness of e-learning platforms is paramount. They must offer flexibility and precise alignment with learning goals, which are crucial for both professionals and researchers. An effective e-learning platform ensures the realization of learning outcomes and mitigates misunderstandings arising from the broadness and variability of the concept of effectiveness. Therefore, defining and utilizing effectiveness require a meticulous approach to harmonize expectations and measurement efforts. Most research on e-learning effectiveness relies heavily on quantitative measures, often sidelining the nuanced and intricate approaches involved in e-learning-based teaching practices. Integrating both qualitative and quantitative research methods is essential to provide a more comprehensive understanding of e-learning impacts and derive more valid, holistic, and actionable insights into the effectiveness of e-learning beyond mere numerical evaluations. (Signe Schack Noesgaard, 2015)

The rising significance and reliance on e-learning platforms underscore the need for meticulous development and evaluation of these platforms to ensure their user-centricity, reliability,

responsiveness, and effectiveness in delivering optimal learning outcomes in the dynamically evolving educational landscape.

To ensure the effectiveness of e-learning platforms in higher education, a meticulous approach to course design is crucial. Effective course design entails integrating pre-enrollment information, intentional design elements such as learning outcomes and relevant content, interventions, formative and summative assessments, personalized support, and learner analytics. These elements align with the principles of reliability, tangibles, responsiveness, assurance, and empathy (Parasuraman, (1988; Zouari and Abdelhedi (2021), reinforcing the importance of creating a user-centric platform that can adapt to individual user needs and environments.

Simulating student learning experiences is another pivotal strategy. By immersing instructors in the students' learning context, instructors can gain a nuanced understanding of course activities and can apply appropriate pedagogical techniques. This approach, grounded in the philosophy of collaborative control, focuses on developing student autonomy and responsibility through choice, goal-setting, performance monitoring, and reflection. This mirrors the strategies outlined by Safari et al. (2018), emphasizing the adaptation and personalization of content, visuals, and pedagogical approaches to foster a trusting and bonding relationship between the service and the user, leading to a more enriched learning experience.

Furthermore, creating communities of practice can address the potential isolation faced by online instructors and foster an environment of mutual learning and support. By organizing teaching groups within departments or across an institution, instructors can engage in cross-disciplinary exchanges on pedagogy and continue their development as part of a professional community of practice. The regular reporting and sharing of teaching insights within these communities contribute to consistent standards, networking opportunities, and continuous professional development, thereby aligning with the strategies for achieving high customer satisfaction and loyalty to the platforms.

Additionally, sustaining practice with follow-on support, such as outreach to instructors and the provision of online resource libraries, can further strengthen the effectiveness of online learning platforms. Regular communications featuring tips, strategies, success stories, and insights from institutional leaders can empower instructors with innovative ideas and practical solutions, enhancing the overall quality and outcomes of online courses.

In conclusion, combining effective course design, simulation of student learning experiences, the creation of communities of practice, and provision of sustained support can significantly contribute to enhancing the effectiveness of e-learning platforms in higher education. These multifaceted strategies not only address the specific needs and challenges of online learning

environments but also ensure the realization of learning outcomes and high levels of user satisfaction, thereby validating the increasing reliance on and significance of e-learning in the evolving educational landscape.

2.3 Strategic Exploration and Consumer-Centric Approaches: Synthesizing Innovative Frameworks for Digital Education and Tutoring Startups

In the dynamic and intricate world of digital enterprises and startups, particularly those within the realm of digital education and tutoring, navigating the multifaceted layers of market dynamics and opportunities is crucial. Here, businesses need to demonstrate agility, adaptability, a deep-rooted focus on consumer behavior, and a strategic approach to market exploration to ensure sustainable growth and continued relevance in their respective domains.

Ries (2011) concept of the Minimum Viable Product (MVP) is highlighted as a pivotal element for launching startups, including digital education platforms, on solid ground. This approach leverages the unique advantage of digital businesses: the capacity for rapid product deployment and iterative development. Digital platforms can introduce a rudimentary version of their product or service to the market, thereby assessing its viability and gaining insightful real-time feedback with minimal overheads and risk.

However, within the fluctuating landscapes of digital and education sectors, a culture of continuous adaptation and learning is imperative. The Build-Measure-Learn loop proposed by Ries (2011) supports businesses in refining their offerings in alignment with the changing contours of consumer preferences and technological advancements. This model is especially pertinent to digital education and tutoring platforms striving to stay abreast of evolving educational needs and technological innovations.

Moreover, strategic exploration and prioritization of market opportunities are paramount, with tools like the Market Opportunity Navigator being pivotal for identifying and selecting the most promising avenues Gruber et al., (2013); Blank, 2019, as cited in Dean A. Shepherd, (2019). Such strategic explorations and selections define the sectors and niches in which startups aspire to create value and compete, necessitating a balanced approach between passionate pursuit of new opportunities and disciplined choice of the most viable ones. This balance is indispensable in high-uncertainty conditions typical of educational ventures, where diversified portfolios of potential opportunities allow for simultaneous exploration, innovation, and development of adaptive and competitive solutions.

The integration of data-driven decisions and real options reasoning in this context can lead to the creation of value-oriented, innovative, and diverse solutions, which are essential for

navigating the inherent uncertainties and challenges of the educational landscape. Here, focusing on validated learning and empirical evidence can aid in the alignment of business trajectories with market demands, allowing for foundational adjustments or perseverance depending on real-world feedback.

In this fiercely competitive digital arena, it's imperative for businesses to champion efficiency, allocate resources judiciously, and trim superfluous processes to ensure sustainable and organic growth. The pursuit of strategic entrepreneurship and an entrepreneurial mindset underpins the balance between exploration and exploitation of opportunities, fostering innovation and optimal market positioning in the digital education sector.

However, the core of these strategic considerations and iterative processes remains the unwavering focus on the consumer. User experience is paramount, and placing users at the heart of all strategies isn't merely a best practice—it's an imperative. By enhancing product offerings and fortifying relationships with users, digital businesses, especially those in the education and tutoring sectors, not only navigate the uncertainties of the market but also contribute to the sector's evolution, optimizing solutions to meet diverse and changing educational needs.

In conclusion, by combining disciplined market exploration, strategic entrepreneurship, iterative development, and consumer-centric approaches, startups in the digital education and tutoring sectors can navigate the complexities of the market, remain relevant, and create innovative and valuable solutions that address the evolving needs of the educational landscape.

2.4 Integrative Paradigms: Examining the Transformation of Educational Models through Artificial Intelligence and Smart E-Learning

The intricate synthesis of AI, Machine Learning, and smart e-learning is crucial in reshaping educational paradigms to meet the high demands of contemporary society, especially in the digitized context where the pace of technological evolution and the omnipresence of digital platforms have heightened societal expectations for swift responses and stimuli as present in Ismaila Temitayo Sanusi, (2022). Traditional educational models, seemingly slow and obsolete, struggle to meet these expectations, leaving younger generations, accustomed to instant gratification, disengaged and underserved. This underscores the urgency to innovate and adapt educational systems to align with the rapid consumption and learning preferences of the digital natives.

This adaptation necessitates the integration of dynamic, interactive, and responsive educational models, designed to captivate young minds and synchronize with their accelerated learning and

information consumption patterns. To achieve this, the convergence of technology and education must leverage advanced, user-friendly interfaces and platforms, responsive to the learning needs and queries of students and able to keep them intellectually stimulated. (Feng Tian, 2020)

Artificial Intelligence is playing a transformative role in this landscape, leveraging multifaceted tools to analyze and utilize patterns within data, thus providing enhanced and personalized learning experiences. Expert systems within AI are essential, as they offer specialized knowledge, drawing on the insights of field experts to enrich educational content. Meanwhile, chatbots, through advancements in natural language processing, facilitate coherent, bidirectional human interactions, continually refining responses and optimizing student-tutor interactions. Virtual assistants are enhancing user interactions and learning experiences by adapting to user preferences and continually refining their learning algorithms through constant user engagement. (William Villegas-Ch, 2020)

Machine Learning (ML) programs, with their adaptive and predictive capabilities, revolutionize educational methodologies, making them more dynamic, adaptable, and learner-centric. This has culminated in the creation of personalized learning paths, real-time feedback mechanisms, and immersive learning experiences that can hold the attention of the students and facilitate more effective and enriched learning outcomes (Feng Tian, 2020).

Moreover, the alignment of educational curricula with swiftly evolving industry demands is vital, requiring a synergy between academic learning and practical, real-world applications. The interplay between AI, ML, and smart e-learning is setting the foundation for an educational ecosystem that is dynamic, responsive, entrepreneurial, and innovative, nurturing a generation of learners skilled at navigating the complexities of the digital world and meeting its challenges head-on.

3. Methodology

The chosen method was mixed, which consists of collecting, analyzing and interpreting quantitative and qualitative data in the same study, through integration, combining results and/or interpretations (Creswell, 2014; Ivankova, Creswell, & Stick, 2006)

Mixed method is a procedure for collecting, analyzing, and “mixing” or integrating both quantitative and qualitative data at some point in the research process within a study for the purpose of obtaining a better understanding of the research problem (Tashakkori & Teddlie, 2010).

So, the methodology for this business plan will first focus on a qualitative approach, through a survey to identify and understand the market scope. The questions on this survey will further be related to students' views on tutoring platforms in general, the potential needs and improvements that can be made in platforms like these, as well as their needs in their own universities, in terms of learning materials and support on different subjects. After this, a quantitative analysis will be made, using the same survey results, in order to understand the potential target market and how and where to start the activity.

For a better understanding of the business's potential, as well as to define the right strategies, a set of market analysis will be conducted such as PEST, Porter's Six Forces, and SWOT. An estimation of the financial performance will also be conducted, with the help of the results from the surveys, regarding potential customers.

Finally, to complement the financial plan, an analysis on the performance of the company will be presented.

4. Market analysis

4.1 Competition

The human species' path faces a technological fast-growing universe daily and as a form of adaptation, digitization of solutions occurs. As the human brain develops and gets stimulated by technology, this causes an impact on the majority of people's lives, whether in terms of habits or interactions. There's a growing need for faster, easier, and cheaper answers/solutions to problems. The pandemic the world recently went through is a great example of humanity's capability of adapting to social environment changes. Social and economically speaking, people had to reinvent themselves to survive, and so did businesses. Some companies found ways to keep business going, others even optimized its operation. The education industry was no exception to that. Many universities and schools started to use remote learning software as an alternative, so students could keep learning and minimize damage to their academic journey. This event opened a critical window for the e-learning industry, which has grown and developed to assist more than one billion students around the world. (Munoz-Najar, 2022)

As this development is an ongoing process, the existent offer on the market for these services is low and significantly disperse, while lacking guidance and correspondence to users' real needs. There is, in Portugal, and at the moment, no structured platform capable of gathering concise information, working materials, and tutors from the same specific learning environment, all in one place. It can be highly frustrating and confusing to try to find a tutor that fits each individual's

specific necessities and learning rhythms since every university environment and programme structure is different. In addition to that, prices per hour of tutoring sessions for higher education students can go as high as €40/h, making it undeniably difficult to sustain this expense, especially in a student's regular lifestyle context. Many students also come from abroad, and having to cover accommodation and quotidian expenses, demands a financial stretch that disables the majority of the student population to afford this price level.

Direct vs Indirect competition – direct and indirect competitors differ in the ways they address the same customer needs and how closely their offerings compete.

4.1.2 Direct competition

Direct competitors are businesses that offer similar products or services that, for example, directly compete with a tutoring platform for higher education students in Portugal. These competitors provide online tutoring services specifically targeting higher education students in the country, with a focus on subjects like science, mathematics, engineering, or humanities.

In the Portuguese market context, several direct competitors were identified, with the main ones being *Explicas-me?*; *Learnify*; and *SuperProf*. There are other smaller competitors, such as *CEO* (centro de explicações online), *Explicações Ensino Superior* and *Alpha21*.

Explicas-me? is a Portuguese online tutoring platform that connects students with tutors for various subjects, including those at the higher education level. The platform offers a user-friendly interface to search for tutors based on location, subject, and other preferences. Prices are set, freely, by the tutors and can range from €8 to €45 euros per hour.

The platform has the following key features:

- *Explicas-me?* offers a wide range of available curricular units tutoring in numerous subjects, catering to the diverse academic needs of students at various educational levels.
- *It's possible to search for local tutors or tutoring companies, based on your postal code.*
- *The platform offers an integrated scheduling system, streamlining the process for students and tutors alike.*
- Finally, it provides an online payment system to ensure faster and more convenient transactions.

Its competitive advantages are:

- *Explicas-me?* focuses on the Portuguese market, by catering specifically to Portuguese students. This results in a better position to understand and address the needs of local students.

