

Abroad Education Services

Sample E-2 Visa Business Plan

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Mission Statement

“To help every international student achieve their goal to earn an American education”



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Executive Summary

Abroad Education Services (also referred to as “the Company”) is a higher education marketing consultant, providing admission advisory to the students and marketing services to the colleges, universities, and educational institutes in the United States of America. Services include career counselling, course selection, study visa assistance, searching accommodation and ancillary services thereto. Mr. John Smith, the E-2 investor, intends to expand its 12 years business services beyond the current state of its operations at three destinations i.e.,



Mexico, Latin America, and Jordan. With his experience and professionalism, he not only wishes to excel in the current project but wishes to embark upon improving candidates experience in searching for higher education in the U.S. The idea of consistent quality and commitment to timelines will bring the Company to build professional long-term standing. Mr. John Smith intends to invest \$105,000 as an E-2 treaty investor to bring this vision to a reality.

Business Model: The Company does not charge any fee to the students and derive its revenue/commission on process of successful applicants to the educational institutions in U.S.A. ABROAD EDUCATION SERVICES’s revenue is based on a certain percentage of fee from students enrolled with the education providers (Appendix-II). The Company has established contracts with universities, colleges and institutes for providing international students at a certain agreed upon commission. The students do not pay any extra charges to their institute or to the Abroad Education Services.

The Opportunity: ¹ The number of international students applying to colleges in the United States are increasing according to a new report by the Institute of International Education (IIE). Out of 559 institutes, (65%) reported an increase in applications for admission from international students for the 2022-23 academic year. That’s up from the 43% of colleges reporting an increase one year ago, indicating that international applicants are rebounding off their Covid-19 pandemic lows, when, according to IIE’s 2020 survey, 52% of the reporting institutions reported a decrease in international applications for the 2020-21 academic year.

Market Size: The total number of international students² enrolled in US colleges is 1,095,299. In the last decade, all three programs – Undergraduate, Graduate, and OPT have seen a staggering increase in enrollments. The majority of students studying in the US originate from China and India. Engineering, Maths, and software engineering programs were among the most widely recognized fields of study for students.

Target Market: Primary target market for the services offered by Abroad Education Services will be universities, colleges and academic institutions in the state of California. However, Secondary market will be high-end individuals in the age group of 15-35 years, having family household income of \$100,000+ and seeking advisory services directly from the Company.

Marketing: Marketing for Abroad Education Services will be done through the following listed mediums, with the internet being the primary driver:

¹ <https://www.forbes.com/sites/michaelnietzel/2022/06/23/foreign-applications-to-us-colleges>

² <https://admissionsly.com/international-students-in-usa-statistics/>

- Partnership on platforms leveraging the marketing and SEO of educational institutes
- Social media presence via Facebook, Instagram, Twitter, LinkedIn and in the business directories
- Career counselling seminars and publicity events in the countries of origin i.e. Mexico, Jordan and Latin America
- Direct e-mail marketing
- Word of Mouth

Management: Mr. John Smith is the E-2 applicant and President of Abroad Education Services. Mr. John Smith has 12 years of past experience in supporting student applicants in securing degree programs in the U.S.A.

Financial Overview: The Company expects steady growth over the first five years of operation and projects the following revenue to be generated:

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$345,290	\$517,935	\$652,598	\$743,962	\$892,754

Objective

The purpose of this plan is to provide the information necessary to evaluate the scope and future growth of Abroad Education Services in the marketplace. In addition to serving as a roadmap for management, the plan will show that:

- 1) A significant market opportunity exists when analyzing the current market demands and competitive landscape;
- 2) The grow the company organically by adding international origins that leads to the U.S.A varsities and colleges;
- 3) To help in capacity building of the underdeveloped nations by removing obstacles to achieve higher education;
- 4) Contributing to the U.S. economy by increasing education industry share in the Gross Domestic Product through spending by the international students in the form of fee, living, food and consumer products;
- 5) The business will create three full-time positions other than the E-2 investor;
- 6) The investment will be done through E-2 contribution and capital increase of the business;
- 7) The amount (through capital increase) will be allocated in a variety of ways, including staffing, operations, and marketing initiatives.
- 8) The management team set in place is qualified to execute on a well-thought-out operational, marketing and sales strategy, and
- 9) The correct capital structure will allow for a long-lasting, profitable business.

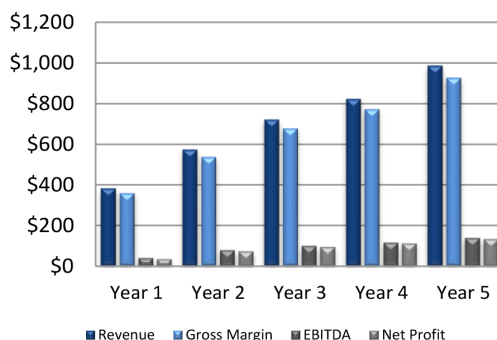
To achieve the Company's objectives, Abroad Education Services' owner is contributing \$105,000 in total funding. The funding will be allocated in a variety of ways including staffing, operations, and marketing initiatives. The investment risk is minimal based on the management experience and industry growth rates. Abroad Education Services' financial model shows consistent growth for the brand over the next five years. By year five, plans call for the Company to achieve \$892K in annual gross revenue with a net profit of \$46K or approximately 5.22%.

Financial Objectives

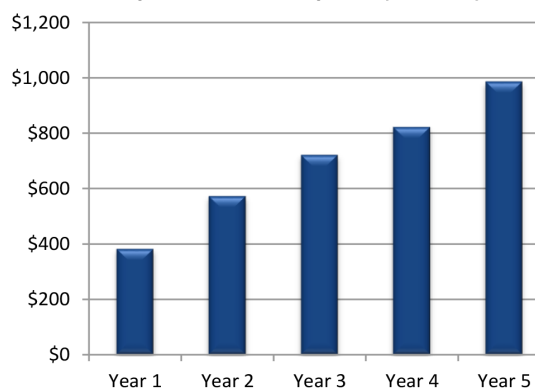
The following table and graphs illustrate the financial goals of Abroad Education Services during the next five years. The financials are explained in detail throughout the duration of the plan.

Financial Highlights (\$1,000's)																	
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3	Y4	Y5
Revenue	10	17	21	28	31	31	31	31	35	35	38	38	345	518	653	744	893
Gross Margin	10	16	19	26	29	29	29	29	32	32	36	36	324	486	613	698	838
Operating Expenses	39	26	26	26	26	26	26	26	26	26	26	26	323	463	582	659	791
EBITDA	-29	-9	-6	1	4	4	4	4	7	7	10	10	6	28	36	44	52
Net Profit	-30	-10	-6	0	3	3	3	3	7	7	10	10	1	23	31	39	47
Gross Margin/Revenue	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%
EBITDA/Revenue	-283%	-53%	-28%	2%	12%	12%	12%	12%	20%	20%	27%	27%	2%	5%	6%	6%	6%
Net Profit/Revenue	-287%	-55%	-30%	1%	11%	11%	11%	11%	19%	19%	26%	26%	0%	4%	5%	5%	5%
Net Cash Flow	23	-12	-8	-2	2	2	3	3	6	6	10	9	42	15	27	38	41
Cash Balance - Ending	23	11	3	1	3	5	8	11	17	23	33	42	42	57	84	122	163

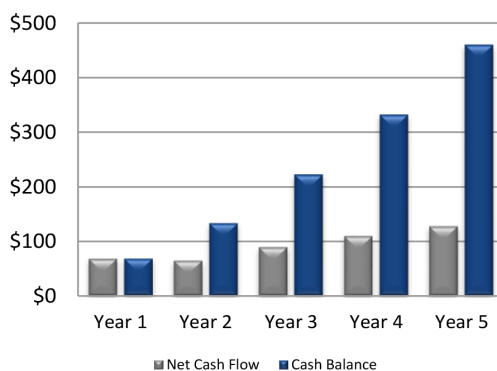
Projected Operating Highlights By Year (\$1,000's)



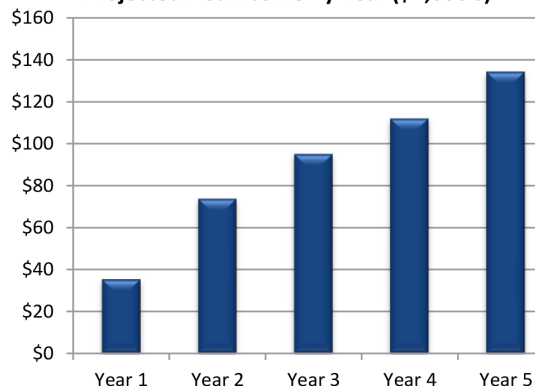
Projected Revenue By Year (\$1,000's)



Projected Cash Flow By Year (\$1,000's)



Projected Net Income By Year (\$1,000's)



Start-Up Summary

The following tables and graphs detail the funding the business will need to bring the vision to reality. Start-up funding includes all the expenditures, both start-up assets and start-up expenses, incurred before the Company starts earning revenue. The working capital element of the asset table represents the balance of cash at the beginning of Month 1 of the financial projections.

Use of E-2 Funding	
Expenses	
Legal Fees	\$5,200
Grand Opening Advertising	\$4,500
Website Development	\$2,500
Initial Office Supplies	\$1,500
Total Start-up Expenses	\$13,700

Long-term Assets	
Renovation & Improvements	\$25,000
Furniture & Fixtures	\$15,000
Computers & Accessories	\$10,000
Total Long-Term Assets	\$50,000

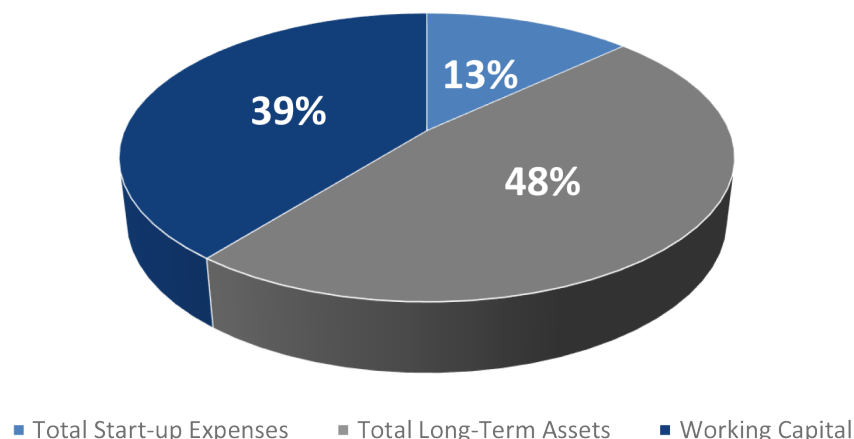
Short-Term Assets	
Working Capital	\$41,300
Total Short-Term Assets	\$41,300

Total Expenses & Assets	
Total Start-up Expenses	\$13,700
Total Start-up Assets	\$91,300
Total Funding Requirements	\$105,000

As shown in the charts above and the graph below, the total start-up funding needed to successfully implement this venture is \$105K. The owner is contributing \$105K in personal funds to create the Company's brand. As depicted above, \$13.7K will be used for start-up expenses; \$50K will be used to purchase long-term assets. The remaining balance of \$41.3K will be used for working capital.

