



BASES Social-E Challenge Business Plan

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SEE College Prep—Executive Summary

What Motivates Us

Maria joined Upward Bound after she decided she didn't want to end up like her uncles who died in prison. Maria deserved the best—she worked hard and earned straight A's—but no one from Maria's high school ever attends a top college. When we met Maria, she was a student government leader, a Varsity athlete, and well liked by her teachers. But she was frightened of the SAT, and her previous scores showed it. During our five week SAT preparation program, Maria raised her SAT score 240 points, bringing her within range of the averages at UCLA, where she will be a freshman next year.

Our Program

SEE College Prep trains top undergraduates to deliver quality summer SAT preparation programs to disadvantaged high school students. SEE has created a 5-week, 42-hour program and curriculum it carries out through partnerships with existing college preparation programs that lack the resources to fully prepare their students for college.



Our Impact

For us, Maria's story is typical: over the past two years, we have helped 250 students improve their SAT scores an average of 240 points. When 240 points is greater than the difference in average SAT scores between NYU (1960) and SUNY Binghamton (1730), the results can be staggering: attending a college where the average SAT scores are 200 points higher is worth an additional \$100,000 in lifetime income, and our students who attend private colleges typically qualify for \$200,000 in grant aid.

Maria is among 40,000 California SAT test-takers from low-income families who score, on average, nearly 300 points lower on the SAT than their wealthiest peers. At a cost of just over \$100 per student, our SAT preparation programs eliminate nearly 90% of this gap and help prove, once and for all that all students can succeed if given the opportunity.

Our Model

Community Partnership: Even established programs that have excellent records of connecting disadvantaged students to college—such as Upward Bound—lack the financial resources and SAT-specific expertise to integrate SAT preparation in their programs. Many organizations only offer diagnostic testing or one-day workshops, which have negligible effects on student achievement. These programs further discourage students who never receive the resources they need to confidently approach the exam. Our programs integrate directly into the other activities of our community partners and offer us access to motivated students, classroom facilities, tutors who we can train, and other resources.

Financial Model: Though SEE is structurally a non-profit, it generates revenue by offering its programs to relatively well-off consumers who pay \$699 for the program. By competing in what has been historically a for-profit space, SEE has not only found a compelling path to financial sustainability but also a way to ensure that its programs are market quality. Having already generated more than \$80,000 in revenue with annual growth rates exceeding 100%, SEE will become sustainable by 2012.

Scalability: This summer, SEE will triple in size to serve 360 low-income high school students at 10 sites in Santa Clara, Los Angeles, Orange, and San Diego Counties. Our program can be replicated anywhere we have access to quality instructors, which includes all major urban and suburban regions.

Our Team

SEE College Prep is led by Garrett Neiman (Founder & CEO), Jessica Perez (Executive Director), Amy Do, Amy Truong, Shazad Mohamed, and Cristiana Giannini. Garrett is a perfect 2400 scorer who has raised more than \$30,000 for SEE; Jessica is a Quest Leadership Scholar and Gates Millennium Scholar. Garrett, Jessica, Shazad, and Cristiana are Stanford undergraduates. Amy Truong just completed her PhD at Stanford in Cancer Biology; Amy Do works in Advertising at Google, Inc.

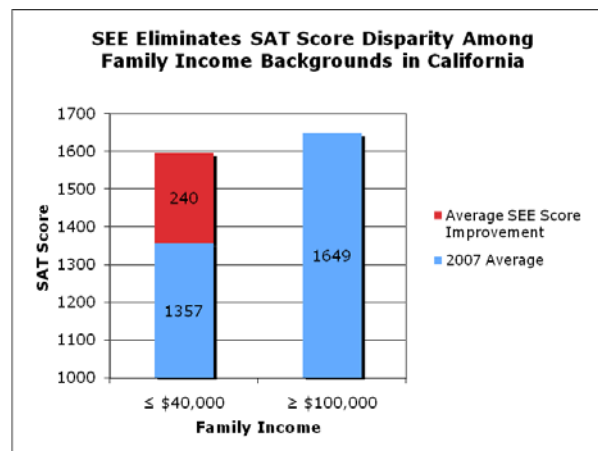


SECTION I: OUR PRODUCT, DISTRIBUTION, AND IMPACT

Market Analysis

Over a lifetime, a four-year college graduate will earn \$1 million more than if she had only a high school diploma. Fully half of low-income students with good grades do not attend four-year colleges. At the top 146 colleges, students with family incomes in the top quartile outnumber those in the bottom quartile 25 to 1 (Century Foundation). The exclusion of the poor is disheartening because top colleges are the most likely to offer generous financial aid and programs for first-generation and minority students as well as the best access to excellent career opportunities.

More first-generation college-bound students are taking the SAT before (USA Today), indicating both unprecedented opportunity and crisis. With admission to America's universities more difficult to come by than ever, more and more families are turning to SAT preparation to give their child a leg up in the process. But for low-income



families, SAT preparation courses often cost an entire month's income or more, locking them out of one of the critical steps in lifting their family's future generations out of poverty. In California alone, more than 40,000 students from low-income families took the SAT, a number that rises every year (College Board).

In 2009, SEE College Prep will triple in size to serve 360 disadvantaged students, nearly 1% of the market in California. While certain populations will be more difficult to reach, such as those who live in rural areas, we are confident that SEE will be able to maintain the growth necessary to reach at least 20,000 students—half of the eligible population in California—within five years. Ultimately, we will look nationally toward the 1 million students who lack the resources to fully prepare for college.

