

CHAPTER I

EXECUTIVE SUMMARY

For the past couple of years education has becoming very promising especially those that are based on mobile application. Its due to the fact that hundreds of thousands of Students residing in Indonesia are very aware of the importance of education. However, with the different point of view of the millennials that slightly shifts their values mindset towards means that are more practical and convenient which as a result makes conventional means where in this case happens to be education becoming less interesting for them or obsolete. Moreover, with the interdependence of Indonesian students towards their teachers, course provider, it is realized that an untapped market exists where niche of peer tutoring has a huge potential market to this day. Furthermore, the advancement in technology in these days could aid and offer a solution towards these problems and therefore creating a great opening towards fulfilling the untapped market.

Tutoria started as a group project for a university assignment to create a business plan that could contribute to current society. One of our members has prior conception for a digitalized way of learning for foreign students in New Zealand. The idea then evolved from a website-based learning to the mobile platform. The said member was inspired by their initial concept in order to find a proper solution for one of Indonesia's most enigmatic problems. Students in western-influenced countries have a much more independence in finding their own secondary source of education, especially peer-to-peer tutoring while Indonesia's

students heavily rely on conventional, rigid and impractical courses given by authorized educators. Thus, the group decided that peer-to-peer may give way to opportunity for academically achieved individuals.

In November 2019, the group decided to enter a startup competition in Universitas Pelita Harapan which was hosted by Sparklabs Incubator. Due to this opportunity, Tutoria as a company was established and began its journey as one of Sparklabs incubator first batch businesses' to be incubated. In August 2020, Tutoria reached another stepping stone of its arduous journey by completing the NCubation Launchpad Program of 2020, conducted by 11th Space and Navanti Holdings with the addition of being the first batch's first place winner and hence receiving free additional co-working at 11th Space/ 11th Concrete for 3 months' worth \$1500 or IDR equivalent, Mentoring credit 10 hours' worth \$500 with the program's mentors, and spend a single day with Navanti Indonesia's Presidential Director, Mr. Indra Pramana through dinner. By the end of July 2020, Tutoria has held its first ever Tutor Recruitment Program, celebrating its soft launch which resulted in several students applying as a peer-to-peer tutor. Currently, Tutoria is planning its grand launch and still socializing the services towards Universitas Pelita Harapan's lecturers to raise brand awareness and brand presence locally in order to gain its very first users without using the mobile application.

In addressing towards the predicament of convenience becoming the normal preference given towards the behavioral traits of the current generation and also in filling the unfilled gap in the student education market, Tutoria was born

and launched. Tutoria is an application that could be access through mobile application or website and that's purpose is to matchmake tutors and tutees similarly towards the likes of Gojek or Grab (online taxi) in its operations. Students who are academically achieved could gain their financial freedom by actually earning their own money without employee regulation although, there are several requirements needed to be fulfilled in order to be a part of Tutoria team. Therefore, Tutoria and its core competencies and competitive advantage which firmly believes in three areas : affordability, flexibility and dependability.

External education as a source defines Tutoria's market. The market total size is enormous due to the gap that has not been realized yet or tapped, with a rough estimation of 370,000,000,000 (while only counting 500,000 students in Jakarta alone and multiply by the prices users are willing to pay for their sessions which in this case Rp. 75,000.00 as minimum fees). Furthermore, Tutoria's expectation is to at least obtain 4,000 active users and that is with a retention rate of 35% on the first year or first four quarters of the operation and expected to grow in numbers by 25% by the end of the first year. Tutoria is currently still based and only operating in UPH, Universitas Pelita Harapan campus which is located in Lippo Karawaci, Tangerang, Banten. In its first projection, Tutoria aims to conduct 100 sessions before the end of Q2 2021 while also expect to have at least 50 tutors from University of Pelita Harapan itself by the end of the year 2021. In addition, towards the expected growth, by 2022, after Tutoria succeeds in maximizing the market of the university of 5,000 students, the company will then penetrate

throughout universities that surrounds in Jakarta, Bogor, Tangerang, and Bekasi area as a lot of private universities is actually located around those area. With that said, Tutoria will continue its expansion horizontally until the beginning of the 2024 when Tutoria has already obtain 2,000 tutors with the market size of 35%.