- The fact that its search engine allows the users to filter their search enables students to find tutors who may match some of their specific requirements, enhancing the overall user experience.
- The website contains user-generated feedback, allowing students to rate and review their tutors, and help other users make informed decisions when choosing a tutor.

And its potential weaknesses:

- In terms of competition, *Explicas-me?* faces competition from other local and international tutoring platforms operating in Portugal, such as *Learnify* and *Superprof*.
- Price variation can also be a concern. Since tutors set their own prices, there can be significant variations in pricing, which may affect the affordability and accessibility of tutoring services for some students. It also can also affect the perception of quality. When there's a wide range of prices, clients may perceive lower-priced tutors as less qualified or less capable than higher-priced tutors, even if that isn't necessarily true. This can lead to a lack of trust in the abilities of more affordable tutors. On top of that, when prices vary significantly, clients may find it challenging to determine the fair market value for tutoring services. Inconsistent pricing can create confusion and make it difficult for clients to trust that they're getting good value for their money.

KEY FEATURES	WEAKNESSES
Wide range of subjects Local tutor database Integrated scheduling and booking Online payment system	Limited international reach compared to larger platforms Limited marketing efforts compared to global competitors Price variation Market saturation

Figure a - Key features and weaknesses map

Source: Ramos (2023)

Learnify is also a Portuguese online tutoring platform. It allows users to search for tutors based on their needs, subject, and location. It offers tutoring on several education levels, including Higher Education.

Prices are set by the tutors and, according to the company's website, as an average, 70% range from €10 to 15€. It's important to note that the remaining 30% are impossible to identify, and for that reason, it can be much higher.

The platform has the following key features:

- It has a user-friendly interface, designed for ease of use, allowing students to find and book tutors quickly and efficiently.

- *Learnify* offers tutoring in numerous subjects, catering to the diverse academic needs of diverse education level students.
- The company, allegedly, carefully selects its tutors, ensuring they possess the necessary qualifications and experience to provide high-quality tutoring services.
- Students can schedule tutoring sessions at their convenience, which can be useful when accommodating their busy schedules.
- Lastly, *Learnify* facilitates virtual tutoring sessions through video conferencing, providing a convenient and accessible learning environment.

Its competitive advantages are:

- This platform focuses on the Portuguese market. As identified in the previous case, its emphasis on the local market might enable it to better understand the needs of Portuguese higher education students and provide tailored solutions.
- It's possible to filter your search with the help of a dropdown list of curricular units. This may allow students to find tutors that match their specific requirements, enhancing the overall learning experience.
- Compared to competitors, *Learnify* has an intuitive and user-friendly dashboard, which can be determinant regarding the customer's first impressions and future relationships with the company.

And its potential weaknesses:

- As the competitor analyzed beforehand, price variation can be a concern.
- The online tutoring market is continually evolving, and *Learnify*, as well as other competitors, must stay innovative to maintain its competitive edge and attract new users.
- Its focus on the Portuguese market can limit international expansion opportunities and consequently create a lack of brand recognition outside of Portugal.
- Unjustified tutor certification can be a deal-breaker for some customers. *Learnify* doesn't provide clear criteria on how certification is attributed to tutors and that can affect a person's perspective and willingness to pay for the service.
- Lastly, *Learnify* has a smaller tutor pool compared to larger platforms.

KEY FEATURES	WEAKNESSES
Wide range of subjects Experienced tutors Convenient scheduling Online video conferencing	Focus on the Portuguese market, limiting international expansion opportunities Possible lack of brand recognition outside of Portugal Smaller tutor pool compared to larger platforms

Figure b - Key features and weaknesses map
Source: Ramos (2023)

Superprof is an international tutoring platform that operates in Portugal, offering private lessons in various subjects, including those for higher education students. The platform connects students with local and international tutors based on their preferences. Prices are also set by tutors and can vary significantly depending on the subject or learning method (presential/remote).

The platform has the following key features:

- *Superprof* boasts an extensive tutor network, providing students with a wide range of options to find the right fit for their learning needs.
- Also, the platform offers tutoring in numerous subjects, catering to the diverse academic requirements of students at different educational levels.
- Tutors on *Superprof* have detailed profiles, including their qualifications, experience, and user reviews, enabling students to make informed decisions when choosing a tutor.
- *Superprof* allows students and tutors to coordinate their schedules and arrange lessons at convenient times, as the platforms analyzed priorly.
- The platform offers both online and in-person lessons, giving students the flexibility to choose their preferred learning method.
- Finally, it has a user reviews and ratings section, which can be valuable to bring new customers in by finding the service trustable and worth putting their money in.

Its competitive advantages are:

- International presence - Superprof's global operations provide students in Portugal with access to a vast network of international tutors, expanding their options for learning.
- The platform's advanced search filters enable students to find tutors who match their specific requirements, enhancing the overall learning experience.
- Many tutors on Superprof offer a free first lesson, allowing students to assess the tutor's compatibility before committing to further lessons. This can be useful for both students and tutors, to create empathy between each other before advancing with further classes.

And its potential weaknesses:

- *Superprof* is part of an international platform, which might result in less focus on the specific needs of Portuguese higher education students.
- It can be potentially difficult to maintain quality control due to a large number of tutors and subjects offered.
- Less specialization in higher education compared to platforms that might exclusively focus on this segment.

KEY FEATURES	WEAKNESSES
Wide range of subjects and disciplines Local and international tutors User reviews and ratings Flexible scheduling	International platform - less focus on the specific needs of Portuguese students Potential difficulty in maintaining quality control due to a large number of tutors and subjects offered Less specialization in higher education compared to platforms that exclusively focus on this segment

Figure c - Key features and weaknesses map
Source: Ramos (2023)

4.1.3 Indirect competition

Indirect competitors are businesses that offer alternative solutions to address the same customer needs but don't provide the same type of service. For a tutoring platform for higher education students in Portugal, indirect competitors may include:

- Offline tutoring centers and private tutors that offer in-person tutoring services.
- Study groups and peer-to-peer learning platforms where students collaborate and help each other with their studies.
- Online course platforms (like Coursera or Udemy) that provide courses and learning materials for higher education students, but without personalized tutoring.
- University or college-based tutoring services that are part of the institution's support system for students.
- Educational forums or social media groups where students can ask questions and receive help from their peers or experts.
- While these indirect competitors don't offer the same online tutoring services, they still compete for the attention, time, and resources of higher education students in Portugal who are seeking help with their studies.

4.2 PESTEL Analysis

Political:

- Portugal's commitment to improving education and increasing access to higher education.
- Supportive government policies for start-ups and small businesses, including tax incentives.
- Portugal's government actively promotes and invests in education and digital literacy.
- The Portuguese government offers incentives and support for start-ups.
- The recent war in Europe might lead to an increase in foreign students in Portugal, that will need support and guidance, once they arrive. These people are potential clients for the business.
- Economic:
- Portugal's post-pandemic economic situation is a bit unstable, with inflation rising, which can bring instability to businesses and to the people's willingness to spend money.

- Relatively high unemployment rates could encourage students to invest in their education and seek additional tutoring services.
- Stable and favorable exchange rates can make it attractive for international students to access the platform.

Sociocultural:

- The high increasing value placed on education in Portuguese society has led younger generations to invest more in higher education, over the past few years.
- Growing acceptance of online learning and tutoring services as a result of the pandemic.
- A significant number of college-aged students in the population.
- Demand for both Portuguese and English-language tutoring services.

Technological:

- High internet penetration rate and widespread access to devices, enable the majority of students to access the tutoring platform.
- Increasing adoption of AI-driven tutoring solutions, which can enhance the platform's offerings and create a competitive advantage.
- The presence of local and international competitors requires continuous technological innovation.

Environmental:

- Increasing awareness of environmental sustainability, which can be incorporated into the platform's branding and marketing efforts (e.g., promoting paperless learning).
- Compliance with environmental regulations for any physical infrastructure associated with the platform.

Legal:

- Compliance with GDPR and other data protection regulations to ensure user privacy and security.
- Adherence to intellectual property and copyright laws when using educational materials and content.
- Compliance with labor laws and regulations when hiring tutors or other staff for the platform.

4.3 Porter's six forces (adapted from Porter (1979))

Threat of new entrants:

- Moderate to low barriers to entry due to the relatively low capital requirements for starting an online tutoring platform.

- However, establishing a strong brand, acquiring a diverse range of skilled tutors, and building a user base can be challenging and time-consuming.
- The need to comply with local regulations and data protection laws may increase barriers to entry for international competitors.

Threat of substitute products or services:

- High availability of substitutes, including traditional in-person tutoring, university-led tutoring programs, and free educational resources or MOOCs.
- The ease of switching between online tutoring platforms or other alternatives may create a competitive environment.
- The attractiveness of substitutes may depend on factors such as price, quality, and accessibility.

Bargaining power of suppliers:

- Suppliers in this context are the tutors who provide their services on the platform.
- Moderate bargaining power due to the availability of numerous skilled tutors in the market, but specialized and highly experienced tutors may command higher rates.
- The platform's ability to attract and retain high-quality tutors may affect its competitive position.

Bargaining power of buyers:

- High bargaining power of buyers (students and their families) due to the availability of alternative tutoring options and platforms.
- Price sensitivity and the search for better quality or personalized tutoring services may lead buyers to negotiate for better deals.
- A strong value proposition, such as a unique teaching approach or superior technology, can help retain customers and reduce their bargaining power.

Intensity of competitive rivalry:

- Moderate to high competitive rivalry due to the presence of both local and international online tutoring platforms, as well as traditional tutoring services.
- Factors such as pricing, quality of tutors, technology, and customer service can influence the intensity of competition.
- Building a strong brand, offering a unique value proposition, and continuously innovating can help differentiate the platform in a competitive market.

Complementary products and services:

- Complementary offerings could include study materials, test preparation resources, or learning management systems that enhance the tutoring experience.

- Collaboration with providers of complementary products or services can create synergies and strengthen the platform's value proposition.
- Conversely, competition with complementary product or service providers can create challenges if they decide to enter the tutoring market.

4.4 SWOT Analysis

Strengths:

- Specialized focus on higher education students, meeting the specific needs of this target market.
- Comprehensive coverage of subjects and courses, offering a one-stop solution for students seeking academic support.
- Localization by having dedicated tabs for each university, making it easy for students to find relevant tutors and resources.
- Strong network of qualified and experienced tutors, ensuring high-quality tutoring services.
- User-friendly website design and intuitive interface, facilitating easy access and navigation for students and tutors.
- Personalized scheduling based on tutor availability, providing students with flexible options to fit their needs.
- Competitive pricing, making the platform more accessible and affordable compared to other tutoring services.
- Higher specificity in terms of tutoring offer – any subject from any university, tutored by people with the same background education

Weaknesses:

- Limited brand recognition and visibility in the competitive tutoring market.
- Possible difficulty in recruiting and retaining a large number of qualified tutors for all subjects and courses.
- High initial investment and ongoing costs to maintain an extensive database of tutors and resources.
- Dependence on the performance of the higher education sector in Portugal, which may be subject to fluctuations in enrollment and funding.

Opportunities:

- Growing demand for online tutoring services due to technological advancements and the ongoing shift towards digital learning.

- Potential partnerships with universities to become an official tutoring platform, increasing credibility and visibility.
- Growing demand for tutoring services as the number of people pursuing higher studies increases
- Potential creation of a network of PT (personal tutors) for specific subjects, at specific universities – someone available through WhatsApp (for example), besides the tutoring sessions

Threats:

- Competition from established tutoring platforms, both local and international.
- Changes in higher education policies, such as tuition fee structures or curriculum changes, that may affect the demand for tutoring services.
- Economic downturns or other external factors that may negatively impact higher education enrollments or students' willingness to pay for tutoring services.
- Technological disruptions, such as the emergence of advanced AI-driven tutoring solutions, that could potentially make human tutors less relevant.

5. Validation of the idea – Survey analysis and discussion

The survey presented below, was conducted and implemented with the intent to research the market, identify the potential target groups, as well as identify and trace problems or potential unseen adversities related with tutoring services within an higher education context.

It is relevant to mention that at the time the survey was conducted, there was no clarified product development nor definition, as this was also intended to be extracted from the results.

Prior to the final version of the survey, there were tests conducted with family and friends to make sure the mechanism of questions and answers was aligned with the objectives of this study.

5.1 Demographics and Initial perceptions

This survey was conducted at the end of the first semester so 1st-year students' feedback could be held accountable. It was digitally distributed to people from different universities and backgrounds, totalizing 103 answers.