Total Funds Allocated

Allocation of E-2 Funding



About The Investment Enterprise

Abroad Education Services has its roots of establishment years back when founder of the Company was a student in a business school in the U.K. The founder was helping fellow international students to fulfil requirements in pursuing their educational degrees. The Company established its first office in Amman, Jordan, the country of origin, where students were looking for help to reach U.S.A. for study. The Company offers a wide range of services to student applicants in securing a study visa and allied services in Mexico and Latin America, on reaching to the U.S.A. Students coming to the U.S.A. are bringing international foreign exchange and increase in economic activity in the U.S.A.

Source of Revenue

The company does not impose any fees on the students and derives its income/commission from the admissions process of qualified candidates to educational institutions in the United States of America. A specific percentage of the fees collected from students who are enrolled with the educational providers forms the basis of ABROAD EDUCATION SERVICES's income (Appendix-II). With universities, colleges, and institutes, the Company has contracts in place for the provision of overseas students at a predetermined agreed-upon commission. The ABROAD EDUCATION SERVICES and the students' institution are not charged any additional fees by the students.

The Company's Past Performance

Since the establishment of ABROAD EDUCATION SERVICES in 2012, a total of 7034 students have been sent to Ireland, the UK, Canada, New Zealand, and the United States for English courses, undergraduate degrees, postgraduate degrees, and pathway courses (for students with lower English levels seeking entry into a bachelor's or master's degree).

According to the stage of the procedure, processing a student is estimated to take 30 to 50 minutes for the initial consultation, 1 to 2 hours for document collection and college application, and 2-4 hours for follow-up and making travel arrangements.

ABROAD EDUCATION SERVICES Mexico Office

ABROAD EDUCATION SERVICES regional offices are providing similar services in Mexico to the applicants in need. The Company has generated \$146k in revenues in 2021 and again 2022 is also a good revenue generating year. Current year to date number is around \$87k while most of the revenue is generated after enrolments of fall semester are over in November every year. The Company is running successfully, many international students are looking for help in getting visa, accommodation, cultural and language barriers, and choice of degree. The students spend, work and provide livelihood and revenues for American businesses, ultimately helping economies to grow.

Milestones

Milestones		
	Start Date	Duration (days)
Obtain E-2 Visa	09/01/2022	90.00
Mobilize Funding & Working Capital	11/30/2022	30.00
Hire Employees in the USA	12/30/2022	30.00
Grand Opening	01/14/2023	60.00
Achieve \$345K in Gross Revenue	01/14/2023	365.00

Services

Service	Benefits	Description
Counselling services to applicants for managing the application process	Free service to applicants that offer them help in full college application process	Free guidelines for students
Assistance with student visa requirements	Advising students on F1 student visa process and helping them in interview with US Consulate in country of residence	Visa process guidelines for applicants
Assistance in finding accommodation	Making it easier for international students to find accommodation on arrival in USA	Helping in finding stay or student residence
Pre-departure briefing for students	Helping students to prepare culturally to new life as an international student in the USA	Guiding students about expectations on arrival to USA
Continuous support to students throughout stay in USA	Helping students to answer different queries and resolution of issues while studying in USA	Providing support from USA office on cultural issues, home sickness, language barriers and studies
Helping in writing purpose, personal statement and professional resume	Professional team guiding students in writing correct statement, according to the requirement of college/university	Assistance with personal statement and CV



About The Management

The E-2 Applicant - Mr. John Smith

Professional Summary

Growth-minded analyst with extensive experience creating efficient operational structures and insightful process improvements. A solid history of identifying opportunities and streamlining processes to maximize resources and boost productivity. Repeatedly recognized for improving workflows, operational performance and best practices while contributing towards an organization's strategic objectives.

Core Skills And Knowledge

Project Management | Process Implementation | Data Analysis | Operations Performance Resource Planning | Reporting & Presentations | Documentation Management | Quality Assurance Continuous Improvements | Technical Writing | KPI Dashboards & Scorecards | Process Analysis

Technical Tools

Microsoft Office Suite, Visio, SharePoint, Access, Business Objects, Jira, Citrix Environments

Work Experience

Business Analyst | Large Company – Somewhere, TX January 2019 – Present

- Designing and enhancing workflow automation within a highly visible process area.
- Identifying and analyzing process gaps and system defects, proposing tangible solutions and implementation.
- Creating visual dashboards for monitoring workflow, current business processes and system performance for business partners and leadership teams.
- Documenting technical design for workflows, creating standard operating procedures (SOPs), presentations and job aids for the operations team, using tools such as Microsoft Visio, Excel, Word and PowerPoint; managed documents within SharePoint.
- Experienced with using SQL for data analysis, data verification and ad-hoc reporting.
- Acting as a functional and technical liaison between Product Line Management and operations.

Digital Marketing Analyst | Friend's Veterinary Hospital – Working Remote, TX February 2017 – January 2019

- Established social media image through the creation of online marketing and promotional materials.
- Proactively monitored metrics (total site visits, traffic by sources, sessions by device, etc.), reviewing analytics and providing recommendations for enhancing effectiveness.
- Optimized Google Analytics and AdWords, Bing AdCenter and Facebook to maximize ROI.

Project Analyst / Business Analyst | Promotion from Big Name Insurance Co Nowhere, SP July 2013 – October 2016

- Executed on the development, implementation and coordination of projects consisting of root-cause and impact analysis, trending data and identifying opportunities for cost savings, contributing towards a yearly departmental savings goal of \$850 million.
- Created effective strategies in workflow and operational structure, resulting in a 15% increase in production across the organization.
- Involved with software development projects using methodologies such as Waterfall and Agile.
- Partnered with stakeholders to identify, collect and analyze key factors and business requirements for technical projects, process improvements and system changes.

- Performed functionality testing, integration testing, regression testing and user acceptance testing (UAT); provided analysis and insight to QA Team with defects and bug tracking.
- Gathered system and functional requirements by conducting interviews with business users, stakeholders and subject matter experts (SME).
- Conducted gap analysis by identifying existing technologies, created and documented current state (As-Is) and future state (To-Be) business processes to better understand existing systems.
- Researched, created and revamped workflow diagrams, flowcharts, procedures and reference guides with tools such as Microsoft Visio, Excel and Word; managed documents in SharePoint
- Acted as functional and technical liaison between cross functional groups to communicate needs, issues and concerns within the department.

Claims Auditor | Different Big Name Health Insurance Company - Nowhere, SP February 2010 - June 2013

- Coordinated internal audits on issues involving claims operations with adherence to state and federal regulatory policies, HIPAA compliance and standard operating procedures.
- Saved the company \$36 million in claim overpayments through detailed audits with an emphasis on trend analysis, fraud prevention and overutilization practices.
- Created and maintained workload inventory reports to ensure proper staffing levels and resource allocation; updated data related to key performance indicators (KPI) and dashboards.
- Optimized resources while managing workload inventory for multiple teams, reducing late payment penalties by 48%.

Application Support Specialist | Small Tech Company - Nowhere, SP February 2009 - August 2009

- Analyzed performance data from applications and generated reports for executive staff and management.
- Provided recommendations to C-level executives by interpreting user data and identifying critical insights, patterns and trends that led to improvements to application performance.
- Collaborated with software engineers and development team to design, execute test cases and troubleshoot critical issues with applications in a timely manner.

Workflow Coordinator | Big Name Health Insurance Company - Nowhere, SP May 2008 - January 2009

- Delivered deep-dive analysis of workforce and provided reporting of operations management statistics.
- Accurately forecast the hiring of 30 additional full-time employees to meet growing business demands.
- Performed data analysis of key performance indicators (KPI) such as employee capacity, task completion rate, overtime worked and provided key metrics to management with standard and ad-hoc reports.

Enrollment Specialist | Big Name Health Insurance Company - Nowhere, SP June 2004 - April 2008

- Reviewed employer group submissions and verified benefits prior to new case installation and renewals.
- Streamlined existing enrollment systems, realizing a monthly cost savings of \$25,000.
- Created and modified master templates utilized by the audit and enrollment teams.

Education And Certifications

Bachelor of Science in Psychology, cum laude | Some State University, Nowhere SP
Continuing Education in Accounting | Another University, Nowhere, SP
Microsoft Office Specialist Certification | Completion in Summer 2019
Certified Associate Project Management (CAPM) Candidate | Project Management Institute

Job Responsibilities - President and CEO /E-2 Applicant	%Time
<ul style="list-style-type: none">Establish Abroad Education Services' long-term and short-term goals and policies regarding rentals, budgeting, and marketing	15%
<ul style="list-style-type: none">Lead the Abroad Education Services' day-to-day operations and Management; Organize to establish a standardized operation process and management system of the Company. Participate in business negotiations and sign significant contracts. supervise all activities that are undertaken under Abroad Education Services' business plans and policies.	20%
<ul style="list-style-type: none">Develop and review personnel plans, including recruiting, training, assessing, promoting, and hiring. Direct, supervise, and control middle management's work and review, evaluate, and feedback to their work performance, take personnel actions accordingly.	15%
<ul style="list-style-type: none">Actively participate in compliance with the government and tax department.	15%
<ul style="list-style-type: none">Keep knowledge up to date about the US economy, current news, business markets, and more, attend international industry conferences and exhibits seeking and bring business into the company.	10%
<ul style="list-style-type: none">Supervise on-site employees	10%
<ul style="list-style-type: none">Keeps records and creates regular reports	15%

Positions To Be Created In The USA

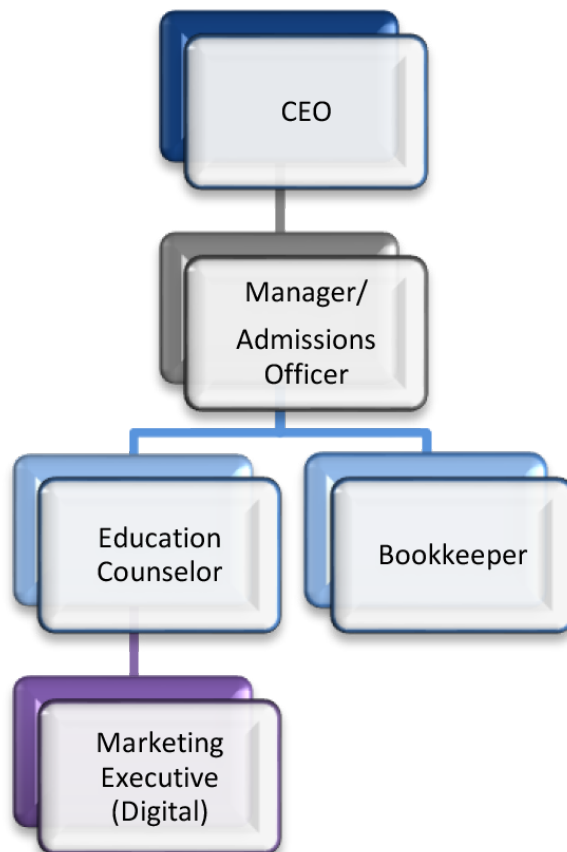
Job Responsibilities - Manager/Admissions Officer	%Time
• Assists CEO in managing all aspects of a student admissions	15%
• Communicates with students and educational institutes regarding applicant admissions	15%
• Getting information from educational institutes about new disciplines	25%
• Keep up to date with latest courses and skill set tools offered by the universities	15%
• Coordinate with applicants and address inquiries related to admissions	10%
• Compile applicant concerns and devise a way forward to address in minimal time	10%
• Contributes to team efforts by assigning related tasks to subordinates	10%

