

# iGroups

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Enabling effective virtual team functioning.  
Anytime. Anywhere.

# Problem

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How do you organize  
intangible items?

## iGroups

File Sharing and Versioning

E-mail

Calendars

To-do Lists

Contact Lists

Time Reporting

Discussion Boards **NEW**

iKnow Integration **Beta**

# IPRO Task

Does the iGroups software

have a market?

The screenshot displays the IPRO 353 web interface. On the left is a navigation sidebar with the IPRO logo and various links. The main content area is divided into two panels: 'Your Folders' and 'Contents of Your Files'.

**IPRO 353**

**Your Folders:**

- Your Files
  - Agendas
  - Business Model
  - Business Plan
  - Code of Ethics
  - Competitive Analysis
  - Grant proposal
  - iGroups suggestion box
  - igroups survey data and papers
  - IPRO Day Presentation
  - Market Research
  - Midterm Presentation
  - Midterm Report
  - Minutes
  - PICTURES
  - Poster
  - Project Plan
  - Resume
  - Risks, Financial Model, Scenarios
  - student schedules
  - Survey for Professors
  - Value Proposition Draft
- Nugget Files
- Past Versions
- Trash Bin
- IPRO Office Files
- Secure Dropbox

**Contents of Your Files:**

| File Name                         | Description   | Author          | Date       |
|-----------------------------------|---|-----------------|------------|
| Agendas                           | Place meeting agendas here please                                       |                 |            |
| Business Model                    | Some files to read about the business model                             |                 |            |
| Business Plan                     |   |                 |            |
| Code of Ethics                    |   |                 |            |
| Competitive Analysis              | Competitive Analysis discussed on 1/26                                  |                 |            |
| Grant proposal                    |   |                 |            |
| iGroups suggestion box            | Please put all documents regarding iGroups improvements here            |                 |            |
| igroups survey data and papers    | fall 07 data  |                 |            |
| IPRO Day Presentation             |   |                 |            |
| Market Research                   | Please Upload documents regarding market research/ market segments here |                 |            |
| Midterm Presentation              | Midterm presentation files  |                 |            |
| Midterm Report                    |   |                 |            |
| Minutes                           | Minutes of meetings   |                 |            |
| PICTURES                          | Presentation, Posters and Brochures                                     |                 |            |
| Poster                            |   |                 |            |
| Project Plan                      |   |                 |            |
| Resume                            | Please upload your resumes here   |                 |            |
| Risks, Financial Model, Scenarios | Risks and Financial Model   |                 |            |
| student schedules                 | spring 2008   |                 |            |
| Survey for Professors             |   |                 |            |
| Value Proposition Draft           | Upload drafts for the VP here   |                 |            |
| Campus Colab tools report         | Report on Campus Collab tools   | Sebastian Babel | 03/24/2008 |
| class meeting schedule            | spring 2008   | Daniel Ferguson | 01/23/2008 |

What are the possibilities of capitalizing upon the market?