From the respondent's panel, 93% were Portuguese, while the remaining 7% were Brazilian, German, Greek and Spanish. ([see annex A1](#))

From those, 69.5% were male, 27.5% were female, 1% non-binary and the remaining 2% preferred not to say. ([see annex A2](#))

The vast majority, 80.4%, with ages between 17 and 25 years old; 12.8% between 26 and 35 and the remaining 6.9% between 36 and 45 years old. This illustrates a panel that is presumably comfortable with technology, which can give credibility and validation to the results from previous experiences with Ed-tech companies explained further. ([see annex A3](#))

As aforementioned, respondents were from a diversified spectrum of institutions with 90.3% located in Lisbon's metropolitan area, 1% from Porto's metropolitan area, 1% from Coimbra and the remaining 8% were from Beiras, Setúbal, Aveiro and Aveiro. ([see annex A4](#)) This contributes to a wider variety of lifestyles, habits and backgrounds that may differ according to each region, that can affect the relationship of the respondents with technology, tutoring services, and education systems itself. The largest scope of answer came from engineering courses, with 39% of the total answers. The remaining derived from *Business, Law, Pharmaceutical Sciences, Architecture, Tourism, Biology and Philosophy*.

In reference to the academic year of the respondents, the number of answers was evenly distributed, possibly translating into transversal conclusions and can be advantageous to help validate the project's intention: To find a specific and suitable solution, applicable across different academic environments.

There were 6 possible answers, ranging from 1st years to 5th years, both bachelor and master's students, and one for people for whom this situation couldn't be applied.

For bachelor students, the highest percentage of people that answered were 3rd year students, with 17.6%, followed by 16.7% in the second year and 9.8% in the first year. For master's students - 7.8% in the fourth year and 13.7% in the fifth year. ([see annex A5](#))

34.3% answered "doesn't apply" which can illustrate several scenarios – Either it is someone that is currently on a sabbatical year; Someone that has been in a course for more than 5 years or someone that has finished their course and is currently away from this type of environment – All the mentioned examples are suitable for this analysis, but this last one may reveal two particular aspects: it can mean that this percentage of collected data comes from someone that has had contact, dealt and thrived through several situations during an academic career, which in this case can mean that the answers were given upon reflection on what could've been done differently, and therefore, an opportunity for First Ed to target these aspects – On the other hand, it can also mean that these people have been away for too long from academic environments, and since we live in a fast-paced changing world, results and conclusions from here could be fragile.

5.2 Exploring market demands – an attempt on understanding

On the first topic, respondents were asked to state “two curricular units of your course that you consider difficult” in order to locate the root of the problem and create a reference for the following questions.

Several subjects were identified, coming from the most diverse backgrounds.

This reinforces the potential need for support in a wide variety of situations – curricular units like finance, accounting, mathematics, biology, data science, chemistry, philosophy, etc.

When asked *why*, 78% claimed that complex content was one of the reasons behind those difficulties; 34% stated that unproductive classes are also a reason for struggle and, along with that, 20% also mentioned insufficient study materials. ([see attachment 6](#)) The combination of these three motives allows the understanding and validation of the problem identified by this investigation, which First Ed aims to solve. This combination can result in severe consequences for one’s academic achievements.

First Ed proposes to suppress and minimize that by offering personalized and comprehensive classes, produced from the student’s perspective – exam-oriented classes and programs, lectured by tutors that know the curricular unit and its dynamics deeply and are able to provide fruitful insights, as well as personalized study material and type of class according to each student’s preferences.

5.3 Consumer behavior research – Product expectations

When asked if they’ve had hired tutoring services in the past, 80% of respondents said “No”, while the remaining 20% said “Yes”.

At first glance, one might perceive this as a negative scenario, yet it can also be seen as a striking business opportunity. This represents a substantial portion of the market that can be capitalized on, aiming to cater to the necessities of these individuals.

Among the respondents who responded "No", about 40% pointed to "high prices" as their justification when asked for a reason. Roughly 9% of participants claimed their lack of knowledge on how to seek out these services. ([See annex A7](#)) This could represent an opportunity for First Ed; addressing this concern might entail providing a platform where students can reliably search for tutoring in specific subjects. A centralized platform where services are organized and can be filtered based on preferences, universities, courses, etc., could be beneficial. Alongside this, the situation could be improved by adopting a novel communication strategy and discovering fresh ways to capture student's interest.

An additional 7.6% indicated that they "did not find a solution that meets their needs". This response underscores the demand for more tailored support at universities, suggesting a potential market opportunity based on the aforementioned considerations.

To the ones who said they'd experienced tutoring services before, it was asked "why did you search for this service?".

66.7% alleged it was because they needed to finish a specific curricular unit – this could be revealing of a deficiency in the system, since a big stake of answers need this support on something as crucial as finishing a curricular unit and consequently the course. On top of that, 52.4% said they wanted to improve their grades among 14.3% that claimed they wanted to deepen their knowledge about a subject, meaning that besides the most important need – finishing the course – there still is a market opportunity for these people.

5.4 Exploring the method – Understanding possibilities

71.4% hired presential tutoring services while 28.6% hired digital services. On this matter, the initial goal was to understand the differences between these two, and eventually, why people chose one instead of the other.

5.5 Presential

Of those who employed in-person services, a significant 73.4% opted for private tutors, leaving only 26.6% who sourced these services from a corporation or tutoring center. This underscores a trend and preference towards a more bespoke type of session, potentially involving fewer participants, which is anticipated to offer a more customized service experience.

Regarding **comfort**, when asked to rate the experience from 1 to 5, 80% of answers situated between 4 and 5, which means the indirect competition provides a positive experience to the market, meaning it should be a topic of high importance in the moment of developing First Ed's service/platform. This should be a point of focus in order to find out how to create value amongst the existent competitors. The remaining 20% rated the experience with 3 stars, meaning there might be space to improve, and this can be seen as a market opportunity as well.

Regarding **schedule flexibility**, 73.3% of respondents rated their experience with 4 or 5. On the other hand, this time, 26.7% rated it between 1 and 3. Since this is a significant percentage, it might mean that there's space to improve some features amongst competitors in the market, translating into opportunities in this matter.

Concerning service quality, 86.6% of users rated their experience from 4 to 5, indicating high satisfaction. The remaining 13.3%, however, only rated it as 3, suggesting room for

improvement. Therefore, for the project to stay competitive, it must commit to upholding professional standards in its service delivery to meet high market expectations.

As it pertains to the sense of personalized service, 33.3% of respondents only rated it as a 3. This could stem from a perceived lack of empathy from the tutor or the presence of large group sessions, which may create a disconnect between the student and the tutor. There's potential for these individuals to be more satisfied if these issues were addressed.

In terms of **cost**, it's important to highlight that more than one-third – 33.4% - rated it as 2 or 3. This means these people weren't satisfied with the price charged for the services they hired, creating space and opportunity for First Ed's competitive pricing proposal.

Regarding **obtained results**, most people – 86.6% - were satisfied with the service they've had hired. This data should be considered, later on, along with people's digitally obtained results.

5.6 Digital

Of those who employed digital services, the answers regarding comfort revealed that only 66.6% of people rated the service as a 4 or 5, while the remaining 33.4% rated either as 3 or 1. This shows there is a lot of room for improvement in the direct competition and it can be a challenge for First Ed – how to create value amongst competitors who have been in the field for many years.

In terms of schedule flexibility, 100% of answers stayed within 4 or 5. This is a positive result, as it validates the idea of “being present 24/7” and shows people might be satisfied with this feature.

Regarding **obtained results**, **quality of service** and **customized offer feeling**, 83.3% of answers were situated within 4 or 5. The existent offer, unlike the first impressions, might be satisfactory enough for clients. This shouldn't be a discouragement, but rather something to look up to as a reference to build something valuable for clients and their needs.

In terms of **cost**, the results indicated that it was the most significant "issue" among all. Approximately one-third, 33.3%, gave it a rating of 3, suggesting that there's potential for enhancement in digital services, as was previously demonstrated in the case of face-to-face services.

Regarding **usefulness**, both digital and presential services showed positive results in the answers given. This could validate the idea of a hybrid project, taking into consideration the potential market in both segments.

5.7 Value generating tools – key takeaways

Overall, both modes of service delivery have their strengths and areas of improvement. What's clear is that clients are seeking quality, flexibility, and a personalized service experience at a competitive cost. Meeting these needs effectively will be key for First Ed to successfully compete and create value in this market, regardless of whether the services are delivered in-person or digitally.

In addition, the data underscores a strong customer preference for individualized attention, as seen by the significant number who favor private tutors for in-person services. This trend points towards the importance of empathy and personal connection in tutoring, suggesting that First Ed should incorporate a personalized approach into its service model, regardless of the format.

Moreover, the high satisfaction levels associated with schedule flexibility, especially in digital services, validates the value of 24/7 availability in today's fast-paced, always-on society. This implies that First Ed could capitalize on offering flexible schedules to cater to diverse customer needs.

Interestingly, the survey results show a discrepancy between the perceived value and the cost of both in-person and digital services. With more than a third of respondents expressing dissatisfaction with the price point, First Ed has an opportunity to carve out a unique position by providing high-quality tutoring services at a more affordable price.

Lastly, the overall satisfaction levels indicate that despite existing for many years, current competitors still leave room for improvement. This suggests that First Ed can indeed compete and potentially surpass established services by focusing on client-centric features and competitive pricing, thus creating more value for customers.

5.8 Exploring expectations – an attempt on building the product's spinal cord

The below questions were projected with the intention of finding out how the competition was positioned in the mind of consumers, as well as identifying how this perception could be changed in a beneficial way for First Ed's and help the company thrive on the path to success.

Firstly, people were asked if their experience had lived up to their expectations and the results revealed an interesting fact - For presential services, 93.3% answered yes. On the digital side, only 50% of respondents were fully satisfied with the services they hired.

It is clear from these results that In-person tutoring is better positioned: As previously stated, it seems that for tutoring services, in-person interactions are generally better received. This could be due to the nature of tutoring - it may be easier for individuals to learn and communicate face-to-face, and they might value the personal touch that comes with in-person instruction.

The majority of complaints were about price, obtained results, and service quality. In the learning sphere, this can suggest that these are areas where improvement is needed. Digital tutoring services might not be seen as delivering the same value for money as in-person services and could be perceived as less effective or of lower quality. The fact that price was a complaint could suggest that the cost of digital tutoring services might not match the perceived value, especially considering only half of the respondents were fully satisfied.

The concerns regarding the results obtained from digital tutoring and the quality of service suggest that there may be limitations to the effectiveness of online learning in this context, or that the methods of teaching being used aren't translating well to a digital platform. The move to digital platforms for tutoring services might be even more challenging than other sectors due to the interpersonal nature of teaching and learning. First Ed will need to ensure they are replicating the in-person experience as closely as possible and using teaching methods that are effective in a digital setting.

Following this, people were asked to state if, given the opportunity, they would hire digital tutoring services. 34% of respondents said “no” and when asked why, several motives were indicated: from “not having interest” to “didn’t feel the necessity”, or even “learning online is tougher than presential”. There was high resistance to digital services, and from the answers given, this can be due to several reasons, suggesting that there isn’t a single, easily addressed issue that is causing dissatisfaction with digital tutoring services. Some respondents indicated they had no interest in digital tutoring services or didn't feel the necessity for them. This might suggest that they are either satisfied with the current (presumably in-person) tutoring they receive, or they don't see the benefits of digital tutoring. ([See annex A8](#))

Some respondents also indicated that they found online learning to be tougher than in-person learning. This reflects a significant barrier for digital tutoring services as they need to not only replicate the quality of in-person tutoring but also make the learning experience as smooth and accessible as possible.

These examples emphasize the need for digital tutoring service providers to improve the user experience, effectively communicate the benefits of digital tutoring, and address the perceived challenges of online learning. It might also be beneficial to explore, in a deeper way, why some users don't feel the need for digital services and find ways to create demand or show them how these services could meet their tutoring needs.

5.9 Exploring expectations – Reaction to data

With the intent of gathering data for the first phase of product development, respondents were asked to state three characteristics they look for in digital learning.

Most answers were related to schedule flexibility, service quality, availability, and price. This allows First Ed to understand what customers value the most, as it is also coherent with the ratings asked priorly, regarding previous experiences. These should be points of focus, fueling a possible prototype development in the future.

To support these points of focus, the following question was about rating features according to their usefulness. There were seven features available, based on the initial project's assumptions: *Interactive doubts space*; *Custom student profile*; *Classes anytime (day or night)*; *Customized learning method and pace*; *Tutors from the same college as me*; *Specific offer according to my school and course*; and finally, *Individual sessions*. Each feature could be rated as *Very useful*, *Useful*, *Indifferent*, *Not useful* and *Not useful at all*.

On *Interactive doubts space*, the most rated category was *Useful*, followed by *Very useful*.

From this point on, one of the main ideas of First Ed's project was validated – this is something that can be further worked on when launching the prototype.

Next, on the *Custom student profile*, the most rated category was indifferent. These results show that, contrary to the initial assumption, this isn't something customers value that much. To note that this doesn't mean this feature should be discarded but rather put on stand-by as it might not be one of the top priorities in the launch phase.