At the top 146 colleges, students with family incomes in the top quartile outnumber those in the bottom quartile 25 to 1.

In California alone, more than 40,000 low-income students took the SAT.

SEE will reach at least 20,000 students each year within five years.



Social Entrepreneurship Challenge – Business Plan

Our unique 102-page curriculum is designed by several Stanford undergraduates—including our founder, who improved his SAT score 510 points to a perfect 2400.

Ultimately, we hope to recruit instructors entirely from within the communities where we work.

Our Program

High school GPA and SAT scores have nearly equivalent worth in college admissions, but while students spend thousands of hours completing assignments to earn their GPA, many take the SAT without any preparation at all. SEE College Prep trains top undergraduate students to deliver quality summer SAT preparation programs to disadvantaged high school students through partnerships with existing college preparation programs that lack the resources and SAT-specific expertise to fully prepare their students for college.

Designed by several Stanford undergraduates—including our founder, who improved his SAT score 510 points to a perfect 2400—our 102-page curriculum is unique and proven to work. Our instructors are among the most qualified in SAT preparation, often boasting scores well into the 99th percentile. Our teaching and tutoring teams are composed of Stanford undergraduates, Stanford graduate students, and our finest former program participants. We believe that with each student we help we will develop and support these communities. Indeed we hope to ultimately recruit entirely from within the communities where we work, and we thoroughly prepare our instructors with training from a perfect 2400 scorer with two years of SAT preparation experience.

Students in our program attend six hours of class each week for five consecutive weeks during the summer. Modeled after university courses, our classes include two 90-minute “lectures” and two 90-minute “small group sessions” each week. Lectures, comprised of no more than 18 students, introduce and facilitate discussion of the strategies and material necessary to succeed on the SAT. Small group sessions, led by a tutor and comprised of 3-5 students, review homework problems that solidify the course material. Our homework assignments help our instructors identify the areas that students find challenging. Students receive feedback on every question they don’t understand on six real SAT tests and leave the course with an understanding of over 1,000 real SAT questions and the confidence to succeed.





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Lectures are led by the site director, who is responsible for teaching two courses of 18 students and managing 12 volunteer tutors who commit 3-6 hours each week to lead small group sessions. Students also take three full-length, proctored SAT examinations.

Program Quality

We have an established curriculum that is proven to work. After our founder improved his SAT score by more than 510 points to a perfect 2400—a feat accomplished by less than 1,000 students worldwide since the New SAT was first administered in 2005—he led the development of our now proven curriculum. We also make significant use of the College Board’s *Official Guide for the New SAT*. The College Board book is unique in that it is the only source for real SAT questions. Other programs rely exclusively on their own materials, which often do not accurately reflect the kinds of questions likely to be seen on the SAT. Since so much of SAT preparation is about test familiarity, students are severely disadvantaged when they rely on questions not released by the test maker. Proof of the strength of our program lies in the 240 point average improvement of our students’ test scores.

Our instructors are among the most qualified in SAT preparation, boasting SAT scores often well into the 99th percentile and completion of an intensive, SAT-specific training program. One of the most acute weaknesses found in today’s test preparation companies is a lack of quality instruction. We have overcome this barrier by maintaining a strong personal relationship with our instructors and former program participants, the most qualified of whom we invite to teach the following summer. Through this approach, we have recruited staff who are committed to our mission, understand our constituents, and serve as role models for students who desperately need them. All staff participate in a training program led by a perfect 2400 scorer who has at least two years of experience in SAT preparation.

Our classroom courses are unique in structure. Modeled after university courses, our classes include five weeks of instruction that feature two lectures per week, two discussion sections per week, office hours, and proctor-administered mock examinations. Through this structure, we put into practice an 80/20 philosophy: our approach is far more effective than classroom instruction alone while far less resource intensive than one-on-one tutoring. Our dual model also gives program participants a taste of how

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Our approach is far more effective than classroom instruction alone while far less resource intensive than one-on-one tutoring.

Modeled after university courses, our dual model also gives program participants a taste of how college courses function.



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While other test preparation programs—even programs that can cost \$1,000 or more—pack students into classrooms of 30 students or more, even our lectures are capped at 18 students.

Even established programs that have excellent records of connecting disadvantaged students to college lack the financial resources and SAT-specific expertise to integrate SAT preparation into their programs.

Our partnerships are efficient and make the most of our combined resources.

college courses function, a concept that is reinforced often as nearly all of our instructors are college students.

Our classes are small. While other test preparation programs—even programs that can cost \$1,000 or more—pack students into classrooms of 30 students or more, even our lectures are capped at 18 students. More importantly, the lecture series is a relatively small component of the program. Discussion sections, which include half of the primary class time, are capped at 5 students.

Distribution: Community Partnership

Even established programs that have excellent records of connecting disadvantaged students to college—such as Upward Bound—lack the financial resources and SAT-specific expertise to integrate SAT preparation in their programs. Many organizations only offer diagnostic testing or one-day workshops, both of which have been shown to have negligible effects on student achievement. These programs are not only wasteful but also discouraging to students who find the SAT intimidating but never receive the resources they need to confidently approach the exam. Our programs integrate directly into the other activities of the organizations that we work with. We also eliminate the need for community organizations to inefficiently attempt to design their own SAT curriculums and programs.

