

Problem: Language

English is the most widely spoken “second language” in the world. Globally, 600 million people are learning English, but despite the opportunities for improved communication and higher salaries, only about 5% attain fluency. Why do so few people become fluent English speakers?

Fluency



¡No Comprendo!

- Miguel works 60 hours per week at a large software development firm
- He aspires to become a manager but lacks the required English skills
- He does not have the spare time to devote to learning English

What Does “Fluency”

Level	Proficiency	Mean?
S-1	Elementary	<ul style="list-style-type: none"> •Handles situations of basic courtesy and routine travel needs •Understands simple questions and statements
S-2	Limited Working	<ul style="list-style-type: none"> •Can meet routine social needs and limited work requirements •Strong accent, weak grammar
S-3	Professional Working	<ul style="list-style-type: none"> •Functional in most formal and informal conversations •Moderate accent, developed sense of grammar
S-4	Full Professional	<ul style="list-style-type: none"> •Fluent for professional needs •Slight accent, errors in pronunciation or grammar are rare
S-5	Native/Bilingual	<ul style="list-style-type: none"> •As fluent as an educated native speaker •Command of a large vocabulary, idiom, colloquialisms, and cultural references

Interagency Language Roundtable (ILR) Language Proficiency Scale

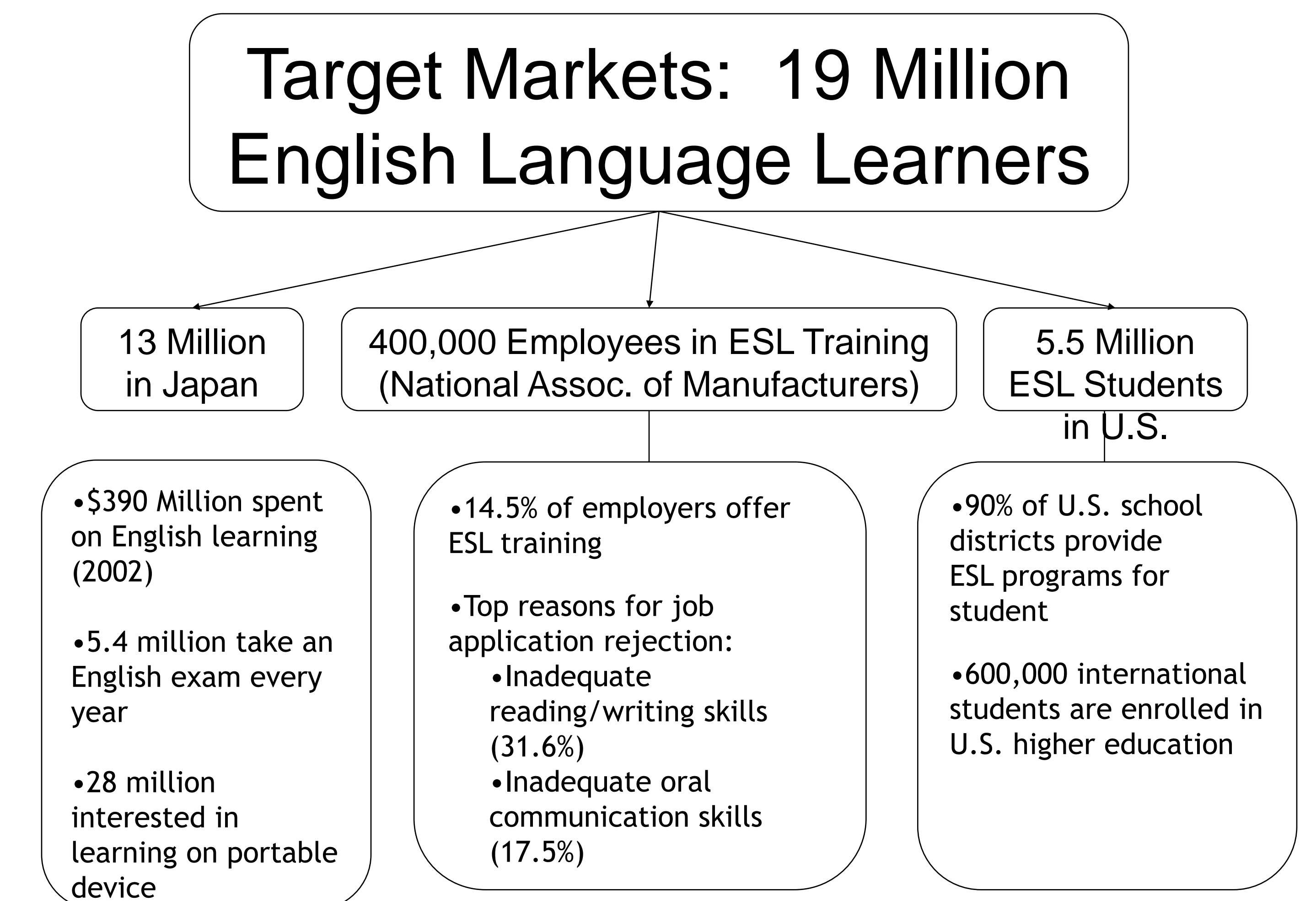
Today’s Language Learning Industry

Few language tools teach to S-5 level

Method	Advantages	Disadvantages	Examples
Software Packages	<ul style="list-style-type: none"> •Flexible use of time •Combine text and audio 	<ul style="list-style-type: none"> •Fails to teach beyond S-2 •Non-customizable •Not Portable 	<ul style="list-style-type: none"> •Rosetta Stone •Nova Development •Learn It •Auralog
Language Schools and Classes	<ul style="list-style-type: none"> •Personalized, professional instruction 	<ul style="list-style-type: none"> •Time consuming •Fails to teach beyond S-3 •Requires travel 	<ul style="list-style-type: none"> •Berlitz •Aspect International Language School
Book/Audio Book with Dictionary	<ul style="list-style-type: none"> •Personalized content •Teaches up to S-5 	<ul style="list-style-type: none"> •Time consuming •Inconvenient •Tedious •Not portable 	<ul style="list-style-type: none"> •Franklin •Audible •Barnes and Noble •Ectaco