Following this, it was *Classes anytime (day or night)* with the majority of ratings going to *very useful*. This is something that might generate significant value in the future, as it was the one with the biggest difference between categories. It might have to be the top investment of time and funds in an initial phase. These results enhance that people might have different routines and possibly want a service with a more flexible schedule.

In terms of *Customized learning method and pace*, the most rated was once again *very useful*. There is, in fact, the necessity of the “personalized” sense of things. As is noticeable in our expanding world – as it expands, we, as human beings, tend to need more proximity. We tend to want the feeling of importance. It's part of our nature – there's a tendency for isolation due to technological developments, so we look up to what our genes are designed to – to be involved in a community. That feeling of connecting and bonding might be found in this sense of importance that personalized services deliver.

Regarding the category *Tutors from the same college as me*, the most rated was *useful*, followed by *indifferent*, with a mere difference of two people. This could mean that it is an asset,

but not as valuable as first assumed in the genesis of the project. It can be useful to create and develop networks within college communities in the long term, but it has to be carefully managed in order not to be spent too much time around it.

Concerning *Specific offer according to my school and course*, the most rated was *useful*. First Ed proposes that, to feed the aforementioned feeling of comfort and proximity, it might be important to have someone on your side who has gone through the same struggles as you. This helps to create a feeling of trust as well. These results allow the project to direct the efforts into this feature and explore it more, further.

Lastly, *Individual sessions* was top rated as *Very useful*. Contributing once more to delivering a unique and personalized service, this feature allows the person to bond more effectively with the tutor and vice versa.

When examining the graphs and respective data is possible to find a pattern within the categories pertaining to the “self” – Classes anytime (day or night); Customized learning method and pace; Specific offer according to my school and course; Individual sessions - these categories exhibit the most significant disparities between the highest-rated and other responses.

There is an urgent need for the individual, in the broadest sense of the term, to feel special, comforted, and significant. There is a need for touch, for the sharing of energy; it is ingrained in our genes. (Harari, 2011) This might be explained by the existent discrepancies between presential and digital services.

To identify the best service modes to start the business, people were asked what they would prefer, in an ideal scenario – fully digital or hybrid – and 57.6% said they preferred *occasionally hybrid* services. This goes in accordance with the development strategy of creating 3 learning modes: *The hybrid mode*; *The E-learn mode*; and *The live mode*.

In relation to customer trust and their willingness to engage with the services, respondents were queried about the minimum final grade of the tutor that would instill a sense of trustworthiness. 80.2% of the responses indicated a minimum grade of 15 or higher. This data holds significant value for the future development of a tutor filtering mechanism, as it will ensure that the recruitment process takes into careful consideration the minimum grade of 15 or higher to foster customer trust, as previously mentioned.

5.10 Exploring expectations – Measuring enthusiasm

During the concluding phase, participants were inquired about their willingness to utilize the platform if it provided free access for a semester. The results were remarkable, with 90.9% of

respondents expressing a positive inclination. Notably, this inclination remained consistent even among those who had previously indicated a preference for in-person services. [\(See annex A9\)](#) The high percentage of respondents willing to use the platform under the condition of free access for a semester suggests a significant level of interest and openness to exploring the digital service. This finding indicates that offering a trial period at no cost could be an effective strategy to attract users, including those who initially leaned towards traditional in-person services.

5.11 Closing insights

Based on these findings, what people seek the most might precisely be to replicate the in-person sensation in the digital experience. This perhaps represents the greatest challenge for the project – taking these truly valuable features, which create value in an in-person setting, and efficiently transitioning them to the digital realm in terms of costs and services. Essentially, it is about combining the best of both worlds. The collection of both qualitative and quantitative data serves as a valuable tool to initiate the processes mentioned above. It is important to recognize that, owing to the uncertainty inherent in a startup, the optimal approach may involve complementing this with the gathering of real-time data and proceeding accordingly.

The preceding inquiries have significantly contributed to comprehending potential customers' responses to the product and have also facilitated the identification of pivotal focal areas crucial for product development and innovation.

6. Development strategy

6.1 Vision statement

To be the number one digital learning platform in Europe, by helping all higher education students reach their academic goals regarding any subject, at any day, any hour, anywhere.

6.2 Mission Statement

Our mission is to empower higher education students across the world by providing a customizable, accessible, and affordable tutoring experience, designed to fit each individual's unique learning needs. We are committed to achieving this by recruiting exceptional tutors, and fostering a collaborative learning environment, learning networks capable that enable students to excel in their educational journey through a personalized and engaging support system.

6.3 Value proposition

First Ed provides a premium, highly accessible tutoring service, designed exclusively for higher education students in Portugal. Our services bridge the gap in academic support for specialized subjects often devoid of sufficient study materials and tutoring avenues, fostering an enriched learning environment to empower students to reach their utmost potential.

7. Corporate objectives

7.1 Long run

Focus – To become a leading online tutoring platform for higher education students in Portugal within the next 5 years.

Expansion – To expand our services to all major universities in Portugal and reach 50 000 active users by 2030.

Product Development – To develop and integrate cutting-edge technology, such as AI-driven learning into our platform from 2025 to 2028.

Customer Satisfaction – To consistently achieve a customer satisfaction rate of over 90% and become renowned for our exceptional customer service.

Profitability – To achieve a 15% increase in net profit annually over the next 5 years while maintaining affordable pricing for users.

Social Impact – To contribute to improving higher education outcomes in Portugal by helping at least 70% of our users improve their grades or achieve their academic goals by 2028.

Sustainability – To operate sustainably by minimizing our environmental footprint and promoting digital education solutions that reduce paper consumption.

7.2 Short run

Focus – Ensure the completion of a fully functional, user-friendly, and reliable platform within the next three months.

Brand Awareness – Increase brand recognition and visibility in the higher education market within the first six months.

Tutor Recruitment – Recruit at least 50 qualified and experienced tutors representing all major subjects and courses within the first year.

User Acquisition – Acquire a minimum of 250 active users (students) on the platform within the first six months;

Partnerships – Establish at least two strategic partnerships with universities or other educational institutions within the first year, to raise potential clients;

Competitive Pricing – Implement a competitive pricing strategy that attracts students and remains sustainable for the business within the first three months;

Customer Satisfaction – Achieve a customer satisfaction rating of at least 85% within the first six months;

Service Quality – Ensure that all tutors deliver high-quality tutoring services, as measured by student feedback and performance;

Financial Stability – Achieve financial stability and cover all startup costs within the first year of operation;

Market Expansion – Expand the service to at least one more geographic location or university within the first year.

8. Marketing Plan

8.1 Segmentation, Target and Positioning

8.1.1 Segmentation

There are different segments, that can be derived from these dimensions: younger vs older, more traditional vs more open-minded, with time availability vs with little time available.

8.1.2 Target

First Ed's target includes people between 18 and 45 years old, since people generally start their higher education courses at the age of 18, and adults over 45/50 years old are likely to be reluctant to use digital learning apps.

This is related to the obstacles that digital learning can confront students with, which are more likely to be overcome by someone with a strong relationship with technology. Based on the lifestyle of most individuals in Portugal, in this age range, that is not the case. However, people are all different and with various motivation levels and necessities, meaning that it is not fully discarded that there is potential clientele 45+ years old.

Young adults – People with ages between 18 and 25, college students or working students that have a busy lifestyle, technology-oriented; people who usually have little time, during their rushed and stressed day at work/college, who might need to have classes/support from wherever is more convenient whenever is more convenient, but still value quality.

Adults – People between 26 to 45 years old, who enjoy being technologically updated; people who are becoming or already are working and studying simultaneously; This age group might have a less stressful lifestyle than the prior target, but still live relatively rushed lives.

8.1.3 Positioning

First Ed aims to be a “time and money saver” app for students, to make the process of learning remotely as much comfortable, accessible, and human as possible and also boost the experience of a tutoring session, improving student performance overall.

8.2 Marketing mix strategy

8.2.1 Product

Following Ries (2011) MVP’s theory, a cost-free strategy will be initially adopted. There will be a landing page in a web site that will serve the purpose of receiving customers and their requests. The website will present the offer as well as in which institutions the service is available.

The internal management of the business will be kept in an excel shared sheet - organizing schedules, content delivery, client payments, learning curves for each student as well as educational progress. These sheets will be shared with students, delivering success maps with deadlines.

The First Ed platform aims to simplify the process of finding a tutor for any subject from any higher education course across the Portuguese academic environment. It rapidly connects students with private tutors with the same background, who faced the same academic challenges and can provide a highly personalized user experience. There are 3 learning modes available: E-learn mode where students can have multiple weekly sessions, fully remote; The Hybrid mode – allows students to have both in-person sessions as well as remote; and finally, the *Live* mode, meaning that all sessions are presential. All learning modes allow the student to have a PT (personal tutor) that is available through WhatsApp, outside of learning session hours.

8.2.2 Price

First Ed’s platform provides competitively priced tutoring sessions that are more affordable than the majority of the competition. It offers 3 different learning modes, going from *E-learn mode* to *Hybrid* mode and finally to *Live* mode, as the price increases accordingly. Each client is offered a personalized coupon code, which gives a 10% discount off the final price if anyone uses the

code to subscribe to one of the learning modes. The service will be delivered through three subscription plans, starting at 30€ per week for the *E-Learn* mode, 50€ for the *Hybrid* mode and 60 for the *Presential* mode.



Figure d - Subscription plans
Source: Ramos (2023)

8.2.3 Placement

The placement will be online. Users can access the platform directly on their browser and on any partner's website, where will be an hyperlink for the platform. However, in an initial phase, the focus will be on a solo platform in a form of website/application.

8.2.4 Promotion

To promote First Ed, the plan is to use diverse channels above and below the line, such as Social Media content and ads, Influencer and E-mail marketing, Brand Activation actions, Launch Events, among others.

Due to the lack of large funds for investment, the company will only target promotion investments that are considered essential for rapid growth. This means applying them to the distribution channels that are believed to be inhabited the most, by potential customers.

Social Media Marketing - Platforms such as Instagram and Facebook are popular among Portuguese students. The main goal is to create short videos with content that is familiar to a certain niche or university student population, to create a stronger bond with students. Study tips (videos with a student/tutor from a specific course talking about specific exams, f.e); Best places to study in a certain university (as well as the city); tips on how to get to the university by public transportation; After class activities; Tips for valuable online content regarding a specific topic/exam;

On the same social media marketing strategy, it will be useful to conduct Instagram Live sessions with tutors, with the intention of answering some questions from the attendees. On a regular basis – f.e “Sexta de Gestão” – “Business Administration’s Friday” – With a tutor from the course at ISCTE, talking about a previously announced topic, with the possibility of inviting one of his/her/their students to give a testimony about the experience with the platform.

SEO and SEM strategies – Use specific keywords that Portuguese students might use when looking for tutoring services, such as "explicações online Lisboa" or "apoio académico universitário".

Content Marketing – on this subject It could be important to create an adjacent YouTube channel for the platform, with instructions on how to interact with the website; Reviews about universities based on testimonies from alumni; Testimony videos from users of the platform.

Partnerships with Universities - Partner with universities like ISCTE, Universidade de Lisboa or Universidade NOVA de Lisboa, offering exclusive discounts or special packages for their students. The sponsorship of academic events or clubs at these universities is also a relevant opportunity to promote the business – for example, giving out discount vouchers coming with “Kit do Caloiro”, through a partnership with the local student associations.

Email Marketing - Send out a newsletter with tips for upcoming exams, important academic dates at local universities, or profiles of the top tutors/courses.

“Bring a Buddy” Program – To launch a referral campaign where current users get a free tutoring session or a discount on a package price, for every new user they refer. This might be a good strategy to strengthen the word-of-mouth advertising of the company.

Offline Promotions – To attend student-focused events such as the "Recepção ao Caloiro", the welcoming event for freshmen students. Participate in local academic fairs or educational conferences.

Influencer Partnerships - Collaborate with lesser-known influencers, like student leaders or YouTubers who focus on academic success or some type of educational content. F.e, a good

first partnership would be with João Zoio, a Portuguese youtuber who is rapidly raising his audience and lectures a broad spectrum of topics, on his youtube channel.

Community Involvement - Engage with the local community, participate in student events, or hold free online workshops on key topics such as exam stress management or study techniques, which could help attract users to your platform.

Offer psychological support, in a partnership with psychology students, during stressing exam seasons.

Affiliate marketing – Each client is offered a personalized coupon code, and can become an ambassador for the company. The coupon gives a 10% discount off the final price if anyone uses the code to subscribe to one of the learning modes. In addition to that, for every customer that registers with the coupon, the student gets a free session.