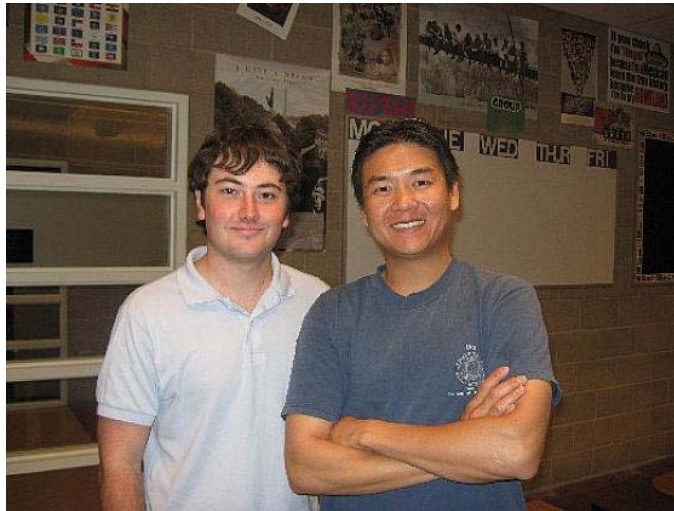
Our partnerships are efficient and make the most of our combined resources:

	SEE College Prep	Community Partners
Curriculum	✓	
Program	✓	
Training	✓	
Instructors	✓	✓
Students		✓
Facilities		✓
Conduct / Discipline		✓
Printing Costs		✓



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Through community partnership, we focus our resources on what we know best: SAT preparation. Each of our partner organizations already targets our intended demographic, which enables to spend our time thinking of ways to improve our programs instead of ways to recruit students who will take our program seriously. Our partner organizations also provide a valuable infrastructure including classrooms facilities, detailed systems of accountability that require each student to commit their best to the program, and pools of qualified tutors that we can train. These organizations also enable us to make use of community service work study, which has enabled us to hire eligible instructors for \$1 per hour (universities and the federal government cover the rest).



Our founder with Tony Hwang, Director of Upward Bound at UC Irvine.

When we identify a potential partner organization, we conduct an intensive due diligence process. The first step involves determining whether our mission is truly shared, whether the organization sufficiently prepares its students for college (outside of test preparation), whether the organization has a demonstrated need for our SAT preparation program, and whether they can meet their responsibilities as a partner organization. We also require an interview with the organization's Director, as we believe that open communication with the Director is essential. We also believe that the Director plays a significant role in developing the culture of the partner organization. The culture of our partner organizations is extremely important, for the success of our efforts depends heavily on the Director's ability to maintain discipline and a commitment to learning. We look especially favorably on summer residential programs, which ensure student

Our community partners enable us to focus our resource on what we know best: SAT preparation.

As stringent as our criteria may be, we believe strongly in the capacity of each of our community partners.

In the summer of 2009, we will operate 10 sites in Santa Clara, Los Angeles, Orange, and San Diego Counties.



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NORTHERN CA:

East Palo Alto:
 -Stanford College Prep
 (formerly Stanford UB)
 -Eastside College
 Preparatory School
 -Boys and Girls Clubs
 of the Peninsula

SOUTHERN CA:

Los Angeles:
 -South El Monte High
 School

Orange:
 -EAOP (4 sites)
 -UCI Upward Bound

San Diego:
 -UCSD Upward Bound

attendance. We also re-evaluate our partner organizations each year to ensure that they still meet our criteria. Given the stringency of our criteria, we believe strongly in the capacity of each of our community partners.

In the summer of 2009, SEE College Prep will triple in size to serve 360 students at 10 sites through 7 community partners:

Our Community Partners:





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Competitive Analysis

SEE's average score improvement is nearly one hundred points higher than Princeton Review's and eighty points above Kaplan's—both of which cost almost double the price of SEE's revenue-generating classes. Yet SEE offers its higher quality courses to low-income students, helping them more significantly improve their scores at no cost to them. The distinct quality of SEE programs is even more pronounced in comparison to non-profits that offer SAT prep. Let's Get Ready, for example, improves scores by an average of 110 points—SEE more than doubles that figure. SEE surpasses the competition without adding in unnecessary hours of instruction or practice tests.

Organization	Avg. Score Improvement	Price	Hours of Instruction	# of Practice Tests	Average Class Size	All instructors taken new SAT?
SEE, Revenue	233	\$699	30	3	8	✓
SEE Non-Profit	240	\$0	30	3	8	✓
Princeton Review	145	\$1,049	30	4	11	
Kaplan	160	\$1,049	21.5	4	12	
Let's Get Ready	110	\$0	30	3	5	

SEE prides itself in offering outstanding SAT preparation at an affordable cost. SEE spends only \$217.48 for each student in its program, including materials, instruction, and personal feedback. Let's Get Ready spends \$580.31 per student, and Jumpstart Inc., which works to improve literacy among pre-school children, spends \$918.20 per student. By working closely with community partners, SEE keeps its costs low and in turn gives quality help to hundreds of students.

	Average Cost Per Student
SEE College Prep	\$217.48
Let's Get Ready	\$580.31
JumpStart	\$918.20

SEE's program averages a 240 point increase; Kaplan averages only 160 and Princeton Review averages only 145.

