

I PRO 353 – Spring 2008

Commercializing iGroups and iKnow

Midterm Report

Group members:

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1. Objectives

The objective for EnPRO 353 is to evaluate the business opportunities for iGroups software. We will do this by drafting a business plan, which will then be evaluated for its feasibility and final reports will be issued. This will be helpful in upcoming iGroups commercialization related projects in IIT.

The business plan and recommendation shall include:

- Description of iGroups software
- Market data
- Financial data
- Projections for income, cash flow and sales
- Analysis of different business models for iGroups, and final recommendation.

There has been no change in the midterm objectives from the original objectives laid out at the beginning of the semester.

2. Results to Date

Each of the sub teams has produced notable results.

The Value proposition team

The Value proposition team had suggested value propositions through research on competitive business models. Based on the team's research, we decided on our value proposition statement, "**We enable collaboration from anywhere.**" Comparing iGroups software with competitors, the team came to the conclusion that iGroups has the basic features of group project collaboration including email communication, document creation and versioning, task management, and accountability. Moreover, the team completed the research on competitive business model and start up essentials. The team has been contacting software buyers in universities to gain more information about software business in and within universities.

The Market research team

The Market research team has completed all of their objectives outlined in the project plan. The team has completed target market identification, market size estimation and competitor analysis.

Based on the team's research, we decided our target market is comprised of professors who teach team-based projects and courses and departments in universities which offer team-based project courses. Such departments are the channels of software market to the

Based on our research of the number of four year universities in the U.S. and the percentage of group courses in an average sized university, we estimated that there are over half a million group courses taught every semester within four year U.S. universities. That estimate was extended internationally to 3 million group courses worldwide, per annum.

This showed that iGroups software has a large potential market, but research into methods of reaching that market is still ongoing.

The team also has analyzed competitors in software market. After the analysis, we understood iGroup software's strengths and weaknesses compared with its competitors. The team will find more detailed information and analysis of market size and segment market to prepare for the business plan.

The summary of the results to date are tabulated as follows:

<u>RESULTS TO DATE</u>	
COMPLETION	TASKS
Feb 4 th	Suggested Value Proposition based on competitive business model
Feb 20 th	Value Proposition Statement
Feb 18 th	Target Segment/ Market Identified; Analysis of Competitors
Mar24 th	More detailed information and analysis of market size and segment

Individually, all team members had learned about the business perception, such as market research, income statement, and cash flow through the Enpro lecture and Code of ethic. In this way, we have endeavored to complete the business plan successfully.

We will complete research on business model and market by March 24th and then complete business plan on the basis of the result of the research by April 21st.

3.0. Revised Task / Event Schedule

Name	Start	Finish	Duration	Status/Personnel In-Charge
Ipro Deliverables	1/23/08	5/2/08	--	
• Project Plan	2/4/08	2/22/08	18 Days	Completed – Kok Ann, Casey
• Midterm Presentation	3/3/08	3/10/08	7 days	Completed – Casey, James, Kee Heun
• Code of Ethics	2/22/08	3/7/08	14 Days	Completed - James
• Midterm Report	3/5/08	3/14/08	9 Days	Completed – Kok Ann, Ahreum
• Midterm Peer	3/14/08	3/14/08	1 Day	Ongoing - All

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Review				
• Minutes	1/21/08	4/18/08	The whole period of the project	Ongoing - Anusuya
• Abstracts, Poster and Presentation	4/7/08	4/21/08-4/25/08	14 Days	Ongoing - All
• iPRO day, iKNOW uploads & Final Reports	4/30/08	5/2/08	3 Days	Ongoing - All

Business Model & Value Proposition	2/4/08	3/24/08	49 Days	
• Research on competitive business models	2/15/08	2/25/08	10 Days	Completed - James
• Research on start up essentials	2/15/08	2/25/08	10 Days	Completed – Kok Ann
• Contact software buying parties	2/15/08	--	The whole period of the project	Ongoing - James

Marketing Research	1/23/08	3/24/08	Duration	Status/Personnel In-Charge
• Competitive analysis	2/6/08	--	The whole period of the project	Ongoing - Casey
• Market research	2/6/08	3/14/08	29 Days	Completed – Kee Heun, Ahreum
• Target segments	2/6/08	3/14/08	29 Days	Completed - Anusuya
• Detailed Market Research	2/15/08	--	--	Ongoing - Casey