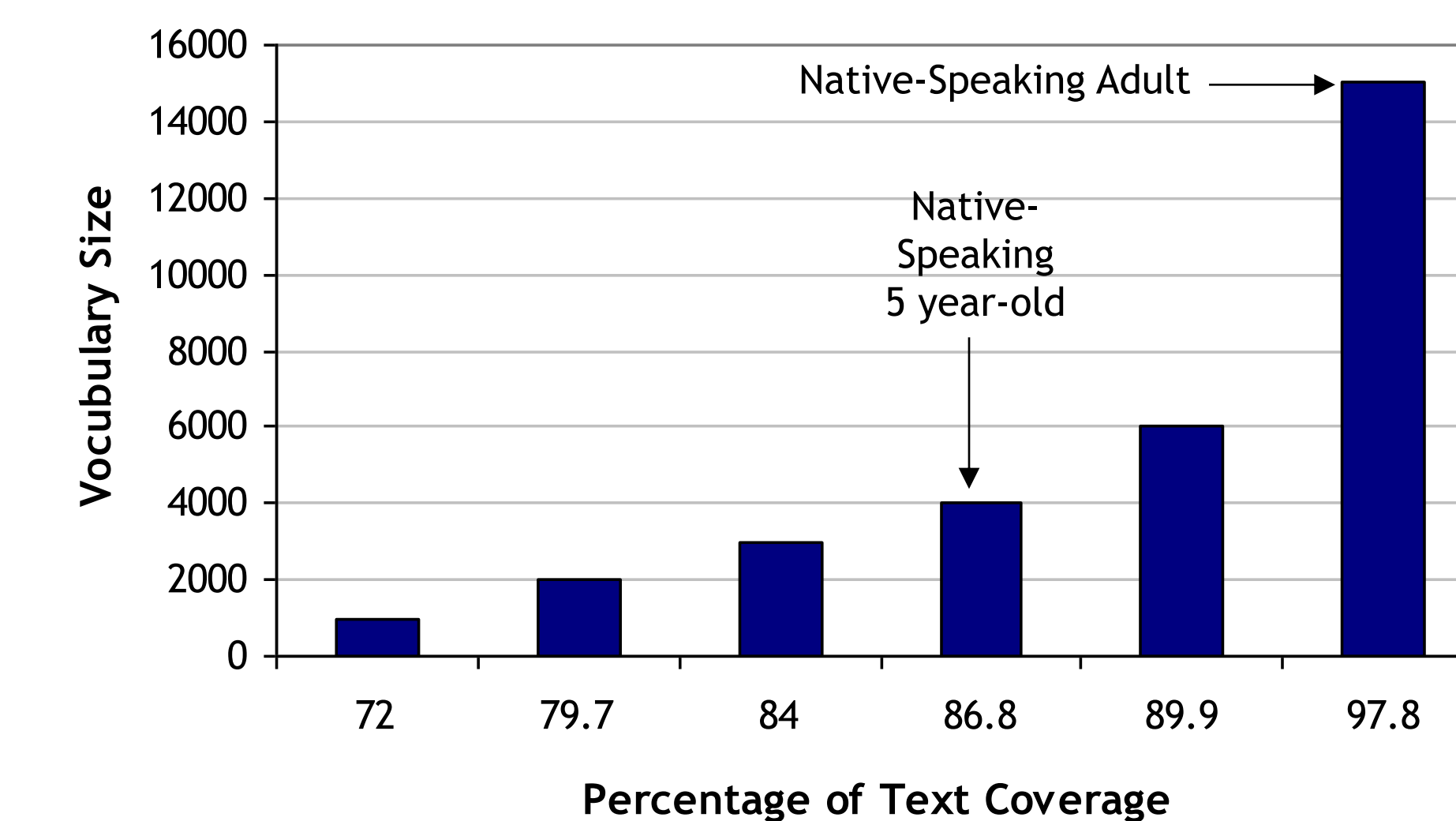
Underserved Markets

Some of the largest and fastest-growing segments of English language learners exist in the United States and Japan



The Importance of Vocabulary

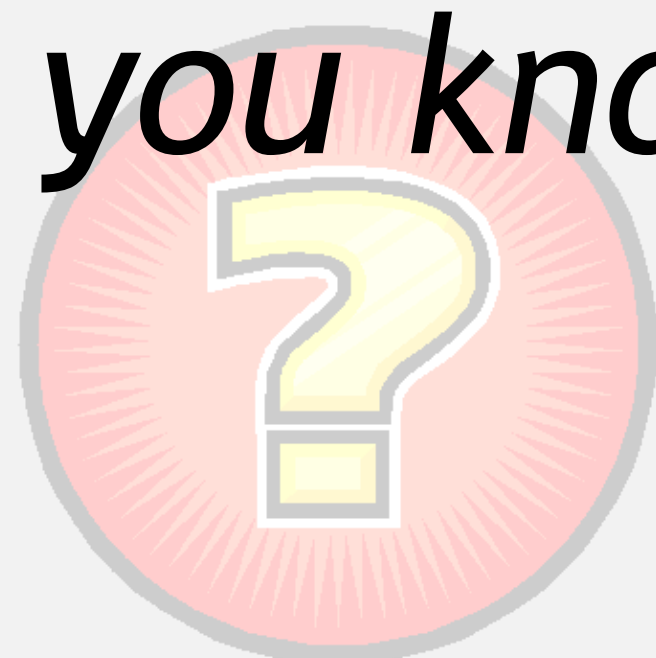
Most language learners are unable to make the huge jump from intermediate proficiency (S-2) to fluency (S-4/5). Crossing this barrier requires mastering a large vocabulary, meaning 1200 hours or more of study using traditional techniques.