SEE's revenue-generating classes are of higher quality and less than three fourths of the cost of its competitors.

SEE programs cost only \$217 per student, compared to as much as \$1,000 per student at similar organizations.



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Our students who attend a 4-year college instead of a 2-year college, as a result of their score improvements, will earn \$1 million more than they would have.

Our students who go on to selective colleges receive \$150,000 in scholarships.

Our Impact (Social Return on Investment and Intangibles)

Our programs have proven impact: on average, compared to baseline diagnostic tests, our students see a cumulative 240 point score increase. Since these exams are formerly administered College Board SAT examinations and are presented in a testing environment, the difference between a students' diagnostic and final scores serve as a compelling proxy for the improvements that students made throughout the course.

Improvements in SAT scores lead to other quantifiable outcomes. Most notably, completion of higher levels of education is causally associated with greater future income. This result is relevant for all levels of higher education obtained: those who obtain a 2-year degree earn nearly \$500,000 more than those with only a high school diploma; those who obtain a 4-year degree earn \$1 million more than those with only a 2-year degree; and those who attend a selective 4-year university earn \$180,000 more than those who do not. Those who attend a selective private institution also qualify for, on average, an additional \$150,000 in grant aid. Our students fall within four categories:

- (1) Those who do not immediately attend a 4-year college.
- (2) Those who attend a 4-year college who would have attended a 2-year college.
- (3) Those who attend a more selective 4-year college than they would have.
- (4) Those who attend a private 4-year college instead of a public college.

Data Type	(1)	(2)	(3)	(4)
% of Total Students	4%	20%	70%	6%
Additional Earnings	\$0	\$1,026,000	\$180,000	\$180,000
Additional Grant Aid	\$0	\$0	\$0	\$150,000
Graduation Rates	0%	26%	39%	52%
Average Social Return	\$0	\$266,760	\$70,200	\$171,600

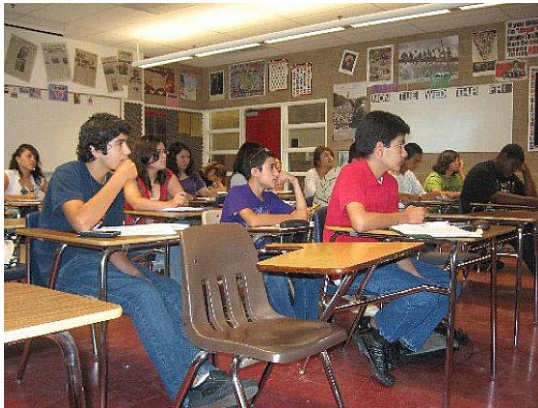


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By calculating a weighted average of the four student types (\$112,788)—a figure we believe to be very conservative—and comparing that result to our variable costs per student (\$111.90) and our total costs per student (\$217.46), we calculate our SROI as:

	Social Return per Dollar
Variable Costs Only	\$1,007.94
Total Costs	\$518.66

We are also exploring others effects of our program. One area we hope to explore further is peer effects. We have seen anecdotally that we are beginning to build a culture of SAT preparation in schools where few students go to college. For example, at South El Monte High School three years ago, zero students obtained a fee waiver for SAT registration; this year, more than 100 students obtained fee waivers. We believe these results are significant as the University of California’s Early Academic Outreach Program has found that just by taking the SAT students are much more likely to go to college.



Students have told us that our classes improve their everyday performance in school, which is unsurprising because we work to solidify basic skills in math, reading, and writing; we also help students keep pace with their wealthier peers who are much more likely to attend summer enrichment programs.

By employing several of our top former program participants, we support job creation in communities where nearly one third of teens are unemployed. More broadly, we are working to create a statewide corps of future teachers and civically-engaged professionals. This summer alone, more than 15 undergraduates will gain teaching experience in low-income communities while 50 more will gain tutoring experience. By offering teaching experience in a controlled environment, we are working to confront one of the biggest policy concerns in education: the quality of first-year teachers.

South El Monte High School went from 0 students requesting SAT fee waivers to more than 100 students. SEE gives back to the community by hiring SEE alums as teachers.



SECTION II: ORGANIZATIONAL AND FINANCIAL MODEL

Business Model

Though SEE is structurally a non-profit, it generates revenue by offering its programs to relatively well-off consumers who pay \$699 for the program. By competing in what has been historically a for-profit space, SEE has not only found a compelling path to financial sustainability but also a way to ensure that its programs are market quality. Having already generated more than \$80,000 in revenue with annual growth rates exceeding 100%, SEE is well on the path to sustainability.

While we cannot say for certain whether SEE will ever be fully sustainable, we are confident that our revenue-generating programs will sufficiently cover our “fixed costs,” which include primarily management costs. Since these are the costs that foundations and individuals are the least willing to fund, we believe that the remainder of our budget will appear especially attractive to potential contributors.

In 2008, more than half of our \$34,000 budget came from our revenue-generating programs. In 2009, we expect our revenue-generating programs to cover a similar share of our \$70,000 budget. During both years, “profits” from our revenue-generating programs exceeded total management costs.

Since we are a new organization that is growing quickly, we need to obtain some bridge funding to support our ability to expand. To obtain venture philanthropy funding, we need to prove that our programs can be replicated at scale. In part to meet these institutional demands, we seek a growth strategy that—in the short term—outpaces the growth of our revenue-generating programs.