Financial Plan	3/12/08	4/04/08	23 days	--
• Build a simulation model	3/12/08	4/04/08	23 Days	Ongoing - Casey,
• Decide on scenarios	3/12/08	4/04/08	23 Days	Ongoing – James,
• Define risk and determine the risks involved	3/12/08	4/04/08	23 Days	Ongoing – Anusuya

Refine Business Plan	3/12/08	4/04/08	23 Days	Ongoing – Kee Heun, Sebastian, Ahreum, Kok Ann
• Interview potential customers	3/12/08	4/04/08	23 Days	Ongoing - Ahreum, Kok Ann
• Redo primary survey	3/12/08	4/04/08	23 Days	Ongoing - Kee Heun, Sebastian

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<ul style="list-style-type: none"> Draft business Plan 	3/12/08	4/04/08	23 Days	Ongoing - Kee Heun, Sebastian
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Milestones	2/12/08	5/2/08	--	--
<ul style="list-style-type: none"> Business Model completed 	3/24/08	3/24/08	1 Day	Completed – James, Sebastian, Kok Ann
<ul style="list-style-type: none"> Marketing Research completed 	3/24/08	3/24/08	1 Day	Ongoing – Kee Heun, Ahreum, Anusuya, Casey
<ul style="list-style-type: none"> Business Plan completed 	4/21/08	4/21/08	1 Day	Ongoing - All
<ul style="list-style-type: none"> Final Report and Deliverables Completed 	5/2/08	5/2/08	1 Day	Ongoing - All
<ul style="list-style-type: none"> IPRO day 	5/2/08	5/2/08	1 Day	Ongoing - All

C. Revised estimate of hours needed and number of team members

Tasks	Individual Assigned	Estimated hours
Business Model & Value Proposition		150
<ul style="list-style-type: none"> Research on competitive business models 	James	15
<ul style="list-style-type: none"> <ul style="list-style-type: none"> Identify revenue models of various software vendors 		
<ul style="list-style-type: none"> <ul style="list-style-type: none"> Compile a list of business models to be analyzed 		
<ul style="list-style-type: none"> Research on start up essentials 	Kok Ann	50
I. Look into the necessary tools to start up a business: Virtual PBX/efax, Collaboration sites, Wikis-social text, Bugzilla, Web conferencing system, Movie maker, Pipeline, Quickbooks		
II. Analyze the time and cost needed		
<ul style="list-style-type: none"> Contact software buying parties at IIT 	Sebastian	25
<ul style="list-style-type: none"> <ul style="list-style-type: none"> Email contacts to begin dialogue 		
<ul style="list-style-type: none"> <ul style="list-style-type: none"> Collect information regarding process, budgets, approval, Service Agreements 		

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○ Generate information leads form initial contact list		
○ Compile research and report findings for use in the business model		

Marketing Research		250
● Competitive analysis	Casey	50-60
○ Identify the competitors (other group interaction tools)		
○ Analyze the competitors (financial, products, by timeframe)		
○ Confirm the competitive advantage (strength of the iGroups)		
○ Research Competitive prices (prices offered by the competitors)		
● Market research	Kee Heun, Ahreum	90-100
○ Identify the market (4year Universities, Small businesses)		
○ Identify the market size		
○ Research Market trend		
○ Present product features		
● Target segments	Anusuya	50-60
○ Identify the Customers		
○ Research product positioning		
○ Research consumers' purchase process		
● Research on marketing strategies	Casey	25
○ Look at types of advertising strategies employed by competitors and software vendors		
○ Compile research for discussion		

Financial Plan		100
● Build a simulation model	Casey	30
● Decide on scenarios	James	35
● Define risk and how to determine risks.	Anusuya	35

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Refine Business Plan		150
• Interview potential customers	Ahreum, Kok Ann	50
• Redo primary survey	Kee Heun, Sebastian	50
• Draft business Plan	Kee Heun, Sebastian	50

Ipro Deliverables		240
Project Plan	Kok Ann, Casey	20
Midterm Presentation	Kee Heun, James, Casey	10
Code of Ethics	James	20
Midterm Report	Ahreum, Kok Ann	20
Midterm Peer Review	Everyone	5
Minutes	Anujaya	5
Abstracts	Everyone	10
Poster	Everyone	30
Presentation	Everyone	30
iKNOW uploads and Final reports	Everyone	30
IPRO Day	Everyone	60