Job Responsibilities - Education Counselor	%Time
• Assists applicants in other than academic matters, related to residence, living, culture and language barriers	15%
• Collaborates with the accommodation providers to accommodate students during their study tenure	10%
• Investigates and helps to resolve complaints, disturbances, and violations	15%
• Coordinates with third parties to address applicant concerns	10%
• Communicates with students regarding part time work issues	15%
• Coordinates with students to address ancillary matters	10%
• Complies with anti-discrimination laws concerning applicants	10%
• Contributes to team efforts by accomplishing related tasks as needed	15%

Job Responsibilities - Bookkeeper	%Time
• Maintains records of financial transactions by establishing accounts; posting transactions; ensure legal requirements compliance	10%
• Develops system to account for financial transactions by establishing a chart of accounts; defining bookkeeping policies and procedures.	10%
• Maintains branch office accounts by verifying, allocating, and posting transactions	10%
• Balances branch accounts by reconciling entries	10%
• Maintains general ledger	10%
• Balances general ledger by preparing a trial balance; reconciling entries	10%
• Maintains historical records by filing documents	10%
• Prepares financial reports by collecting, analyzing, and summarizing account information and trends	10%
• Complies with federal, state, and local legal requirements by studying requirements; enforcing adherence to requirements; filing reports; advising management on needed actions	10%
• Preparing and running payroll of employees	10%

Job Responsibilities - Marketing Executive	%Time
• Researching and brainstorming each stage of the project.	10%
• Delegating assignments to members of the graphics and advertising departments, as needed.	10%
• Supervising employees' work, providing direction and clarification, as needed.	10%
• Ensuring adherence to clients' specifications.	10%
• Coordinating efforts to ensure that campaigns are completed.	10%
• Adhering to time and financial restrictions.	10%
• Tracking changes in consumer engagement following the roll-out of each marketing campaign.	10%
• Compiling reports detailing the effects exerted by each campaign, and sharing these with clients.	10%
• Monitoring competitor activities and finding leads for the company	10%
• Managing the marketing database and email distribution	10%

Organizational Chart



Personnel Forecast

The personnel forecast below shows the staffing needs for the next five years.

Personnel Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
Management Staff					
CEO	1	1	1	1	1
Manager/Admissions Officer	1	1	1	1	1
Education Counselor	3	4	5	6	7
Bookkeeper	0	1	1	1	1
Marketing Executive	0	0	1	1	2
Total Personnel	5	7	9	10	12
Management Salaries					
CEO	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531
Manager/Admissions Officer	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903
Education Counselor	\$48,000	\$49,440	\$50,923	\$52,451	\$54,024
Bookkeeper	\$0	\$40,000	\$41,200	\$42,436	\$43,709
Marketing Executive	\$0	\$0	\$42,000	\$43,260	\$44,558
Management Staff					
CEO	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531
Manager/Admissions Officer	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903
Education Counselor	\$104,000	\$197,760	\$254,616	\$314,705	\$378,171
Bookkeeper	\$0	\$40,000	\$41,200	\$42,436	\$43,709
Marketing Executive	\$0	\$0	\$42,000	\$43,260	\$89,116
Total Payroll	\$219,000	\$356,210	\$459,820	\$526,065	\$640,429

Personnel Assumptions: (1) Costs are based on average wages.

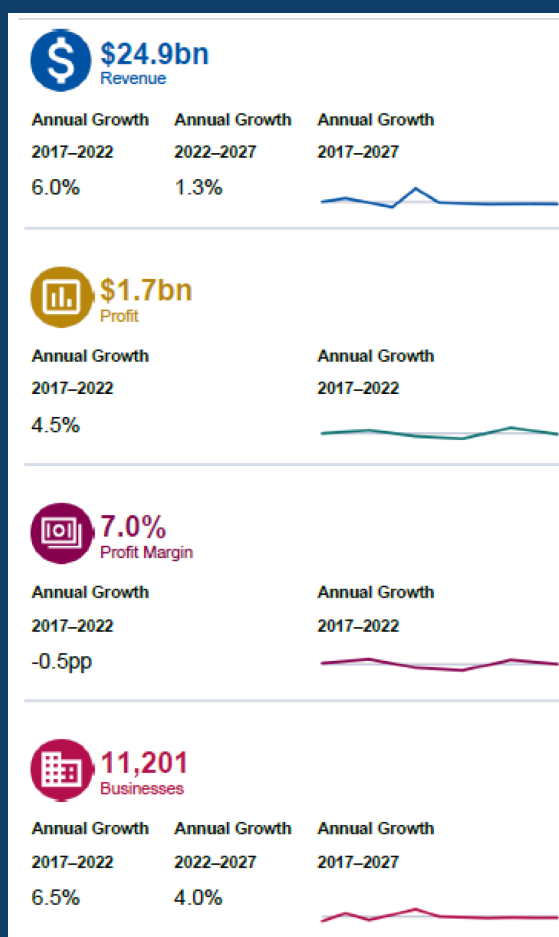
Market Analysis Summary

Testing & Educational Support In The U.S.³

Expanding enrollment and improving disposable incomes will likely drive industry growth. Operators in the Testing and Educational Support industry provide a wide variety of educational services, including the development of test preparation courseware, the administration of standardized tests, educational consulting and the organization of student exchange programs. Over the five years to 2022, growth in government funding for education and household income levels bolstered demand for educational services. However, this growth is partially offset by a stagnation in the number of high school graduates taking the SAT and ACT exams, hindering demand for college admissions consulting and test preparation materials. Moreover, in 2020, the industry took a hard hit by the COVID-19 (coronavirus) outbreak that led to the cancellations of multiple test exams and school closures throughout the country. To the industry's benefit, the rollout of COVID-19 vaccines has enabled industry establishments to reopen. Ultimately, industry revenue is projected to increase at an annualized rate of 6.0% over the five years to 2022 to \$24.9 billion, including expected growth of 2.9% in 2022 alone.

According to the US Census Bureau, school spending per student for elementary-secondary schools grew 2.3% in fiscal 2022 (latest data available). Conversely, the number of college students has declined during the five-year period, indicating slowing demand for industry revenue from students preparing for college entry. Moreover, due to the coronavirus pandemic, industry profit is expected to fall to 7.0% of industry revenue in 2022. Nevertheless, while many industry players have exited the market as a result of the economic hardships amid the pandemic, industry participation increased strongly for the majority of the five-year period.

Over the five years to 2027, growth in enrollment in US schools and universities combined with higher levels of disposable income will drive industry growth. Moreover, the value of government funding for post-secondary education is expected to continue accelerating as the US economy is expected to regain its momentum after the pandemic is contained. However, price competition is expected to intensify as more players enter the industry. Furthermore, online free-of-charge test preparation services are gaining popularity and will likely hinder demand for industry services in the coming years. Overall, industry revenue is forecast to grow at an annualized rate of 1.3% over the five years to 2027 to total \$26.5 billion.



³ "Testing & Educational Support in the U.S.", www.ibisworld.com

Market Analysis Summary: International Students In The U.S.⁴

For over a century, the United States has led the world in higher education, and today, more than one million international students are enrolled at U.S. colleges and universities. The strength of our higher education system has long been one of America's greatest competitive advantages, attracting talented individuals from around the globe and benefiting everyone in our country. But that advantage is imperiled now, as our broken immigration system is turning talented international students and graduates away, hurting the U.S. economy and our communities while benefiting countries we compete with economically. Congress must act to protect America's leadership as the top destination for talented individuals across the globe.

Key Facts of International Students in the U.S.

- More than 1 million international students study at colleges and universities across the U.S.
- For decades, the United States has been the most popular destination for international students across the globe.
- During the 2019-2020 school year, approximately 1,075,496 foreign-born students were enrolled at U.S. colleges and universities, representing 4.6% of the total U.S. student population. Students come to the U.S. from roughly 200 different countries, though more than half are from China and India.
- International students are generally admitted on student visas like the F visa (for the majority of college, university, high school, and elementary students) and M visa (for those attending vocational programs). These are "nonimmigrant" visas, meaning they do not allow a direct path to permanent residency, which creates significant obstacles for graduates who wish to stay in the U.S. after they graduate.
- While living in the United States, international students contribute enormously to their local communities, injecting money into the economy and supporting American jobs. In the 2018-2019 school year, international students contributed a combined 39 billion to the economy and supported more than 400,000 jobs across the U.S.
- California, New York, and Texas are home to the largest numbers of international students overall. Those three states also boast some of the top receiving schools for international students, along with states like Massachusetts, Illinois, Arizona, and Indiana.
- International students typically pay full tuition rates, providing valuable revenue that subsidizes the cost of attendance for domestic students.
- Approximately half of the international students in the U.S. are enrolled in STEM programs. And even though they make up only 5% of the total student population, international students earned nearly half of all Master's and Doctor's STEM degrees awarded in 2019, a total of 117,000 degrees.
- Optional Practical Training (OPT) allows graduates to gain hands-on, in-country work experience with U.S. employers in their fields of study. More than 300,000 graduates are enrolled in this valuable program; however, OPT is an imperfect bridge to full employment, as the time limitations and lack of pathway to a permanent status create uncertainty for employers and workers alike.

⁴ International Students and Graduates in the United States - <https://www.fwd.us>

Market Size

Establishments in the Testing and Educational Support industry tend to be located close to other educational institutions, such as elementary and secondary schools or universities and colleges. Consequently, the geographic distribution of industry operators is closely linked to trends in the overall US population, though the increasing use of internet-based educational services has reduced the need for establishments to be located close to educational institutions in recent years. This trend, which is particularly relevant for industry testing services, is expected to continue over the five years to 2027.