Our most significant capacity constraint is that we have no full time staff. Though we have many full-time summer staff, it is important that we develop the organization to a size that justifies hiring a full-time Executive Director. Until we reach this milestone, we will be unduly limited. Since our management’s salaries are sustained entirely by our revenue-generating programs, we only seek funding to support our growth, not general support.

SEE makes itself sustainable by giving revenue-generating classes—using this model it has earned \$80,000.

SEE hopes to be fully sustainable in the future, but currently needs bridge funding in order fund its rapidly growing program.



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The hybrid model has had proven success in other non-profit ventures. Perhaps the best known example is the Aravind eye hospitals and clinics, which have operated in India for more than 30 years. These facilities provide the same quality care to both rich and poor. The success of their model, much like our own, depends on the superior quality of their services and their well-organized system. Patients receive excellent care and have access to well-equipped support facilities, which make the hospitals attractive options for medical services even among paying patients. Aravind uses revenue from these paying patients to perform surgeries within the same hospitals, by the same quality professionals, to perform surgeries on patients who are unable to afford such services. In 2006, two-thirds of surgeries were offered to the poor, free of cost (Aravind). We identify with Aravind's philosophy and believe a similar approach could be taken to address educational inequities in the United States.



Aravind Eye Hospital in India offers quality surgeries to everyone—including those from low-income families—through a hybrid business model.

Currently, SEE offers two sets of programs: programs where students pay full tuition and programs where students pay nothing at all. In the future, we hope to better meet the needs of all students by adopting a sliding scale model, much like a university financial aid model. We believe this approach will make yet another significant stride in making SAT preparation accessible to all students.

Financial Plan:

Funding from Revenue-Generating Programs: we operate revenue-generating programs in Orange County, California. These revenue-generating entities function much like other SAT preparation companies in that we obtain our clients through advertising, word of mouth, and a presence on the web. Since our programs have been so successful,

SEE's hybrid model is used in India's Aravind eye hospitals, which have been highly effective in the past 30 years.

SEE's revenue-generating entities brought in over \$50,000 in 2008—150% more than in 2007.



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SEE hopes to receive interim bridge funding to support its rapidly growing program and justify the hiring of a full-time Executive Director.

we have seen tremendous year-over-year revenue growth. In 2008, revenues from these programs grew 150% to more than \$50,000. As our organization develops and our brand becomes more prominent, we anticipate that we will continue to experience substantial growth in upcoming years.

We do not anticipate that the recent economic downturn will negatively impact our revenue growth. Our impression is that SAT preparation is something that in most cases families are not willing to forego entirely. Consequently, families who change their behavior will likely enroll their children in a less expensive SAT preparation program. Since our program is less than three quarters of the price of our key competitors—The Princeton Review and Kaplan, Inc.—we anticipate that if anything poor financial conditions will augment our revenue growth rates. In these challenging times, we pride ourselves more than ever on our ability to offer a quality, affordable SAT preparation program to all families.

Interim Bridge Funding: The growth of our programs is essential because we need to have a budget and program that is sufficiently large to justify a full-time Executive Director by 2010. For this reason, we see growth as a necessity rather than as a mere objective. Consequently, the growth of our non-profit programs—from 100 students in 2008 to 300 students in 2009—has outpaced the revenue capacity of our for-profit programs. It is nevertheless necessary for us to seek out funding in the short-term that enables us to manage the substantial growth of our programs.

The bridge funding we seek is different than other grant requests in that we see grants as a short-term solution, not as a cornerstone of our business model. Once our organization is operating on a scale that justifies a full-time Executive Director, we will have more flexibility to pursue a more conservative growth strategy that is outpaced by growth in our revenue-generating programs.

We have identified several foundations that we will solicit grant funding from in 2009, including the Silicon Valley Community Foundation, the Rappaport Family Foundation, and The College Board. There are also numerous grant opportunities available through Stanford's Haas Center for Public Service. Later this year, we will also solicit funding through our fiscal sponsor Global Giving, a web site that processes online donations for up-and-coming non-profits. Since our tax exemption paperwork is still being processed, Global Giving also offers a means of accepting foundation funding.



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Financial Scalability

SEE will manage its financial scalability by building up its revenue-generating client base while obtaining support from foundations and individuals when necessary. In the past year, our revenue-generating programs have experienced growth rates exceeding 100%, offering a powerful revenue source for future expansion of our organization. Since our management costs are covered entirely by this revenue source, we also have a compelling case for foundation funding.

In the future, we will also begin to make use of Community Service Work Study, a program that enables us to hire eligible instructors for just \$1 per hour (universities and the federal government pay the rest). With the help of this program, we will cut over one fourth of our per-site costs.

Organizational Scalability

This upcoming summer, SEE will triple in size to serve 360 low-income high school students at 10 California sites in Santa Clara, Los Angeles, Orange, and San Diego Counties. SEE's exponential growth has been made possible by its revenue-generating programs and community partnerships. Our program can be replicated anywhere where we have access to quality instructors, which includes all major urban and suburban regions.

To maintain program quality, we must focus on two main areas: recruitment of quality instructors and selection of quality community partners. On the instructor quality side, we rely heavily on our best former participants, who we recruit back to the program as teachers. When SEE grows to serve more students, we also will have more SEE alumni who can potentially return to the program as paid staff. We believe that many



undergraduates, especially those at the most selective universities who scored well on the SAT, can run our programs effectively. As the program develops, we will further solidify our training program to ensure that our site directors can implement our program effectively.