Business Model and Value Proposition Sub Team Changes:

The Business Model sub team had lost one of its members. The responsibilities of each team member have been reorganized. One of the main sub team deliverables which is the detailed market research was assigned to a member of the other sub team. Besides, one of the tasks, which was to contact software buying parties at IIT, has been changed into contacting software buying parties at other universities, in order to provide a more general view of the market. This took some more time in the project. In addition, we are unaware of the amount of information we should collect from the corresponding parties. While some tasks still remain, this sub team is dissolved as vital tasks has been completed. The team as a whole is ready to move on to the next phase of main project.

Market Research Sub Team Changes:

Due to the loss of a team member from the Business Model sub team, the task of conducting detail market research has been assigned to a member of this sub team. The time limit for all the tasks is increased as more detailed analysis of the market and competition is needed. The competitive analysis has been suggested to be an ongoing process as competitors constantly change their strategies and we need to know what they are doing at present in order to create a viable business plan. While some tasks still remain, this sub team is dissolved as vital tasks has been completed. The team as a whole is ready to move on to the next phase of main project.

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Business Plan Refining Sub Team Changes:

The original plan of having five members on this team was altered (due to the departure of Min Soo) to four members. This sub team is formed and new tasks have been assigned in order to go to the next stage of the project.

Financial Plan Sub Team:

As planned, the sub team is formed with James as a leader. This team will now be playing a vital role to create a realistic goal to continue the project in the second half of the semester.

I PRO Deliverables Changes:

The Midterm Presentation which was assigned to Kee Heun and Sebastian were assigned to Kee Heun, Casey and James because Sebastian had to be out of state during the presentation day.

The Midterm Report submission became the responsibility of Ahreum and Kok Ann instead of Ahreum and Minsoo after Minsoo had to leave the group.

The tasks completed were mostly related to primary market research and building the framework of a business plan. The information obtained allowed us to have a basic foundation of what our business plan will be based.

4.0. Changes in Task Assignments and Designation of Roles and Team Organization

A. Team Organization

The EnPro team is currently organized into two new separate sub teams to meet the objectives for second half of the semester. Now, the sub teams are organized based on each individual's expertise in the subject topics.

Team 1: Business Model and Value Proposition *Sebastian, Kok Ann, James

Team 2: Market Research *Kee Heun, Ahreum, Casey, Anusuya
* Indicates team leader

B. Revised Sub Team Task Assignments

Business Model team

Kok Ann, Ahreum

Interview potential customers

- Creating questionnaires
- Setting up appointments for interviews
- Analyzing information obtained

Kee Heun, Sebastian

Redo primary survey

- Obtained further primary data from the software users during the Fall 2008 semester
- Draft Business Plan

Financial Plan Team

Casey	Build Simulation Model
James	Define scenarios
Anusuya	Define risks and determine risks involved

C. Current Team Member Roles

Since the tasks for both of the previous sub teams- Business Model and Market research has been completed, the teams are dissolved .New sub teams is formed for second half of the semester. The new sub-teams Business Model and Financial Planning . Kee Heun was chosen as a leader for Business Model team while James for Financial Plan sub team.

Each team members has been assigned new tasks for the remaining semester. Kok Ahn and Ahreum are to conduct interview potential customers.

Kee Heun and Sebastian will be conducting another primary research

Casey will be building a simulation model for financial planning

James will be defining scenarios in financial planning

Anusuya will be defining risks and determining them in financial planning.

D. Reasons For Organization Changes In the Future

Team organization is changed because the current sub teams are dissolved in second half of the semester as the assigned tasks were completed. During this period, two new sub teams will be formed; one being the Financial Plan team and the other is the Business Plan Refining Team. The sub team leaders will be changed based on their ability. The Financial Plan team would be led by James and consists of Anusuya and Casey while the Business Plan Refining team would be led by Kee Heun and consists of Kok Ann, Ahreum and Sebastian.