All Those Words...

High reading comprehension requires a very large vocabulary, which most language learners never acquire.

Did you know...?



Fluency in English can double a Japanese professional’s salary

48% of US companies cite inadequate English skills as the primary reason for job application turndown

Top reasons adults do not enroll in ESL programs:
 Time - 41%
 Money - 26%

Solution: AudioDoc



The most effective way to learn a language at the advanced level is to listen to and understand audio books in that language. We have created a tool that greatly simplifies this exhaustive task.

Value Proposition

To the Language Learner:

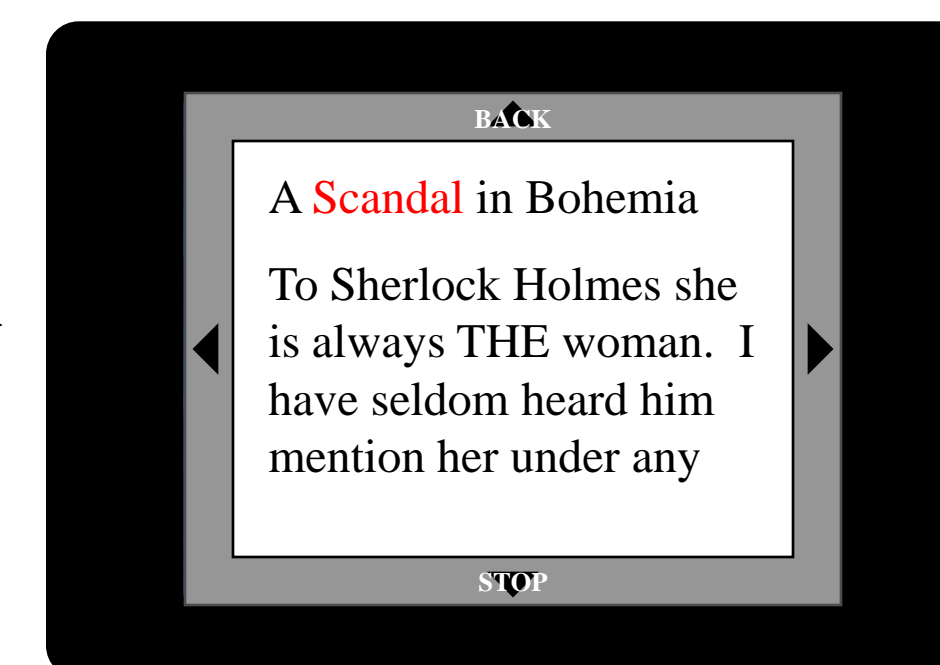
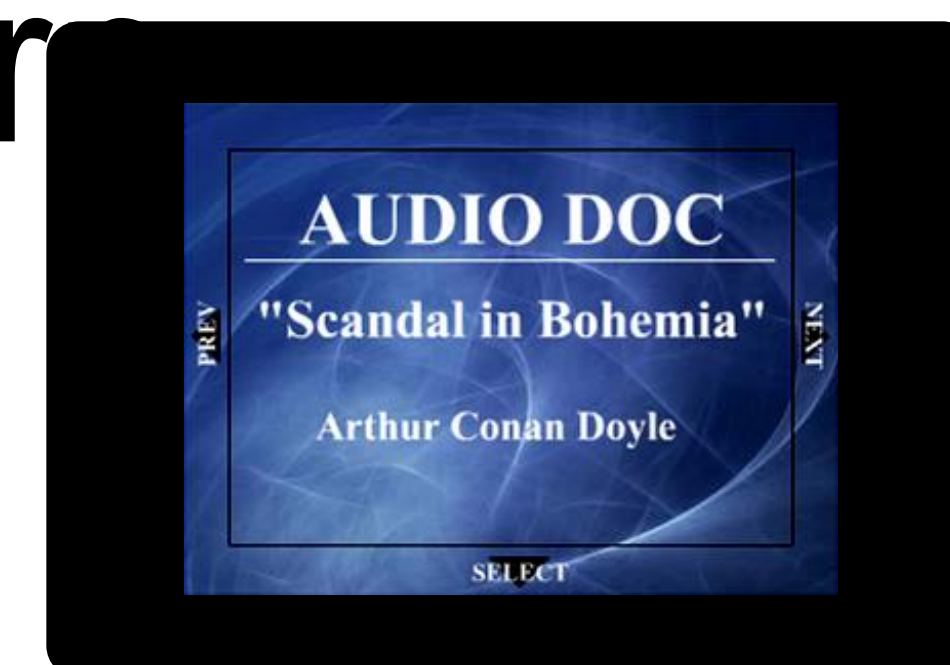
- Saves Time: Immediate dictionary lookup
- Convenience: Audio book and dictionary in one device
- Mobility: Learn anytime, anywhere; multitask while commuting or exercising.
- 90% of an English-learning focus group said they would buy our product

To the Language School

- An Effective Tool: Audio-based method reinforces listening and pronunciation skills outside the classroom
- Custom Content: Low-cost, automated content production
- Aspect Chicago language school is a candidate to "beta test" our product, providing feedback throughout our development process
- ESL Department at Benito Juárez Academy (Chicago Public High School) is excited about our product