In most cases, staff start as Small Group

SEE will triple in size this summer, serving 360 students in 10 California sites.

SEE's program includes a lecture and small group session which have proved highly successful.



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SEE offers free practice tests to draw in new students.

SEE grows by word of mouth—our students are so pleased with the program that many have recommended us to peers.

Leaders—teaching a group of three to five students—before we place them in front of a classroom. By nurturing the leadership skills and maturity of our younger teachers, we ensure that they are academically and emotionally prepared to lead a classroom.

We also hope to recruit high quality staff by boasting the advantages of taking such a position. Currently, we are looking to advertise the positions as an opportunity to learn how to manage an emerging not-for-profit organization. Undergraduates are also interested in our commitment to social entrepreneurship and our revenue-generating model. By drawing innovative individuals to our organization, we will be able to make whatever improvements are necessary to grow effectively.

Marketing and Sales Plan

Our hybrid approach targets two different market areas. Our revenue-generating program reach out to students who can afford a college prep program. We provide an attractive alternative through the proven quality of our program, the mission behind our work, and the lower cost of the service. Our tuition-free components provide the same quality program to our low-income students. We distinguish ourselves from other education-focused non-profits in this market area by focusing specifically on SAT-prep and concentrating our efforts on low-income communities in California that already have programs in place with whom we may work. Our partnership method allows us to target resources in areas where they will be most effective.

Revenue-generating programs: We use multiple marketing channels to promote our revenue-generating programs. Each year, we administer several free practice SAT exams for high school students. By collaborating with a team of student body officers at local high schools, we recruit hundreds of students to attend free practice SAT exams. The practice exams are followed by information sessions for students and parents, during which we present the unique benefits of our summer classes before distributing students' practice test scores. After each of these promotional events, we receive an influx of sign-ups for our summer classes.

While we recruit the majority of our revenue-generating students each year through promotional practice tests and information sessions, we have also launched effective online advertising campaigns to target students and parents searching on Google.com for SAT summer preparation courses. By directing this targeted search



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traffic to our website, we have been able to successfully increase awareness of our program and boost the number of enrollments in our summer program, achieving a strong return on our investment (last year, we brought in incremental revenue from online advertising equal to more than eight times our advertising budget).

We also receive a significant number of enrollments from students who learn about our program from peers. With our friend referral discount program, we encourage students to reap the benefits of having a network of peers in the classroom while promoting our program through word-of-mouth. For upcoming years, we plan to establish fundraising partnerships with high school organizations such as sports teams, academic clubs, and music groups to promote our program. We plan to encourage parents and teachers supporting these student groups to promote our program. In return, we will make donations to the groups for each sign-up that we receive. In this way, we can establish a mutually beneficial relationship with these high school organizations.

Selling our for-profit service has previously depended mostly on word-of-mouth acclaim for the superior quality and cost effectiveness of our program. We are experimenting in new sponsorship strategies to market our for-profit component further. This year we arranged for a public school after-school music program to promote us among their students. For every student sent to us, we offered \$100 to the music program. This strategy proved very successful, and we are investigating similar approaches to attract more students. We believe that even though our program lacks a big brand name, students will trust our method based on the positive reports of their mentors and peers who have benefited from our results.

Non-profit service: Scaling and marketing the non-profit component depends on the continued success stories of our program, providing the incentive for more and more community organizations to partner with us and help us expand our enrollment. The best strategy for marketing our non-profit component is ensuring that we continue to recruit quality teachers who are personally dedicated to helping their students succeed. As our program expands, we will stay committed to our intense tutor selection and training processes. We will also work to constantly up-date and improve our curriculum so that it continues to provide an effective template for SAT preparation.

SEE works with Tesoro high school's music program to draw in new students.

SEE is working to create college access resources for its students that included financial aid and essay help.



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SEE will use technology to keep up with its students, utilizing text messages and instant messages.

The economic downturn will benefit SEE, as parents seek a cheaper alternative for quality SAT prep.

Future Growth

Online SAT Resources: We are in the process of developing SAT courses on video that we can share with students online. The Early Academic Outreach Program (EAOP), a University of California outreach program, has expressed interest in sharing our videos with its 40,000 students. While online programs are not as effective as our classroom programs, they nevertheless present a meaningful first step—especially outside of California—that will enable us to reach new regions.

Risk Analysis

As SEE expands its programs it faces a number of potential risk factors going forward.

Economic Downturn: We do not anticipate that the recent economic downturn will negatively impact our revenue growth. Our impression is that SAT preparation is something that in most cases families are not willing to forego entirely. Consequently, families who change their behavior will likely enroll their children in a less expensive SAT preparation program. Since our program is approximately half of the price of our key competitors—The Princeton Review and Kaplan, Inc.—we anticipate that if anything poor financial conditions will augment our revenue growth rates. In these challenging times, we pride ourselves more than ever on our ability to offer a quality, affordable SAT preparation program to all families.

However, SEE will be dependent on grants and other sources of bridge funding until 2012 when we estimate being able to achieve full financial sustainability. SEE's resources in the interim won't be capable of fully funding our nonprofit programs. Our ability to continue to sustain our services for low-income communities is dependent on financial grants from foundations and other funding sources. Like all nonprofit organizations, we face the possibility of potential cutbacks in grants during the coming years following a relative decline in foundation endowments and the availability of social sector grants and income. As a conservative estimate, major donors may cut funding by as much 30% in the coming year relative to declines in asset prices. SEE will continue to work on diversifying funding sources, increasing financing from paying customers, and adjusting program priorities based on available sources of funding.