Individual Team Member Assignments

Name	Major	Strength/Skills	Roles & Tasks
Sebastian A Babel	Electrical Engineering Minor in Business Management 4 th Year	Worked as Solutions Engineer, Building Manager, and Server.	Team leader for Business Model and Value Proposition, team member for Refining Business Plan
James Schweiger	Computer Science 3 rd Year	Proficient with Java, Unix system and is familiar with C, HTML, LATEX, SVN and VIM.	Team member for Business Model and Value Proposition, in charge of Code of Ethics and Midterm Presentation, team leader for Financial Plan
Kok Ann Gan	Biology 3 rd Year	Knows C++, familiar with MS Word, MS Excel, MS Power Point	Team member for Business Model and Value Proposition, in charge of Project Plan and Midterm Report, , team member for Refining Business Plan
Kee Heun Kim	Business Administration and Economics	Fluent in Korean and Japanese. Plays electric guitar, bass, and flute. Attended military service in Korea.	Team leader for Target Segment, Competitive Analysis and Market Research, in charge of midterm presentation, team leader for Refining Business Plan
Anusuya Dhewaju	Applied mathematics Minor in Computational Structures and AI 3 rd Year	Knowledge and Experience with MS WORD, EXCEL, Adobe Photoshop, Flash MX, QBasic, C++. Familiarity with MATLAB, Maple, CAD, 3D Max, Java,	Team member for Target Segment, Competitive Analysis and Market Research, team member for Financial Plan
Casey J Bennett	Computer Science 3 rd Year	Fluent in C, C++, Java, (X) HTML, Ocaml. Has worked with Perl, PHP, SQL. A+ certified	Team member for Target Segment, Competitive Analysis and Market Research, in charge of midterm presentation

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Ahreum Jeong	Business Marketing	Familiar with MS Word, MS Excel, MS Power Point, worked for various companies in a marketing position	Team member for Target Segment, Competitive Analysis and Market Research, team member for Refining Business Plan, in charge of midterm report
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E. Revised Gantt Chart of Remaining Task

Revised Gantt Chart of Remaining Task Unnecessary.

Updated Project Budget

Unchanged.

Items		Cost (USD)
Focus Group	Organizer	200
	Food	100
Travel Cost		300
Total		600

5.0. Barriers and Obstacles

A. Obstacles Encountered.

Lack of business planning (entrepreneurial) knowledge:

Lack of knowledge related to business is the biggest obstacle of our team. The team consists of seven members, including only two business majors and one business minor. The rest of the members have diverse backgrounds which are not related to business. So, the team has to start from scratch and might rely on the business oriented members in the creation of this plan.

Loss of team member:

One of our teammate had to drop the course during this project period causing to rearrange our whole schedules.

B. Identification of Remaining Barriers and Obstacles.

Difficulty to find information about competitors:

Although we have already identified the main competitors of our business, we are still unable to obtain any valuable information about them in what they are doing at all fronts. This lack of knowledge might impair our ability to make decisions regarding our business plan.

Difficulty reaching customers:

Perhaps the biggest issue in the team is the ability to reach our potential customers. So, far we have already decided our niche market and identified our target customers. However, the most sophisticated question that we face is: How do we sell to them? Advertising and getting people to buy our product will be an issue before discussing our revenue model.

C. Dealing with Identified Barriers and Obstacles.

The team members had made up for the lack of business knowledge by reading books about business planning especially the book written by Bangs. Besides that, attending live EnPRO lectures by business professors was a good way to increase business knowledge as we were able to obtain firsthand knowledge from the experts. We also utilized the internet in order to fortify the basic knowledge that we gained.

Although the team is unable to get competitors' information directly, the team has figured and mapped out the basic ideas in order to gain a competitive edge. Perhaps the most effective way is to approach the existing customers of our competitors in order to gain valuable information. For example, the team could approach David Peak from LiquidTalk to know more about Basecamp while talking to big companies would be feasible to understand the advantages of Microsoft SharePoint.

Furthermore, the team had also brainstormed and identified some marketing patterns in order to gain popularity. The team would approach the professors teaching group based courses in IIT first and have them use the software so that the product is made known amongst professors besides getting more primary research results. This is done by launching a huge campaign to promote this software on campus, by distributing brochures together with offering information and training sessions to those who are interested. By providing the software as a free-testing to these professors, they would then help us promote the software to professors in other universities.

In order to overcome the loss of a teammate, the team had decided to reallocate tasks by giving more commitments and responsibility to all the remaining members.

Despite the obstacles that were faced and potential challenges and barriers, the team is very optimistic about the project completion.

6.0. Midterm Presentation Slides

Please refer to the file : IPRO 353 Midterm Presentation.ppt