# Team

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Sebastian Babel

4<sup>th</sup> year Elec. Engineering



Casey Bennett

3<sup>rd</sup> year Computer Science



Anusuya Dhewaju

3<sup>rd</sup> year Applied Math



Kok Ann Gan

3<sup>rd</sup> year Biology



Ah Reum Jeong

4<sup>th</sup> year Marketing



Kee Heun Kim

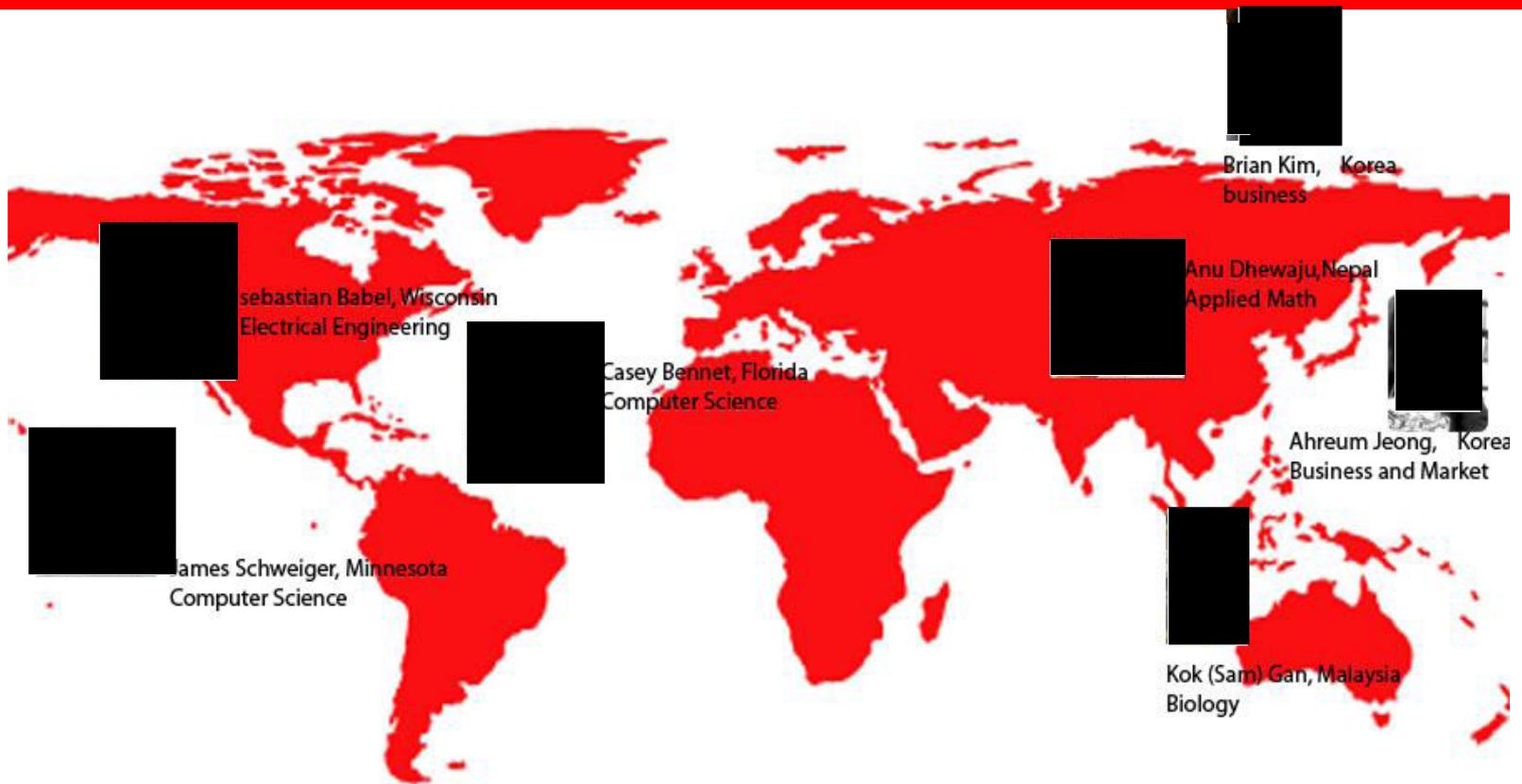
4<sup>th</sup> year Marketing



James Schweiger

3<sup>rd</sup> year Computer Science

# Team



I PRO 353 - Team Members

# Agenda

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1. Market Analysis
2. Business Scenario
3. Business Risks
4. Next step
5. Summary

# Target Market

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University Professors

who use group projects as a teaching Method

Why?