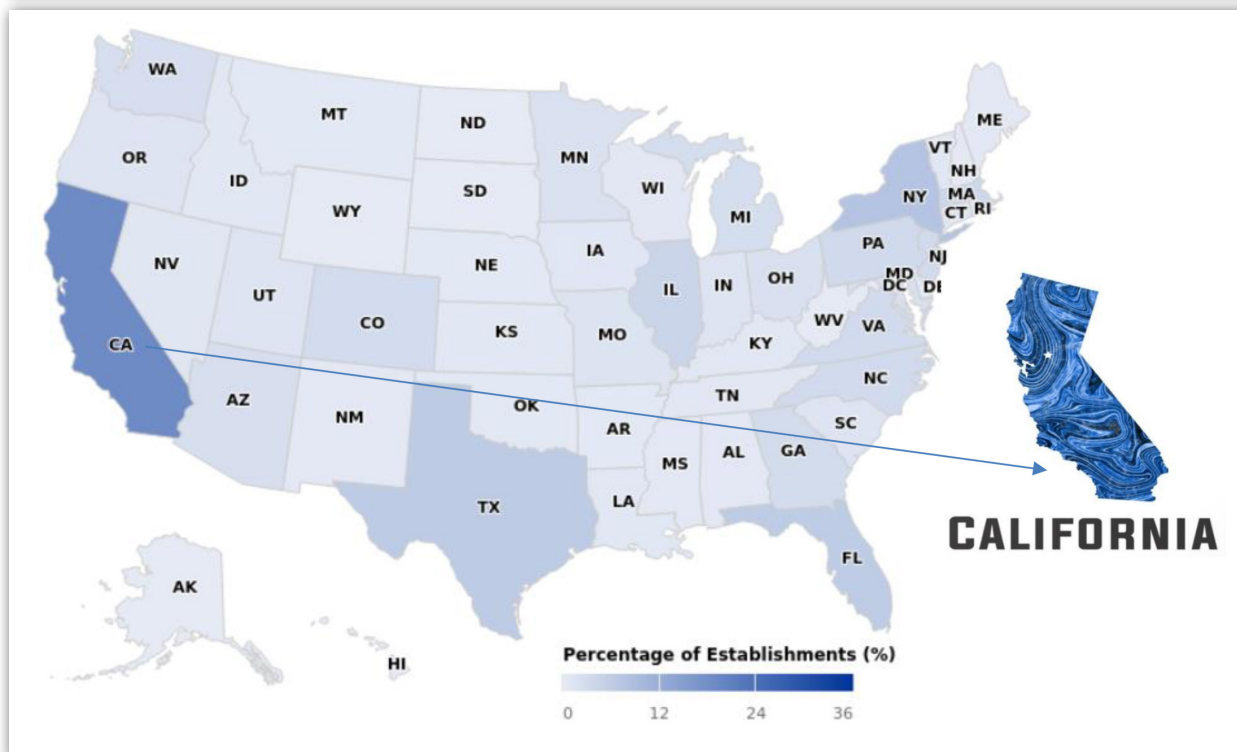
West

The West region contains an additional 17.1% of the total US population and 23.3% of all industry establishments, making it the most popular destination for industry operators. California, with its substantial population and extensive public education system, is estimated to house 17.9% of all industry establishments, though prolonged budget constraints in California have somewhat reduced the state's capacity to allocate funding for testing and educational support services in recent years.

Key Insights

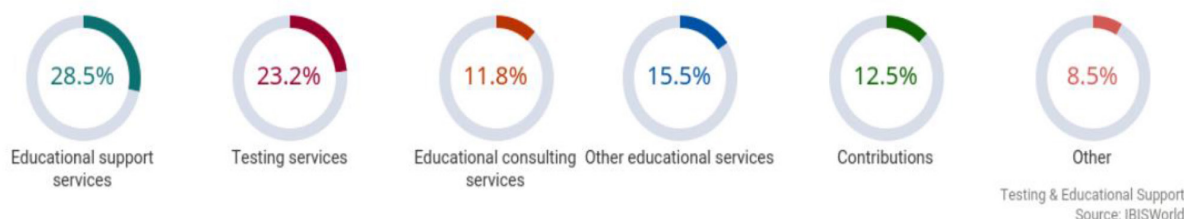
California 2,301 Est. Most Establishments	California \$3.4bn Highest Revenue	Kansas 27.1% Fastest Growth	New Jersey -8.1% Slowest Growth	Kansas \$104.7k Highest Average Wage	California 19,774 Most Employees
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Establishment Concentration in the United States



Major Products And Services Segmentation

Products & Services Segmentation



Educational Support Services

- The development of textbooks, online academic courses and test preparation programs represents the Testing and Educational Support industry's largest source of income, accounting for an estimated 28.5% of total industry revenue.
- This product segment includes materials targeting elementary, secondary and postsecondary students, as well as working professionals, English language students and other consumers in need of educational support. For instance, the industry's largest player, Pearson PLC, produces textbooks, e-books, practice tests and other materials designed to help students prepare for graduate admission exams such as the GRE and the GMAT, as well as college entrance exams such as the SAT and the ACT. Over the five years to 2022, this product segment's share of total industry revenue has expanded modestly as rising levels of per capita disposable income, combined with the mounting competitiveness of highly selective colleges and universities, has encouraged more consumers to invest in industry support services. However, the waiver of ACT/SAT tests in recent years will partially dampen demand for test preparation services.

Testing Services

- Educational testing services account for the second-largest source of industry revenue, generating an estimated 23.2% of the industry's total revenue in 2022.
- Testing services may include candidate registration, test delivery and the provision of data, as well as the analysis and distribution of test results. Tests are generally provided in hardcopy or via computer and they can be conducted over the internet, at special testing centers or on the site of the school or business using the service. Some of the better-known education tests administered by industry operators include the SAT, the ACT, the National Assessment of Educational Progress (NAEP) and the Test of English as a Foreign Language (TOEFL). Over the past decade, the industry's education testing segment has experienced strong growth as government regulations continue to mandate the administration of various standardized tests for students in elementary and secondary schools.
- Over the past five years, sluggish growth in the number of high school graduates has dampened demand for industry college entrance and graduate admission exams. Further, in March 2020, as state governments imposed the shelter-in-place order to curb the spread of the coronavirus, a sharp drop in the number of test-takers amid the pandemic reduced demand for testing services. Consequently, some universities responded by waiving SAT/ACT requirements for college applicants in the 2020 fall semester, contributing to the fall in testing demand. Most recently, more than 1,800 universities and colleges have waived SAT/ACT test requirements for admissions. Ultimately, testing services have declined as a share of industry revenue over the past five years.

Contributions And Other

- Gifts and contributions represent another major source of industry income, accounting for an estimated 12.5% of the industry's total revenue.
- These contributions include private donations from individuals and companies, as well as direct subsidies allocated by various government bodies. The value of these contributions has increased over the past five years as rising levels of disposable income have enabled more private individuals to make donations to nonprofit organizations within the industry, while the level of government funding for education has experienced modest growth during the five-year period.
- Additionally, industry operators earn revenue through private financial investments, the fulfillment of specific government contracts and other ancillary operations. In 2022, these miscellaneous operations are expected to account for the remaining 8.5% of the industry's total revenue.

Other Educational Services

- Industry operators also generate significant revenue through ancillary educational services, such as the administration of professional development workshops and the organization of student exchange programs.
- Collectively, these services are estimated to constitute an additional 15.5% of the industry's total revenue. Student exchange programs have grown in popularity in recent decades, with a wide variety of programs currently organized by for-profit and nonprofit companies at both the secondary and postsecondary levels of education.
- Despite growing in value, revenue generated from this segment has shrunk as a share of industry revenue over the past five years. In 2020 alone, due to the complications of the coronavirus pandemic, all student exchange programs have been canceled, limiting demand for this service.

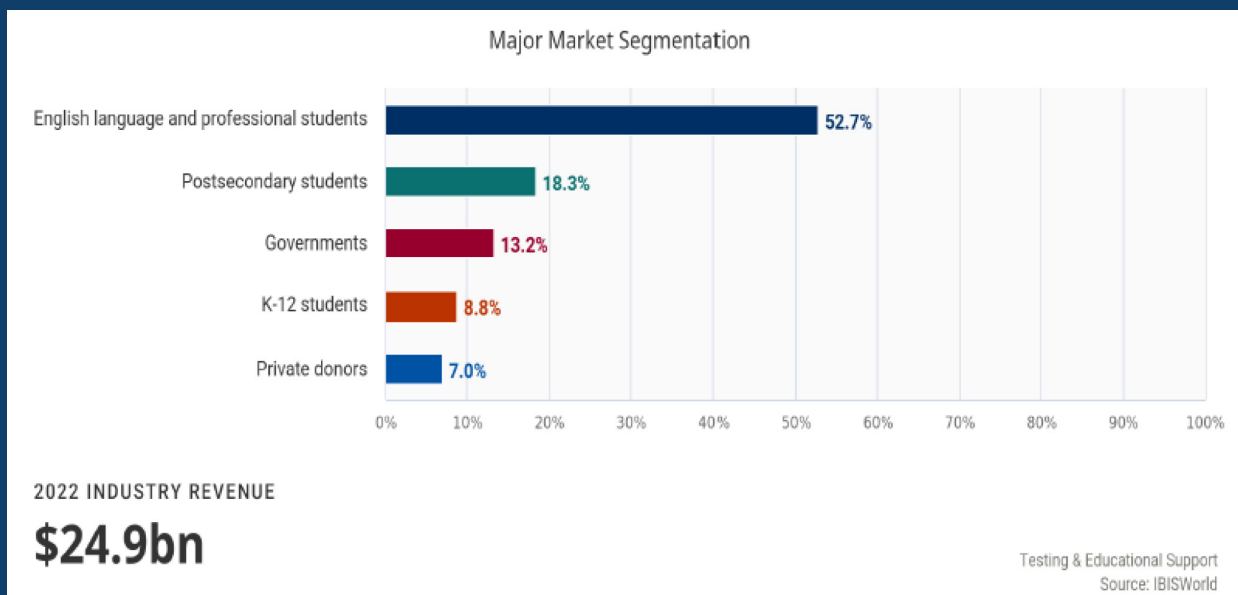
Educational Consulting Services

- Educational consulting is expected to account for an additional 11.8% of industry revenue in 2022. Educational consultants generally provide their expertise in a specific element of education, such as identifying the IT needs of educational institutions, advising on curriculum content and providing support services for students.
- Additionally, students considering career options and college application strategies often seek independent counseling, which is often provided by sole proprietors who work on a personalized basis. These counselors work with students to find a school that best fits their achievement, budget and career goals.
- Operators providing consulting services are also more likely to be sole proprietors than other industry operators. Though costly, rising competition for positions at highly selective colleges has spurred demand for these counseling services in recent years.

Demand Determinants

- Several factors influence demand for the services provided by the Testing and Educational Support industry.
- For instance, the number of students enrolled at all levels of education in the United States affects demand for educational testing, with the number of high school graduates influencing demand for college entry exams such as the SAT and the ACT, while total international student enrollment affects demand for English language tests such as the Test of English as a Foreign Language (TOEFL). Rising numbers of high school graduates have also increased demand for educational guidance counseling services and college selection services.
- Legislative changes can also create demand for educational support services. For example, the introduction of the No Child Left Behind Act (NCLB) of 2001 required schools to meet test-based accountability requirements. In turn, the federal government's emphasis on standardized testing, the measurement of student performance and school accountability has driven demand for educational testing services. The level of government funding allocated to schools and universities also influences demand for industry services. When the federal government is able to dedicate more funds to education, schools and students are generally more willing to invest in textbooks, courses and other products offered by industry operators.
- Additionally, a growing tendency to outsource education services has stimulated demand for industry operators in recent years. As school districts have gained greater autonomy over spending decisions, consultants specializing in IT and other education support services have benefited from increased business. Over the five years to 2022, industry accreditation and licensing agencies have also increasingly outsourced the development and administration of trade certification examinations to educational testing services.