9. Financial Analysis

First Ed's financial analysis was made based on projections of five years of activity, going from 2024 to 2028. The figures presented throughout the financial plan, are merely projections taking into consideration the uncertainty of a startup's life span. The market growth rate, the business context in Portugal and the survey answers are the main ingredient for these projections.

Three different scenarios were examined to predict responses across time/market: Optimistic, Realistic, and Pessimistic. It's crucial to note that these scenarios were analyzed using a conservative approach.

Based on the sales projections, in order to properly analyze the performance of the company, a set of statements and analyses were elaborated such as profit and loss statements for the three scenarios, cash flow statements, balance sheets, and last but not least a break-even analysis.

9.1 Sales forecast

For the *realistic scenario*, in terms of potential market size, the number considered was the total number of students at ISCTE, where the project is intended to start its activity. The main goal is to structure the platform at ISCTE for one year, 2024, while getting real time feedback and learning how to improve the service. Once it reaches its break-even point and establishes a solid network at ISCTE, the expansion is predicted to be done from 2025 onwards, firstly to ISEG, which justifies the increase in potential market size, since the total number of ISEG students was considered - 5400. In 2026 and 2027, the platform will expand to all the University of Lisbon. In 2028, as it gets more and more credibility and structure, it expands to the University of Coimbra.

To determine the number of sessions per student, in hours, there was an estimation of 2 hours per week, on average, which multiplied by 13 weeks – the period of a school semester - gives a total of 26 hours per quarter. To get the final figures for sales projections, the total number of hours was multiplied by the potential market size (students), which gives the potential market size in hours. To those figures, it was necessary to apply the projections of market share, marked by an increase of 0.5% per quarter in the first year. In the second year, starting from 1.50% it increases by 0.10% per quarter– the decrease in the figures can be explained by the increase in potential market size and the necessity to align the figures with a realistic approach. In the third year, it keeps increasing by 0.10%, followed by 0.05% in the fourth and fifth year.

The total number of hours was distributed per learning mode according to the student's preferences extracted from the survey's data: 10% for the remote mode, 60% for the hybrid mode and 30% for the presential. [\(See annex A10\)](#)

The optimistic scenario was also structured following the same line of thought aforementioned, with the main differences coming in terms of total hours per quarter and expected market share.

[\(See annex A12\)](#)

In terms of expected market share, when compared with the realistic scenario, there's a more aggressive increase over the five years of activity. For the first year, there's an increase of 1% per quarter, followed by 0.15% in the second year – the period of expansion to ISEG. In the third year it expands to the University of Lisbon – 52126 students -, with the expected market share increasing by 0.10% per quarter. In the fourth year it expands to all the University of Coimbra – 28182 students - and in the fifth year it expands to The University of Porto – 34000 students – increasing the expected market share by 0.05% per quarter in both years. These figures reflect a scenario where market reaction to the service is really positive, and the expansion is quicker. It's relevant to mention that these figures are mere projections based on assumptions, as startups grow in immense fields of uncertainty.

The pessimist scenario has a less positive approach to sales projections, with expected market share and potential market size figures behaving differently. In this case, the expansion only occurs three years after activity starts, with a slower increase of expected market share per quarter. It evolves by 0.25% per quarter in the first year and second year, and 0.10% in the third year and stagnating at 0.01% in the fourth and fifth years. [\(See annex A11\)](#)

Once again it is relevant to mention that these projections were made based on survey results, global market sentiment study, and current perception of customer behavior. Within each context, there was a conservative approach in terms of volume.

9.2 Profit and Loss statement

The P&L statement provides a comprehensive overview of a company's operational efficiency, cost structure, and profitability.

In the case of First Ed, for a realistic scenario, as sales are intimately connected with revenue and the overall financial performance of the company, there is a consequent increase in total revenue during the period of activity studied.

For a matter of financial statements – even though the pricing strategy is structured differently - Total revenue was achieved by multiplying the total number of sales by the price of each learning mode: 15€/h for remote mode; 25€/h for hybrid mode and 30€/h for live mode.

For the calculation of Cost of Goods Sold, the number of hours lectured was multiplied by the cost of salary for each learning mode: 10€/h for remote; 15€/h for hybrid and presential. These figures were projected based on the survey data as well as the market average.

For operational expenses, the values figures considered included website costs, accounting, room renting, marketing expenses which were set at a fixed rate of 20% of total revenue for the first year, 10% on the second year and 5% on the following years – this is included in the market penetration strategy of the company, which explains a bigger investment in the first two years. The costs with room renting and accounting increase from the third year onwards due to the growing necessities of the company - as the number of sales increases, there is a need for more space and for a more complex system of accounting.

For the taxes, a rate of 21% - Imposto Sobre o Rendimento das Pessoas Coletivas - was applied as the Portuguese law obliges, resulting in the Net Income figures.

From the second year onwards, an investment of 130,000 € was accounted for operating expenses – as this value was diluted over the years, there was an initial investment of 30,000 € in the first year, and the remaining 100,000 € in the third and fourth year. This investment is regarding a platform with the features proposed earlier, if validated through user experience feedback – there were operational costs related to this platform of 10,000 € in the first year, 15,000 € for the third and fourth years, and 50,000 € in the fifth and last year.

	2024	2025	2026	2027	2028
Revenue	354,240.90	703,891.19	1,175,838.46	1,673,308.57	2,875,914.99
Cost of Goods Sold	201,431.10	400,251.85	668,614.02	951,489.19	1,635,324.21
Gross Margin	152,809.80	303,639.34	507,224.43	721,819.38	1,240,590.78
Operating Expenses	75,630.18	115,171.12	132,809.92	157,683.43	202,813.75
Net Income Before Taxes	77,179.62	188,468.22	374,414.51	564,135.96	1,037,777.03
Taxes	16,207.72	39,578.33	78,627.05	118,468.55	217,933.18
Net Income	60,971.90	148,889.89	295,787.46	445,667.40	819,843.85

Cost structure	2024	2025	2026	2027	2028
Website domain (per year)	18.00	18.00	18.00	18.00	18.00
Classrooms rent	3,000.00	3,000.00	6,000.00	6,000.00	6,000.00
Accounting	1,764.00	1,764.00	3,000.00	3,000.00	3,000.00
Marketing expenses	70,848.18	70,389.12	58,791.92	83,665.43	143,795.75
Investment in platform	-	30,000.00	50,000.00	50,000.00	-
Operational costs w/ platform	-	10,000.00	15,000.00	15,000.00	50,000.00

Figure e - Profit & Loss statement - realistic scenario

Source: Ramos (2023)

For the optimistic scenario, the company has more net income available due to its sales performance. In this case, the total investment is 130,000 € distributed per the second – 90,000 € - and third year – 40,000 €. Since the platform is fully operational earlier than in the other scenarios, the operational costs increase to 50,000 € from the fourth year on. [\(See annex A14\)](#)

On a pessimistic scenario, due to a worse financial performance, the total investment on the platform was 75,000 €, diluted over the period of activity. [\(See annex A13\)](#)

All three scenarios followed the same structure, differing in sales volume, and consequently impacting the investment decisions.

9.3 Cash flows statement

The Cash Flow Statement offers a comprehensive view of the cash management of a company, complementing the information presented on the profit and loss statement and balance sheet.

For the realistic and optimistic scenarios, the company shows a positive performance over the period of activity, with a positive NPV (net present value) of 1,477,827.76 € - for the realistic scenario specifically - accumulated over the period of activity, confirming the financial viability of the project.

To obtain the NPV, a value for the treasury bond rate, in Portugal – 3.4% - and a risk rate of 3% were accounted.

In a pessimistic scenario, the NPV is also positive, but the figures show a worse performance than on the previous scenarios studied.

All figures presented are in accordance with the P&L statement and balance sheet, illustrating the progress of the company over the years.

	REALISTIC				
	2024	2025	2026	2027	2028
Opening Balance	-	77,179.62	249,440.12	584,276.30	1,069,785.21
Cash In	354,240.90	703,891.19	1,175,838.46	1,673,308.57	2,875,914.99
Cash Out	277,061.28	515,422.97	801,423.95	1,109,172.62	1,838,137.96
Net Cash Flow	77,179.62	188,468.22	374,414.51	564,135.96	1,037,777.03
Taxes (year before)	-	16,207.72	39,578.33	78,627.05	118,468.55
Closing Balance	77,179.62	249,440.12	584,276.30	1,069,785.21	1,989,093.69
Net Present Value	72,605.48	234,656.74	549,648.45	1,006,383.08	1,871,207.61

Figure f - Cash flow statement - realistic scenario

Source: Ramos (2023)

9.4 Balance sheet

The Balance Sheet provides a comprehensive picture of a company's financial health, showing what it owns, owes, and the owners' stake at a specific point in time. It's a crucial tool for stakeholders, from management to investors, to evaluate the company's financial stability and performance.

It's crucial to have a balanced fundamental equation of accounting, proving the integrity of financial data, showing that financial statements are consistent and showing transparency and accountability.

As can be seen per the below, First Ed's fundamental equation of accounting is correct throughout the whole period of activity:

Assets = Liabilities + Equity

2024: 77,179.62 = 16,207.72 + 60,971.90

2025: 249,440.12 = 39,578.33 + 209,861.79

2026: 584,276.30 = 78,627.05 + 505,649.25

2027: 1,069,785.21 = 118,468.55 + 951,316.66

2028: 1,989,093.69 = 217,933.18 + 1,771,160.51

Assets	2024	2025	2026	2027	2028
Current assets					
Cash and cash equivalents	77,179.62	249,440.12	584,276.30	1,069,785.21	1,989,093.69
Accounts receivable	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Non-current long-term assets					
Investments	-	-	-	-	-
Liabilities					
Current liabilities					
Accounts payable	-	-	-	-	-
Notes payable	-	-	-	-	-
Taxes payable	16,207.72	39,578.33	78,627.05	118,468.55	217,933.18
Salaries and wages payable	-	-	-	-	-
Equity					
Share capital	-	-	-	-	-
Retained earnings	60,971.90	148,889.89	295,787.46	445,667.40	819,843.85
Earnings in transit	-	60,971.90	209,861.79	505,649.25	951,316.66

Figure g - Balance sheet - realistic scenario

Source: Ramos (2023)

9.5 Break-even analysis and other key financial metrics

A break-even analysis provides a clear, quantifiable point of reference from which businesses can evaluate their potential for profit and make informed strategic decisions.

For First Ed, the break-even point is 85,330.54 € of revenue, meaning that from this point onwards, the company will be profiting. This was calculated using a contribution margin ratio, calculated through dividing the total contribution margin per total revenue figures. To get the contribution margin, the salary costs were deducted from the selling price, for each learning mode. Through dividing the total fixed costs per the contribution margin ratio, it's possible to determine the break-even point on the table below.

Type of Session	Total Hours (2024 - 2028)	Total Variable Costs	Total Contribution Margin	Total Revenue
Remote	26,600.76	266,007.61	133,003.81	399,011.42
Hybrid	114,185.00	1,712,775.00	1,141,850.00	2,854,625.00
Presential	57,093.00	856,395.00	856,395.00	1,712,790.00

Figure h - Break-even analysis

Source: Ramos (2023)

Break-even Revenue	-	-	-	85,330.54
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To enrich this study, the return on equity (ROE), return on investment (ROI) and return on sales (ROS) were calculated.

In 2024, the 100% ROE suggests a full return on equity. This is given the fact that there was no initial investment and the company was providing an effective, value-added service that resonated with students.

The Return on Equity has decreased over the years, as can be seen per the below. This could be due to the rapid growth of the company - which is natural in a startup initial years of activity – on top with the necessity of investments or enhancements in the system, which was the case for First Ed's platform.

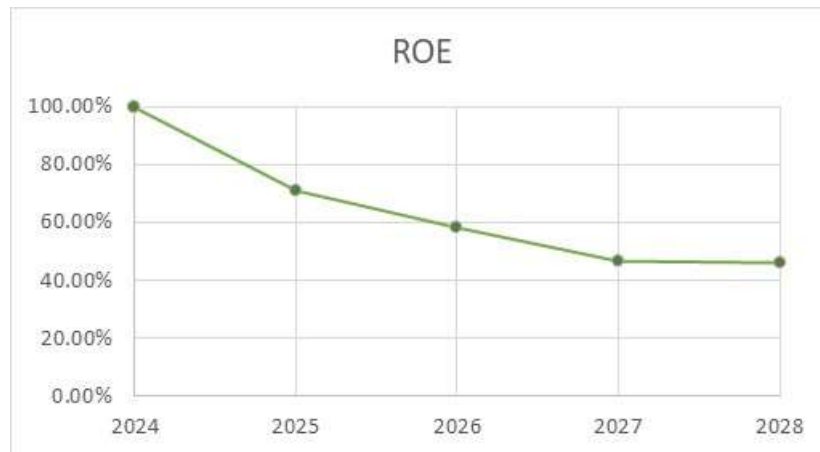


Figure i - Return on Equity
Source: Ramos (2023)

Regarding return on investment, in 2024, no figures were considered, facing the fact that there was no initial investment.