Natural Competitive Advantage

Existing Word-of-Mouth Network

Size

2,300 four-year universities 400 courses each semester

30% involve a group project

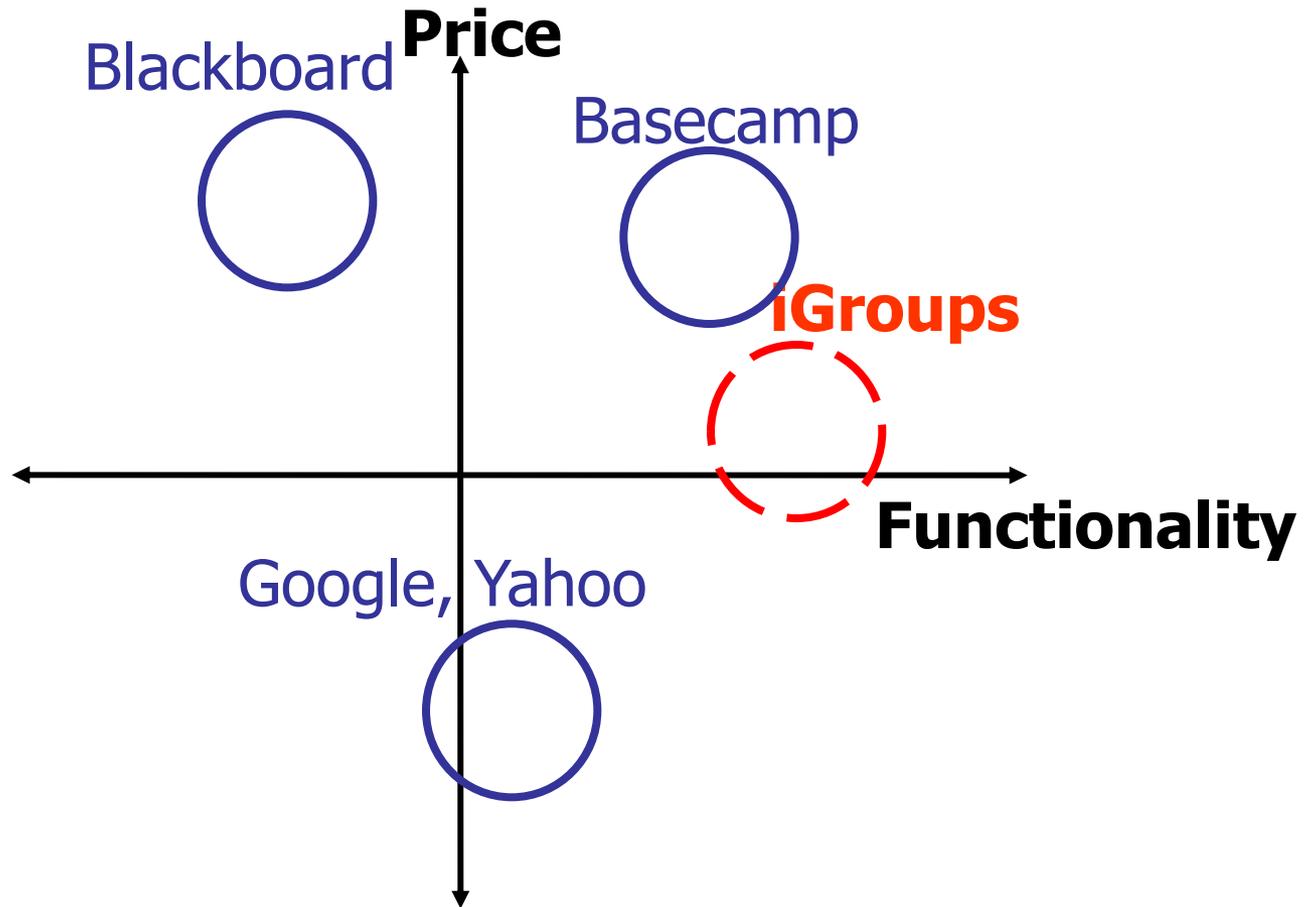
- > 200,000 courses.

# Competitive Analysis

|                   | <b>Price</b>    | <b>Functionality</b>                                 | <b>Target market</b> |
|-------------------|-----------------|--|----------------------|
| <b>Google</b>     | Free            | Focus on email                                       | Small groups         |
| <b>Yahoo!</b>     | Free            | Focus on email                                       | Small groups         |
| <b>Blackboard</b> | \$60,000/year   | Prof. initiates all Discussion                       | Universities         |
| <b>Basecamp</b>   | Up to \$149/mth | Email, file sharing                                  | S-M business         |
| <b>iGroups</b>    | \$50-\$100/sem  | File sharing, email Discussion<br>(Student oriented) | University profs     |