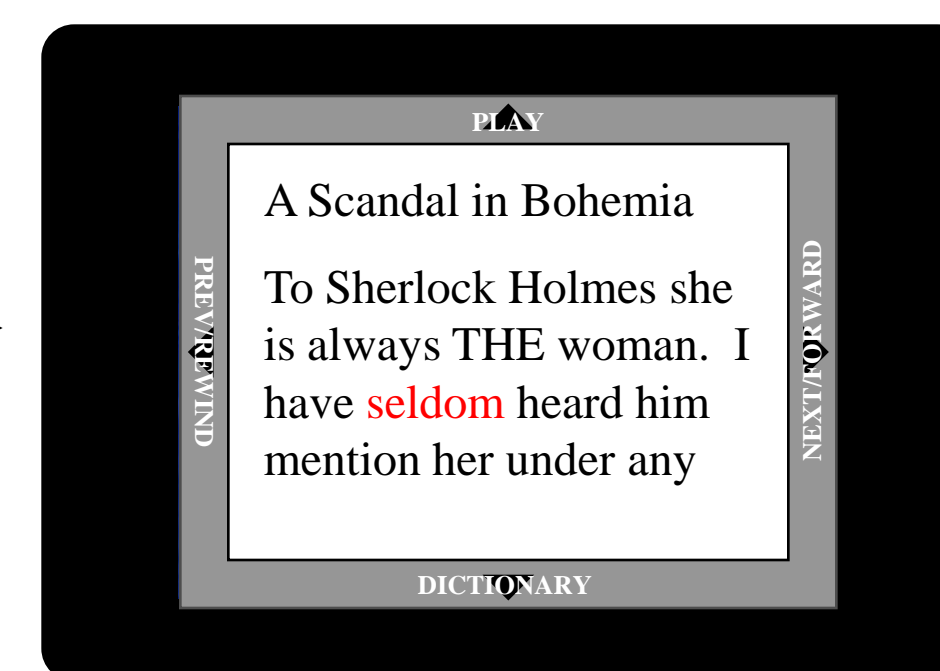
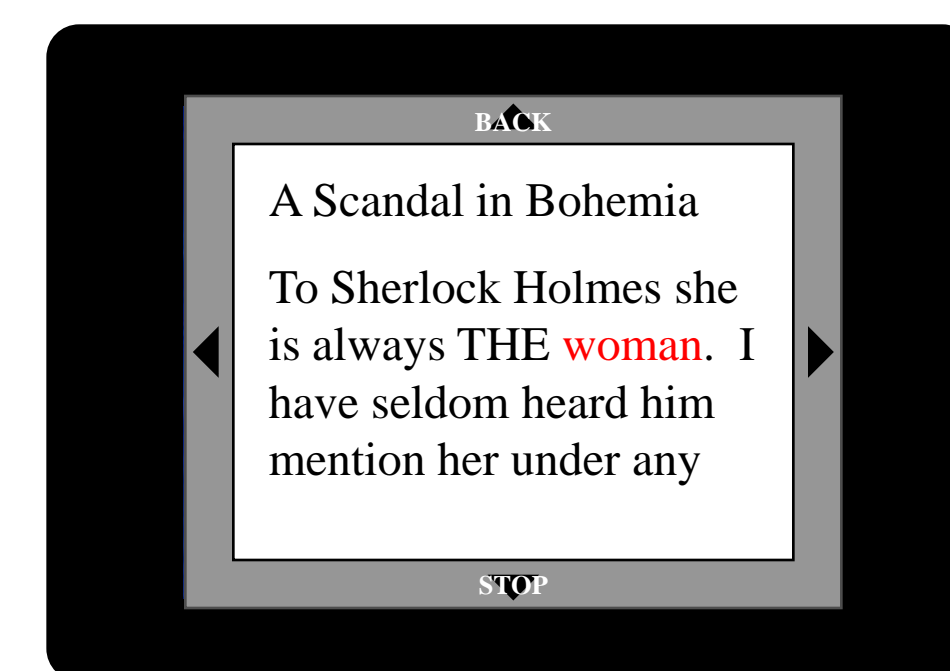
The Device: Listen, Look Up, Learn

Listen



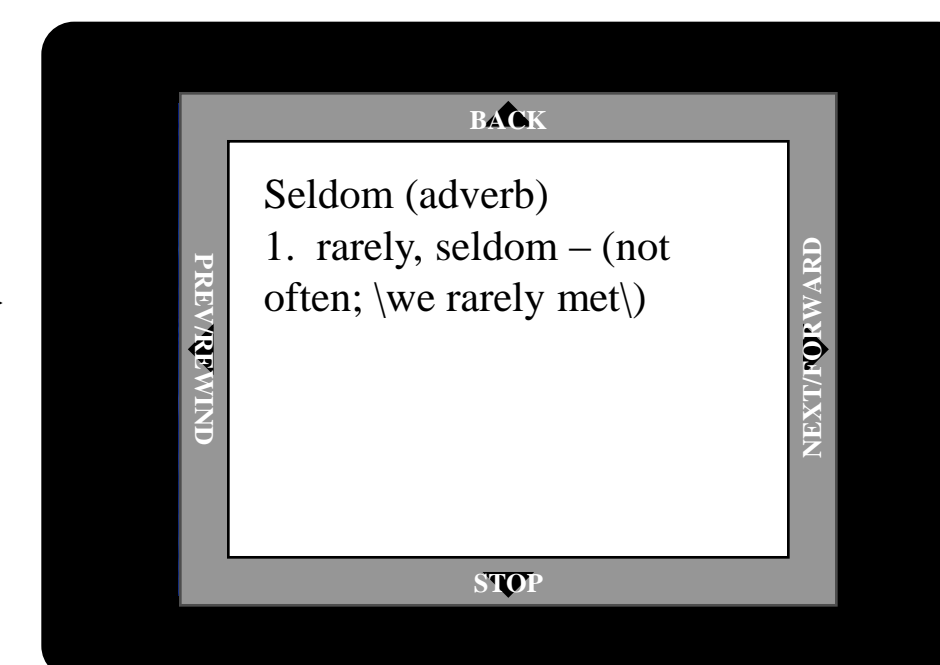
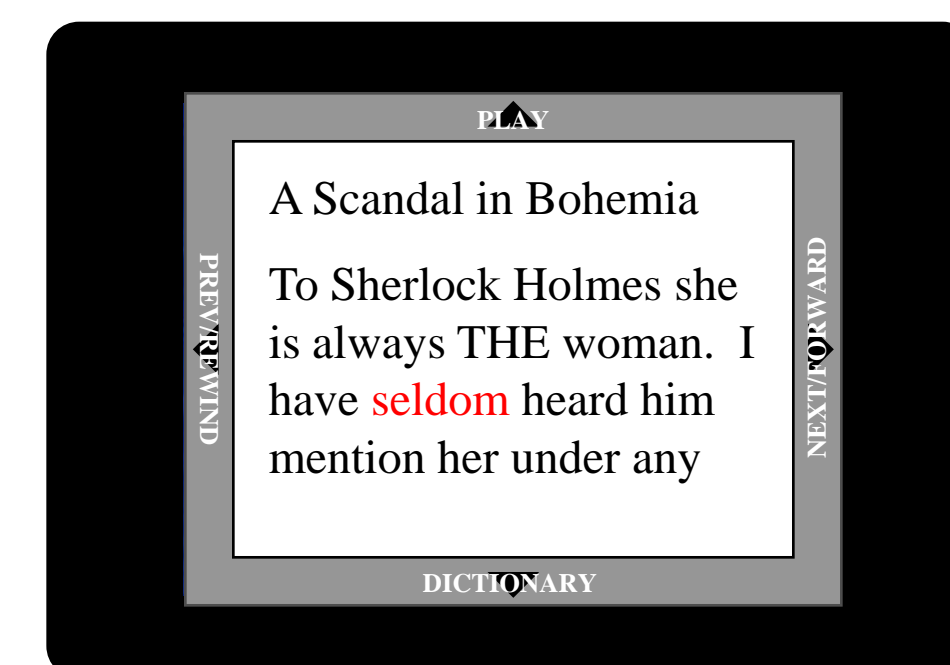
Listen to the audio book. The on-screen text follows the audio.