For the upcoming years, it starts ascending from 115% to 631%, reflecting significant returns on the cumulative €130,000 investment in the platform. This consistent growth suggests that the platform is effectively supporting the business, possibly by enabling efficient online tutoring, reaching a wider audience, or offering innovative features that can add real value to the user experience.

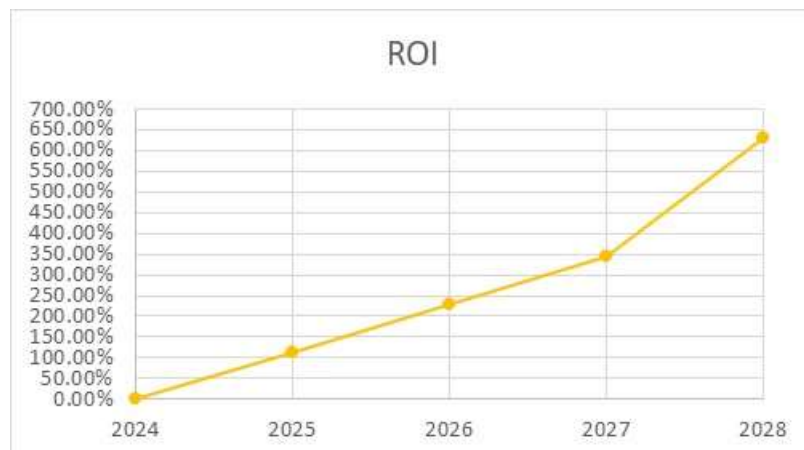


Figure j - Return on Investment
Source: Ramos (2023)

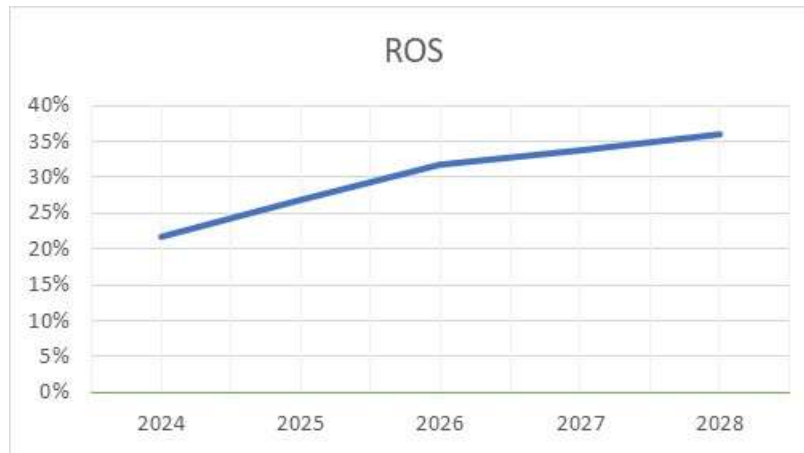


Figure k - Return on Sales
Source: Ramos (2023)

The Return on Sales steadily increases over the period of activity, from 22% to 36%. The platform investment is being paid off by either driving sales or aiding in cost containment.

10. Conclusions

The process of building a startup is almost always unfair to the entrepreneur. It all starts with an idea, transposed with a pen to a blank space called “the real world”. The startup often comes to the entrepreneur’s mind as a reaction to a problem. It’s not always an invention, as there’s a recurrent need for external stimulation, from the seed stage till the moment the project is off. First Ed’s idea comes from experiencing difficulties and trying to do what humans do best: to adapt. Creating a business involves having a purpose, a connection, and most importantly involves the hope of changing the world for the better. First Ed’s purpose was clear from the beginning: to transform the academic experience of the largest number of students possible, by creating accessible nuclear tutoring opportunities. The major conclusion is that number wise, this project is viable and is ready to start – but it happens that entrepreneurship is far more than just numbers. A study about a project of this nature cannot be done without identifying risks and challenges, since those are the main ingredients when projecting the future of a startup. One of the first uncertainties lies in gauging whether there is a substantial market demand for tutoring at the higher education level in Portugal, especially given the specified price points – values might not be as competitive as initially thought. With existing tutoring platforms and educational services, competition becomes a significant concern. These competitors might offer similar services, perhaps even at more attractive prices, which can impact market’s penetration.

In Portugal, there are rules and regulations associated with education and online platforms. Navigating these regulatory and compliance landscapes would be paramount to avoid legal pitfalls. Additionally, striking a balance between the operational needs and logistics of remote, hybrid, and presential sessions could prove to be both complex and costly. Quality assurance is another critical area; ensuring that tutoring is consistently high-quality across various formats and tutors can be demanding, especially since the goal is to hire students or recent graduates. Finding and retaining qualified tutors who excel in all three teaching modes could be a challenging recruitment task. Furthermore, fixed pricing, whether deemed too high or too low, might exert pressure on both demand and profitability. On the technological front, creating a secure and user-friendly online platform for students is essential. Any breaches or tech glitches could severely impact the startup's reputation and smooth operations.

There's also the cultural aspect to consider. The proposed tutoring concept might not resonate with traditional educational norms or preferences in Portugal, making it crucial to align services with societal expectations. The economy's state can influence student spending on tutoring. Economic downturns or any changes in disposable income levels could sway decisions. Health crises like COVID-19 or potential future pandemics can significantly disrupt the balance between the different tutoring modes, especially the presential ones.

Another concern is related to payment collections, handling potential financial disputes, and ensuring timely payments from students which are vital aspects of financial health. To stand out in a crowded market, significant marketing efforts would be necessary. As the platform grows, scaling up to accommodate more students and tutors might introduce new challenges. Ensuring long-term commitment from both students and tutors to the platform remains a significant concern in the tutoring business and might be the biggest challenge of them all – that's where the value proposition enters the scene. There's a necessity to create a real connection and to learn how to communicate with students to reach their problems with an effective solution. Financially wise, there's also the risk of tutors giving classes from outside the platform - To address this issue, several strategies could be implemented. Firstly, establishing a loyalty or rewards program that offers incentives to tutors for holding their classes exclusively on the platform could encourage adherence. This might include bonuses, enhanced compensation, or other perks based on the number or frequency of classes conducted on the platform. Enforcing strict contractual agreements can also serve as a deterrent. Clear, stringent contracts should explicitly outline the repercussions of conducting classes outside of the platform, ensuring tutors are fully aware of the consequences of any violations. Enhancing the overall user experience is also crucial. By making the platform more user-friendly and responsive to the needs and

preferences of the tutors, satisfaction and compliance levels can be increased. This involves regularly collecting feedback from tutors and making necessary improvements and adjustments to meet their needs and expectations.

In addition to these, offering competitive compensation and benefits can help in retaining tutors. By ensuring that the remuneration and benefits provided are comparable, if not superior, to what tutors might receive outside, the platform can maintain its appeal.

Implementing transparent and efficient payment systems can also alleviate concerns. Tutors are more likely to stay if they find the payment process to be reliable, quick, and hassle-free. By combining these approaches, the platform can effectively minimize the risk of tutors conducting classes elsewhere and ensure sustained growth and success.

During the research, a few limitations were encountered, and there were several methodologies that might have been approached differently.

For example, in terms of the survey's questions incision, it could've been more directed to the experience at ISCTE – even though external validation is needed to support a future escalation of the business – and with ISCTE students, since the project is set to be launched at the institution. Another aspect that could've been explored in a deeper way is the value for price expectations, namely the maximum price students were willing to pay for the service. The answers could've been directed differently, in terms of relevant subjects – if it were asked first the category of studies (i.e. maths-related subjects, social studies, etc.) it could've been easier to organize the answers and different conclusions could've been taken.

For a future investigation and to ideally collect more accurate answers in order to create an effective solution, the best method would be to rearrange the survey as previously mentioned and to build an MVP – this way, real-time feedback is provided and progressive validation of ideas and features (through split testing and hypothesis testing). (Ries, 2011)

In conclusion, initiating a startup like First Ed is fraught with challenges, but also presents significant opportunities to transform the academic experience through accessible tutoring. The pursuit is not just a numbers game; it requires a nuanced understanding of market demands, regulatory landscapes, and cultural norms in Portugal, as well as a clear alignment with student and tutor needs and expectations. Striking a balance in operational logistics and maintaining quality are paramount, as is navigating competition and pricing pressures effectively. The company must build a secure and user-friendly platform, responsive to the distinct needs of its users, and align its services with societal expectations and traditional educational norms. Additionally, creating a value proposition that resonates with both students and tutors, coupled with the implementation of strategic solutions to retain tutors within the platform, is crucial for

long-term success and sustainability. The journey of First Ed is set against a backdrop of uncertainties and risks, but with thoughtful approach and continuous refinement based on feedback and learning, it has the potential to create a meaningful impact in the education sector.

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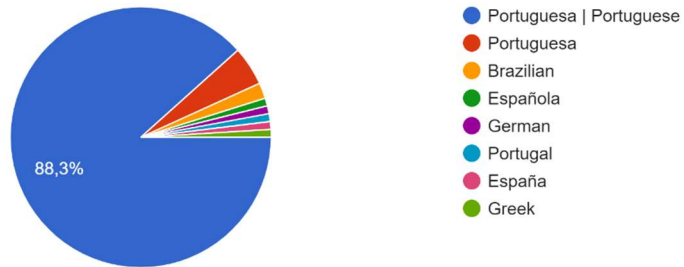
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ANNEXES

Nacionalidade | Nationality

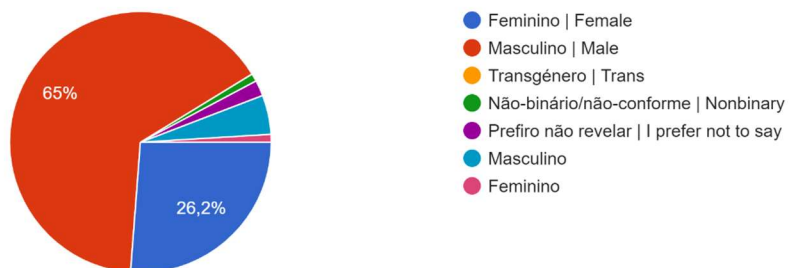
103 respostas



(Annex A1)

Género | Gender

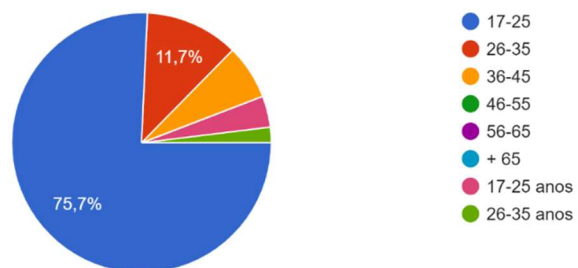
103 respostas



(Annex A2)

Idade | Age

103 respostas



(Annex A3)

Região onde estuda | Region where you study (if foreign, state country and region)

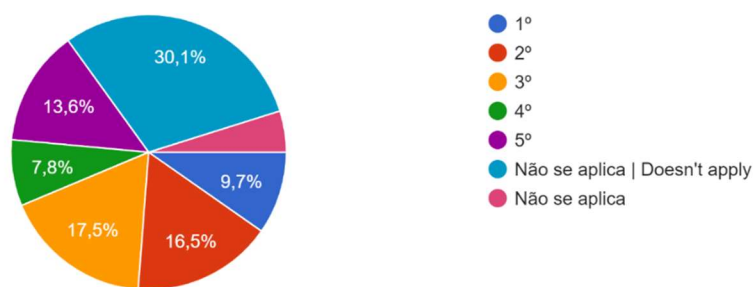
103 respostas



(Annex A4)

Qual o ano que frequenta ? | What year are you in ?

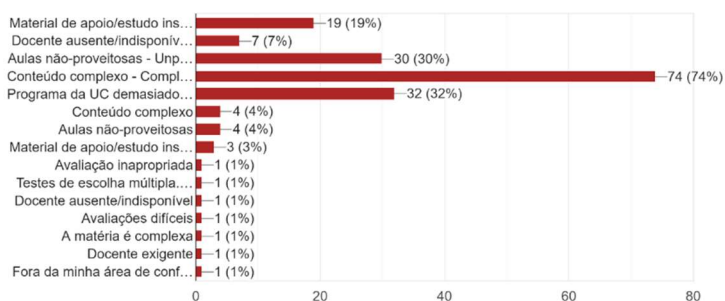
103 respostas



(Annex A5)

Indique o(s) motivo(s) dessa dificuldade | State the reason(s) behind that difficulty

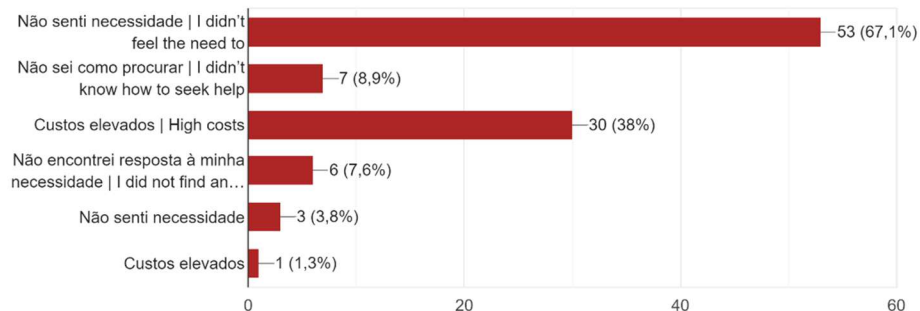
100 respostas



(Annex A6)

Por que razão ? | Why not ?