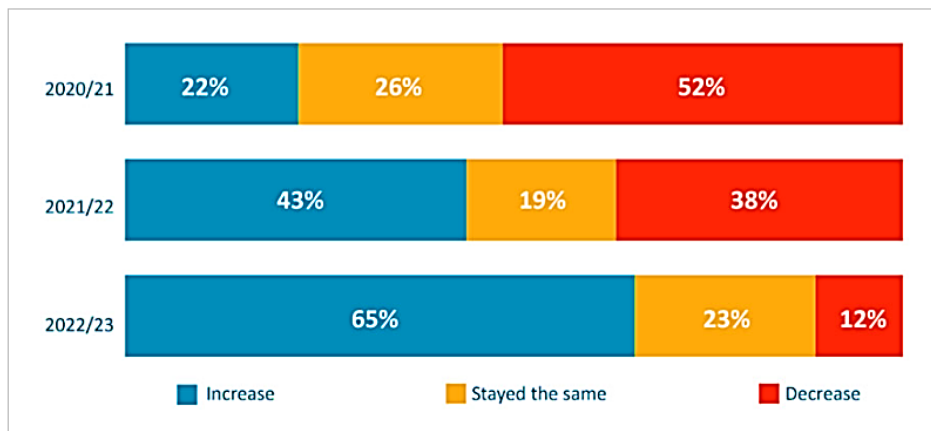
Major Market Segmentation



Target Market

Primary target market for the services offered by Abroad Education Services will be universities, colleges and academic institutions in the state of California and the U.S.A in general. Total count of 4,000 degree granting institutes are registered in the U.S. However, Secondary market will be high-end individuals in the age group of 15-35 years, having family household income of \$100,000+ and seeking advisory services directly from the Company. Total number of international students coming to U.S. annually are more than 1 million.

US colleges have increased number of international applications for degree studies in 2022/23. Two-thirds (65%) of 559 colleges surveyed, said applications have increased, compared with 43% last year and 22% in 2020/21. Only 12% said that international students have submitted fewer applications for the 2022/23 academic year.



More than 6 in 10 surveyed US colleges and universities are receiving more international student applications for the 2022/23 academic year. Source: IIE

Target market has been found more inclined towards education consultants and agents. The findings are as follows:



Top resources used by US colleges and universities to recruit international students for the 2022/23 academic year. Source: IIE

Branding And Marketing

To raise brand awareness among its intended audiences, the Company will emphasize a logo and company colors on all marketing materials. The Company's branding, values, and mission will aid in fueling word-of-mouth buzz and building a loyal customer following.

By upholding a positive corporate image in addition to providing its top-quality services, Abroad Education Services will increase its market share, stand out among its competitors, and become a dominant player in the market. The Company will also fervently track any direct or indirect competition in the marketplace to ensure it stays on top of cutting-edge industry trends and opportunities. Moving forward, Abroad Education Services will strive to meet the following objectives as it accomplishes specific keys to success:

Objectives

- Become a recognized market leader in the Testing & Educational Support industry
- Develop a strong customer service model
- Remain flexible in product offerings
- Remain attuned to the marketplace and integrate products into the business mix that meet the needs of the targeted audience

Keys To Success⁵

- Understanding government policies and their implications
 - Successful establishments need to understand the implications of government education policies to best target their services.
- Fast adjustments made to changing regulations
 - Businesses must be able to adjust their services as education regulations change.
- Access to highly skilled workforce
 - Educational consultants require highly skilled employees who are specialized in their field.
- Ability to quickly adopt new technology
 - Establishments that can adopt new technologies to increase the quality of their services and reduce labor costs will be at an advantage.
- Provision of a related range of goods/services ("one stop shop")
 - Establishments that can offer a range of services will be at an advantage. For example, testing service providers could offer test development, test maintenance, student registration, test-taking supervision, paper grading and results analysis.
- Having a good reputation
 - Reputation is a key to success in virtually every education industry. A good reputation for quality service will help an establishment win business contracts, particularly from large organizations such as school districts and colleges.

⁵ "Testing & Educational Support in the US," IBISWorld.

Marketing Campaign

Marketing will be done through the following media:

NETWORKING

- Registration with associations such as the The National Association of Immigration Consultant (NAIC).
- Networking at students' immigration conferences and events
- Promotional connections with similar businesses for reciprocal marketing and referral opportunities.

EASILY ACCESSIBLE INFORMATION

While it may be safe to assume that millennials and Gen Z revert to social media for all their college research, the official websites of educational institutions are actually the driving force, beaten only by direct emails. Therefore, the Company should ensure they have an updated, optimized website that makes it easy and enjoyable for site visitors to browse, find informative materials, and read relevant content. This includes:

- Information that is particularly pertinent to international students should be clearly visible and easy to access by creating a dedicated webpage for international admissions.
- Mobile-friendly is key in order to make prospective students stick around your site long enough to gain an interest in your institution and is key in ranking on search engines.
- Links to key pages of interest, such as scholarships, financial aid, and visa application information.
- Key contact details so students from abroad can get in touch with an international admission counselor.

TESTIMONIALS

Nobody is going to make a rash decision on their future college without doing some digging around to see what other people are saying about your college or university. Having current students or alumni come forward to act as advocates for your brand is excellent. With the technology and popular mediums of today, you can leverage that for maximum effect. This is especially true when you can enlist the help of current international students. Being able to create a focus group of foreign students to boost your brand online is gold when the time comes to push for new enrollments from abroad.

INTERNET (WEBSITE & SOCIAL MEDIA)

- The website serves as the primary marketing channel of the Company's products. The Company's website features all the information about the products, order information, and contact info.
- The website will further be promoted by Search Engine Optimization (SEO). SEO campaigns help the Company gain better rankings in search engine result pages, translating into more targeted visits and more clients.
- Generate brand awareness and maintain a presence on social media websites, such as Facebook and Instagram.
- A YouTube channel will be created and optimized with the benefits of SEO, which will accelerate the process of reaching targeted customers.
- The Company will use YouTube and video blogging to drive sales by posting relevant and informative videos on YouTube or video blogs.
- The Company will manage its brand on social media sites, such as Facebook and Twitter. Social media has the potential to reach millions of potential consumers across the United States. The company will use social media to communicate with reliable followers, keeping them abreast of upcoming events and special offers.

Competitive Analysis

The identified competitors are described below:

International Group for Educational Consultancy (IGEC)



The International Group for Educational Consultancy (IGEC) is the largest educational consultancy firm in the Middle East and North Africa (MENA) region. IGEC is a preferred partner of ministries of education and consulates in the region. IGEC has active offices in Jordan, Kingdom of Saudi Arabia (Jeddah, Riyadh, Abha and Khobar), UAE, Egypt, Iran, Kuwait, Azerbaijan, Libya, Oman, Iraq, Syria, Sudan, Malaysia, Australia, USA and Canada.

Address: 4006 W 63RD ST, Chicago IL 60629

Phone: 773-426-9433

Address: Office 404, Al-Sapphire Tower, Al-Ettihad St. Port Saeed, Deira, Dubai.

Phone: +971 4 2398500, +971 50 874 1955

Website: <https://igec.ae>

Facebook: <https://facebook.com/Igecuae>

Instagram: <https://www.instagram.com/igecuae>

The Academic Match



The Academic Match is the premier college and career advising firm that matches students with the best fit programs to reach their educational, career, and social goals. They are proud to be experts in advising students and their families on specific goals for college or graduate school.

Address: Austin, TX 78723

Phone: +1 818-665-6179

Website: <https://www.theacademicmatch.com>

Facebook: <https://facebook.com/TheAcademicMatch>

Instagram: <https://www.instagram.com/theacademicmatch>

BridgeBlue



BridgeBlue assists international students for enrolments into schools, colleges, universities and student visa applications. They also do migration cases (all kinds of visas) for people who wish to settle in Australia and also Internship placements.

Address: Suite 3 Level 2, 137-139 Bathurst St Ultimo, NSW, Australia 2000 NSW

Phone: +61 2 9269 0110

Website: <https://www.bridgeblAbroad Education Serviceslobal.com>

Facebook: <https://facebook.com/AMSBBgroup>

Instagram: <https://www.instagram.com/amsbridgeblue>

Competitive Advantages

The following is a listing of the primary competitive advantages of the Company upon entering the market.

- Experienced and enthusiastic management, running business from last 12 years
- The founders have already established office at three locations i.e. Mexico, Latin America and Jordan
- Welcoming environment for distinguished high-end applicants
- Extreme demand of students in U.S.A
- Extreme demand of U.S. education in other parts of the world
- The Company has been profitable at all past business locations and know the business secrets.

Barriers To Entry

The Testing and Educational Support industry is generally characterized by moderate barriers to entry, though these barriers can vary substantially among the industry's various operating segments. For services such as guidance counseling, educational support services and educational consulting, new entrants generally have low initial capital costs. There are also no major regulatory requirements for operators providing these support services, so the entry of new players is not inhibited by industry-specific regulation. Moreover, these operations can be run by a single person and conducted at clients' facilities, reducing operating expenses and limiting barriers to entry.

Barriers to Entry Checklist	
Competition	Medium ☹
Concentration	Low ☑
Life Cycle Stage	Growth ☑
Technology Change	Medium ☹
Regulation & Policy	Light ☑
Industry Assistance	Low ⚠

In contrast, new participants in the industry's educational testing services segment experience substantial initial capital costs in the form of software development and infrastructure purchases. Additional services, such as managing test content, registering candidates, delivering tests and providing analysis of results, often require additional technological infrastructure, which may be prohibitively expensive for small-scale operators. Additionally, many of the industry's largest testing companies hold major long-term contracts with governments and private institutions that enable these operators to dominate the market. This presence of incumbent major players makes it difficult for new operators to enter lucrative markets, creating barriers to success for emerging industry operators.

The development of a strong reputation is another notable barrier to success within the industry, particularly for companies operating in the testing services segment. Organizations seeking the services of testing companies typically require a high-quality, robust testing procedure that will provide a reliable indicator of the test-takers' abilities and operators with a reputation for efficiency and precision will generally benefit from a steady demand for their services. However, a reputation can only be established with time, so new operators generally enter the market at a competitive disadvantage.

³ Ibid.

Swot Analysis

The following is a listing of the key strengths and weaknesses of Abroad Education Services, as well as the opportunities and threats that exist within the marketplace.

A vertical diagram showing the four components of a SWOT analysis: Strengths (S), Weaknesses (W), Opportunities (O), and Threats (T). Each component is represented by a light blue circle with a dark blue letter inside. To the right of each circle is a dark blue rectangular box containing the title and a bulleted list of points. Horizontal white lines separate the four sections.