Look Up



Pause, then scroll through the text to the word you do not know.

Learn



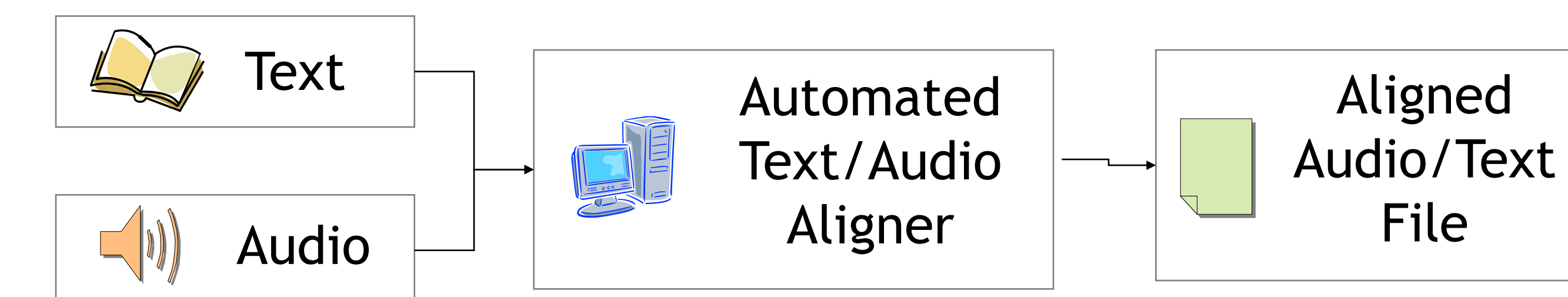
Look up the definition with one click.

Competitive Advantage

Other language learning tools fall short of offering the same level of convenience, mobility, and low-cost content production as AudioDoc.

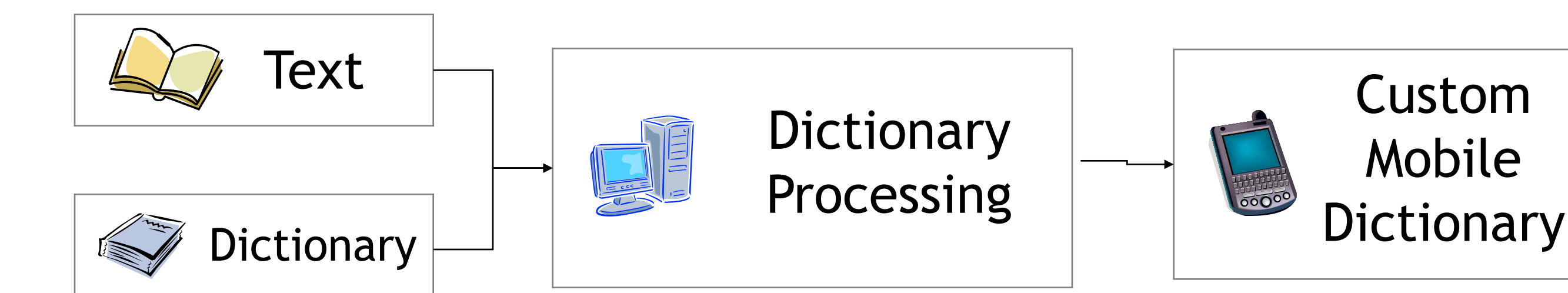
Content Creation: Text/Audio Alignment Technology

- Very low cost content creation: just input the text and audio files
- Alignment performed using conventional computers



Custom Dictionary Creation

- Dictionary is compiled specially for the given text
- Additional material can be added for contextual understanding



A World of AudioDoc

MP3 Players

- Platforms:
- Flash Lite
 - iPod Notes (future)



Smart Phones and PDAs

- Platforms:
- Flash Lite
 - Java
 - .NET



Cell Phones

- Platforms:
- Flash Lite
 - Java



A Marketplace for Language Materials

- Low-cost content production permits profitability at very low volume of sales
- Custom content and a place to sell it

Riding the Technology Wave

The astounding growth of mobile devices such as smart phones is changing the way we live and work. AudioDoc will ride this global phenomenon by becoming the preferred language learning tool on MP3 players, cell phones, smart phones, and PDAs.