Eventually, by 2025, it is foreseeable that the company is ready to shift and tap high-school students' level by collaborating with the government to penetrate into national schools around its area while also opening a gate towards expansion throughout Indonesia. Therefore, hence Tutoria will need a capital investment of Rp. 570,000,000 (Rp. 50,000,000 for equipment, Rp. 5,000,000 for installation, Rp. 600.000 for brand design and patent, Rp. 300,000,000 for mobile app development, Rp. 36,000,000 for server rent, Rp. 20,000,000 for tutor recruitment marketing campaign, Rp. 20,775,000 for promotional and programming, Rp. 19,000,000 for legal activities, Rp. 60,000,000 for rent, Rp. 10,000,000 for orientation and training activities, Rp. 48,625,000 for emergency cash) in exchange of 12% equity. Based on the projection simulation, by the Q4 of the first year, Tutoria will break even. The first year revenue will then amount to Rp. 1,350,000,000 with a Net income of Rp. 380,000,000.

Category	Items	Cost
Cash	Cash	Rp. 48,625,000
Operational	Equipment	Rp. 50,000,000
	Installation	Rp. 5,000,000
	Mobile App Development	Rp. 300,000,000
	Server Rent	Rp. 36,000,000
Marketing	Brand Design	Rp. 600,000
	Tutor Recruitment Marketing Campaign	Rp. 20,000,000
	Promotional and Programming	Rp. 20,775,000
Training and Development	Orientation and Training	Rp. 10,000,000
Rent	Rent	Rp. 60,000,000
Legal	Legal	Rp. 19,000,000
Total		Rp. 570,000,000

Table 1.1.1 Tutoria's Pre-operating Funding Requirement

These are the required funds in order to run Tutoria startup. The external and internal cost are embedded on the table above.

Tutoria Funding Allocation

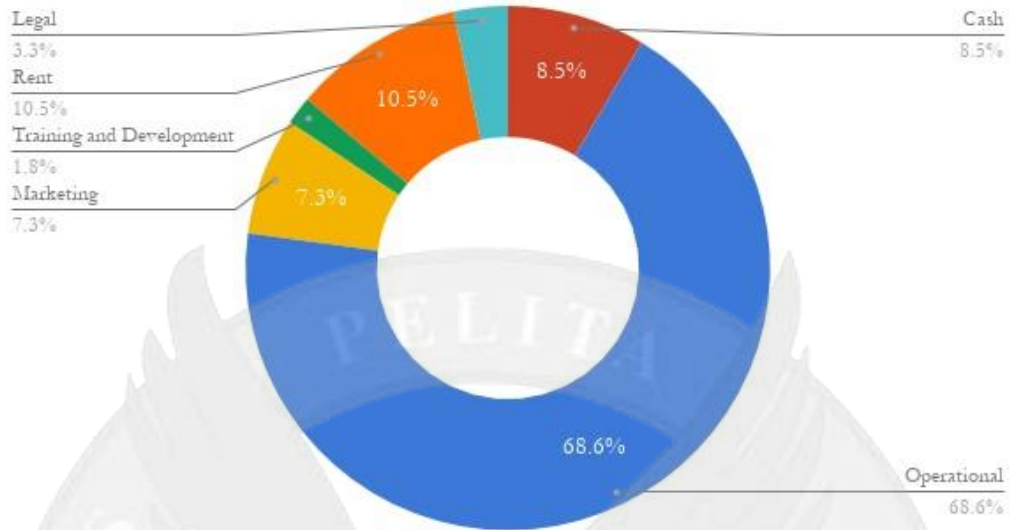


Figure 1.1.1 Tutoria Funding Allocation

The founders found that it is best for the funding allocation to be distributed this way as it is dominant of operational cost. It is because in order the run the company, it relies a lot upon operations.