S

Strengths

- Knowledge and experience of the owners
- Customer service commitment
- Scope and quality of services
- Welcoming environment
- Aggressive marketing campaign
- Various locations
- Strong market demand
- Past profitability credentials

W

Weaknesses

- The Company needs funding and working capital for a successful launch
- The Company must build its credibility

O

Opportunities

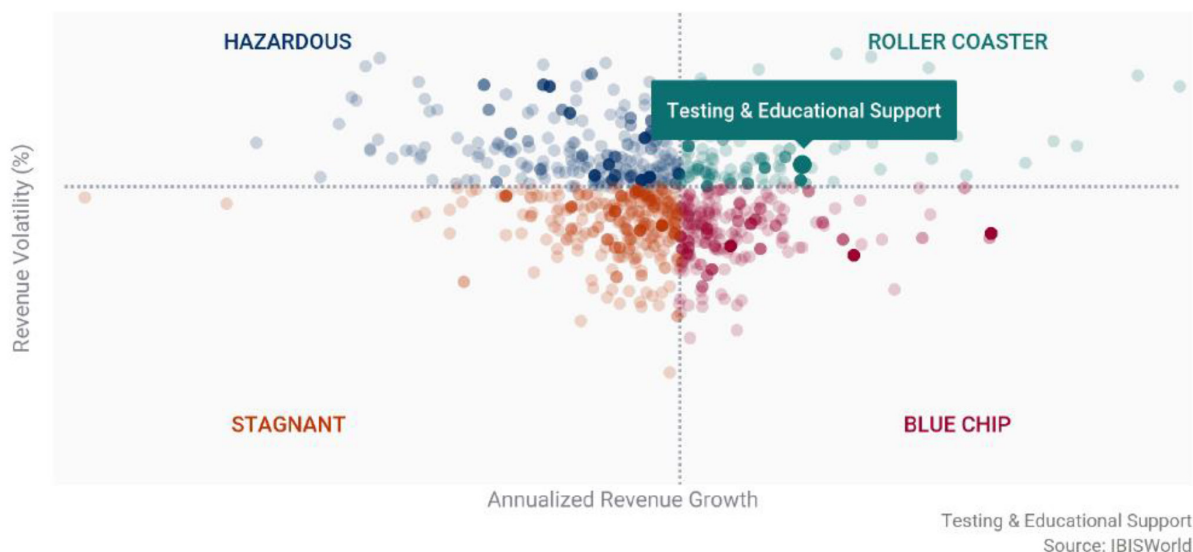
- The increasing popularity of the industry
- Growth among demographic segments
- High industry revenue growth

T

Threats

- Instability of the US economy leads to unpredictable market activity
- Larger companies that have more resources and the ability to reach deeper into the market
- High industry competition

Volatility vs. Growth



The Testing and Educational Support industry exhibited a moderate-to-high level of revenue volatility over the five years to 2022, with year-to-year revenue growth changes ranging from 19.7% growth in 2021 to a 2.5% decline in 2020.

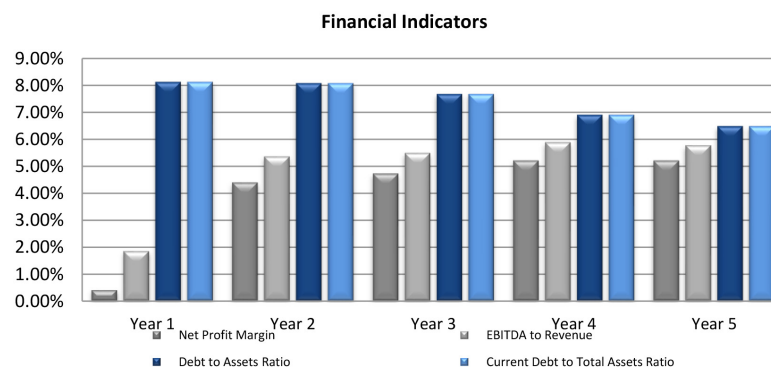
Industry operators typically benefit from stable demand for testing and other education support services, and the number of students enrolled in elementary schools and secondary schools experienced steady growth over the past five years. Moreover, rising levels of per capita disposable income have enabled everyday consumers to spend more on supplementary educational services during the five-year period, while strong US economic growth for most of the five-year period enabled industry operators to generate significant revenue through investments, private donations and professional assessment services. To the industry's detriment, industry demand waned drastically after the COVID-19 (coronavirus) hit, causing industry revenue to decline during the same period.

At the same time, changes in government policy and funding often introduce a moderate level of variability and risk for industry operators, since changes in the level of government funding for public schools can affect the provision of non-instructional services. For instance, in years of a budget shortfall, schools and other educational organizations will have fewer resources to pay for educational support services, limiting industry revenue growth.

Financial Indicators

The following table summarizes Abroad Education Services' projected financial performance with standardized measurement indicators used to evaluate the profitability, leverage, asset turnover and liquidity. As with any long-range projection, accuracy is based on reasonable estimates of return on investment and past performance. The Company believes the following numbers are attainable and reasonable. However, actual results will vary.

Financial Indicators					
	Year 1	Year 2	Year 3	Year 4	Year 5
Profitability %'s:					
Gross Margin	93.86%	93.86%	93.86%	93.86%	93.86%
Net Profit Margin	0.40%	4.40%	4.73%	5.22%	5.22%
EBITDA to Revenue	1.85%	5.37%	5.50%	5.89%	5.78%
Return on Assets	1.19%	16.22%	17.82%	18.18%	17.75%
Return on Equity	1.29%	17.65%	19.30%	19.53%	18.98%
Activity Ratios:					
Accounts Payable Turnover	2.25	2.80	3.01	3.09	3.21
Asset Turnover	2.98	3.69	3.76	3.48	3.40
Leverage Ratios:					
Debt to Equity	0.09	0.09	0.08	0.07	0.07
Debt to Assets Ratio	8.13%	8.09%	7.68%	6.92%	6.49%
Liquidity Ratios:					
Current Ratio	7.52	8.84	10.39	12.43	13.94
Current Debt to Total Assets Ratio	8.13%	8.09%	7.68%	6.92%	6.49%
Additional Indicators:					
Revenue to Equity Ratio	3.25	4.01	4.08	3.74	3.64

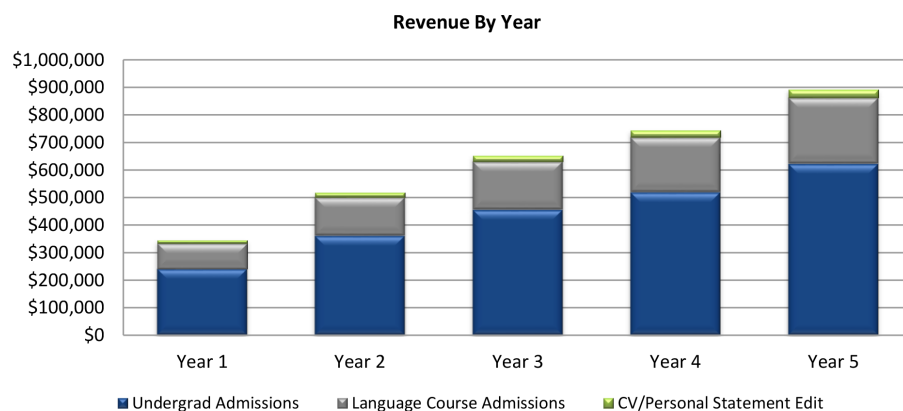


Revenue Forecast

The following is a five-year revenue forecast. Direct costs include all costs that can be directly tied to revenue and include “cost of goods/services.”

Revenue Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
Total					
Undergrad Admissions	34	52	65	74	89
Language Course Admissions	52	77	98	111	133
CV/Personal Statement Edit	86	129	163	185	222
Price					
Undergrad Admissions	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00
Language Course Admissions	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
CV/Personal Statement Edit	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00
Revenue					
Undergrad Admissions	\$240,800	\$361,200	\$455,112	\$518,828	\$622,593
Language Course Admissions	\$92,880	\$139,320	\$175,543	\$200,119	\$240,143
CV/Personal Statement Edit	\$11,610	\$17,415	\$21,943	\$25,015	\$30,018
Total Revenue	\$345,290	\$517,935	\$652,598	\$743,962	\$892,754
Direct Cost					
Undergrad Admissions	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00
Language Course Admissions	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00
CV/Personal Statement Edit	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Direct Cost of Revenue					
Undergrad Admissions	\$2,752	\$4,128	\$5,201	\$5,929	\$7,115
Language Course Admissions	\$4,644	\$6,966	\$8,777	\$10,006	\$12,007
CV/Personal Statement Edit	\$3,440	\$5,160	\$6,502	\$7,412	\$8,894
Subtotal Cost of Revenue	\$10,836	\$16,254	\$20,480	\$23,347	\$28,017

Revenue Forecast Assumptions: (1) Revenue and costs are based on averages.

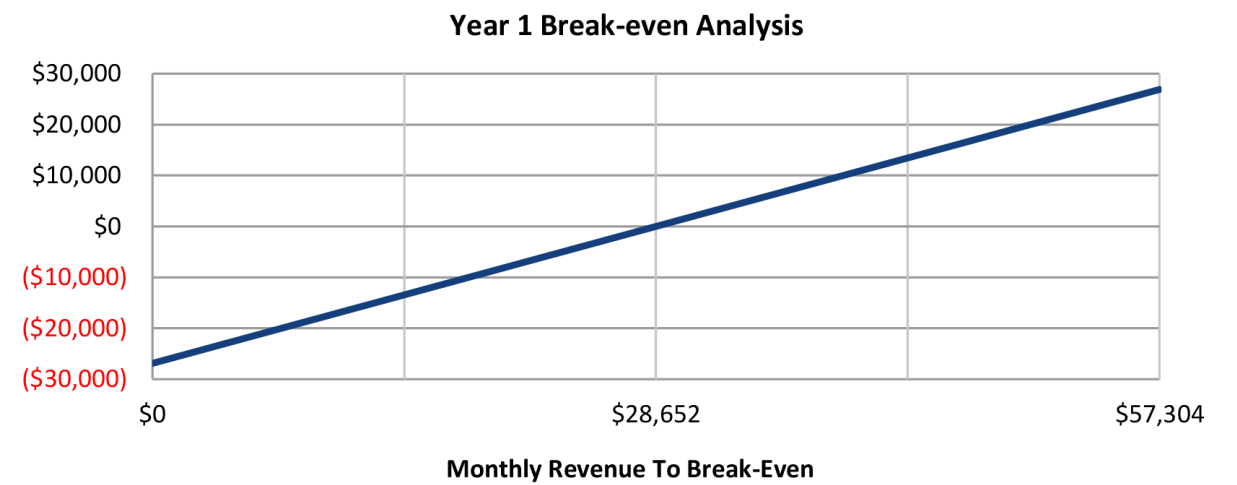


Breakeven Analysis

The following breakeven analysis shows the revenue necessary to break-even in the first year of operation. Break-even is where revenue equals expenses. As shown below, the Company is expected to incur average monthly fixed costs of \$26,893 in Year 1. To cover fixed costs and variable costs, which rise and fall with revenue, the Company must, on average, achieve revenue of \$28,652 per month to break-even.