Smart phone sales have more than tripled in the past three years

33% of Japanese want to learn English on mobile devices

Cell phones have already exceeded 100% penetration in several European countries

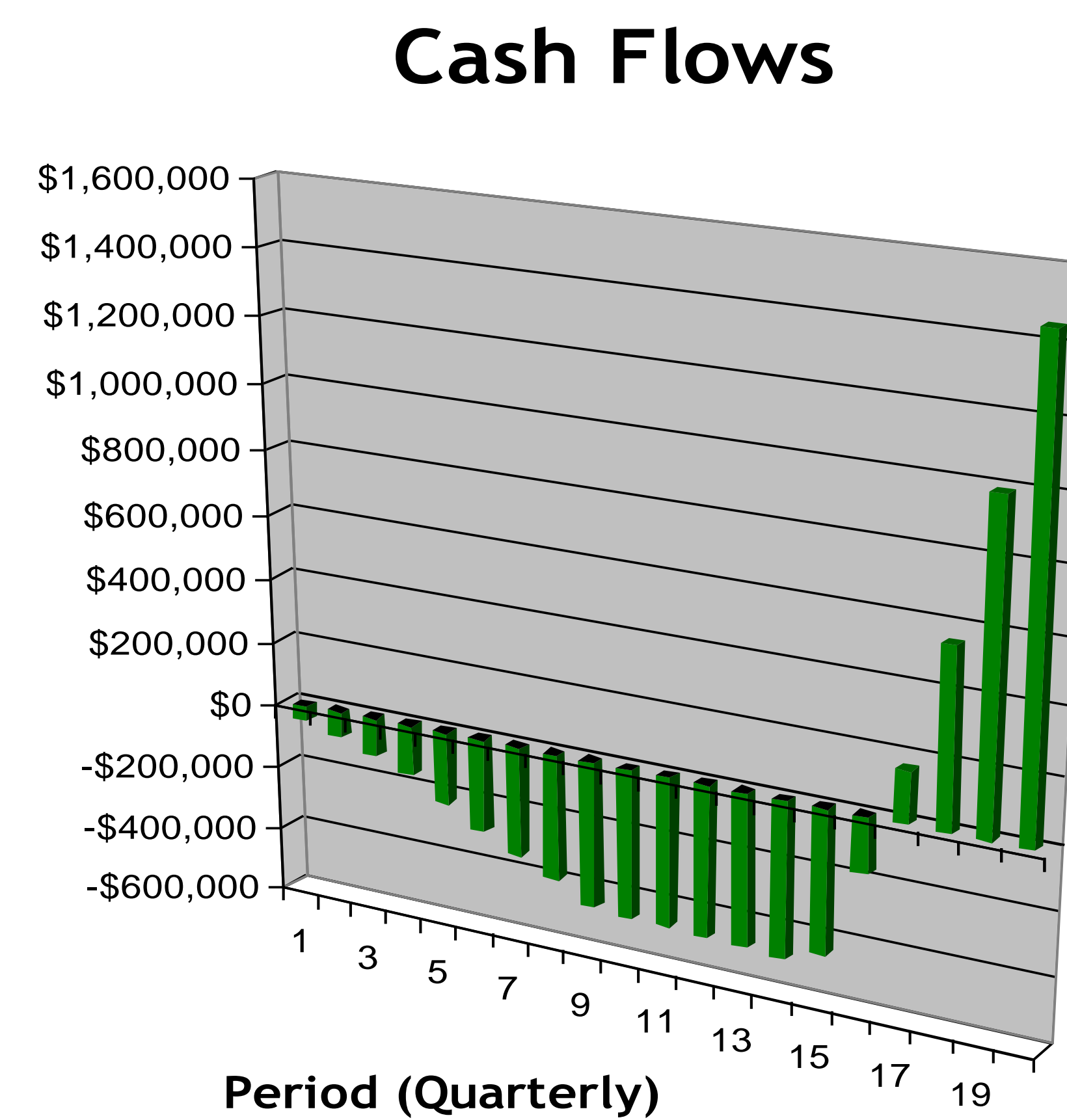
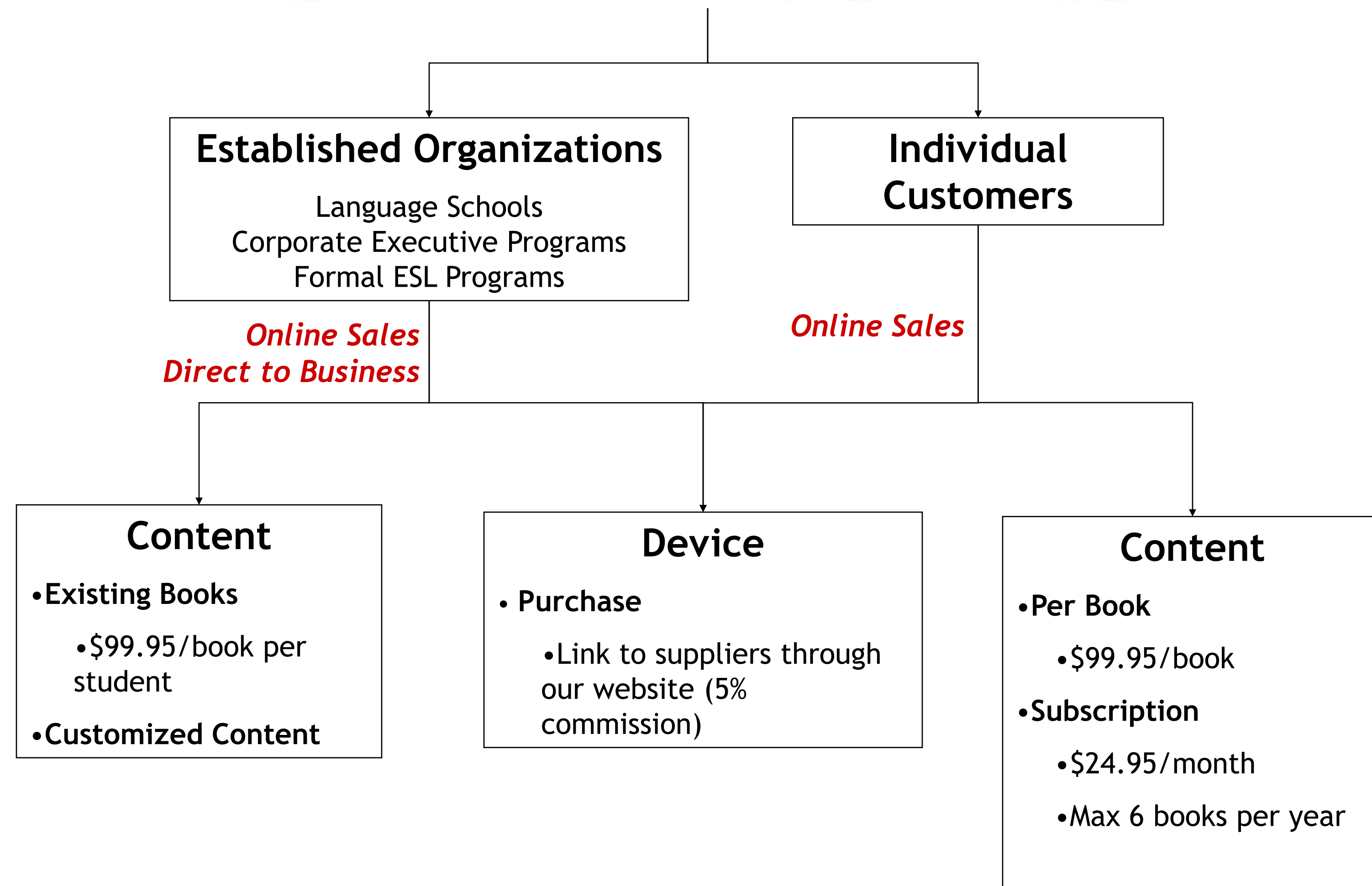
Strategy ((browsable audio language learning))