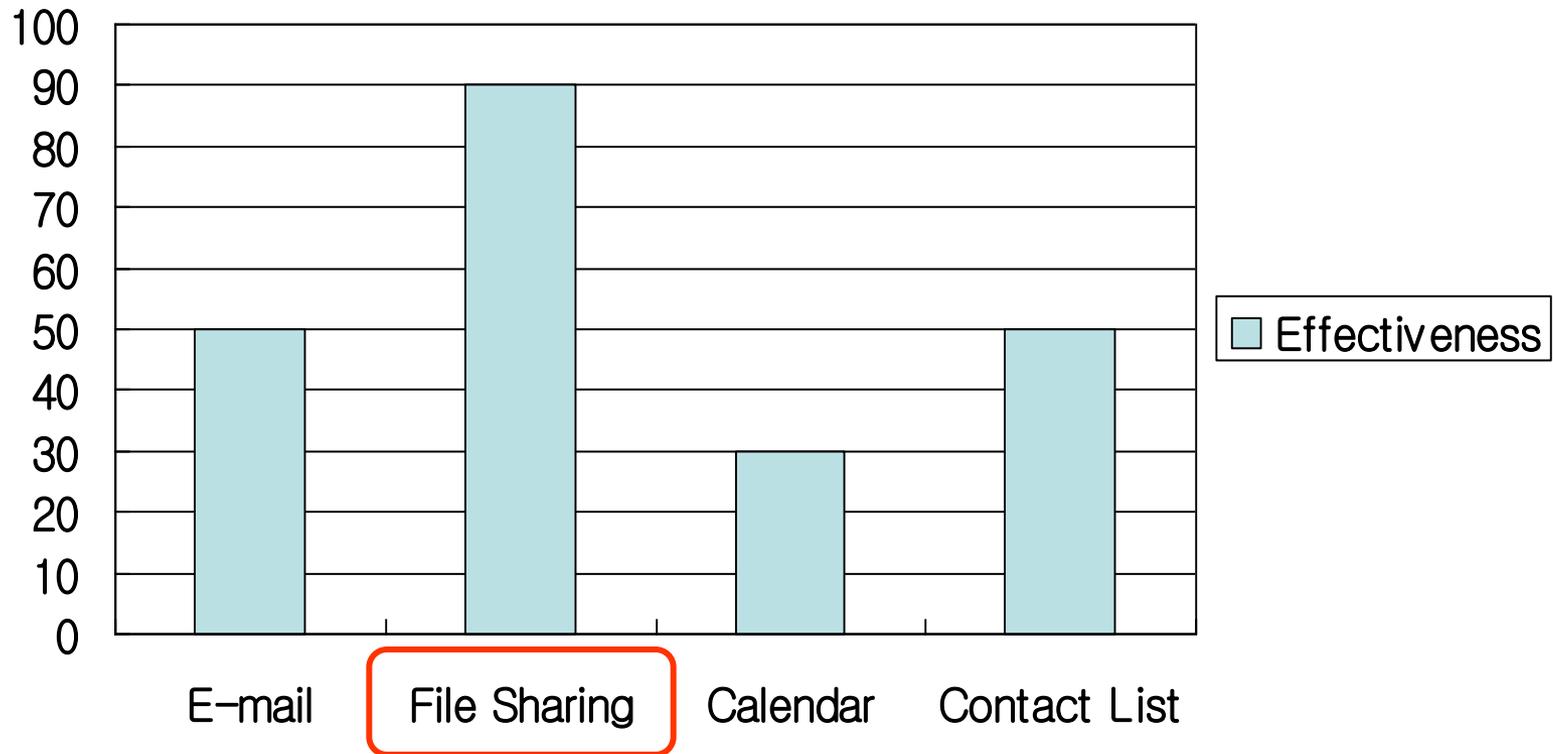
# Competitive Analysis

## Perceptual Map



# Market Research

Survey of 128 IIT Student users



# Market Research

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## Interview of University Professors

10 Professors in University

- IIT, Art Institute, UIC and Wayne State University

## Results

Faculty willing to spend \$50 - \$100 per semester

Need to see value in iGroups

Google Groups used in many courses



# Business Model

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Subscription-based

\$50-\$100 per semester per course

Other models considered:

- Freemium
- Licensing

# Business Scenarios

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1. Student-staffed Organization
2. Entrepreneur
3. Angel Investor

# Student-staffed Organization

IIT continues hosting and developing iGroups

Employees - hire IIT students for customer service

Marketing - product website, word of mouth

Student team generates sales

## Summary of Income Statement

| <b>Year</b>                   | <b>0</b> | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b>  |
|-------------------------------|----------|----------|----------|----------|----------|-----------|
| <b>Gross Revenue</b>          | \$0      | \$10,000 | \$20,000 | \$30,000 | \$50,000 | \$100,000 |
| <b>Fixed + Variable Costs</b> | \$0      | \$6,000  | \$11,000 | \$16,000 | \$26,000 | \$61,000  |
| <b>Marketing Costs</b>        | \$0      | \$4,000  | \$9,000  | \$14,000 | \$20,000 | \$30,000  |
|                               |          |          |          |          |          |           |
| <b>Final Margin</b>           | \$0      | \$0      | \$0      | \$0      | \$4,000  | \$9,000   |