Year 1 Break-even Analysis	
Monthly Revenue Break-even	\$28,652
Assumptions:	
Average Monthly Revenue	\$28,774
Average Monthly Variable Cost	\$1,766
Estimated Monthly Fixed Cost	\$26,893

Breakeven Analysis



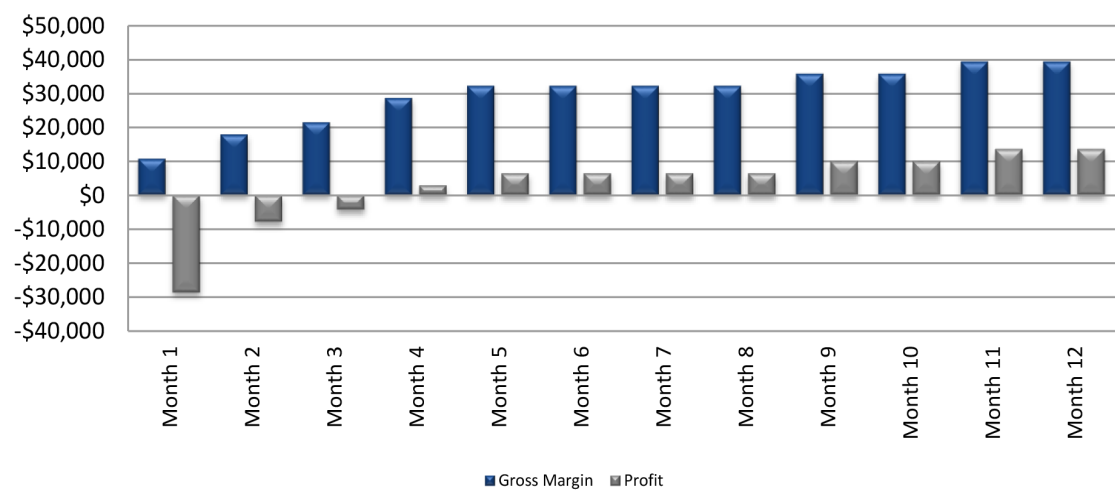
Projected Income Statement

Abroad Education Services intends to deploy its funding to maximize growth and profitability. In the Income Statement table below, gross margin equals sales minus direct costs. The “bottom line” or profit (as measured before and after interest, taxes, depreciation and amortization) equals gross margin minus operating expenses.

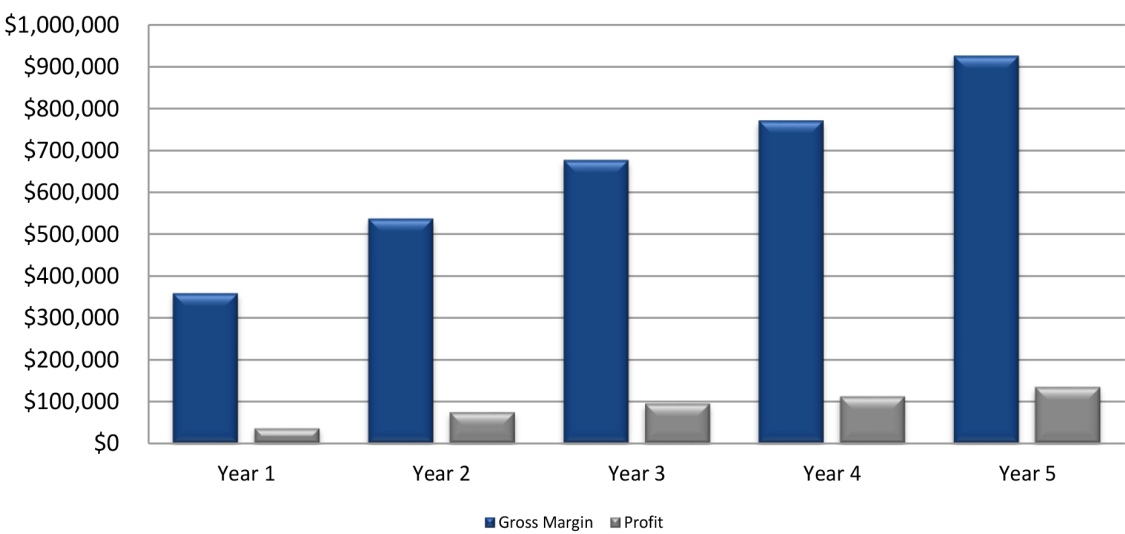
Pro Forma Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$345,290	\$517,935	\$652,598	\$743,962	\$892,754
Subtotal Cost of Revenue	\$10,836	\$16,254	\$20,480	\$23,347	\$28,017
POS/Payment Processing	\$10,359	\$15,538	\$19,578	\$22,319	\$26,783
Total Cost of Revenue	\$21,195	\$31,792	\$40,058	\$45,666	\$54,799
Gross Margin	\$324,095	\$486,143	\$612,540	\$698,296	\$837,955
Gross Margin/Revenue	93.86%	93.86%	93.86%	93.86%	93.86%
Expenses					
General & Administrative	\$30,000	\$30,750	\$31,519	\$32,307	\$33,114
Business Insurance	\$6,600	\$6,765	\$6,934	\$7,107	\$7,285
Utilities	\$5,400	\$5,535	\$5,673	\$5,815	\$5,961
Marketing & Advertising	\$12,000	\$12,600	\$14,490	\$17,388	\$20,866
Professional Services	\$4,200	\$4,305	\$4,413	\$4,523	\$4,636
Employee Health Benefits	\$2,400	\$2,460	\$2,522	\$2,585	\$2,649
Startup Expenses	\$13,700	\$0	\$0	\$0	\$0
Depreciation & Amortization	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Payroll Taxes & Benefits	\$24,419	\$39,717	\$51,270	\$58,656	\$71,408
Total Personnel	\$219,000	\$356,210	\$459,820	\$526,065	\$640,429
Total Operating Expenses	\$322,719	\$463,342	\$581,640	\$659,446	\$791,348
Profit Before Interest and Taxes	\$1,377	\$22,801	\$30,900	\$38,850	\$46,607
EBITDA	\$6,377	\$27,801	\$35,900	\$43,850	\$51,607
Net Profit	\$1,377	\$22,801	\$30,900	\$38,850	\$46,607
Net Profit/Revenue	0.40%	4.40%	4.73%	5.22%	5.22%

The charts below represent the total revenue monthly and for the next five years. The charts illustrate the percentage of revenue allocated to cost of goods (COG), operating expenses, taxes and interest. The net income piece represents revenue less the aforementioned expenditures.

Gross Margin & Profit Monthly



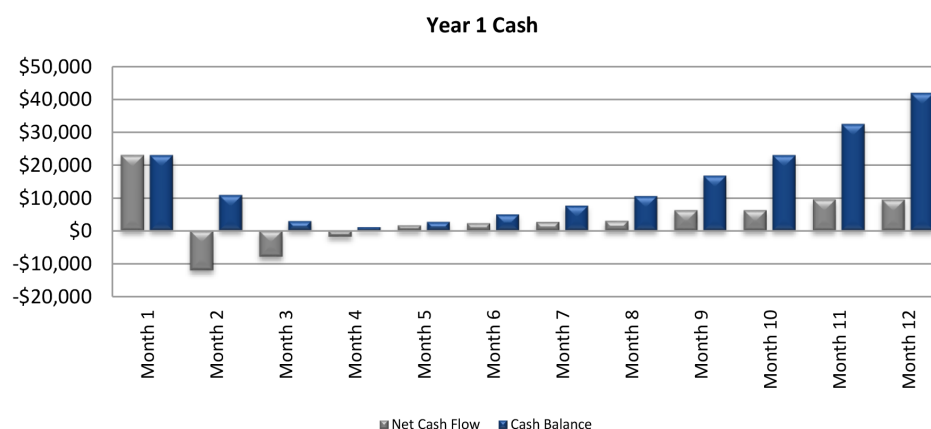
Gross Margin & Profit Yearly



Projected Cash Flow

The following depictions of Abroad Education Services's projected cash flow show that the Company expects to maintain sufficient cash balances over the five years of this plan. The "Proforma cash flow" table differs from the "pro forma income statement" table. Pro forma cash flow is intended to represent the actual flow of cash in and out of Abroad Education Services. In comparison, the revenue and expense projections on the income statement include "non-cash" items and exclude funding and investment illustrations.

Pro Forma Cash Flow					
	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Received					
Revenue	\$345,290	\$517,935	\$652,598	\$743,962	\$892,754
Owner Contribution	\$105,000	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$421,516	\$503,548	\$641,376	\$736,348	\$880,355
Expenditures					
Expenditures from Operations					
Total Personnel	\$219,000	\$356,210	\$459,820	\$526,065	\$640,429
Bill Payments	\$96,797	\$131,968	\$154,927	\$172,589	\$198,453
Subtotal Spent on Operations	\$315,797	\$488,178	\$614,746	\$698,654	\$838,882
Additional Cash Spent					
Investor Repayment	\$0	\$0	\$0	\$0	\$0
Start-up Costs	\$13,700	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$50,000	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$379,497	\$488,178	\$614,746	\$698,654	\$838,882
Net Cash Flow	\$42,019	\$15,369	\$26,630	\$37,694	\$41,473
Cash Balance	\$42,019	\$57,388	\$84,018	\$121,713	\$163,185



Projected Balance Sheet

A balance sheet is a snapshot of Abroad Education Services' financial condition. The balance sheet has three parts: assets, liabilities and ownership equity.

Pro Forma Balance Sheet					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	\$42,019	\$57,388	\$84,018	\$121,713	\$163,185
Account Receivable	\$28,774	\$43,161	\$54,383	\$61,997	\$74,396
Total Current Assets	\$70,793	\$100,550	\$138,402	\$183,709	\$237,582
Long-term Assets					
Long-term Assets	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Accumulated Depreciation	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000
Total Long-term Assets	\$45,000	\$40,000	\$35,000	\$30,000	\$25,000
Total Assets	\$115,793	\$140,550	\$173,402	\$213,709	\$262,582
Liabilities and Capital					
Current Liabilities					
Accounts Payable	\$9,416	\$11,372	\$13,324	\$14,782	\$17,047
Subtotal Current Liabilities	\$9,416	\$11,372	\$13,324	\$14,782	\$17,047
Total Liabilities	\$9,416	\$11,372	\$13,324	\$14,782	\$17,047
Paid-in Capital	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
Retained Earnings	\$0	\$1,377	\$24,177	\$55,078	\$93,927
Earnings	\$1,377	\$22,801	\$30,900	\$38,850	\$46,607
Total Capital	\$106,377	\$129,177	\$160,078	\$198,927	\$245,534
Total Liabilities and Capital	\$115,793	\$140,550	\$173,402	\$213,709	\$262,582
Net Worth	\$106,377	\$129,177	\$160,078	\$198,927	\$245,534

Sensitivity Analysis

The sensitivity analysis below assumes that revenues are 10% higher or 10% lower than figures projected earlier in this business plan.