AudioDoc content will be sold online as individual audio books or as a subscription. Our plan is to market and sell AudioDoc to individuals and language schools. We will begin operations in the United States, then expand to Japan.

Business Model and Financials

The sources of revenue for BALL Inc. are individual audio books and monthly subscriptions sold to individuals and formal language programs. The main expenditures are royalty payments for content, salaries for programmers and marketing personnel, and website development and hosting costs.

((browsable audio language learning))



Projection of Income

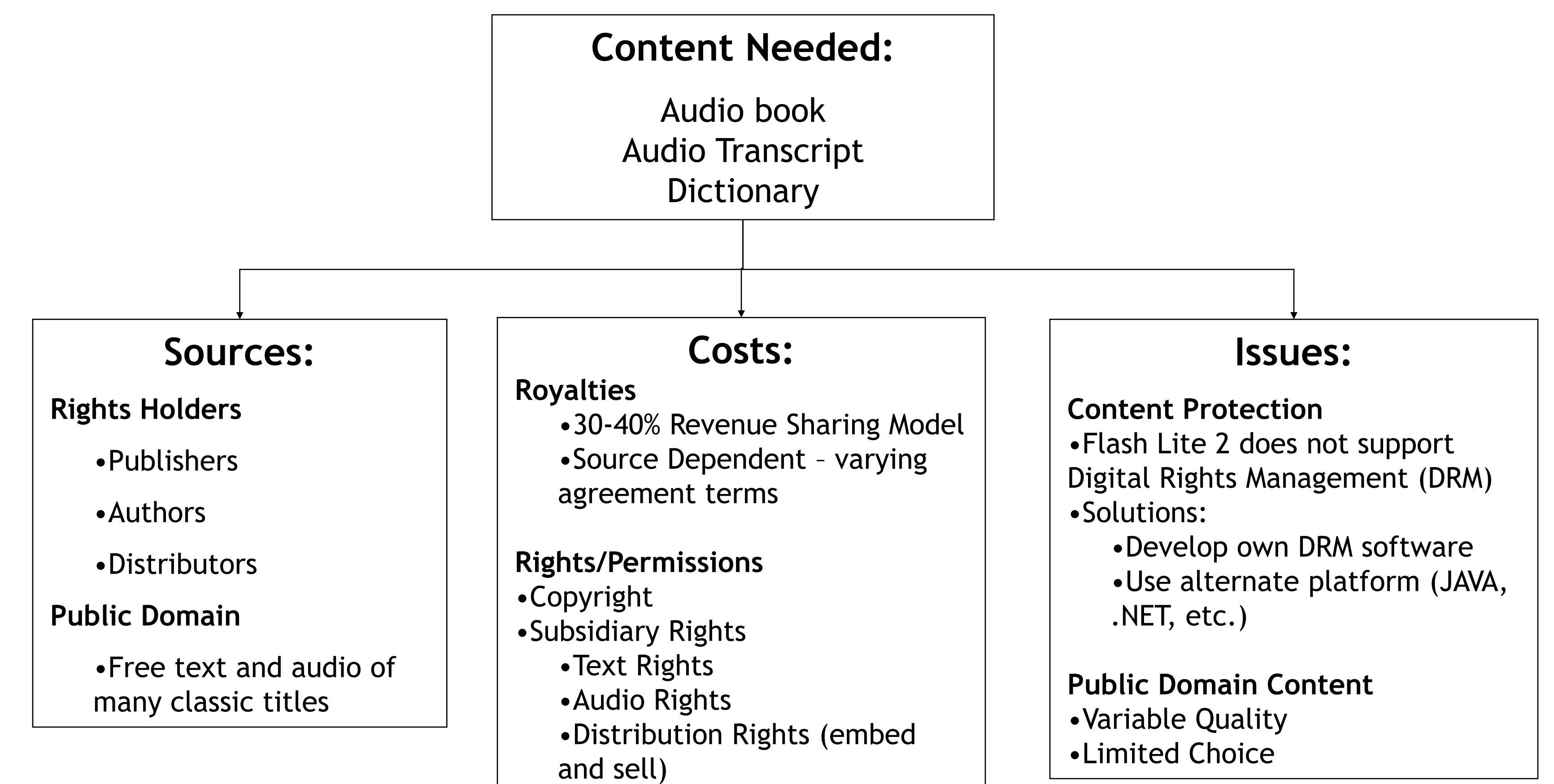
Totals	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$0	\$100,000	\$1,085,000	\$3,290,000	\$5,930,000
Costs of Goods Sold	\$0	(\$45,000)	(\$488,250)	(\$1,480,500)	(\$2,668,500)
Expenses	(\$154,280)	(\$289,300)	(\$527,100)	(\$563,100)	(\$593,100)
Net Income (loss)	(\$154,280)	(\$234,300)	\$69,650	\$1,246,400	\$2,668,400