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Program Quality and Scalability: As SEE expands its programs the risk of comprising staff quality remains an acute possibility. Meeting the needs of a larger of number of students will demand that we continue to make investments in carefully identifying and selecting qualified teachers. Our focus on hiring instructors with 98th and 99th percentile scores limits the pool of potential teachers that we can draw on for our programs.

We invite the most qualified and successful students from our previous years to join us as instructors in our program. As we expand beyond the state of California, our ability to draw on this pool will be limited, particularly during the initial stages of expanding to any new location. We anticipate this limiting our growth outside of California during the first 2-years of operating in any new location as our program capacity ramps up and a suitably qualified instructor pool is identified.

SAT optional: SEE is currently based in California and a large number of our students apply to the UC system each year for college admission. We continue to face the possibility that changes in the admissions policy of the UC system at some point in the future will either make the SAT optional or drop the requirement of submitting SAT scores all together. The concentration of our for-profit services in California means that any potential changes in the use of the SAT could lead to a relative decline in revenues that would be capable of financing our nonprofit services.

However, we anticipate that even if the UC system were to drop its SAT requirement, our for-profit customers would continue to see the value in investing in SAT preparation for universities outside of the state of California that continue to require standardized tests in admissions decisions. The use and endorsement of the SAT by nearly all major selective private universities will likely continue to sustain demand among our paying customers for SAT preparation services.

SEE focuses on hiring the most qualified teachers.

SEE relies on the university system's use of the SAT.



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SEE is dedicated to maintaining the transparency of its program to ensure that students receive the best support.

SEE has a diverse board of experts.

Governance

In order to effectively serve its students, SEE seeks advice from experts in various disciplines. We believe that SEE is largely successful because it combines ideas and techniques from different fields; thus we find it imperative that we receive guidance from the best in each of these fields. These include individuals in higher education, education non-profits, business, academia, and law. Our higher education advisers offer advice on access to postsecondary education, The College Board and the SAT, as well as first-generation, low-income student affairs. Our education non-profits advisers all lead top non-profits and provide guidance non-profit management. SEE's business advisers contribute their business expertise to SEE's revenue-generating efforts and management undertakings. Our advisers in academia offer advice on our program structure and ideologies, and our legal advisors provide guidance on non-profit and business protocol.

With the direction of our expert advisers, we will work to create an Advisory Board, which will include current and new advisers, who will counsel SEE College Prep on each aspect of its program. The Advisory Board will lay a foundation for building a Board of Directors, which we anticipate will be up and running by January 2010.

Our Advisers

Higher Education	Title
Gaston Caperton	President of The College Board, Former Governor of West Virginia
Anthony Marx	President of Amherst College
James Montoya	Former Stanford Dean of Admissions, Senior VP at The College Board

Education Non-Profits	Title
Ana McCullough	Founder and Board Chair of QuestBridge
Jeannie Rosenthal	Founder and Former Executive Director of Let's Get Ready
Chris Bischof	Founder, Principal, and Board Chair at Eastside Preparatory School

Business	Title
Lance Fors	Former CEO Third Wave Technologies, Board Chair at SV2
Barbara Kibbe	General Partner at Monitor Group, Former VP at Skoll Foundation
Mike Gullard	Partner at Cornerstone Management, Board Chair at Peninsula BGC



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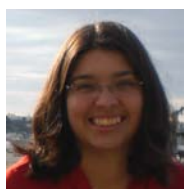
Academia	Title
Fred Stout	Research and Program Officer at Stanford School of Education
Chip Heath	Professor of Organizational Behavior at Stanford GSB

Legal	Title
Michael Duncheon	General Partner at Hanson Bridgett LLP

Our Team



Garrett Neiman (Founder and CEO) is a junior at Stanford University and a perfect 2400 scorer on the SAT. An accomplished fundraiser, Garrett has raised more than \$15,000 for his sister's orphanage in China and more than \$30,000 for SEE College Prep. In the past, Garrett has advised the National Director of SAT Programs, interned at the U.S. Department of Education, and collaborated with Stanford and Harvard faculty on an education research project. Currently, Garrett is a Board Observer at the Boys and Girls Club of the Peninsula, Girls For A Change, and The New Leaders Council.



Jessica Perez (Executive Director) is a junior at Stanford University majoring in English. A Quest Leadership Scholar and Gates Millennium Scholar, Jessica has returned the past three summers to work at her alma mater, South El Monte High School. Jessica has helped hundreds of students navigate the college admissions and financial aid process; she has also taught SAT prep through SEE. Jessica's efforts have inspired many students to attend college, and she has personally helped low-income, minority students gain admission to Stanford, Yale, UC Berkeley, and other prestigious institutions.