Best Case Scenario (Revenue Increases by 5%)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$362,555	\$543,832	\$685,228	\$781,160	\$937,392
Cost of Goods	\$22,254	\$33,382	\$42,061	\$47,949	\$57,539
Gross Margin	\$340,300	\$510,450	\$643,167	\$733,211	\$879,853
Gross Margin/Revenue	93.86%	93.86%	93.86%	93.86%	93.86%
Operating Expenses	\$322,719	\$463,342	\$581,640	\$659,446	\$791,348
Net Profit	\$17,582	\$47,108	\$61,527	\$73,764	\$88,505
Cash Flow	\$58,224	\$39,677	\$57,257	\$72,609	\$83,371
Cash Balance	\$58,224	\$97,900	\$155,157	\$227,766	\$311,137
Net Profit/Revenue	4.85%	8.66%	8.98%	9.44%	9.44%

Worst Case Scenario (Revenue Decreases by 5%)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$328,026	\$492,038	\$619,968	\$706,764	\$848,116
Cost of Goods	\$20,135	\$30,202	\$38,055	\$43,383	\$52,059
Gross Margin	\$307,891	\$461,836	\$581,913	\$663,381	\$796,057
Gross Margin/Revenue	93.86%	93.86%	93.86%	93.86%	93.86%
Operating Expenses	\$322,719	\$463,342	\$581,640	\$659,446	\$791,348
Net Profit	(\$14,828)	(\$1,507)	\$273	\$3,935	\$4,709
Cash Flow	\$25,814	(\$8,938)	(\$3,997)	\$2,779	(\$425)
Cash Balance	\$25,814	\$16,876	\$12,880	\$15,659	\$15,234
Net Profit/Revenue	-4.52%	-0.31%	0.04%	0.56%	0.56%

Financial Assumptions

The assumptions below provide growth rates, cash on hand, and the terms of funding based on an initial investment amount of \$105,000.

Financial Assumptions					
	Year 1	Year 2	Year 3	Year 4	Year 5
Growth Assumptions					
Total Revenue Growth		50%	26%	14%	20%
Total Expense Growth		44%	26%	13%	20%
Personnel Assumptions					
Average Salary Growth		3%	3%	3%	3%
Payroll Growth		63%	29%	14%	22%
Cash Assumptions					
Months of Cash on Hand	0	1	2	2	2
Bill Payment Term (Days)	32	32	32	32	32

Appendix: Year One Financials

Year 1 Revenue Forecast												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Total												
Undergrad Admissions	1	2	2	3	3	3	3	3	3	3	4	4
Language Course Admissions	2	3	3	4	5	5	5	5	5	5	6	6
CV/Personal Statement Edit	3	4	5	7	8	8	8	8	9	9	9	9
Price												
Undergrad Admissions	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00
Language Course Admissions	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00
CV/Personal Statement Edit	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00
Revenue												
Undergrad Admissions	\$7,224	\$12,040	\$14,448	\$19,264	\$21,672	\$21,672	\$21,672	\$21,672	\$24,080	\$24,080	\$26,488	\$26,488
Language Course Admissions	\$2,786	\$4,644	\$5,573	\$7,430	\$8,359	\$8,359	\$8,359	\$8,359	\$9,288	\$9,288	\$10,217	\$10,217
CV/Personal Statement Edit	\$348	\$581	\$697	\$929	\$1,045	\$1,045	\$1,045	\$1,045	\$1,161	\$1,161	\$1,277	\$1,277
Total Revenue	\$10,359	\$17,265	\$20,717	\$27,623	\$31,076	\$31,076	\$31,076	\$31,076	\$34,529	\$34,529	\$37,982	\$37,982
Direct Cost												
Undergrad Admissions	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00
Language Course Admissions	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00
CV/Personal Statement Edit	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Direct Cost of Revenue												
Undergrad Admissions	\$83	\$138	\$165	\$220	\$248	\$248	\$248	\$248	\$275	\$275	\$303	\$303
Language Course Admissions	\$139	\$232	\$279	\$372	\$418	\$418	\$418	\$418	\$464	\$464	\$511	\$511
CV/Personal Statement Edit	\$103	\$172	\$206	\$275	\$310	\$310	\$310	\$310	\$344	\$344	\$378	\$378
Subtotal Cost of Revenue	\$325	\$542	\$650	\$867	\$975	\$975	\$975	\$975	\$1,084	\$1,084	\$1,192	\$1,192

Appendix: Year One Financials

Year 1 Personnel Forecast												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Management Staff												
CEO	1	1	1	1	1	1	1	1	1	1	1	1
Manager/Admissions Officer	1	1	1	1	1	1	1	1	1	1	1	1
Education Counselor	1	1	1	2	2	2	2	3	3	3	3	3
Bookkeeper	0	0	0	0	0	0	0	0	0	0	0	0
Marketing Executive	0	0	0	0	0	0	0	0	0	0	0	0
Total Personnel	3	3	3	4	4	4	4	5	5	5	5	5
Management Salaries												
CEO	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Manager/Admissions Officer	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583
Education Counselor	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Management Staff												
CEO	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Manager/Admissions Officer	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583
Education Counselor	\$4,000	\$4,000	\$4,000	\$8,000	\$8,000	\$8,000	\$8,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Total Payroll	\$13,583	\$13,583	\$13,583	\$17,583	\$17,583	\$17,583	\$17,583	\$21,583	\$21,583	\$21,583	\$21,583	\$21,583

Year 1 Income Statement												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue	\$10,359	\$17,265	\$20,717	\$27,623	\$31,076	\$31,076	\$31,076	\$31,076	\$34,529	\$34,529	\$37,982	\$37,982
Subtotal Cost of Revenue	\$325	\$542	\$650	\$867	\$975	\$975	\$975	\$975	\$1,084	\$1,084	\$1,192	\$1,192
POS/Payment Processing	\$311	\$518	\$622	\$829	\$932	\$932	\$932	\$932	\$1,036	\$1,036	\$1,139	\$1,139
Total Cost of Revenue	\$636	\$1,060	\$1,272	\$1,696	\$1,908	\$1,908	\$1,908	\$1,908	\$2,119	\$2,119	\$2,331	\$2,331
Gross Margin	\$9,723	\$16,205	\$19,446	\$25,928	\$29,169	\$29,169	\$29,169	\$29,169	\$32,410	\$32,410	\$35,650	\$35,650
Gross Margin/Revenue	93.86%	93.86%	93.86%	93.86%	93.86%	93.86%	93.86%	93.86%	93.86%	93.86%	93.86%	93.86%
Expenses												
General & Administrative	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Business Insurance	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550
Utilities	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450
Marketing & Advertising	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Professional Services	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Employee Health Benefits	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Startup Expenses	\$13,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation & Amortization	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417
Payroll Taxes & Benefits	\$2,035	\$2,035	\$2,035	\$2,035	\$2,035	\$2,035	\$2,035	\$2,035	\$2,035	\$2,035	\$2,035	\$2,035
Total Personnel	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250
Total Operating Expenses	\$39,452	\$25,752	\$25,752	\$25,752	\$25,752	\$25,752	\$25,752	\$25,752	\$25,752	\$25,752	\$25,752	\$25,752
Profit Before Interest and Taxes	(\$29,729)	(\$9,547)	(\$6,306)	\$176	\$3,417	\$3,417	\$3,417	\$3,417	\$6,658	\$6,658	\$9,899	\$9,899
Interest on Loan Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$29,729)	(\$9,547)	(\$6,306)	\$176	\$3,417	\$3,417	\$3,417	\$3,417	\$6,658	\$6,658	\$9,899	\$9,899
Net Profit/Revenue	-286.99%	-55.30%	-30.44%	0.64%	11.00%	11.00%	11.00%	11.00%	19.28%	19.28%	26.06%	26.06%

Appendix: Year One Financials

Year 1 Cash Flow												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Additional Cash Received												
Revenue	\$10,359	\$17,265	\$20,717	\$27,623	\$31,076	\$31,076	\$31,076	\$31,076	\$34,529	\$34,529	\$37,982	\$37,982
Owner Contribution	\$105,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$105,000	\$13,812	\$18,415	\$24,746	\$28,659	\$29,465	\$29,925	\$30,213	\$33,474	\$33,685	\$36,977	\$37,145
Total Personnel	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250	\$18,250
Bill Payments	\$0	\$7,721	\$8,145	\$8,357	\$8,780	\$8,992	\$8,992	\$8,992	\$8,992	\$9,204	\$9,204	\$9,416
Additional Cash Spent												
Start-up Costs	\$13,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Spent	\$81,950	\$25,971	\$26,395	\$26,607	\$27,030	\$27,242	\$27,242	\$27,242	\$27,242	\$27,454	\$27,454	\$27,666
Net Cash Flow	\$23,050	(\$12,159)	(\$7,979)	(\$1,861)	\$1,629	\$2,222	\$2,683	\$2,970	\$6,232	\$6,231	\$9,523	\$9,479
Cash Balance	\$23,050	\$10,891	\$2,912	\$1,051	\$2,680	\$4,902	\$7,585	\$10,555	\$16,787	\$23,017	\$32,540	\$42,019

Year 1 Balance Sheet												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Assets												
Cash	\$23,050	\$10,891	\$2,912	\$1,051	\$2,680	\$4,902	\$7,585	\$10,555	\$16,787	\$23,017	\$32,540	\$42,019
Total Current Assets	\$33,409	\$24,702	\$19,025	\$20,042	\$24,088	\$27,921	\$31,755	\$35,589	\$42,875	\$49,950	\$60,477	\$70,793
Long-term Assets	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Accumulated Depreciation	\$417	\$833	\$1,250	\$1,667	\$2,083	\$2,500	\$2,917	\$3,333	\$3,750	\$4,167	\$4,583	\$5,000
Total Long-term Assets	\$49,583	\$49,167	\$48,750	\$48,333	\$47,917	\$47,500	\$47,083	\$46,667	\$46,250	\$45,833	\$45,417	\$45,000
Total Assets	\$82,992	\$73,869	\$67,775	\$68,375	\$72,004	\$75,421	\$78,838	\$82,255	\$89,125	\$95,783	\$105,894	\$115,793
Current Liabilities												
Accounts Payable	\$7,721	\$8,145	\$8,357	\$8,780	\$8,992	\$8,992	\$8,992	\$8,992	\$9,204	\$9,204	\$9,416	\$9,416
Subtotal Current Liabilities	\$7,721	\$8,145	\$8,357	\$8,780	\$8,992	\$8,992	\$8,992	\$8,992	\$9,204	\$9,204	\$9,416	\$9,416
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$7,721	\$8,145	\$8,357	\$8,780	\$8,992	\$8,992	\$8,992	\$8,992	\$9,204	\$9,204	\$9,416	\$9,416
Paid-in Capital	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
Retained Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Earnings	(\$29,729)	(\$39,275)	(\$45,581)	(\$45,405)	(\$41,988)	(\$38,571)	(\$35,154)	(\$31,737)	(\$25,079)	(\$18,421)	(\$8,522)	\$1,377
Total Capital	\$75,271	\$65,725	\$59,419	\$59,595	\$63,012	\$66,429	\$69,846	\$73,263	\$79,921	\$86,579	\$96,478	\$106,377
Total Liabilities and Capital	\$82,992	\$73,869	\$67,775	\$68,375	\$72,004	\$75,421	\$78,838	\$82,255	\$89,125	\$95,783	\$105,894	\$115,793
Net Worth	\$75,271	\$65,725	\$59,419	\$59,595	\$63,012	\$66,429	\$69,846	\$73,263	\$79,921	\$86,579	\$96,478	\$106,377



Wise Business Plans