# Entrepreneur

Employees - Entrepreneur

After 1~2 year - IPRO team -> Entrepreneur

Marketing - Increase spending on promotional literature and education conferences

Summary of Income Statement

| Year                          | 0   | 1        | 2         | 3         | 4         | 5           |
|-------------------------------|-----|----------|-----------|-----------|-----------|-------------|
| <b>Gross Revenue</b>          | \$0 | \$40,000 | \$200,000 | \$400,000 | \$600,000 | \$1,000,000 |
| <b>Fixed + Variable Costs</b> | \$0 | \$13,000 | \$162,000 | \$285,000 | \$385,000 | \$670,000   |
| <b>Marketing Costs</b>        | \$0 | \$27,000 | \$38,000  | \$80,000  | \$120,000 | \$190,000   |
|                               |     |          |           |           |           |             |
| <b>Final Margin</b>           | \$0 | \$0      | \$0       | \$35,000  | \$95,000  | \$140,000   |

# Angel Investor

\$100,000 investment for 50% equity

Employees - Hire salesperson 1-2 years after investment

Marketing - Increasing spending

## Summary of Income Statement

| Year                          | 0   | 1        | 2          | 3         | 4           | 5           |
|-------------------------------|-----|----------|------------|-----------|-------------|-------------|
| <b>Gross Revenue</b>          | \$0 | \$40,000 | \$200,000  | \$600,000 | \$1,00,0000 | \$1,600,000 |
| <b>Fixed + Variable Costs</b> | \$0 | \$13,000 | \$172,000  | \$350,000 | \$515,000   | \$750,000   |
| <b>Marketing Costs</b>        | \$0 | \$27,000 | \$100,000  | \$140,000 | \$190,000   | \$240,000   |
|                               |     |          |            |           |             |             |
| <b>Final Margin</b>           | \$0 | \$0      | (\$72,000) | \$110,000 | \$295,000   | \$610,000   |
| <b>Investment Capital</b>     |     |          | \$100,000  |           |             |             |
| <b>Remaining</b>              |     |          | \$28,000   | \$28,000  | \$28,000    | \$28,000    |

# Risk Analysis

| RISK TYPE              | CAUSES                            | STRATEGIES to AVOID                                    | COST involved (if any)                            |
|------------------------|-----------------------------------|--|---|
| <b>Technical risk</b>  | Server might be hacked or go down | Back up plan:<br>Amazon Hosting                        | \$200 annual for Amazon hosting.                  |
|                        |                                   |  | Disaster recovery fund \$1000                     |
| <b>Financial Risks</b> | Negative Cash Flow                | → Reduce Variable Costs<br>→ Increase Market and Sales | Use money saved from lower expenses for marketing |

# Risk Analysis

| RISK TYPE                 | CAUSES  | STRATEGIES to AVOID                                | COST Involved (if any)                            |
|---------------------------|---|--|---|
| <b>Organization Risks</b> | →CEO/<br>Entrepreneur leaves                        | Hand the management to Student Staff Team scenario |   |
| <b>Competition Risks</b>  | Blackboard coming up with similar model as iGroups. | → Enhance Features in iGroups<br>→ Referral System | -20% to 25% discount for every referrals up to 10 |
|                           | Google and Yahoo groups likely to be chosen         | Give iGroups as Trial Version                      |   |

# Next Steps

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- Open iGroups to all IIT Profs
- Beta Testing - Auburn plus 4 more
- Grant applications for seed capital
- Continuing IPRO Class
  - Marketing website
  - Support Beta Testing
  - Intellectual property issues

# Summary

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*"The number of group courses is increasing significantly every year, and students need better tools to collaborate."*

- Suzanne Mueller, Stuart School of Business

*"I would love to use iGroups to know students' process in group projects."*

- Bob Footlik, INTM Professor at IIT



# Questions?

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