Amy Truong (Vice President, Northern California) recently obtained her PhD in Cancer Biology from Stanford University. She was a recipient of the prestigious HHMI Graduate Fellowship and the Stanford Graduate Fellowship. Previously, Amy completed her undergraduate education at Emory University where she graduated Summa Cum Laude with a 4.0 GPA and served as Vice President of Phi Beta Kappa. Prior to beginning her graduate studies, she also worked as a research assistant at Pfizer. Education has been a central focus for Amy. She



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served as a Chemistry mentor at Emory for 3 years and has been a teaching assistant for two undergraduate courses at Stanford. One of SEE College Prep's first program directors, Amy managed a program of 40 students this past summer at Stanford College Prep. She also has negotiated partnerships with several not-for-profit organizations.



Amy Do (Operations Director) graduated *summa cum laude* from Dartmouth, majoring in Economics and Psychological & Brain Sciences. In 2003, Amy founded Academic Advantage, a K-12 tutoring company. As president and founder of Dartmouth's Society of Psychological and Brain Sciences, Amy organized events for students and faculty, published a journal of undergraduate research, and led fundraisers. Amy served as head chair of Wishing Well, a nonprofit organization devoted to granting wishes for child hospital patients and their families. She continued to build her teaching skills as a peer tutor, study group leader, and Academic Coach for high school students from under-resourced schools. At Google, Amy is a Relationship Manager for top-spending Google AdWords clients. She received the Google Online Sales and Operations Gold Award for outstanding individual contribution.

Shazad Mohamed (Development Fellow) is a junior at Stanford majoring in



Political Science and Symbolic Systems. He currently works on a research project at the Graduate School of Business that's analyzing the transparency and social impact of nonprofit organizations. Prior to Stanford, he served as the founder and CEO of GlobalTek Solutions, a healthcare software company. At Stanford, Shazad serves as a co-director and board member of Stanford in Government, the largest nonpartisan political organization on campus, and an officer in the Future Social Innovators Network. He also co-led the Social Entrepreneurship Alternative Spring Break Program for 2009.



Cristiana Giannini (Development Fellow) is a sophomore at Stanford University majoring in Political Science and Comparative Literature. She has spent two years at the Center for International Security and Cooperation at Stanford, where she worked with a professor on an upcoming publication. In the past, Cristiana has also worked as part of the Recruitment Team at Face AIDS, helping to establish new chapters across the country and expand fundraising efforts. She also has tutored for various non-profits



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APPENDIX II: 3-5 YEAR FINANCIAL PROJECTIONS

Revenues	2008	2009	2010	2012	2014
# of revenue-generating students	54	108	216	648	1,296
Revenue per student	\$699	\$699	\$799	\$899	\$999
Gross margins	50%	50%	45%	40%	35%
“Profit” per student	\$349.50	\$349.50	\$359.55	\$359.60	\$349.65
Total “profit”	\$18,873	\$37,746	\$77,662.80	\$233,020.80	\$453,146.40
Grants	\$6,000	\$25,000	\$25,000	\$200,000	\$600,000
Fundraising	\$8,803	\$15,544	\$14,762.20	\$71,179.20	\$549,654
TOTAL	\$33,676	\$78,290	\$127,425	\$504,200	\$1,602,800

Fixed Costs	2008	2009	2010	2012	2014
CEO			\$15,000	\$40,000	\$45,000
Executive Director	\$7,500	\$15,000	\$15,000	\$40,000	\$45,000
Director, Southern CA	\$5,000	\$5,000	\$5,000	\$35,000	\$40,000
Director, Northern CA	\$5,000	\$5,000	\$5,000	\$35,000	\$40,000
Development		\$8,000	\$8,000	\$35,000	\$70,000
Marketing / PR		\$1,750	\$1,750	\$5,000	\$35,000
Operations		\$1,500	\$1,500	\$4,000	\$35,000
Web Development		\$1,000	\$1,000	\$2,500	\$35,000
Recruitment		\$750	\$750	\$2,000	\$35,000
TOTAL	\$17,500	\$38,000	\$51,000	\$198,500	\$380,000

Per-Site Costs	2008	2009	2010	2012	2014
Site Director	\$2,160	\$2,160	\$1,188	\$1,188	\$1,188
Exam Proctoring	\$270	\$270	\$270	\$270	\$270
CB Study Guide (50)	\$599	\$599	\$599	\$599	\$599
Curriculum Books (50)	\$200	\$200	\$200	\$200	\$200
Practice Exams (150)	\$300	\$300	\$300	\$300	\$300
Miscellaneous	\$500	\$500	\$500	\$500	\$500
TOTAL	\$4,029	\$4,029	\$3,057	\$3,057	\$3,057



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Total Site Costs	2008	2009	2010	2012	2014
Per Site Costs	\$4,029	\$4,029	\$3,057	\$3,057	\$3,057
# of Sites	4	10	25	100	400
TOTAL	\$16,116	\$40,290	\$76,425	\$305,700	\$1,222,800

Total Costs	2008	2009	2010	2012	2014
Fixed Costs	\$17,500	\$38,000	\$51,000	\$198,500	\$380,000
Total Site Costs	\$16,116	\$40,290	\$76,425	\$305,700	\$1,222,800
TOTAL	\$33,676	\$78,290	\$127,425	\$504,200	\$1,602,800

Cost Per Student	2008	2009	2010	2012	2014
# of Students	144	360	900	3,600	14,400
Fixed Cost per Student	\$121.53	\$105.56	\$56.67	\$55.14	\$26.39
Site Cost per Student	\$111.92	\$111.92	\$84.92	\$84.92	\$84.92
TOTAL	\$233.45	\$217.48	\$141.58	\$140.06	\$111.31