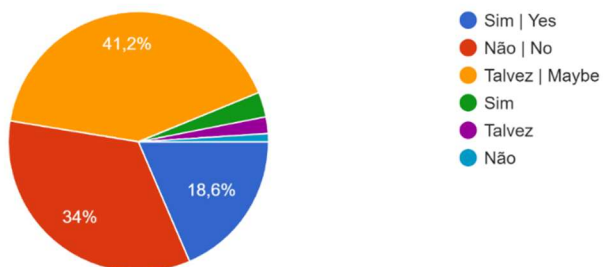
79 respostas



(Annex A7)

Se tivesse oportunidade, optaria por ter explicações online ? | Given the opportunity, would you choose to have on-line tutoring ?

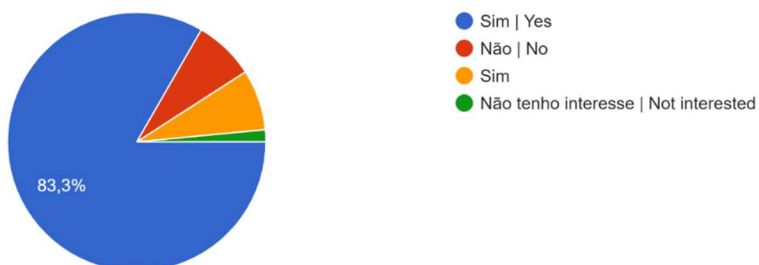
97 respostas



(Annex A8)

Se pudesse, durante 1 semestre, ter acesso GRATUITO a uma plataforma com as características acima, aceitaria ? | Given the offer of FREE access,... like the one described above, would you accept it ?

66 respostas



(Annex A9)

Year	Quarter	Potential/Market Size (students)	Number of sessions per student	Potential market size (hours)	Expected Market Share	Number of hours	Remote Sales per student	Hybrid Sales per student	Presental Sales per student	Remote Sales (hours)	Hybrid Sales (hours)	Presental Sales (hours)	Price for remote	Price for Hybrid	Price for Presental	Revenue (Remote)	Revenue (Hybrid)	Revenue (Presental)	Total Revenue	Total Revenue (per year)
2024	Q1	10,086	26	277,836	0.50%	1,389.18	0.1	0.6	0.3	139	834	417	15	25	30	€ 2,084	€ 20,838	€ 12,520	€ 35,424	€ 154,246
2024	Q2	10,086	26	277,836	1.00%	2778.36	0.1	0.6	0.3	278	1667	834	15	25	30	€ 4,168	€ 41,675	€ 25,040	€ 70,988	
2024	Q3	10,086	26	277,836	1.50%	4167.54	0.1	0.6	0.3	417	2501	1250	15	25	30	€ 6,251	€ 62,513	€ 37,560	€ 106,272	
2024	Q4	10,086	26	277,836	2.00%	5556.72	0.1	0.6	0.3	556	3334	1667	15	25	30	€ 8,335	€ 83,351	€ 50,080	€ 141,666	
2025	Q1	10,086	26	438,236	1.50%	6273.54	0.1	0.6	0.3	627	3764	1882	15	25	30	€ 9,410	€ 94,103	€ 56,462	€ 159,575	€ 703,691
2025	Q2	10,086	26	438,236	1.60%	6991.776	0.1	0.6	0.3	689	4025	2008	15	25	30	€ 10,088	€ 100,377	€ 60,226	€ 170,640	
2025	Q3	10,086	26	438,236	1.70%	7110.012	0.1	0.6	0.3	711	4266	2133	15	25	30	€ 10,665	€ 106,650	€ 63,990	€ 181,205	
2025	Q4	10,086	26	438,236	1.80%	7528.248	0.1	0.6	0.3	753	4527	2258	15	25	30	€ 11,282	€ 112,824	€ 67,754	€ 191,570	
2026	Q1	68,212	26	1,773,512	0.50%	8867.56	0.1	0.6	0.3	887	5321	2660	15	25	30	€ 13,301	€ 133,013	€ 79,808	€ 225,123	€ 1,178,638
2026	Q2	68,212	26	1,773,512	0.60%	10661.072	0.1	0.6	0.3	1064	6365	3182	15	25	30	€ 15,362	€ 153,616	€ 95,770	€ 271,167	
2026	Q3	68,212	26	1,773,512	0.70%	12044.594	0.1	0.6	0.3	1203	7449	3724	15	25	30	€ 16,622	€ 166,228	€ 111,701	€ 316,572	
2026	Q4	68,212	26	1,773,512	0.80%	14188.096	0.1	0.6	0.3	1419	8533	4256	15	25	30	€ 21,282	€ 212,823	€ 127,883	€ 361,766	
2027	Q1	68,212	26	1,773,512	0.85%	15074.852	0.1	0.6	0.3	1507	9045	4522	15	25	30	€ 22,612	€ 226,123	€ 135,674	€ 384,409	€ 1,673,389
2027	Q2	68,212	26	1,773,512	0.90%	15961.608	0.1	0.6	0.3	1596	9577	4788	15	25	30	€ 23,942	€ 239,424	€ 143,654	€ 407,021	
2027	Q3	68,212	26	1,773,512	0.95%	16848.364	0.1	0.6	0.3	1685	10309	5055	15	25	30	€ 25,273	€ 252,725	€ 151,435	€ 429,533	
2027	Q4	68,212	26	1,773,512	1.00%	17735.12	0.1	0.6	0.3	1774	10941	5321	15	25	30	€ 26,604	€ 266,041	€ 159,656	€ 452,146	
2028	Q1	96,394	26	2,506,244	1.05%	26251.62	0.1	0.6	0.3	2623	15789	7895	15	25	30	€ 28,673	€ 286,733	€ 174,728	€ 570,147	€ 2,275,935
2028	Q2	96,394	26	2,506,244	1.10%	27569.694	0.1	0.6	0.3	2757	16541	8271	15	25	30	€ 41,353	€ 413,530	€ 248,128	€ 715,001	
2028	Q3	96,394	26	2,506,244	1.15%	28821.696	0.1	0.6	0.3	2882	17293	8647	15	25	30	€ 43,283	€ 432,327	€ 259,396	€ 744,556	
2028	Q4	96,394	26	2,506,244	1.20%	30074.928	0.1	0.6	0.3	3007	18045	9022	15	25	30	€ 45,112	€ 451,124	€ 270,674	€ 766,911	

Year	Remote	Hybrid	Presental	Total (hours)
2024	1389	835.68	416.8	1385
2025	2780	1662.1456	8281	27604
2026	4811	27667.9872	13833	48111
2027	6562	39871.9964	19686	65620
2028	11278	67868.588	33834	112781
COGS		15476	15476	Total (€)
2024	5990	59296.2	65253	81045.11
2025	27604	128621.284	428521.82	
2026	48111	425006.88	207500	688514.04
2027	65620	586795.496	295290	952485.188
2028	112781	1052028.82	507514	1685324.21

Sales forecast – Realistic scenario (Annex A10)

Year	Quarter	Potential Market Size (students)	Number of sessions per student	Potential market size (hours)	Expected Market Share	Number of hours	Remote Sales per student	Hybrid Sales per student	Presental Sales per student	Remote Sales (hours)	Hybrid Sales (hours)	Presental Sales (hours)	Price for remote	Price for Hybrid	Price for Presental	Revenue (Remote)	Revenue (Hybrid)	Revenue (Presental)	Total Revenue	Total Revenue (per year)
2024	Q1	10,086	26	277,836	0.50%	1,389.18	0.1	0.6	0.3	139	834	417	15	25	30	€ 2,084	€ 20,838	€ 12,520	€ 35,424	€ 154,246
2024	Q2	10,086	26	277,836	0.50%	2778.36	0.1	0.6	0.3	278	1667	834	15	25	30	€ 4,168	€ 41,675	€ 25,040	€ 70,988	
2024	Q3	10,086	26	277,836	0.60%	3667.056	0.1	0.6	0.3	367	2000	1000	15	25	30	€ 2,501	€ 25,005	€ 13,008	€ 42,509	
2024	Q4	10,086	26	277,836	1.10%	3064.196	0.1	0.6	0.3	306	1674	834	15	25	30	€ 4,584	€ 45,843	€ 27,258	€ 77,693	
2025	Q1	10,086	26	277,836	1.30%	3750.796	0.1	0.6	0.3	375	2290	1125	15	25	30	€ 5,626	€ 56,262	€ 33,737	€ 95,645	€ 428,094
2025	Q2	10,086	26	277,836	1.40%	4445.376	0.1	0.6	0.3	445	2461	1230	15	25	30	€ 6,668	€ 66,681	€ 38,528	€ 111,877	
2025	Q3	10,086	26	277,836	1.80%	5139.966	0.1	0.6	0.3	514	3084	1542	15	25	30	€ 7,710	€ 77,089	€ 46,280	€ 131,069	
2025	Q4	10,086	26	277,836	1.90%	5417.802	0.1	0.6	0.3	542	3251	1625	15	25	30	€ 8,197	€ 81,267	€ 48,790	€ 138,154	
2026	Q1	10,086	26	277,836	2.00%	5695.688	0.1	0.6	0.3	570	3789	1792	15	25	30	€ 8,543	€ 85,435	€ 51,292	€ 145,229	€ 585,725
2026	Q2	10,086	26	277,836	2.10%	5973.474	0.1	0.6	0.3	597	3956	1972	15	25	30	€ 9,961	€ 99,602	€ 53,763	€ 153,226	
2026	Q3	10,086	26	277,836	2.20%	6251.31	0.1	0.6	0.3	625	3751	1875	15	25	30	€ 9,377	€ 93,770	€ 56,262	€ 159,488	
2027	Q1	10,086	26	438,236	1.20%	6273.54	0.1	0.6	0.3	627	3764	1882	15	25	30	€ 9,410	€ 94,103	€ 56,462	€ 159,575	
2027	Q2	10,086	26	438,236	1.51%	6115.368	0.1	0.6	0.3	621	3789	1895	15	25	30	€ 9,473	€ 94,730	€ 56,838	€ 161,642	€ 646,300
2027	Q3	10,086	26	438,236	1.52%	6957.1872	0.1	0.6	0.3	636	3854	1907	15	25	30	€ 9,536	€ 95,358	€ 57,215	€ 162,488	
2027	Q4	10,086	26	438,236	1.53%	6999.0388	0.1	0.6	0.3	640	3889	1922	15	25	30	€ 9,599	€ 95,926	€ 57,591	€ 163,115	
2028	Q1	10,086	26	438,236	1.54%	6440.8344	0.1	0.6	0.3	640	3889	1945	15	25	30	€ 9,661	€ 96,633	€ 57,968	€ 164,611	
2028	Q2	10,086	26	438,236	1.55%	6482.658	0.1	0.6	0.3	648	3890	1945	15	25	30	€ 9,724	€ 97,240	€ 58,344	€ 165,308	€ 683,244
2028	Q3	10,086	26	438,236	1.56%	6524.4816	0.1	0.6	0.3	652	3915	1957	15	25	30	€ 9,787	€ 97,887	€ 58,720	€ 166,344	
2028	Q4	10,086	26	438,236	1.57%	6566.3052	0.1	0.6	0.3	657	3940	1970	15	25	30	€ 9,849	€ 98,495	€ 59,097	€ 167,641	

Year	Remote	Hybrid	Presental	Total (hours)
2024	528	3387.3304	1584	5279
2025	1689	9851.7944	4918	16892
2026	2334	14802.9344	7001	23338
2027	2535	15207.00096	7604	25345
2028	2601	15608.97952	8058	26014
COGS		15476	15476	Total (€)
2024	5279	47505.956	23755	76548.818
2025	16892	147530.916	72765	227858.698
2026	23338	210044.502	105027	338404.248
2027	25345	228105.9144	114023	367503.9712
2028	26014	234136.5138	117084	377257.0864

Sales forecast – Pessimistic scenario (Annex A11)