Capital Requested

Milestone	
Initial Funding	\$200,000
Finished Product	\$250,000
Initial Sales	\$100,000
Total	\$550,000

Content Acquisition

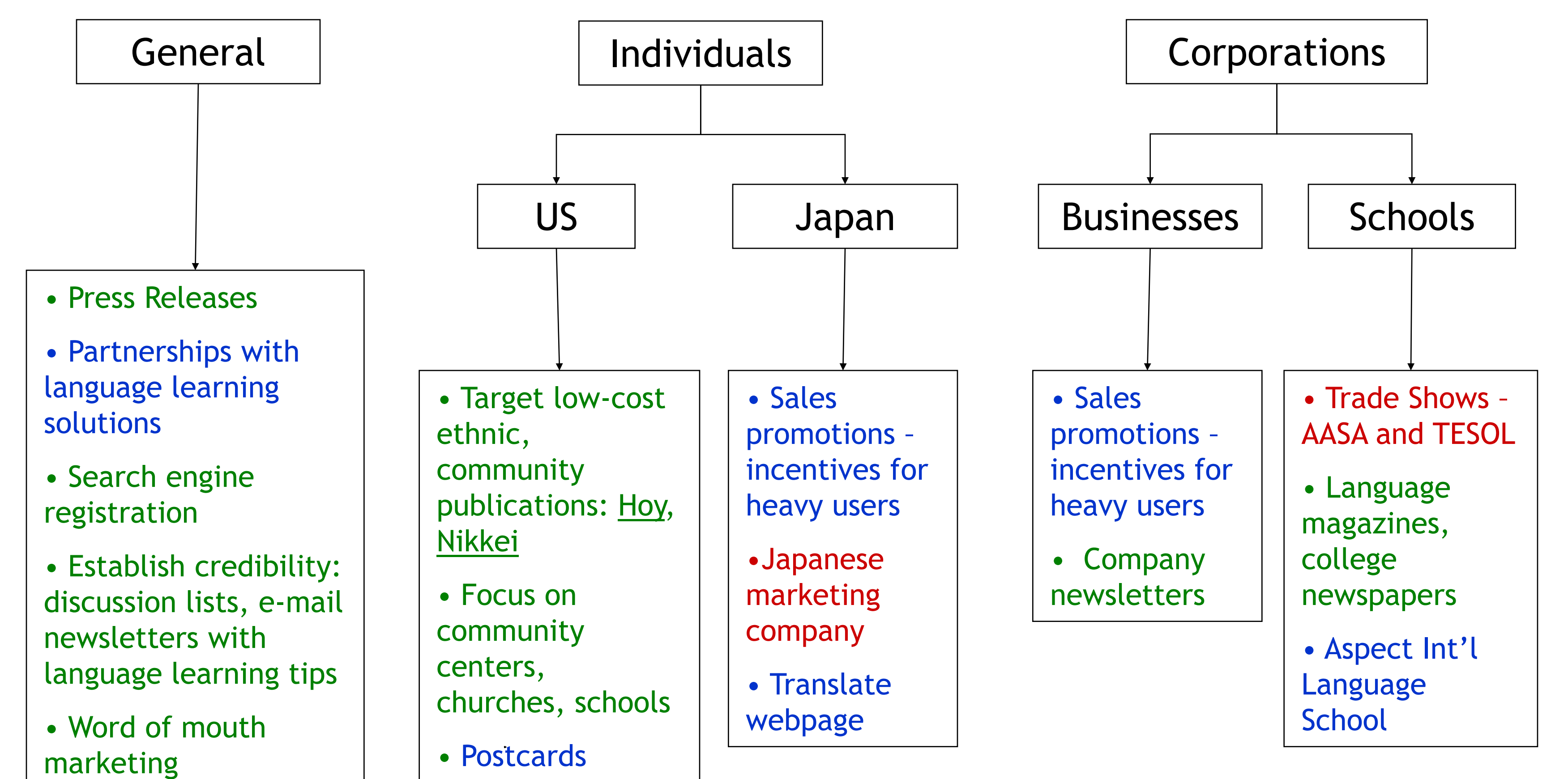
Successful content acquisition and management is extremely important for our product and for this we rely on key partnerships



Marketing

The marketing strategy for each customer segment is designed to be low-cost and high-impact

Legend: Cost
 Low Cost: <\$1,000
 Medium Cost: <\$3,000
 High Cost: >\$5,000



Milestones