Year	Quarter	Potential Market Size (students)	Number of sessions per student	Potential market size (hours)	Expected Market Share (Number of hours)	Remote Sales per student (Number of hours)	Hybrid Sales per student (Number of hours)	Presental Sales per student (Number of hours)	Remote Sales (hours)	Hybrid Sales (hours)	Presental Sales (hours)	Price for remote (€)	Price for Hybrid (€)	Price for Presental (€)	Revenue (Remote)	Revenue (Hybrid)	Revenue (Presental)	Total Revenue	Total Revenue (per year)	
2024	Q1	10,086	26	277,836	0.50%	1,389.18	0.1	0.6	0.3	139	834	417	15	25	30	€ 2,084	€ 20,838	€ 12,520	€ 35,424	€ 154,246
	Q2	10,086	26	277,836	1.50%	4,167.54	0.1	0.6	0.3	417	2,501	1,250	15	25	30	€ 6,251	€ 62,513	€ 37,560	€ 106,272	
	Q3	10,086	26	277,836	2.50%	6,965.5	0.1	0.6	0.3	696	4,168	2,084	15	25	30	€ 9,373	€ 93,733	€ 56,260	€ 149,326	
	Q4	10,086	26	277,836	3.50%	9,763.26	0.1	0.6	0.3	976	5,835	2,917	15	25	30	€ 13,988	€ 139,875	€ 79,808	€ 223,571	
2025	Q1	10,086	26	438,236	2.50%	10,955.018	0.1	0.6	0.3	1,095	5,835	2,917	15	25	30	€ 13,988	€ 139,875	€ 79,808	€ 223,571	€ 1,188,812
	Q2	10,086	26	438,236	2.70%	11,292.372	0.1	0.6	0.3	1,129	6,197	3,098	15	25	30	€ 14,939	€ 149,896	€ 80,351	€ 239,595	
	Q3	10,086	26	438,236	2.80%	11,919.336	0.1	0.6	0.3	1,192	6,561	3,269	15	25	30	€ 15,890	€ 158,903	€ 83,828	€ 253,521	
	Q4	10,086	26	438,236	3.00%	12,647.08	0.1	0.6	0.3	1,265	7,028	3,464	15	25	30	€ 16,841	€ 168,406	€ 87,303	€ 262,550	
2026	Q1	68,212	26	1,773,512	2.00%	34,476.24	0.1	0.6	0.3	3,447	22,446	11,223	15	25	30	€ 30,405	€ 312,204	€ 191,232	€ 607,841	€ 3,883,312
	Q2	68,212	26	1,773,512	2.20%	36,011.284	0.1	0.6	0.3	3,601	23,463	11,731	15	25	30	€ 32,405	€ 324,051	€ 196,299	€ 650,755	
	Q3	68,212	26	1,773,512	2.30%	37,924.72	0.1	0.6	0.3	3,724	24,486	12,237	15	25	30	€ 34,186	€ 341,862	€ 201,134	€ 677,182	
	Q4	68,212	26	1,773,512	2.40%	39,776.76	0.1	0.6	0.3	3,976	25,498	12,747	15	25	30	€ 35,967	€ 359,667	€ 206,177	€ 705,511	
2027	Q1	96,394	26	2,506,244	2.00%	50,064.48	0.1	0.6	0.3	5,006	32,037	16,018	15	25	30	€ 40,030	€ 400,303	€ 240,180	€ 1,040,683	€ 4,883,312
	Q2	96,394	26	2,506,244	2.10%	53,884.246	0.1	0.6	0.3	5,388	33,612	16,805	15	25	30	€ 42,824	€ 428,244	€ 248,958	€ 1,106,026	
	Q3	96,394	26	2,506,244	2.20%	57,698.052	0.1	0.6	0.3	5,769	35,187	17,593	15	25	30	€ 45,618	€ 456,180	€ 257,752	€ 1,170,040	
	Q4	96,394	26	2,506,244	2.30%	61,507.808	0.1	0.6	0.3	6,150	36,762	18,381	15	25	30	€ 48,412	€ 484,124	€ 266,546	€ 1,238,772	
2028	Q1	130,194	26	3,385,044	2.00%	66,039.88	0.1	0.6	0.3	6,603	40,833	20,416	15	25	30	€ 52,027	€ 520,273	€ 312,104	€ 1,352,650	€ 6,233,312
	Q2	130,194	26	3,385,044	2.10%	69,960.002	0.1	0.6	0.3	6,996	42,408	21,204	15	25	30	€ 54,962	€ 549,624	€ 324,306	€ 1,424,932	
	Q3	130,194	26	3,385,044	2.20%	73,880.126	0.1	0.6	0.3	7,389	43,983	21,991	15	25	30	€ 57,897	€ 578,985	€ 336,508	€ 1,493,480	
	Q4	130,194	26	3,385,044	2.30%	77,799.254	0.1	0.6	0.3	7,720	45,558	22,779	15	25	30	€ 60,832	€ 608,327	€ 348,710	€ 1,567,359	

	2024	2025	2026	2027	2028
Revenue	134,611.54	418,004.26	595,124.71	646,300.09	663,364.12
Cost of Goods Sold	76,543.82	237,688.70	338,404.25	367,503.97	377,207.05
Gross Margin	58,067.72	180,315.56	256,720.46	278,796.12	286,157.07
Operating Expenses	31,704.31	66,582.43	64,538.24	67,097.00	82,950.21
Net Income Before Taxes	26,363.42	113,733.14	192,182.23	211,699.11	203,206.87
Taxes	5,536.32	23,883.96	40,358.27	44,456.81	42,673.44
Net Income	20,827.10	89,849.18	151,823.96	167,242.30	160,533.42

Cost structure	2024	2025	2026	2027	2028
Website domain (per year)	18.00	18.00	18.00	18.00	18.00
Classrooms rent	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Accounting	1,764.00	1,764.00	1,764.00	1,764.00	1,764.00
Marketing expenses	26,922.31	41,800.43	29,756.24	32,315.00	33,168.21
Investment in platform	-	15,000.00	20,000.00	20,000.00	20,000.00
Operational costs w/ platform	-	5,000.00	10,000.00	10,000.00	25,000.00

Profit & Loss statement – Pessimistic scenario (Annex A13)

	2024	2025	2026	2027	2028
Revenue	566,785.44	1,183,817.00	3,889,311.82	5,687,920.76	7,175,451.43
Cost of Goods Sold	322,289.76	673,150.84	2,211,569.46	3,234,307.88	4,080,158.65
Gross Margin	244,495.68	510,666.16	1,677,742.35	2,453,612.88	3,095,292.77
Operating Expenses	118,139.09	228,163.70	255,483.59	340,414.04	414,790.57
Net Income Before Taxes	126,356.59	282,502.46	1,422,258.76	2,113,198.84	2,680,502.20
Taxes	26,534.88	59,325.52	298,674.34	443,771.76	562,905.46
Net Income	99,821.71	223,176.94	1,123,584.42	1,669,427.08	2,117,596.74

Cost structure	2024	2025	2026	2027	2028
Website domain (per year)	18.00	18.00	18.00	18.00	18.00
Classrooms rent	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Accounting	1,764.00	1,764.00	3,000.00	3,000.00	3,000.00
Marketing expenses	113,357.09	118,381.70	194,465.59	284,396.04	358,772.57
Investment in platform	-	90,000.00	40,000.00	-	-
Operational costs w/ platform	-	15,000.00	15,000.00	50,000.00	50,000.00

Profit & Loss statement – Optimistic scenario (Annex A14)

	PESSIMISTIC				
	2024	2025	2026	2027	2028
Opening Balance	-	26,363.42	134,560.24	302,858.51	474,199.35
Cash In	134,611.54	418,004.26	595,124.71	646,300.09	663,364.12
Cash Out	108,248.13	304,271.12	402,942.48	434,600.98	460,157.25
Net Cash Flow	26,363.42	113,733.14	192,182.23	211,699.11	203,206.87
Taxes (year before)	-	5,536.32	23,883.96	40,358.27	44,456.81
Closing Balance	26,363.42	134,560.24	302,858.51	474,199.35	632,949.40
Net Present Value	24,800.96	126,585.36	284,909.22	446,095.34	595,436.88

Cash Flow statement – Pessimistic scenario (Annex A15)

	OPTIMISTIC				
	2024	2025	2026	2027	2028
Opening Balance	-	126,356.59	382,324.16	1,745,257.41	3,559,781.91
Cash In	566,785.44	1,183,817.00	3,889,311.82	5,687,920.76	7,175,451.43
Cash Out	440,428.85	901,314.54	2,467,053.05	3,574,721.92	4,494,949.23
Net Cash Flow	126,356.59	282,502.46	1,422,258.76	2,113,198.84	2,680,502.20
Taxes (year before)	-	26,534.88	59,325.52	298,674.34	443,771.76
Closing Balance	126,356.59	382,324.16	1,745,257.41	3,559,781.91	5,796,512.35
Net Present Value	118,867.91	359,665.25	1,641,822.59	3,348,807.06	5,452,974.93

Cash Flow statement – Optimistic scenario (Annex A16)

Assets	2024	2025	2026	2027	2028
Current assets					
Cash and cash equivalents	26,363.42	134,560.24	302,858.51	474,199.35	632,949.40
Accounts receivable	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Non-current long-term assets					
Investments	-	-	-	-	-
Liabilities					
Current liabilities					
Accounts payable	-	-	-	-	-
Notes payable	-	-	-	-	-
Taxes payable	5,536.32	23,883.96	40,358.27	44,456.81	42,673.44
Salaries and wages payable	-	-	-	-	-
Equity					
Share capital	-	-	-	-	-
Retained earnings	20,827.10	89,849.18	151,823.96	167,242.30	160,533.42
Earnings in transit	-	20,827.10	110,676.28	262,500.24	429,742.54

Balance sheet – Pessimistic Scenario (Annex A17)

Assets	2024	2025	2026	2027	2028
Current assets					
Cash and cash equivalents	77,179.62	249,440.12	584,276.30	1,069,785.21	1,989,093.69
Accounts receivable	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Non-current long-term assets					
Investments	-	-	-	-	-
Liabilities					
Current liabilities					
Accounts payable	-	-	-	-	-
Notes payable	-	-	-	-	-
Taxes payable	16,207.72	39,578.33	78,627.05	118,468.55	217,933.18
Salaries and wages payable	-	-	-	-	-
Equity					
Share capital	-	-	-	-	-
Retained earnings	60,971.90	148,889.89	295,787.46	445,667.40	819,843.85
Earnings in transit	-	60,971.90	209,861.79	505,649.25	951,316.66

Balance sheet – Realistic scenario (Annex A18)

Assets	2024	2025	2026	2027	2028
Current assets					
Cash and cash equivalents	126,356.59	382,324.16	1,745,257.41	3,559,781.91	5,796,512.35
Accounts receivable	-	-	-	-	-
Supplies	-	-	-	-	-
Equipment	-	-	-	-	-
Non-current long-term assets					
Investments	-	-	-	-	-
Liabilities					
Current liabilities					
Accounts payable	-	-	-	-	-
Notes payable	-	-	-	-	-
Taxes payable	26,534.88	59,325.52	298,674.34	443,771.76	562,905.46
Salaries and wages payable	-	-	-	-	-
Equity					
Share capital	-	-	-	-	-
Retained earnings	99,821.71	223,176.94	1,123,584.42	1,669,427.08	2,117,596.74
Earnings in transit	-	99,821.71	322,998.65	1,446,583.07	3,116,010.15

Balance sheet – Optimistic scenario (Annex A19)

REALISTIC	2024	2025	2026	2027	2028
Return on equity (ROE)	100%	71%	58%	47%	46%
Return on investment (ROI)	-	115%	228%	343%	631%
Return on Sales (ROS)	22%	27%	32%	34%	36%
OPTIMISTIC	2024	2025	2026	2027	2028
Return on equity (ROE)	100%	69%	78%	54%	40%
Return on investment (ROI)	-	172%	864%	1284%	1629%
Return on Sales (ROS)	22%	24%	37%	37%	37%
PESSIMISTIC	2024	2025	2026	2027	2028
Return on equity (ROE)	100%	81%	58%	39%	27%
Return on investment (ROI)	-	28%	120%	202%	223%
Return on Sales (ROS)	20%	27%	32%	33%	31%

Realistic	2024	2025	2026	2027	2028
EQUITY	60,971.90	209,861.79	505,649.25	951,316.66	1,771,160.51
Optimistic	2024	2025	2026	2027	2028
EQUITY	99,821.71	322,998.65	1,446,583.07	3,116,010.15	5,233,606.89
Pessimistic	2024	2025	2026	2027	2028
EQUITY	20,827.10	110,676.28	262,500.24	429,742.54	590,275.96

Key Financial metrics (Annex A20)